



**COUNTY OF KERN
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2001**

**James A. Rhoades
Auditor-Controller-County Clerk**

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2001



COUNTY OF KERN

Supervisor Jon McQuistonFirst District
Supervisor Steve A. Perez Second District
Supervisor Barbara Patrick Third District
Supervisor Ken Peterson Fourth District
Supervisor Peter H. Parra Fifth District

Scott E. Jones – County Administrative Officer

Prepared by the Office of the Auditor-Controller-County Clerk
James A. Rhoades, Auditor-Controller-County Clerk

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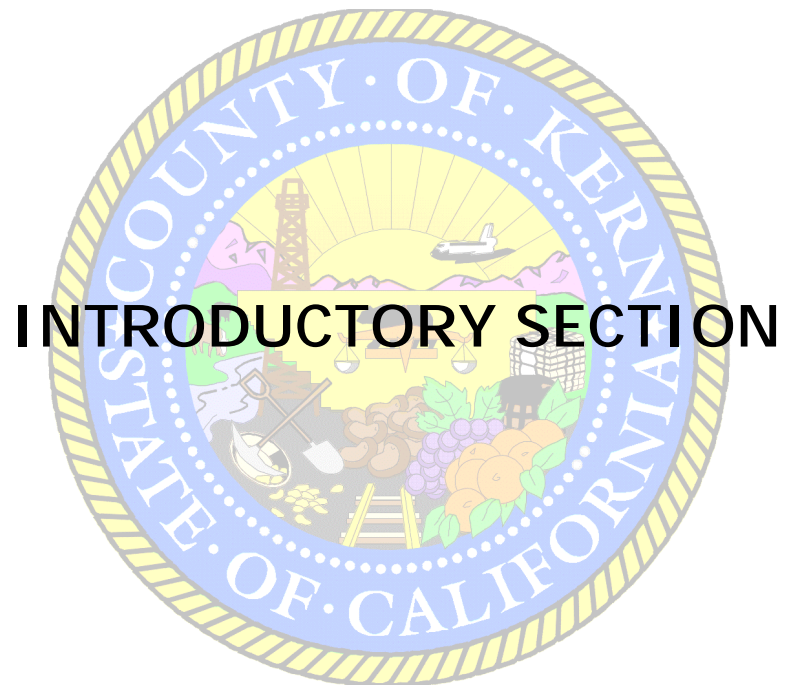
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INTRODUCTORY SECTION

JAMES A. RHOADES
Auditor-Controller-County Clerk



November 2, 2001

Honorable Board of Supervisors
County of Kern

Honorable Board Members:

The Comprehensive Annual Financial Report of the County of Kern for the fiscal year ended June 30, 2001 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 as promulgated by the Governmental Accounting Standards Board, the accepted standard setting body for establishing governmental accounting and financial reporting principles. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation and all disclosures rests with the County. We believe the enclosed data is accurate in all material respects and presents fairly the financial position and results of operations of the various funds and account groups of the County and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The report is presented in three sections:

The introductory section includes this transmittal letter, the County's organization chart, a list of principal officials, and the Certificate of Achievement for Excellence in Financial Reporting.

The financial section includes the general purpose financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules.

The statistical section includes selected financial and demographic information and is unaudited.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and United States Office of Management and Budget Circulars A-87 and A-133, as revised. Information related to the single audit, including the schedule of Federal financial assistance, findings and recommendations, and independent auditors' reports on the schedule of Federal financial assistance, internal accounting and administrative controls and compliance with applicable laws and regulations are published separately from this report.

The County of Kern and Its Services

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. Kern County is organized as a general law county under California law, and is divided into five supervisorial districts. Bakersfield, the County seat, has approximately 60 percent of the County's total population of 686,000 living within the greater metropolitan area. Oil and agricultural production dominate both the County's landscape and economy. The County of Kern is the nation's leading county in oil production in the lower 48 states and third leading county in agricultural production. Cotton, carrots, grapes, almonds and dairy products are major products of the County's agriculture industry.

The accompanying General Purpose Financial Statements include all organizations, functions and activities of the County for which the County Board of Supervisors are financially accountable. Services provided by the County government include police and fire protection, hospital and public health services, welfare services, public records, public transportation, airports, parks and libraries. The County provides services to cities within the County on a cost recovery contract basis. Numerous self-governed school and special districts are included in these statements as trust and agency funds for which the County acts as a depository. The Kern County Employees' Retirement System is independent and provides separate audited financial statements.

Economic Condition and Outlook

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 preliminary estimate indicates an increase in the County's assessed valuation of approximately 6% for next fiscal year, due primarily to an increase in assessed valuation of oil and gas property.

Agriculture continues to remain relatively stable and the unemployment rate increased from 10.8% in 1999-00 to 10.9% for 2000-2001. The population of the County increased slightly (4.1%). The County's major employers are the public school system, Edwards Air Force Base, China Lake Naval Weapons Center and the County of Kern.

Major Initiatives

Airport Terminal Expansion The largest of seven airports operated by the County of Kern is the Meadows Field Airport located in Bakersfield. County officials have proposed a major expansion of the terminal which includes the design and construction/expansion of the terminal, parking lot, aircraft parking apron and a new access road. The project is estimated to cost between \$20-\$30 million. Funding is expected to be provided through County funds, Federal grants and funds from the City of Bakersfield. This project is expected to be completed in 2004.

Justice Services The County received a Board of Corrections grant award for approximately \$12 million. The award is for the construction of a 120 bed youth treatment facility to be located near the Sheriff's Lerdo Facility. The project is expected to be completed in April 2003.

Internal and Budgetary Control

County management has developed a system of internal accounting controls designed to provide reasonable, but not absolute, assurance that assets are protected from loss, theft or misuse, and to provide reliable records for preparing financial statements. The concept of reasonable assurance

recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgement by management.

As part of the County's system of internal control, the Internal Audits Division of the Auditor-Controller-County Clerk performs periodic evaluation of internal controls of various county departments and accounting processes. In addition, the County continues a policy of requiring an annual audit of its various funds and account groups by an independent Certified Public Accountant selected through a "request for proposal" process.

The County prepares and adopts a budget on or before August 30 for each fiscal year in accordance with Government Code Sections 29000-29144. Budgets are adopted for the General Fund, certain Special Revenue and certain Capital Project Funds and the Enterprise and Internal Service 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.

Cash Management

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, 2001 the Treasurer's Pooled Cash included cash and investments totaling \$1,436,170,781.

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, 2001 averaged 6.15%, which compares with 5.27% 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.

Debt Control

Short Term Financing

The County of Kern has instituted a cash management program for its General Fund through the issuance of tax and revenue anticipation notes, which are a General Fund obligation of the County. 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 mature on July 2, 2002.

Certificates of Participation

As of June 30, 2001, the County of Kern has outstanding certificates of participation in a principal amount of \$130,860,000. 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, 2001 includes (in thousands):

<u>Description of Issue</u>	<u>Date Issued</u>	<u>Maturity</u>	<u>Principal Outstanding</u>
Kern County Public Facilities Project, Series A, B, C and D	1986	2006	\$ 61,100
Kern Medical Center Emergency Facilities	1991	2006	7,160
Solid Waste Systems Improvements	1994	2009	12,260
Rosamond Library Project	1994	2014	1,605
Kern Medical Center Surgical Services Facility	1995	2005	4,865
Beale Memorial Library	1996	2007	10,395
Golf Course Capital Improvement	1996	2016	4,175
Fire Department	1997	2017	9,045
1999 Capital Improvement Projects	1999	2019	20,255
Total:			<u>\$ 130,860</u>

Pension Obligation Bonds

In 1995 the County of Kern issued Taxable Pension Obligation Bonds in the amount of \$227,818,439. The bonds are recorded in the General Long Term Debt Account Group and the Proprietary Funds. During 2000-01 interest and principal payments made were approximately \$12.6 million and \$395,000 respectively.

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 through Transamerica Insurance Group 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 \$300,000 per occurrence. Excess coverage is maintained through Employers Reinsurance Company for Workers' Compensation claims up to \$5,000,000 per occurrence. The County does not self-insure against

liability at its seven airports. Airport Liability insurance is provided by Reliance National Indemnity Company and Excess Airport Liability insurance is provided by Underwriters at Lloyds of London and certain other insurance companies.

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.

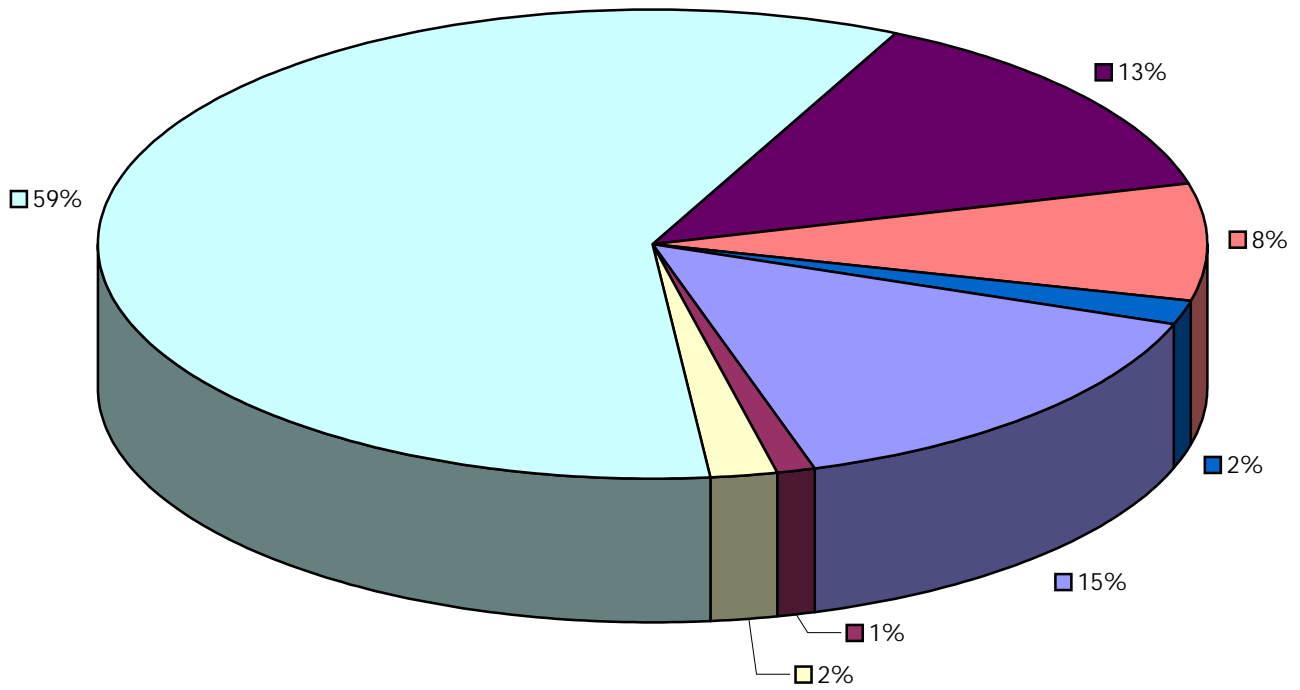
General County Governmental Functions

Revenues

Revenues for general County governmental functions totaled \$980,112,000 during 2000-01, an increase of 8.25 percent from 1999-2000. As in the prior year, taxes comprised 15 percent of general revenues. The amount of revenue (in thousands) from various sources and the changes from last year are shown in the following table:

<u>Revenue Resource</u>	<u>2000-01</u>	<u>1999-00</u>	<u>Change</u>
Taxes	\$143,060	\$139,328	\$3,732
Licenses, Permits and Franchises	12,293	9,492	2,801
Fines, Forfeitures and Penalties	17,618	17,248	370
Use of Money and Property	19,543	13,038	6,505
Aid from Other Governmental Agencies	577,078	521,590	55,488
Charges for Current Services	132,038	116,471	15,567
Other Revenue	78,482	88,256	(9,774)
Total Revenue	<u>\$980,112</u>	<u>\$905,423</u>	<u>\$74,689</u>

REVENUES



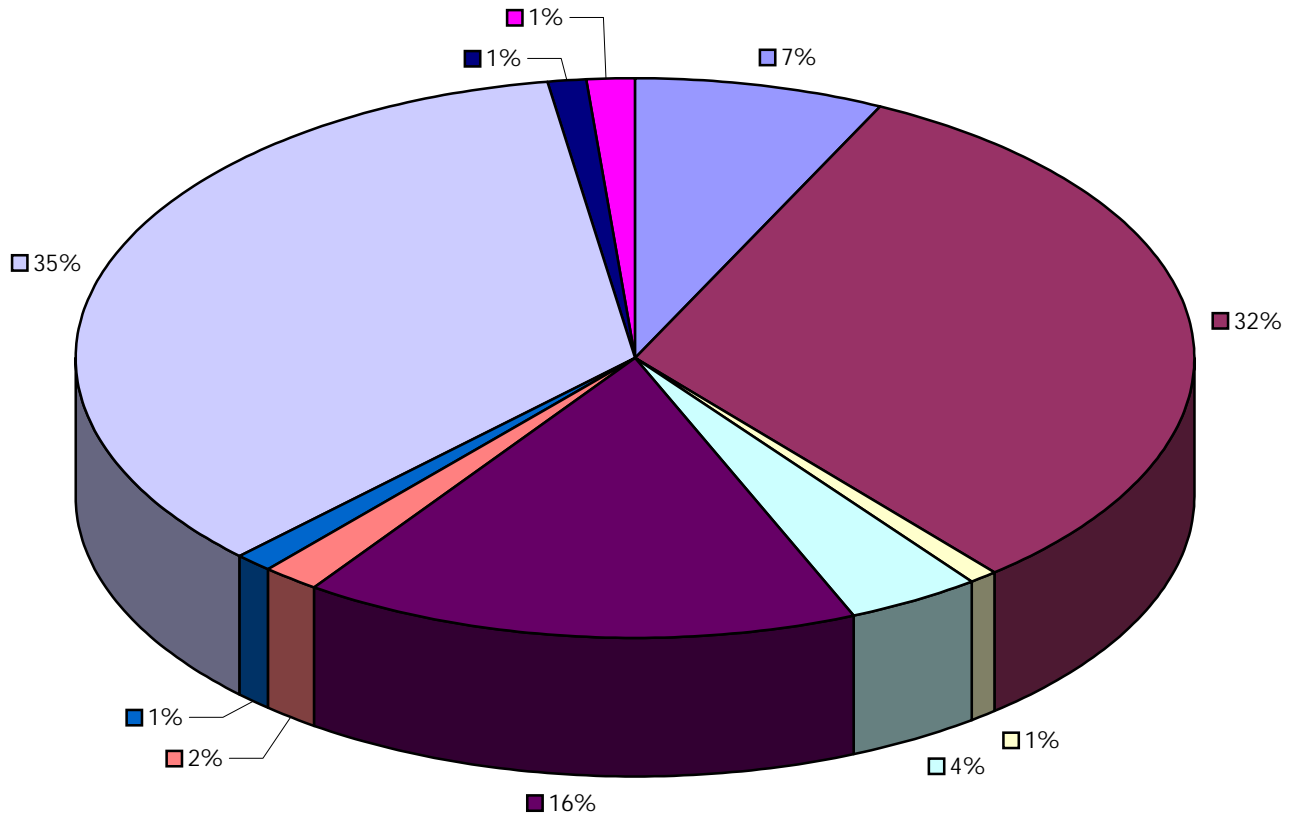
- Taxes 15%
- Licenses, Permits and Franchises 1%
- Use of Money and Property 2%
- Aid from Other Governmental Agencies 59%
- Charges for Current Services 13%
- Other Revenue 8%
- Fines, Forfeitures and Penalties 2%

Expenditures

Expenditures for general County governmental purposes totaled \$952,940,000 during fiscal year 2000-01, an increase of 9.7 percent from 1999-2000. Increases and decreases in levels of expenditures (in thousands) by major functions over the preceding year are as follows:

<u>Function</u>	<u>2000-2001</u>	<u>1999-2000</u>	<u>Change</u>
Current:			
General Government	\$ 69,041	\$ 66,461	\$ 2,580
Public Protection	300,742	264,142	36,600
Health and Sanitation	152,335	157,362	(5,027)
Public Assistance	334,563	309,570	24,993
Education	8,377	7,449	928
Recreation and Cultural Activities	9,843	9,440	403
Public Ways and Facilities	36,630	24,194	12,436
Capital Outlay	17,455	8,478	8,977
Debt Service			
Principal	9,816	8,079	1,737
Interest	<u>14,138</u>	<u>13,590</u>	<u>548</u>
Total Expenditures	\$ <u><u>952,940</u></u>	\$ <u><u>868,765</u></u>	\$ <u><u>84,175</u></u>

EXPENDITURES



General Government 7%

Public Protection 32%

Recreation and Cultural Services 1%

Public Ways and Facilities 4%

Health and Sanitation 16%

Capital Outlay 2%

Debt Service - Principal 1%

Public Assistance 35%

Education 1%

Debt Service - Interest 1%

General Fund Balances

The General Fund is the general operating fund of the County. The General Fund began fiscal year 2000-2001 with a cash balance of \$29.9 million and ended the fiscal year with a balance of \$86 million, an increase of 187.6%, due primarily to including the Tax and Revenue Anticipation note repayment fund as part of the general fund. On July 2, 2001 the Tax and Revenue Anticipation note matured and \$48.4 million was paid.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business. The County has seven enterprise funds: Airports provides for the administration and operation of the seven county airports; County Sanitation Districts consist of two sanitation districts, Kern Sanitation Authority and Ford City Taft-Heights Sanitation District; Kern Medical Center is a 222 bed acute care hospital offering emergency, outpatient and inpatient medical care; Public Transportation provides resources related to provision of public transportation; Waste Management provides for the operation for the County's Solid Waste Disposal System; and Golf Course provides for the operation of three County owned golf courses. The Universal Collection enterprise fund was established October 13, 2000 and provides pick-up and disposal of waste within the universal collection area, which encompasses the unincorporated areas of metropolitan Bakersfield and south Taft. The Enterprise Funds Retained Earnings balances (in thousands) at June 30, 2001 are as follows:

<u>Enterprise fund</u>	<u>Balance</u>
Airports	\$ 22,696
County Sanitation Districts	12,258
Kern Medical Center	9,967
Public Transportation	2,751
Universal Collection	(128)
Waste Management	16,473
Golf Course	1,652

Internal Service Funds

Internal Service Funds account for services provided to other County departments and are financed by charges for such services. The General Liability fund provides for administration and operation of a self-insured system to meet the Counties legal liability for damages; General Services - Garage provides funding for purchase and maintenance for vehicles assigned to County departments, excluding those departments that maintain and operate their own vehicle fleets; Group Health provides for the operation of the County employees' health and dental insurance; Retiree Group Health provides for the County's contributions to the Retired Employees Health Insurance and the Retiree Premium Support Program; Unemployment Compensation fund provides for the funding and operation of the Unemployment Compensation Program and Workers' Compensation fund provides for the funding and operation of the self-insured system to meet the County's obligation to compensate its employees for work related injuries and illnesses.

The Internal Service Funds retained earnings (deficit) balances (in thousands) at June 30, 2001 are as follows:

<u>Internal Service Fund</u>	<u>Balance</u>
General Liability	\$ (1,907)
General Services - Garage	4,047
Group Health	(974)
Retiree Group Health	11,899
Unemployment Compensation	428
Workers' Compensation	(20,887)

The Group Health, Workers' Compensation and General Liability retained earnings deficits represent liabilities incurred as a result of self insurance.

New Accounting Pronouncements

In June 1999, The Governmental Accounting Standards Board (GASB) issued statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB statement 34 provides a financial reporting model for governmental entities that addresses four basic reporting elements: management's discussion and analysis, government-wide and fund financial statements, notes to the financial statements, and required supplementary information. The County is required to implement GASB 34 for the fiscal year ended June 30, 2002. The County has elected not to early implement GASB 34 and has not determined its effects on the County's financial statements.

