



**COUNTY OF KERN  
STATE OF CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2002**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2002**



**COUNTY OF KERN**

- Supervisor Jon McQuiston ..... First District**
- Supervisor Don Maben.....Second District**
- Supervisor Barbara Patrick .....Third District**
- Supervisor Raymond A. Watson.....Fourth District**
- Supervisor Peter H. Parra .....Fifth District**
- Scott E. Jones – County Administrative Officer**

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

**COUNTY OF KERN**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2002**  
**Table of Contents**

**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL.....	1
DIRECTORY OF ELECTED COUNTY OFFICIALS.....	7
DIRECTORY OF APPOINTED COUNTY OFFICIALS.....	8
ORGANIZATIONAL CHART.....	9
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING.....	10

**FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT.....	11
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	12

**BASIC FINANCIAL STATEMENTS:**

**Government-wide Financial Statements:**

Statement of Net Assets.....	23
Statement of Activities.....	24

**Fund Financial Statements:**

Governmental Funds

Balance Sheet.....	25
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities.....	30

Proprietary Funds

Statement of Net Assets – Proprietary Funds.....	31
Statement of Revenues, Expenditures, and Changes in Net Assets - Proprietary Funds.....	32
Statement of Cash Flows – Proprietary Funds.....	33

Fiduciary Funds

Statement of Fiduciary Net Assets – Fiduciary Funds.....	35
Statement of Changes in Net Assets – Investment Trust Fund.....	36

<b>Notes to the Financial Statements.....</b>	<b>37</b>
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**REQUIRED SUPPLEMENTARY INFORMATION:**

Schedule of Funding Progress.....	99
Budgetary Comparison Schedules – Major Governmental Funds	
General Fund.....	100
Kern County Department of Child Support.....	115
Employers' Training Resource.....	116
Human Services.....	117
Mental Health.....	118

**COUNTY OF KERN**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2002**  
**Table of Contents**

Road .....	119
Structural Fire.....	120
Notes to Required Supplementary Information.....	121
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
<b>Nonmajor Governmental Funds:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	125
<u>Special Revenue Funds</u>	
Combining Balance Sheet .....	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	132
Budgetary Comparison Schedules:	
Aging and Adult Services.....	136
Building Inspection.....	137
Community Development Program.....	138
County Service Areas.....	139
Emergency Medical Services .....	140
Local Public Safety .....	141
Planned Local Drainage.....	142
Tobacco Litigation Settlement.....	143
Certain Other Special Revenue Funds.....	144
<u>Capital Projects Funds</u>	
Combining Balance Sheet .....	146
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	148
Budgetary Comparison Schedules:	
Certificates of Participation .....	150
Separation of Grade.....	151
Public Health Facility .....	152
<u>Debt Service Funds</u>	
Combining Balance Sheet .....	154
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	156
Budgetary Comparison Schedules:	
Accumulative Capital Outlay - General.....	158
Accumulative Capital Outlay - Fire.....	159
<b>Nonmajor Enterprise Funds:</b>	
Combining Statement of Net Assets – Nonmajor Enterprise Funds.....	161
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds.....	163

**COUNTY OF KERN**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2002**  
**Table of Contents**

Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	165
<b>Internal Service Funds:</b>	
Combining Statement of Net Assets – Internal Service Funds.....	170
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds.....	172
Combining Statement of Cash Flows – Internal Service Funds.....	174
<b>Fiduciary Funds:</b>	
<u>Agency Funds</u>	
Combining Statement of Changes in Assets and Liabilities .....	177
<b>Capital Assets Used in the Operation of Governmental Funds</b>	
Schedule by Source.....	179
Schedule by Function and Activity.....	180
Schedule of Changes by Function and Activity.....	181
<b><u>STATISTICAL SECTION</u></b>	
General Governmental Revenues by Source – Last Ten Fiscal Years.....	182
General Governmental Expenditures by Function – Last Ten Fiscal Years.....	184
Comparative Schedule of Total Taxes Levied on County Tax Bills for All Agencies – Last Ten Fiscal Years.....	186
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	187
Comparative Schedule of Assessed Valuations, Secured and Unsecured – Last Ten Fiscal Years.....	188
Building Permits .....	190
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	191
Ratio of Annual Debt Service Expenditures to Total General Governmental Expenditures – Last Ten Fiscal Years .....	192
Estimated Direct and Overlapping Bonded Debt.....	193
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years.....	194
Assessed Valuation of Redevelopment Agency Increment.....	195
Building Permit Valuations, Dwelling Units and Bank Deposits – Last Ten Calendar Years.....	196
Demographic Statistics – Last Ten Fiscal Years .....	198
Miscellaneous Statistical Data.....	199
Principal Taxpayers.....	200

# **INTRODUCTORY SECTION**



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



January 23, 2003

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, 2002 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 licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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, Paulden, McCown, Starbuck & Keeter, a firm of licensed 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, 2002 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, 2002 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 688,000 living within the greater metropolitan area.

Policy making 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 9, 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 for each fiscal year in accordance with Government Code Sections 29000-29144. The County budgets for all its major funds and certain nonmajor governmental funds. The Auditor-Controller-County Clerk is responsible for controlling expenditures within budgeted appropriations. Expenditures are controlled on 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 100-120 as part of the required supplementary information. For nonmajor governmental funds with appropriated annual budgets, these comparisons are presented in the combining and individual fund statements and schedules subsection of this report, which begins on page 128.

### **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. Seven of the top ten taxpayers of the County are oil producers or closely related to the oil industry.

The Assessor's final oil and gas assessed valuation roll filed on June 30 reflected a 22.2% decline in value, which reduced available property taxes to the County in fiscal year 2002-03 by more than \$5 million.

Agriculture continues to remain relatively stable and the unemployment rate decreased from 11.4% in 2000-01 to 10.8% in 2001-02. The population of the County increased by only 0.3% from 686,000 to 688,000. The County's major employers are 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 5, 2000 the County issued \$46,000,000 in 2000-01 Tax and Revenue Anticipation Notes which matured on July 2, 2001. On July 2, 2001 the County issued an additional \$60,000,000 in Tax and Revenue Anticipation Notes which matured on July 2, 2002.

As of June 30, 2002, the County had outstanding certificates of participation in a principal amount of \$131,760,000. 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, 2002 includes (in thousands):

Description of Issue	Date Issued	Maturity	Principal Outstanding
Kern County Public Facilities Project, Series A, B, C and D	1986	2006	\$ 53,600
Kern Medical Center Emergency Facilities	1991	2006	6,065
Solid Waste Systems Improvements	1994	2009	11,165
Rosamond Library Project	1994	2014	1,525
Kern Medical Center Surgical Services Facility	1995	2005	3,740
Beale Memorial Library	1996	2007	9,095
Golf Course Capital Improvement	1996	2016	4,000
Fire Department	1997	2017	8,375
1999 Capital Improvement Projects	1999	2019	20,030
Solid Waste Systems Improvements	2002	2017	14,165
Total:			\$ 131,760

In 1995 the County of Kern issued Taxable Pension Obligation Bonds in the amount of \$227,818,439. The bonds are recorded in the government-wide statements. During 2001-02, interest and principal payments were \$12,081,607 and \$1,268,596, respectively.

### **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 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, 2002 the Treasurer's Pooled Cash included cash and investments totaling \$1,500,568,420.

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 contract for an annual investment program compliance audit, which is available from the Treasurer-Tax Collector. Earnings on Pooled Cash during fiscal year ended June 30, 2002 averaged 4.06%, which compares with 2.17% 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 \$1,000,000 and up to \$20,000,000. 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. Workers' compensation claims are self-insured up to \$400,000 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 twelve related 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, 2002, there were 521 retired employees receiving the Retiree Health Premium Supplement Program and 2,366 retired employees receiving the Retiree Health Stipend. Additional information on the pension arrangement and post employment benefits can be found in Notes XIV. F and XIV. C, respectively, in the notes to the financial statements.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada 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, 2001, the fifth consecutive year this award has been received. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently

organized comprehensive annual financial report whose contents conform to program standards. The CAFR must also 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 report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the Government Finance Officers Association 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, Paulden, McCown, Starbuck and Keeter, 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,

A handwritten signature in cursive script that reads "Ann K. Barnett".

ANN K. BARNETT  
AUDITOR-CONTROLLER-COUNTY CLERK

**COUNTY OF KERN  
DIRECTORY OF COUNTY OFFICIALS**

**ELECTED**

COUNTY SUPERVISOR, FIRST DISTRICT ..... JON MCQUISTON  
COUNTY SUPERVISOR, SECOND DISTRICT..... DON MABEN  
COUNTY SUPERVISOR, THIRD DISTRICT ..... BARBARA PATRICK  
COUNTY SUPERVISOR, FOURTH DISTRICT..... RAYMOND A. WATSON  
COUNTY SUPERVISOR, FIFTH DISTRICT ..... PETER H. PARRA  
ASSESSOR-RECORDER..... JAMES FITCH  
AUDITOR-CONTROLLER-COUNTY CLERK .....ANN K. BARNETT  
DISTRICT ATTORNEY ..... EDWARD R. JAGELS  
SHERIFF-CORONER-PUBLIC ADMINISTRATOR ..... MACK WIMBISH  
TREASURER-TAX COLLECTOR ..... PHIL D. FRANNEY

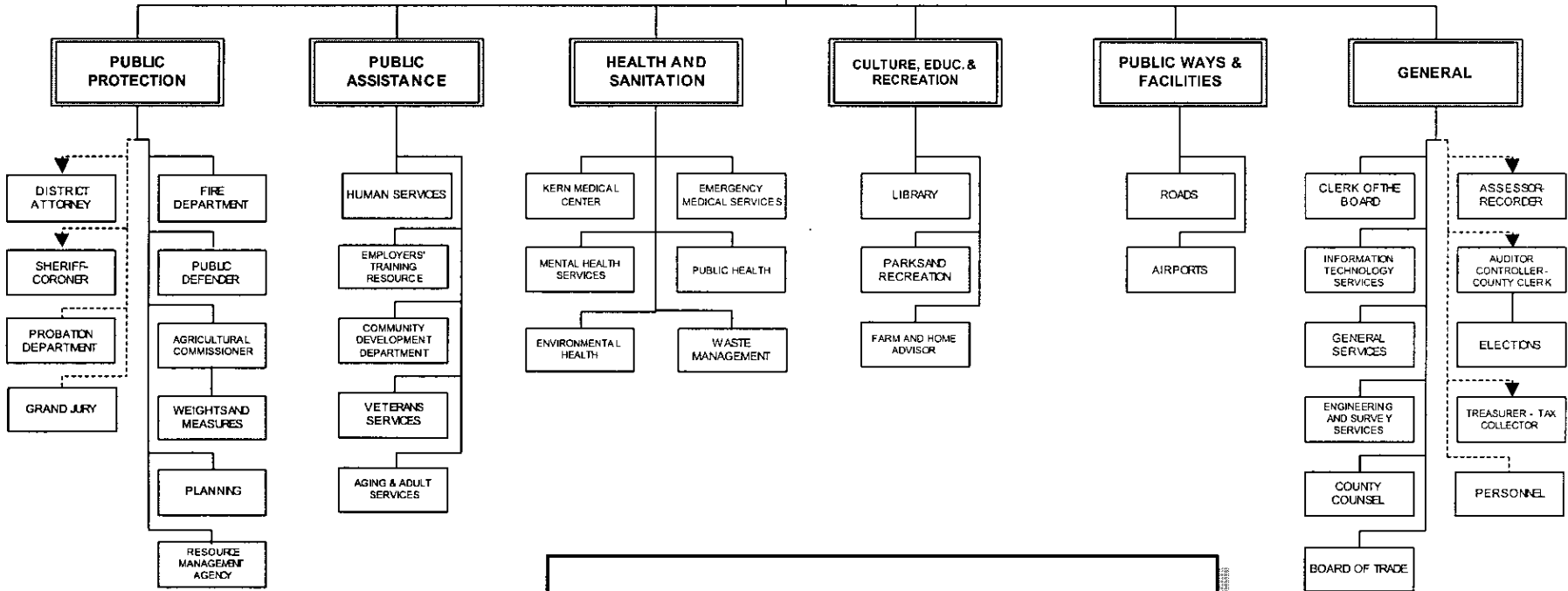
## APPOINTED

AGING AND ADULT SERVICES.....RONALD M. ERREA  
AGRICULTURAL COMMISSIONER/SEALER.....THEODORE K. DAVIS  
AIRPORTS.....RAYMOND BISHOP  
BOARD OF TRADE ..... BARRY ZOELLER  
CLERK OF THE BOARD ..... DENISE PENNELL  
CHILD SUPPORT SERVICES.....BILL MALLOY (INTERIM)  
COMMUNITY AND ECONOMIC DEVELOPMENT .....GUY GREENLEE  
COUNTY ADMINISTRATIVE OFFICER ..... SCOTT E. JONES  
    GENERAL SERVICES  
    GROUP HEALTH  
    RETIREE GROUP HEALTH  
    UNEMPLOYMENT  
    INFORMATION TECHNOLOGY SERVICES  
COUNTY COUNSEL.....BERNARD C. BARMANN  
EMERGENCY MEDICAL SERVICES .....DAVID BAUMSTARK  
EMPLOYERS' TRAINING RESOURCE .....JOHN NILON  
ENGINEERING & SURVEY SERVICES .....CHARLES LACKEY  
ENVIRONMENTAL HEALTH SERVICES.....STEVE McCALLEY  
FARM AND HOME ADVISOR.....DARLENE LIESCH  
FIRE DEPARTMENT .....STEPHEN GAGE  
HUMAN SERVICES ..... BEVERLY BEASLEY KNIGHT  
KERN MEDICAL CENTER..... PETER K. BRYAN  
LIBRARY.....DIANE R. DUQUETTE  
MENTAL HEALTH ..... DIANE G. KODITEK  
PARKS AND RECREATION ..... ROBERT D. ADDISON  
PERSONNEL.....KAY F. MADDEN  
PLANNING .....TED JAMES  
PROBATION ..... LARRY J. RHOADES  
PUBLIC DEFENDER .....MARK A. ARNOLD  
PUBLIC HEALTH .....BABATUNDE A. JINADU, M.D.  
RESOURCE MANAGEMENT AGENCY .....DAVID L. PRICE, III  
ROADS..... CRAIG POPE  
VETERANS' SERVICES ..... CHARLES BIKAKIS  
WASTE MANAGEMENT ..... DAPHNE H. WASHINGTON

# ELECTORATE OF KERN COUNTY

## BOARD OF SUPERVISORS

### COUNTY ADMINISTRATIVE OFFICE



### LEGEND

———— FULL ACCOUNTABILITY TO BOARD OF SUPERVISORS

- - - - - FISCAL ACCOUNTABILITY TO BOARD OF SUPERVISORS

▼ ELECTIVE OFFICE

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Kern,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

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.



*Imelda Aruete*  
President

*Jeffrey L. Esser*  
Executive Director





**FINANCIAL SECTION**



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

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Harvey J. McCown, CPA  
Steven R. Starbuck, CPA  
Aileen K. Keeter, CPA

Lynn R. Krausse, CPA, MST  
Chris M. Thornburgh, CPA  
Jean M. Anderson, CPA  
Bradley M. Harkins, CPA  
Eric Xin, CPA, MBA  
Melinda McDaniels, CPA  
Sharon Jones, CPA, MST  
Thomas M. Young, CPA  
Amanda E. Wilson, CPA  
Rosalva Flores, CPA  
Debbie A. Rapp, CPA  
Julie A. Auvil, CPA  
Connie M. Perez, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying basic financial statements of the County of Kern, California, as of and for the year the ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the County of Kern, California's, management. Our responsibility is to express an opinion on these basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the County of Kern, California, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed further in Note 1 to the basic financial statements, County of Kern, California, adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2001 and 2002, respectively, which has altered the recognition of certain nonexchange revenues and has also altered the format and content of the basic financial statements.

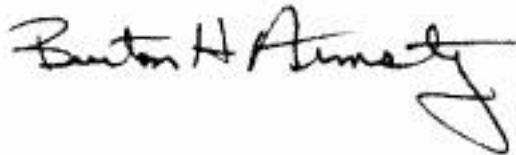
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompany combining and individual fund financial statements and schedules identified in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part to the basic financial statements of the County of Kern, California. These financial statements and schedules are also the responsibility of the management of the County of Kern, California. Such additional information has 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 when considered in relation to the basic financial statements taken as a whole.

The information identified in the accompanying table of contents as *management's discussion and analysis (MD&A)* and *required supplementary information* is not a required part of the basic financial statements, but is 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.

The information identified in the table of contents as the introductory and statistical sections is presented for purpose of additional analysis and is not a required part of the basic financial statements of County of Kern, California. Such additional information has not been subject to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2003 on our consideration of County of Kern, California's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
January 23, 2003



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

**County of Kern  
Management's Discussion and Analysis  
For the Year Ended June 30, 2002  
Unaudited**

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The discussion and analysis of the financial performance of the County of Kern (County) provides an overview of the County's financial activities for the year ended June 30, 2002. The intent of this discussion and analysis is to look at the County's financial performance as a whole: users of these financial statements should read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section to enhance their understanding of the County's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the 2001-2002 fiscal year by \$339,092 (*Net Assets*). Of this amount \$19,787 (*Unrestricted Net Assets*) may be used to meet the County's ongoing obligations to citizens and the creditors and \$33,593 (*Restricted Net Assets*) may be used for the County's ongoing obligations with external restrictions. (See detail at Table 1).
- The County's net assets increased by \$113,875 during the current fiscal year. Governmental activities increased the County's net assets by \$126,297; this increase was offset by the \$12,422 decrease in business-type activities net assets.
- As of June 30, 2002, the County's governmental funds reported total ending fund balances of \$304,079, an increase of 34% in comparison with the prior year. Approximately 69% or \$141,521 is available for spending (*Unreserved fund balance*). See further discussion in Financial Analysis of the County's Funds on page 18.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$37,246 or 9.3 % of total General Fund expenditures.
- The County's total long-term debt had a net increase of \$3,891. The net increase is the result of increases in compensated absences, the issuance of a new certificate of participation in the Waste Management fund and decreases of existing long-term debt as a result of normal maturity.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This 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. This report also contains other supplementary information in addition to the financial statements themselves.

**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 two reported 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 showing 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 reported in this statement for some items that will only result in cash inflows and outflows in future fiscal years.

Both the Statement of Net Assets and the Statement of Activities distinguishes between activities that are primarily financed with taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The County's governmental activities include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and culture and recreation. The business-type activities of the County 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 business and governmental activities.

The government-wide financial statements are presented on pages 23-24

## **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 which 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating Kern County's near-term 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 near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

provided in the form of combining statements located in the *Combining and Individual Fund Statements and Schedules*.

The County adopted an annual appropriated budget for all of its major governmental funds, except for the Tobacco Securitization Proceeds fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget and are included in *Required Supplementary Section* of this report. Individual budgetary data for each of the budgeted nonmajor governmental funds is provided elsewhere in this report.

The basic governmental fund financial statements are presented on pages 25-30 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Kern Medical Center and Waste Management, both of which are considered to be major funds of the County. All other enterprise funds have been combined into a single aggregated column for presentation. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the combining statements elsewhere in this report.

The basic proprietary fund financial statements are presented on pages 31-34 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that use for proprietary funds.

The basic fiduciary fund financial statements are presented on pages 35-36 of this report.

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

The notes provide additional information that is essential to 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 37-98 of this report.

## GOVERNMENT - WIDE FINANCIAL ANALYSIS

This is the first year that the County has had to present its financial statements under the new reporting model required by Governmental Standards Board (GASB) Statement No. 34. Although it is a requirement to provide comparative data for the Management's Discussion and Analysis, this information is not available for the current year. In future years, when prior-year information is available, a comparative analysis of government-wide data will be included.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$339,092 (see Table 1) at the close of the current fiscal year.

The largest portion of the County's net assets, \$285,712, reflects its investment in capital assets (e.g. 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; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

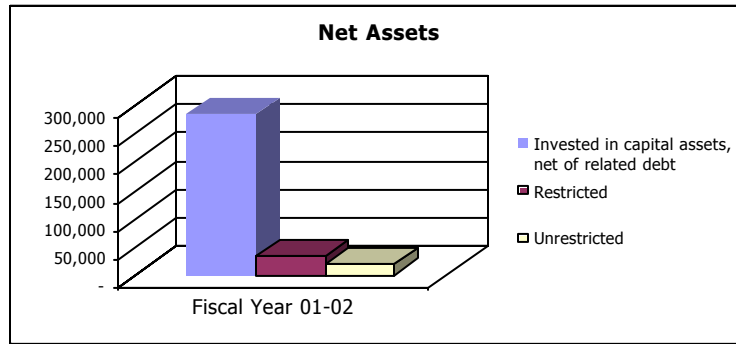
An additional portion of the County's net assets, \$33,593, represents resources that are subject to external restrictions on how they may be used. The major portion of the restricted net assets is constrained for debt repayment. The remaining balance of total net assets of \$19,787 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County as a whole and for its governmental activities reported positive balances in all three categories of net assets. In the business-type activities the County reported negative unrestricted net assets of \$25,329. This is the result of negative unrestricted net assets for Kern Medical Center (KMC). KMC had an increase in operating expenses; higher expenses for salaries and benefits and services and supplies were recorded for the current year. In addition, federal and state reimbursements for indigent care have not matched the cost of providing such care.

Table 1 - County of Kern's Net Assets  
For the Year Ended June 30, 2002 (In Thousands)

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
Current Assets and Other Assets	\$ 291,398	\$ 125,622	\$ 417,020
Capital Assets	488,760	125,829	614,589
<b>Total Assets</b>	<b>780,158</b>	<b>251,451</b>	<b>1,031,609</b>
Current and Other Liabilities	166,068	18,308	184,376
Long-Term Liabilities	346,071	162,070	508,141
<b>Total Liabilities</b>	<b>512,139</b>	<b>180,378</b>	<b>692,517</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	195,245	90,467	285,712
Restricted	27,658	5,935	33,593
Unrestricted	45,116	(25,329)	19,787
<b>Total Net Assets</b>	<b>\$ 268,019</b>	<b>\$ 71,073</b>	<b>\$ 339,092</b>





As shown in Table 2, the County's net assets increased by \$113,875 during the current fiscal year. \$83,922 of this increase represents proceeds from the sale of the rights to received payments pursuant to a Master Settlement Agreement with the four largest tobacco manufacturers. An additional portion of the increase represents an increase in tax revenue.

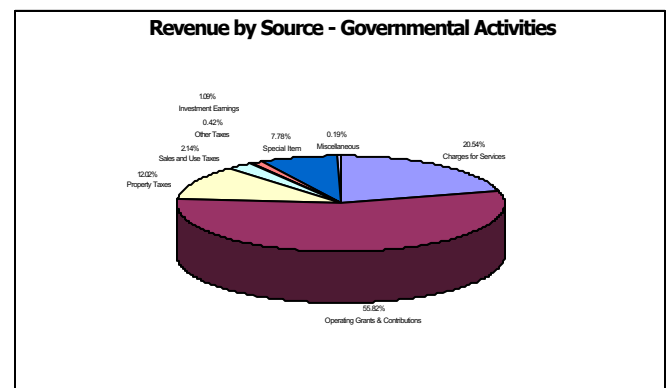
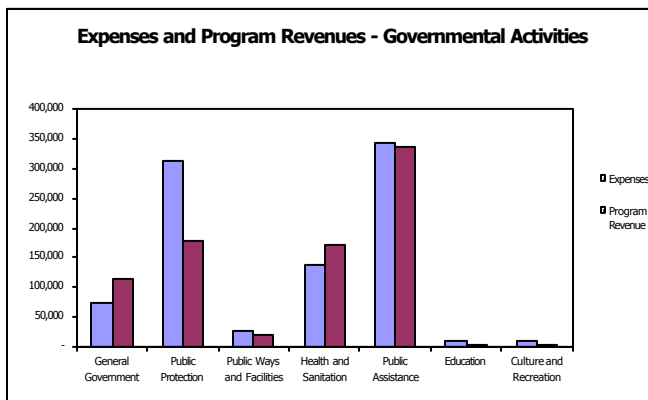
Table 2 - County of Kern's Changes in Net Assets  
For the Year Ended June 30, 2002

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 221,481	\$ 178,489	\$ 399,970
Operating grants and contributions	601,913	24,679	626,592
Capital grants and contributions		5,649	5,649
General Revenues			
Property taxes	129,580		129,580
Aircraft taxes	117		117
Sales and use taxes	23,047		23,047
Transient occupancy tax	1,551		1,551
Transfer tax	2,040		2,040
Other taxes	800		800
Unrestricted investment earnings	11,770	3,451	15,221
Special items	83,922		83,922
Other	1,998	676	2,674
<b>Total revenues</b>	<u>1,078,219</u>	<u>212,944</u>	<u>1,291,163</u>
<b>Expenses:</b>			
General government	74,021		74,021
Public protection	312,049		312,049
Public ways and facilities	24,837		24,837
Health and Sanitation	137,690		137,690
Public assistance	344,798		344,798
Education	9,131		9,131
Culture and recreation	9,608		9,608
Interest on short and long term debt	20,606		20,606
Airports		4,413	4,413
County Sanitation Districts		2,327	2,327
Golf Course		4,718	4,718
Kern Medical Center		197,543	197,543
Public Transportation		3,951	3,951
Universal Collection		5,997	5,997
Waste Management		25,599	25,599
<b>Total expenses</b>	<u>932,740</u>	<u>244,548</u>	<u>1,177,288</u>
Increases in net assets before transfers	145,479	(31,604)	113,875
Transfers	(19,182)	19,182	
<b>Increase (decrease) in net assets</b>	<u>\$ 126,297</u>	<u>\$ (12,422)</u>	<u>\$ 113,875</u>

## Governmental Activities

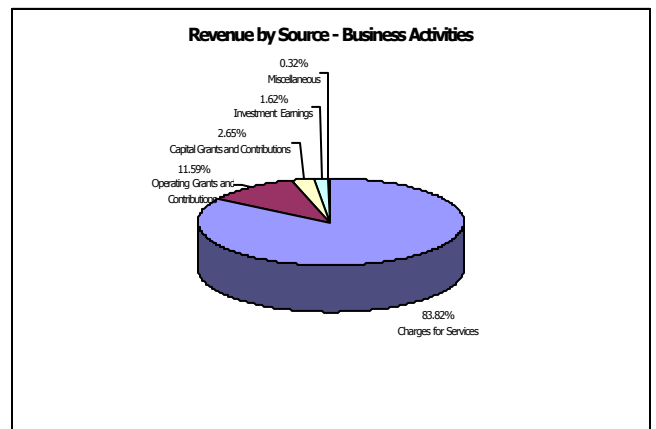
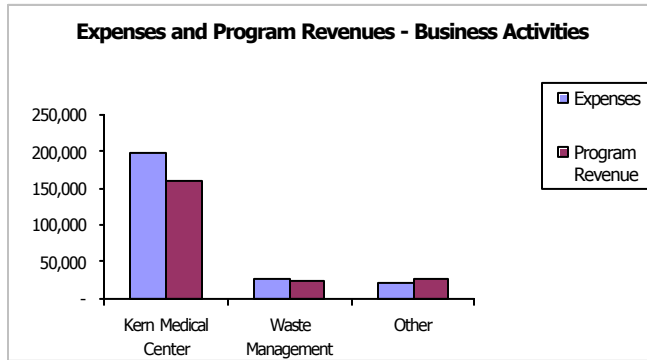
Governmental activities increased the County's net assets by \$126,297 for the year ended June 30, 2002, thereby accounting for 100% of the total growth in the net assets of the County. Key elements of this increase were fueled by the growth of the County's significant revenue sources of taxes, and the revenue received for the sale of the rights to received future payments from the four largest tobacco manufacturers in the United States.

- Total revenue for the County's governmental activities increased 13%, representing the tenth consecutive year with an increase in on-going revenues.
- As an arm of the state government, operating grants and contributions serve multiple programs, representing 74% of the County's program revenue for governmental activities, and are tied to mandated services such as public assistance, health, and mental health. These revenue sources increased 8% over the prior year primarily to increased funding related to mandated programs.
- 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 8% due to increases in assessed property values and higher collection rates.
  2. Sales taxes increased 7%.
  3. Transient occupancy and aircraft taxes decreased 8% and 35% respectively.
  4. Other taxes increased 11%.
  5. Unrestricted investment earnings decreased 44% as the pooled investment rate declined from 6.15% to 4.06% and the county maintained average lower cash balances.
- Total expenses for governmental activities increased by 5% with increases in all major functions except health and sanitation. The County's major cost component is salaries and benefits.
- The County recorded \$83,922 in revenue for the current fiscal year, which is classified as a special item. The County sold its rights to receive future payment from the four largest tobacco manufacturers in the United States. This is a one-time revenue source.



## Business-type Activities

Business-type activities' net assets decreased the County's net assets by \$12,422. The main reason for this decrease is due to Kern Medical Center's increase in operating expenses, coupled with federal and state reimbursements for indigent care not matching the cost of providing such care.



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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, 2002, The County's governmental funds reported total fund balances of \$304,079, a 34% increase in comparison with the prior year. Approximately 47% or \$141,521 of the total fund balances constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been committed to 1) reserve for property tax assessment appeals, \$36,857; 2) reserve for debt service, \$25,520; 3) reflect amounts due from other funds, \$10,990; and 4) a variety of other restricted purposes, \$89,191.

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

The General Fund is the chief operating fund of the County. At June 30, 2002, unreserved fund balance of the General Fund was \$37,246. As a measure of the General Funds' liquidity, it may be helpful to compare both unreserved fund balance and fund balance to total fund expenditures. Unreserved fund balance represents 9% of total General Fund expenditures, while total fund balance represents 23% of total General Fund expenditures.

The other governmental funds' fund balances increased 33% or \$52,383. The following major governmental fund had increases in fund balance:

- Mental Health – Fund balance increased by 17%, \$2,780. There have been aggressive efforts to identify and secure grant funding to allow the department to provide programs and services that would not otherwise be available.
- Structural Fire – Fund balance increased by 66% or \$5,097. There were increases in property tax revenue and Proposition 172 revenue.

The following major funds had decreases in fund balance:

Kern County Department of Child Support – Fund balance decreased by 90% or \$4,434. The decrease was the result of required repayment to the State for Excess Child Support Incentive funds.

Human Services – Fund balance decreased by 142% or \$19,291. This decrease was the result of corrections to accounts receivable, accounts payable and deferred revenue from prior years.

Road – Fund balance decreased by 7% or \$1,023. The Road fund received lower grants and contributions from the State and Federal governments. This reduction in revenue was offset with a reduction of expenditures.

In addition, the County added the Tobacco Securitization Proceeds Fund during the current fiscal year. This fund accounts for the sale proceeds of the rights to received future revenue from the four largest tobacco manufactures in the United States. The increase of fund balance in the governmental funds as a result of the addition of this fund is \$84,160. No single nonmajor fund had significant decreases or increases in fund balance.

### **Proprietary Funds**

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

The net assets of the enterprise funds decreased by \$11,587. Kern Medical Center had an increase of 15% or 12,101 in salaries and benefits from the prior year.

The internal services funds continued to carry a negative unrestricted net assets as a result of recognition of self-insurance liabilities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$68,612 increase in appropriations that is briefly summarized as follows:

- A majority of the increase, \$38,270, can be attributed to the County's contribution for medical care. The County established a budget unit in the General Fund to facilitate the transfer required by the State of California Disproportionate Share Provider Payment Adjustment Program (DSH) in order to increase federal financial participation in state payments to hospitals serving the needs of low-income patients. To finance the program, the County is required to transfer funds to the State's Medi-Cal Inpatient Payment Adjustment Fund. Transfers must be made from the General Fund of the County to meet the transfer obligations. As in past years, the State does not inform the County of the amount of DSH funds the County is required to transfer until after the budget has been adopted. The budget is amended after the State officially notifies the County of its inclusion in the program. The increase in appropriations is fully funded by an associated increase in revenue from the State.
- The County's capital projects and General Services – Major Maintenance budgets increased by \$8,040 during the fiscal year. This increase is the result of improvements to the Juvenile Justice Campus, East Bakersfield Sheriff Substation, Sheriff Rifle Range, Sheriff Property Room, and Inyokern Senior Center that were not originally budgeted. There were also increases attributable to budgetary transfers of unexpended commitments from other capital projects.
- \$12,341 of the increase in the County's appropriations was the result of unanticipated grants and contributions from other governments. The remaining portion consisted of small increases in appropriations for normal operations in the remaining forty-eight budget units that comprise the General Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2002, the County's investment in capital assets for its governmental and business-type activities amounted to \$417,020 (net of accumulated depreciation). The investments in capital assets are comprised of land, infrastructure, structures and improvements, equipment, and construction in progress. The County, according to GASB 34 guidelines, has elected at this time not to retroactively include all infrastructure assets dating back to 1980. This year's financial statements include only infrastructure assets constructed or acquired during the current fiscal year, which accounts for \$12,832 of the net increase of \$44,018 in the County's capital assets. The County is still in the process of compiling data to retroactively report prior year infrastructure assets. GASB Statement No. 34 requires that the County comply with this requirement no later than the 2005-2006 fiscal year.

Table 3 – The County's Capital Assets (Net of accumulated depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$ 19,473	\$ 20,064	\$ 39,537
Land Acquisition in Progress		9	9
Construction in Progress	20,954	20,824	41,778
Infrastructure	12,832	739	13,571
Structures and Improvements	183,976	67,238	251,214
Equipment	54,163	16,748	70,911
Total	<u>\$ 291,398</u>	<u>\$ 125,622</u>	<u>\$ 417,020</u>

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

- A variety of small constructions and rehabilitation projects were started during the current fiscal year: renovation of the East Bakersfield Sheriff Substation, replacement of Camp Owen water tank, and phase III of the Communication System upgrade and several others.
- The new public health facility is in its final phase of construction and will be operational at the beginning of next fiscal year.
- During the current year phase II of the microwave communication system is in progress.

Note VIII will provide additional information on the County's capital assets on page 68 of this report.

### Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding of \$367,991. This amount is comprised of \$131,760 of certificates of participation that are secured by the County's lease rental payments. \$218,130 represents debt outstanding for the pension obligation bond. The remainder represents debt outstanding for bonds payables, facilities and capital asset leases, and the public health facility loan.

During the current fiscal year, the County issued the Solid Waste System Improvements 2002 certificate of participation to finance costs incurred in connection with the acquisition, construction, and delivery of certain improvements at the Bena Phase 2A and Shafter/Wasco landfills.

The County has no general obligation debt. All Certificates of Participation and bonds are "AAA" insured. Certificates of Participation issued by the County maintain an "A" to "A-" rating from Standard and Poor's.

Table 4 – The County's Outstanding Debt

	Governmental Activities	Business-type Activities	Totals
Lease Purchase Agreements	\$ 8,728	\$ 48	\$ 8,776
Certificates of Participation	78,970	52,790	131,760
Facility Lease	512		512
Loans Payable	8,455		8,455
Bonds Payable	225		225
Pension Obligation Bonds	184,548	33,582	218,130
	<u>\$ 281,438</u>	<u>\$ 86,553</u>	<u>\$ 367,991</u>

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

The State's economic downturn along with other factors has created a significant State budget deficit. The State historically has reduced the cities and counties revenues in order to help balance the budget. With this in mind, the County currently faces an unfavorable budget position for the foreseeable future. Consequently, the County Administrative Office (CAO) has directed departments' administrative personnel to consider these factors in preparing the County's budget for fiscal year 2002-03.

The CAO encouraged departments to forego needs, reduce expenditures wherever possible, and defer filling vacant positions in order to prepare for a fiscally austere budget for the 2002-03 fiscal year.

The recommended regular County Budget of \$972.2 million is expected to be \$16.5 million less than last year's budget. This decline is primarily the result of decreases in State and Federal subventions that the County receives for operating specific, mandated programs.