Independent Audit

The County has maintained a policy of requiring an annual audit of the financial records and transactions of its various funds and account groups by an independent Certified Public Accountant selected through a "request for proposal" process. The Board of Supervisors, the County Administrative Officer, County Counsel, and selected department heads approve and sign the audit contract. The accounting firm of Brown Armstrong Randall Reyes Paulden & McCown, Certified Public Accountants was selected to perform the 2000-01 audit. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of the Comprehensive Annual Financial Report.

Certificate of Achievement

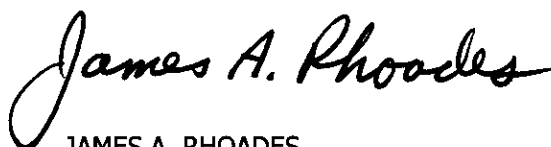
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kern for its comprehensive annual financial report for the fiscal year ended June 30, 2000, the fourth consecutive year this award has 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.

Acknowledgments

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 timely preparation of this report, and to the firm of Brown Armstrong Randall Reyes Paulden and McCown, 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 black ink that reads "James A. Rhoades". The signature is written in a cursive style with a large initial "J".

JAMES A. RHOADES
AUDITOR-CONTROLLER-COUNTY CLERK

**COUNTY OF KERN
DIRECTORY OF COUNTY OFFICIALS**

ELECTED

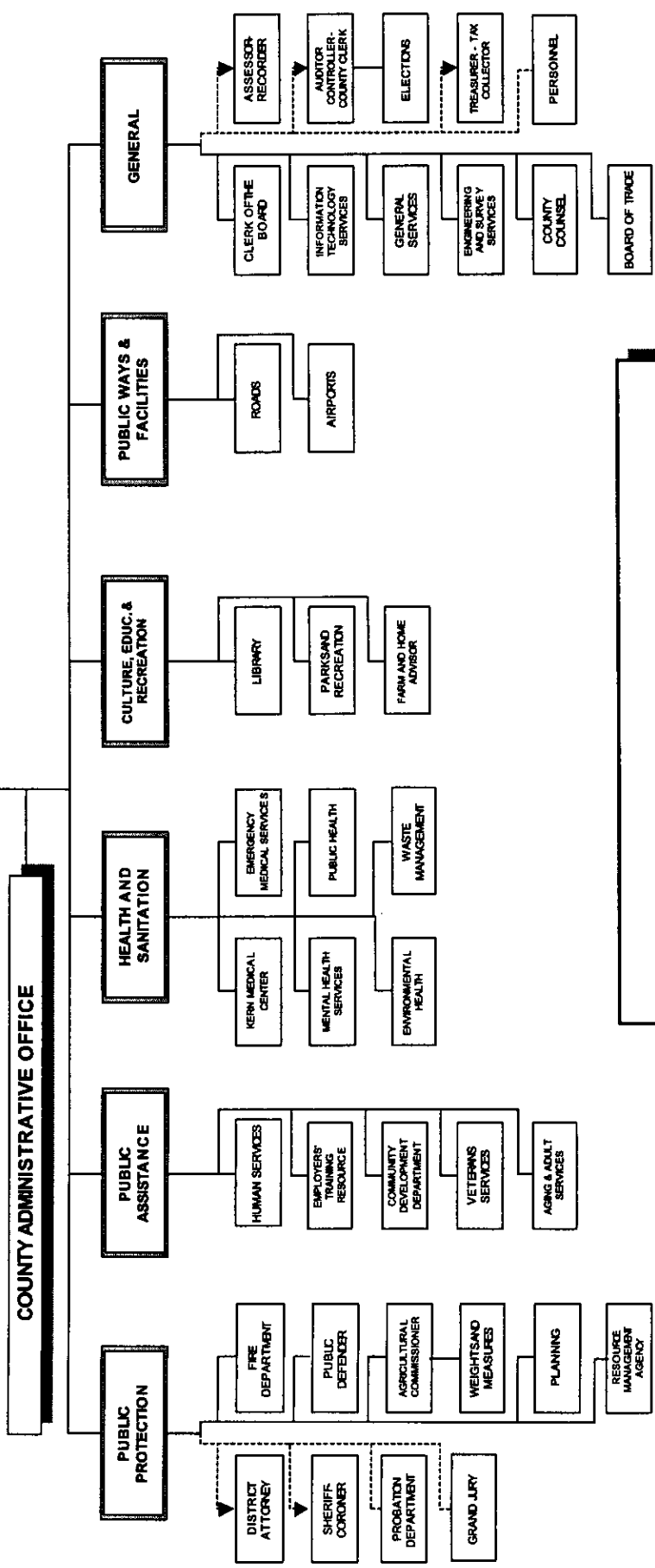
COUNTY SUPERVISOR, FIRST DISTRICT JON MCQUISTON
COUNTY SUPERVISOR, SECOND DISTRICT STEVE A. PEREZ
COUNTY SUPERVISOR, THIRD DISTRICT BARBARA PATRICK
COUNTY SUPERVISOR, FOURTH DISTRICT KEN PETERSON
COUNTY SUPERVISOR, FIFTH DISTRICT PETER H. PARRA
ASSESSOR-RECORDER..... JAMES W. MAPLES
AUDITOR-CONTROLLER-COUNTY CLERK JAMES A. RHOADES
DISTRICT ATTORNEY EDWARD R. JAGELS
SHERIFF-CORONER-PUBLIC CONSERVATOR..... CARL L. SPARKS
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
COMMUNITY DEVELOPMENT	WILLIAM MUNGARY
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	RUSS BLIND
EMPLOYERS' TRAINING RESOURCE	JOHN NILON
ENGINEERING & SURVEY SERVICES	CHARLES LACKEY
ENVIRONMENTAL HEALTH SERVICES	STEVE McCALLEY
FARM AND HOME ADVISOR.....	DARLENE LIESCH
FIRE DEPARTMENT	DANIEL CLARK
HUMAN SERVICES	KATHLEEN M. IRVINE
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



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

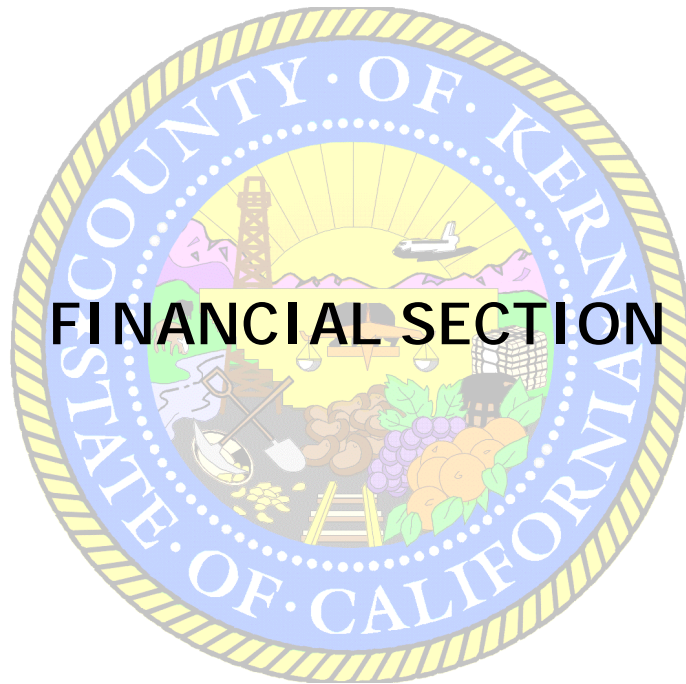
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director





BROWN ARMSTRONG
RANDALL REYES PAULDEN & McCOWN
CERTIFIED PUBLIC ACCOUNTANTS

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- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Jerry E. Randall, CPA/ABV, CFP
- Benjamin P. Reyes, CPA
- Andrew J. Paulden, CPA
- Harvey J. McCown, CPA
- Andrea Rutherford-Hill, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA
- Lynn R. Krausse, CPA, MST
- Chris M. Thornburgh, CPA
- Joan M. Anderson, CPA
- Bradley M. Hankins, CPA
- B. Marie Ebersbacher, CPA, CFE
- Eric Xin, CPA
- Melinda A. McDaniels, CPA
- Thomas M. Young, CPA
- Vonie L. Chroman, CPA
- Michelle L. Gonzales, CPA
- Amanda E. Wilson, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the County of Kern, California, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the County of Kern, California's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Kern, California, as of June 30, 2001, 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part to the general purpose 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. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the County of Kern. The information in such statistical section has not been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2001, on our consideration of the County of Kern, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

BROWN ARMSTRONG RANDALL
REYES PAULDEN & McCOWN
ACCOUNTANCY CORPORATION

Bakersfield, California
November 2, 2001

MEMBER of SEC Practice Section of the American Institute of Certified Public Accountants



**GENERAL PURPOSE
FINANCIAL STATEMENTS**

COUNTY OF KERN
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001 (IN THOUSANDS)

Page 1 of 2

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	General	Special Revenue	Capital Projects	Debt Service	Enterprise
ASSETS AND OTHER DEBITS					
Assets:					
Pooled Cash and Investments	\$ 86,077	\$ 91,501	\$ 4,317	\$ 31,221	\$ 93,265
Revolving Fund Cash	1,318	110			13
Cash and Investments Deposited With Trustee				26,486	15,132
Receivables:					
Accounts - Net		100			15,979
Taxes					
Loans	1,200			2,008	2,800
Interest	1,634	1,198	61	431	1,441
Accrued Revenue	21,887	30,641			543
Due from Other:					
Funds	9,777	1,088			
Agencies	19	9			
Advances to Other Funds	8,540			4,500	
Deposits with Others	205				
Inventory - Materials and Supplies	61	1,412			918
Prepaid Items					1,978
Fixed Assets - Net					115,461
Other Debits - Resources to be Provided in Future Years:					
Compensated Absences					
Lease Purchase Agreements					
Loans Payable					
Facility Lease					
Certificates of Participation					
Bonds Payable					
Pension Obligation Bonds					
Total Assets and Other Debits	\$ 130,718	\$ 126,059	\$ 4,378	\$ 64,646	\$ 247,530

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)	ASSETS AND OTHER DEBITS
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt				
\$ 26,071	\$ 1,103,719	\$	\$	\$ 1,436,171		Assets:	
	7			1,448		Pooled Cash and Investments	
				41,618		Revolving Fund Cash	
39	907			17,025		Cash and Investments Deposited With Trustee	
	101,735			101,735		Receivables:	
	281			6,289		Accounts - Net	
384	9,123			14,272		Taxes	
				53,071		Loans	
						Interest	
						Accrued Revenue	
						Due from Other:	
	13,128			10,865		Funds	
				13,156		Agencies	
				13,040		Advances to Other Funds	
1,310				1,515		Deposits with Others	
146				2,537		Inventory - Materials and Supplies	
				1,978		Prepaid Items	
3,697	1	400,915		520,074		Fixed Assets - Net	
						Other Debits - Resources to be Provided in Future Years:	
				44,089	44,089	Compensated Absences	
				6,792	6,792	Lease Purchase Agreements	
				9,250	9,250	Loans Payable	
				596	596	Facility Lease	
				88,745	88,745	Certificates of Participation	
				225	225	Bonds Payable	
				185,140	185,140	Pension Obligation Bonds	
<u>\$ 31,647</u>	<u>\$ 1,228,901</u>	<u>\$ 400,915</u>	<u>\$ 334,837</u>	<u>\$ 2,569,631</u>		Total Assets and Other Debits	

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
 JUNE 30, 2001 (IN THOUSANDS)

Page 2 of 2

	GOVERNMENTAL FUND TYPES				PROPRIETARY
	General	Special Revenue	Capital Projects	Debt Service	FUND TYPES Enterprise
LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS					
Liabilities:					
Payables:					
Warrants	\$	\$	\$	\$	\$
Accounts		458			
Salaries and Employee Benefits		8,673	6,673		3,369
Loans		60	1,481		4,448
Matured Bonds and Interest					1,197
Compensated Absences					6,868
Long-Term Debt					
Accrued Expenses/Expenditures			3,835	450	3,817
Due to Other:					
Funds			8,479		
Agencies		5,269	2,198		
Current Portion of Long-Term Debt					3,707
Tax Anticipation Note Payable		48,281			
Deferred Revenue			8,019		36
Advances from Other Funds			25	4,500	
Liability for Self Insurance - Current Portion					
Liability for Self Insurance - Long-Term Portion					
Estimate for Professional Liability Claims					7,817
Long-Term Debt - Capital Assets					48
Long-Term Debt - Certificates of Participation					38,625
Unapportioned Installment Redemptions					
Long-Term Debt - Pension Obligation Bonds					33,582
Accrued Interest Payable - Pension Obligation Bonds					3,818
Accrued Closure / Postclosure Liability					55,064
Total Liabilities	62,741	30,710	4,950		162,396
Equity (Deficit) and Other Credits:					
Contributed Capital					19,465
Investment in General Fixed Assets					
Retained Earnings (Deficit) :					
Reserved (Note III K)					29,990
Unreserved					35,679
Fund Balance:					
Reserved (Note III L)	42,637	58,433	5,748	31,460	
Unreserved:					
Designated (Note III L)	580	7,598	1	26,494	
Undesignated	24,760	29,318	(6,321)	6,692	
Total Equity (Deficit) and Other Credits	67,977	95,349	(572)	64,646	85,134
Total Liabilities, Equity and Other Credits	\$ 130,718	\$ 126,059	\$ 4,378	\$ 64,646	\$ 247,530

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)	
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt				
\$	\$	188,959	\$	\$	\$	188,959	LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS
		1,655				2,113	Liabilities:
17						18,732	Payables:
						5,989	Warrants
10	166					1,373	Accounts
80						6,948	Salaries and Employee Benefits
						334,837	Loans
489						8,591	Matured Bonds and Interest
							Compensated Absences
196	2,190					10,865	Long Term Debt
	225,928					233,395	Accrued Expenses/Expenditures
13						3,720	Due to Other:
						48,281	Funds
						8,055	Agencies
	8,515					13,040	Current Portion of Long Term Debt
15,405						15,405	Tax Anticipation Note Payable
21,175						13,040	Deferred Revenue
						21,175	Advances from Other Funds
						7,817	Liability for Self Insurance - Current Portion
						48	Liability for Self Insurance - Long-Term Portion
						38,625	Estimate for Professional Liability Claims
						3,095	Long-Term Debt - Capital Assets
478	3,095					34,060	Long-Term Debt - Certificates of Participation
54						3,872	Unapportioned Installment Redemptions
						55,064	Long-Term Debt - Pension Obligation Bonds
							Accrued Interest Payable - Pension Obligation Bonds
							Accrued Closure / Post Closure Liability
<u>37,917</u>	<u>430,508</u>			<u>334,837</u>		<u>1,064,059</u>	Total Liabilities
1,124						20,589	Equity (Deficit) and Other Credits:
						400,915	Contributed Capital
		400,915					Investment in General Fixed Assets
2,555						32,545	Retained Earnings (Deficit) :
(9,949)						25,730	Reserved (Note III K)
							Unreserved
	798,393					936,671	Fund Balance:
							Reserved (Note III L)
						34,673	Unreserved:
						54,449	Designated (Note III L)
							Undesignated
<u>(6,270)</u>	<u>798,393</u>	<u>400,915</u>				<u>1,505,572</u>	Total Equity (Deficit) and Other Credits
<u>\$ 31,647</u>	<u>\$ 1,228,901</u>	<u>\$ 400,915</u>	<u>\$ 334,837</u>	<u>\$</u>	<u>\$</u>	<u>2,569,631</u>	Total Liabilities, Equity and Other Credits

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL (MEMORANDUM ONLY)
REVENUES:					
Taxes	\$ 101,245	\$ 41,815	\$	\$	\$ 143,060
Licenses, Permits and Franchises	7,393	4,900			12,293
Fines, Forfeitures and Penalties	12,975	4,643			17,618
Revenues From Use of Money and Property	8,570	5,517	303	5,153	19,543
Aid from Other Governmental Agencies	136,999	436,167	3,912		577,078
Charges for Current Services	81,615	50,423			132,038
Other Revenues	59,786	8,457		10,239	78,482
Total Revenues	408,583	551,922	4,215	15,392	980,112
EXPENDITURES:					
Current:					
General Government	68,455	82		503	69,040
Public Protection	173,139	127,527		76	300,742
Health and Sanitation	80,130	72,204			152,334
Public Assistance	35,610	298,952			334,562
Education	8,339	38			8,377
Recreation and Cultural Services	9,843				9,843
Public Ways and Facilities	5,776	30,856			36,632
Capital Outlay	3,444	156	13,855		17,455
Debt Service:					
Principal	26			9,790	9,816
Interest	20			14,119	14,139
Total Expenditures	384,782	529,815	13,855	24,488	952,940
Excess Deficiency of Revenues Over (Under) Expenditures	23,801	22,107	(9,640)	(9,096)	27,172
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	1,764	533	11,173	13,667	27,137
Operating Transfers Out	(22,930)	(3,334)		(20,123)	(46,387)
Inception of Capital Leases	3,444	156			3,600
Total Other Financing Sources (Uses)	(17,722)	(2,645)	11,173	(6,456)	(15,650)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,079	19,462	1,533	(15,552)	11,522
Fund Balance, July 1, 2000 (as previously reported)	61,898	58,536	(2,105)	80,198	198,527
Prior Period Adjustment		17,351			17,351
Fund Balance, June 30, 2001	\$ 67,977	\$ 95,349	\$ (572)	\$ 64,646	\$ 227,400

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS, CERTAIN CAPITAL PROJECTS FUNDS AND CERTAIN
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	GENERAL		
	Budget	Actual on Budgetary Basis	Variance Over (Under)
REVENUES:			
Taxes	\$ 109,053	\$ 101,237	\$ (7,816)
Licenses, Permits and Franchises	6,744	7,393	649
Fines, Forfeitures and Penalties	12,971	12,975	4
Revenues from Use of Money and Property	6,691	8,570	1,879
Aid from Other Governmental Agencies	156,396	136,999	(19,397)
Charges for Current Services	79,442	81,615	2,173
Other Revenues	60,469	59,786	(683)
Total Revenues	431,766	408,575	(23,191)
EXPENDITURES:			
Current:			
General Government	115,898	77,950	(37,948)
Public Protection	184,631	177,960	(6,671)
Health and Sanitation	85,312	81,565	(3,747)
Public Assistance	40,537	37,819	(2,718)
Education	8,972	8,678	(294)
Recreation and Cultural Activities	10,668	10,195	(473)
Public Ways and Facilities	5,776	5,776	
Reserve	3,335		(3,335)
Debt Service:			
Services & Supplies	105	104	(1)
Other Charges	227		(227)
Principal	26	26	
Interest	20	20	
Total Expenditures	455,507	400,093	(55,414)
Excess (Deficiency) of Revenues Over Expenditures	(23,741)	8,482	32,223
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		1,764	1,764
Operating Transfers Out	(22,830)	(22,930)	(100)
Total Other Financing Sources (Uses)	(22,830)	(21,166)	1,664
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(46,571)	(12,684)	33,887
Fund Balance (Deficit), July 1, 2000	61,898	61,898	
Fund Balance (Deficit), June 30, 2001	\$ 15,327	\$ 49,214	\$ 33,887

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS, CERTAIN CAPITAL PROJECTS FUNDS AND CERTAIN
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>CERTAIN SPECIAL REVENUE FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$ 44,501	\$ 41,799	\$ (2,702)
Licenses, Permits and Franchises	3,761	4,896	1,135
Fines, Forfeitures and Penalties	4,036	4,452	416
Revenues from Use of Money and Property	891	4,750	3,859
Accrued Closure / Postclosure Liability	480,896	434,284	(46,612)
Charges for Current Services	47,151	50,281	3,130
Other Revenues	<u>9,952</u>	<u>7,844</u>	<u>(2,108)</u>
Total Revenues	<u>591,188</u>	<u>548,306</u>	<u>(42,882)</u>
EXPENDITURES:			
Current:			
General Government			
Public Protection	137,695	130,427	(7,268)
Health and Sanitation	86,009	82,572	(3,437)
Public Assistance	352,969	323,513	(29,456)
Education	38	38	
Public Ways and Facilities	<u>42,149</u>	<u>39,247</u>	<u>(2,902)</u>
Total Expenditures	<u>618,860</u>	<u>575,797</u>	<u>(43,063)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,672)</u>	<u>(27,491)</u>	<u>(181)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		<u>80</u>	<u>80</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(27,672)	(27,411)	261
Fund Balance (Deficit), July 1, 2000	56,010	56,010	
Prior Period Adjustment	<u>7,739</u>	<u>7,739</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 36,077</u>	<u>\$ 36,338</u>	<u>\$ 261</u>