**REQUESTS FOR INFORMATION**

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



# **BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**



**COUNTY OF KERN  
STATEMENT OF NET ASSETS  
JUNE 30, 2002 (IN THOUSANDS)**

	<b>Primary Government</b>		<b>Totals</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>ASSETS</b>			
Cash and Investments	\$ 349,927	\$ 66,687	\$ 416,614
Restricted cash and Investments	25,520	24,449	49,969
Revolving Fund Cash	1,365	13	1,378
Receivables (Net)	93,749	44,418	138,167
Due from other governments	2,364		2,364
Inventories and prepaid expenses	1,924	2,864	4,788
Deposits with Other	1,309		1,309
Internal Balances	12,602	(12,602)	
Capital assets:			
Nondepreciable	40,427	40,897	81,324
Depreciable (Net)	250,971	84,725	335,696
<b>Total Assets</b>	<b>\$ 780,158</b>	<b>\$ 251,451</b>	<b>\$ 1,031,609</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 15,649	\$ 7,330	\$ 22,979
Salaries and Employee Benefits Payable	17,651	3,807	21,458
Due to other governmental agencies	5,507	178	5,685
Tax revenue anticipation note payable	60,000		60,000
Accrued interest payable	6,632	1,509	8,141
Deferred Revenue	9,428	476	9,904
Current Portion of Long-Term Debt	16,163	4,037	20,200
Current Portion of Compensated Absences	13,857	971	14,828
Current Portion of Liability for Self Insurance	21,181		21,181
Long-Term Liabilities			
Portion due or payable after one year:			
Professional Liabilities		9,803	9,803
Certificates of Participation	68,479	49,125	117,604
Bonds and notes payable	183,293	33,232	216,525
Loans Payable	7,610		7,610
Accrued interest	25,742	4,683	30,425
Capital leases	5,893	25	5,918
Compensated absences	32,223	7,157	39,380
Accrued landfill closure/postclosure costs		58,045	58,045
Liability for Self Insurance	22,831		22,831
<b>Total Liabilities</b>	<b>512,139</b>	<b>180,378</b>	<b>692,517</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	195,245	90,467	285,712
Restricted for:			
Capital projects	829		829
Debt service	25,520	4,865	30,385
Other purposes	1,309	1,070	2,379
Unrestricted (deficit)	45,116	(25,329)	19,787
<b>Total Net Assets</b>	<b>\$ 268,019</b>	<b>\$ 71,073</b>	<b>\$ 339,092</b>

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

**COUNTY OF KERN  
STATEMEN OF ACTIVITIES  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 74,021	\$ 51,985	\$ 63,422	\$	\$ 41,386	\$	\$ 41,386
Public protection	312,049	79,011	100,402		(132,636)		(132,636)
Public ways and facilities	24,837	4,903	14,866		(5,068)		(5,068)
Health and sanitation	137,690	78,144	91,649		32,103		32,103
Public assistance	344,798	4,875	330,530		(9,393)		(9,393)
Education	9,131	756	1,044		(7,331)		(7,331)
Culture and recreation	9,608	1,807			(7,801)		(7,801)
Interest on short and long-term debt	20,606				(20,606)		(20,606)
Total governmental activities	<u>932,740</u>	<u>221,481</u>	<u>601,913</u>		<u>(109,346)</u>		<u>(109,346)</u>
Business-type activities:							
Airports	4,413	2,694	934	5,649		4,864	4,864
County Sanitation Districts	2,327	2,451				124	124
Golf Course	4,718	4,799				81	81
Kern Medical Center	197,543	136,606	23,301			(37,636)	(37,636)
Public Transportation	3,951	3,232	217			(502)	(502)
Universal Collection	5,997	5,850				(147)	(147)
Waste Management	25,599	22,857	227			(2,515)	(2,515)
Total business-type activities	<u>244,548</u>	<u>178,489</u>	<u>24,679</u>	<u>5,649</u>		<u>(35,731)</u>	<u>(35,731)</u>
Total	<u>\$ 1,177,288</u>	<u>\$ 399,970</u>	<u>\$ 626,592</u>	<u>\$ 5,649</u>	<u>\$ (109,346)</u>	<u>\$ (35,731)</u>	<u>\$ (145,077)</u>
General Revenues:							
Taxes:							
Property taxes					129,580		129,580
Aircraft taxes					117		117
Sales and use taxes					23,047		23,047
Transient occupancy tax					1,551		1,551
Transfer taxes					2,040		2,040
Other taxes					800		800
Grants and contributions not restricted to specific programs							
Unrestricted investment earnings					11,770	3,451	15,221
Miscellaneous					1,998	676	2,674
Special Items					83,922		83,922
Transfers					(19,182)	19,182	
Total General Revenues and Transfers					<u>235,643</u>	<u>23,309</u>	<u>258,952</u>
Change in Net Assets					<u>126,297</u>	<u>(12,422)</u>	<u>113,875</u>
Net Assets--beginning (Note III. C)					<u>141,722</u>	<u>83,495</u>	<u>225,217</u>
Net Assets--ending					<u>\$ 268,019</u>	<u>\$ 71,073</u>	<u>\$ 339,092</u>



# **BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements**

**COUNTY OF KERN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 1

	<u>GENERAL FUND</u>	<u>KERN CO. DEPT OF CHILD SUPPORT</u>	<u>EMPLOYERS' TRAINING RESOURCE</u>	<u>HUMAN SERVICES</u>	<u>MENTAL HEALTH</u>
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 118,757	\$ 3,478	\$ 291	\$ 10,364	\$ 18,216
Revolving Fund Cash	1,204	52		101	4
Cash and Investments Deposited With Trustee					
Interest Receivable	1,357	86	4		158
Accounts Receivable				13,428	107
Loans Receivable	4,800				
Taxes Receivable	26,718				
Accrued Revenue	25,235	3,289	3,515	2,296	5,038
Due from Other Funds	8,215				
Advances to Other Funds	8,225				
Deposits with Others	205				
Inventory- Materials and Supplies	59				
Total Assets	<u>\$ 194,775</u>	<u>\$ 6,905</u>	<u>\$ 3,810</u>	<u>\$ 26,189</u>	<u>\$ 23,523</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 3,923	\$ 546	\$ 2,564	\$ 1,426	\$ 2,776
Salaries and Employee Benefits Payable	9,754	583		2,697	1,207
Advances from Other Funds					
Due to Other Funds			1,462		
Due to Others		5,276			
Loans Payable				4,800	
Tax Anticipation Note Payable	60,000				
Interest Payable	2,103			168	
Deferred Revenue	26,722			22,771	
Total Liabilities	<u>102,502</u>	<u>6,405</u>	<u>4,026</u>	<u>31,862</u>	<u>3,983</u>
Fund Balance (Deficit):					
Reserved (Note XII)	55,027	1,984	2,022	6,500	4,985
Unreserved, reported in:					
General Fund	37,246				
Special Revenue Funds		(1,484)	(2,238)	(12,173)	14,555
Capital Project Funds					
Total Fund Balance (Deficit)	<u>92,273</u>	<u>500</u>	<u>(216)</u>	<u>(5,673)</u>	<u>19,540</u>
Total Liabilities and Fund Balance	<u>\$ 194,775</u>	<u>\$ 6,905</u>	<u>\$ 3,810</u>	<u>\$ 26,189</u>	<u>\$ 23,523</u>

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

<u>ROAD</u>	<u>STRUCTURAL FIRE</u>	<u>TOBACCO SECURITIZATION PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>	
\$ 11,249	\$ 15,597	\$ 33,215	\$ 56,909	\$ 268,076	Pooled Cash and Investments
	2		2	1,365	Revolving Fund Cash
		50,945	25,520	76,465	Cash and Investments Deposited With Trustees
81	166		483	2,335	Interest Receivable
				13,535	Accounts Receivable
			5,938	10,738	Loans Receivable
	708		606	28,032	Taxes Receivable
2,122	830		7,208	49,533	Accrued Revenue
	777		352	9,344	Due from Other Funds
			5,850	14,075	Advances to Other Funds
				205	Deposits with Others
<u>1,232</u>	<u>327</u>			<u>1,618</u>	Inventory- Materials and Supplies
<u>\$ 14,684</u>	<u>\$ 18,407</u>	<u>\$ 84,160</u>	<u>\$ 102,868</u>	<u>\$ 475,321</u>	Total Assets
					<b>LIABILITIES AND FUND BALANCE</b>
\$ 1,405	\$ 433	\$	\$ 438	\$ 13,511	Liabilities:
406	2,688		299	17,634	Accounts Payable
			5,275	5,275	Salaries and Employee Benefits Payable
			5,844	7,306	Advances from Other Funds
				5,276	Due to Other Funds
			4,332	9,132	Due to Others
				60,000	Loans Payable
				2,271	Tax Anticipation Note Payable
	751		593	50,837	Interest Payable
					Deferred Revenue
<u>1,811</u>	<u>3,872</u>		<u>16,781</u>	<u>171,242</u>	Total Liabilities
7,628	13,357		71,055	162,558	Fund Balance (Deficit):
				37,246	Reserved (Note XII)
5,245	1,178		18,871	23,954	Unreserved, reported in:
		84,160	(3,839)	80,321	General Fund
					Special Revenue Funds
					Capital Project Funds
<u>12,873</u>	<u>14,535</u>	<u>84,160</u>	<u>86,087</u>	<u>304,079</u>	Total Fund Balance (Deficit)
<u>\$ 14,684</u>	<u>\$ 18,407</u>	<u>\$ 84,160</u>	<u>\$ 102,868</u>	<u>\$ 475,321</u>	Total Liabilities and Fund Balance

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, 2002 (IN THOUSANDS)**

Fund Balances - Total Governmental Funds	\$	304,079	
Deferred charges in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		41,410	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		286,996	
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		(7,480)	
Long term interest payable does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(30,025)	
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	\$	(184,070)	
Bonds Payable		(225)	
Certificate of Participation		(78,970)	
Capital Leases		(8,728)	
Facility Lease		(513)	
Loan Payable		(8,455)	
Compensated Absences		(46,000)	(326,961)
Net Assets of Governmental Activities	\$		<u>268,019</u>

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

**COUNTY OF KERN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 1

	<b>GENERAL FUND</b>	<b>KERN CO. DEPT OF CHILD SUPPORT</b>	<b>EMPLOYERS' TRAINING RESOURCE</b>	<b>HUMAN SERVICES</b>	<b>MENTAL HEALTH</b>
<b>REVENUES:</b>					
Taxes	\$ 113,436	\$	\$	\$	\$
Licenses, Permits and Franchises	8,336				
Fines, Forfeitures and Penalties	18,664				
Revenues from Use of Money and Property	6,673	337	22	105	655
Aid from Other Governmental Agencies	153,592	30,921	34,556	269,461	47,840
Charges for Current Services	80,920			461	30,695
Other Revenues	43,556	45		2,955	46
<b>Total Revenues</b>	<b>425,177</b>	<b>31,303</b>	<b>34,578</b>	<b>272,982</b>	<b>79,236</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	76,290				
Public Protection	207,520	35,737			
Health and Sanitation	69,177				73,306
Public Assistance	19,146		35,800	281,079	
Education	8,868				
Recreation and Cultural Services	10,591				
Public Ways and Facilities					
Capital Outlay	5,283	172			
Debt Service:					
Principal	83				
Interest	2,158				
<b>Total Expenditures</b>	<b>399,116</b>	<b>35,909</b>	<b>35,800</b>	<b>281,079</b>	<b>73,306</b>
Excess (Deficiency) of Revenues Over Expenditures	26,061	(4,606)	(1,222)	(8,097)	5,930
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	51,524			6,225	1,048
Operating Transfers (Out)	(59,299)				
Inception of Capital Leases	5,283	172			
<b>Total Other Financing Sources (Uses)</b>	<b>(2,492)</b>	<b>172</b>		<b>6,225</b>	<b>1,048</b>
Net Changes in Fund Balance	23,569	(4,434)	(1,222)	(1,872)	6,978
Fund Balance (Deficit), July 1, 2001	67,977	4,934	1,006	13,618	16,760
Prior Period Adjustment	727			(17,419)	(4,198)
<b>Fund Balance (Deficit), June 30, 2002</b>	<b>\$ 92,273</b>	<b>\$ 500</b>	<b>\$ (216)</b>	<b>\$ (5,673)</b>	<b>\$ 19,540</b>

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

ROAD	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$ 3,931	\$ 38,926	\$	\$ 1,984	\$ 158,277	REVENUES:
	1		5,272	13,609	Taxes
	24		5,099	23,787	Licenses, Permits and Franchises
375	346	238	4,715	13,466	Fines, Forfeitures and Penalties
14,866	1,617		68,837	621,690	Revenues from Use of Money and Property
1,091	13,559		2,340	129,066	Aid from Other Governmental Agencies
1,139	1,096	83,922	14,070	146,829	Charges for Current Services
					Other Revenues
<u>21,402</u>	<u>55,569</u>	<u>84,160</u>	<u>102,317</u>	<u>1,106,724</u>	Total Revenues
					EXPENDITURES:
			570	76,860	Current:
	69,074		3,823	316,154	General Government
			2,035	144,518	Public Protection
			34,201	370,226	Health and Sanitation
			41	8,909	Public Assistance
				10,591	Education
25,065			2,468	27,533	Recreation and Cultural Services
			4,908	10,363	Public Ways and Facilities
					Capital Outlay
			11,641	11,724	Debt Service:
			13,057	15,215	Principal
					Interest
<u>25,065</u>	<u>69,074</u>		<u>72,744</u>	<u>992,093</u>	Total Expenditures
<u>(3,663)</u>	<u>(13,505)</u>	<u>84,160</u>	<u>29,573</u>	<u>114,631</u>	Excess (Deficiency) of Revenues Over Expenditures
					OTHER FINANCING SOURCES (USES):
5,750	21,238		23,158	108,943	Operating Transfers In
	(1,124)		(67,701)	(128,124)	Operating Transfers (Out)
			41	5,496	Inception of Capital Leases
<u>5,750</u>	<u>20,114</u>		<u>(44,502)</u>	<u>(13,685)</u>	Total Other Financing Sources (Uses)
2,087	6,609	84,160	(14,929)	100,946	Net Changes in Fund Balance
13,896	7,776		101,433	227,400	Fund Balance (Deficit), July 1, 2001
<u>(3,110)</u>	<u>150</u>		<u>(417)</u>	<u>(24,267)</u>	Prior Period Adjustment
<u>\$ 12,873</u>	<u>\$ 14,535</u>	<u>\$ 84,160</u>	<u>\$ 86,087</u>	<u>\$ 304,079</u>	Fund Balance (Deficit), June 30, 2002



**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, 2002 (IN THOUSANDS)**

Net change in fund balance - Total governmental funds:	\$	100,946
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	\$ 30,435	
Less current year depreciation	<u>(12,561)</u>	17,874
Capital contribution of capital assets are not reported on governmental funds but recorded at fair value on the statement of net assets		1,091
Governmental fund revenues deferred due to unavailability were booked in the statement of activities		1,202
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	\$ 1,071	
Certificate of Participation	9,775	
Capital Leases	3,507	
Facility Lease	83	
Loans Payable	<u>795</u>	15,231
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrue interest payable	\$ (5,268)	
Change in compensated absences	<u>(1,911)</u>	(7,179)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities		<u>(2,868)</u>
	\$	<u><u>126,297</u></u>

**COUNTY OF KERN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2002 (IN THOUSANDS)**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>				<b>GOVERNMENTAL ACTIVITIES</b>
	<b>KERN MEDICAL CENTER</b>	<b>WASTE MANAGEMENT</b>	<b>NONMAJOR ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>					
Current Assets:					
Pooled Cash and Investments	\$ 985	\$ 54,194	\$ 11,508	\$ 66,687	\$ 30,906
Revolving Fund Cash	4	9		13	
Interest Receivable	143	468	108	719	267
Accounts Receivable - Net	24,692	897	213	25,802	47
Accrued Revenue	10,194		2,282	12,476	
Prepaid Items	906	206	9	1,121	
Inventory - Materials and Supplies	1,743			1,743	101
Total Current Assets	38,667	55,774	14,120	108,561	31,321
Noncurrent Assets:					
Cash and Investments Deposited with Trustee	10,644	13,101	704	24,449	
Taxes Receivable		3,878	1,243	5,121	
Advances Receivable				2,500	
Loans Receivable		300		300	
Deposits with Others					1,309
Capital Assets:					
Nondepreciable:					
Land	168	12,442	7,453	20,063	
Land Acquisition in Progress		9		9	
Construction in Progress	9,323	5,670	5,832	20,825	
Depreciable:					
Structures and Improvements	49,571	20,860	43,949	114,380	
Equipment	38,529	1,790	6,038	46,357	4,403
Subsurface Lines			4,374	4,374	
Accumulated Depreciation and Amortization	(44,054)	(8,528)	(27,804)	(80,386)	
Total Noncurrent Assets	64,181	52,022	41,789	157,992	5,712
Total Assets	102,848	107,796	55,909	266,553	37,033
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	5,285	962	1,083	7,330	2,138
Salaries and Employee Benefits Payable	3,530	216	61	3,807	17
Due to Other Agencies	178			178	
Due to Other Funds					175
Current Portion of Long Term Debt	2,649	1,196	192	4,037	5
Interest Payable - Current	841	601	67	1,509	10
Current Portion of Compensated Absences	738	172	61	971	24
Current Portion of Liability for Self-Insurance					21,181
Deferred Income	31		445	476	
Total Current Liabilities	13,252	3,147	1,909	18,308	23,550
Noncurrent Liabilities:					
Loans Payable			1,838	1,838	
Advances Payable	6,500		4,300	10,800	
Estimate for Professional Liability Claims	9,803			9,803	
Compensated Absences Payable	6,645	364	148	7,157	56
Liability for Self-Insurance - Long Term					22,831
Long Term Debt - Capital Leases		25		25	
Long Term Debt - Certificates of Participation	21,135	24,175	3,815	49,125	
Long Term Debt - Pension Obligation Bonds	30,827	1,713	692	33,232	473
Long Term -Interest Payable - Pension Obligation Bonds	4,345	241	97	4,683	67
Accrued Closure Liability		27,829		27,829	
Accrued Postclosure Liability		30,216		30,216	
Total Noncurrent Liabilities	79,255	84,563	10,890	174,708	23,427
Total Liabilities	92,507	87,710	12,799	193,016	46,977
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	36,560	18,065	35,842	90,467	4,403
Restricted (Note XII)	4,161	1,070	704	5,935	1,410
Unrestricted	(30,380)	951	6,564	(22,865)	(15,757)
Total Net Assets	\$ 10,341	\$ 20,086	\$ 43,110	\$ 73,537	\$ (9,944)
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				(2,464)	
Net Assets of Business-Type Activities:				\$ 71,073	

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 (DEFICIT)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>				<b>GOVERNMENTAL ACTIVITIES</b>
	<b>KERN MEDICAL CENTER</b>	<b>WASTE MANAGEMENT</b>	<b>NONMAJOR ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
OPERATING REVENUES:					
Patient Services	\$ 124,600	\$	\$	\$ 124,600	\$
Charges for Current Services	896	10,355	5,646	16,897	88,452
Revenues from Use of Property		5	2,255	2,260	
Other Operating Revenues	9,414			9,414	
<b>Total Operating Revenues</b>	<b>134,910</b>	<b>10,360</b>	<b>7,901</b>	<b>153,171</b>	<b>88,452</b>
OPERATING EXPENSES:					
Salaries and Employee Benefits	95,388	5,294	1,465	102,147	2,795
Services and Supplies	55,882	13,671	17,014	86,567	10,746
Claims Incurred					74,082
Other Charges	1,242	4,964	419	6,625	5,538
Depreciation	4,518	865	2,128	7,511	615
<b>Total Operating Expenses</b>	<b>157,030</b>	<b>24,794</b>	<b>21,026</b>	<b>202,850</b>	<b>93,776</b>
Operating Income (Loss)	(22,120)	(14,434)	(13,125)	(49,679)	(5,324)
NON-OPERATING REVENUES (EXPENSES):					
Taxes and Assessments		12,283	11,039	23,322	
Fines, Forfeitures and Penalties	10	213	78	301	
Licenses, Permits and Franchises			6	6	
Interest on Bank Deposits and Investments	468	2,492	499	3,459	1,245
Aid from Other Governmental Agencies	23,301	227	6,799	30,327	332
Health Care Expense	(38,270)			(38,270)	
Interest Expense	(3,171)	(769)	(373)	(4,313)	(39)
Other Non-Operating Revenues	3,777	164	145	4,086	92
Gain (Loss) on Sale of Fixed Assets		(5)	(4)	(9)	(10)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(13,885)</b>	<b>14,605</b>	<b>18,189</b>	<b>18,909</b>	<b>1,620</b>
Income (Loss) before Transfers	(36,005)	171	5,064	(30,770)	(3,704)
Transfers In/Out	19,182			19,182	(31)
Changes in Net Assets	(16,823)	171	5,064	(11,588)	(3,735)
Net Assets (Deficit), July 1, 2001	27,164	16,473	41,497		(6,271)
Prior Period Adjustment		3,442	(3,451)		62
Net Assets (Deficit), June 30, 2002	\$ 10,341	\$ 20,086	\$ 43,110		\$ (9,944)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(834)	
Change in net assets of business-type activities				\$ (12,422)	

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

**COUNTY OF KERN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL
	KERN MEDICAL CENTER	WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received for Patient/Current Services	\$ 106,019	\$ 10,153	\$ 5,538	\$ 121,710	\$ 10,559
Cash Received for Interfund Services					77,906
Cash Received for Use of Property		5	2,206	2,211	
Cash Received for Other Operations	13,186	164	145	13,495	119
Cash Paid for Salaries and Benefits	(81,323)	(4,613)	(1,280)	(87,216)	(2,715)
Cash Paid for Services and Supplies	(52,034)	(12,717)	(16,927)	(81,678)	(9,126)
Cash Paid for Reported Claims					(66,590)
Cash Paid for Interfund Services Received	(12,600)	(815)	(190)	(13,605)	(81)
Cash Paid for Other Charges	(1,242)	(284)	(419)	(1,945)	(5,538)
Net Cash Provided (Used) by Operating Activities	(27,994)	(8,107)	(10,927)	(47,028)	4,534
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Cash Received From Other Funds	19,182			19,182	16
Payment of Postclosure Liability		(1,700)		(1,700)	
Taxes and Special Assessments		12,178	10,146	22,324	
Fines, Forfeitures, and Penalties	10	213	78	301	
Licenses and Permits			6	6	
Loans Paid			(110)	(110)	
Cash Received From Advances	32,500		1,800	34,300	
Cash Paid on Advances	(26,000)			(26,000)	
Aid from Other Governmental Agencies	23,301	227	5,030	28,558	332
Payment of Long Term Debt - Pension Obligation Bond	(181)	(10)	(4)	(195)	(3)
Interest Paid	(1,725)	(96)	(138)	(1,959)	(26)
Health Care Expense	(38,270)			(38,270)	
Net Cash Provided (Used) by Non-Capital Financing Activities	8,817	10,812	16,808	36,437	319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition or Construction of Capital Assets	(8,409)	(6,113)	(5,484)	(20,006)	(1,469)
Proceeds from Sale of Fixed Assets					99
Proceeds from Issuance of Certificates of Participation		14,165		14,165	
Payment of Long Term Debt - Certificates of Participation	(2,220)	(1,095)	(175)	(3,490)	
Interest Paid on Long Term Debt	(666)	(652)	(162)	(1,480)	
Payment of Capital Lease		(22)		(22)	(10)
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,295)	6,283	(5,821)	(10,833)	(1,380)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Bank Deposits and Investments	831	2,824	508	4,163	1,362
Net Cash Provided (Used) by Investing Activities	831	2,824	508	4,163	1,362
Net Increase (Decrease) in Cash and Cash Equivalents	(29,641)	11,812	568	(17,261)	4,835
Cash and Cash Equivalents, July 1, 2001	41,274	55,492	11,644	108,410	26,071
Cash and Cash Equivalents, June 30, 2002	\$ 11,633	\$ 67,304	\$ 12,212	\$ 91,149	\$ 30,906

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

**COUNTY OF KERN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 2 of 2

	<u>KERN MEDICAL CENTER</u>	<u>WASTE MANAGEMENT</u>	<u>NONMAJOR ENTERPRISE FUNDS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (22,120)	\$ (14,434)	\$ (13,125)	\$ (49,679)	\$ (5,324)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Other Non-Operating Revenues	3,772	164	145	4,081	119
Depreciation	4,518	865	2,128	7,511	615
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(19,655)	(202)	(161)	(20,018)	12
(Increase) Decrease in Inventory	(825)			(825)	45
(Increase) Decrease in Accrued Revenue			181	181	
(Increase) Decrease in Prepaid Items	559	294	4	857	
Increase (Decrease) in Accounts Payable	1,891	526	(95)	2,322	1,656
Increase (Decrease) in Due to Others	178			178	(21)
Increase (Decrease) in Salaries & Benefits Payable	404	25	9	438	
Increase (Decrease) in Compensated Absences Payable	1,298	(26)	(13)	1,259	
Increase (Decrease) in Provision for Liability Claims	1,986			1,986	7,432
Increase (Decrease) in Closure/Post Closure Liability		4,681		4,681	
Total Adjustments	<u>(5,874)</u>	<u>6,327</u>	<u>2,198</u>	<u>2,651</u>	<u>9,858</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (27,994)</u>	<u>\$ (8,107)</u>	<u>\$ (10,927)</u>	<u>\$ (47,028)</u>	<u>\$ 4,534</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Net Transfers of Fixed Assets (To) From Other Funds	\$ _____	\$ _____	\$ _____	\$ _____	\$ (31)
Total Noncash Investing, Capital, and Financing Activities	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ (31)</u>

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

**COUNTY OF KERN**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

<u>ASSETS</u>	<u>INVESTMENT TRUST</u>	<u>AGENCY</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 982,948	\$ 151,958	\$ 1,134,906
Total Cash and Cash Equivalents	<u>982,948</u>	<u>151,958</u>	<u>1,134,906</u>
Receivables:			
Accounts	855	142	997
Loans		232	232
Taxes		69,963	69,963
Interest and Dividends Receivable	4,834	796	5,630
Total Receivables	<u>5,689</u>	<u>71,133</u>	<u>76,822</u>
Due from Other:			
Funds:	35	102	137
Agencies:		5,648	5,648
Total Due from Other:	<u>35</u>	<u>5,750</u>	<u>5,785</u>
Fixed Assets, Net of Accumulated Depreciation	<u>20</u>		<u>20</u>
Total Assets	<u>988,692</u>	<u>228,841</u>	<u>1,217,533</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Warrants Payable	88,331	33,087	121,418
Accounts Payable	2,506	6	2,512
Matured Bonds & Interest Payable	166		166
Due to Other Funds	1,380	622	2,002
Due to Other Agencies		192,531	192,531
Advances from Other Funds	500		500
Unapportioned Installment Redemptions		2,595	2,595
Total Liabilities	<u>92,883</u>	<u>\$ 228,841</u>	<u>321,724</u>
Net Assets Held in Trust for Pool Participants	<u>\$ 895,809</u>		<u>\$ 895,809</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, 2002 (IN THOUSANDS)**

ADDITIONS:

Contributions on pooled investments	\$ 3,105,082
Use of money and property	<u>55,259</u>
Total additions	<u>3,160,341</u>

DEDUCTIONS:

Distributions from pooled investments	<u>3,062,925</u>
Net increase in net assets	97,416
Net assets held in trust, July 1, 2001	<u>798,393</u>
Net assets held in trust, June 30, 2002	<u>\$ 895,809</u>

**NOTES TO THE FINANCIAL  
STATEMENTS**





**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

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

**B. BLENDED COMPONENT UNITS**

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," management has determined that the following component units should be blended:

**County Service Areas (CSAs)**

The County's Board of Supervisors is the governing body of the CSAs. Among its duties, the Board approves the CSAs' budgets, approves parcel fees and appoints the management. The CSAs component unit is reported in the governmental activities as a nonmajor governmental fund.

**Golf Courses and Sanitation Districts**

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

**The County of Kern Asset Leasing Corporation**

Although this component unit has its own governing body, it provides services exclusively to the County. It is reported as a nonmajor governmental fund in these statements. This non-profit entity holds the general fixed 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 X.B)

Each blended component unit has a June 30 year-end. Additional detailed information for these entities can be obtained from the Kern County Auditor-Controller-County Clerk at 1115 Truxtun Ave., Bakersfield, California 93301. The County has no discretely presented component units.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

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

**GASB Statement No. 33 and 36**

Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, was issued December 1998 and implemented during fiscal year ended June 30, 2001. Statement No. 36, *Recipient Reporting of Certain Shared Nonexchange Revenues – an Amendment of GASB Statement No. 33*, was issued April 2000 and implemented during fiscal year ended June 30, 2001. GASB Statements 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources.

**GASB Statements No. 34 and 37**

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis– for State and Local Governments*, and Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments – Omnibus*, were issued in June 1999 and in June 2001, respectively. This is the most significant change in financial statements in over twenty years and is being implemented based upon the size of the government, starting in the fiscal year 2002. Part of the new GASB 34 requirement is to report the local governments infrastructure (roads, bridges, traffic signals, etc.). The County has until 2006 to retroactively report infrastructure assets.

**GASB Statement No. 38**

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, was issued in June 2001. This statement adds, deletes, and alters the various notes disclosure requirements. Those requirements address revenue recognition policies, action taken in response to legal violations, debt service requirements, variable-rate debt, receivable and payable balances, interfund transfers and balances, and short-term debt.

**GASB Interpretation No. 6**

Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, was issued in June 2001 by GASB. This statement was issued to clarify the application of standard for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

**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. Eliminations were made in order to minimize the double counting of internal activities. These statements distinguish between governmental funds and business-type funds of the County. Governmental funds, which are primarily supported by taxes, are presented separately from business-type funds, which strongly depend upon fees charged to external parties.

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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

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

**Government-Wide Financial Statements (continued)**

to a particular function and are specifically associated with a program or function. 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 34 requires new information and restructuring of much of the information that governments have presented in the past. Comparability with reports issued in the prior years is affected.

**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 provide information about the County's funds, including fiduciary funds. There are three separately presented fund categories: governmental, proprietary, and fiduciary. The emphasis of presenting these categories is to identify the major governmental and enterprise funds. The major funds are separately displayed and all the remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. An exchange transaction is where two parties receive and give up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions.

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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (GASB) (continued)**

**Fund Financial Statements (continued)**

**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.

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

**Kern County Department of 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 economical classes.

**Mental Health** accounts for developing and maintaining Countywide, 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.

**Road** 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 investigation.

**Tobacco Securitization** accounts for the sale of rights to future tobacco settlement payments (see Note XIII. A).

The County reports the following major business-type funds:

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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (GASB) (continued)**

**Fund Financial Statements (continued)**

**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 schools 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 has responsibility 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.

**The 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 upon the requisition of the responsible officer.

**D. 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. Nonexchange transactions occur when an entity gives/receives value without receiving/giving the same value in return. An example of a nonexchange transaction would be property and sales taxes, grants, entitlements and donations. On an accrual basis, property tax revenue is recognized in the fiscal year the taxes are levied. Revenues from donations, entitlements, and grants are recognized in the fiscal year in which all eligible requirements have been fulfilled.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

**D. BASIS OF ACCOUNTING (continued)**

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; whereas, 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 so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences are recorded only when the payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are report 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 for these records to be maintained and incorporated into 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. The assets and the liabilities of the Internal Service Funds are included in the Governmental Activities in the Statements of Net Assets because they primarily serve the Governmental Activities of the County.

The Internal Service Funds profit/loss was allocated to the function or program that benefited from the internal service fund activity using the look-back approach.

**E. 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 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 in the fair value of the investments was recognized.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

**E. ASSETS, LIABILITIES, AND NET ASSETS (continued)**

**Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "loans receivable/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" (See notes VII. B, VII. C, and VII. A for 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 2001-02 net assessed valuation of the County of Kern was \$46,183,584,537.

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 separately calculated 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. They 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 November 1 and delinquent with penalties after December 10; the second is due 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, 2002**

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

**E. ASSETS, LIABILITIES, AND NET ASSETS (continued)**

**Inventory - Materials and Supplies**

Inventories in the General Fund, General Services - Garage Internal Services Fund, the Road 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. Road and Structural Fire Funds value inventory at cost and the General Services - Garage Internal Service Fund uses the first-in, first-out method of costing inventory. Other materials and supplies are recorded as expenditures upon acquisition.

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 spendable resources".

**Capital Assets**

Capital assets, which include plant, property, and equipment and infrastructure assets (roads, street lighting, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. By definition, county fixed assets exceed \$5,000 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 asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are computed by 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/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, improvements)	5 - 50 years

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



**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

**E. ASSETS, LIABILITIES, AND NET ASSETS (continued)**

**Compensated Absences**

The County's policy on compensated absences is to permit employees to accumulate earned but unused vacation and sick leave benefits. The liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned at the year-end. The accumulated benefits will be liquidated as employees elect to use them in the future. All payments of these accumulated benefits will be funded in the year in which they are to be paid.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as are 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**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

**F. 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 2001-2002 was \$319,325, the estimated adjustment was \$194,725 for a net patient service revenue of \$124,600 (in thousands). 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 Hospital revenue is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Medi-Cal inpatient services are reimbursed at a contractually agreed upon per-diem rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups.

Certain other services to Medicare beneficiaries are reimbursed based on cost, subject to certain limitations. Revenues from the Medi-Cal and Medicare programs represent approximately 35% and 25% respectively, of net patient care revenue for the year ended June 30, 2002.

The Hospital has various outstanding appeals pertaining to Medi-Cal and Medicare audit settlements. These amounts have not been recorded as the outcome is not certain. The potential impact of these appeals will not have an adverse effect upon the County.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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

**F. HOSPITAL AND OTHER PROGRAM REVENUES**

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

The disproportionate share hospital (DSH) program was established in 1981 as part of the Medicaid program and requires State Medicaid agencies to make additional payments to hospitals serving disproportionate numbers of low-income patients with special needs.

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

In 2001, the Office of Inspector General (OIG) of the U.S. Department of Health of Human Services conducted an audit of DSH payments to the Medical Center in order to determine that those payments did not exceed the hospital specific limit for fiscal 1998. The OIG issued a draft report of its finding in which the hospital exceeded its specific limit by nearly \$44 million for fiscal year 1998. The report states that Federal law requires the State to recover overpayments, and State law require that overpayment determined by audit or Federal disallowance should be recouped by the State. However, in its conclusions, the report does not specifically request the Medical Center to refund the overpayment. The draft report is not considered final, and is subject to further review and revision.

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. No provision has been made in these financial statements to repay the amounts claimed by the OIG in its report.

**Other Program Revenues**

The Hospital also receives revenues from the following other programs:

During fiscal year 1991-92, Senate Bills (SB) 855 and 146 were enacted to provide higher Medi-Cal reimbursement rates to "disproportionate share hospitals." These are hospitals which 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. The Hospital received \$50,031,922 in fiscal 2002 and \$62,970,856 in fiscal 2001 under the State of California's Medi-Cal disproportionate share program. The program required the County to provide matching funds of \$28,270,233 and \$42,203,894 in fiscal 2002 and 2001, 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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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

**F. HOSPITAL AND OTHER PROGRAM REVENUES (continued)**

**Other Program Revenues (continued)**

services provided to patients, they 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 as non-operating expense in the Kern Medical Center Enterprise Fund.

SB 1255, which became effective in 1990, established the State Disproportionate Share and Emergency Services Fund to receive contributions from public and private agencies. The State utilized these funds to obtain additional Federal matching funds. The total is then distributed to the participants through a negotiation process with the California Medical Assistance Commission. To be eligible to negotiate for funds, among other requirements, a hospital must be a disproportionate share provider. For fiscal year 2001-2002 County SB 1255 revenues were \$20,300,011. The program required the County to provide matching funds of \$10,000,000, which were recorded as expenditures in the General Fund. Reimbursement to the General Fund for the contribution is recorded as other revenue in the General Fund and as non-operating expense 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, 2002 was \$1,608,053.

Revenues related to the aforementioned programs are included in the accompanying financial statements as hospital operating revenues. The nonoperating revenues consist of taxes and assessments; fines, forfeiture and penalties; licenses, permits and franchises; interest on bank deposits and investments; aid from other governmental agencies; health care expense; interest expense; and gain on sale of fixed assets. Unpaid 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 1991-92, 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 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 Realignment revenues were recorded as State revenues in the General, Mental Health, Department of Human Services, and Kern Medical Center Funds.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. The details of this difference are as follows (in thousands):

Deferred Revenue	\$	41,410
Capital Assets Not Recorded in the Governmental Funds		286,996
Allocation of Internal Service Funds to Governmental Activities		(7,480)
Interest Payable		(30,025)
Long-Term Liabilities		
Pension Obligation Bonds		(184,070)
Bonds Payable		(225)
Certificate of Participation		(78,970)
Capital Leases		(8,728)
Facility Lease		(513)
Loan Payable		(8,455)
Compensated Absences		(46,000)
		<hr/>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Assets-Governmental Activities	\$	<u>(36,060)</u>

**B. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of this difference are as follows (in thousands):

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**B. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (continued)**

Capital Outlays	\$	30,435
Depreciation Expense		(12,561)
Contribution of Capital Assets		1,091
Deferred Revenue Earned But Not Available		1,202
Long-Term Liabilities		
Pension Obligation Bonds		1,071
Certificate of Participation		9,775
Capital Leases		3,507
Facility Lease		83
Loans Payable		795
Expenditures Not Recorded in the Governmental Funds		
Change in Accrued Interest Payable		(5,268)
Change in Compensated Absences		(1,911)
Internal Service Fund Activity		(2,868)
		<hr/>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$	<u>25,351</u>

**III. NET ASSETS RESTATEMENTS**

**A. FUND RECLASSIFICATION**

As a result of GASB 33 and 36, the County reclassified the Tax Loss Reserve and Tax Resources funds, previously included as Agency Funds, to the General Fund during fiscal year ended June 30, 2002.

**B. RESTATEMENT OF EQUITY**

The County's beginning fund balances have been restated to reflect the effect of GASB Statement No. 33. In addition during fiscal year ended June 30, 2002, certain errors were discovered that resulted in both the overstatement and understatement of reported assets and liabilities as of June 30, 2001 (in thousands):

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**III. NET ASSETS RESTATEMENTS (continued)**

**C. RESTATEMENT OF EQUITY**

Fund Balances:

Fund balances at June 30, 2001, as previously reported governmental funds:

General Fund	\$ 67,977
Special Revenue Funds	95,349
Capital Projects Funds	(572)
Debt Service Funds	64,646
Total fund balances at June 30, 2001, as previously reported	<u>227,400</u>

Prior Period Adjustments:

General Fund	
GASB Statement No. 33 adjustment:	
Reclassification of funds previously reported as fiduciary funds	4,637
Accounts payable and revenue related to prior periods	(3,910)
Human Services	
Accounts payable and revenue related to prior periods	(17,419)
Mental Health	
Accounts payable related to prior periods	(4,198)
Road	
Accounts payable related to prior periods	(3,110)
Structural Fire	
Accounts payable and revenue related to prior periods	150
Other Governmental Funds	
Accounts payable and revenue related to prior periods	(417)
	<u>(24,267)</u>
Fund balances at June 30, 2001, as restated – governmental funds	<u>\$ 203,133</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**III. NET ASSETS RESTATEMENTS (continued)**

**C. RESTATEMENT OF EQUITY (continued)**

Fund Equity/Net Assets:

Fund equity at June 30, 2001, as previously reported business-type activities	
Enterprise	\$ 85,134
Prior Period Adjustments:	
Waste Management	
Accounts payable and revenue related to prior periods	3,442
Airports	
Depreciation not previously recorded	(3,251)
County Sanitation Districts	
Revenue related to prior periods	520
Golf Course	
Accounts payable related to prior periods	(255)
Public Transportation	
Deferred revenue not recorded	(1,000)
Universal Collections	
Accounts payable and receivables related to prior periods	535
Fund Equity/Net Assets at June 30, 2001, as restated – business-type activities	\$ <u>85,125</u>

Fund Equity/Net Assets:

Fund equity at June 30, 2001, as previously reported Internal Service Funds	\$ (6,271)
Accounts payable related to prior periods	62
Fund equity at June 30, 2001, as previously reported Internal Service Funds	\$ <u>(6,209)</u>

The impact of GASB Statement 34 on the County's accounting and financial reporting practices was to (1) report the residual balances of certain internal activities within the net assets of governmental activities, (2) report all long-term assets, including capital assets and liabilities in the statement of net assets, and (3) report all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. These adjustments are summarized in the table below (in thousands):

Net Assets:

Fund balances at June 30, 2001, as restated – Governmental Activities	\$ 203,133
GASB Statement No. 34 adjustments:	
Net Capital Assets	255,767
Deferred Revenue related to prior periods	40,208
Long Term Liabilities and Accrued Interest	(352,805)
Internal Service Funds Net Assets/Deficits	<u>(4,581)</u>
Net Assets (Deficit) at July 1, 2001	\$ <u>141,722</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**III. NET ASSETS RESTATEMENTS (continued)**

**C. RESTATEMENT OF EQUITY (continued)**

Net Assets:

Fund balances at June 30, 2001, as restated Business-type Activities	\$ 85,125
GASB Statement No. 34 adjustments:	
Net Capital Assets	<u>(1,630)</u>
Net Assets (Deficit) at July 1, 2001	<u>\$ 83,495</u>

**IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

The following funds have total deficit fund balances/total deficit net assets, as appropriate at June 30, 2002 (in thousands):

<u>Major Governmental Funds</u>	
Employer's Training Resource	\$ (216)
Department of Human Services	<u>(5,673)</u>
	<u>\$ (5,889)</u>
 <u>Nonmajor Governmental Funds</u>	
Community Development	\$ (152)
Public Improvement Districts	(14)
Separation of Grade	<u>(3,215)</u>
	<u>\$ (3,381)</u>
 <u>Internal Service Funds:</u>	
Group Health	\$ (3,789)
General Liability	(2,553)
Workers' Compensation	(22,675)
Unemployment Compensation	<u>(80)</u>
Total Internal Service Funds	<u>\$ (29,097)</u>

The deficit fund balances in the Employers' Training Resource, Community Development, Public Improvement Districts, and Separation of Grade is the result of the non-recognition of award monies yet to be received from the Federal or State governments, since eligibility requirements have not been met, but for which program expenditures and encumbrances have been recognized. The deficit fund balance for Human Services is the result of a prior period adjustment. The prior period adjustments relate to adjustments made to accounts payable, accounts receivable, and deferred revenue that were not recorded in the prior period. The Group Health, General Liability, Workers' Compensation, and Unemployment Compensation negative retained earnings represent liabilities incurred as a result of self-insurance.