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS, CERTAIN CAPITAL PROJECTS FUNDS AND CERTAIN
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>CERTAIN CAPITAL PROJECTS FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$ 280	\$ 302	\$ 22
Aid from Other Governmental Agencies	14,873	3,912	(10,961)
Other Revenues	<u>3,144</u>	<u> </u>	<u>(3,144)</u>
Total Revenues	<u>18,297</u>	<u>4,214</u>	<u>(14,083)</u>
EXPENDITURES:			
Current:			
Capital Outlay	<u>19,611</u>	<u>19,592</u>	<u>(19)</u>
Total Expenditures	<u>19,611</u>	<u>19,592</u>	<u>(19)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,314)</u>	<u>(15,378)</u>	<u>(14,102)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	<u>3,477</u>	<u>11,175</u>	<u>7,698</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,163	(4,203)	6,366
Fund Balance (Deficit), July 1, 2000	<u>(2,118)</u>	<u>(2,118)</u>	<u> </u>
Fund Balance (Deficit), June 30, 2001	<u>\$ 45</u>	<u>\$ (6,321)</u>	<u>\$ 6,366</u>

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS, CERTAIN CAPITAL PROJECTS FUNDS AND CERTAIN
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>CERTAIN DEBT SERVICE FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues from Use of Money and Property	\$ 2,136	\$ 3,196	\$ 1,060
EXPENDITURES:			
Current:			
General Government	2,100	473	(1,627)
Public Protection	342	76	(266)
Total Expenditures	<u>2,442</u>	<u>549</u>	<u>(1,893)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(306)</u>	<u>2,647</u>	<u>2,953</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			
Operating Transfers Out	<u>(9,902)</u>	<u>(8,761)</u>	<u>1,141</u>
Total Other Financing Sources (Uses)	<u>(9,902)</u>	<u>(8,761)</u>	<u>1,141</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(10,208)	(6,114)	4,094
Fund Balance (Deficit), July 1, 2000	<u>44,266</u>	<u>44,266</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 34,058</u>	<u>\$ 38,152</u>	<u>\$ 4,094</u>

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Total (Memorandum Only)
OPERATING REVENUES:			
Patient Services	\$ 123,552	\$	\$ 123,552
Charges for Current Services	16,547	72,295	88,842
Use of Property	2,468		2,468
Other Operating Revenues	4,035		4,035
Total Operating Revenues	146,602	72,295	218,897
OPERATING EXPENSES:			
Salaries and Employee Benefits	89,772	2,490	92,262
Services and Supplies	75,361	9,984	85,345
Claims Incurred		57,281	57,281
Other Charges	7,899	4,914	12,813
Depreciation Expense	6,838	561	7,399
Total Operating Expenses	179,870	75,230	255,100
Operating Income (Loss)	(33,268)	(2,935)	(36,203)
NON-OPERATING REVENUES (EXPENSES):			
Taxes and Assessments	19,291		19,291
Fines, Forfeitures and Penalties	342		342
Licenses, Permits and Franchises	5		5
Interest on Bank Deposits and Investments	7,635	2,052	9,687
Aid from Other Governmental Agencies	23,944	188	24,132
Health Care Expense	(52,204)		(52,204)
Interest Expense	(4,346)	(39)	(4,385)
Other Non-Operating Revenues	2,549	716	3,265
Loss on Sale of Fixed Assets	(158)	(168)	(326)
Total Non-Operating Revenues (Expenses)	(2,942)	2,749	(193)
Income (Loss) before Operating Transfers	(36,210)	(186)	(36,396)
Operating Transfers In	19,185		19,185
Net Income (Loss)	(17,025)	(186)	(17,211)
Add: Depreciation on Contributed Assets		159	159
Add: Basis of Disposed Contributed Assets		91	91
Add: Prior Period Adjustment for Contributed Assets		317	317
Increase (Decrease) in Retained Earnings	(17,025)	381	(16,644)
Retained Earnings (Deficit), July 1, 2000 as previously reported	90,418	(7,405)	83,013
Prior Period Adjustment	(7,724)	(370)	(8,094)
Retained Earnings (Deficit), June 30, 2001	\$ 65,669	\$ (7,394)	\$ 58,275

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received for Patient/Current Services	\$ 138,994	\$ 72,295	\$ 211,289
Cash Received for Use of Property	2,468		2,468
Cash Received for Other Operations	6,378	716	7,094
Cash Paid for Salaries and Employee Benefits	(88,281)	(2,488)	(90,769)
Cash Paid for Services and Supplies	(77,552)	(10,205)	(87,757)
Cash Paid for Reported Claims		(55,406)	(55,406)
Cash Paid for Other Charges	(2,337)	(4,914)	(7,251)
Net Cash Provided (Used) by Operating Activities	(20,330)	(2)	(20,332)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from Other Funds	19,185		19,185
Payment of Postclosure Liability	(309)		(309)
Taxes and Special Assessments	19,337		19,337
Fines, Forfeitures and Penalties	342		342
Licenses and Permits	(27)		(27)
Loan Proceeds	2,500		2,500
Loans Paid	(350)		(350)
Aid from Other Governmental Agencies	24,759	188	24,947
Payment of Long Term Debt - Pension Obligation Bonds	(58)	(1)	(59)
Interest Paid - Pension Obligation Bonds	(1,836)		(1,836)
Health Care Expense	(52,204)		(52,204)
Net Cash Provided (Used) by Non-Capital Financing Activities	11,339	187	11,526
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES:			
Cash Received from Other Funds		12	12
Acquisition or Construction of Capital Assets	(12,123)	(840)	(12,963)
Payment of Long Term Debt- Certificates of Participation	(3,315)		(3,315)
Payment of Capital Lease	(21)	(12)	(33)
Interest Paid on Long Term Debt	(1,715)	(27)	(1,742)
Proceeds From Sale of Fixed Assets	3	54	57
Net Cash Provided (Used) by Capital and Related Financing Activities	(17,171)	(813)	(17,984)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Loaned to Other Agencies	(300)		(300)
Cash Loaned to Other Funds	(2,500)		(2,500)
(Increase) Decrease in Deposits With Others		(675)	(675)
Interest on Bank Deposits and Investments	7,943	2,077	10,020
Net Cash Provided by Investing Activities	5,143	1,402	6,545
Net Increase (Decrease) in Cash and Cash Equivalents	(21,019)	774	(20,245)
Cash and Cash Equivalents at Beginning of Year, July 1, 2000	129,429	25,297	154,726
Cash and Cash Equivalents at End of Year, June 30, 2001	\$ 108,410	\$ 26,071	\$ 134,481
CASH AND CASH EQUIVALENTS AT END OF YEAR:			
Pooled Cash and Investments	\$ 93,265	\$ 26,071	\$ 119,336
Cash and Cash Equivalents Deposited with Trustee	15,132		15,132
Revolving Fund Cash	13		13
	\$ 108,410	\$ 26,071	\$ 134,481

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES (CONTINUED)
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Totals (Memorandum Only)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (33,268)	\$ (2,935)	\$ (36,203)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Other Non-Operating Revenues	2,343	716	3,059
Depreciation	6,838	562	7,400
(Increase) Decrease in:			
Accounts Receivable	334		334
Inventory	(90)	(5)	(95)
Accrued Revenue	44		44
Prepaid Items	(253)	234	(19)
Increase (Decrease) in:			
Accrued Expenses	(1,202)	(531)	(1,733)
Due to Others	(1,483)	97	(1,386)
Salaries & Benefits Payable	528	2	530
Compensated Absences Payable	963	(1)	962
Provision for Liability Claims	(647)	1,859	1,212
Closure/Post Closure Liability	5,563		5,563
Total Adjustments	12,938	2,933	15,871
Net Cash Provided (Used) by Operating Activities	\$ (20,330)	\$ (2)	\$ (20,332)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Fixed Assets Acquired by Capital Lease or Long-Term Obligations	\$	\$ 12	\$ 12

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
STATEMENT OF CHANGES IN NET ASSETS
INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

ADDITIONS:

Contributions on pooled investments	\$	3,057,342
Use of money and property		<u>55,259</u>
Total additions		<u>3,112,601</u>

DEDUCTIONS:

Distributions from pooled investments		<u>2,998,463</u>
Net increase in net assets		114,138
Net assets held in trust, July 1, 2000		<u>684,255</u>
Net assets held in trust, June 30, 2001	\$	<u><u>798,393</u></u>

SEE ACCOMPANYING NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL
STATEMENTS**



COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

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. 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 as a special revenue 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 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 debt service 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 III. I)

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.

Trust and Agency Funds

The Kern County Employees' Retirement Association (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 its independent control. Accordingly, K.C.E.R.A. is not considered a component unit of the County, and is not included in these financial statements. Separate audited financial statements are available from K.C.E.R.A.

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

Trust and Agency Funds (continued)

Activities of cities, school districts and other special districts administered by boards separate from and independent of the County Board of Supervisors are not included. The County Board of Supervisors has no effective authority to govern, manage, approve budgets or assume financial responsibility for these entities. However, assets held by the County in its capacity as an agent for these entities are included as Trust and Agency funds.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three broad categories, seven generic fund types, and two account groups:

Governmental	Proprietary	Fiduciary	Account Groups
<i>General</i>	<i>Enterprise</i>	<i>Trust and</i>	<i>General Fixed Assets</i>
<i>Special Revenue</i>	<i>Internal Service</i>	<i>Agency</i>	<i>General Long-Term Debt</i>
<i>Capital Projects</i>			
<i>Debt Service</i>			

Governmental Funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 90 days after year-end with the exception of property taxes, which are considered available if they are collected within 60 days after year-end. Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue. Other revenue items are considered to be measurable and available only when cash is received. Effective with the fiscal year ended June 30, 2001 the County implemented with GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*. Accounting changes made to comply with this Statement were treated as prior period adjustments (see note III. M for detailed reconciliation). Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

Governmental Funds (continued)

Governmental funds include the following fund types:

General Fund

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.

Special Revenue Funds

These 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; and charges for current services. Expenditures are made only for specific activities legally authorized to be financed from the individual funds.

Capital Projects Funds

These funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise or Internal Service funds.

Debt Service Funds

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over estimated useful lives of the proprietary fund fixed assets using the straight-line method. The County applies all applicable FASB pronouncements issued on or prior to November 30, 1989 and all GASB recommendations in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

Proprietary Funds (continued)

Enterprise Funds

These 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 Board of Supervisors 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.

Internal Service Funds

These funds are used to account for the financing of self-insurance, and other costs for services or goods provided by the County to departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, or other funds. These include Investment Trust and Agency Funds. Investment Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical to successful ongoing operations. Agency funds are custodial in nature and do not present results of operations of the County or have a measurement focus.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, operating statements are said to present a summary of sources and uses of "available spendable resources" during a period. Therefore, the governmental fund types fixed assets and long-term debt are accounted for in the following two account groups:

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

Account Groups (continued)

General Fixed Assets include capitalized construction costs related to governmental fund projects financed by Certificates of Participation through the County of Kern Asset Leasing Corporation. No depreciation is provided on general fixed assets. Infrastructure items such as road construction and improvements are not capitalized in this account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

General Long-Term Debt Account Group

This account group is established to account for all long-term debt of the County's governmental funds. The long-term debt of the County is made up of compensated absences (accumulated vacation and sick leave), future commitments for lease purchases of equipment, Certificates of Participation, Facility Lease, Loans and Bonds Payable, and Pension Obligation Bonds.

The fixed assets and long-term debt account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

C. ASSETS, LIABILITIES, AND EQUITY

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.

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 note III. E for detailed reconciliation).

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES AND EQUITY (continued)

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 2000-01 net assessed valuation of the County of Kern was \$42,562,530,774

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.

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. The Special Revenue Funds, Road and Structural Fire 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.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES AND EQUITY (continued)

Inventory – Materials and Supplies (continued)

Although a component of net current assets, reported inventories are equally offset by a fund balance reserve for governmental type funds indicating that they do not constitute "available spendable resources".

Fixed Assets

General fixed assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and donated fixed assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) general fixed assets (e.g. roads, bridges, drainage facilities and other assets that are immovable and of value only to the County) are not capitalized. 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.

Fixed assets of proprietary funds are recorded at historical cost less accumulated depreciation. Most depreciation and amortization expense for Proprietary Funds is computed by use of the straight-line method over the estimated useful lives of the assets as follows:

Structures and Improvements	10 to 40 years
Equipment	3 to 15 years

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

Compensated Absences

Under the terms of union contracts, County employees are granted vacation and sick leave in varying amounts depending upon their respective bargaining unit. In the event of termination or death, an employee, or the employee's estate, is compensated for 100% of accumulated vacation. In the event of an employee's death or retirement, excluding deferred retirement, an employee, or the employee's estate, is compensated for accumulated sick leave in varying amounts from 50% to 100% depending on the employee's bargaining unit and length of service. The value of accumulated vacation and sick leave at June 30, 2001 was \$25,515,217 and \$37,148,911 respectively. The total amount of accumulated vacation has been recorded in the General Long-Term Debt Account Group. It has been determined that 50% of the available amount of accumulated sick leave, \$18,574,455, should be recorded in order to reflect the County's "estimated" liability for accumulated sick leave.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES, AND EQUITY (continued)

Long-Term Obligation

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative plans for future use of financial resources. Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles nor, is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Material changes in accounting presentation are described as follows:

The Universal Collection Enterprise Fund was established October 13, 2000 with the approval of the Board of Supervisors to segregate 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
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 Special Revenue Fund, the District Attorney Equipment Automation Special Revenue Fund, the District Attorney Local Forfeitures Special Revenue Fund, The Property Tax Administration Special Revenue Fund, the Sheriff Inmate Welfare Special Revenue Fund, The Sheriff Fingerprint Identification Special Revenue Fund and certain other special revenue funds. Annual Budgets are also not adopted for the Accumulative Capital Outlay-Road Capital Projects Fund, and the County of Kern Asset Leasing, Public Health Facility Loan Trustee, and Pension Obligation Trustee Debt Service Funds. Accordingly, these funds are not included in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on Budgetary Basis. However, these funds are included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances.

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 General, Special Revenue, Debt Service and Capital Projects Fund operations. The County also prepares annual budgets for its Enterprise and Internal Service Fund activities; however, such budgets are not presented in the accompanying general purpose combined financial statements 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 the Special Revenue and Capital Projects Funds. 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. The dollar amount limitation effectively lowers the legal level of budgetary control to the object level. There are no material excess expenditures over the related appropriations in any object level within any 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

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

Revenues of \$65,526,058 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 General Fund, Special Revenue and Capital Projects 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 BASIS

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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on Budgetary Basis - General Fund, certain Special Revenue Funds, certain Capital Projects Funds and certain Debt Service Funds presents 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 GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
Fund Balance (budgetary basis)	\$ 49,214	\$ 36,338	\$ (6,321)	\$ 38,152
Capital Lease – Inceptions	(3,444)	(156)		
Capital Lease – Other Financing Source	3,444	156		
Outstanding encumbrances for budgeted funds	18,763	48,538	5,735	
Fund Balance of non-budgeted funds		10,473	14	26,494
Fund Balance (modified accrual basis)	<u>\$ 67,977</u>	<u>\$ 95,349</u>	<u>\$ (572)</u>	<u>\$ 64,646</u>

C. DEFICIT FUND BALANCES/NEGATIVE RETAINED EARNINGS

The following funds have total deficit fund balances/total negative retained earnings, as appropriate at June 30, 2001 (in thousands):

<u>Special Revenue Funds:</u>	
Community Development Program	\$ (5)
Public Improvement District	<u>(2)</u>
Total Special Revenue Funds	<u>\$ (7)</u>
<u>Capital Projects Funds:</u>	
Separation of Grade	<u>\$ (1,750)</u>
<u>Enterprise Funds:</u>	
Universal Collection	<u>\$ (128)</u>
<u>Internal Service Funds:</u>	
Group Health	\$ (974)
General Liability	(1,907)
Workers' Compensation	<u>(20,887)</u>
Total Internal Service Funds	<u>\$ (23,768)</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

C. DEFICIT FUND BALANCES/NEGATIVE RETAINED EARNINGS (continued)

The deficit fund balances in the Community Development Program and Public Improvement District Special Revenue Funds and Separation of Grade Capital Projects Fund are the result of the non-recognition of award monies yet to be received from the Federal or State governments, but for which program expenditures and encumbrances have been recognized. The Universal Collection negative retained earnings represent unanticipated start up cost. The Group Health, General Liability and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH AND INVESTMENTS

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 combined balance sheet 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. 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.

Cash and Investments Deposited with Trustee

The June 30, 2001 balance of Cash and Investments Deposited with Trustee consists of the following:

Cash	\$	11
Money Market Accounts		7,294,858
Investment Agreements		32,375,967
Federal Agency		1,946,848
		<hr/>
Total Cash and Investments Deposited with Trustee	\$	<u>41,617,684</u>

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. CASH AND INVESTMENTS (continued)

Cash and Investments Deposited with Trustee (continued)

\$39,289,419 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 Fund and the Golf Course, Kern Medical Center and Waste Management Enterprise Funds.

The balance reported in the Pension Obligation Bond Trustee Debt Service 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 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")

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 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, 2001 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. 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 \$91,842. The Local investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members designated by State Statute. The Chairman is the State Treasurer or his designated representative. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's position in the Pool.

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. CASH AND INVESTMENTS (continued)

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

Investments (continued)

Investment	Fair Value	Principal	Interest rate % Range	Maturity Range
Bankers Acceptance	\$ 41,542	\$ 41,526	3.73 – 4.62	7/03/01 - 9/24/01
Commercial Paper	375,006	374,768	3.70 – 4.25	7/02/01 - 8/31/01
Fed Agency Issues (Coupon)	277,235	274,646	4.09 - 6.75	7/02/01 – 6/05/06
State Treasury's Pool (LAIF)	92	92	6.16	7/01/01
Asset Backed Securities	145,375	143,384	5.25 – 7.60	9/15/01 - 2/15/06
Medium Term Notes	210,025	209,484	4.97 – 8.85	7/09/01 – 5/10/06
Negotiable CDs	197,362	197,362	3.63 - 6.98	7/02/01 -12/31/01
Treasury Securities	10,042	10,008	5.50 – 5.87	7/31/01 – 10/31/01
Fed Agency Issues (Discount)	118,706	118,604	4.10 – 4.69	7/02/01 - 7/26/01
Bank Accounts & Accruals	60,786	60,786		
Totals	<u>\$ 1,436,171</u>	<u>\$ 1,430,660</u>		

The following represents a condensed statement of net assets and changes in net assets for the Pool as of June 30, 2001 (in thousands):

Statement of Net Assets	
Total Assets Held for Pool Participants	\$ 1,436,171
Less: Warrants Payable	<u>(188,959)</u>
Pool Equity, Net	<u>\$ 1,247,212</u>
Equity of Internal Pool Participants	
Equity of External Pool Participants (Voluntary and Involuntary)	\$ 448,819
Total Equity	<u>798,393</u>
	<u>\$ 1,247,212</u>
Statement of Changes in Net Assets	
Net Assets at July 1, 2000	\$ 1,053,494
Net Changes in Investments by Pool Participants	193,718
Net Assets at June 30, 2001	<u>\$ 1,247,212</u>

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.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. CASH AND INVESTMENTS (continued)

Investments (continued)

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.

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	\$ 197,362	\$	\$	\$	\$ 197,362
Commercial Paper	375,006				375,006
Bankers Acceptance	41,542				41,542
U.S. Treasury Securities	10,042				10,042
Federal Agency Issues	395,941				395,941
Medium Term Notes	210,025				210,025
Asset Backed Securities	145,375				145,375
Accrued Interest at Purchase	1,275				1,275
State Treasurer's Pool (LAIF)				92	92
Investment Subtotal	<u>1,376,568</u>			<u>92</u>	<u>1,376,660</u>
Deposits					
Cash in Bank					
Issued, Collateralized Pool	<u>59,353</u>				<u>59,353</u>
Investments and Deposits Subtotal	<u>1,435,921</u>			<u>92</u>	<u>1,436,013</u>
Cash on Hand				<u>158</u>	<u>158</u>
Total Deposits and Investments	\$ <u>1,435,921</u>	\$	\$	\$ <u>250</u>	\$ <u>1,436,171</u>
Investments Deposited with Trustee					
Money Market	\$	\$	\$	\$ 7,295	\$ 7,295
Investment Agreements			32,376		32,376
Federal Agency			<u>1,947</u>		<u>1,947</u>
Total Investments Deposited with Trustee	\$	\$	\$ <u>34,323</u>	\$ <u>7,295</u>	\$ <u>41,618</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. ACCOUNTS RECEIVABLE AND DUE FROM OTHER AGENCIES

Receivables at June 30, 2001 consist of the following (in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>Total</u>
Total Gross	\$	\$ 100	\$ 72,170	\$ 39	\$ 907	\$ 73,216
Intergovernmental Accounts	19	9			13,128	13,156
Allowance for Uncollectables			(56,191)			(56,191)
Net Receivables	\$ <u>19</u>	\$ <u>109</u>	\$ <u>15,979</u>	\$ <u>39</u>	\$ <u>14,035</u>	\$ <u>30,181</u>

C. 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 administrators to be representative of one month's billings.

D. FIXED ASSETS

The following is a summary of changes in the General Fixed Asset Account Group for the year ended June 30, 2001 (in thousands):

<u>Assets:</u>	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Land	\$ 19,304	\$ 137	\$	\$ 19,441
Structures and Improvements	291,329	1,105		292,434
Equipment	66,244	10,423	(2,630)	74,037
Construction in Progress	<u>4,553</u>	<u>11,557</u>	<u>(1,107)</u>	<u>15,003</u>
Total Assets	\$ <u>381,430</u>	\$ <u>23,222</u>	\$ <u>(3,737)</u>	\$ <u>400,915</u>

Deletions include residual equity transfers to the General Services – Garage Internal Service Fund and disposals.

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. **FIXED ASSETS (continued)**

The following is a summary of Proprietary Fund fixed assets by class as of June 30, 2001 (in thousands):

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 19,435	\$
Subsurface Lines	4,368	
Structures and Improvements	112,489	
Equipment	41,402	6,148
Land Acquisition in Progress	9	
Construction in Progress	<u>7,587</u>	
Total	185,290	<u>6,148</u>
Less: Accumulated Depreciation	<u>(69,829)</u>	<u>(2,451)</u>
Net Property, Plant and Equipment	<u>\$ 115,461</u>	<u>\$ 3,697</u>

E. **INTERFUND TRANSACTIONS AND BALANCES**

Due To/From Other Funds at June 30, 2001 are as follows (in thousands):

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 9,777	\$
Special Revenue Funds:		
Community Development		288
Employers' Training Resource		1,283
Local Public Safety		4,734
Mental Health	1	
D.A Family Support		2,000
Emergency Medical Services	101	
Structural Fire	702	
Other Special Revenues	284	
Property Tax Administration		174
Internal Service Funds:		
Workers' Compensation		196
Fiduciary Funds:		
Other Funds – Agency		819
Investment Trusts		<u>1,371</u>
Total	<u>\$ 10,865</u>	<u>\$ 10,865</u>

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

E. INTERFUND TRANSACTIONS AND BALANCES (continued)

Loans Receivable/Payable at June 30, 2001 are as follows (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Aging and Adult Services	\$ 1,200
ACO – General	Airport	2,008
Waste Management	Universal Collection Enterprise	2,500
Other Agency Funds	County Service Areas	281
	TOTAL	\$ <u>5,989</u>

Advances To/From Other Funds at June 30, 2001 are as follows (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Agency Funds	\$ 8,515
General Fund	Public Improvement Districts	25
ACO – General	Separation of Grade	4,500
	TOTAL	\$ <u>13,040</u>

Operating Transfers

Operating transfers represent ongoing operating subsidies between funds. Operating transfers during the year ended June 30, 2001 were as follows (in thousands):

<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Amount</u>
Kern Asset Leasing	ACO – General	\$ 7,513
Kern Asset Leasing	ACO – Fire	1,217
Kern Asset Leasing	Structural Fire	1,289
Kern Asset Leasing	General Fund	2,475
Kern Medical Center	General Fund	19,182
General Fund	Pension Obligation Bond Trustee	220
General Fund	Other Special Revenue Funds	1,162
Other Special Revenue Funds	General Fund	20
General Fund	D.A. Equipment Automation	358
General Fund	Property Tax Administration	24
D.A. Equipment Automation	Other Special Revenue Funds	433
Structural Fire	General Fund	80
Capital Projects – Public Health Facility	Debt Service – Public Health Facility Loan Trustee	7,696
Capital Projects – Certificates of Participation	Kern Asset Leasing	3,477
Trust Fund – Investment	Other Special Revenue Funds	34
Waste Management Fund	Other Special Revenue Funds	3
Agency Funds – Others	Other Special Revenue Funds	31
Debt Service – Public Health Facility Loan Trustee	General Fund	1,173
	TOTAL	\$ <u>46,387</u>

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

F. LEASES

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 following is a schedule of future minimum long-term operating lease payments for the Governmental Funds (in thousands):

<u>Year</u>	<u>Amount</u>
2001-02	\$ 10,298
2002-03	10,131
2003-04	9,633
2004-05	9,099
2005-06	7,996
Thereafter	<u>48,642</u>
Total Minimum Lease Payments	\$ <u>95,799</u>

Capital Leases

The County has entered into several long-term lease purchase agreements for certain major pieces of equipment. While the nature and intent of these leases is long term in nature, each lease provides for cancellation in the event the Board of Supervisors does not appropriate funding in subsequent fiscal years. There are no sinking fund requirements related to these lease purchase agreements.

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES TO ALL FUNDS AND ACCOUNTS GROUPS

F. LEASES (continued)

Capital Leases (continued)

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

Year	General Long-Term Debt Account Group	Enterprise Funds
2001-02	\$ 2,882	\$ 26
2002-03	1,589	26
2003-04	1,318	27
2004-05	762	
2005-06	349	
Thereafter	771	
Net Minimum Lease Payments	7,671	79
Less amount representing interest	(879)	(10)
Present Value of net minimum lease payments	\$ 6,792	\$ 69

The changes in long-term debt related to the lease purchase commitments are as follows (in thousands):

	July 1, 2000	Additions	Deletions	June 30, 2001
General Long-Term Debt Account Group	\$ 6,788	\$ 3,600	\$ (3,596)	\$ 6,792
Enterprise Funds	\$ 90		\$ (21)	\$ 69

G. LONG-TERM DEBT

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 \$430,037,794. These amounts do not appear in the accompanying General Purpose Financial Statements.

As indicated in Notes I.C, III.F, III.G, III.I and IV.G, 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, and pension obligation bonds. The following is a schedule of changes in governmental fund type long-term debt (in thousands):

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

G. LONG-TERM DEBT (continued)

	July 1, 2000	Additions	Deletions	June 30, 2001
Resources to be Provided in Future Years:				
Compensated Absences	\$ 40,796	\$ 3,293	\$	\$ 44,089
Lease Purchase Agreements	6,788	3,600	(3,596)	6,792
Certificates of Participation	97,785		(9,040)	88,745
Facility Lease	622		(26)	596
Loans Payable	10,000		(750)	9,250
Bonds Payable	240		(15)	225
Pension Obligation Bonds	<u>185,462</u>		<u>(322)</u>	<u>185,140</u>
TOTAL	<u>\$ 341,693</u>	<u>\$ 6,893</u>	<u>\$ (13,749)</u>	<u>\$ 334,837</u>

Additions for compensated absences represent the amount necessary to adjust the beginning balance to the ending balance and is not intended to reflect actual changes. Certificates of Participation are secured by annual lease rental payments payable by the County for use of facilities constructed or purchased from the certificate proceeds.

H. 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. 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. The loan is recorded in the General Long-Term Debt Account Group. A summary schedule of the future payments is as follows (in thousands):

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

H. LOANS PAYABLE (continued)

		Principal	Interest	Total
2001-02	\$	795	\$ 633	\$ 1,428
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
2006-2009		4,740	709	5,449
TOTAL	\$	9,250	\$ 3,257	\$ 12,507

I. CERTIFICATES OF PARTICIPATION

The County has outstanding Certificates of Participation totaling \$130,860,000 (\$61,100,000 at variable and \$69,760,000 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, \$88,745,000 is included in the General Long-Term Debt Account Group, \$25,680,000 is included as current and long-term debt of the Kern Medical Center Enterprise Fund, \$12,260,000 is included as current and long-term debt of the Waste Management Enterprise Fund and \$4,175,000 is included as current and long-term debt of the Golf Course Enterprise Fund. The 1999 Capital Improvement Project COP balance of \$20,255,000 is divided between the Kern Medical Center Enterprise Fund and the General Long-Term Debt Account Group as shown in the summary schedules included in this section.

The Solid Waste System Improvement 1994 Certificates of Participation are paid from the Waste Management Enterprise 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 Enterprise Fund. The 1999 Capital Improvement Project Certificates of Participation are paid from the Kern Medical Center Enterprise Fund and the General 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. A schedule of future minimum long-term payments of the certificates of participation recorded in the general long term debt using maximum interest rates for the 1986 Certificates of Participation and fixed interest rates for the remaining issues is as follows (in thousands):

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNTS GROUPS (continued)

I. CERTIFICATES OF PARTICIPATION (continued)

1986 COP (Public Facilities Project):

	Principal		Interest		Total
2001-02	\$ 7,532	\$	7,335	\$	14,867
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	13,250		1,593		14,843
TOTAL	\$ <u>61,100</u>	\$	<u>28,078</u>	\$	<u>89,178</u>

Beale Library:

	Principal		Interest		Total
2001-02	\$ 1,300	\$	451	\$	1,751
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
2006-2008	3,310		163		3,473
TOTAL	\$ <u>10,395</u>	\$	<u>1,805</u>	\$	<u>12,200</u>

Rosamond Library:

	Principal		Interest		Total
2001-02	\$ 80	\$	99	\$	179
2002-03	80		94		174
2003-04	85		90		175
2004-05	90		85		175
2005-06	95		80		175
2006-2015	1,175		406		1,581
TOTAL	\$ <u>1,605</u>	\$	<u>854</u>	\$	<u>2,459</u>

1999 Capital Improvement Project – Communications Project:

	Principal		Interest		Total
2001-02	\$ 225	\$	323	\$	548
2002-03	235		314		549
2003-04	245		304		549
2004-05	250		294		544
2005-06	265		282		547
2006-2019	5,380		2,236		7,616
TOTAL	\$ <u>6,600</u>	\$	<u>3,753</u>	\$	<u>10,353</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

I. CERTIFICATES OF PARTICIPATION (continued)

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

Kern Medical Center – Emergency Facility:

	Principal	Interest	Total
2001-02	\$ 1,095	\$ 415	\$ 1,510
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
TOTAL	<u>\$ 7,160</u>	<u>\$ 1,407</u>	<u>\$ 8,567</u>

Kern Medical Center – Surgical Services Facility:

	Principal	Interest	Total
2001-02	\$ 1,125	\$ 250	\$ 1,375
2002-03	1,185	194	1,379
2003-04	1,245	134	1,379
2004-05	1,310	69	1,379
TOTAL	<u>\$ 4,865</u>	<u>\$ 647</u>	<u>\$ 5,512</u>

1999 Capital Improvement Project – KMC Portion:

	Principal	Interest	Total
2001-02	\$	\$ 697	\$ 697
2002-03		697	697
2003-04		697	697
2004-05		697	697
2005-06	645	683	1,328
2006-2019	13,010	5,398	18,408
TOTAL	<u>\$ 13,655</u>	<u>\$ 8,869</u>	<u>\$ 22,524</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

I. CERTIFICATES OF PARTICIPATION (continued)

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

Solid Waste System Improvements:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001-02	\$ 1,095	\$ 648	\$ 1,743
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	390	1,735
2006-2010	<u>6,180</u>	<u>733</u>	<u>6,913</u>
TOTAL	<u>\$ 12,260</u>	<u>\$ 3,348</u>	<u>\$ 15,608</u>

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

1996 COP (Golf Course Capital Improvement):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001-02	\$ 175	\$ 218	\$ 393
2002-03	185	209	394
2003-04	195	200	395
2004-05	200	190	390
2005-06	210	180	390
2006-2017	<u>3,210</u>	<u>1,069</u>	<u>4,279</u>
TOTAL	<u>\$ 4,175</u>	<u>\$ 2,066</u>	<u>\$ 6,241</u>

A summary of the certificate of participation debt associated with the Special Revenue Fund - Structural Fire and recorded in the General Long-Term Debt Account Group is as follows (in thousands):

1997 COP (Fire Department):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001-02	\$ 670	\$ 456	\$ 1,126
2002-03	390	425	815
2003-04	410	407	817
2004-05	425	388	813
2005-06	450	368	818
2006-2017	<u>6,700</u>	<u>2,275</u>	<u>8,975</u>
TOTAL	<u>\$ 9,045</u>	<u>\$ 4,319</u>	<u>\$ 13,364</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

J. CONTRIBUTED CAPITAL

The changes in the County's contributed capital accounts for its proprietary funds were as follows (in thousands):

Enterprise Funds:

<u>Sources:</u>	July 1, 2000	Additions	Deletions	June 30, 2001
Airports	\$ 362	\$	\$	\$ 362
Golf Course	1,848			1,848
Public Transportation	58			58
Kern Medical Center	17,197			17,197
TOTAL	\$ 19,465	\$	\$	\$ 19,465

Internal Service Funds:

<u>Sources:</u>	July 1, 2000	Additions	Deletions	June 30, 2001
General Services – Garage	\$ 1,273	\$ 418	\$ (567)	\$ 1,124

Additions represent residual equity transfers from the General Fixed Assets Account Group. Deletions for General Services – Garage represent depreciation on contributed assets and disposals of contributed assets.

K. RESERVED RETAINED EARNINGS AND RESTRICTED ASSET ACCOUNTS

The County's bond covenants and obligations to other governmental units require certain reservations of retained earnings, which are described below (in thousands):

Enterprise Funds:

Airports	\$ 6,739	Imprest Cash and Debt Obligations
County Sanitation Districts	3,234	Capital Outlay, Debt Obligations, Restricted Program Funds
Golf Course	270	Debt Obligations
Waste Management	9,819	Imprest Cash and Debt Obligations
Kern Medical Center	9,510	Imprest Cash and Debt Obligations
Universal Collection	16	Debt Obligations
Public Transportation	402	Debt Obligations
TOTAL	\$ 29,990	

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. RESERVED RETAINED EARNINGS AND RESTRICTED ASSET ACCOUNTS (continued)

Internal Service Funds:

General Liability	\$	1	Debt Obligations
Group Health		2,125	Deposit with Others, Debt Obligations
Workers' Compensation		2	Debt Obligations
Unemployment Compensation		3	Obligations
General Services – Garage		424	Debt Obligations and Inventory
TOTAL	\$	<u>2,555</u>	

L. DESIGNATED AND RESERVED FUND BALANCES

The County's Balance Sheet reports designations of fund balance. These designations are part of the unreserved fund balance, which has been tentatively allocated for financial resource utilization in future fiscal years. The balances (in thousands) at June 30, 2001 and purpose of these designations are as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Sheriff Department Aircraft Designation for Specific Programs, Capital Projects and Debt Service	\$ 580			
TOTAL	\$ <u>580</u>	\$ <u>7,598</u>	\$ <u>26,494</u>	\$ <u>1</u>

The County's balance sheet reports reserved fund balances which are not available for appropriation and expenditure. The balances at June 30, 2001 are as follows (in thousands):

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Trust Funds
Encumbrances	\$ 18,762	\$ 46,482	\$ 5,735	\$	\$
Imprest Cash	1,318	110			
Deposits with Others	205				
Inventory	61	1,412			
MOU/Health Benefit	700				
General		6,045	13	24,952	
Advances	8,540			4,500	
Loans Receivable				2,008	
Tax Litigation	13,051	4,384			
Net Assets Held in Trust for External Investment Pool Participants					798,393
TOTAL	\$ <u>42,637</u>	\$ <u>58,433</u>	\$ <u>5,748</u>	\$ <u>31,460</u>	\$ <u>798,393</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

M. PRIOR PERIOD ADJUSTMENTS

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* effective for the year ended June 30, 2001. Accounting changes made to comply with this Statement were treated as an adjustment of prior periods. Prior Period Adjustments were recorded in the following funds as a result of the implementation of GASB Statement No. 33 (in thousands):

	<u>Amount</u>
Special Revenue Funds:	
Aging and Adult Services	\$ 77
D.A. Equipment/Automation	400
D.A. Family Support	12
D.A. Local Forfeitures	909
Mental Health	2,515
Property Tax Administration	832
Road	3,915
Sheriff Inmate Welfare	1,183
Sheriff California I.D.	1,182
Structural Fire	1,220
Other Special Revenues	5,106
Total Special Revenue Funds	\$ <u>17,351</u>
Enterprise Funds:	
Airports	\$ <u>473</u>

During fiscal year ended June 30, 2001, certain errors were discovered that resulted in both the overstatement and understatement of reported assets and liabilities as of June 30, 2000. Beginning retained earnings have been restated for the following funds (in thousands):

	<u>Amount</u>	<u>Reason</u>
Enterprise Funds		
Airports	\$ (64)	Interest Accrual
Public Transportation	(13)	Interest Accrual
Waste Management	(1,068)	Interest Accrual and Accumulated Depreciation
Kern Medical Center	(3,563)	Interest Accrual
County Sanitation District	(3,489)	Accumulated Depreciation
Internal Service Funds		
Garage	(370)	Interest Accrual and Accumulated Depreciation
Total	\$ <u>(8,567)</u>	

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. 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, product damage, contractual liability, and public officials' errors and omissions. Workers' compensation claims are self-insured up to \$300,000 per occurrence. Excess coverage is maintained for workers' compensation claims up to \$5,000,000 per occurrence. 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, 2001.

The Risk Management Division of the Office of County Counsel determines and administers General Liability and Workers' Compensation requirements for the County. The County Administrative Office administers health and unemployment self-insurance.

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, 2001 was \$36,580,081.