**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**V. CASH AND INVESTMENTS**

**A. DEPOSITS**

**Cash and Deposits**

As provided for by the Government Code, the cash balances of substantially all funds are pooled and invested by the County 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 GASB Statement No. 3, all bank balances are categorized as covered by federal depository insurance or collateralized by the County's agent in the County's name. 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.

County deposits are categorized as follows (see schedule under "Investments"):

- Category 1 Insured or collateralized with securities held by the County or its agent in the County's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.
- Category 3 Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the County's name.

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

The June 30, 2002 balance of Cash and Investments Deposited with Trustee consists of the following (in thousands):

Money Market Accounts	\$	6,649
Investment Agreements		80,871
Federal Agency		13,394
Total Cash and Investments Deposited with Trustee	\$	<u>100,914</u>

\$49,757,262 of the balance relates to 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 Nonmajor Governmental Fund, the Golf Course Nonmajor Enterprise Fund, Kern Medical Center and

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**V. CASH AND INVESTMENTS (continued)**

**B. CASH AND INVESTMENTS DEPOSITED WITH TRUSTEE (continued)**

Waste Management Enterprise Funds. \$50,944,823 is recorded in the Tobacco Securitization fund and will be utilized for capital projects. The cash balance funds are currently held by AIM and Blackrock Provident Institutional Funds as the temporary custodians. Transfer of the funds will occur beginning fiscal year ended June 30, 2003 to a permanent custodian.

The balance reported in the Pension Obligation Bond Trustee Debt Service Nonmajor 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. The balance reported in the Public Health Facility Loan Debt Service Nonmajor Governmental Fund relates to construction debt refinancing and are monies held in a trust account with Chase Manhattan Bank.

The invested portion on deposit with the trustee has been categorized for risk under the investment classifications in accordance with the Governmental Accounting Standards Board Statement 3. (See schedule under "Investments")

**C. INVESTMENTS**

Statutes authorize the County to invest in obligations of the United States Treasury, Federal agencies, municipalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and bankers' acceptances. 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, 2002 to support the value of the shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible.

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 school and special districts and special assessments. The County pool does not issue separate financial statements. Participants may withdraw up to the amortized cost of the 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 \$38,312. 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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**V. CASH AND INVESTMENTS (continued)**

**C. INVESTMENTS (continued)**

position in the Pool.

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

Investment	Fair Value	Principal	Interest rate % Range	Maturity Range
Bankers Acceptance	\$ 83,823	\$ 83,823	1.63 - 2.11	7/11/02 - 10/18/02
Commercial Paper	294,729	294,659	1.82 - 2.10	7/01/02 - 8/30/02
Fed Agency Issues (Coupon)	472,008	468,426	1.85 - 6.75	8/15/02 - 5/14/07
State Treasury's Pool (LAIF)	38,312	38,312	2.96 - 3.77	7/01/02
Asset Backed Securities	98,126	96,843	5.50 - 5.95	7/15/02 - 4/16/07
Medium Term Notes	147,099	144,200	4.13 - 8.85	7/01/02 - 9/08/06
Negotiable CDs	207,004	207,006	1.63 - 4.02	7/01/02 - 12/31/02
Treasury Securities	10,066	10,000	3.00 - 3.00	1/31/04 - 1/31/04
Fed Agency Issues (Discount)	90,140	89,978	1.73 - 2.13	7/01/02 - 1/10/03
Bank Accounts & Accruals	59,261	59,261		
<b>Totals</b>	<b>\$ 1,500,568</b>	<b>\$ 1,492,508</b>		

The following represents a condensed statement of net assets and changes in net assets for the Pool as of June 30, 2002 (in thousands):

Statement of Net Assets

Total Assets Held for Pool Participants	\$ 1,500,568
Less: Warrants Payable	(121,417)
Pool Equity, Net	\$ 1,379,151
Equity of Internal Pool Participants	\$ 483,341
Equity of External Pool Participants (Voluntary and Involuntary)	895,810
Total Equity	\$ 1,379,151

Statement of Changes in Net Assets

Net Assets at July 1, 2001	\$ 1,247,213
Net Changes in Investments by Pool Participant	131,938
Net Assets at June 30, 2002	\$ 1,379,151

- Category 1 Insured or registered, or securities held by the County or its agent in the County's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty in the County's name, or by its trust department or agent, but not in the County's name.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**V. CASH AND INVESTMENTS (continued)**

**C. INVESTMENTS (continued)**

In the following schedule, bank deposits are reported based upon balances as of the end of the fiscal year and investments are reported at the County's book balance (in thousands):

Investments	Risk Category			Noncategorized	Fair Value
	1	2	3		
Negotiable CDs	\$ 207,004	\$	\$	\$	\$ 207,004
Commercial Paper	294,729				294,729
Bankers Acceptance	83,823				83,823
U.S. Treasury Securities	10,066				10,066
Federal Agency Issues	562,148				562,148
Medium Term Notes	147,099				147,099
Asset Backed Securities	98,126				98,126
Accrued Interest at Purchase	889				889
State Treasurer's Pool (LAIF)				38,312	38,312
Investment Subtotal	<u>1,403,884</u>	<u>      </u>	<u>      </u>	<u>38,312</u>	<u>1,442,196</u>
Deposits					
Cash in Bank					
Issued, Collateralized Pool	55,944				55,944
Investments and Deposits Subtotal	<u>1,459,828</u>	<u>      </u>	<u>      </u>	<u>38,312</u>	<u>1,498,140</u>
Cash on Hand					2,428
Total Deposits and Investments	\$ <u>1,459,828</u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>38,312</u>	\$ <u>1,500,568</u>
Investments Deposited with Trustee					
Money Market	\$	\$	\$	\$ 6,649	\$ 6,649
Investment Agreements			80,871		80,871
Federal Agency			13,394		13,394
Total Investments Deposited with Trustee	\$ <u>      </u>	\$ <u>      </u>	\$ <u>94,265</u>	\$ <u>6,649</u>	\$ <u>100,914</u>

**D. DEPOSITS WITH OTHERS**

The County has total deposits with others of \$1,515,333. The General Fund has deposited \$205,273 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 \$1,310,060 represents deposits by the Group Health Self-Insurance Internal Service Fund with its designated claim administrators; such amount has been determined by claim

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**V. CASH AND INVESTMENTS (continued)**

**D. DEPOSITS WITH OTHERS (continued)**

administrators to be representative of one month's billings.

**VI. RECEIVABLES**

**A. RECEIVABLES**

The County's net receivables for the year ended June 30, 2002 for the individual funds, nonmajor funds, and internal services funds are as follows:

<b>Receivables - Governmental Activities:</b>	<b>Taxes</b>	<b>Accounts</b>	<b>Interest</b>	<b>Other</b>	<b>Total Receivables</b>
General Fund	\$ 26,718	\$	\$ 1,357	\$ 25,235	\$ 53,310
Kern Co. Dept. of Child Support			86	3,289	3,375
Employer's Training Resource			4	3,515	3,519
Department of Human Services		13,428		2,296	15,724
Mental Health		107	158	5,038	5,303
Road			81	2,122	2,203
Structural Fire	708		166	830	1,704
Internal Service Funds		47	267		314
Other Nonmajor Funds	606		483	7,208	8,297
<b>Total Governmental Activities</b>	<b>\$ 28,032</b>	<b>\$ 13,582</b>	<b>\$ 2,602</b>	<b>\$ 49,533</b>	<b>\$ 93,749</b>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**VI. RECEIVABLES (continued)**

**A. RECEIVABLES (continued)**

Of the \$13,428,323 of accounts receivables for the Department of Human Resources, only \$412,798 is expected to be collected within one year, leaving \$13,015,524 in receivables to be collected in future years. Department of 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 \$23,973,051. Of this amount, \$22,849,403 is recorded in the General Fund, \$605,505 in the Structural Fire Fund and \$518,143 in the County Service Areas Nonmajor Governmental Fund.

<b>Receivables - Business-Type Activities:</b>	<b>Taxes</b>	<b>Accounts</b>	<b>Interest</b>	<b>Other</b>	<b>Gross Receivables</b>	<b>Less: Allowance for Uncollectibles</b>	<b>Total Receivables</b>
Kern Medical Center	\$	\$ 103,010	\$ 143	\$ 10,194	\$ 113,347	\$ (78,318)	\$ 35,029
Waste Management	3,878	908	468		5,254	(11)	5,243
Nonmajor Enterprise Funds	<u>1,243</u>	<u>295</u>	<u>108</u>	<u>2,282</u>	<u>3,928</u>	<u>(82)</u>	<u>3,846</u>
Total Business-Type Activities	<u>\$ 5,121</u>	<u>\$ 104,213</u>	<u>\$ 719</u>	<u>\$ 12,476</u>	<u>\$ 122,529</u>	<u>\$ (78,411)</u>	<u>\$ 44,118</u>

Kern Medical Center has a balance of \$103,297,719 in accounts receivable. Of the accounts receivable balance, Kern Medical Center does not expect to collect \$610,020 within one year. The total amount of taxes receivable not expected to be collected within one year is \$4,379,346. Of the \$4,379,346, the receivable will be allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$3,316,292, \$441,333, and \$621,721, respectively.

**Collection of Hospital Receivables**

For collection of hospital receivables, charges for services increased during the fiscal year, the Hospital experienced deterioration in its cash position, primarily due to deficiencies in its billing and collection processes. This cash position deterioration has continued subsequent to June 30, 2002. Pending resolution of these cash collection problems, any cash shortfall in the Kern Medical Center Enterprise Fund will be covered through borrowings from the County's General Fund.

**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.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**VI. RECEIVABLES (continued)**

**B. UNAVAILABLE/UNEARNED REVENUE (continued)**

The various components of deferred revenue and unearned revenue reported at June 30, 2002 are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Governmental Activities:		
Delinquent property taxes receivable		
General Fund	\$ 26,722	\$
Structural Fire	751	
Nonmajor Governmental Fund	593	
Accounts Receivable		
Department of Human Services	13,342	
Deferred revenue for performance incentive		
Department of Human Services	<u>                    </u>	<u>9,429</u>
Total deferred/unearned revenue for governmental funds	\$ <u>41,408</u>	\$ <u>9,429</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**VII. INTERFUND TRANSACTION**

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

Due To/From Other Funds amounts will be repaid in the following fiscal year. Due To/From Other Funds at June 30, 2002 are as follows (in thousands):

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund	\$ 8,215	\$	
Agency		393	Final allocation of property tax revenue and real property transfer tax
Investment Trust		890	Final allocation of court fines revenues
Nonmajor Governmental Funds		5,295	Expenses incurred on behalf of self-funded programs and final allocation of proposition 172 revenue
Employes' Training Resouce		1,462	Expenses incurred on behalf of self funded programs.
Internal Service Funds		175	Amount due to Risk Management Department for expenses incurred on behalf of self funded programs.
	<u>8,215</u>	<u>8,215</u>	
Fire	777		
Agency		229	Final allocation of property tax revenue and real property transfer tax
Nonmajor Governmental Funds		548	Final allocation of proposition 172 revenue
	<u>777</u>	<u>777</u>	
Nonmajor Governmental Funds	352		
Investment Trust		352	Final allocation of court fines revenues
	<u>352</u>	<u>352</u>	
Agency	102		
Investment		102	Cash flow transfer
	<u>102</u>	<u>102</u>	
Investment	35	35	To cover refunding of bonds for school district
	<u>35</u>	<u>35</u>	
Total	\$ <u>9,481</u>	\$ <u>9,481</u>	



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**VII. INTERFUND TRANSACTION (continued)**

**B. LOANS RECEIVABLE/PAYABLE**

Loans Receivable/Payable at June 30, 2002 are as follows (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Department of Human Services	\$ 4,800	To cover cash flow
Nonmajor Governmental Fund	Nonmajor Governmental Fund	4,100	To expedite construction of improvements
Agency	Nonmajor Governmental Fund	232	Start up cost of projects
Nonmajor Governmental Fund	Nonmajor Enterprise Fund	1,838	To purchase Meadows fields land and to cover cash flow
		<u>\$ 10,970</u>	

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

Advances To/From Other Funds at June 30, 2002 are as follows (in thousands):

<u>Advances To</u>	<u>Advances From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Fund	\$ 1,225	To cover cash flows
	Kern Medical Center	6,500	To cover cash flows
	Investment	<u>500</u>	Construction of community services center
		<u>8,225</u>	
Waste Management	Nonmajor Enterprise Fund	<u>2,500</u>	To cover start up cost
Nonmajor Governmental Funds	Nonmajor Governmental Funds	4,050	To cover construction costs of capital projects
	Nonmajor Enterprise Fund	<u>1,800</u>	To cover cash flows and for terminal parking construction
		<u>5,850</u>	
		<u>\$ 16,575</u>	

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**VII. INTERFUND TRANSACTION (continued)**

**D. TRANSFERS**

A reconciliation of transfers is detailed below (in thousands):

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Human Services	\$ 6,225
	Mental Health	375
	Road	5,750
	Structural Fire	17,872
	Nonmajor Governmental Funds	9,896
	Kern Medical Center	<u>19,182</u>
		<u>59,300</u>
Structural Fire	Nonmajor Governmental Funds	<u>1,124</u>
Nonmajor Governmental Funds	General	51,524
	Mental Health	673
	Structural Fire	3,366
	Nonmajor Governmental Funds	<u>12,138</u>
		<u>67,701</u>
	TOTAL	<u>\$ 128,125</u>

The General Fund transferred \$36,234,405 to Human Services, Mental Health, Road, Structural Fire, and Aging and Adult Services-Nonmajor Governmental Fund as a subsidy to their operations. It also transferred \$3,883,093 to the Kern Asset Leasing Corporation to cover debt service payments. The transfer to Kern Medical Center of \$19,181,809 represents a contribution to the hospital operations as well as a transfer of special purpose funds received from the state.

The Structural Fire transferred \$1,124,404 to the Kern Asset Leasing Corporation to cover debt service payments.

Nonmajor Governmental Special Revenue Funds transferred \$51,401,774 to the General Fund as part of the funding for Capital Projects, General Services-Major Maintenance, Information Technology Service, Utility Payments, Capital Projects-Orangewood, Code Compliance, Recorder, Sheriff, Probation, District Attorney, Public Defender, Forensic Sciences-Division of District Attorney, Public Health, Emergency Medical Services, Ambulance Service Payments, Kern Medical Center, and Parks and Recreation. The ACO-General Debt Service Nonmajor Governmental Fund transferred \$122,324 to the General Fund as a reimbursement for maintenance and capital projects.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**VII. INTERFUND TRANSACTION (continued)**

**D. TRANSFERS (continued)**

The Alcoholism Program, Alcohol Abuse Education/Prevention, Drug Program, and Tobacco Litigation Settlement transferred \$672,970 to the Mental Health Fund to fund its operations of the programs funded by the special purpose funds.

The Local Public Safety-Nonmajor Special Revenue Fund transferred \$3,366,227 to the Structural Fire Fund as part of the funding of local public safety services as enacted by Proposition 172 in the November 1993 special election.

The Nonmajor Governmental Tobacco Litigation Settlement Fund transferred \$700,000 to Aging and Adult Services and the Public Health Facility Capital Projects Nonmajor Governmental Funds to fund a portion of the operations and the capital project.

The ACO-General and ACO-Fire Nonmajor Governmental Funds transferred \$8,397,204 to the Kern Assets Leasing Nonmajor Governmental Fund to cover debt service payments.

There was \$2,258,667 transferred from the Kern Assets Leasing and the Public Health Facility Nonmajor Debt Service Funds to the COP and Public Health Facility Capital Projects Funds to pay for capital outlays.

The \$738,848 transferred from District Attorney-H&S Code 11489, Sheriff's-Rural Crime, and Sheriff's Training Nonmajor Governmental Funds to the District Attorney-Local Forfeiture Fund, High Tech Equipment Fund, and Fire-Hazard Reduction Fund to support operations of the specially funded programs.

In the fund financial statements, total transfers in of \$128,125 are less than the total transfers out of \$128,155 because of the treatment of transfers of capital assets from the internal service funds. During the year, capital assets were transferred from internal service funds to capital assets used in the operations of governmental activities. No amount was reported in the governmental funds as the amount did not involve the transfer of financial resources. However, the internal service funds did report a transfer out.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**VIII. CAPITAL ASSETS**

**A. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2002 was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land & Easement	\$ 19,440	41	8	19,473
Construction In Progress	15,004	8,305	2,355	20,954
<b>Total Capital Assets, not being depreciated</b>	<b>34,444</b>	<b>8,346</b>	<b>2,363</b>	<b>40,427</b>
<i>Capital Assets, being depreciated:</i>				
Infrastructure	-	15,512		15,512
Structures & Improvements	289,222	3,267		292,489
Equipment	91,838	16,434	3,022	105,250
<b>Total Capital Assets, being depreciated</b>	<b>381,060</b>	<b>35,213</b>	<b>3,022</b>	<b>413,251</b>
Less Accum. Depreciation for:				
Infrastructure	-	2,680		2,680
Structures & Improvements	103,153	5,360		108,513
Equipment	46,283	7,388	2,584	51,087
<b>Total Accum. Depreciation</b>	<b>149,436</b>	<b>15,428</b>	<b>2,584</b>	<b>162,280</b>
Total Capital assets, being Depreciated, net	231,624	19,785	438	250,971
<b>Net, Capital Assets</b>	<b>\$ 266,068</b>	<b>28,131</b>	<b>2,801</b>	<b>291,398</b>

The County made the following restatements to capital assets at July 1, 2001 (in thousands):

Governmental activities capital assets beginning balance – July 1, 2001	\$ 400,915
Internal Service Fund transferred to Governmental Activities beginning balance	6,148
Restatement for capital assets not added/deleted in prior years	8,441
Accumulated depreciation for structures and improvements and equipment	(146,985)
Accumulated depreciation for Internal Service Fund	(2,451)
Restated Governmental Activities Capital Assets – July 1, 2001	\$ <u>266,068</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**VIII. CAPITAL ASSETS (continued)**

**A. CAPITAL ASSETS (continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>	\$			
<i>Capital Assets, not being depreciated:</i>				
Land	19,436	627		20,063
Land Acquisition in Progress	9	574	574	9
Construction In Progress	7,585	15,131	1,891	20,825
<b>Total Capital Assets, Not being depreciated</b>	<b>27,030</b>	<b>16,332</b>	<b>2,465</b>	<b>40,897</b>
<i>Capital Assets, being depreciated:</i>				
Structures & Improvements	112,490	1,890		114,380
Equipment	41,402	5,168	213	46,357
Infrastructure	4,368	6		4,374
<b>Total Capital Assets, being depreciated</b>	<b>158,260</b>	<b>7,064</b>	<b>213</b>	<b>165,111</b>
Less Accum. Depreciation for:				
Structures & Improvements	43,427	3,731	15	47,143
Equipment	26,091	3,707	190	29,608
Infrastructure	3,562	73		3,635
<b>Total Accum. Depreciation</b>	<b>73,081</b>	<b>7,511</b>	<b>204</b>	<b>80,386</b>
Total Capital assets, being Depreciated, net	85,180	(447)	8	84,725
<b>Net, Capital Assets</b>	<b>\$ 112,210</b>	<b>15,885</b>	<b>2,473</b>	<b>125,622</b>

Business-type activities capitalized \$1,003,974 in interest for projects related to Waste Management and Kern Medical Center during fiscal year 2001-2002.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**VIII. CAPITAL ASSETS (continued)**

**B. DEPRECIATION**

The depreciation expense was charged to the governmental functions as follows:

General	\$	2,556
Public Protection		6,995
Public Ways and Facilities		2,431
Health and Sanitation		186
Public Assistance		1,511
Education		674
Parks		460
Depreciation on Capital Assets Held by the County's Internal Service Fund is Charged to the Various functions based on their usage of the assets		<u>615</u>
<b>Total Depreciation Expense – Governmental Functions</b>	<b>\$</b>	<b><u>15,428</u></b>

The depreciation expense was charged to the business-type activities as follows:

Airports	\$	1,117
County Sanitation Districts		378
Golf Course		169
Kern Medical Center		4,518
Public Transportation		464
Waste Management		<u>865</u>
<b>Total Depreciation Expense – Business-Type Activities</b>	<b>\$</b>	<b><u>7,511</u></b>

**C. CONSTRUCTION IN PROGRESS**

Construction in progress for governmental funds represents work that is being performed on the Public Health facility, Probation Juvenile facility, remodeling of the Coroner, General Services communication upgrade, Probation Camp Owen water tank, Public Ways Lamont Channel, Landscaping on Flower Street, and a number of smaller projects. The business-type construction in progress projects are Meadows Field construction for aircraft parking ramp and extension of the runway. Kern Medical Center has numerous projects in progress: replacing emergency generators, a seismic upgrade, addition of an emergency power distribution system and fire suppression systems, and corrections to the pharmacy areas. Solid Waste has many landfill projects in progress. In addition to the projects previously mentioned for the business-type activities, there are also numerous smaller projects in progress.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**IX. 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, 2002 amounted to \$9,609,256. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds (in thousands):

<u>Year</u>	<u>Amount</u>
2002-03	9,814
2003-04	9,689
2004-05	8,729
2005-06	7,783
2006-07	7,504
2007-12	17,377
2012-17	12,390
2017-2022	3,993
Total Minimum Lease Payments	\$ <u>77,279</u>

**B. CAPITAL LEASES**

The County has entered into several long-term lease purchase agreements for certain major pieces of equipment. At the end of the lease, when all terms of the lease agreement have been met, the related equipment will become property of the County. Equipment and related accumulated amortization under capital leases as of 06/30/02 are as follows:

	Governmental Activities
Asset:	
Machinery & Equipment	\$ 4,296
Structures	917
Less: Accumulated Depreciation	<u>(293)</u>
Total	\$ <u>4,920</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**IX. LEASES (continued)**

**B. CAPITAL LEASES (continued)**

The following is a schedule of future minimum lease payments for capital leases (in thousands):

<u>Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2002-03	\$ 2,929	\$ 26
2003-04	2,594	26
2004-05	1,965	
2005-06	987	
2006-07	516	
2007-2010	896	
Net Minimum Lease Payments	9,887	52
Less amount representing interest	(1,159)	(4)
Present Value of net minimum lease payments	\$ 8,728	\$ 48

Interest expense for the capital leases for the current fiscal year was \$683,532. The interest expense is reported as direct expense in each function.

**X. 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 \$452,971,621. These amounts do not appear in the accompanying General Purpose Financial Statements.

As indicated in Notes II. J, VIII.A, VIII.B, X.A, X. B, X. C, the County has recognized a long-term liability for employee vacation and sick leave accruals (compensated absences), lease purchase agreements, certificates of participation, facility lease, bonds payable, and pension obligation bonds. The following is a schedule of changes in long-term debt (in thousands):



**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

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

	July 1, 2001	Additions	Deletions	June 30, 2002	Due within one year
<b>Governmental Activities</b>					
Compensated Absences	\$ 44,170	\$ 21,728	\$ (19,818)	\$ 46,080	\$ 13,857
Lease Purchase Agreements	6,738	5,497	(3,507)	8,728	2,835
Certificates of Participation	88,745		(9,775)	78,970	10,491
Facility Lease	596		(84)	512	30
Loans Payable	9,250		(795)	8,455	845
Bonds Payable	225			225	40
Pension Obligation Bonds	<u>185,621</u>		<u>(1,073)</u>	<u>184,548</u>	<u>1,922</u>
Total Governmental Activities	<u>\$ 335,345</u>	<u>\$ 27,225</u>	<u>\$ (35,052)</u>	<u>\$ 327,518</u>	<u>30,020</u>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 6,868	\$ 4,464	\$ (3,204)	\$ 8,128	\$ 971
Lease Purchase Agreements	70		(22)	48	23
Certificates of Participation	42,115	14,165	(3,490)	52,790	3,665
Pension Obligation Bonds	<u>33,777</u>		<u>(195)</u>	<u>33,582</u>	<u>350</u>
Total Business-Type Activities	<u>82,830</u>	<u>18,629</u>	<u>(6,911)</u>	<u>94,548</u>	<u>5,009</u>
<b>TOTAL</b>	<u>\$ 418,175</u>	<u>\$ 45,854</u>	<u>\$ (41,963)</u>	<u>\$ 422,066</u>	<u>\$ 35,029</u>

Certificates of participation are secured by annual lease rental payments payable by the

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**X. LONG-TERM DEBT (continued)**

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

County for use of facilities constructed or purchased from the certificate proceeds.

**B. CERTIFICATES OF PARTICIPATION**

The County has outstanding Certificates of Participation totaling \$131,760,000 (\$53,600,000 at variable and \$78,160,000 at fixed interest rates). The proceeds of these Certificates are being used for the acquisition of equipment and acquisition, construction and renovation of certain public facilities within the County. All of the certificates have been delivered to the trustees (First Interstate Bank, First Trust California Bank, State Street Bank and Bank of America) for investment and disbursement subject to the terms and conditions of the trust agreements. Of this debt, \$78,970,000 is included in the governmental activities, \$23,460,000 is included as current and long-term debt of the Kern Medical Center Fund, \$25,330,000 is included as current and long-term debt of the Waste Management Fund and \$4,000,000 is included as current and long-term debt of the Golf Course-Nonmajor Business-type Fund. The 1999 Capital Improvement Project COP balance of \$20,030,000 is divided between the Kern Medical Center Fund and the governmental activities as shown in the summary schedules included in this section.

The Solid Waste System Improvement 1994 and 2002 Certificates of Participation are paid from the Waste Management Fund. The Kern Medical Center Emergency Facility and Kern Medical Center Surgical Services Facility Certificates of Participation are 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 Golf Course Capital Improvement Certificate of Participation is currently being paid from the Golf Course Nonmajor Enterprise Fund. The County of Kern Asset Leasing Corporation is making payments of principal and interest with respect to the remaining issues.

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

**1986 COP (Public Facilities Project):**

The original issue amount of the 1986 COP was \$122,000,000 and the expected maturity dates were from August 1, 1986-2006. The future interest payments of the 1986 COP have been calculated using 1.1%, the rate in effect at June 30, 2002. During the fiscal year ended June 30, 2002, the interest rate ranged from .75% to 2.6%. The interest rate change is attributable to many market factors such as supply and demand, cash and liquidity positions of the bondholders, and calendar cash flow cycles. The 1986 COP debt schedule is as follows (in thousands):

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

	Principal		Interest		Total
2002-03	\$ 8,436	\$	6,431	\$	14,867
2003-04	9,448		5,419		14,867
2004-05	10,582		4,285		14,867
2005-06	11,852		3,015		14,867
2006-2007	13,282		1,593		14,875
TOTAL	\$ 53,600	\$	20,743	\$	74,343

**Beale Library:**

The original issue amount of the Beale Library COP was \$16,060,000 and the expected maturity dates were from December 1, 1996-2007. The Beale Library has fixed interest rates that range from 3.2%-4.9%. The Beale Library debt schedule is as follows (in thousands):

	Principal		Interest		Total
2002-03	\$ 1,350	\$	394	\$	1,744
2003-04	1,410		333		1,743
2004-05	1,480		267		1,747
2005-06	1,545		197		1,742
2006-07	1,615		122		1,737
2007-2008	1,695		42		1,737
TOTAL	\$ 9,095	\$	1,355	\$	10,450

**Rosamond Library:**

The original issue amount of the Rosamond Library COP was \$1,940,000 and the expected maturity dates were from October 1, 1996-2014. The Rosamond Library has fixed interest rates that range from 4.7%-6.5%. The Rosamond Library debt schedule is as follows (in thousands):

	Principal		Interest		Total
2002-03	\$ 80	\$	94	\$	174
2003-04	85		90		175
2004-05	90		85		175
2005-06	95		80		175
2006-07	100		74		174
2007-12	610		271		881
2012-2014	465		62		527
TOTAL	\$ 1,525	\$	756	\$	2,281

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

**1999 Capital Improvement Project – Communications Project:**

The original issue amount of the 1999 Capital Improvement Project – Communications Project was \$6,815,000 and the expected maturity dates were from November 1, 2000-2019. The Communications Project has fixed interest rates that range from 4%-5.5%. The 1999 Capital Improvements Project has a debts schedule as follows (in thousands):

	Principal	Interest	Total
2002-03	\$ 235	\$ 314	\$ 549
2003-04	245	304	549
2004-05	250	294	544
2005-06	265	282	547
2006-07	275	271	546
2007-12	1,585	1,146	2,731
2012-17	2,020	693	2,713
2017-2019	1,500	127	1,627
<b>TOTAL</b>	<b>\$ 6,375</b>	<b>\$ 3,431</b>	<b>\$ 9,806</b>

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

**Kern Medical Center – Emergency Facility:**

The original issue amount of the Kern Medical Center – Emergency Facility was \$13,365,000 and the expected maturity dates were from December 1, 1994-2006. The Emergency Facility has fixed interest rates that range from 5.4%-6.5%.

	Principal	Interest	Total
2002-03	\$ 1,140	\$ 348	\$ 1,488
2003-04	1,175	277	1,452
2004-05	1,210	202	1,412
2005-06	1,250	123	1,373
2006-2007	1,290	42	1,332
<b>TOTAL</b>	<b>\$ 6,065</b>	<b>\$ 992</b>	<b>\$ 7,057</b>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

**Kern Medical Center – Surgical Services Facility:**

The original issue amount of the Kern Medical Center – Surgical Services Facility was \$9,775,000 and the expected maturity dates were from April 1, 1997-2005. The Surgical Services Facility has fixed interest rates that range from 4.5%-5.25%.

	Principal		Interest		Total
2002-03	\$ 1,185	\$	194	\$	1,379
2003-04	1,245		134		1,379
2004-2005	1,310		69		1,379
<b>TOTAL</b>	<b>\$ 3,740</b>	<b>\$</b>	<b>397</b>	<b>\$</b>	<b>4,137</b>

**1999 Capital Improvement Project – KMC Portion:**

The original issue amount of the 1999 Capital Improvement Project – KMC Portion was \$13,655,000 and the expected maturity dates were from November 1, 2000-2019. The KMC Portion has fixed interest rates that range from 4%-5.5%.

	Principal		Interest		Total
2002-03		\$	697	\$	697
2003-04			697		697
2004-05			697		697
2005-06	645		683		1,328
2006-07	670		654		1,324
2007-12	3,840		2,767		6,607
2012-17	4,895		1,672		6,567
2017-2019	3,605		304		3,909
<b>TOTAL</b>	<b>\$ 13,655</b>	<b>\$</b>	<b>8,171</b>	<b>\$</b>	<b>21,826</b>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

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

**Solid Waste System Improvements (1994):**

The original issue amount of the Solid Waste System Improvements (1994) was \$17,875,000 and the expected maturity dates were from August 1, 1995-2009. The Solid Waste Improvements (1994) has fixed interest rates that range from 4%-5.75%.

	Principal	Interest	Total
2002-03	\$ 1,155	\$ 589	\$ 1,744
2003-04	1,210	527	1,737
2004-05	1,275	461	1,736
2005-06	1,345	389	1,734
2006-07	1,420	313	1,733
2007-2010	4,760	420	5,180
<b>TOTAL</b>	<b>\$ 11,165</b>	<b>\$ 2,699</b>	<b>\$ 13,864</b>

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

The original issue amount of the Solid Waste System Improvements (2002) was \$14,165,000 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%-4.7%.

	Principal	Interest	Total
2002-03	\$	\$ 665	\$ 665
2003-04		614	614
2004-05		614	614
2005-06		614	614
2006-07		614	614
2007-12	4,820	2,782	7,602
2012-2017	9,345	1,110	10,455
<b>TOTAL</b>	<b>\$ 14,165</b>	<b>\$ 7,013</b>	<b>\$ 21,178</b>

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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

- 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 equal 1.15 times the aggregate system debt service expenses payable in such fiscal year.

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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

**Schedule of Debt Service Coverage**

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Operating Revenues					
Land Use Fee	\$ 12,178	\$ 12,057	\$ 11,816	\$ 11,830	\$ 9,077
Gate Fee	9,915	9,704	10,444	10,706	10,953
Other (Including Interest Income)	<u>3,068</u>	<u>4,354</u>	<u>3,526</u>	<u>3,051</u>	<u>2,626</u>
Total Operating Revenue	<u>25,161</u>	<u>26,115</u>	<u>25,786</u>	<u>25,587</u>	<u>22,656</u>
Operating Expenses					
Salaries	5,294	5,088	4,740	4,658	4,489
Services and Supplies	14,224	13,399	12,105	12,622	13,066
Transfer to Closure	2,737	1,500	958	2,433	1,898
Other (Excluding depreciation)	<u>310</u>	<u>279</u>	<u>259</u>	<u>1,575</u>	<u>926</u>
Total Operating Expense	<u>22,565</u>	<u>20,266</u>	<u>18,062</u>	<u>21,288</u>	<u>20,379</u>
Net Operating Revenue	\$ <u>2,596</u>	\$ <u>5,849</u>	\$ <u>7,724</u>	\$ <u>4,299</u>	\$ <u>2,277</u>
1994 Debt Service	\$ <u>1,627</u>	\$ <u>1,627</u>	\$ <u>1,712</u>	\$ <u>81</u>	\$ <u>1,619</u>
Debt Service Coverage Ratio 1	1.60	3.60	4.51	53.07	1.41
Net Operating Revenue After Debt Service	\$ <u>969</u>	\$ <u>4,222</u>	\$ <u>6,012</u>	\$ <u>4,218</u>	\$ <u>658</u>
Non-Operating Revenue (Expense)					
Closure Project Expense	(1,700)	(309)			
Transfer from Closure Reserve					
Pay-as-you-go Capital Projects	(2,396)	(1,804)	(1,464)	(1,077)	(500)
Capital Equipment	<u>(409)</u>	<u>(147)</u>	<u>(123)</u>	<u>(147)</u>	<u>(224)</u>
Total Non-Operating Revenue (Expense)	<u>(4,505)</u>	<u>(2,260)</u>	<u>(1,587)</u>	<u>(1,224)</u>	<u>(724)</u>
Net Income (Loss)	\$ <u>(3,536)</u>	\$ <u>1,962</u>	\$ <u>4,425</u>	\$ <u>2,994</u>	\$ <u>(66)</u>
Available Funds (Beginning Balance)					
Beginning Balance	\$ 21,501	\$ 19,271	\$ 14,944	\$ 11,037	\$ 8,222
Total Income (Loss)	(3,536)	1,962	4,425	2,994	(66)
Other Adjustments	<u>(1,231)</u>	<u>267</u>	<u>(96)</u>	<u>915</u>	<u>2,880</u>
	\$ <u>16,734</u>	\$ <u>21,500</u>	\$ <u>19,273</u>	\$ <u>14,946</u>	\$ <u>11,036</u>
Debt Service Coverage Ratio 2	14.81	15.44	13.24	189.33	6.48



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**B. CERTIFICATES OF PARTICIPATION (continued)**

A summary of the certificate of participation debt recorded in the Golf Course-Nonmajor Enterprise Fund is as follows (in thousands):

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

The original issue amount for the 1996 COP was \$4,795,000 and the expected maturity dates were from October 1, 1997-2014. The Golf Course Capital Improvement has fixed interest rates that range from 5%-5.65%.

	Principal		Interest		Total
2002-03	\$ 185		\$ 209		\$ 394
2003-04	195		200		395
2004-05	200		190		390
2005-06	210		180		390
2006-07	225		169		394
2007-12	1,295		653		1,948
2012-2015	1,690		247		1,937
TOTAL	\$ 4,000		\$ 1,848		\$ 5,848

A summary of the certificate of participation debt associated with Structural Fire and recorded in the governmental activities is as follows (in thousands):

**1997 COP (Fire Department):**

The original issue of the 1997 COP was \$12,045,000 and the expected maturity dates were from May 1, 1998-2015. The Fire Department has fixed interest rates that range from 3.85%-5.25%.