Fiscal Year 1999-2000 (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
General Liability	\$ 9,629	\$ (1,243)	\$ (326)	\$ 8,060
Workers' Compensation	18,846	9,098	(7,767)	20,177
Group Health	4,104	40,528	(38,550)	6,082
Unemployment Compensation	217	1,008	(823)	402
TOTAL	\$ <u>32,796</u>	\$ <u>49,391</u>	\$ <u>(47,466)</u>	\$ <u>34,721</u>

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. 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
TOTAL	<u>\$ 34,721</u>	<u>\$ 57,265</u>	<u>\$ (55,406)</u>	<u>\$ 36,580</u>

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. 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 \$7,817,031 at June 30, 2001. 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.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

B. SEGMENTED INFORMATION FOR ENTERPRISE FUNDS

The County of Kern reports seven Enterprise Funds. Two Sanitation Districts are reported as one fund entitled County Sanitation Districts. Segment information for Enterprise Funds is as follows (in thousands):

	Airports	Universal Collection	Kern Medical Center	Waste Management
Operating Revenues	\$ 2,573	\$ 14	\$ 128,859	\$ 9,954
Operating Expenses	(2,698)	(2,571)	(134,029)	(24,279)
Taxes and Assessments	402	2,401		12,057
Aid from Other Govt. Agencies	329		22,782	329
Non-operating Revenues (Expenses)	270	28	(50,679)	3,857
Depreciation	(284)		(4,725)	(812)
Income (Loss) before Operating Transfers	592	(128)	(37,792)	1,106
Operating Transfers (net)			19,182	3
Net Income (Loss)	<u>\$ 592</u>	<u>\$ (128)</u>	<u>\$ (18,610)</u>	<u>\$ 1,109</u>
Property, Plant & Equipment (net)	<u>\$ 23,562</u>	<u>\$</u>	<u>\$ 49,636</u>	<u>\$ 26,586</u>
Long-term Debt Payable	<u>\$ 847</u>	<u>\$</u>	<u>\$ 72,055</u>	<u>\$ 68,766</u>
Net Working Capital	<u>\$ 343</u>	<u>\$ (128)</u>	<u>\$ 49,583</u>	<u>\$ 58,653</u>
Total Assets	<u>\$ 25,912</u>	<u>\$ 2,372</u>	<u>\$ 109,042</u>	<u>\$ 86,874</u>
Capital Contribution	\$ 362	\$	\$ 17,197	\$
Retained Earnings	<u>22,696</u>	<u>(128)</u>	<u>9,967</u>	<u>16,473</u>
Total Equity	<u>\$ 23,058</u>	<u>\$ (128)</u>	<u>\$ 27,164</u>	<u>\$ 16,473</u>

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (continued)

	Public Transportation	County Sanitation Districts	Golf Course	TOTAL
Operating Revenues	\$ 517	\$ 295	\$ 4,390	\$ 146,602
Operating Expenses	(3,378)	(2,174)	(3,903)	(173,032)
Taxes and Assessments	2,429	2,002		19,291
Aid from Other Govt. Agencies	504			23,944
Non-operating Revenues (Expenses)	60	397	(110)	(46,177)
Depreciation	(441)	(407)	(169)	(6,838)
Income (Loss) before Operating Transfers	(309)	113	208	(36,210)
Operating Transfers (net)				19,185
Net Income (Loss)	\$ (309)	\$ 113	\$ 208	\$ (17,025)
Property, Plant and Equipment (net)	\$ 1,904	\$ 8,090	\$ 5,683	\$ 115,461
Long-Term Debt Payable	\$ 154		\$ 4,000	\$ 145,822
Net Working Capital	\$ 1,059	\$ 4,168	\$ 1,817	\$ 115,495
Total Assets	\$ 3,257	\$ 12,398	\$ 7,675	\$ 247,530
Capital Contribution	\$ 58		\$ 1,848	\$ 19,465
Retained Earnings	2,751	12,258	1,652	65,669
Total Equity	\$ 2,809	\$ 12,258	\$ 3,500	\$ 85,134

C. 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. 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.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

C. HOSPITAL AND OTHER PROGRAM REVENUES (continued)

Medi-Cal and Medicare Programs (continued)

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 41% and 20% respectively, of net patient care revenue for the year ended June 30, 2001.

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.

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 \$62,970,856 in fiscal 2001 and \$57,133,720 in fiscal 2000 under the State of California's Medi-Cal disproportionate share program. The program required the County to provide matching funds of \$42,203,894 and \$55,433,510 in fiscal 2001 and 2000, respectively, which were recorded as expenditures in the General Fund. The amount received by the Hospital through this program is dependent upon the number of Medi-Cal inpatient days provided by the Hospital. Because the revenues generated are based on services provided to patients, 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 2000-2001 County SB 1255 revenues were \$19,000,000. 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.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. **OTHER INFORMATION** (continued)

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

Other Program Revenues (continued)

Proposition 99 imposes an additional state excise tax on cigarettes and other tobacco products. The increased taxes on tobacco products generate additional revenues for health care, research, health education, and public resources. State Assembly Bill 75 allocates these revenues to health care providers based upon their share of the financial burden for providing care to persons who are uninsured or otherwise unable to pay for care. The County's share of these revenues for the year ended June 30, 2001 was \$2,409,053.

Revenues related to the aforementioned programs are included in the accompanying financial statements as hospital operating revenues. 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, Special Revenue and Enterprise Funds.

Collection of Hospital Receivables

Although 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, 2001. 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. KMC management asserts that such borrowings will be repaid by June 30, 2002, and that the enterprise fund will end the 2001-2002 fiscal year in a positive cash position.

D. **POST RETIREMENT HEALTH CARE BENEFITS**

In addition to the pension benefits described in Note IV.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 55 and 64 and d) have at least 20 years of continuous County service as a permanent employee. At June 30, 2001 there were approximately 452 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 \$1,200,000 and employee contributions of .33% of base pay.

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

D. POST RETIREMENT HEALTH BENEFITS (continued)

The Retiree Health Stipend is available to employees who choose continuous County health coverage upon retirement. At June 30, 2001 there were approximately 2,353 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 \$182 per active employee per year, which totaled \$1,370,380 for the year ended June 30, 2001.

E. 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

There is no significant litigation pending against the County for protested tax assessments. At June 30, 2001, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$130,537,539 plus interest of \$5,462,516. An additional \$22,270,815 assessment appeals were filed before the AAB after June 30, 2001. Such contingent liability is shared by the various taxing agencies in proportion to the taxes levied

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

E. CONTINGENT LIABILITIES (continued)

Contingent Property Tax Liability (continued)

for each agency on the County tax roll for properties involved.

On July 3, 2001 the County was required to refund a total of \$22,945,976 in countywide taxes and \$3,031,503 in accrued interest to Occidental of Elk Hills, Inc. The County's share of this refund liability was \$6,443,515 in taxes and approximately \$850,000 in accrued interest. This refund liability resulted from an October 30, 2000 decision by the Kern County AAB rendered in the appeals of Occidental of Elk Hills Incorporated, challenging the County's "change of ownership" assessment of Occidental's acquisition of a controlling interest in the Elk Hills Oil Field. The decision is being appealed by the County before the Appellate Court. Although the appeal remains pending, the County was required to reduce the enrolled taxable value of the property and to refund property taxes and, accrued interest. Based on the pendency of this appeal, the County, various oil property owners and the Kern AAB have entered written agreements under the provisions of Revenue and Tax § 1604 (c) stipulating to stay further proceeding on equalization appeals pending resolution of the Occidental "change of ownership" valuation appeal.

The following is a summary of the estimated contingent tax liability as of June 30, 2001 (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total Estimated Principal and Interest</u>
Contingent Tax Liability:			
Court Cases	\$	\$	\$ -
Pending AAB Matters	<u>152,808</u>	<u>5,463</u>	<u>158,271</u>
Total	<u>\$ 152,808</u>	<u>\$ 5,463</u>	<u>\$ 158,271</u>
Less: Reserves and Impounded Tax Payments			(77,109)
Net Contingent Tax Liability			<u>\$ 81,162</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	\$ <u>37,465</u>	\$ <u>18,805</u>	\$ <u>56,270</u>

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 \$56,270,064 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 GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (Continued)

F. DEFERRED COMPENSATION PLAN

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

The Small Business Job Protection Act of 1996 changed the Internal Revenue Code Section 457 to protect participant assets from the creditors of a bankrupt or financially troubled public jurisdiction. The County has complied with the provisions of this act. As of June 30, 2001 there was \$171,555,211 (unaudited) in the Deferred Compensation plan, which is not included as part of the County's financial statements.

G. PENSION PLAN

Plan Description

The County's Board of Supervisors established the Kern County Employees' Retirement Association (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, 2001, employee membership data related to the pension plan was as follows:

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Plan Description (continued)

	<u>General</u>	<u>Safety</u>	<u>Total</u>
Active Employees	5,952	1,620	7,572
Terminated Employees – Vested	740	85	825
Retirees and beneficiaries currently receiving benefits	3,421	922	4,343
	<u>10,113</u>	<u>2,627</u>	<u>12,740</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.

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Method Used to Value Investments

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

Concentrations

The fair value of investments with any one organization greater than 5% of plan net assets as of June 30, 2001 (other than U.S. government securities), is presented in the following table:

ORGANIZATION		AMOUNT (in thousands)
Corporate Bonds: W.R. Huff Asset Management	\$	82,703
Global Bonds: Goldman Sachs Asset Management	\$	148,200
Enhanced S&P 500 Strategies: Pacific Investment Management Company (PIMCO)	\$	84,652
Index Funds Barclays Global Investors S&P Index Fund	\$	202,479
Barclays Global Investors Alpha Tilts Strategy Fund	\$	93,939
Barclays Global Investors International Equity Index Fund	\$	83,454

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:

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

- 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 22 years, except for the additional liabilities due to granting Golden Handshake benefits, which are amortized over three years from the year in which they were granted.

The Memorandum of Understanding (MOU) adopted 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, 2001, the County's total payroll for all employees amounted to \$353,435,277. The County's total covered payroll for the same period amounted to \$327,637,196. 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' contribution rates for the year ended June 30, 2001 were determined in accordance with an actuarial valuation performed December 31, 1999. 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.

Contributions to K.C.E.R.A. during fiscal year ended June 30, 2001 were \$50,241,044 of which \$41,067,487 were regular employer contributions and \$9,173,557 were employee contributions (13% and 3% of covered payroll respectively). The total contribution consisted of \$49,819,019 normal cost (15% of covered payroll) and \$422,024 amortization of the under-funded actuarial accrued liability (.13% of covered payroll).

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

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:

Employer Contributions as a Percentage of Estimated Total Compensation:

Fiscal year ended 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%)
TOTAL	15.04%	9.51%	12.29%	14.66%

FISCAL YEAR ENDING JUNE 30, 2000:

	Special Districts (MOU)	Special Districts (non-MOU)	General Members	Safety Members
Normal Cost	12.24%	8.13%	11.08%	17.40%
Amortization of UAAL*	1.26%	1.26%	0.54%	(2.71%)
TOTAL	13.50%	9.39%	11.62%	14.69%

*Unfunded Actuarial Accrued Liability

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

A schedule of the annual required employer contributions and the percentage contributed for the last six fiscal years is as follows:

Fiscal Year	Annual Required Contribution	Percentage Contributed
2001	\$41,067,487	100%
2000	37,575,583	100%
1999	40,159,103	100%
1998	35,420,517	100%
1997	27,902,854	100%
1996	38,569,856	661%

The latest actuarial valuation was dated December 31, 2000. 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.

Six-year historical data showing K.C.E.R.A.'s 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	12/31/98	12/31/99	12/31/00
Actuarial Value of Assets (a)	\$1,203,670	\$1,325,928	\$1,434,873
Actuarial Accrued Liability AAL (b)	\$1,179,753	\$1,324,662	\$1,388,984
Overfunded (Underfunded) AAL (a-b)	\$23,197	\$1,267	\$45,889
Funded Ratio (a/b)	1.02	1.001	1.03
Annual Covered Payroll	\$282,251	\$297,738	\$283,282
Overfunded AAL as % of Covered Payroll	8.5%	0.4%	16.2%

COUNTY OF KERN
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Pension Obligation Bonds

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, 2001, the amount of certificates included as a component of the County's pension liability was \$219,398,046. Of this amount, \$185,140,062 has been recorded in the General Long-Term Debt Account Group, and \$34,257,984 has been recorded in the proprietary fund types. Debt service for the amount recorded in the General Long-Term Debt Account Group is reflected in the debt service fund entitled Pension Obligation Bond Trustee.

The bonds have various maturity dates between 2001 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, 2001, interest payments related to the certificates were \$12,133,114. Of this amount, \$10,238,585 was paid out of governmental funds, and \$1,894,529 was paid out of proprietary funds.

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

Year Ending June 30	Funding Requirement
2002	\$ 13,350
2003	14,241
2004	15,182
2005	16,181
2006	17,238
2007-2011	104,490
2012-2016	143,105
2017-2021	199,584
2022-2026	<u>27,287</u>
Total	\$ 550,658
Less Amount representing interest	<u>(331,260)</u>
Net Total	<u>\$ 219,398</u>

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Other

On September 29, 2001, The KCERA realized a loss of \$22.5 million dollars from the sale of two IFC Equity Index funds held with Barclays Global Investors. On October 16, 2001, \$34.8 million from the BGI sale was reinvested in a Capital Guardian, Inc. Emerging Market Growth Fund with the approval of the Board of Retirement.

H. 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 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, 2001 the Waste Management Enterprise Fund had a designated cash reserve of \$26,161,367. 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, 2001 are \$57,349,980 and \$29,447,752 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 GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

H. LANDFILLS (continued)

Facility Name	Remaining Useful Lives	Capacity in Cubic Yards	Percent Incurred
Arvin	3	11,948,609	82%
Bena I	4	6,957,446	63%
Bena II A	33	38,506,350	0%
Boron	29	1,002,819	80%
Buttonwillow	N/A ¹	358,273	100%
China Grade	N/A ²	N/A	100%
Glennville	N/A ³	N/A	100%
Kern Valley	N/A ⁴	2,606,575	100%
Lebec	N/A ⁵	N/A	100%
Lost Hills	25	1,478,905	25%
Mojave/Rosamond	13	2,211,743	66%
Ridgecrest	31	9,545,940	48%
Shafter/Wasco	22	11,635,500	34%
Taft	146	8,787,547	24%
Tehachapi	8	2,593,900	78%
TOTAL		<u>97,633,607</u>	

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

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, 2001, the landfill closure liability has been recorded at \$25,615,572 and is included in the liabilities of the Waste Management Enterprise Fund. This represents the cumulative liability to date. The remaining \$31,734,408 anticipated closure costs will be recognized in future years. The \$29,447,752 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 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.

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

COUNTY OF KERN
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 2001

IV. OTHER INFORMATION (continued)

F. LANDFILLS (continued)

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 15 landfill sites.

V. SUBSEQUENT EVENTS

A. TAX AND REVENUE ANTICIPATION NOTES

On July 2, 2001, the County issued Tax and Revenue Anticipation Notes (TRANS) totaling \$60,000,000 due on July 2, 2002. 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, 2002. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2001-02 and legally available secure the TRANS.

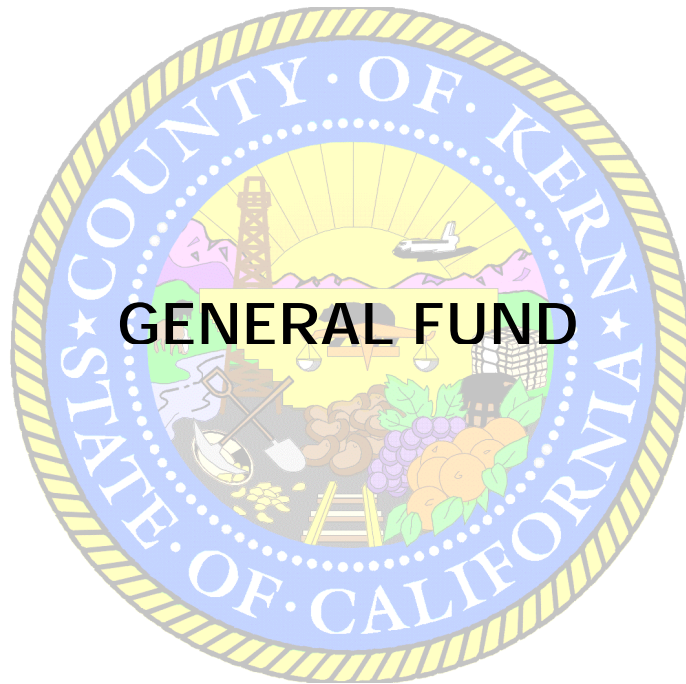
B. SOLID WASTE SYSTEM CERTIFICATES OF PARTICIPATION

On December 4, 2001 the Board of Supervisors adopted a resolution authorizing the issuance of Certificates 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. These non-taxable Certificates of Participation have been sized at \$14,000,000. The bonds will mature beginning August 1, 2002 through August 1, 2016. The anticipated closing date for this transaction is January 2, 2002.

VI. EFFECTS OF NEW PRONOUNCEMENTS

A. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 34

On June 30, 1999 the Governmental Accounting Standards Board (GASB) issued statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Under the revised requirements, governmental financial statements will include management's discussion and analysis (MD&A), basic financial statements that present both government-wide and fund financial statements, and required supplemental information. The County is required to implement GASB Statement No. 34 for the fiscal year ending June 30, 2002. The County has elected not to early implement GASB Statement No. 34 and has not determined its effects on the County's financial statements.



GENERAL FUND DESCRIPTION

General Fund – This is the main operating fund of the County, and is used to account for all financial resources traditionally associated with government, except those required to be accounted for in another fund.

COUNTY OF KERN
BALANCE SHEET
GENERAL FUND
JUNE 30, 2001 (IN THOUSANDS)

<u>ASSETS</u>	
Pooled Cash and Investments	\$ 86,077
Revolving Fund Cash	1,318
Interest Receivable	1,634
Loans Receivable	1,200
Accrued Revenue	21,887
Due from Other Funds	9,777
Due from Other Agencies	19
Advances to Other Funds	8,540
Deposits with Others	205
Inventory Materials and Supplies	<u>61</u>
Total Assets	<u>\$ 130,718</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts Payable	\$ 458
Salaries and Employee Benefits Payable	8,673
Tax Anticipation Note Payable	48,281
Due to Others	5,269
Loans Payable	<u>60</u>
Total Liabilities	<u>62,741</u>
Fund Balance (Deficit):	
Reserved (Note III L)	42,637
Unreserved:	
Designated (Note III L)	580
Undesignated	<u>24,760</u>
Total Fund Balance (Deficit)	<u>67,977</u>
Total Liabilities and Fund Balance	<u>\$ 130,718</u>

COUNTY OF KERN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
GENERAL FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

REVENUES:	
Taxes	\$ 101,245
Licenses, Permits and Franchises	7,393
Fines, Forfeitures and Penalties	12,975
Revenues from Use of Money and Property	8,570
Aid from Other Governmental Agencies	136,999
Charges for Current Services	81,615
Other Revenues	<u>59,786</u>
Total Revenues	<u>408,583</u>
EXPENDITURES:	
Current:	
General Government	68,455
Public Protection	173,139
Health and Sanitation	80,130
Public Assistance	35,610
Education	8,339
Recreation and Cultural Services	9,843
Public Ways and Facilities	5,776
Capital Outlay	3,444
Debt Service:	
Principal	26
Interest	<u>20</u>
Total Expenditures	<u>384,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>23,801</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	1,764
Operating Transfers Out	(22,930)
Inception of Capital Leases	<u>3,444</u>
Total Other Financing Sources (Uses)	<u>(17,722)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	6,079
Fund Balance (Deficit), July 1, 2000	<u>61,898</u>
Fund Balance (Deficit), June 30, 2001	<u>\$ <u>67,977</u></u>

COUNTY OF KERN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
General Government			
Administrative Office			
Aid from Other Governmental Agencies	50	50	
Charges for Current Services	480	513	33
Other Revenues	3	29	26
	<u>533</u>	<u>592</u>	<u>59</u>
Clerk of the Board			
Aid from Other Governmental Agencies		106	106
Charges for Current Services	6	14	8
Other Revenues	2	1	(1)
	<u>8</u>	<u>121</u>	<u>113</u>
Auditor-Controller			
Licenses, Permits and Franchises	194	215	21
Aid from Other Governmental Agencies	97	69	(28)
Charges for Current Services	605	671	66
Other Revenues		29	29
	<u>896</u>	<u>984</u>	<u>88</u>
Discretionary Revenue			
Taxes	109,049	101,245	(7,804)
Licenses, Permits and Franchises	3,960	4,644	684
Fines, Forfeitures and Penalties	5,950	6,117	167
Revenues from Use of Money and Property	6,000	7,512	1,512
Aid from Other Governmental Agencies	51,075	54,542	3,467
Charges for Current Services	6,143	6,271	128
Other Revenues	43	2,935	2,892
	<u>182,220</u>	<u>183,266</u>	<u>1,046</u>
Travel Agent Expense			
Charges for Current Services	365	286	(79)
	<u>365</u>	<u>286</u>	<u>(79)</u>
Treasurer-Tax Collector			
Fines, Forfeitures and Penalties	75	44	(31)
Aid from Other Governmental Agencies		34	34
Charges for Current Services	2,695	2,453	(242)
Other Revenues	154	169	15
	<u>2,924</u>	<u>2,700</u>	<u>(224)</u>
Assessor			
Charges for Current Services	1,278	1,344	66
	<u>1,278</u>	<u>1,344</u>	<u>66</u>
Assessor- Property Tax Administration			
Aid from Other Governmental Agencies	1,404	1,198	(206)
	<u>1,404</u>	<u>1,198</u>	<u>(206)</u>
Purchasing - Division of General Services			
Revenues from Use of Money and Property	76	86	10
Charges for Current Services	111	111	
Other Revenues		8	8
	<u>187</u>	<u>205</u>	<u>18</u>
General Services - Mail Services			
Charges for Current Services	542	519	(23)
	<u>542</u>	<u>519</u>	<u>(23)</u>

COUNTY OF KERN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 2 of 14

	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
General Government (Continued):			
Reprographics			
Charges for Current Services	\$ 793	\$ 750	\$ (43)
Other Revenues	6		(6)
	<u>799</u>	<u>750</u>	<u>(49)</u>
Information Technology Services			
Aid from Other Governmental Agencies			
Charges for Current Services	7,051	6,165	(886)
Other Revenues		4	4
	<u>7,051</u>	<u>6,169</u>	<u>(882)</u>
County Counsel			
Charges for Current Services	3,122	3,639	517
Other Revenues		2	2
	<u>3,122</u>	<u>3,641</u>	<u>519</u>
Personnel			
Charges for Current Services	118	128	10
Other Revenues	1	1	
	<u>119</u>	<u>129</u>	<u>10</u>
Elections			
Aid from Other Governmental Agencies	250	203	(47)
Charges for Current Services	423	357	(66)
Other Revenues	8	9	1
	<u>681</u>	<u>569</u>	<u>(112)</u>
Communications			
Aid from Other Governmental Agencies			
Charges for Current Services	604	665	61
Other Revenues	50	1	(49)
	<u>654</u>	<u>666</u>	<u>12</u>
General Services			
Fines, Forfeitures and Penalties	116	131	15
Revenues from Use of Money and Property	290	272	(18)
Charges for Current Services	1,531	1,447	(84)
Other Revenues	6	23	17
	<u>1,943</u>	<u>1,873</u>	<u>(70)</u>
Utility Payments			
Charges for Current Services	488	806	318
Other Revenues		2	2
	<u>488</u>	<u>808</u>	<u>320</u>
Property Management			
Revenues from Use of Money and Property	43	198	155
Charges for Current Services	229	136	(93)
Other Revenues	10	10	
	<u>282</u>	<u>344</u>	<u>62</u>
ADA Compliance			
Aid from Other Governmental Agencies	502	26	(476)
	<u>502</u>	<u>26</u>	<u>(476)</u>
Construction Services - General Services			
Aid from Other Governmental Agencies	54	2	(52)
Charges for Current Services	1,059	997	(62)
Other Revenues	50		(50)
	<u>1,163</u>	<u>999</u>	<u>(164)</u>

COUNTY OF KERN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 3 of 14

	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
General Government (continued)			
General Services - Major Maintenance			
Aid from Other Governmental Agencies	\$ 268	\$ 1,063	\$ 795
Charges for Current Services	203	303	100
Other Revenues	228	36	(192)
	<u>699</u>	<u>1,402</u>	<u>703</u>
Board of Trade			
Aid from Other Governmental Agencies		2	2
Other Revenues	7	9	2
	<u>7</u>	<u>11</u>	<u>4</u>
Engineering and Survey Services			
Licenses, Permits and Franchises	1		(1)
Aid from Other Governmental Agencies	168		(168)
Charges for Current Services	1,913	1,676	(237)
Other Revenues	4		(4)
	<u>2,086</u>	<u>1,676</u>	<u>(410)</u>
Risk Management			
Charges for Current Services	1,787	1,765	(22)
Other Revenues	5	9	4
	<u>1,792</u>	<u>1,774</u>	<u>(18)</u>
Capital Projects			
Aid from Other Governmental Agencies	16,914	52	(16,862)
	<u>16,914</u>	<u>52</u>	<u>(16,862)</u>
Total General Government	<u>228,659</u>	<u>212,104</u>	<u>(16,555)</u>
Public Protection:			
Contribution - Trial Court Funding			
Fines, Forfeitures and Penalties	3,833	3,707	(126)
Aid from Other Governmental Agencies		84	84
Charges for Current Services	3,379	3,528	149
Other Revenues	75	65	(10)
	<u>7,287</u>	<u>7,384</u>	<u>97</u>
Indigent Defense Services			
Aid from Other Governmental Agencies	311	465	154
Charges for Current Services	54	66	12
	<u>365</u>	<u>531</u>	<u>166</u>
District Attorney			
Fines, Forfeitures and Penalties	525	432	(93)
Aid from Other Governmental Agencies	3,169	3,101	(68)
Charges for Current Services	4,762	4,665	(97)
Other Revenues	474	77	(397)
	<u>8,930</u>	<u>8,275</u>	<u>(655)</u>
Public Defender			
Aid from Other Governmental Agencies	343	350	7
Charges for Current Services	281	402	121
Other Revenues	26	106	80
	<u>650</u>	<u>858</u>	<u>208</u>
Forensic Sciences-Division of District Attorney			
Aid from Other Governmental Agencies	97	201	104
Charges for Current Services	251	647	396
Other Revenues	1,027	277	(750)
	<u>1,375</u>	<u>1,125</u>	<u>(250)</u>

COUNTY OF KERN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 4 of 14

	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Public Protection (continued)			
Sheriff			
Licenses, Permits and Franchises	\$ 162	\$ 113	\$ (49)
Fines, Forfeitures and Penalties	23	15	(8)
Aid from Other Governmental Agencies	4,855	4,124	(731)
Charges for Current Services	23,570	23,539	(31)
Other Revenues	4,388	2,371	(2,017)
	<u>32,998</u>	<u>30,162</u>	<u>(2,836)</u>
Probation			
Fines, Forfeitures and Penalties	24	27	3
Revenues from Use of Money and Property	26	62	36
Aid from Other Governmental Agencies	14,916	14,314	(602)
Charges for Current Services	1,863	3,187	1,324
Other Revenues	87	24	(63)
	<u>16,916</u>	<u>17,614</u>	<u>698</u>
Agricultural Commissioner			
Licenses, Permits and Franchises	17	19	2
Fines, Forfeitures and Penalties	10	12	2
Aid from Other Governmental Agencies	2,307	2,199	(108)
Charges for Current Services	574	809	235
Other Revenues	55	47	(8)
	<u>2,963</u>	<u>3,086</u>	<u>123</u>
Code Compliance			
Fines, Forfeitures and Penalties		3	3
Charges for Current Services	80	62	(18)
	<u>80</u>	<u>65</u>	<u>(15)</u>
Weights and Measures			
Fines, Forfeitures and Penalties	84	40	(44)
Aid from Other Governmental Agencies	24	23	(1)
Charges for Current Services	276	275	(1)
	<u>384</u>	<u>338</u>	<u>(46)</u>
Special Services			
Charges for Current Services	5		(5)
Other Revenues	1,076	1,099	23
	<u>1,081</u>	<u>1,099</u>	<u>18</u>
Recorder			
Licenses, Permits and Franchises	3	4	1
Charges for Current Services	1,680	1,671	(9)
Other Revenues	55	27	(28)
	<u>1,738</u>	<u>1,702</u>	<u>(36)</u>
Resource Management Agency			
Charges for Current Services	523	518	(5)
	<u>523</u>	<u>518</u>	<u>(5)</u>
Planning			
Licenses, Permits and Franchises	206	251	45
Aid from Other Governmental Agencies			
Charges for Current Services	304	346	42
Other Revenues	5	5	
	<u>515</u>	<u>602</u>	<u>87</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Public Protection (continued)			
Animal Control			
Licenses, Permits and Franchises	\$ 300	\$ 301	\$ 1
Fines, Forfeitures and Penalties	3	4	1
Aid from Other Governmental Agencies	1,185	1,185	
Charges for Current Services	162	73	(89)
Other Revenues	16	10	(6)
	<u>1,666</u>	<u>1,573</u>	<u>(93)</u>
Local Agency Formation Committee			
Charges for Current Services	22	22	
	<u>22</u>	<u>22</u>	
Emergency Services			
Aid from Other Governmental Agencies	122	98	(24)
	<u>122</u>	<u>98</u>	<u>(24)</u>
Superior Court			
Fines, Forfeitures and Penalties	10	(12)	(22)
Aid from Other Governmental Agencies	1,047		(1,047)
Charges for Current Services	95	123	28
	<u>1,152</u>	<u>135</u>	<u>(1,041)</u>
Bakersfield Municipal Court			
Fines, Forfeitures and Penalties	1,037	1,022	(15)
Charges for Current Services	560	464	(96)
	<u>1,597</u>	<u>1,486</u>	<u>(111)</u>
East Kern Municipal Court			
Fines, Forfeitures and Penalties	445	455	10
Charges for Current Services	255	214	(41)
	<u>700</u>	<u>669</u>	<u>(31)</u>
North Kern Municipal Court			
Fines, Forfeitures and Penalties	307	348	41
Charges for Current Services	181	217	36
	<u>488</u>	<u>565</u>	<u>77</u>
South Kern Municipal Court			
Fines, Forfeitures and Penalties	485	575	90
Charges for Current Services	412	359	(53)
	<u>897</u>	<u>934</u>	<u>37</u>
Total Public Protection	<u>82,449</u>	<u>78,841</u>	<u>(3,632)</u>
Health and Sanitation:			
Department of Public Health			
Aid from Other Governmental Agencies	15,918	15,229	(689)
Charges for Current Services	2,060	2,297	237
Other Revenues	75	51	(24)
	<u>18,053</u>	<u>17,577</u>	<u>(476)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Health and Sanitation (continued):			
Air Quality Control			
Charges for Current Services	\$ 621	\$ 609	\$ (12)
	<u>621</u>	<u>609</u>	<u>(12)</u>
Environmental Health			
Licenses, Permits and Franchises	1,569	1,531	(38)
Fines, Forfeitures and Penalties	35	48	13
Aid from Other Governmental Agencies	716	716	
Charges for Current Services	1,320	1,290	(30)
Other Revenues	1	4	3
	<u>3,641</u>	<u>3,589</u>	<u>(52)</u>
Emergency Medical Services			
Licenses, Permits and Franchises	332	315	(17)
Aid from Other Governmental Agencies	142	37	(105)
Charges for Current Services	119		(119)
Other Revenues	1		(1)
	<u>594</u>	<u>352</u>	<u>(242)</u>
KMC Enterprise Fund - County Contribution			
Aid from Other Governmental Agencies	13,650	13,650	
	<u>13,650</u>	<u>13,650</u>	
Contribution for Medical Care			
Other Revenues	52,204	52,204	
	<u>52,204</u>	<u>52,204</u>	
California Children Services			
Aid from Other Governmental Agencies	5,618	5,220	(398)
Charges for Current Services	18	16	(2)
Other Revenues		3	3
	<u>5,636</u>	<u>5,239</u>	<u>(397)</u>
Waste Management			
Aid from Other Governmental Agencies			
Charges for Current Services	1,763	1,671	(92)
	<u>1,763</u>	<u>1,671</u>	<u>(92)</u>
Total Health and Sanitation	<u>96,162</u>	<u>94,891</u>	<u>(1,271)</u>
Public Assistance			
Veterans Service			
Aid from Other Governmental Agencies	97	113	16
	<u>97</u>	<u>113</u>	<u>16</u>
Employers' Training Resource			
Aid from Other Governmental Agencies	17,170	15,068	(2,102)
	<u>17,170</u>	<u>15,068</u>	<u>(2,102)</u>
Community Development Program Agency			
Aid from Other Governmental Agencies	2,125	1,750	(375)
	<u>2,125</u>	<u>1,750</u>	<u>(375)</u>
Total Public Assistance	<u>19,392</u>	<u>16,931</u>	<u>(2,461)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Education			
Kern County Library			
Revenues from Use of Money and Property	\$ 131	\$ 101	\$ (30)
Aid from Other Governmental Agencies	1,102	1,133	31
Charges for Current Services	359	356	(3)
Other Revenues	249	110	(139)
	<u>1,841</u>	<u>1,700</u>	<u>(141)</u>
Farm and Home Advisor			
Charges for Current Services	4	2	(2)
Other Revenues	51		(51)
	<u>55</u>	<u>2</u>	<u>(53)</u>
Total Education	<u>1,896</u>	<u>1,702</u>	<u>(194)</u>
Recreation and Culture			
Parks and Recreation			
Fines, Forfeitures and Penalties	10	8	(2)
Revenues from Use of Money and Property	125	153	28
Aid from Other Governmental Agencies	200	91	(109)
Charges for Current Services	2,034	1,823	(211)
Other Revenues	28	24	(4)
Total Recreation and Culture	<u>2,397</u>	<u>2,099</u>	<u>(298)</u>
Debt Service			
Revenues from Use of Money and Property		186	186
Aid from Other Governmental Agencies	500	500	
Charges for Current Services	311	1,344	1,033
Other Revenues		1	1
Total Debt Service	<u>811</u>	<u>2,031</u>	<u>1,220</u>
Total Revenue	<u>431,766</u>	<u>408,599</u>	<u>(23,191)</u>
EXPENDITURES:			
General Government:			
Board of Supervisors			
Salaries & Benefits	1,623	1,545	(78)
Services & Supplies	337	306	(31)
Other Financing Uses	61		(61)
	<u>2,021</u>	<u>1,851</u>	<u>(170)</u>
Administrative Office			
Salaries & Benefits	2,127	2,005	(122)
Services & Supplies	287	279	(8)
Transfers & Reimbursements	(154)	(162)	(8)
Other Financing Uses	148		(148)
	<u>2,408</u>	<u>2,122</u>	<u>(286)</u>
Clerk of the Board			
Salaries & Benefits	498	437	(61)
Services & Supplies	166	107	(59)
Other Financing Uses	267		(267)
	<u>931</u>	<u>544</u>	<u>(387)</u>
Special Services			
Salaries & Benefits	158	130	(28)
Services & Supplies	6,645	3,512	(3,133)
Other Charges	976	927	(49)
	<u>7,779</u>	<u>4,569</u>	<u>(3,210)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
General Government (continued):			
Auditor-Controller			
Salaries & Benefits	\$ 2,435	\$ 2,434	\$ (1)
Services & Supplies	671	631	(40)
Fixed Assets	20	20	
Transfers & Reimbursements	(103)	(90)	13
Other Financing Uses	183		(183)
	<u>3,206</u>	<u>2,995</u>	<u>(211)</u>
Travel Agent Expense			
Services & Supplies	555	555	
Transfers & Reimbursements	(190)	(269)	(79)
	<u>365</u>	<u>286</u>	<u>(79)</u>
Treasurer - Tax Collector			
Salaries & Benefits	1,793	1,589	(204)
Services & Supplies	1,820	1,661	(159)
Fixed Assets	171	163	(8)
Other Financing Uses	294		(294)
	<u>4,078</u>	<u>3,413</u>	<u>(665)</u>
Assessor			
Salaries & Benefits	6,219	6,206	(13)
Services & Supplies	334	312	(22)
Other Charges	11	11	
Transfers & Reimbursements	(3)	(7)	(4)
	<u>6,561</u>	<u>6,522</u>	<u>(39)</u>
Assessor - Property Tax Administration			
Salaries & Benefits	705	631	(74)
Services & Supplies	665	587	(78)
Fixed Assets	31	27	(4)
	<u>1,401</u>	<u>1,245</u>	<u>(156)</u>
Purchasing-Division of General Services			
Salaries & Benefits	491	485	(6)
Services & Supplies	41	38	(3)
	<u>532</u>	<u>523</u>	<u>(9)</u>
General Services-Mail Services			
Salaries & Benefits	255	250	(5)
Services & Supplies	1,091	1,091	
Other Charges	17	17	
Transfers & Reimbursements	(620)	(634)	(14)
	<u>743</u>	<u>724</u>	<u>(19)</u>
Reprographics			
Salaries & Benefits	396	378	(18)
Services & Supplies	967	959	(8)
Fixed Assets	34	34	
Transfers & Reimbursements	(561)	(574)	(13)
Other Charges	41	41	
	<u>877</u>	<u>838</u>	<u>(39)</u>
Information Technology Service			
Salaries & Benefits	4,314	4,134	(180)
Services & Supplies	8,498	7,950	(548)
Other Charges	(5)	38	43
Fixed Assets	396	346	(50)
Transfers & Reimbursements	(2,551)	(2,764)	(213)
Other Financing Uses	277		(277)
	<u>10,929</u>	<u>9,704</u>	<u>(1,225)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
General Government (continued):			
County Counsel			
Salaries & Benefits	\$ 4,371	\$ 4,339	\$ (32)
Services & Supplies	438	436	(2)
Transfers & Reimbursements	(753)	(872)	(119)
Other Charges	42	42	
Other Financing Uses	54		(54)
	<u>4,152</u>	<u>3,945</u>	<u>(207)</u>
Personnel			
Salaries & Benefits	1,599	1,566	(33)
Services & Supplies	357	302	(55)
Other Financing Uses	15		(15)
Transfers & Reimbursements	(36)	(33)	3
	<u>1,935</u>	<u>1,835</u>	<u>(100)</u>
Elections			
Salaries & Benefits	708	655	(53)
Services & Supplies	1,417	1,143	(274)
	<u>2,125</u>	<u>1,798</u>	<u>(327)</u>
Communications			
Salaries & Benefits	1,647	1,643	(4)
Services & Supplies	717	715	(2)
Fixed Assets	105	102	(3)
Transfers & Reimbursements	(170)	(179)	(9)
Other Charges	13	13	
	<u>2,312</u>	<u>2,294</u>	<u>(18)</u>
General Services			
Salaries & Benefits	5,935	5,820	(115)
Services & Supplies	2,258	2,227	(31)
Fixed Assets	175	174	(1)
Transfers & Reimbursements	(405)	(318)	87
Other Charges	12	12	
Other Financing Uses	164		(164)
	<u>8,139</u>	<u>7,915</u>	<u>(224)</u>
Utility Payments			
Services & Supplies	4,499	4,331	(168)
Transfers & Reimbursements	(116)	(368)	(252)
Other Charges	264	264	
	<u>4,647</u>	<u>4,227</u>	<u>(420)</u>
Property Management			
Salaries & Benefits	392	367	(25)
Services & Supplies	35	35	
Transfers & Reimbursements	(36)	(20)	16
	<u>391</u>	<u>382</u>	<u>(9)</u>
ADA Compliance			
Services & Supplies	560	433	(127)
	<u>560</u>	<u>433</u>	<u>(127)</u>
Construction Service-Division General Service			
Salaries & Benefits	1,379	1,354	(25)
Services & Supplies	560	496	(64)
Transfers & Reimbursements	(515)	(595)	(80)
	<u>1,424</u>	<u>1,255</u>	<u>(169)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
General Government (Continued):			
General Service-Major Maintenance-General			
Services & Supplies	\$ 8,834	\$ 6,540	\$ (2,294)
Transfers & Reimbursements	(75)		75
	<u>8,759</u>	<u>6,540</u>	<u>(2,219)</u>
Board of Trade			
Salaries & Benefits	345	330	(15)
Services & Supplies	211	176	(35)
Other Financing Uses	23		(23)
	<u>579</u>	<u>506</u>	<u>(73)</u>
Engineering & Survey Services			
Salaries & Benefits	2,948	2,464	(484)
Services & Supplies	662	464	(198)
Fixed Assets	98	94	(4)
Transfers & Reimbursements	(182)	(177)	5
Other Charges	39	39	
Other Financing Uses	163		(163)
	<u>3,728</u>	<u>2,884</u>	<u>(844)</u>
Risk Management			
Salaries & Benefits	1,273	1,260	(13)
Services & Supplies	729	698	(31)
Other Charges	946	926	(20)
Transfers & Reimbursements	(271)	(271)	
	<u>2,677</u>	<u>2,613</u>	<u>(64)</u>
Capital Projects			
Fixed Assets	29,705	3,053	(26,652)
	<u>29,705</u>	<u>3,053</u>	<u>(26,652)</u>
Debt Service			
Services & Supplies	250	250	
Other Charges	2,951	2,951	
Transfers & Reimbursements	(267)	(267)	
	<u>2,934</u>	<u>2,934</u>	
Total General Government	<u>115,898</u>	<u>77,950</u>	<u>(37,948)</u>
Public Protection:			
Contribution - Trial Court Funding			
Services & Supplies	17,519	16,398	(1,121)
Transfers & Reimbursements	(28)		28
	<u>17,491</u>	<u>16,398</u>	<u>(1,093)</u>
Grand Jury			
Salaries & Benefits			
Services & Supplies	182	161	(21)
	<u>182</u>	<u>161</u>	<u>(21)</u>
Indigent Defense Services			
Services & Supplies	3,428	3,426	(2)
	<u>3,428</u>	<u>3,426</u>	<u>(2)</u>
District Attorney			
Salaries & Benefits	12,651	12,633	(18)
Services & Supplies	2,542	2,192	(350)
Fixed Assets	103	103	
Transfers & Reimbursements	(35)	(35)	
	<u>15,261</u>	<u>14,893</u>	<u>(368)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Public Protection (continued):			
Public Defender			
Salaries & Benefits	\$ 5,175	\$ 4,899	\$ (276)
Services & Supplies	466	312	(154)
Other Financing Uses	268		(268)
Fixed Assets	13	11	(2)
	<u>5,922</u>	<u>5,222</u>	<u>(700)</u>
Forensic Sciences-Division of District Attorney			
Salaries & Benefits	1,688	1,647	(41)
Services & Supplies	1,418	1,304	(114)
Other Charges	6	4	(2)
Fixed Assets	381	381	
Transfers & Reimbursements	(184)	(101)	83
	<u>3,309</u>	<u>3,235</u>	<u>(74)</u>
Sheriff			
Salaries & Benefits	64,598	64,181	(417)
Services & Supplies	16,182	15,778	(404)
Other Charges	2,110	1,953	(157)
Other Financing Uses	106		(106)
Fixed Assets	1,243	1,183	(60)
Transfers & Reimbursements	(27)	(26)	1
	<u>84,212</u>	<u>83,069</u>	<u>(1,143)</u>
Probation			
Salaries & Benefits	22,754	21,764	(990)
Services & Supplies	3,157	3,157	
Other Charges	860	639	(221)
Other Financing Uses	380		(380)
Fixed Assets	84	74	(10)
	<u>27,235</u>	<u>25,634</u>	<u>(1,601)</u>
Structural Fire			
Salaries & Benefits	11,101	11,101	
Services & Supplies	1,339	1,339	
Other Charges	511	511	
Fixed Assets	564	564	
	<u>13,515</u>	<u>13,515</u>	
Agricultural Commissioner			
Salaries & Benefits	3,193	3,108	(85)
Services & Supplies	1,090	1,050	(40)
Other Financing Uses	5		(5)
Transfers & Reimbursements	(13)	(15)	(2)
	<u>4,275</u>	<u>4,143</u>	<u>(132)</u>
Code Compliance			
Salaries & Benefits	397	280	(117)
Services & Supplies	791	342	(449)
Fixed Assets	41	41	
	<u>1,229</u>	<u>663</u>	<u>(566)</u>
Weights & Measures			
Salaries & Benefits	654	576	(78)
Services & Supplies	180	175	(5)
Other Charges	48	18	(30)
Other Financing Uses	119		(119)
Fixed Assets	40	39	(1)
Transfers & Reimbursements	(10)	(3)	7
	<u>1,031</u>	<u>805</u>	<u>(226)</u>