	Principal		Interest		Total
2002-03	\$ 390		\$ 425		\$ 815
2003-04	410		407		817
2004-05	425		388		813
2005-06	450		368		818
2006-07	470		346		816
2007-12	2,720		1,357		4,077
2012-2015	3,510		572		4,082
TOTAL	\$ 8,375		\$ 3,863		\$ 12,238

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**C. FACILITY LEASE**

The facility lease loan is for the 1994 Rural and Economic Development Infrastructure Program associated with the expansion of the Frito Lay Plant. The original issue of the Facility Lease was \$858,582 and the expected maturity dates were from July 1, 1995-2010 and January 1, 1996-2009. The fixed interest rate is 6.5%. The following facility lease debt schedule is as follows (in thousands):

	Principal		Interest		Total
2002-03	\$ 30	\$	17	\$	47
2003-04	62		30		92
2004-05	66		26		92
2005-06	70		22		92
2006-07	75		17		92
2007-2010	209		21		230
TOTAL	\$ 512	\$	133	\$	645

**D. LOANS PAYABLE**

In order to facilitate the construction of the Public Health Facility, the County borrowed \$10,000,000 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%-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 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 (in thousands):

	Principal		Interest		Total
2002-03	\$ 845	\$	576	\$	1,421
2003-04	900		514		1,414
2004-05	955		448		1,403
2005-06	1,015		377		1,392
2006-07	1,080		302		1,382
2007-2010	3,660		406		4,066
TOTAL	\$ 8,455	\$	2,623	\$	11,078

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**X. LONG-TERM DEBT (continued)**

**E. BONDS PAYABLE**

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 \$351,000 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 (in thousands):

	Principal		Interest		Total
2002-03	\$ 40	\$	33	\$	73
2003-04	20		14		34
2004-05	20		13		33
2005-06	25		11		36
2006-07	25		9		34
2007-2009	95		12		107
<b>TOTAL</b>	<b>\$ 225</b>	<b>\$</b>	<b>92</b>	<b>\$</b>	<b>317</b>

**F. 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 unfunded actuarial accrued liability of K.C.E.R.A. The actuarial accrued liability of participating special districts was excluded from this funding source. The taxable pension obligation bonds have been issued at \$227,818,439 to cover the County of Kern's unfunded actuarial liability of not less than \$224,437,000. K.C.E.R.A. received the bond proceeds and recorded \$224,437,000 of contribution income for the fiscal year ended June 30, 1996.

At June 30, 2002, the amount of certificates (in thousands) included as a component of the County's pension liability was \$218,130. Of this amount, \$184,548 has been recorded in the governmental activities, and \$33,582 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 Nonmajor Governmental Fund.

The bonds have various maturity dates between 2002 and 2014 for Current Interest bonds and between 2015 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, 2002, interest payments related to the certificates were \$12,081,607. Of this amount, \$10,221,594 was paid out of governmental funds, and \$1,860,013 was paid out of business-type funds.

The current beginning balance of the pension obligation bond is greater than last years ending balance because Garage Internal Service Fund was not included in the General Long Term Debt Account Group but is currently included in the Governmental Activities.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**X. LONG-TERM DEBT (continued)**

**F. PENSION OBLIGATION BOND (continued)**

The following is a summary of the total funding requirements of the bonds (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002-03	\$ 2,272	\$ 11,969	\$ 14,241
2003-04	3,396	11,786	15,182
2004-05	4,660	11,521	16,181
2005-06	6,073	11,165	17,238
2006-07	7,655	10,705	18,360
2007-12	69,411	41,844	111,255
2012-17	91,602	58,794	150,396
2017-2022	33,061	159,268	192,329
TOTAL	\$ <u>218,130</u>	\$ <u>317,052</u>	\$ <u>535,182</u>

**XI. SHORT-TERM DEBT**

**A. TAX AND REVENUE ANTICIPATION NOTES**

The Tax and Revenue Anticipation Notes (TRANS) proceeds were intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during fiscal year ended June, 30,2002. The \$60,000,000 outstanding in Tax and Revenue Anticipation Notes is recorded as a fund liability of the general fund. It was issued on July 2, 2001 and was repaid on July 2, 2002.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Tax and Revenue Anticipation Notes	\$ <u>46,000</u>	\$ <u>60,000</u>	\$ <u>46,000</u>	\$ <u>60,000</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XII. NET ASSETS/FUND BALANCES**

**A. RESERVED FUND BALANCE**

The reserved fund balance for the Governmental Activities for the fiscal year end June 30, 2002 is as follows (in thousands):

	General	Kern Co. Dept of Child Support	Employer's Training Resource	Human Services	Mental Health	Road	Structural Fire	Other Govern- mental Funds
Imprest Cash	\$ 1,204	\$ 52	\$	\$ 101	\$ 4	\$	\$ 2	\$ 2
Advances	10,990							
Deposits with Others	205							
Inventory	59					1,231	327	
Encumbrances General	17,219	288 1,644	2,022	6,399	4,981	6,397	1,521	7,749 36,955
Tax Litigation	25,350						11,507	
Capital Projects								829
Debt Service								25,520
<b>TOTAL</b>	<b>\$ 55,027</b>	<b>\$ 1,984</b>	<b>\$ 2,022</b>	<b>\$ 6,500</b>	<b>\$ 4,985</b>	<b>\$ 7,628</b>	<b>\$ 13,357</b>	<b>\$ 71,055</b>

**B. DESIGNATED FUND BALANCE**

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

**C. RESTRICTED NET ASSETS**

	Kern Medical Center	Waste Management	Nonmajor Enterprise Funds	Internal Service Funds
Debt Service	\$ 4,161	\$	\$ 704	\$
Closure Costs		1,070		
Deposit with Others				1,309
Inventory				101
<b>TOTAL</b>	<b>\$ 4,161</b>	<b>\$ 1,070</b>	<b>\$ 704</b>	<b>\$ 1,410</b>

**XIII. SPECIAL ITEMS**

**A. TOBACCO SECURITIZATION**

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")

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIII. SPECIAL ITEMS (continued)**

**A. TOBACCO SECURITIZATION (continued)**

pursuant to which each participant 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) and sold to the NPC pursuant to the terms of an Installment Sale, Self-Insurance and Risk Transfer Agreement between the County and the NPC all right title and interest of the County and to the Tobacco Revenue. The NPC is reported as a blended component unit of the Agency. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. Complete financial statements can be obtained for the Agency by contacting the Stanislaus County Auditor-Controller's Office, 1010 10<sup>th</sup> Street, Suite 5100, Modesto, CA 95354.

The Agency issued a series of bonds; the proceeds of which bonds were loaned to the NPC pursuant to a loan agreement, between the NPC and the Agency and the proceeds of such loan, net of issuance costs and the funding of necessary reserves, were paid to the County by the NPC as part of the purchase price for the Tobacco Revenue. The County recorded the \$83,921,697 revenue from the sale to the NPC as a special item in the Statement of Activities. The Tobacco Securitization Proceeds is also recorded as a major fund in the governmental activities of the County.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**XIV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

The County is generally self-insured for general liability, unemployment insurance, workers' compensation, professional liability, and employee and retiree medical and dental claims. Excess liability insurance is maintained for claims over \$1,000,000 and up to \$20,000,000.

The 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 \$400,000 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. Airports Liability insurance and Excess Airport 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. The liability for self-insurance included in the Unemployment Compensation Internal Service Fund represents unpaid claims incurred as of June 30, 2002.

The Risk Management Division of the Office of County Counsel determines and administers General Liability and Workers' Compensation requirements of the County. 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. Total estimated claims liability at June 30, 2002 was \$44,012,099.

Fiscal Year 2001-2002 (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
General Liability	\$ 7,945	\$ 168	\$ (558)	\$ 7,555
Workers' Compensation	23,480	12,051	(8,803)	26,728
Group Health	4,693	60,415	(56,112)	8,996
Unemployment Compensation	463	1,388	(1,118)	733
<b>TOTAL</b>	<b>\$ 36,581</b>	<b>\$ 74,022</b>	<b>\$ (66,591)</b>	<b>\$ 44,012</b>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

**A. RISK MANAGEMENT (continued)**

Fiscal Year 2000-2001 (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
General Liability	\$ 8,060	\$ 432	\$ (547)	\$ 7,945
Workers' Compensation	20,177	11,648	(8,345)	23,480
Group Health	6,082	44,179	(45,568)	4,693
Unemployment Compensation	402	1,006	(946)	462
<b>TOTAL</b>	<b>\$ 34,721</b>	<b>\$ 57,265</b>	<b>\$ (55,406)</b>	<b>\$ 36,580</b>

Kern Medical Center (KMC) maintains a liability in its Enterprise 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 has been discounted to its present value using a rate of 5%. Adjustments to the liability are included in results of operations. KMC has accrued, in accordance with generally accepted accounting principles, an estimated liability for incurred but not reported losses of \$9,802,941 at June 30, 2002. KMC has unlimited retention on most open policy years; however, since July 1, 1998 KMC has purchased insurance to cover annual claims in excess of \$1,000,000 to an aggregate of \$30,000,000. A reconciliation for claims (including IBNR claims) for the current fiscal year and the past two fiscal years is as follows (in thousands):

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30,
2000	\$ 11,500	\$ 1,004	\$ 4,041	\$ 8,463
2001	8,464	2,542	3,189	7,817
2002	7,817	4,183	2,197	9,803

**B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

**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.

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

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



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

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

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 (in thousands):

Condensed Statement of Net Assets

	Kern Medical Center	Waste Management	Golf Course
<b>Assets:</b>	\$	\$	\$
Current & Other Assets	49,311	75,553	2,066
Capital Assets	53,537	32,243	5,514
Total Assets	<u>102,848</u>	<u>107,796</u>	<u>7,580</u>
<b>Liabilities:</b>			
Current Liabilities	13,252	3,147	357
Long-term Liabilities Outstanding	72,755	84,563	3,815
Internal Balances	6,500		
Total Liabilities	<u>92,507</u>	<u>87,710</u>	<u>4,172</u>
<b>Net assets:</b>			
Invested in Capital Assets, Net of Related Debt	36,560	18,065	1,514
Restricted	4,161	1,070	704
Unrestricted	<u>(30,380)</u>	<u>951</u>	<u>1,190</u>
Total Net Assets	\$ <u>10,341</u>	\$ <u>20,086</u>	\$ <u>3,408</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

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

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

	Kern Medical Center	Waste Management	Golf Course
Operating Revenues			
Patient Services	\$ 124,600	\$	\$
Charges for Current Services	896	10,355	4,799
Revenues from Use of Property		5	
Other Operating Revenues	9,414		
Total Operating Revenues	<u>134,910</u>	<u>10,360</u>	<u>4,799</u>
Operating Expenses			
Salaries and Employee Benefits	95,388	5,294	
Services and Supplies	55,882	13,671	4,333
Other Charges	1,242	4,964	
Depreciation	4,518	865	169
Total Operating Expenses	<u>157,030</u>	<u>24,794</u>	<u>4,502</u>
Operating Income (Loss)	<u>(22,120)</u>	<u>(14,434)</u>	<u>297</u>
Non-Operating Revenues (Expenses)			
Taxes and Assessments		12,283	
Fines, Forfeitures, & Penalties	10	213	
Interest on Bank Deposits & Investments	468	2,492	82
Aid from other Governmental Agencies	23,301	227	
Health Care Expense	(38,270)		
Interest Expense	(3,171)	(769)	(216)
Other Non-Operating Revenues	3,777	164	
Gain (Loss) on Sale of Fixed Assets		(5)	
Total Non-Operating Revenues (Expenses)	<u>(13,885)</u>	<u>14,605</u>	<u>(134)</u>
Net Income	(36,005)	171	163
Transfers In	19,182		
Changes in Net Assets	(16,823)	171	163
Net Assets, Beginning of Year	27,164	16,473	3,500
Prior Period Adjustment		3,442	(255)
Net Assets, End of Year	<u>\$ 10,341</u>	<u>\$ 20,086</u>	<u>\$ 3,408</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

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

Condensed Statement of Cash Flows

	Kern Medical Center	Waste Management	Golf Course
Net Cash (Used) by Operating Activities	\$ (27,994)	\$ (8,107)	\$ 330
Net Cash Provided by Non-Capital Financing Activities	8,817	10,812	
Net Cash Provided by Capital and Related Financing Activities	(11,295)	6,283	(337)
Net Cash Provided by Investing Activities	831	2,824	85
Net Increase (Decrease) in Cash & Cash Equivalents	(29,641)	11,812	78
Cash & Cash Equivalents at July 1, 2001	41,274	55,492	1,978
Cash & Cash Equivalents at June 30, 2002	\$ 11,633	\$ 67,304	\$ 2,056

**C. POST RETIREMENT HEALTH CARE BENEFITS**

In addition to the pension benefits described in Note XIII. G, the County provides post retirement health care benefits in accordance with union contracts and Board of Supervisors' order. There are two programs which contribute funding for retirees' health insurance. The Retiree Health Premium Supplement Program (RHPSP) is available to employees who a) elected to participate or were required to participate, b) retire on or after July 1, 1990, c) are between the ages of 50 and 64 and d) have at least 20 years of continuous County service as a permanent employee. At June 30, 2002 there were approximately 521 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. The RHPSP is currently funded by annual County contributions of \$1,245,000 and employee contributions of .33% of base pay.

The Retiree Health Stipend is available to employees who choose continuous County health coverage upon retirement. At June 30, 2002 there were approximately 2,366 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. The stipend is funded by County contributions of approximately \$192 per active employee per year, which totaled \$1,486,286 for the year ended June 30, 2002.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**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.

**Bakersfield City Landfill**

The City of Bakersfield, located within the County of Kern, is responsible for the capping and closure cost of the Bakersfield Landfill that is no longer accepting waste. The County of Kern has agreed to pay a portion of the total cost involved for the closure of the landfill. The total cost is estimated to range from \$6,000,000 to \$10,000,000. Due to the complex nature of the closure cost estimates involved, the amount, if any, to be paid by the County cannot currently be determined. Accordingly, no liability for this contingency has been included in 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, 2002, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$144,272,555 plus interest of \$4,686,179.

The appeal by the County before the Appellate court for the decision reached by the Kern County's (AAB) regarding the County's "change of ownership" assessment of Occidental of Elk Hills Incorporated is still pending. The differing legal interpretations of the parties concerning the valuation of the oil and gas property interest have been the focus of the pending appeal. If the County's position in the Occidental appeal is not sustained by the Court of Appeals, this ruling will substantially undercut the viability of the appraisal of these properties and hamper the county's ability to defend these enrolled assessments. The County has specifically reserved funds against the contingent liabilities arising from these contested Elk Hills assessments.

The second largest of the valuation disputes involves the 1997 stock exchange tender made by Texaco (now Chevron/Texaco) for properties formerly controlled by Monterey Resources. Due to the legal question raised concerning these Texaco assessments, the County has

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

**D. CONTINGENT LIABILITIES (continued)**

**Contingent Property Tax Liability (continued)**

directed the appraisal of the Texaco properties by an independent private appraisal firm and the County has created litigation reserves for this appeal. Texaco and the County entered a stipulation to defer the Texaco’s assessment appeal until after a final decision is entered in the pending appeal of the Occidental case.

Another significant contingent tax liability exposure arises from the County’s contested valuation of AERA Energy’s properties for fiscal year 2001/2002. Due to the magnitude of the valuation difference, the County has retained the services of an independent engineering and appraisal firm to review the enrolled appraisal and special counsel to represent the County’s position in those appeals. A more definite opinion of probable liability will be provided when the outside appraisal consultant completes its appraisal review. The probable contingent tax refund liability for the County arising from these differences is approximately \$8.5 million.

The following is a summary of the estimated contingent tax liability as of June 30, 2002 (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total Estimated Principal and Interest</u>
Contingent Tax Liability:			
Pending AAB Matters	\$ 144,273	\$ 4,686	\$ 148,959
Total	<u>\$ 144,273</u>	<u>\$ 4,686</u>	\$ 148,959
Less: Reserves and Impounded Tax Payments			(91,981)
Net Contingent Tax Liability			<u>\$ 56,978</u>

The effect of such estimated net contingent tax liability upon County funds is as follows (in thousands):

	<u>General</u>	<u>Structural Fire</u>	<u>Total</u>
Total Estimated Liability	\$ 12,171	\$ 8,060	\$ 20,231

The disputed assessments involve numerous individual cases. If all cases were settled at one point in time against the County for the estimated net liability of \$57,088,714 the County would fund the liability through a combination of future revenues 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.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**E. 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, 2002 there was \$172,301,161 (unaudited) in the Deferred Compensation plan, which is not included as part of the County's financial statements.

**F. PENSION PLAN**

**Plan Description**

The County's Board of Supervisors established the Kern County Employees' Retirement Association (K.C.E.R.A.) 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 K.C.E.R.A., which operates as a cost-sharing multi-employer defined benefit plan. It is the responsibility of K.C.E.R.A. to function as an investment and administrative agent for the County with respect to the pension plan.

K.C.E.R.A. 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 K.C.E.R.A. 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 K.C.E.R.A. Plan provides for retirement, disability, death, beneficiary and cost-of-living benefits. As of June 30, 2002, employee membership data related to the pension plan was as follows:

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**F. PENSION PLAN (continued)**

**Plan Description (continued)**

	<u>General</u>	<u>Safety</u>	<u>Total</u>
Active Employees	6,491	1,630	8,121
Terminated Employees – Vested	744	91	835
Retirees and beneficiaries currently receiving benefits	3,476	1,009	4,485
	<u>10,711</u>	<u>2,730</u>	<u>13,441</u>

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

**Basis of Accounting**

K.C.E.R.A. 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 K.C.E.R.A. 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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

**F. PENSION PLAN (continued)**

**Method Used to Value Investments (continued)**

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 fair value of investments with any one organization greater than 5% of plan net assets as of June 30, 2002 (other than U.S. government securities), is presented in the following table:

ORGANIZATION		AMOUNT (in thousands)
Global Bonds:		
Goldman Sachs Asset Management	\$	\$146,754
Synthetic S&P 500 Strategies:		
Pacific Investment Management Company (PIMCO)	\$	83,898
Westridge Capital Management	\$	81,385
Index Funds		
Barclays Global Investors S&P Index Fund	\$	122,996
Barclays Global Investors Euro Alpha Tilts Strategy Fund	\$	117,980
Barclays Global Investors International Equity Index Fund	\$	97,715
Barclays Global Investors Alpha Tilts Strategy Fund	\$	89,035

**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 22 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.

The employer contribution rates have been determined using the Projected Unit Credit Cost method. The employer contribution is 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 21 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.



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**F. PENSION PLAN (continued)**

**Funding Policy (continued)**

The Memorandum of Understanding (MOU) adopted April 1997 between the County and its employees took effect on July 5, 1997. The MOU states members hired prior to the effective date of the MOU will pay 50% of the full member contribution rate until they attain five years of service. Members hired after the effective date of the MOU will pay the full member rate until they attain five years of service. After five years of service, no contributions will be required from any member. The MOU is reflected in the calculation for the required employer contribution rates as of July 5, 1997. Ten out of the twelve Special Districts adopted provisions parallel to the County MOU.

For the year ended June 30, 2002, the County's total payroll for all employees amounted to \$383,791,403. The County's total covered payroll for the same period amounted to \$351,670,436. 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, 2002 were determined in accordance with an actuarial valuation performed December 31, 2000. An annual 2% cost-of-living adjustment 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 prior to February 5, 1983. After this date (as recommended by the Plan's Independent Actuary, adopted by K.C.E.R.A. Board of Retirement, and approved by the County of Kern Board of Supervisors) current funding for the cost-of-living reserve is included in the employers' contribution. The County, once again, received a 2.5% cost-of-living adjustment for all retirees and continuance beneficiaries as of April 1, 2002.

Contributions to K.C.E.R.A. during fiscal year ended June 30, 2002 were \$53,169,166 of which \$41,881,569 were regular employer contributions and \$11,287,597 were employee contributions (12% and 3% of covered payroll respectively). The total contribution consisted of \$57,954,391 normal cost (16% of covered payroll) less \$4,785,225 amortization of the over-funded actuarial accrued liability (1% of covered payroll).

The County's contribution represented 95% 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 a pension obligation bond issued by the plan sponsor in November 1995; therefore, separate employer contribution rates are required to fund the unfunded liabilities for each class of participation as follows:

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

**F. PENSION PLAN (continued)**

**Funding Policy (continued)**

Employer Contributions as a Percentage of Estimated Total Compensation:

FISCAL YEAR ENDING JUNE 30, 2002:

	Special Districts (MOU)	Special Districts (non-MOU)	General Members	Safety Members
Normal Cost	14.80%	10.65%	12.10%	22.58%
Amortization of UAAL*	3.02%	3.02%	1.18%	5.08%
<b>TOTAL</b>	<b>17.82%</b>	<b>13.67%</b>	<b>13.28%</b>	<b>27.66%</b>

FISCAL YEAR ENDING JUNE 30, 2001:

	Special Districts (MOU)	Special Districts (non-MOU)	General Members	Safety Members
Normal Cost	14.32%	8.79%	12.37%	18.65%
Amortization of UAAL*	0.72%	0.72%	(0.08%)	(3.99%)
<b>TOTAL</b>	<b>15.04%</b>	<b>9.51%</b>	<b>12.29%</b>	<b>14.66%</b>

\*Unfunded Actuarial Accrued Liability

**Annual Pension Cost**

The latest actuarial valuation was dated December 31, 2001. Net assets available to pay pension benefits were valued as of the same date. The actuarial report did not reflect any significant plan changes. Economic assumptions were changed since the last valuation and included: an 8.00% investment rate of return, projected salary increases of 5.3% per year, and a 4.0% annual increase in the Consumer Price Index. The asset valuation method changed from five-year average ratio of adjusted market value to adjusted book value to a five-year spread gain method. The annual increase in system benefits is capped between 2% and 3% depending on the employees' classification.

Fiscal Year Ending	Annual Pension Percentage of APC		Net Pension Obligation
	Annual Required Contribution	Percentage Contributed	
2002	\$41,881,569	100%	-
2001	41,067,487	100%	-
2000	37,575,583	100%	-

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**F. PENSION PLAN (continued)**

**OTHER**

A Petition for Writ of mandamus entitled "*Kern Law Enforcement Association, et al., Petitions v. Board of Retirement, Kern County Employee's Retirement Association, Respondent; County of Kern, Real Party in Interest,*" Case No. 236460-NFT (hereafter "KLEA") was filed on June 9, 1998. The KLEA case arises from the California Supreme Court decision entitled "*Ventura County Deputy Sheriffs; Assn. V. Board of Retirement of Ventura County Employees' Retirement Assn*" (hereafter "Ventura").

The KLEA litigation sought inclusion of additional items of pay not included by the KCERA Board in its resolution implementing the *Ventura* decision and also sued for retroactive inclusion of all additional pay items back to October 1, 1994 and going forward. The KLEA litigation was coordinated with other lawsuits brought against other counties and retirement systems operating under the same law as KCERA.

On September 28, 2001, the trial court before which the KLEA litigation was pending approved a settlement entered into by all the parties. Judgment in the action was entered on January 24, 2002, notice of the Entry of Judgment was given to all parties on January 28, 2002, no appeal was filed within the statutory time period, and the Judgment has now become final. The main features of the settlement are: 1) inclusion of some addition pay items in "compensation earnable", 2) retroactive payment back to April 1, 1996 and going forward, 3) payment by KCERA of Petitioners' attorney fees in the amount of \$700,000 from available contingency reserve, 4) County payment of all member contributions owing as a result of inclusion of additional pay item in "compensation earnable", and 5) a permanent increase in the annual cost of living allowance (COLA) from 2% to 2.5% effective April 1, 2002. The cost of the additional 0.5% cost of living allowance will be initially funded with a \$64.7 million allocation from funds held in the Supplemental Retiree Benefits Reserve until exhausted, and thereafter on the same actuarial basis applied to the existing 2% COLA.

The KCERA is in the process of evaluating past service records in order to recalculate benefit levels in accordance with the Settlement Agreement and Judgment, and this process is expected to be completed within two years. The cost of the recalculated benefits will not be known until the recalculation process is complete. From July 1, 2002 to October 11, 2002. 79 retirees or their beneficiaries have received retroactive payment in the amount of \$1,421,077, the monthly retiree payroll increased by \$18,136. As of June 30, 2002, the 0.5% COLA paid to retirees or their beneficiaries was \$93,298. From July 1, 2002 to October 11, 2002 the 0.5% COLA paid was \$93,030. The liability for the Settlement Agreement and Judgment was not included in the most recent actuarial valuation, dated December 31, 2001. The liability will first be included in the valuation to be dated December 31, 2002.

**G. LANDFILLS**

Prior to fiscal year 1988-89, Kern County Waste Management was funded entirely by the County General Fund. In fiscal year 1988-89 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 1992-93 the

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**G. LANDFILLS (continued)**

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 1993-94. All revenues are placed in the Waste Management 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 postclosure maintenance of landfills. In response, Kern County established a designated reserve account to fund closure maintenance. As of June 30, 2002 the Waste Management Enterprise Fund had a designated cash reserve of \$28,898,367. 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 Integrated Waste Management Board. The pledge of future revenue for postclosure maintenance costs is also based on the most recent plans submitted to the Integrated Waste Management Board. For postclosure 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 has fifteen Class III landfills, two large volume transfer stations, and five small volume transfer stations that are all strategically located throughout Kern County. These facilities serve the solid waste disposal needs of the County's eleven incorporated cities as well as unincorporated areas.

Estimated closure and postclosure costs as of June 30, 2002 are \$54,332,185 and \$30,215,634 respectively. The County's landfills are listed below, along with their estimated remaining useful lives, total capacity and percentage of capacity used:

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2002**

**XIV. OTHER INFORMATION (continued)**

**G. LANDFILLS (continued)**

Facility Name	Remaining Useful Lives	Capacity in Cubic Yards	Percent Incurred
Arvin	2	11,948,609	83%
Bena I	4	6,957,446	70%
Bena II A	35	38,506,350	0%
Boron	30	1,002,819	80%
Buttonwillow	N/A <sup>1</sup>	N/A	100%
China Grade	N/A <sup>2</sup>	N/A	100%
Glennville	N/A <sup>3</sup>	N/A	100%
Kern Valley	N/A <sup>4</sup>	N/A	100%
Lebec	N/A <sup>5</sup>	N/A	100%
Lost Hills	26	1,478,905	25%
McFarland/Delano	N/A <sup>6</sup>	N/A	100%
Mojave/Rosamond	13	2,262,243	66%
Ridgecrest	39	9,545,940	49%
Shafter/Wasco	23	11,635,500	36%
Taft	127	8,787,547	25%
Tehachapi	7	2,632,400	81%
<b>TOTAL</b>		<b>94,757,759</b>	

1. Buttonwillow is no longer accepting waste. It is scheduled to close in 2005.
2. Site is inactive
3. Site is closed
4. Kern Valley capacity could last four more years, but closed in June 1997 due to lease constraints.
5. Final closure in progress
6. Site is closed

The amount of the designated reserves and the pledge of revenue will be based on the engineer's cost estimates contained in the Financial Assurance Plans (FAP) for Corrective Action submitted to the Regional Water Quality Control Board for review and approval. The estimated contingency is approximately \$430,000 per site. The current designated reserve account of 2 million dollars 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 postclosure costs are recognized as an expense and liability based on the capacity used to date. As of June 30, 2002, the landfill closure liability has been recorded at \$27,828,503 and is included in the liabilities of the Waste Management Enterprise Fund. This represents the cumulative liability to date. The remaining \$26,503,682 anticipated closure costs will be recognized in future years. The \$30,215,634 postclosure cost will be updated annually 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

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2002**

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**XIV. OTHER INFORMATION (continued)**

**G. LANDFILLS (continued)**

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 plans to establish a pledge of future revenue to cover on-going maintenance and operation of any capital improvements that are constructed.

**XV. SUBSEQUENT EVENTS**

**A. TAX AND REVENUE ANTICIPATION NOTES**

On July 2, 2002, the County issued Tax and Revenue Anticipation Notes (TRANS) totaling \$75,000,000 due on July 1, 2003. The proceeds of the TRANS are intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ending June 30, 2003. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2002-03 and legally available secure the TRANS.

**B. PENSION OBLIGATION BONDS**

On January 7, 2003, the Board of Supervisors authorized the issuance of pension obligation bonds (POB) in an amount not to exceed \$150,000,000. The proceeds of the POB will be used to fund the current unfunded liability as calculated by the Kern County Employees Retirement Association's actuary, Public Pension Professionals, Inc (P<sup>3</sup>) as of December 31, 2002. This unfunded liability has accumulated due to two factors: the enhanced benefits provided to safety employees and the depressed pension fund asset values reflecting decreased investment earnings over the past two years.

**C. DISPROPORTIONATE SHARE HOSPITAL**

The Office of Inspector General (OIG) of the U.S. Department of Health of Human Services issued a final report on September 24, 2002 of the audit of disproportionate share hospital (DSH) program related to Kern Medical Center (KMC). The final report confirms OIG's previous findings.

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 KMC and other participating hospitals were in accordance with a state plan approved by the Centers for Medicare and Medicaid Services (CMS), and are therefore not "overpayments".

This debate with the OIG and subsequently CMS will go on for an indefinite period of time. No provision was made in these financial statements for the anticipated liability.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**COUNTY OF KERN  
SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2002**

Six-year historical data showing Kern County Employees' Retirement Association's (K.C.E.R.A.) progress in accumulating sufficient assets to pay benefits when due is available from the Association. A three-year schedule of the funding progress of the County retirement system for the years ended December 31, is presented as follows (in thousands):

Actuarial Valuation Date	<u>12/31/99</u>	<u>12/31/00</u>	<u>12/31/01</u>
Actuarial Value of Assets (a)	\$1,325,928	\$1,434,873	\$1,508,291
Actuarial Accrued Liability AAL (b)	\$1,324,662	\$1,388,984	\$1,611,960
Overfunded (Underfunded) AAL (a-b)	\$1,266	\$45,889	\$(103,669)
Funded Ratio (a/b)	1.001	1.03	0.94
Annual Covered Payroll	\$297,738	\$283,282	\$333,791
Overfunded AAL as % of Covered Payroll	0.4%	16.2%	(31.1)%



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
<b>General Government</b>				
Administrative Office				
Aid from Other Governmental Agencies	\$ 50	\$ 50	\$ 50	
Charges for Current Services	503	503	517	14
Other Revenues	3	3	1	(2)
	<u>556</u>	<u>556</u>	<u>568</u>	<u>12</u>
Clerk of the Board				
Aid from Other Governmental Agencies	50	100	36	(64)
Charges for Current Services	14	14	18	4
Other Revenues	1	1	1	
	<u>65</u>	<u>115</u>	<u>55</u>	<u>(60)</u>
Auditor-Controller				
Licenses, Permits and Franchises	194	194	195	1
Aid from Other Governmental Agencies	94	94	72	(22)
Charges for Current Services	603	603	686	83
Other Revenues			5	5
	<u>891</u>	<u>891</u>	<u>958</u>	<u>67</u>
Discretionary Revenue				
Taxes	110,861	110,861	113,437	2,576
Licenses, Permits and Franchises	4,495	4,495	5,496	1,001
Fines, Forfeitures and Penalties	6,765	6,765	11,961	5,196
Revenues from Use of Money and Property	656	5,406	5,349	(57)
Aid from Other Governmental Agencies	53,771	53,771	58,964	5,193
Charges for Current Services	5,630	5,630	5,657	27
Other Revenues	33	47	394	347
	<u>182,211</u>	<u>186,975</u>	<u>201,258</u>	<u>14,283</u>
Travel Agent Expense				
Charges for Current Services	250	650	437	(213)
	<u>250</u>	<u>650</u>	<u>437</u>	<u>(213)</u>
Treasurer-Tax Collector				
Fines, Forfeitures and Penalties	75	75	59	(16)
Aid from Other Governmental Agencies			35	35
Charges for Current Services	2,885	2,885	2,597	(288)
Other Revenues	54	54	56	2
	<u>3,014</u>	<u>3,014</u>	<u>2,747</u>	<u>(267)</u>
Assessor				
Charges for Current Services	1,354	1,354	1,487	133
	<u>1,354</u>	<u>1,354</u>	<u>1,487</u>	<u>133</u>
Assessor- Property Tax Administration				
Aid from Other Governmental Agencies	1,392	1,392	1,184	(208)
	<u>1,392</u>	<u>1,392</u>	<u>1,184</u>	<u>(208)</u>
Purchasing - Division of General Services				
Revenues from Use of Money and Property	38	38	83	45
Charges for Current Services	143	143	153	10
	<u>181</u>	<u>181</u>	<u>236</u>	<u>55</u>
General Services - Mail Services				
Charges for Current Services	562	562	628	66
	<u>562</u>	<u>562</u>	<u>628</u>	<u>66</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
General Government (Continued):				
Reprographics				
Charges for Current Services	\$ 773	\$ 773	\$ 699	\$ (74)
Other Revenues			1	1
	<u>773</u>	<u>773</u>	<u>700</u>	<u>(73)</u>
Information Technology Services				
Charges for Current Services	6,996	6,996	5,901	(1,095)
Other Revenues			2	2
	<u>6,996</u>	<u>6,996</u>	<u>5,903</u>	<u>(1,093)</u>
County Counsel				
Charges for Current Services	3,354	3,354	3,513	159
Other Revenues	1	1		(1)
	<u>3,355</u>	<u>3,355</u>	<u>3,513</u>	<u>158</u>
Personnel				
Charges for Current Services	87	219	219	
Other Revenues	6	6	1	(5)
	<u>93</u>	<u>225</u>	<u>220</u>	<u>(5)</u>
Elections				
Aid from Other Governmental Agencies	215	215	189	(26)
Charges for Current Services	360	360	289	(71)
Other Revenues	5	5	11	6
	<u>580</u>	<u>580</u>	<u>489</u>	<u>(91)</u>
Communications				
Charges for Current Services	695	695	735	40
Other Revenues			2	2
	<u>695</u>	<u>695</u>	<u>737</u>	<u>42</u>
General Services				
Fines, Forfeitures and Penalties	86	86	152	66
Revenues from Use of Money and Property	264	264	294	30
Charges for Current Services	1,560	1,560	1,439	(121)
Other Revenues	6	6	150	144
	<u>1,916</u>	<u>1,916</u>	<u>2,035</u>	<u>119</u>
Utility Payments				
Charges for Current Services	1,036	1,036	1,045	9
	<u>1,036</u>	<u>1,036</u>	<u>1,045</u>	<u>9</u>
Property Management				
Charges for Current Services	171	171	174	3
Other Revenues			1	1
	<u>171</u>	<u>171</u>	<u>175</u>	<u>4</u>
ADA Compliance				
Aid from Other Governmental Agencies	636	636	386	(250)
	<u>636</u>	<u>636</u>	<u>386</u>	<u>(250)</u>
Construction Services - General Services				
Aid from Other Governmental Agencies	2	2	5	3
Charges for Current Services	1,115	1,115	933	(182)
Other Revenues	100	100	175	75
	<u>1,217</u>	<u>1,217</u>	<u>1,113</u>	<u>(104)</u>

**COUNTY OF KERN  
BUDGETARY COMPARISION SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
General Government (Continued)				
General Services - Major Maintenance				
Aid from Other Governmental Agencies	\$ 215	\$ 215	\$ 95	\$ 95
Charges for Current Services	215	215	130	(85)
	<u>215</u>	<u>215</u>	<u>225</u>	<u>10</u>
Board of Trade				
Aid from Other Governmental Agencies	1	1		(1)
Other Revenues	12	23	6	(17)
	<u>13</u>	<u>24</u>	<u>6</u>	<u>(18)</u>
Engineering and Survey Services				
Aid from Other Governmental Agencies	199	199	169	(30)
Charges for Current Services	1,719	1,719	2,199	480
Other Revenues	4	4	1	(3)
	<u>1,922</u>	<u>1,922</u>	<u>2,369</u>	<u>447</u>
Risk Management				
Charges for Current Services	2,085	2,085	2,106	21
Other Revenues	5	5	(15)	(20)
	<u>2,090</u>	<u>2,090</u>	<u>2,091</u>	<u>1</u>
Capital Projects				
Aid from Other Governmental Agencies	18,440	19,073	1,589	(17,484)
	<u>18,440</u>	<u>19,073</u>	<u>1,589</u>	<u>(17,484)</u>
<b>Total General Government</b>	<b><u>230,624</u></b>	<b><u>236,614</u></b>	<b><u>232,154</u></b>	<b><u>(4,460)</u></b>
<b>Public Protection:</b>				
Contribution -Trial Court Funding				
Fines, Forfeitures and Penalties	3,833	3,833	3,804	(29)
Charges for Current Services	3,379	3,379	3,563	184
Other Revenues	75	75	6	(69)
	<u>7,287</u>	<u>7,287</u>	<u>7,373</u>	<u>86</u>
Indigent Defense Services				
Aid from Other Governmental Agencies	436	436	977	541
Charges for Current Services	70	70	66	(4)
	<u>506</u>	<u>506</u>	<u>1,043</u>	<u>537</u>
District Attorney				
Fines, Forfeitures and Penalties	475	475	108	(367)
Aid from Other Governmental Agencies	3,643	3,915	4,251	336
Charges for Current Services	4,504	4,728	4,541	(187)
Other Revenues	86	132	82	(50)
	<u>8,708</u>	<u>9,250</u>	<u>8,982</u>	<u>(268)</u>
Public Defender				
Aid from Other Governmental Agencies	533	533	531	(2)
Charges for Current Services	373	373	319	(54)
Other Revenues	32	40		(40)
	<u>938</u>	<u>946</u>	<u>850</u>	<u>(96)</u>
Forensic Sciences-Division of District Attorney				
Aid from Other Governmental Agencies	199	253	159	(94)
Charges for Current Services	265	265	236	(29)
Other Revenues	821	877	670	(207)
	<u>1,285</u>	<u>1,395</u>	<u>1,065</u>	<u>(330)</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Protection (Continued)				
Sheriff				
Licenses, Permits and Franchises	\$ 115	\$ 115	\$ 175	\$ 60
Fines, Forfeitures and Penalties	24	24	12	(12)
Aid from Other Governmental Agencies	3,527	6,886	5,207	(1,679)
Charges for Current Services	24,224	24,224	23,341	(883)
Other Revenues	2,246	4,002	3,152	(850)
	<u>30,136</u>	<u>35,251</u>	<u>31,887</u>	<u>(3,364)</u>
Probation				
Fines, Forfeitures and Penalties	27	27	33	6
Revenues from Use of Money and Property	26	26	10	(16)
Aid from Other Governmental Agencies	18,204	19,101	19,124	23
Charges for Current Services	2,628	2,628	3,075	447
Other Revenues	97	97	17	(80)
	<u>20,982</u>	<u>21,879</u>	<u>22,259</u>	<u>380</u>
Agricultural Commissioner				
Licenses, Permits and Franchises	18	18	19	1
Fines, Forfeitures and Penalties	11	11	7	(4)
Aid from Other Governmental Agencies	2,329	2,839	2,460	(379)
Charges for Current Services	590	635	805	170
Other Revenues	55	55	83	28
	<u>3,003</u>	<u>3,558</u>	<u>3,374</u>	<u>(184)</u>
Code Compliance				
Fines, Forfeitures and Penalties	3	3	13	10
Charges for Current Services	65	65	105	40
Other Revenues			1	1
	<u>68</u>	<u>68</u>	<u>119</u>	<u>51</u>
Weights and Measures				
Fines, Forfeitures and Penalties	75	75	15	(60)
Aid from Other Governmental Agencies	24	24	27	3
Charges for Current Services	276	276	255	(21)
	<u>375</u>	<u>375</u>	<u>297</u>	<u>(78)</u>
Special Services				
Other Revenues			28	28
	<u></u>	<u></u>	<u>28</u>	<u>28</u>
Recorder				
Licenses, Permits and Franchises	4	4	4	
Charges for Current Services	1,620	1,739	2,040	301
Other Revenues	34	34	29	(5)
	<u>1,658</u>	<u>1,777</u>	<u>2,073</u>	<u>296</u>
Resource Management Agency				
Charges for Current Services	502	502	505	3
Other Revenues			1	1
	<u>502</u>	<u>502</u>	<u>506</u>	<u>4</u>
Planning				
Licenses, Permits and Franchises	239	239	266	27
Charges for Current Services	321	321	305	(16)
Other Revenues	5	5	12	7
	<u>565</u>	<u>565</u>	<u>583</u>	<u>18</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Protection (Continued)				
Animal Control				
Licenses, Permits and Franchises	\$ 308	\$ 308	\$ 241	\$ (67)
Fines, Forfeitures and Penalties	4	4	1	(3)
Aid from Other Governmental Agencies	1,185	1,185	1,185	
Charges for Current Services	89	89	121	32
Other Revenues	25	31	16	(15)
	<u>1,611</u>	<u>1,617</u>	<u>1,564</u>	<u>(53)</u>
Superior Court				
Fines, Forfeitures and Penalties			1	1
Charges for Current Services	133	133	124	(9)
	<u>133</u>	<u>133</u>	<u>125</u>	<u>(8)</u>
Bakersfield Municipal Court				
Fines, Forfeitures and Penalties	1,041	1,041	1,036	(5)
Charges for Current Services	471	471	397	(74)
	<u>1,512</u>	<u>1,512</u>	<u>1,433</u>	<u>(79)</u>
East Kern Municipal Court				
Fines, Forfeitures and Penalties	460	461	454	(7)
Charges for Current Services	216	216	205	(11)
	<u>676</u>	<u>677</u>	<u>659</u>	<u>(18)</u>
North Kern Municipal Court				
Fines, Forfeitures and Penalties	357	357	371	14
Charges for Current Services	212	212	202	(10)
	<u>569</u>	<u>569</u>	<u>573</u>	<u>4</u>
South Kern Municipal Court				
Fines, Forfeitures and Penalties	580	580	593	13
Charges for Current Services	389	389	282	(107)
	<u>969</u>	<u>969</u>	<u>875</u>	<u>(94)</u>
<b>Total Public Protection</b>	<b><u>81,483</u></b>	<b><u>88,836</u></b>	<b><u>85,668</u></b>	<b><u>(3,168)</u></b>
<b>Health and Sanitation:</b>				
Department of Public Health				
Aid from Other Governmental Agencies	16,393	16,707	15,411	(1,296)
Charges for Current Services	2,130	2,130	2,349	219
Other Revenues	159	159	50	(109)
	<u>18,682</u>	<u>18,996</u>	<u>17,810</u>	<u>(1,186)</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Health and Sanitation (Continued):</b>				
Air Quality Control				
Charges for Current Services	\$ 634	\$ 634	\$ 588	\$ (46)
	<u>634</u>	<u>634</u>	<u>588</u>	<u>(46)</u>
Environmental Health				
Licenses, Permits and Franchises	1,549	1,549	1,579	30
Fines, Forfeitures and Penalties	49	49	32	(17)
Aid from Other Governmental Agencies	725	725	725	
Charges for Current Services	1,368	1,368	1,380	12
Other Revenues			1	1
	<u>3,691</u>	<u>3,691</u>	<u>3,717</u>	<u>26</u>
Emergency Medical Services				
Licenses, Permits and Franchises	352	352	360	8
Aid from Other Governmental Agencies	107	107	33	(74)
Charges for Current Services	141	141	262	121
	<u>600</u>	<u>600</u>	<u>655</u>	<u>55</u>
KMC Enterprise Fund - County Contribution				
Aid from Other Governmental Agencies	13,650	13,650	13,650	
	<u>13,650</u>	<u>13,650</u>	<u>13,650</u>	
Contribution for Medical Care				
Other Revenues		38,270	38,270	
		<u>38,270</u>	<u>38,270</u>	
California Children Services				
Aid from Other Governmental Agencies	6,547	6,547	5,508	(1,039)
Charges for Current Services	21	21	16	(5)
	<u>6,568</u>	<u>6,568</u>	<u>5,524</u>	<u>(1,044)</u>
Waste Management				
Charges for Current Services	1,819	1,819	1,728	(91)
	<u>1,819</u>	<u>1,819</u>	<u>1,728</u>	<u>(91)</u>
<b>Total Health and Sanitation</b>	<b><u>45,644</u></b>	<b><u>84,228</u></b>	<b><u>81,942</u></b>	<b><u>(2,286)</u></b>
<b>Public Assistance</b>				
Veterans Service				
Aid from Other Governmental Agencies	110	110	115	5
	<u>110</u>	<u>110</u>	<u>115</u>	<u>5</u>
Employers' Training Resource				
Aid from Other Governmental Agencies	19,271	19,271	16,977	(2,294)
	<u>19,271</u>	<u>19,271</u>	<u>16,977</u>	<u>(2,294)</u>
Community Development Program Agency				
Aid from Other Governmental Agencies	2,249	2,249	1,905	(344)
	<u>2,249</u>	<u>2,249</u>	<u>1,905</u>	<u>(344)</u>
<b>Total Public Assistance</b>	<b><u>21,630</u></b>	<b><u>21,630</u></b>	<b><u>18,997</u></b>	<b><u>(2,633)</u></b>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Education</b>				
Kern County Library				
Revenues from Use of Money and Property	\$ 106	\$ 106	\$ 112	\$ 6
Aid from Other Governmental Agencies	1,092	1,092	1,044	(48)
Charges for Current Services	365	365	347	(18)
Other Revenues	789	789	329	(460)
	<u>2,352</u>	<u>2,352</u>	<u>1,832</u>	<u>(520)</u>
Farm and Home Advisor				
Charges for Current Services	2	2	1	(1)
Other Revenues	50	50	4	(46)
	<u>52</u>	<u>52</u>	<u>5</u>	<u>(47)</u>
<b>Total Education</b>	<b><u>2,404</u></b>	<b><u>2,404</u></b>	<b><u>1,837</u></b>	<b><u>(567)</u></b>
<b>Recreation and Culture</b>				
Parks and Recreation				
Fines, Forfeitures and Penalties	7	7	10	3
Revenues from Use of Money and Property	132	132	148	16
Aid from Other Governmental Agencies	170	189		(189)
Charges for Current Services	1,863	1,863	1,785	(78)
Other Revenues	5	5	12	7
	<u>2,177</u>	<u>2,196</u>	<u>1,955</u>	<u>(241)</u>
<b>Total Recreation and Culture</b>	<b><u>2,177</u></b>	<b><u>2,196</u></b>	<b><u>1,955</u></b>	<b><u>(241)</u></b>
<b>Debt Service</b>				
Revenues from Use of Money and Property			678	678
Aid from Other Governmental Agencies	1,400	1,400	1,532	132
Charges for Current Services	366	366	414	48
	<u>1,766</u>	<u>1,766</u>	<u>2,624</u>	<u>858</u>
<b>Total Debt Service</b>	<b><u>1,766</u></b>	<b><u>1,766</u></b>	<b><u>2,624</u></b>	<b><u>858</u></b>
<b>Total Revenue</b>	<b><u>385,728</u></b>	<b><u>437,675</u></b>	<b><u>425,177</u></b>	<b><u>(12,497)</u></b>
<b>EXPENDITURES:</b>				
<b>General Government:</b>				
Board of Supervisors				
Salaries & Benefits	1,684	1,737	1,712	25
Services & Supplies	265	295	277	18
Other Financing Uses	146	129		129
	<u>2,095</u>	<u>2,161</u>	<u>1,989</u>	<u>172</u>
Administrative Office				
Salaries & Benefits	2,193	2,303	2,270	33
Services & Supplies	280	280	248	32
Other Charges		10	10	
Transfers & Reimbursements	(83)	(83)	(102)	19
Other Financing Uses	274	274		274
	<u>2,664</u>	<u>2,784</u>	<u>2,426</u>	<u>358</u>
Clerk of the Board				
Salaries & Benefits	536	541	469	72
Services & Supplies	146	232	171	61
Fixed Assets		16	16	
Other Financing Uses	406	356		356
	<u>1,088</u>	<u>1,145</u>	<u>656</u>	<u>489</u>
Special Services				
Salaries & Benefits	177	192	179	13
Services & Supplies	6,429	7,172	2,649	4,523
Other Charges	1,236	1,273	1,240	33
	<u>7,842</u>	<u>8,637</u>	<u>4,068</u>	<u>4,569</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
General Government (Continued):				
Auditor-Controller				
Salaries & Benefits	\$ 2,544	\$ 2,589	\$ 2,515	\$ 74
Services & Supplies	497	667	643	24
Fixed Assets		25	21	4
Transfers & Reimbursements	(104)	(104)	(105)	1
Other Financing Uses	244	244		244
	<u>3,181</u>	<u>3,421</u>	<u>3,074</u>	<u>347</u>
Travel Agent Expense				
Services & Supplies	525	1,375	1,038	337
Transfers & Reimbursements	(275)	(725)	(601)	(124)
	<u>250</u>	<u>650</u>	<u>437</u>	<u>213</u>
Treasurer - Tax Collector				
Salaries & Benefits	1,906	1,957	1,810	147
Services & Supplies	1,921	2,561	2,115	446
Fixed Assets		114	113	1
Other Financing Uses	394	234		234
	<u>4,221</u>	<u>4,866</u>	<u>4,038</u>	<u>828</u>
Assessor				
Salaries & Benefits	6,269	6,385	6,360	25
Services & Supplies	322	320	302	18
Other Charges	11	11	11	
Transfers & Reimbursements	(4)	(13)	(25)	12
	<u>6,598</u>	<u>6,703</u>	<u>6,648</u>	<u>55</u>
Assessor - Property Tax Administration				
Salaries & Benefits	806	864	706	158
Services & Supplies	586	552	406	146
Fixed Assets		50	50	
	<u>1,392</u>	<u>1,466</u>	<u>1,162</u>	<u>304</u>
Purchasing-Division of General Services				
Salaries & Benefits	542	545	526	19
Services & Supplies	43	48	47	1
	<u>585</u>	<u>593</u>	<u>573</u>	<u>20</u>
General Services-Mail Services				
Salaries & Benefits	261	263	261	2
Services & Supplies	1,115	1,268	1,270	(2)
Other Charges	23	17	17	
Transfers & Reimbursements	(633)	(633)	(699)	66
	<u>766</u>	<u>915</u>	<u>849</u>	<u>66</u>
Reprographics				
Salaries & Benefits	460	460	365	95
Services & Supplies	887	937	897	40
Transfers & Reimbursements	(613)	(613)	(491)	(122)
Other Charges	40	83	73	10
	<u>774</u>	<u>867</u>	<u>844</u>	<u>23</u>
Information Technology Service				
Salaries & Benefits	5,113	5,364	5,136	228
Services & Supplies	9,956	9,961	7,374	2,587
Other Charges	42	42	42	
Fixed Assets		42	50	(8)
Transfers & Reimbursements	(3,882)	(3,882)	(3,096)	(786)
Other Financing Uses	300	300		300
	<u>11,529</u>	<u>11,827</u>	<u>9,506</u>	<u>2,321</u>



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
General Government (Continued):				
County Counsel				
Salaries & Benefits	\$ 4,517	\$ 4,809	\$ 4,805	\$ 4
Services & Supplies	417	437	413	24
Transfers & Reimbursements	(664)	(814)	(823)	9
Other Charges	68	45	44	1
Other Financing Uses	403	281		281
	<u>4,741</u>	<u>4,758</u>	<u>4,439</u>	<u>319</u>
Personnel				
Salaries & Benefits	1,649	1,817	1,771	46
Services & Supplies	267	306	284	22
Other Financing Uses	79	79		79
Fixed Assets		6	5	1
Transfers & Reimbursements	(33)	(33)	(30)	(3)
	<u>1,962</u>	<u>2,175</u>	<u>2,030</u>	<u>145</u>
Elections				
Salaries & Benefits	683	688	626	62
Services & Supplies	1,326	1,480	1,435	45
	<u>2,009</u>	<u>2,168</u>	<u>2,061</u>	<u>107</u>
Communications				
Salaries & Benefits	1,349	1,431	1,408	23
Services & Supplies	732	745	663	82
Fixed Assets		28	28	
Transfers & Reimbursements	(160)	(160)	(182)	22
	<u>1,921</u>	<u>2,044</u>	<u>1,917</u>	<u>127</u>
General Services				
Salaries & Benefits	6,575	6,568	6,506	62
Services & Supplies	1,568	2,012	1,748	264
Fixed Assets		60	59	1
Transfers & Reimbursements	(418)	(418)	(365)	(53)
Other Charges	12	12	12	
Other Financing Uses	253	253		253
	<u>7,990</u>	<u>8,487</u>	<u>7,960</u>	<u>527</u>
Utility Payments				
Services & Supplies	8,400	8,711	7,000	1,711
Transfers & Reimbursements	(646)	(646)	(372)	(274)
Other Charges	225	225	225	
	<u>7,979</u>	<u>8,290</u>	<u>6,853</u>	<u>1,437</u>
Property Management				
Salaries & Benefits	381	395	385	10
Services & Supplies	95	47	43	4
Transfers & Reimbursements	(15)	(15)	(15)	
	<u>461</u>	<u>427</u>	<u>413</u>	<u>14</u>
ADA Compliance				
Services & Supplies	346	679	590	89
	<u>346</u>	<u>679</u>	<u>590</u>	<u>89</u>
Construction Service-Division General Service				
Salaries & Benefits	1,473	1,479	1,462	17
Services & Supplies	519	613	540	73
Transfers & Reimbursements	(561)	(561)	(809)	248
	<u>1,431</u>	<u>1,531</u>	<u>1,193</u>	<u>338</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>General Government (Continued):</b>				
General Service-Major Maintenance-General				
Services & Supplies	\$ 2,011	\$ 6,101	\$ 5,343	\$ 758
Transfers & Reimbursements		(75)	(75)	
	<u>2,011</u>	<u>6,026</u>	<u>5,268</u>	<u>758</u>
Board of Trade				
Salaries & Benefits	351	362	352	10
Services & Supplies	202	231	186	45
Other Charges		6	5	1
Other Financing Uses	45	45		45
	<u>598</u>	<u>644</u>	<u>543</u>	<u>101</u>
Engineering & Survey Services				
Salaries & Benefits	2,907	2,843	2,725	118
Services & Supplies	540	633	540	93
Fixed Assets	20	108	72	36
Transfers & Reimbursements	(162)	(162)	(274)	112
Other Charges	39	43	38	5
Other Financing Uses	255	255		255
	<u>3,599</u>	<u>3,720</u>	<u>3,101</u>	<u>619</u>
Risk Management				
Salaries & Benefits	1,444	1,444	1,440	4
Services & Supplies	775	804	928	(124)
Other Charges	871	871	862	9
Transfers & Reimbursements	(166)	(166)	(166)	
	<u>2,924</u>	<u>2,953</u>	<u>3,064</u>	<u>(111)</u>
Capital Projects				
Transfers & Reimbursements				
Fixed Assets	27,338	31,343	11,027	20,316
Transfers & Reimbursements	(539)	(539)	(405)	(134)
	<u>26,799</u>	<u>30,804</u>	<u>10,622</u>	<u>20,182</u>
Debt Service				
Services & Supplies	279	84	178	(94)
Other Charges	580	545	545	
Transfers & Reimbursements	(253)	(253)	(253)	
	<u>606</u>	<u>376</u>	<u>470</u>	<u>(94)</u>
<b>Total General Government</b>	<b>108,362</b>	<b>121,117</b>	<b>86,794</b>	<b>34,323</b>
<b>Public Protection:</b>				
Contribution - Trial Court Funding				
Services & Supplies	16,519	16,574	16,573	1
	<u>16,519</u>	<u>16,574</u>	<u>16,573</u>	<u>1</u>
Grand Jury				
Salaries & Benefits	42	23	23	
Services & Supplies	140	191	190	1
Other Financing Uses	15			
	<u>197</u>	<u>214</u>	<u>213</u>	<u>1</u>
Indigent Defense Services				
Services & Supplies	3,524	3,794	3,906	(112)
	<u>3,524</u>	<u>3,794</u>	<u>3,906</u>	<u>(112)</u>
District Attorney				
Salaries & Benefits	16,388	16,852	16,057	795
Services & Supplies	1,965	2,269	1,935	334
Other Charges	2	113	113	
Fixed Assets		103	103	
Other Financing Uses		2		2
Transfers & Reimbursements	(42)	(42)	(74)	32
	<u>18,313</u>	<u>19,297</u>	<u>18,134</u>	<u>1,163</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Protection (Continued):				
Public Defender				
Salaries & Benefits	\$ 7,654	\$ 7,661	\$ 7,303	\$ 358
Services & Supplies	646	657	541	116
Other Financing Uses	642	642		642
Fixed Assets	18	31	29	2
	<u>8,960</u>	<u>8,991</u>	<u>7,873</u>	<u>1,118</u>
Forensic Sciences-Division of District Attorney				
Salaries & Benefits	2,044	2,011	1,852	159
Services & Supplies	1,120	1,439	1,217	222
Other Charges	79	79	73	6
Fixed Assets		174	147	27
Transfers & Reimbursements	(135)	(135)	(60)	(75)
	<u>3,108</u>	<u>3,568</u>	<u>3,229</u>	<u>339</u>
Sheriff				
Salaries & Benefits	85,948	86,970	85,445	1,525
Services & Supplies	18,989	21,771	19,661	2,110
Other Charges	2,758	2,860	2,497	363
Fixed Assets	431	3,450	3,272	178
Transfers & Reimbursements	(80)	(80)	(54)	(26)
	<u>108,046</u>	<u>114,971</u>	<u>110,821</u>	<u>4,150</u>
Probation				
Salaries & Benefits	30,207	30,395	30,390	5
Services & Supplies	4,888	5,590	5,533	57
Other Charges	1,018	896	895	1
Other Financing Uses	1,046	1,021		1,021
Fixed Assets	128	480	479	1
	<u>37,287</u>	<u>38,382</u>	<u>37,297</u>	<u>1,085</u>
Agricultural Commissioner				
Salaries & Benefits	3,248	3,443	3,294	149
Services & Supplies	733	1,282	1,176	106
Other Financing Uses	155	155		155
Fixed Assets		14	14	
Transfers & Reimbursements	(19)	(19)	(6)	(13)
	<u>4,117</u>	<u>4,875</u>	<u>4,478</u>	<u>397</u>
Code Compliance				
Salaries & Benefits	564	567	566	1
Services & Supplies	526	692	411	281
	<u>1,090</u>	<u>1,259</u>	<u>977</u>	<u>282</u>
Weights & Measures				
Salaries & Benefits	628	665	600	65
Services & Supplies	103	112	75	37
Other Charges	48	48	46	2
Other Financing Uses	161	161		161
Fixed Assets		39	39	
Transfers & Reimbursements	(10)	(10)	(5)	(5)
	<u>930</u>	<u>1,015</u>	<u>755</u>	<u>260</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Public Protection (Continued):</b>				
Recorder				
Salaries & Benefits	\$ 972	\$ 1,053	\$ 1,005	\$ 48
Services & Supplies	539	585	532	53
Fixed Assets	215	298	285	13
Other Financing Uses	27	27		27
	<u>1,753</u>	<u>1,963</u>	<u>1,822</u>	<u>141</u>
Resource Management Agency				
Salaries & Benefits	1,001	1,043	1,026	17
Services & Supplies	82	81	65	16
Other Charges		4	4	
Other Financing Uses	12	12		12
Transfers & Reimbursements	(167)	(162)	(116)	(46)
	<u>928</u>	<u>978</u>	<u>979</u>	<u>(1)</u>
Planning				
Salaries & Benefits	2,083	2,108	1,881	227
Services & Supplies	689	1,381	1,230	151
Other Charges	2	2	2	
Fixed Assets		20	19	1
Other Financing Uses	316	296		296
Transfers & Reimbursements	(6)	(6)	(9)	3
	<u>3,084</u>	<u>3,801</u>	<u>3,123</u>	<u>678</u>
Animal Control				
Salaries & Benefits	1,371	1,387	1,284	103
Services & Supplies	574	596	514	82
Fixed Assets		28	28	
Other Financing Uses	59	14		14
	<u>2,004</u>	<u>2,025</u>	<u>1,826</u>	<u>199</u>
<b>Total Public Protection</b>	<b><u>209,860</u></b>	<b><u>221,707</u></b>	<b><u>212,006</u></b>	<b><u>9,701</u></b>
<b>Health and Sanitation:</b>				
Department of Public Health				
Salaries & Benefits	15,028	15,849	14,842	1,007
Services & Supplies	4,360	5,642	5,207	435
Other Charges	23	8	8	
Fixed Assets		33	33	
Other Financing Uses	521	521		521
Transfers & Reimbursements	(479)	(479)	(575)	96
	<u>19,453</u>	<u>21,574</u>	<u>19,515</u>	<u>2,059</u>

**COUNTY OF KERN  
BUDGETARY COMPARISION SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Health and Sanitation (Continued)</b>				
Air Quality Control				
Salaries & Benefits	\$ 627	\$ 627	\$ 581	\$ 46
Services & Supplies	7	7	7	
	<u>634</u>	<u>634</u>	<u>588</u>	<u>46</u>
Environmental Health				
Salaries & Benefits	3,200	3,240	3,203	37
Services & Supplies	487	602	504	98
Other Charges	3	3	3	
Other Financing Uses	249	149		149
Transfers & Reimbursements			(4)	4
	<u>3,939</u>	<u>3,994</u>	<u>3,706</u>	<u>288</u>
Emergency Medical Services				
Salaries & Benefits	755	762	674	88
Services & Supplies	764	770	157	613
Other Charges	12	12	6	6
	<u>1,531</u>	<u>1,544</u>	<u>837</u>	<u>707</u>
Contribution for Medical Care				
Other Charges		38,270	38,270	
		<u>38,270</u>	<u>38,270</u>	
California Children Services				
Salaries & Benefits	3,804	3,815	2,453	1,362
Services & Supplies	2,895	2,902	2,897	5
	<u>6,699</u>	<u>6,717</u>	<u>5,350</u>	<u>1,367</u>
Waste Management				
Salaries & Benefits	1,826	1,826	1,783	43
Services & Supplies	191	191	103	88
Transfers & Reimbursements	(198)	(198)	(142)	(56)
	<u>1,819</u>	<u>1,819</u>	<u>1,744</u>	<u>75</u>
<b>Total Health and Sanitation</b>	<b><u>34,075</u></b>	<b><u>74,552</u></b>	<b><u>70,010</u></b>	<b><u>4,542</u></b>
<b>Public Assistance:</b>				
Veterans Service				
Salaries & Benefits	443	447	434	13
Services & Supplies	52	54	52	2
Other Financing Uses	38	38		38
	<u>533</u>	<u>539</u>	<u>486</u>	<u>53</u>
Employers Training Resource				
Salaries & Benefits	12,043	12,038	10,422	1,616
Services & Supplies	7,142	9,036	7,176	1,860
Fixed Assets	86	397	361	36
	<u>19,271</u>	<u>21,471</u>	<u>17,959</u>	<u>3,512</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Assistance (Continued):				
Community Development Program Agency				
Salaries & Benefits	\$ 1,669	\$ 1,669	\$ 1,417	\$ 252
Services & Supplies	580	586	442	144
	<u>2,249</u>	<u>2,255</u>	<u>1,859</u>	<u>396</u>
<b>Total Public Assistance</b>	<b>22,053</b>	<b>24,265</b>	<b>20,304</b>	<b>3,961</b>
<b>Education:</b>				
Kern County Library				
Salaries & Benefits	5,736	6,125	6,019	106
Services & Supplies	2,876	3,150	2,468	682
Other Charges	35	35	34	1
Fixed Assets		36	36	
Other Financing Uses	17	17		17
Transfers & Reimbursements	(2)	(2)	(3)	1
	<u>8,662</u>	<u>9,361</u>	<u>8,554</u>	<u>807</u>
Farm & Home Advisor				
Salaries & Benefits	310	315	253	62
Services & Supplies	198	200	117	83
Other Financing Uses	70	70		70
	<u>578</u>	<u>585</u>	<u>370</u>	<u>215</u>
<b>Total Education</b>	<b>9,240</b>	<b>9,946</b>	<b>8,924</b>	<b>1,022</b>
<b>Recreation and Culture:</b>				
Parks and Recreation				
Salaries & Benefits	6,875	7,162	7,161	1
Services & Supplies	3,501	3,457	3,070	387
Other Charges	207	239	229	10
Fixed Assets		300	300	
Other Financing Uses	121	121		121
Transfers & Reimbursements	(87)	(87)		(87)
	<u>10,617</u>	<u>11,192</u>	<u>10,760</u>	<u>432</u>
<b>Total Recreation and Culture</b>	<b>10,617</b>	<b>11,192</b>	<b>10,760</b>	<b>432</b>
<b>Debt Service - General Fund</b>				
Debt Service - Principal	83	83	83	
Debt Service - Interest	2,166	2,158	2,158	
<b>Total Debt Service - General Fund</b>	<b>2,249</b>	<b>2,241</b>	<b>2,241</b>	
<b>Contingencies and Reserves</b>				
Appropriations for Contingencies	5,600	5,648		5,648
<b>Total Expenditures</b>	<b>402,056</b>	<b>470,668</b>	<b>411,039</b>	<b>59,629</b>
Excess (Deficiency) of Revenues Over Expenditures	(16,328)	(32,994)	14,138	47,132
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	60,976	60,976	51,524	(9,452)
Operating Transfers Out	(59,029)	(59,029)	(59,299)	(270)
Total Other Financing Sources (Uses)	<u>1,947</u>	<u>1,947</u>	<u>(7,775)</u>	<u>(9,722)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(14,381)	(31,047)	6,363	37,410
Fund Balance (Deficit), July 1, 2001	56,597	67,977	67,977	
Prior Period Adjustment		727	727	
Fund Balance (Deficit), June 30, 2002	\$ <u>42,216</u>	\$ <u>37,657</u>	\$ <u>75,067</u>	\$ <u>37,410</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2002 (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>425,177</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 411,039
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Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period	(17,206)
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Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	<u>5,283</u>
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Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>399,116</u>
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**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
KERN COUNTY DEPARTMENT OF CHILD SUPPORT  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 381	\$ 381	\$ 337	\$ (44)
Aid from Other Governmental Agencies	31,514	32,546	30,921	(1,625)
Other Revenues	110	110	45	(65)
<b>Total Revenues</b>	<u>32,005</u>	<u>33,037</u>	<u>31,303</u>	<u>(1,734)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	15,814	14,614	14,375	239
Services & Supplies	15,620	17,453	15,409	2,044
Other Charges	572	652	5,879	(5,227)
Fixed Assets		369	363	6
<b>Total Expenditures</b>	<u>32,006</u>	<u>33,088</u>	<u>36,026</u>	<u>(2,938)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1)	(51)	(4,723)	(4,672)
Fund Balance (Deficit), July 1, 2001	4,852	4,934	4,934	
Fund Balance (Deficit), June 30, 2002	<u>\$ 4,851</u>	<u>\$ 4,883</u>	<u>\$ 211</u>	<u>\$ (4,672)</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 \$ 31,303

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 36,026

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (289)

Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources 172

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 35,909



**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 EMPLOYERS' TRAINING RESOURCE  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$	\$	\$
Aid from Other Governmental Agencies	46,294	48,320	22 34,556	22 (13,764)
<b>Total Revenues</b>	<u>46,294</u>	<u>48,320</u>	<u>34,578</u>	<u>(13,742)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Services & Supplies	24,994	25,777	20,441	5,336
Other Charges	13,230	20,396	17,381	3,015
<b>Total Expenditures</b>	<u>38,224</u>	<u>46,173</u>	<u>37,822</u>	<u>8,351</u>
Excess (Deficiency) of Revenues Over Expenditures	8,070	2,147	(3,244)	(5,391)
Fund Balance (Deficit), July 1, 2001	<u>(2,383)</u>	<u>1,006</u>	<u>1,006</u>	
Fund Balance (Deficit), June 30, 2002	<u>\$ 5,687</u>	<u>\$ 3,153</u>	<u>\$ (2,238)</u>	<u>\$ (5,391)</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 \$ 34,578

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 37,822

Differences - Budget to GAAP  
 Encumbrances for supplies and services ordered but not received within the recognition period (2,022)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 35,800

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$	\$ 105	\$ 105
Aid from Other Governmental Agencies	287,738	277,529	269,461	(8,068)
Charges for Current Services	21	369	461	92
Other Revenues	<u>2,819</u>	<u>2,819</u>	<u>2,955</u>	<u>136</u>
Total Revenues	<u>290,578</u>	<u>280,717</u>	<u>272,982</u>	<u>(7,735)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Salaries & Benefits	75,630	73,567	73,112	455
Services & Supplies	74,212	71,809	65,838	5,971
Other Charges	137,640	152,745	148,210	4,535
Fixed Assets	<u>562</u>	<u>764</u>	<u>319</u>	<u>445</u>
Total Expenditures	<u>288,044</u>	<u>298,885</u>	<u>287,479</u>	<u>11,406</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,534</u>	<u>(18,168)</u>	<u>(14,497)</u>	<u>3,671</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	<u>6,212</u>	<u>6,212</u>	<u>6,225</u>	<u>13</u>
Total Other Financing Sources (Uses)	<u>6,212</u>	<u>6,212</u>	<u>6,225</u>	<u>13</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	8,746	(11,956)	(8,272)	3,684
Fund Balance (Deficit), July 1, 2001	13,442	13,618	13,618	
Prior Period Adjustment	<u></u>	<u>(17,419)</u>	<u>(17,419)</u>	<u></u>
Fund Balance (Deficit), June 30, 2002	<u>\$ 22,188</u>	<u>\$ (15,757)</u>	<u>\$ (12,073)</u>	<u>\$ 3,684</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 \$ 272,982

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 287,479

Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (6,400)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 281,079

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 100	\$ 100	\$ 655	\$ 555
Aid from Other Governmental Agencies	50,802	50,802	47,840	(2,962)
Charges for Current Services	30,818	30,818	30,695	(123)
Other Revenues	<u>835</u>	<u>835</u>	<u>46</u>	<u>(789)</u>
Total Revenues	<u>82,555</u>	<u>82,555</u>	<u>79,236</u>	<u>(3,319)</u>
<b>EXPENDITURES:</b>				
Current:				
Health and Sanitation				
Salaries & Benefits	31,078	31,869	30,109	1,760
Services & Supplies	47,792	56,884	45,783	11,101
Other Charges	3,935	4,916	4,483	433
Fixed Assets		<u>144</u>	<u>132</u>	<u>12</u>
Total Expenditures	<u>82,805</u>	<u>93,813</u>	<u>80,507</u>	<u>13,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(250)</u>	<u>(11,258)</u>	<u>(1,271)</u>	<u>9,987</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	<u>1,048</u>	<u>1,048</u>	<u>1,048</u>	
Total Other Financing Sources (Uses)	<u>1,048</u>	<u>1,048</u>	<u>1,048</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	798	(10,210)	(223)	9,987
Fund Balance (Deficit), July 1, 2001	14,541	16,760	16,760	
Prior Period Adjustment		<u>(4,198)</u>	<u>(4,198)</u>	
Fund Balance (Deficit), June 30, 2002	<u>\$ 15,339</u>	<u>\$ 2,352</u>	<u>\$ 12,339</u>	<u>\$ 9,987</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 \$ 79,236

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 80,507

Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (7,201)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 73,306

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
ROAD  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 3,747	\$ 3,747	\$ 3,931	\$ 184
Revenues from Use of Money and Property	200	200	375	175
Aid from Other Governmental Agencies	20,279	20,279	14,866	(5,413)
Charges for Current Services	967	967	1,091	124
Other Revenues	13	13	1,139	1,126
<b>Total Revenues</b>	<u>25,206</u>	<u>25,206</u>	<u>21,402</u>	<u>(3,804)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Ways and Facilities				
Salaries & Benefits	11,122	11,161	10,284	877
Services & Supplies	20,534	27,964	21,498	6,466
Other Charges	298	300	286	14
Fixed Assets	535	913	799	114
<b>Total Expenditures</b>	<u>32,489</u>	<u>40,338</u>	<u>32,867</u>	<u>7,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,283)</u>	<u>(15,132)</u>	<u>(11,465)</u>	<u>3,667</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	5,711	5,711	5,750	39
<b>Total Other Financing Sources (Uses)</b>	<u>5,711</u>	<u>5,711</u>	<u>5,750</u>	<u>39</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,572)	(9,421)	(5,715)	3,706
Fund Balance (Deficit), July 1, 2001	9,382	13,896	13,896	
Prior Period Adjustment		(3,110)	(3,110)	
<b>Fund Balance (Deficit), June 30, 2002</b>	<u>\$ 7,810</u>	<u>\$ 1,365</u>	<u>\$ 5,071</u>	<u>\$ 3,706</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 \$ 21,402

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 32,867

Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (7,802)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 25,065

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
STRUCTURAL FIRE  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 37,410	\$ 37,410	\$ 38,926	\$ 1,516
Licenses, Permits and Franchises			1	1
Fines, Forfeitures and Penalties	20	20	24	4
Revenues from Use of Money and Property	195	280	346	66
Aid from Other Governmental Agencies	1,449	1,613	1,617	4
Charges for Current Services	10,145	13,810	13,559	(251)
Other Revenues	169	1,225	1,096	(129)
<b>Total Revenues</b>	<u>49,388</u>	<u>54,358</u>	<u>55,569</u>	<u>1,211</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	56,491	58,543	58,456	87
Services & Supplies	7,103	8,846	8,107	739
Other Charges	2,593	2,595	1,377	1,218
Fixed Assets	560	3,219	2,655	564
Appropriation for Contingencies				
<b>Total Expenditures</b>	<u>66,747</u>	<u>73,203</u>	<u>70,595</u>	<u>2,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,359)</u>	<u>(18,845)</u>	<u>(15,026)</u>	<u>3,819</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	21,518	21,518	21,238	(280)
Operating Transfers Out	<u>(1,124)</u>	<u>(1,124)</u>	<u>(1,124)</u>	
<b>Total Other Financing Sources (Uses)</b>	<u>20,394</u>	<u>20,394</u>	<u>20,114</u>	<u>(280)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	3,035	1,549	5,088	3,539
Fund Balance (Deficit), July 1, 2001	5,331	7,776	7,776	
Prior Period Adjustment		150	150	
<b>Fund Balance (Deficit), June 30, 2002</b>	<u>\$ 8,366</u>	<u>\$ 9,475</u>	<u>\$ 13,014</u>	<u>\$ 3,539</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>55,569</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 70,595
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	<u>(1,521)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>69,074</u>

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2002**

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**I. BUDGETARY BASIS OF ACCOUNTING**

**A. BUDGETARY INFORMATION**

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

Annual budgets are not adopted for the Public Improvement Districts Nonmajor Governmental Fund, the District Attorney Equipment Automation Nonmajor Governmental Fund, the District Attorney Local Forfeitures Nonmajor Governmental Fund, The Property Tax Administration Nonmajor Governmental Fund, the Sheriff Inmate Welfare Nonmajor Governmental Fund, The Sheriff Fingerprint Identification Nonmajor Governmental Fund and certain other nonmajor governmental funds. Annual Budgets are also not adopted for the Accumulative Capital Outlay-Road Nonmajor Governmental Fund, and the County of Kern Asset Leasing Nonmajor Governmental Fund, Public Health Facility Loan Trustee Nonmajor Governmental Fund, and Pension Obligation Trustee Nonmajor Governmental Fund. Accordingly, a budgetary comparison schedule is not presented for these funds. A budget was not adopted for the Tobacco Securitization Proceeds for the current fiscal year.

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 also 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 4/5 vote of the Board of Supervisors.

The County budgets by fund and 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, Fixed 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. The Kern County Department of Child Support exceeded appropriations by \$5,227 (in thousands) for the

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2002**

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

**A. BUDGETARY INFORMATION (continued)**

other charges object. This excess in appropriations is attributable to an unanticipated payment to the state for excess child support incentive funds. There were no other material excess expenditures over the related appropriations in any object level within any other fund. Budget amounts, as reported, represent adjusted figures at year-end. Transfers of appropriations between departments must be approved by the Board. Supplemental appropriations necessary and normally financed by unanticipated revenue during the year must also be approved by the Board. Unanticipated Revenues of \$54,598,257 were added to appropriations in the General Fund during the fiscal year.