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	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Public Protection (continued):			
Recorder			
Salaries & Benefits	\$ 526	\$ 513	\$ (13)
Services & Supplies	362	284	(78)
Other Charges	96	96	
Fixed Assets	63	57	(6)
	<u>1,047</u>	<u>950</u>	<u>(97)</u>
Resource Management Agency			
Salaries & Benefits	920	901	(19)
Services & Supplies	155	155	
Other Charges	9	9	
Fixed Assets	42	39	(3)
Transfers & Reimbursements	(179)	(178)	1
	<u>947</u>	<u>926</u>	<u>(21)</u>
Planning			
Salaries & Benefits	1,912	1,608	(304)
Services & Supplies	989	988	(1)
Other Charges	2	2	
Fixed Assets	15	10	(5)
Other Financing Uses	56		(56)
Transfers & Reimbursements	(6)	(8)	(2)
	<u>2,968</u>	<u>2,600</u>	<u>(368)</u>
Animal Control			
Salaries & Benefits	1,280	1,201	(79)
Services & Supplies	719	622	(97)
Fixed Assets	79	79	
	<u>2,078</u>	<u>1,902</u>	<u>(176)</u>
Local Agency Formation Commission			
Salaries & Benefits	181	160	(21)
Services & Supplies	81	56	(25)
	<u>262</u>	<u>216</u>	<u>(46)</u>
Emergency Services			
Salaries & Benefits	153	140	(13)
Services & Supplies	86	62	(24)
	<u>239</u>	<u>202</u>	<u>(37)</u>
Total Public Protection	<u>184,631</u>	<u>177,960</u>	<u>(6,671)</u>
Public Ways and Facilities:			
Roads			
Salaries & Benefits	1,569	1,569	
Services & Supplies	3,984	3,984	
Other Charges	49	49	
Fixed Assets	174	174	
Total Public Ways and Facilities	<u>5,776</u>	<u>5,776</u>	
Health and Sanitation:			
Department of Public Health			
Salaries & Benefits	13,232	12,366	(866)
Services & Supplies	6,457	5,311	(1,146)
Other Charges	4	4	
Fixed Assets	35	31	(4)
Transfers & Reimbursements	(325)	(468)	(143)
	<u>19,403</u>	<u>17,244</u>	<u>(2,159)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

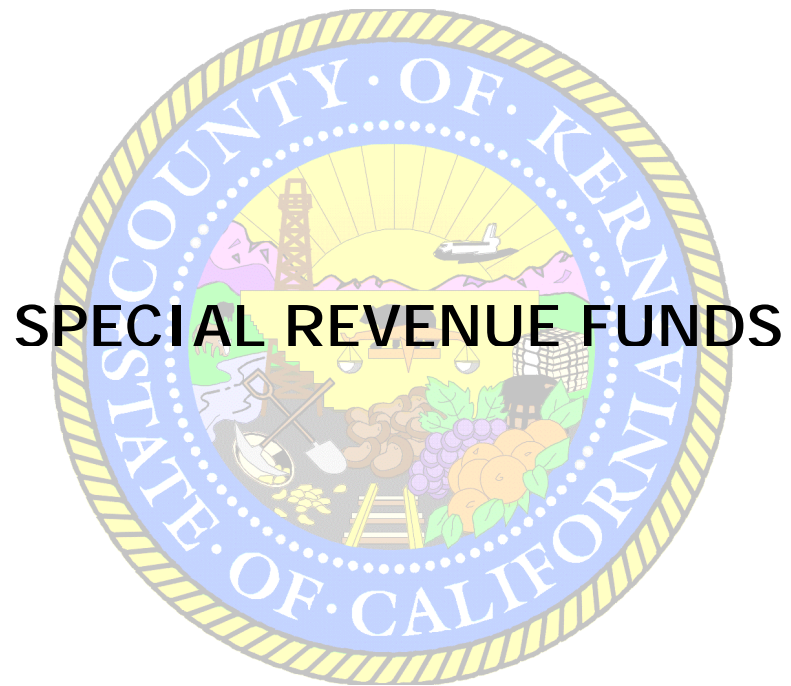
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	Budget	Actual on Budgetary Basis	Variance Over (Under)
Health and Sanitation (continued)			
Air Quality Control			
Salaries & Benefits	\$ 613	\$ 601	\$ (12)
Services & Supplies	8	8	
	<u>621</u>	<u>609</u>	<u>(12)</u>
Environmental Health			
Salaries & Benefits	3,272	3,097	(175)
Services & Supplies	499	458	(41)
Other Charges	3	3	
Other Financing Uses	180		(180)
Fixed Assets	10	9	(1)
Transfers & Reimbursements	(98)	(9)	89
	<u>3,866</u>	<u>3,558</u>	<u>(308)</u>
Mental Health			
Salaries & Benefits	327	327	
Services & Supplies	500	500	
Other Charges	44	44	
Transfers & Reimbursements	(3)	(3)	
	<u>868</u>	<u>868</u>	
Emergency Medical Services			
Salaries & Benefits	522	405	(117)
Services & Supplies	201	120	(81)
Other Charges	9	9	
Other Financing Uses	25		(25)
	<u>757</u>	<u>534</u>	<u>(223)</u>
Contribution for Medical Care			
Other Charges	52,204	52,204	
	<u>52,204</u>	<u>52,204</u>	
California Children Services			
Salaries & Benefits	2,903	2,166	(737)
Services & Supplies	2,927	2,720	(207)
	<u>5,830</u>	<u>4,886</u>	<u>(944)</u>
Waste Management			
Salaries & Benefits	1,755	1,676	(79)
Services & Supplies	161	111	(50)
Transfers & Reimbursements	(153)	(125)	28
	<u>1,763</u>	<u>1,662</u>	<u>(101)</u>
Total Health and Sanitation	<u>85,312</u>	<u>81,565</u>	<u>(3,747)</u>
Public Assistance:			
Human Services			
Salaries & Benefits	1,552	1,552	
Services & Supplies	1,607	1,607	
Other Charges	9,334	9,334	
Fixed Assets	14	14	
	<u>12,507</u>	<u>12,507</u>	
Veterans Service			
Salaries & Benefits	431	420	(11)
Services & Supplies	67	61	(6)
Other Financing Uses	18		(18)
	<u>516</u>	<u>481</u>	<u>(35)</u>
Office On Aging			
Salaries & Benefits	2,140	2,140	
Services & Supplies	1,526	1,526	
Other Charges	2,018	2,018	
Fixed Assets	60	60	
	<u>5,744</u>	<u>5,744</u>	
Employers Training Resource			
Salaries & Benefits	10,083	8,460	(1,623)
Services & Supplies	8,914	8,312	(602)
Fixed Assets	632	524	(108)
	<u>19,629</u>	<u>17,296</u>	<u>(2,333)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 14 of 14

	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
Public Assistance (continued):			
Community Development Program Agency			
Salaries & Benefits	\$ 1,561	\$ 1,279	\$ (282)
Services & Supplies	573	505	(68)
Fixed Assets	7	7	
	<u>2,141</u>	<u>1,791</u>	<u>(350)</u>
Total Public Assistance	<u>40,537</u>	<u>37,819</u>	<u>(2,718)</u>
Education:			
Kern County Library			
Salaries & Benefits	5,393	5,244	(149)
Services & Supplies	2,939	2,933	(6)
Other Charges	35	34	(1)
Fixed Assets	37	36	(1)
Other Financing Uses	9		(9)
Transfers & Reimbursements	(1)	(2)	(1)
	<u>8,412</u>	<u>8,245</u>	<u>(167)</u>
Farm & Home Advisor			
Salaries & Benefits	273	257	(16)
Services & Supplies	239	176	(63)
Other Financing Uses	48		(48)
	<u>560</u>	<u>433</u>	<u>(127)</u>
Total Education	<u>8,972</u>	<u>8,678</u>	<u>(294)</u>
Recreation and Culture:			
Parks and Recreation			
Salaries & Benefits	6,909	6,676	(233)
Services & Supplies	3,041	2,801	(240)
Other Charges	210	175	(35)
Fixed Assets	591	543	(48)
Transfers & Reimbursements	(83)		83
	<u>10,668</u>	<u>10,195</u>	<u>(473)</u>
Total Recreation and Culture	<u>10,668</u>	<u>10,195</u>	<u>(473)</u>
Debt Service - General Fund			
Services & Supplies	105	104	(1)
Other Charges	227		(227)
Debt Service - Principal	26	26	
Debt Service - Interest	20	20	
	<u>378</u>	<u>150</u>	<u>(228)</u>
Total Debt Service - General Fund	<u>378</u>	<u>150</u>	<u>(228)</u>
Contingencies and Reserves			
Appropriations for Contingencies	3,335		(3,335)
Total Expenditures	<u>455,507</u>	<u>400,093</u>	<u>(55,414)</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,741)	8,506	32,247
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		1,764	1,764
Operating Transfers Out	(22,830)	(22,930)	(100)
	<u>(22,830)</u>	<u>(21,166)</u>	<u>1,664</u>
Total Other Financing Sources (Uses)	<u>(22,830)</u>	<u>(21,166)</u>	<u>1,664</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(46,571)	(12,660)	33,911
Fund Balance (Deficit), July 1, 2000	<u>61,898</u>	<u>61,898</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 15,327</u>	<u>\$ 49,238</u>	<u>\$ 33,911</u>



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS 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 Family Support – This fund was established for the following primary objectives:

To facilitate compliance with State statute that requires any State or Federal subventions received for Family Support operations by the County in excess of actual costs be used exclusively for Family Support activities and programs.

To provide an incentive for the District Attorney to increase family support collections and to manage Family Support Division budget expenditures to operate within the revenues generated by the program.

To facilitate annual budget allocation decisions by eliminating dependence on County General Fund support.

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.

Employers' Training Resource – This fund is used for implementing employment and training programs funded by grant monies awarded to the County and its services delivery area, as defined by the Job Training Partnership Act and the Family Economic Security Act. Employers' Training Resource is the primary vehicle for providing employment and training to unemployed and economically disadvantaged persons.

Human Services – This fund provides for direct financial assistance payments to eligible recipients. Public assistance programs administered by the Human Services Department are mandated by the State through the Welfare and Institutions Code, as implementing legislation for the Federal Social Security Act. The largest component of this budget is the direct aid payments to needy families under the Aid to Families with Dependent Children (AFDC) Program.

SPECIAL REVENUE FUNDS DESCRIPTIONS (Continued)

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.

Mental Health - This fund accounts for the development and maintenance of a Countywide program of community mental health services in accordance with provisions of the Short-Doyle Act and the Lanterman-Petris-Short Act, which together comprise the California Mental Health Services Law.

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.

Road – This fund provides for the planning, design, construction, maintenance and administration of County transportation planning activities. Revenues consist primarily of the County's share of State highway use taxes, Federal grants and vehicle code fines and fees.

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.

Structural Fire – This fund accounts for the operation and maintenance of fire protection facilities. Property taxes represent the principal source of financing.

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

Other Special Revenue Funds – These funds account for revenues received for various activities and programs including: Automated County Warrant System, Criminal Justice Facility, Sheriff Training, Automated Fingerprint, Probation Training, Domestic Violence, Family Court Service, Records Fee, 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
 SPECIAL REVENUE FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

Page 1 of 3

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
ASSETS				
Pooled Cash and Investments	\$ 91,501	\$ 211	\$ 3,301	\$ 485
Revolving Fund Cash	110	2		
Interest Receivable	1,198	11	44	8
Accounts Receivable	100			
Accrued Revenue	30,641	2,145		
Due from Other Funds	1,088			
Due from Other Agencies	9			
Inventory- Materials and Supplies	1,412			
Total Assets	<u>\$ 126,059</u>	<u>\$ 2,369</u>	<u>\$ 3,345</u>	<u>\$ 493</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accrued Expenditures	\$ 3,835	\$	\$	\$ 210
Salaries and Employee Benefits Payable	6,673	192	76	
Advances from Other Funds	25			
Due to Other Funds	8,479			288
Due to Others	2,198			
Loans Payable	1,481	1,200		
Deferred Revenue	8,019			
Total Liabilities	<u>30,710</u>	<u>1,392</u>	<u>76</u>	<u>498</u>
Fund Balance (Deficit):				
Reserved (Note III L)	58,433	449	825	7,070
Unreserved:				
Designated (Note III L)	7,598			
Undesignated	29,318	528	2,444	(7,075)
Total Fund Balance (Deficit)	<u>95,349</u>	<u>977</u>	<u>3,269</u>	<u>(5)</u>
Total Liabilities and Fund Balance	<u>\$ 126,059</u>	<u>\$ 2,369</u>	<u>\$ 3,345</u>	<u>\$ 493</u>

<u>COUNTY SERVICE AREAS</u>	<u>DISTRICT ATTORNEY EQUIPMENT AUTOMATION</u>	<u>DISTRICT ATTORNEY FAMILY SUPPORT</u>	<u>DISTRICT ATTORNEY LOCAL FORFEITURES</u>	
ASSETS				
\$ 6,340	\$ 502	\$ 169	\$ 1,107	Pooled Cash and Investments
		3		Revolving Fund Cash
65	2	85	24	Interest Receivable
		8,596		Accounts Receivable
				Accrued Revenue
				Due from Other Funds
				Due from Other Agencies
				Inventory- Materials and Supplies
<u>\$ 6,405</u>	<u>\$ 504</u>	<u>\$ 8,853</u>	<u>\$ 1,131</u>	Total Assets
LIABILITIES AND FUND BALANCE				
\$	\$	\$ 1,467	\$	Liabilities:
		452		Accrued Expenditures
		2,000		Salaries and Employee Benefits Payable
				Advances from Other Funds
281				Due to Other Funds
				Due to Others
				Loans Payable
				Deferred Revenue
<u>281</u>		<u>3,919</u>		Total Liabilities
4,372		1,699		Fund Balance (Deficit):
254		1,124		Reserved (Note III L)
<u>1,498</u>	<u>504</u>	<u>2,111</u>	<u>1,131</u>	Unreserved:
				Designated (Note III L)
				Undesignated
<u>6,124</u>	<u>504</u>	<u>4,934</u>	<u>1,131</u>	Total Fund Balance (Deficit)
<u>\$ 6,405</u>	<u>\$ 504</u>	<u>\$ 8,853</u>	<u>\$ 1,131</u>	Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

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	<u>EMERGENCY MEDICAL SERVICES</u>	<u>EMPLOYERS' TRAINING RESOURCE</u>	<u>HUMAN SERVICES</u>	<u>LOCAL PUBLIC SAFETY</u>
ASSETS				
Pooled Cash and Investments	\$ 1,083	\$ 554	\$ 19,656	\$
Revolving Fund Cash			100	
Interest Receivable	17	11	174	
Accounts Receivable				
Accrued Revenue		3,304	4,067	5,971
Due from Other Funds	101			
Due from Other Agencies				
Inventory- Materials and Supplies				
Total Assets	<u>\$ 1,201</u>	<u>\$ 3,869</u>	<u>\$ 23,997</u>	<u>\$ 5,971</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accrued Expenditures	\$	\$ 1,580	\$	\$
Salaries and Employee Benefits Payable			2,360	
Advances from Other Funds				
Due to Other Funds		1,283		4,734
Due to Others				
Loans Payable				
Deferred Revenue			8,019	
Total Liabilities		<u>2,863</u>	<u>10,379</u>	<u>4,734</u>
Fund Balance (Deficit):				
Reserved (Note III L)	120	5,924	11,220	
Unreserved:				
Designated (Note III L)	527			
Undesignated	554	(4,918)	2,398	1,237
Total Fund Balance (Deficit)	<u>1,201</u>	<u>1,006</u>	<u>13,618</u>	<u>1,237</u>
Total Liabilities and Fund Balance	<u>\$ 1,201</u>	<u>\$ 3,869</u>	<u>\$ 23,997</u>	<u>\$ 5,971</u>