Transfers of appropriations between objects of expenditures within the same budget unit must be approved by the Board or the County Administrative Office, depending upon the amount transferred. 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 contracts 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 contracts in process at year-end are completed. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

**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"). The accompanying budgetary comparison schedules present comparisons of the legally adopted budget with actual data on a budgetary basis. The following adjustments are necessary to provide a meaningful comparison of the actual results of operation with the budget (in thousands):

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2002**

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

**B. RECONCILIATION OF BUDGETARY BASIS TO GAAP (continued)**

	Fund Balance (Budgetary Basis)	Basis Differences			Fund Balance (Modified Accrual Basis)
		Capital Lease- Inceptions	Capital Lease-Other Financing Source	Outstanding Encumbrances for Budgeted Funds	
General Fund	\$ 75,067	\$ (5,283)	\$ 5,283	\$ 17,206	\$ 92,273
Kern Co. Dept. of Child Support	211	(172)	172	289	500
Employer's Training Resource	(2,238)			2,022	(216)
Human Services	(12,073)			6,400	(5,673)
Mental Health	12,339			7,201	19,540
Road	5,071			7,802	12,873
Structural Fire	13,014			1,521	14,535
Total	\$ <u>91,391</u>	\$ <u>(5,455)</u>	\$ <u>5,455</u>	\$ <u>42,441</u>	\$ <u>133,832</u>



The seal of Kern County, California, is a circular emblem. It features a central scene with a yellow sun rising over a landscape that includes a lighthouse, a ship, and a ladder. The text "COUNTY OF KERN" is written in a blue arc at the top, and "STATE OF CALIFORNIA" is written in a blue arc at the bottom. The entire seal is surrounded by a yellow and blue striped border.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**



**NONMAJOR  
GOVERNMENTAL FUNDS**

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2002 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Assets:				
Pooled Cash and Investments	\$ 37,317	\$ 1,025	\$ 18,567	\$ 56,909
Revolving Fund Cash	2			2
Cash and Investments Deposited With Trustee			25,520	25,520
Receivables:				
Loans			5,938	5,938
Interest	316	15	152	483
Taxes Receivable	606			606
Accrued Revenue	7,208			7,208
Due from Other Funds	352			352
Advances to Other Funds			5,850	5,850
Total Assets	<u>\$ 45,801</u>	<u>\$ 1,040</u>	<u>\$ 56,027</u>	<u>\$ 102,868</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Payables:				
Accounts	\$ 438			\$ 438
Salaries and Employee Benefits	299			299
Loans	4,332			4,332
Due to Other Funds	5,844			5,844
Advances from Other Funds	1,225	4,050		5,275
Deferred Revenue	593			593
Total Liabilities	<u>12,731</u>	<u>4,050</u>		<u>16,781</u>
Fund Balance (Deficit):				
Reserved	14,199	829	56,027	71,055
Unreserved, reported in:				
Special Revenue Funds	18,871			18,871
Capital Projects Funds		(3,839)		(3,839)
Total Fund Balance (Deficit):	<u>33,070</u>	<u>(3,010)</u>	<u>56,027</u>	<u>86,087</u>
Total Liabilities and Fund Balance	<u>\$ 45,801</u>	<u>\$ 1,040</u>	<u>\$ 56,027</u>	<u>\$ 102,868</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES:</b>				
Taxes	\$ 1,984	\$	\$	\$ 1,984
Licenses, Permits and Franchises	5,272			5,272
Fines, Forfeitures and Penalties	5,099			5,099
Revenues From Use of Money and Property	1,605	121	2,989	4,715
Aid from Other Governmental Agencies	68,837			68,837
Charges for Current Services	2,340			2,340
Other Revenues	2,304	500	11,266	14,070
<b>Total Revenues</b>	<b>87,441</b>	<b>621</b>	<b>14,255</b>	<b>102,317</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	58		512	570
Public Protection	3,740		83	3,823
Health and Sanitation	2,035			2,035
Public Assistance	34,201			34,201
Education	41			41
Public Ways and Facilities	2,468			2,468
Capital Outlay	41	4,867		4,908
Debt Service:				
Principal			11,641	11,641
Interest			13,057	13,057
<b>Total Expenditures</b>	<b>42,584</b>	<b>4,867</b>	<b>25,293</b>	<b>72,744</b>
Excess Deficiency of Revenues Over (Under) Expenditures	44,857	(4,246)	(11,038)	29,573
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	7,496	2,258	13,404	23,158
Operating Transfers Out	(56,266)	(450)	(10,985)	(67,701)
Inception of Capital Leases	41			41
<b>Total Other Financing Sources (Uses)</b>	<b>(48,729)</b>	<b>1,808</b>	<b>2,419</b>	<b>(44,502)</b>
Net Changes in Fund Balance	(3,872)	(2,438)	(8,619)	(14,929)
Fund Balance, July 1, 2001 (as previously reported)	37,359	(572)	64,646	101,433
Prior Period Adjustment	(417)			(417)
Fund Balance, June 30, 2002	\$ 33,070	\$ (3,010)	\$ 56,027	\$ 86,087

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND DESCRIPTIONS

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

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

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

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

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

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

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

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

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

**Planned Local Drainage** – These funds account for Planned Drainage Areas established in 1976 to finance the construction of storm drain facilities.

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS DESCRIPTION (Continued)

**Other Special Revenue Funds** – These funds account for revenues received for various activities and programs including: Automated County Warrant System, Criminal Justice Facility, Sheriff Training, Automated Fingerprint, Probation Training, Domestic Violence, Family Court Service, Recorders Fee, Micrographics, Range Improvement, Wildlife Resources, Off-Highway Motor Vehicle License, Alcohol Program, Alcohol Abuse, Drug Program, Litter Cleanup, Experimental Farm, Probation Clearing, Parking Ticket Clearing, Agricultural Commissioner Farm Advisory Agricultural Research, Animal Care, Animal Control Feline Carcasses, Beale Library, Library Rental Book, Kern Film Festival, Kern Products Dinner, Board of Trade Advertising, District Attorney - Non-Drug Related Forfeiture, District Attorney - H & S Code 11489, Health-Local Option, Health – State L.U.S.T. Program, Public Health Miscellaneous, Public Health – Fax Death Certificates, Kern Critical Incident Response Team, Foster Home Maintenance, Asset Forfeiture, Park-Derby Acres, Purchasing Agent Special Depository, Hazardous Waste Settlements, Sheriff - Rural Crime, Sheriff - Civil Subpoena, Sheriff – Drug Abuse Gang Diversion, Sheriff – Work Release, Sheriff – State Asset Forfeiture, Sheriff - Civil Automation, Sheriff – Sidearm Conversion, Sheriff – Judgment Debtors Fee, Sheriff – Drug Awareness Program, Sheriff – Controlled Substance, Retrieval/Archive Photos, Planning Commission, District Attorney – Federal Forfeiture Trust, Emergency Medical Services Week Donations, Disaster Mitigation Response & Recovery, Juvenile Inmate Welfare, Kern County Children, Kern County Library Book, Solid Waste Enforcement, Spay/Neuter, Family Law H & S 10605, Strong Motion Instrumentation, Tobacco Education Control Program, Vital & Health Statistics, Vital & Health Statistics – Recorder, Veterinarian, and Eminent Domain Proceedings.

**COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 2

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 37,317	\$ 685	\$ 5,271	\$ 4,128
Revolving Fund Cash	2	2		
Interest Receivable	316	19	46	39
Taxes Receivable	606			
Accrued Revenue	7,208	1,512		
Due from Other Funds	352			
Total Assets	<u>\$ 45,801</u>	<u>\$ 2,218</u>	<u>\$ 5,317</u>	<u>\$ 4,167</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable	\$ 438	\$ 265	\$ 13	\$ 160
Salaries and Employee Benefits Payable	299	212	87	
Advances from Other Funds	1,225	1,200		
Due to Other Funds	5,844			59
Loans Payable	4,332			4,100
Deferred Revenue	593			
Total Liabilities	<u>12,731</u>	<u>1,677</u>	<u>100</u>	<u>4,319</u>
Fund Balance (Deficit):				
Reserved	14,199	543	2,231	6,420
Unreserved:				
Designated	2,385			
Undesignated	16,486	(2)	2,986	(6,572)
Total Fund Balance (Deficit)	<u>33,070</u>	<u>541</u>	<u>5,217</u>	<u>(152)</u>
Total Liabilities and Fund Balance	<u>\$ 45,801</u>	<u>\$ 2,218</u>	<u>\$ 5,317</u>	<u>\$ 4,167</u>

<u>COUNTY SERVICE AREAS</u>	<u>DISTRICT ATTORNEY EQUIPMENT AUTOMATION</u>	<u>DISTRICT ATTORNEY LOCAL FORFEITURES</u>	<u>EMERGENCY MEDICAL SERVICES</u>	
\$ 5,900	\$ 522	\$ 1,571	\$ 680	<b>ASSETS</b>
16	4	14	12	Pooled Cash and Investments
606				Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
			107	Due from Other Funds
<u>\$ 6,522</u>	<u>\$ 526</u>	<u>\$ 1,585</u>	<u>\$ 799</u>	Total Assets
				<b>LIABILITIES AND FUND BALANCE</b>
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Loans Payable
				Deferred Revenue
232				Total Liabilities
593				Fund Balance (Deficit):
<u>825</u>				Reserved
				Unreserved:
4,711			38	Designated
205			702	Undesignated
781	526	1,585	59	Total Fund Balance (Deficit)
<u>5,697</u>	<u>526</u>	<u>1,585</u>	<u>799</u>	Total Liabilities and Fund Balance
<u>\$ 6,522</u>	<u>\$ 526</u>	<u>\$ 1,585</u>	<u>\$ 799</u>	



**COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2002 (IN THOUSANDS)**

Page 2 of 2

	<b>LOCAL PUBLIC SAFETY</b>	<b>PLANNED LOCAL DRAINAGE</b>	<b>PROPERTY TAX ADMINISTRATION</b>	<b>PUBLIC IMPROVEMENT DISTRICTS</b>
<b>ASSETS</b>				
Pooled Cash and Investments	\$	\$ 595	\$ 1,032	\$ 11
Revolving Fund Cash				
Interest Receivable		4	11	
Taxes Receivable				
Accrued Revenue	5,696			
Due from Other Funds				
Total Assets	<u>\$ 5,696</u>	<u>\$ 599</u>	<u>\$ 1,043</u>	<u>\$ 11</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Advances from Other Funds				25
Due to Other Funds	5,696		89	
Loans Payable				
Deferred Revenue				
Total Liabilities	<u>5,696</u>		<u>89</u>	<u>25</u>
Fund Balance (Deficit):				
Reserved		154		
Unreserved:				
Designated		159		
Undesignated		286	954	(14)
Total Fund Balance (Deficit)		<u>599</u>	<u>954</u>	<u>(14)</u>
Total Liabilities and Fund Balance	<u>\$ 5,696</u>	<u>\$ 599</u>	<u>\$ 1,043</u>	<u>\$ 11</u>

<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>	<u>TOBACCO LITIGATION SETTLEMENT</u>	<u>OTHER SPECIAL REVENUE</u>	
				<b><u>ASSETS</u></b>
\$ 2,399	\$ 1,668	\$ 5,443	\$ 7,412	Pooled Cash and Investments
22	17	87	25	Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
			245	Accrued Revenue
				Due from Other Funds
<u>\$ 2,421</u>	<u>\$ 1,685</u>	<u>\$ 5,530</u>	<u>\$ 7,682</u>	Total Assets
				<b><u>LIABILITIES AND FUND BALANCE</u></b>
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Loans Payable
				Deferred Revenue
				Total Liabilities
			102	Fund Balance (Deficit):
				Reserved
			1,319	Unreserved:
			6,261	Designated
				Undesignated
<u>2,421</u>	<u>1,685</u>	<u>5,530</u>	<u>7,682</u>	Total Fund Balance (Deficit)
<u>2,421</u>	<u>1,685</u>	<u>5,530</u>	<u>7,682</u>	Total Liabilities and Fund Balance
<u>\$ 2,421</u>	<u>\$ 1,685</u>	<u>\$ 5,530</u>	<u>\$ 7,682</u>	

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 2

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
REVENUES:				
Taxes	\$ 1,984	\$	\$	\$
Licenses, Permits and Franchises	5,272		5,156	
Fines, Forfeitures and Penalties	5,099			
Revenues from Use of Money and Property	1,605	44	199	103
Aid from Other Governmental Agencies	68,837	8,311		18,087
Charges for Current Services	2,340	577	27	
Other Revenues	2,304	130	21	478
Total Revenues	<u>87,441</u>	<u>9,062</u>	<u>5,403</u>	<u>18,668</u>
EXPENDITURES:				
Current:				
General Government	58			
Public Protection	3,740		3,401	
Health and Sanitation	2,035			
Public Assistance	34,201	15,386		18,815
Education	41			
Public Ways and Facilities	2,468			
Capital Outlay	41	41		
Total Expenditures	<u>42,584</u>	<u>15,427</u>	<u>3,401</u>	<u>18,815</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>44,857</u>	<u>(6,365)</u>	<u>2,002</u>	<u>(147)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	7,496	6,263		
Operating Transfers (Out)	(56,266)			
Inception of Capital Leases	41	41		
Total Other Financing Sources (Uses)	<u>(48,729)</u>	<u>6,304</u>		
Net Changes in Fund Balance	(3,872)	(61)	2,002	(147)
Fund Balance (Deficit), July 1, 2001	37,359	977	3,269	(5)
Prior Period Adjustment	(417)	(375)	(54)	
Fund Balance (Deficit), June 30, 2002	<u>\$ 33,070</u>	<u>\$ 541</u>	<u>\$ 5,217</u>	<u>\$ (152)</u>

<b>COUNTY SERVICE AREAS</b>	<b>DISTRICT ATTORNEY EQUIPMENT AUTOMATION</b>	<b>DISTRICT ATTORNEY LOCAL FORFEITURES</b>	<b>EMERGENCY MEDICAL SERVICES</b>	
\$ 1,967	\$	\$	\$	REVENUES:
39			1,357	Taxes
225	22	72	49	Licenses, Permits and Franchises
			488	Fines, Forfeitures and Penalties
175			1	Revenues from Use of Money and Property
40				Aid from Other Governmental Agencies
				Charges for Current Services
<u>2,446</u>	<u>22</u>	<u>72</u>	<u>1,895</u>	Other Revenues
				Total Revenues
				EXPENDITURES:
34				Current:
413			1,622	General Government
				Public Protection
2,438				Health and Sanitation
				Public Assistance
				Education
				Public Ways and Facilities
				Capital Outlay
<u>2,885</u>			<u>1,622</u>	Total Expenditures
<u>(439)</u>	<u>22</u>	<u>72</u>	<u>273</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
		386		Operating Transfers In
		(4)	(675)	Operating Transfers (Out)
				Inception of Capital Leases
		<u>382</u>	<u>(675)</u>	Total Other Financing Sources (Uses)
(439)	22	454	(402)	Net Changes in Fund Balance
6,124	504	1,131	1,201	Fund Balance (Deficit), July 1, 2001
12				Prior Period Adjustment
<u>\$ 5,697</u>	<u>\$ 526</u>	<u>\$ 1,585</u>	<u>\$ 799</u>	Fund Balance (Deficit), June 30, 2002

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 2 of 2

	<b>LOCAL PUBLIC SAFETY</b>	<b>PLANNED LOCAL DRAINAGE</b>	<b>PROPERTY TAX ADMINISTRATION</b>	<b>PUBLIC IMPROVEMENT DISTRICTS</b>
<b>REVENUES:</b>				
Taxes	\$	\$	\$	\$ 17
Licenses, Permits and Franchises		14		
Fines, Forfeitures and Penalties				
Revenues from Use of Money and Property		23	68	1
Aid from Other Governmental Agencies	33,755		15	
Charges for Current Services				
Other Revenues				
<b>Total Revenues</b>	<u>33,755</u>	<u>37</u>	<u>83</u>	<u>18</u>
<b>EXPENDITURES:</b>				
Current:				
General Government				
Public Protection				
Health and Sanitation				
Public Assistance				
Education				
Public Ways and Facilities				30
Capital Outlay				
<b>Total Expenditures</b>				<u>30</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>33,755</u>	<u>37</u>	<u>83</u>	<u>(12)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				
Operating Transfers (Out)	(34,992)			
Inception of Capital Leases				
<b>Total Other Financing Sources (Uses)</b>	<u>(34,992)</u>			
Net Changes in Fund Balance	(1,237)	37	83	(12)
Fund Balance (Deficit), July 1, 2001	1,237	562	871	(2)
Prior Period Adjustment				
<b>Fund Balance (Deficit), June 30, 2002</b>	<u>\$</u>	<u>\$ 599</u>	<u>\$ 954</u>	<u>\$ (14)</u>

<b>SHERIFF INMATE WELFARE</b>	<b>SHERIFF FINGERPRINT IDENTIFICATION</b>	<b>TOBACCO LITIGATION SETTLEMENT</b>	<b>OTHER SPECIAL REVENUE</b>	
\$	\$	\$	\$	REVENUES:
				Taxes
			102	Licenses, Permits and Franchises
			3,703	Fines, Forfeitures and Penalties
106	73	440	180	Revenues from Use of Money and Property
		7,995	186	Aid from Other Governmental Agencies
			1,561	Charges for Current Services
549			1,085	Other Revenues
655	73	8,435	6,817	Total Revenues
				EXPENDITURES:
				Current:
			58	General Government
			305	Public Protection
				Health and Sanitation
				Public Assistance
			41	Education
				Public Ways and Facilities
				Capital Outlay
			404	Total Expenditures
655	73	8,435	6,413	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
		450	397	Operating Transfers In
	(57)	(14,777)	(5,761)	Operating Transfers (Out)
				Inception of Capital Leases
	(57)	(14,327)	(5,364)	Total Other Financing Sources (Uses)
655	16	(5,892)	1,049	Net Changes in Fund Balance
1,766	1,669	11,422	6,633	Fund Balance (Deficit), July 1, 2001
				Prior Period Adjustment
\$ 2,421	\$ 1,685	\$ 5,530	\$ 7,682	Fund Balance (Deficit), June 30, 2002

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>AGING AND ADULT SERVICES</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 26	\$ 26	\$ 44	\$ 18
Aid from Other Governmental Agencies	8,219	8,852	8,311	(541)
Charges for Current Services	646	646	577	(69)
Other Revenues	42	211	130	(81)
<b>Total Revenues</b>	<b>8,933</b>	<b>9,735</b>	<b>9,062</b>	<b>(673)</b>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Salaries & Benefits	5,629	5,798	5,485	313
Services & Supplies	4,734	4,895	4,260	635
Other Charges	5,723	6,109	6,049	60
Fixed Assets	40	87	133	(46)
<b>Total Expenditures</b>	<b>16,126</b>	<b>16,889</b>	<b>15,927</b>	<b>962</b>
Excess (Deficiency) of Revenues Over Expenditures	(7,193)	(7,154)	(6,865)	289
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	6,104	6,104	6,263	159
<b>Total Other Financing Sources (Uses)</b>	<b>6,104</b>	<b>6,104</b>	<b>6,263</b>	<b>159</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,089)	(1,050)	(602)	448
Fund Balance (Deficit), July 1, 2001	891	978	978	
Prior Period Adjustment		(375)	(375)	
<b>Fund Balance (Deficit), June 30, 2002</b>	<b>\$ (198)</b>	<b>\$ (447)</b>	<b>\$ 1</b>	<b>\$ 448</b>

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>9,062</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 15,927
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(541)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	41
<b>Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>\$ <u>15,427</u></b>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>BUILDING INSPECTION</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	
<b>REVENUES:</b>				
Licenses, Permits and Franchises	\$ 4,201	\$ 4,201	\$ 5,156	\$ 955
Revenues from Use of Money and Property	50	50	199	149
Charges for Current Services	15	15	27	12
Other Revenues	10	10	21	11
<b>Total Revenues</b>	<b>4,276</b>	<b>4,276</b>	<b>5,403</b>	<b>1,127</b>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	2,281	2,281	2,163	118
Services & Supplies	2,367	2,527	1,260	1,267
Other Charges	125	125	102	23
Fixed Assets	45	141	49	92
Appropriation for Contingencies	400	400		400
<b>Total Expenditures</b>	<b>5,218</b>	<b>5,474</b>	<b>3,574</b>	<b>1,900</b>
Excess (Deficiency) of Revenues Over Expenditures	(942)	(1,198)	1,829	3,027
Fund Balance (Deficit), July 1, 2001	3,256	3,269	3,269	
Prior Period Adjustment		(54)	(54)	
<b>Fund Balance (Deficit), June 30, 2002</b>	<b>\$ 2,314</b>	<b>\$ 2,017</b>	<b>\$ 5,044</b>	<b>\$ 3,027</b>

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 \$ 5,403

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 3,574

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (173)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,401



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>COMMUNITY DEVELOPMENT</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$	\$	\$
Aid from Other Governmental Agencies	32,733	32,733	18,087	(14,646)
Charges for Current Services	2	2		(2)
Other Revenues	<u>1,128</u>	<u>1,128</u>	<u>478</u>	<u>(650)</u>
<b>Total Revenues</b>	<u>33,863</u>	<u>33,863</u>	<u>18,668</u>	<u>(15,195)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Services & Supplies	25,432	33,087	25,235	7,852
Appropriation for Contingencies	<u>1,196</u>	<u>762</u>		<u>762</u>
<b>Total Expenditures</b>	<u>26,628</u>	<u>33,849</u>	<u>25,235</u>	<u>8,614</u>
Excess (Deficiency) of Revenues Over Expenditures	7,235	14	(6,567)	(6,581)
Fund Balance (Deficit), July 1, 2001	<u>(7,085)</u>	<u>(5)</u>	<u>(5)</u>	
Fund Balance (Deficit), June 30, 2002	<u>\$ 150</u>	<u>\$ 9</u>	<u>\$ (6,572)</u>	<u>\$ (6,581)</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>18,668</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 25,235
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	<u>(6,420)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>18,815</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>COUNTY SERVICE AREAS</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 1,970	\$ 1,726	\$ 1,967	\$ 241
Fines, Forfeitures and Penalties			39	39
Revenues from Use of Money and Property	230	238	225	(13)
Charges for Current Services	82	708	175	(533)
Other Revenues	88	197	40	(157)
<b>Total Revenues</b>	<b>2,370</b>	<b>2,869</b>	<b>2,446</b>	<b>(423)</b>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Services & Supplies	75	83	42	41
Other Charges	1	1		1
Appropriation for Contingencies	6	6		6
<b>Total Public Protection</b>	<b>82</b>	<b>90</b>	<b>42</b>	<b>48</b>
Health and Sanitation				
Services & Supplies	522	566	327	239
Other Charges	22	22	9	13
Fixed Assets	1,000	1,000	597	403
Appropriation for Contingencies	47	39		39
<b>Total Health and Sanitation</b>	<b>1,591</b>	<b>1,627</b>	<b>933</b>	<b>694</b>
Public Ways and Facilities				
Services & Supplies	1,842	1,873	1,803	70
Other Charges	33	33	13	20
Fixed Assets	578	1,157	666	491
Appropriation for Contingencies	138	127		127
<b>Total Public Ways and Facilities</b>	<b>2,591</b>	<b>3,190</b>	<b>2,482</b>	<b>708</b>
<b>Total Expenditures</b>	<b>4,264</b>	<b>4,907</b>	<b>3,457</b>	<b>1,450</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,894)	(2,038)	(1,011)	1,027
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Issuance of Debt	81			
<b>Total Other Financing Sources (Uses)</b>	<b>81</b>			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,813)	(2,038)	(1,011)	1,027
Fund Balance (Deficit), July 1, 2001	1,470	6,136	6,136	
Fund Balance (Deficit), June 30, 2002	\$ (343)	\$ 4,098	\$ 5,125	\$ 1,027

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 \$ 2,446

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 3,457

Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (572)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 2,885

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>EMERGENCY MEDICAL SERVICES</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Fines, Forfeitures and Penalties	\$ 1,110	\$ 1,110	\$ 1,357	\$ 247
Revenues from Use of Money and Property	52	52	49	(3)
Aid from Other Governmental Agencies	67	791	488	(303)
Other Revenues	<u>          </u>	<u>          </u>	<u>1</u>	<u>1</u>
Total Revenues	<u>1,229</u>	<u>1,953</u>	<u>1,895</u>	<u>(58)</u>
<b>EXPENDITURES:</b>				
Current:				
Health and Sanitation Services & Supplies	<u>1,220</u>	<u>1,683</u>	<u>1,660</u>	<u>(23)</u>
Total Expenditures	<u>1,220</u>	<u>1,683</u>	<u>1,660</u>	<u>(23)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9</u>	<u>270</u>	<u>235</u>	<u>(35)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers Out	<u>(756)</u>	<u>(756)</u>	<u>(675)</u>	<u>81</u>
Total Other Financing Sources (Uses)	<u>(756)</u>	<u>(756)</u>	<u>(675)</u>	<u>81</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(747)</u>	<u>(486)</u>	<u>(440)</u>	<u>46</u>
Fund Balance (Deficit), July 1, 2001	<u>1,196</u>	<u>(1,201)</u>	<u>(1,201)</u>	<u>          </u>
Fund Balance (Deficit), June 30, 2002	<u>\$ 449</u>	<u>\$ (1,687)</u>	<u>\$ (1,641)</u>	<u>\$ 46</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 \$ 1,895

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 1,660

Differences - Budget to GAAP  
 Encumbrances for supplies and services ordered but not received within the recognition period (38)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 1,622

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>LOCAL PUBLIC SAFETY</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Aid from Other Governmental Agencies	\$ 37,286	\$ 37,286	\$ 33,755	\$ (3,531)
Total Revenues	<u>37,286</u>	<u>37,286</u>	<u>33,755</u>	<u>(3,531)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>37,286</u>	<u>37,286</u>	<u>33,755</u>	<u>(3,531)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	<u>(38,523)</u>	<u>(38,523)</u>	<u>(34,992)</u>	<u>(3,531)</u>
Total Other Financing Sources (Uses)	<u>(38,523)</u>	<u>(38,523)</u>	<u>(34,992)</u>	<u>(3,531)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,237)	(1,237)	(1,237)	
Fund Balance (Deficit), July 1, 2001	<u>1,237</u>	<u>1,237</u>	<u>1,237</u>	
Fund Balance (Deficit), June 30, 2002	<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	\$ <u>33,755</u>
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**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>PLANNED LOCAL DRAINAGE</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	
REVENUES:				
Licenses, Permits and Franchises	\$	\$	\$ 14	\$ 14
Revenues from Use of Money and Property			23	23
Total Revenues			37	37
EXPENDITURES:				
Current:				
Public Protection				
Fixed Assets	247	247		(247)
Total Expenditures	247	247		(247)
Excess (Deficiency) of Revenues Over Expenditures	(247)	(247)	37	284
Fund Balance (Deficit), July 1, 2001	560	562	562	
Fund Balance (Deficit), June 30, 2002	\$ 313	\$ 315	\$ 599	\$ 284

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 \$ 37

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>TOBACCO LITIGATION SETTLEMENT</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 200	\$ 200	\$ 440	\$ 240
Aid from Other Governmental Agencies	<u>6,783</u>	<u>6,783</u>	<u>7,995</u>	<u>1,212</u>
Total Revenues	<u>6,983</u>	<u>6,983</u>	<u>8,435</u>	<u>1,452</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,983</u>	<u>6,983</u>	<u>8,435</u>	<u>1,452</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			450	450
Operating Transfers Out	<u>(17,862)</u>	<u>(17,862)</u>	<u>(14,777)</u>	<u>3,085</u>
Total Other Financing Sources (Uses)	<u>(17,862)</u>	<u>(17,862)</u>	<u>(14,327)</u>	<u>(3,535)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(10,879)	(10,879)	(5,892)	(4,987)
Fund Balance (Deficit), July 1, 2001	<u>11,379</u>	<u>11,422</u>	<u>11,422</u>	
Fund Balance (Deficit), June 30, 2002	<u>\$ 500</u>	<u>\$ 543</u>	<u>\$ 5,530</u>	<u>\$ (4,987)</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

\$ 8,435

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

<b>OTHER SPECIAL REVENUE</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance Over (Under)</b>
<b>REVENUES:</b>				
Licenses, Permits and Franchises	\$ 90	\$ 90	\$ 95	\$ 5
Fines, Forfeitures and Penalties	3,254	3,254	3,345	91
Revenues from Use of Money and Property	8	8	19	11
Aid from Other Governmental Agencies	211	211	186	(25)
Charges for Current Services	966	966	1,202	236
Other Revenues	25	25	29	4
<b>Total Revenues</b>	<b>4,554</b>	<b>4,554</b>	<b>4,876</b>	<b>322</b>
<b>EXPENDITURES:</b>				
Range Improvement				
Services & Supplies	64	64	17	(47)
Wildlife Resources				
Services & Supplies	5	5	4	(1)
Other Charges	20	42	28	(14)
	25	47	32	(15)
<b>Total Public Protection</b>	<b>89</b>	<b>111</b>	<b>49</b>	<b>(62)</b>
Education:				
Experimental Farm				
Services & Supplies	40	40	40	
<b>Total Education</b>	<b>40</b>	<b>40</b>	<b>40</b>	
<b>Total Expenditures</b>	<b>129</b>	<b>151</b>	<b>89</b>	<b>(62)</b>
Excess (Deficiency) of Revenues Over Expenditures	4,425	4,403	4,787	384
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers Out	(5,498)	(5,498)	(4,840)	(658)
Total Other Financing Sources (Uses)	(5,498)	(5,498)	(4,840)	(658)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,073)	(1,095)	(53)	1,042
Fund Balance (Deficit), July 1, 2001	2,148	2,099	2,099	
Fund Balance (Deficit), June 30, 2002	\$ 1,075	\$ 1,004	\$ 2,046	\$ 1,042

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	\$ 4,876
Revenues from non-budgeted funds	1,941
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balance (Deficit) - Nonmajor Governmental Funds - Special Revenue Funds	<u>6,817</u>

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 89
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(6)
Expenditures for non-budgeted funds	<u>321</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 404</u>

## **NONMAJOR 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. These funds are generally appropriated for capital outlay by the Board of Supervisors.

**Master Lease** - This fund accounts for proceeds from the Master Lease financing for the acquisition and installation of the emergency computer aided dispatch (CAD) system for the Sheriff and Fire departments.

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

**Certificates of Participation** - This fund accounts for the proceeds from the Certificates of Participation used for the construction of various County facilities.

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

**Public Health Facility** – This fund accounts for the loan proceeds used for the construction of a new public health facility.



**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>
<b><u>ASSETS</u></b>			
Pooled Cash and Investments	\$ 1,025	\$ 68	\$ 14
Cash and Investment Deposited with Trustee			
Interest Receivable	15		
Total Assets	<u>\$ 1,040</u>	<u>\$ 68</u>	<u>\$ 14</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Advances from Other Funds	\$ 4,050	\$	\$
Total Liabilities	<u>4,050</u>		
Fund Balance:			
Reserved:			
Encumbrances	829		
Unreserved:			
Designated	14		14
Undesignated	<u>(3,853)</u>	<u>68</u>	
Total Fund Balance	<u>(3,010)</u>	<u>68</u>	<u>14</u>
Total Liabilities and Fund Balance	<u>\$ 1,040</u>	<u>\$ 68</u>	<u>\$ 14</u>

<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>	<u>PUBLIC HEALTH FACILITY</u>	<u>ASSETS</u>
\$	\$ 824	\$ 119	Pooled Cash and Investments
	11	4	Interest Receivable
\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>	Total Assets
	835	123	
			<b><u>LIABILITIES AND FUND BALANCE</u></b>
\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>	Liabilities:
	4,050		Advances from Other Funds
<u>                            </u>	<u>                            </u>	<u>                            </u>	Total Liabilities
	4,050		
			Fund Balance:
	500	329	Reserved:
			Encumbrances
			Unreserved:
	(3,715)	(206)	Designated
<u>                            </u>	<u>                            </u>	<u>                            </u>	Undesignated
	(3,215)	123	Total Fund Balance
\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>	Total Liabilities and Fund Balance
	835	123	

**COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)  
 NONMAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>
REVENUES:			
Other Revenues	500		
Total Revenues	<u>621</u>		
EXPENDITURES:			
Capital Outlay	4,867		
Total Expenditures	<u>4,867</u>		
Excess (Deficiency) of Revenues over Expenditures	<u>(4,246)</u>		
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	2,258		
Operating Transfer Out	(450)		
Total Other Financing Sources (Uses)	<u>1,808</u>		
Net Changes In Fund Balance	(2,438)		
Fund Balance, July 1, 2001	<u>(572)</u>	<u>68</u>	<u>14</u>
Fund Balance, June 30, 2002	<u>\$ (3,010)</u>	<u>\$ 68</u>	<u>\$ 14</u>

<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>	<u>PUBLIC HEALTH FACILITY</u>	
	500		REVENUES:
			Other Revenues
	573	48	Total Revenues
114	2,038	2,715	EXPENDITURES:
			Capital Outlay
114	2,038	2,715	Total Expenditures
(114)	(1,465)	(2,667)	Excess (Deficiency) of Revenues over Expenditures
			OTHER FINANCING SOURCES (USES):
114		2,144	Operating Transfer In
		(450)	Operating Transfer Out
114		1,694	Total Other Financing Sources (Uses)
	(1,465)	(973)	Net Changes In Fund Balance
	(1,750)	1,096	Fund Balance, July 1, 2001
\$ <u>                    </u>	\$ <u>          (3,215)</u>	\$ <u>                  123</u>	Fund Balance, June 30, 2002

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

**CERTIFICATES OF PARTICIPATION**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Revenues From Use of Money	\$	\$	\$	\$
Aid From Other Governments				
Other Revenues				
Total Revenues				
EXPENDITURES:				
General Government				
Services and Supplies				
Capital Outlay	114	114	114	
Appropriation for Contingencies				
Total Expenditures	114	114	114	
Excess (Deficiency) of Revenues over Expenditures	(114)	(114)	(114)	
OTHER FINANCING SOURCES (USES):				
Operating Transfer In	114	114	114	
Operating Transfer Out				
Total Other Financing Sources (Uses)	114	114	114	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses				
Fund Balance, July 1, 2001				
Fund Balance, June 30, 2002	\$	\$	\$	\$

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
CERTAIN NONMAJOR CAPITAL PROJECT FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>SEPARATION OF GRADE</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
Revenues From Use of Money	\$ 300	\$ 300	\$ 73	\$ (227)
Aid From Other Governments	1,679	1,679		(1,679)
Other Revenues	<u>2,772</u>	<u>2,772</u>	<u>500</u>	<u>(2,272)</u>
Total Revenues	<u>4,751</u>	<u>4,751</u>	<u>573</u>	<u>(4,178)</u>
<b>EXPENDITURES:</b>				
General Government				
Services and Supplies				
Capital Outlay	2,991	2,991	2,538	453
Appropriation for Contingencies				
Total Expenditures	<u>2,991</u>	<u>2,991</u>	<u>2,538</u>	<u>453</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,760</u>	<u>1,760</u>	<u>(1,965)</u>	<u>(3,725)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In				
Operating Transfer Out				
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	1,760	1,760	(1,965)	3,725
Fund Balance, July 1, 2001	<u>(1,750)</u>	<u>(1,750)</u>	<u>(1,750)</u>	
Fund Balance, June 30, 2002	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 3,715</u>	<u>\$ 3,725</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 the Combining Statement of Revenue, Expenditures, and Changes in Fund Balances \$ 573

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 2,538

Difference - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (500)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 2,038

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

<b>PUBLIC HEALTH FACILITY</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
Revenues From Use of Money	\$ 50	\$ 50	\$ 48	\$ (2)
Aid From Other Governments				
Other Revenues				
<b>Total Revenues</b>	<u>50</u>	<u>50</u>	<u>48</u>	<u>(2)</u>
<b>EXPENDITURES:</b>				
General Government				
Services and Supplies				
Capital Outlay	3,094	3,094	3,044	50
Appropriation for Contingencies				
<b>Total Expenditures</b>	<u>3,094</u>	<u>3,094</u>	<u>3,044</u>	<u>50</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,044)</u>	<u>(3,044)</u>	<u>(2,996)</u>	<u>48</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In	450	450	450	
Operating Transfer Out	2,144	2,144	2,144	
<b>Total Other Financing Sources (Uses)</b>	<u>2,594</u>	<u>2,594</u>	<u>2,594</u>	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(450)	(450)	(402)	48
Fund Balance, July 1, 2001	<u>1,096</u>	<u>1,096</u>	<u>1,096</u>	
Fund Balance, June 30, 2002	<u>\$ 646</u>	<u>\$ 646</u>	<u>\$ 694</u>	<u>\$ 48</u>

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

Revenues

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

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 3,044

Difference - Budget to GAAP

  Encumbrances for supplies and services ordered but not received within the recognition period (329)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 2,715

## NONMAJOR 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 for the funding of lease payments, consisting of both interest and principal, on the Certificates of Participation issued by the County to finance the construction of various County Facilities.

**County of Kern Asset Leasing** - This is a non-profit public benefit corporation established to assist the County of Kern by acquiring equipment and facilities financed from the proceeds of borrowings and leasing such equipment and facilities to the County.

**Pension Obligation Bond Trustee** – This fund administers the debt service payments related to the County’s pension obligation bond.

**Public Health Facility Loan Trustee** – This fund administers the debt service payments related to the Public Health Facility loan.



**COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 18,567	\$ 15,962	\$ 2,605
Cash and Investments Deposited with Trustee	25,520		
Loans Receivable	5,938	5,938	
Interest Receivable	152	130	22
Advances to Other Funds	5,850	5,850	
Total Assets	<u>\$ 56,027</u>	<u>\$ 27,880</u>	<u>\$ 2,627</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Fund Balance:			
Reserved	<u>56,027</u>	<u>27,880</u>	<u>2,627</u>
Total Fund Balance	<u>56,027</u>	<u>27,880</u>	<u>2,627</u>
Total Liabilities and Fund Balance	<u>\$ 56,027</u>	<u>\$ 27,880</u>	<u>\$ 2,627</u>

<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>
\$ 25,309	\$ 1	\$ 210
<u>25,309</u>	<u>1</u>	<u>210</u>
<u>\$ 25,309</u>	<u>\$ 1</u>	<u>\$ 210</u>
25,309	1	210
<u>25,309</u>	<u>1</u>	<u>210</u>
<u>\$ 25,309</u>	<u>\$ 1</u>	<u>\$ 210</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 BALANCE</u>
Fund Balance:
Reserved
Total Fund Balance
Total Liabilities and Fund Balance

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)  
NONMAJOR DEBT SERVICE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 2,989	\$ 1,358	\$ 111
Other Revenues	11,266		
Total Revenues	<u>14,255</u>	<u>1,358</u>	<u>111</u>
EXPENDITURES:			
General Government	512	512	
Public Protection	83		83
Debt Service:			
Principal	11,641		
Interest	13,057		
Total Expenditures	<u>25,293</u>	<u>512</u>	<u>83</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,038)</u>	<u>846</u>	<u>28</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	13,404		
Operating Transfer Out	(10,985)	(7,346)	(1,173)
Proceeds of Long Term Debt			
Total Other Financing Sources (Uses)	<u>2,419</u>	<u>(7,346)</u>	<u>(1,173)</u>
Net Changes in Fund Balance	<u>(8,619)</u>	<u>(6,500)</u>	<u>(1,145)</u>
Fund Balance, July 1, 2001	<u>64,646</u>	<u>34,380</u>	<u>3,772</u>
Fund Balance, June 30, 2002	<u>\$ 56,027</u>	<u>\$ 27,880</u>	<u>\$ 2,627</u>

<b>KERN ASSET LEASING</b>	<b>PENSION OBLIGATION BOND TRUSTEE</b>	<b>PUBLIC HEALTH FACILITY LOAN TRUSTEE</b>	
\$ 1,293	\$ 209 11,266	\$ 18	REVENUES:
			Revenues from Use of Money or Property
			Other Revenues
<u>1,293</u>	<u>11,475</u>	<u>18</u>	Total Revenues
			EXPENDITURES:
			General Government
			Public Protection
			Debt Service:
			Principal
			Interest
9,775	1,071	795	Total Expenditures
<u>2,229</u>	<u>10,195</u>	<u>633</u>	Excess (Deficiency) of Revenues over Expenditures
<u>12,004</u>	<u>11,266</u>	<u>1,428</u>	OTHER FINANCING SOURCES (USES):
<u>(10,711)</u>	<u>209</u>	<u>(1,410)</u>	Operating Transfer In
			Operating Transfer Out
			Proceeds of Long Term Debt
11,976	(208)	1,428	Total Other Financing Sources (Uses)
<u>(114)</u>	<u>(208)</u>	<u>(2,144)</u>	Net Changes in Fund Balance
<u>11,862</u>	<u>(208)</u>	<u>(716)</u>	Fund Balance, July 1, 2001
<u>1,151</u>	<u>1</u>	<u>(2,126)</u>	Fund Balance, June 30, 2002
<u>24,158</u>		<u>2,336</u>	
<u>\$ 25,309</u>	<u>\$ 1</u>	<u>\$ 210</u>	

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>ACCUMULATIVE CAPITAL OUTLAY - GENERAL</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
Revenues from Use of Money or Property	\$ 1,960	\$ 1,960	\$ 1,358	\$ (602)
Total Revenues	<u>1,960</u>	<u>1,960</u>	<u>1,358</u>	<u>(602)</u>
<b>EXPENDITURES:</b>				
General Government				
Services and Supplies	542	542	512	30
Appropriation for Contingencies	1,406	1,406		1,406
Total Expenditures	<u>1,948</u>	<u>1,948</u>	<u>512</u>	<u>1,436</u>
Excess (Deficiency) of Revenues over Expenditures	<u>12</u>	<u>12</u>	<u>846</u>	<u>834</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				
Operating Transfers Out	(8,831)	(8,831)	(7,346)	1,485
Total Other Financing Sources (Uses)	<u>(8,831)</u>	<u>(8,831)</u>	<u>(7,346)</u>	<u>1,485</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(8,818)	(8,819)	(6,500)	2,319
Fund Balance, July 1, 2001	<u>27,764</u>	<u>34,380</u>	<u>34,380</u>	
Fund Balance, June 30, 2002	<u>\$ 18,945</u>	<u>\$ 25,560</u>	<u>\$ 27,880</u>	<u>\$ 2,319</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NONMAJOR DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<b>ACCUMULATIVE CAPITAL OUTLAY - FIRE</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
Revenues from Use of Money or Property	\$ 200	\$ 200	\$ 111	\$ (89)
Total Revenues	<u>200</u>	<u>200</u>	<u>111</u>	<u>(89)</u>
<b>EXPENDITURES:</b>				
Public Protection				
Services and Supplies	88	88	83	5
Appropriation for Contingencies	230	230		230
Total Expenditures	<u>318</u>	<u>318</u>	<u>83</u>	<u>235</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(118)</u>	<u>(118)</u>	<u>28</u>	<u>146</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In				
Operating Transfers Out	(1,443)	(1,443)	(1,173)	270
Total Other Financing Sources (Uses)	<u>(1,443)</u>	<u>(1,443)</u>	<u>(1,173)</u>	<u>270</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(1,561)	(1,561)	(1,145)	416
Fund Balance, July 1, 2001	<u>3,758</u>	<u>3,772</u>	<u>3,772</u>	
Fund Balance, June 30, 2002	<u>\$ 2,197</u>	<u>\$ 2,211</u>	<u>\$ 2,627</u>	<u>\$ 416</u>



**NONMAJOR  
ENTERPRISE FUNDS**

## NONMAJOR ENTERPRISE FUNDS

### FUNDS DESCRIPTIONS

Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar 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.

**Airports** - This fund provides for the administration, maintenance and operation of the seven airports located in Bakersfield, Buttonwillow, Kern Valley, Lost Hills, Poso, Taft, and Wasco.

**County Sanitation Districts** - These funds consist of two sanitation districts, Kern Sanitation Authority and Ford City-Taft Heights Sanitation District. 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 in 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 which encompasses the more densely populated unincorporated areas of metropolitan Bakersfield and South Taft.



**COUNTY OF KERN  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>
<b>ASSETS</b>			
Current Assets:			
Pooled Cash and Investments	\$ 11,508	\$ 3,194	\$ 4,778
Interest Receivable	108	31	43
Accounts Receivable - Net	213	122	91
Accrued Revenue	2,282	1,888	
Prepaid Items	9		9
	<u>14,120</u>	<u>5,235</u>	<u>4,921</u>
Total Current Assets			
Noncurrent Assets:			
Cash and Investments Deposited with Trustee	704		
Taxes Receivable	1,243		516
Capital Assets:			
Nondepreciable:			
Land	7,453	6,745	643
Construction in Progress	5,832	5,795	37
Depreciable:			
Structures and Improvements	43,949	27,980	9,213
Equipment	6,038	1,335	828
Subsurface Lines	4,374		4,374
Accumulated Depreciation and Amortization	(27,804)	(17,126)	(7,269)
	<u>41,789</u>	<u>24,729</u>	<u>8,342</u>
Total Noncurrent Assets			
	<u>55,909</u>	<u>29,964</u>	<u>13,263</u>
Total Assets			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,083	506	146
Salaries and Employee Benefits Payable	61	49	
Current Portion of Long Term Debt	192	6	
Interest Payable - Current	67	12	
Deferred Income	445		
Current Portion of Compensated Absences	61	52	
	<u>1,909</u>	<u>625</u>	<u>146</u>
Total Current Liabilities			
Noncurrent Liabilities:			
Loans Payable	1,838	1,838	
Advances Payable	4,300	1,800	
Compensated Absences Payable	148	135	
Long Term Debt - Certificates of Participation	3,815		
Long Term Debt - Pension Obligation Bonds	692	575	
Interest Payable - Pension Obligation Bonds	97	81	
	<u>10,890</u>	<u>4,429</u>	
Total Noncurrent Liabilities			
	<u>12,799</u>	<u>5,054</u>	<u>146</u>
Total Liabilities			
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	35,842	24,729	7,826
Restricted	704		
Unrestricted	6,564	181	5,291
	<u>43,110</u>	<u>24,910</u>	<u>13,117</u>
Total Net Assets	\$	\$	\$

<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	<u>ASSETS</u>
\$ 1,352	\$ 100	\$ 2,084	Current Assets:
10	4	20	Pooled Cash and Investments
	394		Interest Receivable
			Accounts Receivable - Net
			Accrued Revenue
			Prepaid Items
<u>1,362</u>	<u>498</u>	<u>2,104</u>	Total Current Assets
704		727	Noncurrent Assets:
			Cash and Investments Deposited with Trustee
			Taxes Receivable - Net
			Capital Assets:
65			Nondepreciable:
			Land
			Construction in Progress
6,649	107		Depreciable:
	3,875		Structures and Improvements
			Equipment
			Subsurface Lines
<u>(1,200)</u>	<u>(2,209)</u>		Accumulated Depreciation and Amortization
<u>6,218</u>	<u>1,773</u>	<u>727</u>	Total Noncurrent Assets
<u>7,580</u>	<u>2,271</u>	<u>2,831</u>	Total Assets
			<b>LIABILITIES</b>
119	312		Current Liabilities:
	12		Accounts Payable
185	1		Salaries and Employee Benefits Payable
53	2		Current Portion of Long Term Debt
	445		Interest Payable - Current
	9		Deferred Income
			Current Portion of Compensated Absences
<u>357</u>	<u>781</u>		Total Current Liabilities
		2,500	Noncurrent Liabilities:
			Loans Payable
			Advances Payable
	13		Compensated Absences Payable
3,815	117		Long Term Debt - Certificates of Participation
	16		Long Term Debt - Pension Obligation Bonds
			Interest Payable - Pension Obligation Bonds
<u>3,815</u>	<u>146</u>	<u>2,500</u>	Total Noncurrent Liabilities
<u>4,172</u>	<u>927</u>	<u>2,500</u>	Total Liabilities
			<b>NET ASSETS</b>
1,514	1,773		Invested in Capital Assets, Net of Related Debt
704			Restricted
<u>1,190</u>	<u>(429)</u>	<u>331</u>	Unrestricted
\$ <u>3,408</u>	\$ <u>1,344</u>	\$ <u>331</u>	Total Net Assets

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT)  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>
OPERATING REVENUES:			
Charges for Current Services	\$ 5,646	\$ 168	\$ 205
Revenues from Use of Property	<u>2,255</u>	<u>2,109</u>	<u>146</u>
Total Operating Revenues	<u>7,901</u>	<u>2,277</u>	<u>351</u>
OPERATING EXPENSES:			
Salaries and Employee Benefits	1,465	1,201	
Services and Supplies	17,014	1,704	1,917
Other Charges	419	334	33
Depreciation	<u>2,128</u>	<u>1,117</u>	<u>378</u>
Total Operating Expenses	<u>21,026</u>	<u>4,356</u>	<u>2,328</u>
Operating Income (Loss)	<u>(13,125)</u>	<u>(2,079)</u>	<u>(1,977)</u>
NON-OPERATING REVENUES (EXPENSES):			
Taxes and Assessments	11,039	417	2,026
Fines, Forfeitures and Penalties	78	1	68
Licenses, Permits and Franchises	6		6
Interest on Bank Deposits and Investments	499	117	194
Aid from Other Governmental Agencies	6,800	6,583	
Interest Expense	(373)	(47)	
Other Non-Operating Revenues	145	116	22
Fixed Assets			
Gain (Loss) on Sale of Fixed Assets	<u>(4)</u>	<u>(4)</u>	
Total Non-Operating Revenues (Expenses)	<u>18,190</u>	<u>7,183</u>	<u>2,316</u>
Income (Loss)	<u>5,065</u>	<u>5,104</u>	<u>339</u>
Change in Net Assets	5,065	5,104	339
Net Assets (Deficit), July 1, 2001	41,496	23,057	12,258
Prior Period Adjustment	<u>(3,451)</u>	<u>(3,251)</u>	<u>520</u>
Net Assets(Deficit), June 30 , 2002	<u>\$ 43,110</u>	<u>\$ 24,910</u>	<u>\$ 13,117</u>

<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	
\$ 4,799	\$ 474	\$	OPERATING REVENUES:
			Charges for Current Services
			Revenues from Use of Property
<u>4,799</u>	<u>474</u>		Total Operating Revenues
			OPERATING EXPENSES:
4,333	264		Salaries and Employee Benefits
	3,162	5,898	Services and Supplies
	52		Other Charges
<u>169</u>	<u>464</u>		Depreciation
<u>4,502</u>	<u>3,942</u>	<u>5,898</u>	Total Operating Expenses
<u>297</u>	<u>(3,468)</u>	<u>(5,898)</u>	Operating Income (Loss)
			NON-OPERATING REVENUES (EXPENSES):
	2,758	5,838	Taxes and Assessments
		9	Fines, Forfeitures and Penalties
82	31	75	Licenses, Permits and Franchises
	217		Interest on Bank Deposits and Investments
(216)	(10)	(100)	Aid from Other Governmental Agencies
	7		Interest Expense
			Other Non-Operating Revenues
			Fixed Assets
			Gain (Loss) on Sale of Fixed Assets
<u>(134)</u>	<u>3,003</u>	<u>5,822</u>	Total Non-Operating Revenues (Expenses)
<u>163</u>	<u>(465)</u>	<u>(76)</u>	Income (Loss)
163	(465)	(76)	Change in Net Assets
3,500	2,809	(128)	Net Assets (Deficit), July 1, 2001
<u>(255)</u>	<u>(1,000)</u>	<u>535</u>	Prior Period Adjustment
\$ <u>3,408</u>	\$ <u>1,344</u>	\$ <u>331</u>	Net Assets(Deficit), June 30 , 2002

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 1 of 2

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received for Patient/Current Services	\$ 5,538	\$ 98	\$ 163
Cash Received for Use of Property	2,206	2,109	97
Cash Received for Other Operations	145	116	22
Cash Paid for Salaries and Benefits	(1,469)	(1,209)	
Cash Paid for Services and Supplies	(16,928)	(1,520)	(1,907)
Cash Paid for Other Charges	(419)	(334)	(33)
Net Cash Provided (Used) by Operating Activities	<u>(10,927)</u>	<u>(740)</u>	<u>(1,658)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Taxes and Special Assessments	10,146	417	2,030
Fines, Forfeitures, and Penalties	78	1	68
Licenses and Permits	6		6
Loans Paid	(110)	(110)	
Cash Received From Advances	1,800	1,800	
Aid from Other Governmental Agencies	5,030	4,758	
Payment of Long Term Debt - Pension Obligation Bond	(4)	(3)	
Interest Paid	(138)	(32)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>16,808</u>	<u>6,831</u>	<u>2,104</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition or Construction of Capital Assets	(5,484)	(5,038)	(114)
Payment of Long Term Debt - Certificates of Participation	(175)		
Interest Paid on Long Term Debt	(162)		
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,821)</u>	<u>(5,038)</u>	<u>(114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on Bank Deposits and Investments	508	108	217
Net Cash Provided (Used) by Investing Activities	<u>508</u>	<u>108</u>	<u>217</u>
Net Increase (Decrease) in Cash and Cash Equivalents	568	1,161	549
Cash and Cash Equivalents, July 1, 2001	<u>11,644</u>	<u>2,033</u>	<u>4,229</u>
Cash and Cash Equivalents, June 30, 2002	<u>\$ 12,212</u>	<u>\$ 3,194</u>	<u>\$ 4,778</u>

<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	
\$ 4,799	\$ 478	\$	CASH FLOWS FROM OPERATING ACTIVITIES:
	7		Cash Received for Patient /Current Services
	(260)		Cash Received for Use of Property
			Cash Received for Other Operations
(4,469)	(3,134)	(5,898)	Cash Paid for Salaries and Benefits
	(52)		Cash Paid for Services and Supplies
			Cash Paid for Other Charges
<u>330</u>	<u>(2,961)</u>	<u>(5,898)</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
	2,053	5,646	Taxes and Special Assessments
		9	Fines, Forfeitures, and Penalties
			Licenses and Permits
			Loans Paid
	272		Cash Received From Advances
	(1)		Aid from Other Governmental Agencies
	(7)	(99)	Payment of Long Term Debt - Pension Obligation Bond
			Interest Paid
	<u>2,317</u>	<u>5,556</u>	Net Cash Provided (Used) by Non-Capital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
	(332)		Acquisition or Construction of Capital Assets
(175)			Payment of Long Term Debt - Certificates of Participation
(162)			Interest Paid on Long Term Debt
<u>(337)</u>	<u>(332)</u>		Net Cash Provided (Used) by Capital and Related Financing Activities
			CASH FLOWS FROM INVESTING ACTIVITIES:
<u>85</u>	<u>38</u>	<u>60</u>	Interest on Bank Deposits and Investments
<u>85</u>	<u>38</u>	<u>60</u>	Net Cash Provided (Used) by Investing Activities
78	(938)	(282)	Net Increase (Decrease) in Cash and Cash Equivalents
<u>1,978</u>	<u>1,038</u>	<u>2,366</u>	Cash and Cash Equivalents, July 1, 2001
<u>\$ 2,056</u>	<u>\$ 100</u>	<u>\$ 2,084</u>	Cash and Cash Equivalents, June 30, 2002

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

Page 2 of 2

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (13,125)	\$ (2,079)	\$ (1,977)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Other Non-Operating Revenues	145	116	22
Depreciation	2,128	1,117	378
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(161)	(70)	(91)
(Increase) Decrease in Accrued Revenue	181	177	
(Increase) Decrease in Prepaid Items	4		4
Increase (Decrease) in Accrued Expenses	(95)	7	6
Increase (Decrease) in Due to Others			
Increase (Decrease) in Salaries & Benefits Payable	9	5	
Increase (Decrease) in Compensated Absences Payable	(13)	(13)	
Total Adjustments	<u>2,198</u>	<u>1,339</u>	<u>319</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (10,927)</u>	<u>\$ (740)</u>	<u>\$ (1,658)</u>

<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
\$ 297	\$ (3,468)	\$ (5,898)	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
		7	Other Non-Operating Revenues
169		464	Depreciation
			Changes in Assets and Liabilities:
		4	(Increase) Decrease in Accounts Receivable
			(Increase) Decrease in Accrued Revenue
(136)		28	(Increase) Decrease in Prepaid Items
			Increase (Decrease) in Accrued Expenses
		4	Increase (Decrease) in Due to Others
			Increase (Decrease) in Salaries & Benefits Payable
			Increase (Decrease) in Compensated Absences Payable
<u>33</u>	<u>507</u>		Total Adjustments
<u>\$ 330</u>	<u>\$ (2,961)</u>	<u>\$ (5,898)</u>	Net Cash Provided (Used) by Operating Activities



**INTERNAL SERVICE FUNDS**



## INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal Service Funds account for services furnished to other County departments and are financed primarily by charges for such services. Because they are divorced from the regular County operation, 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  
INTERNAL SERVICE FUNDS  
JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 30,906	\$ 4,955	\$ 1,597	\$ 5,963
Accounts Receivable	47		47	
Interest Receivable	267	47	12	28
Inventory- Materials and Supplies	101		101	
Total Current Assets	<u>31,321</u>	<u>5,002</u>	<u>1,757</u>	<u>5,991</u>
Noncurrent Assets:				
Deposits with Others	1,309			1,309
Equipment (Net of Accumulated Depreciation)	4,403		4,403	
Total Noncurrent Assets	<u>5,712</u>		<u>4,403</u>	<u>1,309</u>
Total Assets	<u>37,033</u>	<u>5,002</u>	<u>6,160</u>	<u>7,300</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	2,138		45	2,093
Salaries and Employee Benefits Payable	17		17	
Interest Payable - Current	10		10	
Current Portion of Long Term Debt	5		5	
Due to Other Funds	175			
Current Portion of Compensated Absences	24		24	
Liability for Self-Insurance - Current	21,181	552		8,996
Total Current Liabilities	<u>23,550</u>	<u>552</u>	<u>101</u>	<u>11,089</u>
Noncurrent Liabilities				
Compensated Absences Payable	56		56	
Liability for Self-Insurance - Long Term	22,831	7,003		
Interest Payable - Long-term - Pension Obligation Bonds	67		67	
Long Term Debt - Pension Obligation Bonds	473		473	
Total Noncurrent Liabilities	<u>23,427</u>	<u>7,003</u>	<u>596</u>	
Total Liabilities	<u>46,977</u>	<u>7,555</u>	<u>697</u>	<u>11,089</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	4,403		4,403	
Restricted	1,410		101	1,309
Unrestricted	(15,757)	(2,553)	959	(5,098)
Total Net Assets	<u>\$ (9,944)</u>	<u>\$ (2,553)</u>	<u>\$ 5,463</u>	<u>\$ (3,789)</u>

<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS' COMPENSATION</b>	<b>ASSETS</b>		
\$ 13,566	\$ 646	\$ 4,179	Current Assets:		
124	7	49	Pooled Cash and Investments		
<u>13,690</u>	<u>653</u>	<u>4,228</u>	Accounts Receivable		
			Interest Receivable		
			Inventory- Materials and Supplies		
			Total Current Assets		
			Noncurrent Assets:		
			Deposits with Others		
			Equipment (Net of Accumulated Depreciation)		
			Total Noncurrent Assets		
<u>13,690</u>	<u>653</u>	<u>4,228</u>	Total Assets		
			<b>LIABILITIES</b>		
			Current Liabilities:		
			Accounts Payable		
			Salaries and Employee Benefits Payable		
			Interest Payable - Current		
		175	Current Portion of Long Term Debt		
			Due to Other Funds		
			Current Portion of Compensated Absences		
	733	10,900	Liability for Self-Insurance- Current		
	<u>733</u>	<u>11,075</u>	Total Current Liabilities		
			Noncurrent Liabilities		
			Compensated Absences Payable		
		15,828	Liability for Self-Insurance- Long Term		
			Interest Payable - Long-term - Pension Obligation Bonds		
			Long Term Debt - Pension Obligation Bonds		
		<u>15,828</u>	Total Noncurrent Liabilities		
	733	<u>26,903</u>	Total Liabilities		
			<b>NET ASSETS</b>		
			Invested in Capital Assets, Net of Related Debt		
			Restricted		
			Unrestricted		
<u>13,690</u>	<u>(80)</u>	<u>(22,675)</u>	Total Net Assets		
\$ <u>13,690</u>	\$ <u>(80)</u>	\$ <u>(22,675)</u>			

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (DEFICIT)**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
OPERATING REVENUES:				
Charges for Current Services	\$ 88,452	\$ 2,297	\$ 2,460	\$ 66,880
Total Operating Revenues	<u>88,452</u>	<u>2,297</u>	<u>2,460</u>	<u>66,880</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	2,795		499	
Services and Supplies	10,746	2,660	1,042	4,875
Claims Incurred	74,082	169		60,415
Other Charges	5,538	346	130	4,560
Depreciation Expense	615		615	
Total Operating Expenses	<u>93,776</u>	<u>3,175</u>	<u>2,286</u>	<u>69,850</u>
Operating Income (Loss)	<u>(5,324)</u>	<u>(878)</u>	<u>174</u>	<u>(2,970)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	1,245	230	73	136
Other Revenues	92	2	63	19
Aid from Other Governmental Agencies	332			
Interest Expense	(39)		(39)	
Gain (Loss) on Sale of Fixed Assets	(10)		(10)	
Total Non-Operating Revenues (Expenses)	<u>1,620</u>	<u>232</u>	<u>87</u>	<u>155</u>
Income (Loss) before Transfers	<u>(3,704)</u>	<u>(646)</u>	<u>261</u>	<u>(2,815)</u>
Transfers	<u>(31)</u>		<u>(31)</u>	
Change in Net Assets	<u>(3,735)</u>	<u>(646)</u>	<u>230</u>	<u>(2,815)</u>
Net Assets (Deficit), July 1, 2001 as previously reported	<u>(6,271)</u>	<u>(1,907)</u>	<u>5,171</u>	<u>(974)</u>
Prior Period Adjustment	<u>62</u>		<u>62</u>	
Net Assets (Deficit), June 30, 2002	<u>\$ (9,944)</u>	<u>\$ (2,553)</u>	<u>\$ 5,463</u>	<u>\$ (3,789)</u>

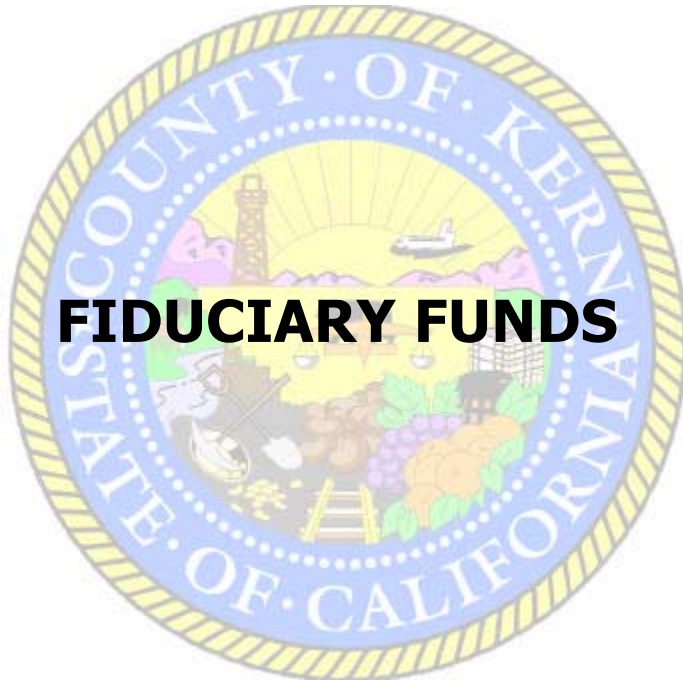
<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS' COMPENSATION</b>	
\$ 3,750	\$ 852	\$ 12,213	OPERATING REVENUES:
			Charges for Current Services
<u>3,750</u>	<u>852</u>	<u>12,213</u>	Total Operating Revenues
2,296			OPERATING EXPENSES:
129	16	2,024	Salaries and Employee Benefits
	1,388	12,110	Services and Supplies
99	1	402	Claims Incurred
			Other Charges
			Depreciation Expense
<u>2,524</u>	<u>1,405</u>	<u>14,536</u>	Total Operating Expenses
<u>1,226</u>	<u>(553)</u>	<u>(2,323)</u>	Operating Income (Loss)
565	46	195	NON-OPERATING REVENUES (EXPENSES):
		8	Interest on Bank Deposits and Investments
		332	Other Revenues
			Aid from Other Governmental Agencies
			Interest Expense
			Gain (Loss) on Sale of Fixed Assets
<u>565</u>	<u>46</u>	<u>535</u>	Total Non-Operating Revenues (Expenses)
1,791	(507)	(1,788)	Income (Loss) before Transfers
			Transfers
1,791	(507)	(1,788)	Change in Net Assets
11,899	427	(20,887)	Net Assets (Deficit), July 1, 2001 as previously reported
			Prior Period Adjustment
<u>\$ 13,690</u>	<u>\$ (80)</u>	<u>\$ (22,675)</u>	Net Assets (Deficit), June 30, 2002

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received for Current Services	\$ 10,559	\$ 1	\$ 219	\$ 8,901
Cash Received for Interfund Services Provided	77,906	2,296	2,254	57,979
Cash Received for Other Operations	119	2	90	19
Cash Paid for Salaries and Benefits	(2,715)		(419)	
Cash Paid for Services and Supplies	(9,126)	(2,660)	(971)	(3,245)
Cash Paid for Reported Claims	(66,590)	(558)		(56,112)
Cash Paid for Interfund Services Used	(81)		(81)	
Cash Paid for Other Charges	(5,538)	(346)	(130)	(4,560)
Net Cash Provided (Used) by Operating Activities	<u>4,534</u>	<u>(1,265)</u>	<u>962</u>	<u>2,982</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Cash Received from Other Funds	16		16	
Aid from Other Governmental Agencies	332			
Pension Obligation Bond Principal Paid	(3)		(3)	
Pension Obligation Bond Interest Paid	(26)		(26)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>319</u>		<u>(13)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition or Construction of Capital Assets	(1,469)		(1,469)	
Proceeds From Sale of Fixed Assets	99		99	
Payment of Capital Leases	(10)		(10)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,380)</u>		<u>(1,380)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on Bank Deposits and Investments	<u>1,362</u>	<u>273</u>	<u>86</u>	<u>152</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,835	(992)	(345)	3,134
Cash and Cash Equivalents, July 1, 2001	<u>26,071</u>	<u>5,947</u>	<u>1,942</u>	<u>2,829</u>
Cash and Cash Equivalents, June 30, 2002	<u>\$ 30,906</u>	<u>\$ 4,955</u>	<u>\$ 1,597</u>	<u>\$ 5,963</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (5,324)	\$ (878)	\$ 174	\$ (2,970)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	119	2	90	19
Depreciation	615		615	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	45		45	
(Increase) Decrease in Accounts Receivable	12		12	
Increase (Decrease) in Accounts Payable	1,656		26	1,630
Increase (Decrease) in Due to Others	(21)			
Increase (Decrease) in Provision for Liability Claims	7,432	(389)		4,303
Total Adjustments	<u>9,858</u>	<u>(387)</u>	<u>788</u>	<u>5,952</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,534</u>	<u>\$ (1,265)</u>	<u>\$ 962</u>	<u>\$ 2,982</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Net Transfers of Fixed Assets (To) From Other Funds	<u>(31)</u>		<u>(31)</u>	
Total Noncash Investing, Capital, and Financing Activities	<u>\$ (31)</u>		<u>\$ (31)</u>	

<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS' COMPENSATION</b>	
			<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>
\$ 1,118	\$ 24	\$ 296	Cash Received for Current Services
2,632	828	11,917	Cash Received for Interfund Services Provided
		8	Cash Received for Other Operations
(2,296)			Cash Paid for Salaries and Benefits
(129)	(16)	(2,105)	Cash Paid for Services and Supplies
	(1,118)	(8,802)	Cash Paid for Reported Claims
			Cash Paid for Interfund Services Used
<u>(99)</u>	<u>(1)</u>	<u>(402)</u>	Cash Paid for Other Charges
<u>1,226</u>	<u>(283)</u>	<u>912</u>	Net Cash Provided (Used) by Operating Activities
			<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>
			Cash Received from Other Funds
		332	Aid from Other Governmental Agencies
			Pension Obligation Bond Principal Paid
			Pension Obligation Bond Interest Paid
		<u>332</u>	Net Cash Provided (Used) by Non-Capital Financing Activities
			<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>
			Acquisition or Construction of Capital Assets
			Proceeds From Sale of Fixed Assets
			Payment of Capital Leases
			Net Cash Provided (Used) by Capital and Related Financing Activities
			<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>
<u>602</u>	<u>53</u>	<u>196</u>	Interest on Bank Deposits and Investments
1,828	(230)	1,440	Net Increase (Decrease) in Cash and Cash Equivalents
<u>11,738</u>	<u>876</u>	<u>2,739</u>	Cash and Cash Equivalents, July 1, 2001
<u>\$ 13,566</u>	<u>\$ 646</u>	<u>\$ 4,179</u>	Cash and Cash Equivalents, June 30, 2002
			<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>
\$ <u>1,226</u>	\$ <u>(553)</u>	\$ <u>(2,323)</u>	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
		8	Other Non-Operating Revenues
			Depreciation
			Changes in Assets and Liabilities:
			(Increase) Decrease in Inventory
			(Increase) Decrease in Accounts Receivable
			Increase (Decrease) in Accounts Payable
		(21)	Increase (Decrease) in Due to Others
			Increase (Decrease) in Provision for Liability Claims
	<u>270</u>	<u>3,248</u>	Total Adjustments
	<u>270</u>	<u>3,235</u>	Net Cash Provided (Used) by Operating Activities
<u>\$ 1,226</u>	<u>\$ (283)</u>	<u>\$ 912</u>	
			<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>
\$ _____	\$ _____	\$ _____	Net Transfers of Fixed Assets (To) From Other Funds
<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	Total Noncash Investing, Capital, and Financing Activities





**FIDUCIARY FUNDS**

## FIDUCIARY FUNDS DESCRIPTIONS

**Investment Trust Funds** - The Investment Trust is made up of funds for schools 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 has fiduciary responsibility for cash and investments, and the Auditor-Controller-County Clerk makes disbursements upon the request of the responsible school district officers. The County has responsibility 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. The State Trial Court Fund accounts for the operation of Trial Courts beginning July 1, 1998, as a result of A.B. 233.

**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 County Auditor-Controller upon the requisition of the responsible officer.

**COUNTY OF KERN  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>BALANCE</u> <u>JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2002</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 138,539	\$ 3,881,027	\$ 3,867,608	\$ 151,958
Interest Receivable	2,619	796	2,619	796
Due from Other Funds		1,852	1,750	102
Accounts Receivable	161	1,334	1,353	142
Loans Receivable	281		49	232
Taxes Receivable	71,541	643,583	645,161	69,963
Due from Other Agencies	12,925	5,648	12,925	5,648
Total Assets	<u>\$ 226,066</u>	<u>\$ 4,534,240</u>	<u>\$ 4,531,465</u>	<u>\$ 228,841</u>
<b>LIABILITIES</b>				
Warrants Payable	\$ 26,785	\$ 1,737,119	\$ 1,730,817	\$ 33,087
Accounts Payable		6		6
Due to Other Funds	819	7,070	7,267	622
Due to Other Governments	195,367	2,110,872	2,113,708	192,531
Unapportioned Installment Redemptions	3,095	3,861	4,361	2,595
Total Liabilities	<u>\$ 226,066</u>	<u>\$ 3,858,928</u>	<u>\$ 3,856,153</u>	<u>\$ 228,841</u>
<b><u>CLEARING FUNDS</u></b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 164	\$ 735,504	\$ 735,551	\$ 117
Interest Receivable	2		2	
Accounts Receivable	10	359	358	11
Total Assets	<u>\$ 176</u>	<u>\$ 735,863</u>	<u>\$ 735,911</u>	<u>\$ 128</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 176	\$ 734,584	\$ 734,632	\$ 128
Total Liabilities	<u>\$ 176</u>	<u>\$ 734,584</u>	<u>\$ 734,632</u>	<u>\$ 128</u>
<b><u>WARRANT CLEARANCE FUNDS</u></b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 26,785	\$ 1,737,172	\$ 1,730,870	\$ 33,087
Total Assets	<u>\$ 26,785</u>	<u>\$ 1,737,172</u>	<u>\$ 1,730,870</u>	<u>\$ 33,087</u>
<b>LIABILITIES</b>				
Warrants Payable	\$ 26,785	\$ 1,737,119	\$ 1,730,817	\$ 33,087
Total Liabilities	<u>\$ 26,785</u>	<u>\$ 1,737,119</u>	<u>\$ 1,730,817</u>	<u>\$ 33,087</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2002 (IN THOUSANDS)**

	<u>BALANCE</u> <u>JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2002</u>
<b>STATE FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 2,370	\$ 11,436	\$ 11,021	\$ 2,785
Interest Receivable	2	2	2	2
Total Assets	<u>\$ 2,372</u>	<u>\$ 11,438</u>	<u>\$ 11,023</u>	<u>\$ 2,787</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 2,372	\$ 11,047	\$ 10,632	\$ 2,787
Total Liabilities	<u>\$ 2,372</u>	<u>\$ 11,047</u>	<u>\$ 10,632</u>	<u>\$ 2,787</u>
<b>OTHER FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 98,478	\$ 682,181	\$ 669,355	\$ 111,304
Interest Receivable	1,239	430	1,239	430
Due from Other Funds		786	786	
Due from Other Agencies	5,457	5,648	5,457	5,648
Accounts Receivable	151	975	995	131
Loans Receivable	281		49	232
Total Assets	<u>\$ 105,606</u>	<u>\$ 690,020</u>	<u>\$ 677,881</u>	<u>\$ 117,745</u>
<b>LIABILITIES</b>				
Accounts Payable	\$	\$ 6	\$	\$ 6
Due to Other Funds	150	150	150	150
Due to Other Government	105,456	641,067	628,934	117,589
Total Liabilities	<u>\$ 105,606</u>	<u>\$ 641,223</u>	<u>\$ 629,084</u>	<u>\$ 117,745</u>
<b>UNAPPORTIONED FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 10,742	\$ 714,734	\$ 720,811	\$ 4,665
Interest Receivable	1,376	364	1,376	364
Due From Other Funds		1,066	964	102
Due From Other Agencies	7,468		7,468	
Taxes Receivable	71,541	643,583	645,161	69,963
Total Assets	<u>\$ 91,127</u>	<u>\$ 1,359,747</u>	<u>\$ 1,375,780</u>	<u>\$ 75,094</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 669	\$ 6,920	\$ 7,117	\$ 472
Due to Other Governments	87,363	724,174	739,510	72,027
Unapportioned Installment Redemptions	3,095	3,861	4,361	2,595
Total Liabilities	<u>\$ 91,127</u>	<u>\$ 734,955</u>	<u>\$ 750,988</u>	<u>\$ 75,094</u>

The seal of Kern County, California, is a circular emblem. It features a central scene with a sun rising over a landscape that includes a lighthouse, a bridge, and various agricultural products like grapes and oranges. The words "COUNTY OF KERN" are inscribed in the upper half of the seal, and "STATE OF CALIFORNIA" is inscribed in the lower half. The entire seal is surrounded by a decorative border.

**CAPITAL ASSETS USED IN  
THE OPERATION OF  
GOVERNMENTAL FUNDS**

**County of Kern**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Source**  
**6/30/2002 (in thousands)**

**Governmental Funds Capital Assets:**

Land	\$	19,471
Structures & Improvements		292,488
Equipment		98,390
Infrastructure		15,512
Construction in Progress		20,955
Total Governmental Funds Capital Assets	\$	<u>446,816</u>

**Investments in Governmental Funds Capital Assets by Source:**

General Fund	\$	236,334
Special Revenue Fund		76,363
Capital Projects Fund		127,974
Donations		6,145
Total Governmental Funds Capital Assets	\$	<u>446,816</u>

This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Assets

**County of Kern  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
6/30/2002 (in thousands)**

Function & Activity	Land	Structures & Improvements	Equipment	Construction in Progress	Infrastructure	Total
<b>General Activity</b>						
Board of Supervisors - Dist #1	\$	\$	\$ 39	\$	\$	39
Board of Supervisors - Dist #2			27			27
County Administrative Office			85			85
Clerk of the Board			82			82
Auditor-Controller			326			326
Treasurer			542			542
Assessor	9	1,072	59			1,140
Assessor - Property Tax			112			112
General Services - Mail Services			30			30
Reprographics			190			190
Information Systems			2,427			2,427
County Counsel			103			103
Personnel			42			42
Elections - County Clerk			77			77
Communications		2,899	7,351	6,227		16,477
General Services - Construction	2,422	70,029	2,552	204	32	75,239
Board of Trade		139	44			183
Engineering & Survey Services			442			442
Risk Management			22			22
<b>Total General Activity</b>	<b>2,431</b>	<b>74,139</b>	<b>14,571</b>	<b>6,431</b>	<b>32</b>	<b>97,604</b>
<b>Public Safety</b>						
Superior Court	401	40,598				40,999
District Attorney			238			238
Children Support Services			942			942
Public Defender		3,809	584			4,393
DA Forensic		139	1,936			2,075
Sheriff	7,107	55,033	24,010	341		86,491
Probation	219	19,438	2,825	1,163		23,645
Fire	1,186	25,721	24,357	2		51,266
Agricultural Commissioner	315	2,377	88			2,780
Code Compliance			111			111
Building Inspection			521			521
Weights & Measures	2	186	309			497
Recorder			749			749
Resource Management Agency			123			123
Planning			34			34
Animal Control		1,850	59			1,909
LAFCO			7			7
<b>Total Public Safety</b>	<b>9,230</b>	<b>149,151</b>	<b>56,893</b>	<b>1,506</b>		<b>216,780</b>
<b>Public Ways</b>						
Road	1,647	6,623	10,771	1,008	9,875	29,924
<b>Total Public Ways</b>	<b>1,647</b>	<b>6,623</b>	<b>10,771</b>	<b>1,008</b>	<b>9,875</b>	<b>29,924</b>
<b>Health</b>						
Public Health	208	2,432	598	11,754		14,992
Environmental Health			178			178
Mental Health		2,481	672			3,153
Mental Health - Substance Abuse			20			20
Emergency Medical Services			24			24
California Children's Services			8			8
<b>Total Health</b>	<b>208</b>	<b>4,913</b>	<b>1,500</b>	<b>11,754</b>		<b>18,375</b>
<b>Public Assistance</b>						
Human Services	6	2,201	4,856			7,063
Veterans Services		34				34
Aging & Adult Services		240	117			357
Employers Training Resources			1,149			1,149
Community Development Program Agency			65	5	5,605	5,675
<b>Total Public Assistance</b>	<b>6</b>	<b>2,475</b>	<b>6,187</b>	<b>5</b>	<b>5,605</b>	<b>14,278</b>
<b>Education</b>						
Library	2,108	25,362	4,256			31,726
Farm & Home Advisor			41			41
Experimental Farm	66	506	94			666
<b>Total Education</b>	<b>2,174</b>	<b>25,868</b>	<b>4,391</b>			<b>32,433</b>
<b>Parks &amp; Recreation</b>						
Parks	3,775	29,319	4,077	251		37,422
<b>Total Parks &amp; Recreation</b>	<b>3,775</b>	<b>29,319</b>	<b>4,077</b>	<b>251</b>		<b>37,422</b>
<b>Total Governmental Funds</b>	<b>\$ 19,471</b>	<b>\$ 292,488</b>	<b>\$ 98,390</b>	<b>\$ 20,955</b>	<b>\$ 15,512</b>	<b>\$ 446,816</b>

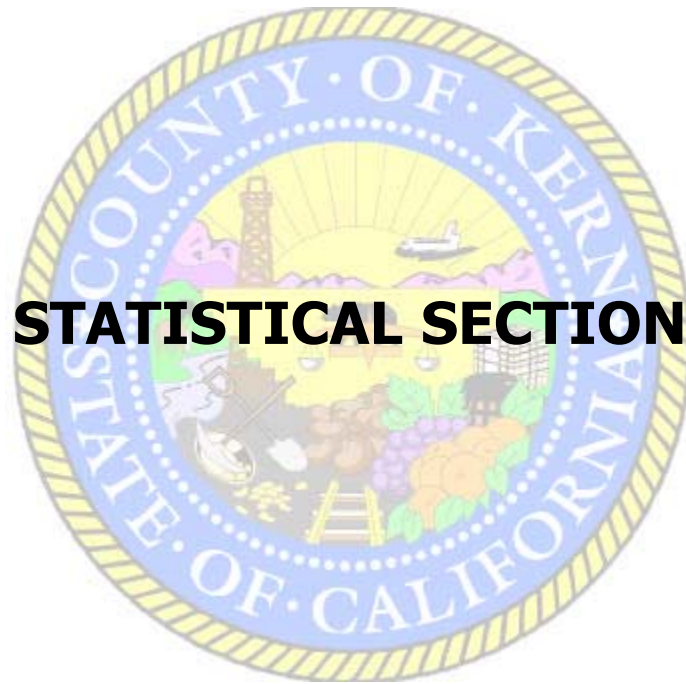
\*\*General Services accounts for a large portion of the governmental activity because there are several county buildings, such as the Administration building located at 1115 Truxtun and the Public Services building located at Golden State, that are being occupied by departments that have different functions.

Although internal service funds equipment was transferred to governmental activities in the government-wide financial statements, they are not used in the operations of governmental funds. Therefore, they are not included in this schedule.

**County of Kern  
Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes By Function and Activity  
6/30/2002 (in thousands)**

Function & Activity	Governmental Funds Capital Assets 6/30/01	Additions	Deductions	Governmental Funds Capital Assets 6/30/02
<b>General Activity</b>				
Board of Supervisors - Dist #1	\$ 46	\$	7	\$ 39
Board of Supervisors - Dist #2	27			27
County Administrative Office	7	78		85
Clerk of the Board	66	16		82
Auditor-Controller	355		29	326
Treasurer	464	78		542
Assessor	1,140			1,140
Assessor - Property Tax	83	29		112
General Services - Mail Services	52		22	30
Reprographics	195		5	190
Information Systems	2,602	30	205	2,427
County Counsel	16	87		103
Personnel	37	5		42
Elections - County Clerk	56	21		77
Communications	13,972	3,592	1,087	16,477
General Services	74,879	500	140	75,239
General Services - Construction	19			19
Board of Trade	144	39		183
Engineering & Survey Services	437	50	45	442
Risk Management	22	22		22
<b>Total General Activity</b>	<b>94,597</b>	<b>4,547</b>	<b>1,540</b>	<b>97,604</b>
<b>Public Safety</b>				
Superior Court	40,999			40,999
District Attorney	140	98		238
Children Support Services	496	446		942
Public Defender	4,393	15	15	4,393
DA Forensic	1,625	450		2,075
Sheriff	80,280	6,211		86,491
Probation	22,236	1,430	21	23,645
Fire	48,490	2,810	34	51,266
Agricultural Commissioner	2,773	7		2,780
Code Compliance	95	16		111
Building Inspection	997	38	514	521
Weights & Measures	383	167	53	497
Special Services	583		583	
Recorder	524	225		749
Resource Management Agency	108	15		123
Planning	16	18		34
Animal Control	1,542	1,104	737	1,909
LAFCO	7			7
Emergency Services				
<b>Total Public Safety</b>	<b>205,687</b>	<b>13,050</b>	<b>1,957</b>	<b>216,780</b>
<b>Public Ways</b>				
Road	18,907	11,477	460	29,924
<b>Total Public Ways</b>	<b>18,907</b>	<b>11,477</b>	<b>460</b>	<b>29,924</b>
<b>Health</b>				
Public Health	11,102	3,890		14,992
Environmental Health	178			178
Mental Health	3,011	142		3,153
Mental Health - Substance Abuse	20			20
Emergency Medical Services	24			24
California Children's Services	8			8
<b>Total Health</b>	<b>14,343</b>	<b>4,032</b>		<b>18,375</b>
<b>Public Assistance</b>				
Human Services	6,491	588	16	7,063
Veterans Services	34			34
Aging & Adult Services	300	64	7	357
Employers Training Resources	891	258		1,149
Community Development Program Agency	65	5,610		5,675
<b>Total Public Assistance</b>	<b>7,781</b>	<b>6,520</b>	<b>23</b>	<b>14,278</b>
<b>Education</b>				
Library	31,710	36	20	31,726
Farm & Home Advisor	41			41
Experimental Farm	706		40	666
<b>Total Education</b>	<b>32,457</b>	<b>36</b>	<b>60</b>	<b>32,433</b>
<b>Parks &amp; Recreation</b>				
Parks	35,583	2,146	307	37,422
<b>Total Parks &amp; Recreation</b>	<b>35,583</b>	<b>2,146</b>	<b>307</b>	<b>37,422</b>
<b>Total Governmental Funds</b>	<b>\$ 409,355</b>	<b>\$ 41,808</b>	<b>\$ 4,347</b>	<b>\$ 446,816</b>



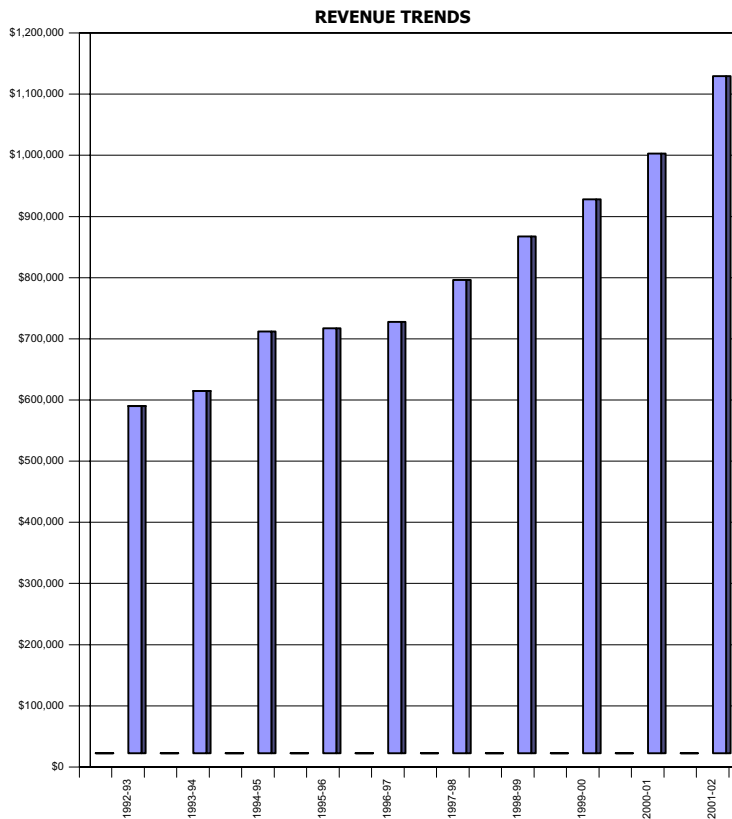


**STATISTICAL SECTION**

**COUNTY OF KERN  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<u>SOURCE</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Taxes	\$ 150,459	\$ 126,338	\$ 114,397	\$ 119,228	\$ 124,323
Licenses, Permits and Franchises	8,229	8,507	7,766	8,189	8,453
Fines, Forfeitures and Penalties	6,071	6,435	6,788	8,701	7,669
Revenue from Use of Money and Property	7,919	6,551	8,928	10,687	10,315
Aid From Other Governmental Agencies	312,763	357,021	398,843	428,170	421,008
Charges For Current Services	58,168	60,626	73,360	77,447	80,267
Other Revenue	<u>23,974</u>	<u>26,901</u>	<u>79,640</u>	<u>42,084</u>	<u>52,987</u>
Total	\$ <u>567,583</u>	\$ <u>592,379</u>	\$ <u>689,722</u>	\$ <u>694,506</u>	\$ <u>705,022</u>

(1) Total General Revenues include all Governmental Activities.



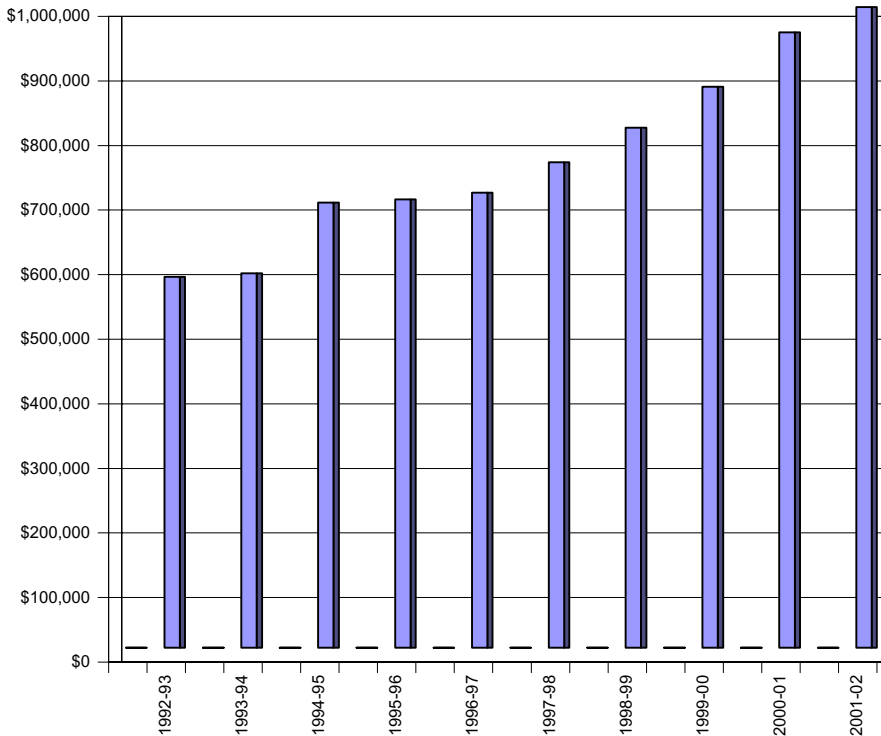
<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>SOURCE</u>
\$ 138,034	\$ 132,131	\$ 139,328	\$ 143,060	\$ 158,277	Taxes
8,582	9,710	9,492	12,293	13,609	Licenses, Permits and Franchises
12,697	13,926	17,248	17,618	23,787	Fines, Forfeitures and Penalties
11,840	12,061	13,038	19,543	13,466	Revenue from Use of Money and Property
440,414	464,590	521,590	577,078	621,690	Aid From Other Governmental Agencies
88,679	105,232	116,471	132,038	129,066	Charges For Current Services
<u>73,467</u>	<u>107,422</u>	<u>88,256</u>	<u>78,482</u>	<u>146,829</u>	Other Revenue
<u>\$ 773,713</u>	<u>\$ 845,072</u>	<u>\$ 905,423</u>	<u>\$ 980,112</u>	<u>\$ 1,106,724</u>	Total

**COUNTY OF KERN  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<b>FUNCTION</b>	<b>1992-93</b>	<b>1993-94</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>
General Government	\$ 51,905	\$ 50,767	\$ 50,778	\$ 53,100	\$ 52,337
Public Protection	183,752	188,358	204,075	220,899	227,549
Health and Sanitation	43,155	44,632	108,586	88,878	97,355
Public Assistance	231,669	246,581	275,568	279,640	262,503
Education	7,090	6,213	6,486	6,758	7,064
Recreation and Cultural Services	7,065	7,629	8,795	9,377	8,769
Public Ways and Facilities	20,607	25,345	23,125	22,075	20,806
Capital Outlay	4,171	2,501	3,715	4,839	8,966
Debt Service - Principal	20,865	4,210	4,150	4,300	5,300
Debt Service - Interest	3,862	3,320	4,233	4,185	14,223
<b>Total</b>	<b>\$ 574,141</b>	<b>\$ 579,556</b>	<b>\$ 689,511</b>	<b>\$ 694,051</b>	<b>\$ 704,872</b>

(1) Total General Expenditures include all Governmental Activities.

**EXPENDITURE TRENDS**



<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>FUNCTION</u>
\$ 57,246	\$ 66,343	\$ 66,461	\$ 69,040	\$ 76,860	General Government
245,748	251,602	264,142	300,742	316,154	Public Protection
120,616	136,385	157,362	152,334	144,518	Health and Sanitation
251,601	281,877	309,570	334,562	370,226	Public Assistance
7,663	7,365	7,449	8,377	8,909	Education
9,010	9,397	9,440	9,843	10,591	Recreation and Cultural Services
24,295	24,138	24,194	36,632	27,533	Public Ways and Facilities
14,038	7,411	8,478	17,455	10,363	Capital Outlay
6,962	7,406	8,079	9,816	11,724	Debt Service - Principal
14,759	13,620	13,590	14,139	15,215	Debt Service - Interest
<u>\$ 751,938</u>	<u>\$ 805,544</u>	<u>\$ 868,765</u>	<u>\$ 952,940</u>	<u>\$ 992,093</u>	Total

**COUNTY OF KERN  
COMPARATIVE SCHEDULE OF  
TOTAL TAXES LEVIED ON COUNTY TAX BILLS FOR ALL AGENCIES  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<u>FISCAL YEAR</u>	<u>DESCRIPTION</u>	<u>TAXES LEVIED</u>	<u>TAXES COLLECTED*</u>	<u>AMOUNT DELINQUENT (JUNE 30)</u>	<u>PERCENTAGE OF DELINQUENCY</u>
1992-93	Secured	394,749	378,535	16,214	4.046%
	Unsecured	26,779	25,936	843	
	Total	<u>421,528</u>	<u>404,471</u>	<u>17,057</u>	
1993-94	Secured	408,640	391,347	17,293	4.120%
	Unsecured	25,294	24,708	586	
	Total	<u>433,934</u>	<u>416,055</u>	<u>17,879</u>	
1994-95	Secured	393,977	376,846	17,131	4.319%
	Unsecured	20,819	20,034	785	
	Total	<u>414,796</u>	<u>396,880</u>	<u>17,916</u>	
1995-96	Secured	423,449	404,437	19,012	4.468%
	Unsecured	19,031	18,271	758	
	Total	<u>442,480</u>	<u>422,708</u>	<u>19,770</u>	
1996-97	Secured	447,890	429,474	18,416	4.080%
	Unsecured	19,204	18,564	640	
	Total	<u>467,094</u>	<u>448,038</u>	<u>19,056</u>	
1997-98	Secured	467,784	449,604	18,180	3.880%
	Unsecured	18,796	18,099	697	
	Total	<u>486,580</u>	<u>467,703</u>	<u>18,877</u>	
1998-99	Secured	455,527	436,345	19,182	4.147%
	Unsecured	21,502	20,900	602	
	Total	<u>477,029</u>	<u>457,245</u>	<u>19,784</u>	
1999-00	Secured	497,571	480,111	17,461	3.460%
	Unsecured	22,847	22,303	544	
	Total	<u>520,418</u>	<u>502,414</u>	<u>18,005</u>	
2000-01	Secured	518,583	500,720	17,864	3.375%
	Unsecured (1)	23,736	23,295	441	
	Total	<u>542,319</u>	<u>524,015</u>	<u>18,305</u>	
2001-02	Secured	551,988	534,278	17,710	3.151%
	Unsecured	23,805	23,369	436	
	Total	<u>575,793</u>	<u>557,647</u>	<u>18,146</u>	

\* The above amounts do not include any penalties collected or any penalties due with delinquency amount.

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

**COUNTY OF KERN  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(% PER \$100 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS**

<b>FISCAL YEAR</b>	<b>COUNTYWIDE</b>	<b>CITY OF BAKERSFIELD</b>	<b>SPECIAL DISTRICTS</b>	<b>SCHOOLS</b>	<b>TOTAL</b>
1992-93	1.0	0.002400	0.056930	0.100784	1.160114
1993-94	1.0		0.066719	0.104529	1.171248
1994-95	1.0		0.060391	0.065063	1.125454
1995-96	1.0		0.084461	0.078741	1.163202
1996-97	1.0		0.080662	0.088116	1.168778
1997-98	1.0		0.076735	0.095754	1.172489
1998-99	1.0		0.075166	0.064374	1.139540
1999-00	1.0		0.074314	0.087712	1.162026
2000-01	1.0		0.068755	0.087712	1.156467
2001-02	1.0		0.061936	0.055685	1.117621

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

Notes: The above tax rates are for tax rate area 001-001, which applies to most property within the County of Kern

California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, (comm Statutes of 1978, Chapter 292, as amended) which provides that notwithstanding any other law, local agencies may not levy a tax to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax Article XIII A of \$1.00 per \$100.00 of full cash value. For fiscal years thereafter, the assessed value is equal to full cash value, Senate Bill 1656, Statutes of 1978.

**COUNTY OF KERN  
 COMPARATIVE SCHEDULE OF ASSESSED VALUATIONS  
 SECURED AND UNSECURED  
 LAST TEN FISCAL YEARS ( IN THOUSANDS)**

<b>FISCAL YEAR</b>	<b>REAL ESTATE INSIDE</b>	<b>REAL ESTATE OUTSIDE</b>	<b>IMPROVEMENTS INSIDE</b>	<b>IMPROVEMENTS OUTSIDE</b>	<b>PERSONAL PROPERTY INSIDE</b>
1992-93	2,639,887	11,057,348	7,150,480	9,664,438	499,560
1993-94	2,825,926	12,674,067	7,533,228	9,942,178	486,084
1994-95	2,971,643	9,045,397	7,975,038	10,224,350	527,016
1995-96	3,092,515	10,791,556	8,371,689	10,427,513	550,462
1996-97	3,135,975	11,800,346	8,546,839	10,563,722	550,479
1997-98	3,202,950	13,706,174	8,737,682	10,860,330	565,488
1998-99	3,257,755	12,192,527	9,005,070	10,217,692	653,895
1999-00	3,411,557	14,645,217	9,692,268	10,830,481	634,079
2000-01	3,549,682	16,163,965	10,244,613	11,027,657	760,543
2001-02	3,691,765	17,697,552	10,599,854	11,783,305	784,787

\* The Net Total County Valuation figures are before subtracting the State Subvented Homeowners and Business Inventory Exemptions.

\*\* Beginning with 1988-89 fiscal year, Unitary and Operating Non-Unitary properties are assessed countywide as required by Assembly Bill 454.

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



<b>PERSONAL PROPERTY OUTSIDE</b>	<b>COUNTYWIDE UNITARY AND OPERATING NON-UNITARY**</b>	<b>TOTAL COUNTY VALUATION</b>	<b>LESS NON-SUBVENTED EXEMPTIONS</b>	<b>NET TOTAL COUNTY VALUATIONS*</b>	<b>FISCAL YEAR</b>
1,258,772	1,730,564	34,001,049	530,191	33,470,858	1992-93
1,048,198	1,729,828	36,239,509	568,500	35,671,009	1993-94
967,722	1,742,344	33,453,510	638,988	32,814,522	1994-95
960,068	1,717,325	35,911,129	670,985	35,240,144	1995-96
912,295	1,709,893	37,219,549	711,575	36,507,974	1996-97
922,785	1,622,220	39,617,629	733,440	38,884,189	1997-98
958,951	1,619,550	37,905,440	781,115	37,124,325	1998-99
1,040,266	1,556,419	41,810,286	816,531	40,993,755	1999-00
1,167,124	1,525,556	44,439,140	873,551	43,565,589	2000-01
1,133,795	1,419,551	47,110,609	927,025	46,183,585	2001-02

**COUNTY OF KERN  
 BUILDING PERMITS  
 FISCAL YEARS 1992-93 THROUGH 2001-02**

**COUNTY OF KERN  
 BUILDING PERMITS (2)**

(In Thousands)

Fiscal Year	Permits Issued	Value of Buildings
1992-93	8,429	541,781
1993-94	6,716	528,321
1994-95	6,603	458,797
1995-96	6,750	448,664
1996-97	6,001	426,811
1997-98	6,674	525,390
1998-99	6,719	644,182
1999-00	6,556	537,434
2000-01	6,795	712,214
2001-02	8,124	937,147

(1) Source: Auditor - Controller - County Clerk, County of Kern

(2) Source: Building Inspection, County of Kern

**COUNTY OF KERN  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

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

**COUNTY OF KERN  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL  
GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL DEBT SERVICE</b>	<b>TOTAL GENERAL EXPENDITURES (1)</b>	<b>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</b>
1992-93	20,865	3,862	24,727	574,141	4.31%
1993-94	4,210	3,320	7,530	579,556	1.30%
1994-95	4,150	4,233	8,383	689,511	1.22%
1995-96	4,300	4,185	8,485	694,051	1.22%
1996-97	5,300	14,224	19,524	704,872	2.77%
1997-98	6,962	14,759	21,721	751,938	2.89%
1998-99	7,406	13,620	21,026	805,544	2.61%
1999-00	8,079	13,591	21,670	868,765	2.49%
2000-01	9,816	14,139	23,955	952,940	2.51%
2001-02	11,724	15,215	26,939	992,093	2.72%

Notes:

(1) Total General Expenditures include all Governmental Activities.

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

**COUNTY OF KERN  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2002 (IN THOUSANDS)**

**2001-02 Assessed Valuation: \$45,025,586 (After deducting \$1,078,902 Redevelopment Incremental Valuation; Includes unitary utility valuation)**

	Percentage Applicable	Debt 4/01/2002
<b><u>Overlapping Tax and Assessment Debt:</u></b>		
Delano Joint Union High School District	69.151	\$ 18,529
Kern County Union High School District	100	68,960
McFarland and Tehachapi Unified School Districts	100	20,105
Bakersfield School District	100	30,484
Panama-Buena Vista Union School District	100	13,120
Fruitvale School District	100	13,755
Fruitvale School District Lease Tax Obligation	100	1,560
Other School Districts	100	68,580
City of Bakersfield	100	4,930
Antelope Valley-East Kern Water Agency	22.355	1,194
Kern County Water Agency I.D. #4	100	5,310
Other Water Districts	Various	14,288
Belridge Water Storage District	100	5,100
Wheeler Ridge-Maricopa Water Storage District	100	13,225
Semitropic Water Storage District Improvement Districts	100	12,980
Other Water Storage Districts	100	1,332
Community Facilities Districts	100	3,040
Other Special Districts	100	46,990
1915 Act Bonds (Estimated)	100	109,490
		<hr/>
Total Gross Overlapping Tax and Assessment Debt		452,972
Less:		
City of Bakersfield Water Bonds (100% Self Supporting)		4,930
Water Storage Districts (100% Self Supporting)		13,967
Cawelo Water District (100% Self Supporting)		6,345
		<hr/>
Total Net Overlapping Tax and Assessment Debt		\$ 427,730
<b><u>Overlapping General Fund Obligation Debt:</u></b>		
	Percentage Applicable	Debt 5/01/2002
Kern County Board of Education Certificates of Participation	100	100,000
Community College Districts and Certificates of Participation	Various	40,656
Kern County Union High School and Certificates of Participation	100	96,500
Other High School Certificates of Participation	Various	2,347
Unified School District General Fund Obligations	Various	34,363
School District General Fund Obligations	100	41,425
City of Ridgecrest Certificates of Participation	100	36,815
City of Delano General Fund Obligation	100	9,890
Other City General Fund Obligations	100	8,075
		<hr/>
Total Overlapping General Fund Obligation Debt		\$ 371,838
Less:		
City of Delano Self Supporting Obligations		8,075
		<hr/>
Total Net Overlapping General Fund Obligation Debt		363,763
		<hr/>
TOTAL NET OVERLAPPING DEBT		\$ 791,493
<b><u>Direct General Fund Obligation Debt:</u></b>		
	Percentage Applicable	Debt 4/01/2002
Kern County Certificates of Participation	100	\$ 107,068 (1)
Kern County Pension Obligations	100	226,108
		<hr/>
Total Net Direct General Fund Obligation Debt		333,176
		<hr/>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>		<b>\$ 1,124,669 (2)</b>

**NOTES:**

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

**Ratios to Adjusted Assessed Valuation:**

Total Gross Overlapping Tax and Assessment Debt	0.98%
Total Net Overlapping Tax and Assessment Debt	0.93%

**Ratios to Adjusted Assess Valuation:**

Combined Direct Debt (\$333,176)	0.74%
Gross Combined Total Debt	2.57%
Net Combined Total Debt	2.50%

State School Building Aid Repayable as of 06/30/01: \$ -  
 YV:(\$500)

Source: California Municipal Statistics.

**COUNTY OF KERN  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>ASSESSED VALUE (2)</u>	<u>BONDED DEBT (3)</u>	<u>RATIO OF NET BONDED DEBT</u>	<u>NET BONDED DEBT PER CAPITA</u>
1992-93	602	\$ 33,470,858	\$ -	\$ -	\$ -
1993-94	619	35,671,009	-	-	-
1994-95	628	32,814,522	-	-	-
1995-96	625	34,145,028	193,095	0.006	309
1996-97	628	36,507,975	193,187	0.005	308
1997-98	640	37,784,760	193,187	0.005	302
1998-99	648	36,127,467	185,462	0.005	286
1999-00	659	39,958,881	185,462	0.005	281
2000-01	686	42,545,294	185,140	0.004	270
2001-02	688	45,025,587	184,070	0.004	268

NOTES:

(1) Source: California Department of Finance

(2) Valuations exclude redevelopment tax allocations.

(3) Bonded debt amount includes only general obligation bonds. The County had no general obligation bonds

**COUNTY OF KERN  
 ASSESSED VALUATION OF REDEVELOPMENT AGENCY INCREMENT  
 JUNE 30, 2002 (IN THOUSANDS)**

	<u>BOND RATE</u>	<u>COUNTY ASSESSMENT SECURED</u>	<u>COUNTY ASSESSMENT UNSECURED</u>	<u>STATE ASSESSMENT UTILITIES</u>	<u>TOTAL</u>
<b><u>ASSESSED VALUATION OF INSIDE PROPERTY</u></b>					
Arvin		\$ 151,031	\$ 15,154	\$ 204	\$ 166,389
Bakersfield		10,111,103	462,192	18,851	10,592,146
California City		304,557	1,420	122	306,099
Delano		543,786	11,406	1,849	557,041
Maricopa		15,923	1,823	3	17,749
McFarland		151,351	2,186	132	153,669
Ridgecrest		453,345	23,291	11	476,647
Shafter		268,751	19,321	1,683	289,755
Taft		195,973	15,346	415	211,734
Tehachapi		223,379	7,877	2,518	233,774
Wasco		<u>232,092</u>	<u>13,124</u>	<u>1,372</u>	<u>246,588</u>
Total Assessed Value of Inside Property		<u>12,651,291</u>	<u>573,140</u>	<u>27,160</u>	<u>13,251,591</u>
<b><u>ASSESSED VALUE OF OUTSIDE PROPERTY</u></b>					
Road Fund - Outside		<u>28,897,112</u>	<u>1,300,908</u>	<u>39,227</u>	<u>30,237,247</u>
<b><u>ASSESSED VALUATION OF COUNTYWIDE PROPERTY</u></b>					
Unitary and Operating Non-Unitary (GENERAL LEVY =1.000000)	0.153466	<u>                    </u>	<u>                    </u>	<u>1,419,551</u>	<u>1,419,551</u>
Pipeline Right of Way (GENERAL LEVY =1.000000)	0.153466	<u>                    </u>	<u>117,198</u>	<u>                    </u>	<u>117,198</u>
Total Inside and Outside (Excluding Aircraft and Redevelopment)		<u>41,548,403</u>	<u>1,991,246</u>	<u>1,485,938</u>	<u>45,025,587</u>
Arvin		44,394	(10,761)	(70)	33,563
Bakersfield - Downtown		96,851	18,997	(57)	115,791
Bakersfield - Old Town		21,833	22,396	(2,534)	41,695
Bakersfield - Southeast		20,315	7,820	1,040	29,175
California City		167,057	3,499	(13)	170,543
Delano #1		18,488	68		18,556
Delano		115,593	55,730	(600)	170,723
Ridgecrest		297,645	7,568	(10)	305,203
Shafter #1		56,566	172	505	57,243
Shafter #2		47,875	8,824		56,699
Taft		15,726	1,582	2,218	19,526
Tehachapi		7,256	6,069	(864)	12,461
Wasco		50,571	(3,258)	132	47,445
Wasco #1		<u>282</u>	<u>                    </u>	<u>                    </u>	<u>282</u>
Total Redevelopment Agency		<u>960,452</u>	<u>118,706</u>	<u>(253)</u>	<u>1,078,905</u>
Grand Total - Countywide Taxable Value	\$	<u>42,508,855</u>	\$ <u>2,109,952</u>	\$ <u>1,485,685</u>	\$ <u>46,104,492</u>

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

**COUNTY OF KERN  
BUILDING PERMIT VALUATIONS, DWELLING UNITS AND BANK DEPOSITS  
LAST TEN CALENDAR YEARS (IN THOUSANDS)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
<b>Valuations:(1)</b>					
Residential	\$ 387,039	\$ 333,461	\$ 306,916	\$ 333,865	\$ 290,196
Non-Residential	<u>154,742</u>	<u>194,860</u>	<u>151,881</u>	<u>114,799</u>	<u>136,615</u>
Total	\$ <u>541,781</u>	\$ <u>528,321</u>	\$ <u>458,797</u>	\$ <u>448,664</u>	\$ <u>426,811</u>
<b>New Dwelling Units:(1)</b>					
Single Family	\$ 341,190	\$ 295,959	\$ 265,246	\$ 275,226	\$ 245,186
Multiple Family	<u>25,950</u>	<u>16,647</u>	<u>23,773</u>	<u>40,450</u>	<u>22,089</u>
Total	\$ <u>367,140</u>	\$ <u>312,606</u>	\$ <u>289,019</u>	\$ <u>315,676</u>	\$ <u>267,275</u>
<b>Bank Deposits:(2)</b>	\$ <u>not available</u>	\$ <u>not available</u>	\$ <u>3,220</u>	\$ <u>3,197</u>	\$ <u>3,058</u>

(1) Source: Construction Industry Research Board.

(2) Source: Federal Deposit Insurance Corporation. Bank deposit information unanavailable prior to 1994.



<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
					<b>Valuations:(1)</b>
\$ 274,743	\$ 360,455	\$ 361,140	\$ 399,392	480,294	Residential
<u>144,408</u>	<u>202,899</u>	<u>164,388</u>	<u>155,276</u>	<u>327,804</u>	Non-Residential
\$ <u><u>419,151</u></u>	\$ <u><u>563,354</u></u>	\$ <u><u>525,528</u></u>	\$ <u><u>554,668</u></u>	<u><u>808,098</u></u>	Total
					<b>New Dwelling Units:(1)</b>
\$ 244,134	\$ 314,658	\$ 320,811	\$ 357,260	445,556	Single Family
<u>11,132</u>	<u>28,770</u>	<u>17,953</u>	<u>12,947</u>	<u>10,042</u>	Multiple Family
\$ <u><u>255,266</u></u>	\$ <u><u>343,428</u></u>	\$ <u><u>338,764</u></u>	\$ <u><u>370,207</u></u>	<u><u>455,598</u></u>	Total
\$ <u><u>3,092</u></u>	\$ <u><u>3,179</u></u>	\$ <u><u>3,268</u></u>	\$ <u><u>3,265</u></u>	<u><u>3,545</u></u>	<b>Bank Deposits:(2)</b>

**COUNTY OF KERN  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS (IN THOUSANDS)**

<b>FISCAL YEAR</b>	<b>POPULATION COUNTY OF KERN (1)</b>	<b>POPULATION STATE OF CALIFORNIA (1)</b>	<b>POPULATION UNITED STATES (2)</b>	<b>SCHOOL ENROLLMENT COUNTY OF KERN (1)</b>	<b>UNEMPLOYMENT RATE COUNTY OF KERN (3)</b>
1992-93	602	30,892	256,899	132	14.9%
1993-94	619	31,183	258,897	132	14.3%
1994-95	628	31,368	262,176	134	13.8%
1995-96	625	31,558	264,023	137	12.8%
1996-97	628	31,857	267,636	140	13.4%
1997-98	640	32,268	268,790	139	13.1%
1998-99	648	32,667	270,299	139	12.2%
1999-00	659	33,145	272,691	142	10.8%
2000-01	686	34,818	276,059	144	11.4%
2001-02	688	35,037	286,943	146	10.8%

(1) Source: California Department of Finance

(2) Source: U.S. Census Bureau

(3) Source: State of California Employment Development Department

**COUNTY OF KERN  
MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 2002**

**GEOGRAPHIC LOCATION:** The County of Kern was organized from portions of Los Angeles and Tulare Counties making it the southernmost county of California's San Joaquin Valley.

**ALTITUDE:** Elevation ranges from a high of 8,755 feet above sea level to a low of 300 feet above sea level.

**AREA OF COUNTY:** 8,170 Square Miles: 5,230,080 acres

**COUNTY SEAT:** Bakersfield, California

**FORM OF GOVERNMENT:** General Law County

**DATE OF FORMATION:** April 2, 1866

**FISCAL YEAR:** July 1 - June 30

**REGISTERED VOTERS:** 247,710 as of June 30, 2002

**ESTIMATED POPULATION OF THE COUNTY OF KERN AS OF JANUARY 1, 2002:**

**INCORPORATED CITIES (1):**

Arvin	13,500
Bakersfield	257,900
California City	10,800
Delano	40,900
Maricopa	1,130
McFarland	9,800
Ridgecrest	25,500
Shafter	13,050
Taft	8,925
Tehachapi	11,100
Wasco	21,650
Unincorporated	273,300
Total Population	<u>687,555</u>

**COUNTY EMPLOYEES (2)(3):**

1992-93	7,457
1993-94	7,750
1994-95	7,759
1995-96	7,597
1996-97	7,727
1997-98	7,542
1998-99	7,913
1999-00	8,287
2000-01	9,262
2001-02	9,059

Notes:

- (1) Source: California Department of Finance
- (2) Source: County of Kern
- (3) Average figures including part-time and extra help employees.

**COUNTY OF KERN  
PRINCIPAL TAXPAYERS  
JUNE 30, 2002 (IN THOUSANDS)**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>NET ASSESSED VALUATION</u>	<u>TOTAL TAX</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Occidental of Elk Hills, Inc.	Oil	\$ 6,058,947	\$ 62,268	11.17%
Aera Energy LLC	Oil	4,023,803	40,942	7.35%
Chevron USA, Inc.	Oil	1,545,813	16,112	2.89%
Texaco Exploration & Prod., Inc.	Oil	1,179,047	12,380	2.22%
Texaco California, Inc.	Oil	729,996	7,418	1.33%
Nuevo Energy Co.	Oil	424,671	4,314	0.77%
Pacific Gas & Electric	Utility	310,371	3,579	0.64%
U.S. Borax, Inc.	Mining	327,815	3,516	0.63%
Equilon Enterprises LLC	Oil	211,394	2,670	0.48%
Sycamore Cogeneration Co.	Utility	<u>245,294</u>	<u>2,580</u>	<u>0.46%</u>
Total		<u>\$ 15,057,151</u>	<u>\$ 155,779</u>	<u>27.94%</u>

Source: TRAN