<u>MENTAL HEALTH</u>	<u>PLANNED LOCAL DRAINAGE</u>	<u>PROPERTY TAX ADMINISTRATION</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>	
				<u>ASSETS</u>
\$ 14,427	\$ 555	\$ 1,045	\$ 23	Pooled Cash and Investments
3				Revolving Fund Cash
232	7			Interest Receivable
100				Accounts Receivable
2,973				Accrued Revenue
1				Due from Other Funds
				Due from Other Agencies
				Inventory- Materials and Supplies
<u>\$ 17,736</u>	<u>\$ 562</u>	<u>\$ 1,045</u>	<u>\$ 23</u>	Total Assets
				<u>LIABILITIES AND FUND BALANCE</u>
\$ 976	\$	\$	\$	Liabilities:
				Accrued Expenditures
				Salaries and Employee Benefits Payable
			25	Advances from Other Funds
		174		Due to Other Funds
				Due to Others
				Loans Payable
				Deferred Revenue
<u>976</u>		<u>174</u>	<u>25</u>	Total Liabilities
10,213	154			Fund Balance (Deficit):
				Reserved (Note III L)
4,094	106			Unreserved:
2,453	302	871	(2)	Designated (Note III L)
				Undesignated
<u>16,760</u>	<u>562</u>	<u>871</u>	<u>(2)</u>	Total Fund Balance (Deficit)
<u>\$ 17,736</u>	<u>\$ 562</u>	<u>\$ 1,045</u>	<u>\$ 23</u>	Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

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	<u>ROAD</u>	<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$ 10,905	\$ 1,741	\$ 1,648
Revolving Fund Cash			
Interest Receivable	139	25	21
Accounts Receivable			
Accrued Revenue	2,171		
Due from Other Funds			
Due from Other Agencies			
Inventory- Materials and Supplies	<u>1,044</u>		
Total Assets	<u>\$ 14,259</u>	<u>\$ 1,766</u>	<u>\$ 1,669</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accrued Expenditures	\$	\$	\$
Salaries and Employee Benefits Payable	363		
Advances from Other Funds			
Due to Other Funds			
Due to Others			
Loans Payable			
Deferred Revenue			
Total Liabilities	<u>363</u>		
Fund Balance (Deficit):			
Reserved (Note III L)	8,854		
Unreserved:			
Designated (Note III L)			
Undesignated	<u>5,042</u>	<u>1,766</u>	<u>1,669</u>
Total Fund Balance (Deficit)	<u>13,896</u>	<u>1,766</u>	<u>1,669</u>
Total Liabilities and Fund Balance	<u>\$ 14,259</u>	<u>\$ 1,766</u>	<u>\$ 1,669</u>

<u>STRUCTURAL FIRE</u>	<u>TOBACCO LITIGATION SETTLEMENT</u>	<u>OTHER SPECIAL REVENUE</u>	
			<u>ASSETS</u>
\$ 10,164	\$ 11,297	\$ 6,288	Pooled Cash and Investments
2			Revolving Fund Cash
147	125	61	Interest Receivable
			Accounts Receivable
1,414			Accrued Revenue
702		284	Due from Other Funds
9			Due from Other Agencies
<u>368</u>			Inventory- Materials and Supplies
\$ <u>12,806</u>	\$ <u>11,422</u>	\$ <u>6,633</u>	Total Assets
			<u>LIABILITIES AND FUND BALANCE</u>
\$ 578	\$	\$	Liabilities:
2,254			Accrued Expenditures
			Salaries and Employee Benefits Payable
			Advances from Other Funds
2,198			Due to Other Funds
			Due to Others
			Loans Payable
			Deferred Revenue
<u>5,030</u>			Total Liabilities
			Fund Balance (Deficit):
7,409		124	Reserved (Note III L)
			Unreserved:
		1,493	Designated (Note III L)
<u>367</u>	<u>11,422</u>	<u>5,016</u>	Undesignated
<u>7,776</u>	<u>11,422</u>	<u>6,633</u>	Total Fund Balance (Deficit)
\$ <u>12,806</u>	\$ <u>11,422</u>	\$ <u>6,633</u>	Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 1 of 3

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
REVENUES:				
Taxes	\$ 41,815	\$	\$	\$
Licenses, Permits and Franchises	4,900		4,754	
Fines, Forfeitures and Penalties	4,643			
Revenues from Use of Money and Property	5,517	53	171	7
Aid from Other Governmental Agencies	436,167	7,257		9,810
Charges for Current Services	50,423	538	34	
Other Revenues	8,457	120	49	498
Total Revenues	<u>551,922</u>	<u>7,968</u>	<u>5,008</u>	<u>10,315</u>
EXPENDITURES:				
Current:				
General Government	82			
Public Protection	127,527		3,040	
Health and Sanitation	72,204			
Public Assistance	298,952	7,470		10,325
Education	38			
Public Ways and Facilities	30,856			
Capital Outlay	156	156		
Total Expenditures	<u>529,815</u>	<u>7,626</u>	<u>3,040</u>	<u>10,325</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>22,107</u>	<u>342</u>	<u>1,968</u>	<u>(10)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	533			
Operating Transfers Out	(3,334)			
Inception of Capital Leases	156	156		
Total Other Financing Sources (Uses)	<u>(2,645)</u>	<u>156</u>		
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>19,462</u>	<u>498</u>	<u>1,968</u>	<u>(10)</u>
Fund Balance (Deficit), July 1, 2000	58,536	402	1,301	5
Prior Period Adjustment	17,351	77		
Fund Balance (Deficit), June 30, 2001	<u>\$ 95,349</u>	<u>\$ 977</u>	<u>\$ 3,269</u>	<u>\$ (5)</u>

COUNTY SERVICE AREAS	DISTRICT ATTORNEY EQUIPMENT AUTOMATION	DISTRICT ATTORNEY FAMILY SUPPORT	DISTRICT ATTORNEY LOCAL FORFEITURES	
\$ 1,827	\$	\$	\$	REVENUES:
10				Taxes
41			91	Licenses, Permits and Franchises
382	29	477	131	Fines, Forfeitures and Penalties
		28,758		Revenues from Use of Money and Property
781				Aid from Other Governmental Agencies
39		122		Charges for Current Services
				Other Revenues
<u>3,080</u>	<u>29</u>	<u>29,357</u>	<u>222</u>	Total Revenues
				EXPENDITURES:
				Current:
24		27,339		General Government
266				Public Protection
				Health and Sanitation
				Public Assistance
				Education
1,627				Public Ways and Facilities
				Capital Outlay
<u>1,917</u>		<u>27,339</u>		Total Expenditures
<u>1,163</u>	<u>29</u>	<u>2,018</u>	<u>222</u>	Excess (Deficiency) of Revenues Over Expenditures
	433			OTHER FINANCING SOURCES (USES):
	(358)			Operating Transfers In
				Operating Transfers Out
				Inception of Capital Leases
	<u>75</u>			Total Other Financing Sources (Uses)
<u>1,163</u>	<u>104</u>	<u>2,018</u>	<u>222</u>	Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses
4,961		2,904		Fund Balance (Deficit), July 1, 2000
	400	12	909	Prior Period Adjustment
<u>\$ 6,124</u>	<u>\$ 504</u>	<u>\$ 4,934</u>	<u>\$ 1,131</u>	Fund Balance (Deficit), June 30, 2001

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

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	EMERGENCY MEDICAL SERVICES	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	LOCAL PUBLIC SAFETY
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties	1,126			
Revenues from Use of Money and Property	72	62	790	
Aid from Other Governmental Agencies	94	32,803	250,516	36,026
Charges for Current Services			907	
Other Revenues		3	5,172	
Total Revenues	<u>1,292</u>	<u>32,868</u>	<u>257,385</u>	<u>36,026</u>
EXPENDITURES:				
Current:				
General Government				
Public Protection				37,591
Health and Sanitation	1,047			
Public Assistance		30,085	251,072	
Education				
Public Ways and Facilities				
Capital Outlay				
Total Expenditures	<u>1,047</u>	<u>30,085</u>	<u>251,072</u>	<u>37,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>245</u>	<u>2,783</u>	<u>6,313</u>	<u>(1,565)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Inception of Capital Leases				
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>245</u>	<u>2,783</u>	<u>6,313</u>	<u>(1,565)</u>
Fund Balance (Deficit), July 1, 2000	956	(1,777)	7,305	2,802
Prior Period Adjustment				
Fund Balance (Deficit), June 30, 2001	<u>\$ 1,201</u>	<u>\$ 1,006</u>	<u>\$ 13,618</u>	<u>\$ 1,237</u>

MENTAL HEALTH	PLANNED LOCAL DRAINAGE	PROPERTY TAX ADMINISTRATION	PUBLIC IMPROVEMENT DISTRICTS	
\$	\$	\$	\$	REVENUES:
	21		16	Taxes
701	38	63	1	Licenses, Permits and Franchises
42,587				Fines, Forfeitures and Penalties
28,478				Revenues from Use of Money and Property
43				Aid from Other Governmental Agencies
				Charges for Current Services
				Other Revenues
<u>71,809</u>	<u>59</u>	<u>63</u>	<u>17</u>	Total Revenues
				EXPENDITURES:
				Current:
68,068			18	General Government
				Public Protection
				Health and Sanitation
				Public Assistance
				Education
				Public Ways and Facilities
				Capital Outlay
<u>68,068</u>			<u>18</u>	Total Expenditures
<u>3,741</u>	<u>59</u>	<u>63</u>	<u>(1)</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
		(24)		Operating Transfers In
				Operating Transfers Out
				Inception of Capital Leases
		<u>(24)</u>		Total Other Financing Sources (Uses)
<u>3,741</u>	<u>59</u>	<u>39</u>	<u>(1)</u>	Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses
10,504	503		(1)	Fund Balance (Deficit), July 1, 2000
2,515		832		Prior Period Adjustment
<u>\$ 16,760</u>	<u>\$ 562</u>	<u>\$ 871</u>	<u>\$ (2)</u>	Fund Balance (Deficit), June 30, 2001

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

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	<u>ROAD</u>	<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>
REVENUES:			
Taxes	\$ 6,182	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	832	130	107
Aid from Other Governmental Agencies	19,186		380
Charges for Current Services	876		
Other Revenues	<u>1,713</u>	<u>453</u>	<u></u>
Total Revenues	<u>28,789</u>	<u>583</u>	<u>487</u>
EXPENDITURES:			
Current:			
General Government			
Public Protection			
Health and Sanitation			
Public Assistance			
Education			
Public Ways and Facilities	29,211		
Capital Outlay			
Total Expenditures	<u>29,211</u>	<u></u>	<u></u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(422)</u>	<u>583</u>	<u>487</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			
Operating Transfers Out			
Inception of Capital Leases			
Total Other Financing Sources (Uses)	<u></u>	<u></u>	<u></u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(422)</u>	<u>583</u>	<u>487</u>
Fund Balance (Deficit), July 1, 2000	10,403		
Prior Period Adjustment	<u>3,915</u>	<u>1,183</u>	<u>1,182</u>
Fund Balance (Deficit), June 30, 2001	<u>\$ 13,896</u>	<u>\$ 1,766</u>	<u>\$ 1,669</u>

<u>STRUCTURAL FIRE</u>	<u>TOBACCO LITIGATION SETTLEMENT</u>	<u>OTHER SPECIAL REVENUE</u>	
\$ 33,790	\$	\$	REVENUES:
1		114	Taxes
20		3,365	Licenses, Permits and Franchises
614	496	361	Fines, Forfeitures and Penalties
1,882	6,297	571	Revenues from Use of Money and Property
17,665		1,144	Aid from Other Governmental Agencies
45		200	Charges for Current Services
			Other Revenues
<u>54,017</u>	<u>6,793</u>	<u>5,755</u>	Total Revenues
			EXPENDITURES:
			Current:
		82	General Government
54,714		4,819	Public Protection
	2,650	173	Health and Sanitation
			Public Assistance
		38	Education
			Public Ways and Facilities
			Capital Outlay
<u>54,714</u>	<u>2,650</u>	<u>5,112</u>	Total Expenditures
<u>(697)</u>	<u>4,143</u>	<u>643</u>	Excess (Deficiency) of Revenues Over Expenditures
			OTHER FINANCING SOURCES (USES):
80		20	Operating Transfers In
(1,289)		(1,663)	Operating Transfers Out
			Inception of Capital Leases
<u>(1,209)</u>		<u>(1,643)</u>	Total Other Financing Sources (Uses)
			Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses
<u>(1,906)</u>	<u>4,143</u>	<u>(1,000)</u>	
8,462	7,279	2,527	Fund Balance (Deficit), July 1, 2000
1,220		5,106	Prior Period Adjustment
<u>\$ 7,776</u>	<u>\$ 11,422</u>	<u>\$ 6,633</u>	Fund Balance (Deficit), June 30, 2001

COUNTY OF KERN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
BUDGET AND ACTUAL ON BUDGETARY BASIS
CERTAIN SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Over (Under)
REVENUES:			
Taxes	\$ 44,501	\$ 41,799	\$ (2,702)
Licenses, Permits and Franchises	3,761	4,896	1,135
Fines, Forfeitures and Penalties	4,036	4,452	416
Revenues from Use of Money and Property	891	4,750	3,859
Aid from Other Governmental Agencies	480,896	435,411	(45,485)
Charges for Current Services	47,151	50,281	3,130
Other Revenues	9,952	7,844	(2,108)
Total Revenues	591,188	549,433	(41,755)
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	91,980	91,649	(331)
Services & Supplies	36,889	32,631	(4,258)
Other Charges	3,592	2,124	(1,468)
Fixed Assets	5,297	4,478	(819)
Transfers & Reimbursements	(485)	(455)	30
Appropriation for Contingencies	422		(422)
Total Public Protection	137,695	130,427	(7,268)
Health and Sanitation			
Salaries & Benefits	28,278	26,620	(1,658)
Services & Supplies	53,497	51,909	(1,588)
Other Charges	4,249	4,198	(51)
Fixed Assets	248	154	(94)
Transfers & Reimbursements	(309)	(309)	
Appropriation for Contingencies	46		(46)
Total Health and Sanitation	86,009	82,572	(3,437)
Public Assistance			
Salaries & Benefits	68,375	64,027	(4,348)
Services & Supplies	133,094	112,416	(20,678)
Other Charges	150,140	146,424	(3,716)
Fixed Assets	724	646	(78)
Appropriation for Contingencies	636		(636)
Total Public Assistance	352,969	323,513	(29,456)
Education			
Services & Supplies	38	38	
Total Education	38	38	
Public Ways and Facilities			
Salaries & Benefits	7,962	7,935	(27)
Services & Supplies	31,531	29,209	(2,322)
Other Charges	307	264	(43)
Fixed Assets	2,226	1,839	(387)
Appropriation for Contingencies	123		(123)
Total Public Ways and Facilities	42,149	39,247	(2,902)
Total Expenditures	618,860	575,797	(43,063)
Excess (Deficiency) of Revenues Over Expenditures	(27,672)	(26,364)	1,308
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		80	80
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(27,672)	(26,284)	1,388
Fund Balance (Deficit), July 1, 2000	56,010	56,010	
Prior Period Adjustment	7,739	7,739	
Fund Balance (Deficit), June 30, 2001	\$ 36,077	\$ 37,465	\$ 1,388

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>AGING AND ADULT SERVICES</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	6	53	47
Aid from Other Governmental Agencies	7,719	7,257	(462)
Charges for Current Services	719	538	(181)
Other Revenues	144	120	(24)
Total Revenues	<u>8,588</u>	<u>7,968</u>	<u>(620)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Salaries & Benefits	3,288	2,783	(505)
Services & Supplies	2,866	2,428	(438)
Other Charges	2,752	2,628	(124)
Fixed Assets	89	78	(11)
Total Expenditures	<u>8,995</u>	<u>7,917</u>	<u>(1,078)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(407)</u>	<u>51</u>	<u>458</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(407)	51	458
Fund Balance (Deficit), July 1, 2000	402	402	
Prior Period Adjustment	77	77	
Fund Balance (Deficit), June 30, 2001	<u>\$ 72</u>	<u>\$ 530</u>	<u>\$ 458</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>BUILDING INSPECTION</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises	3,671	4,754	1,083
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	40	171	131
Aid from Other Governmental Agencies			
Charges for Current Services	15	34	19
Other Revenues	11	49	38
Total Revenues	<u>3,737</u>	<u>5,008</u>	<u>1,271</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	2,170	1,936	(234)
Services & Supplies	1,716	1,067	(649)
Other Charges	108	108	
Fixed Assets	216	184	(32)
Appropriation for Contingencies	269		(269)
Total Expenditures	<u>4,479</u>	<u>3,295</u>	<u>(1,184)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(742)</u>	<u>1,713</u>	<u>2,455</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(742)	1,713	2,455
Fund Balance (Deficit), July 1, 2000	<u>1,301</u>	<u>1,301</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 559</u>	<u>\$ 3,014</u>	<u>\$ 2,455</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>COMMUNITY DEVELOPMENT</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		7	7
Aid from Other Governmental Agencies	29,299	9,810	(19,489)
Charges for Current Services	2		(2)
Other Revenues	<u>1,213</u>	<u>498</u>	<u>(715)</u>
Total Revenues	<u>30,514</u>	<u>10,315</u>	<u>(20,199)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Services & Supplies	29,872	17,396	(12,476)
Appropriation for Contingencies	<u>636</u>		<u>(636)</u>
Total Expenditures	<u>30,508</u>	<u>17,396</u>	<u>(13,112)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6</u>	<u>(7,081)</u>	<u>7,087</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	6	(7,081)	(7,087)
Fund Balance (Deficit), July 1, 2000	<u>5</u>	<u>5</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 11</u>	<u>\$ (7,076)</u>	<u>\$ (7,087)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	COUNTY SERVICE AREAS		
	Budget	Actual on Budgetary Basis	Variance Over (Under)
REVENUES:			
Taxes	\$ 1,726	\$ 1,827	\$ 101
Licenses, Permits and Franchises		10	10
Fines, Forfeitures and Penalties		41	41
Revenues from Use of Money and Property	238	382	144
Aid from Other Governmental Agencies			
Charges for Current Services	708	781	73
Other Revenues	197	39	(158)
Total Revenues	<u>2,869</u>	<u>3,080</u>	<u>211</u>
EXPENDITURES:			
Current:			
Public Protection			
Services & Supplies	74	31	(43)
Other Charges	1	1	
Fixed Assets			
Appropriation for Contingencies	6		(6)
Total Public Protection	<u>81</u>	<u>32</u>	<u>(49)</u>
Health and Sanitation			
Services & Supplies	721	249	(472)
Other Charges	22	10	(12)
Fixed Assets	100	43	(57)
Appropriation for Contingencies	46		(46)
Total Health and Sanitation	<u>889</u>	<u>302</u>	<u>(587)</u>
Public Ways and Facilities			
Services & Supplies	1,990	1,627	(363)
Other Charges	37	17	(20)
Fixed Assets	700	582	(118)
Appropriation for Contingencies	123		(123)
Total Public Ways and Facilities	<u>2,850</u>	<u>2,226</u>	<u>(624)</u>
Total Expenditures	<u>3,820</u>	<u>2,560</u>	<u>(1,260)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(951)</u>	<u>520</u>	<u>1,471</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Proceeds from Issuance of Debt			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(951)	520	1,471
Fund Balance (Deficit), July 1, 2000	<u>4,961</u>	<u>4,961</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 4,010</u>	<u>\$ 5,481</u>	<u>\$ 1,471</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>DISTRICT ATTORNEY - FAMILY SUPPORT</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	165	477	312
Aid from Other Governmental Agencies	29,868	28,758	(1,110)
Charges for Current Services			
Other Revenues	300	122	(178)
Total Revenues	<u>30,333</u>	<u>29,357</u>	<u>(976)</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	11,280	11,183	(97)
Services & Supplies	19,150	16,063	(3,087)
Other Charges	302	128	(174)
Fixed Assets	23	17	(6)
Total Expenditures	<u>30,755</u>	<u>27,391</u>	<u>(3,364)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(422)</u>	<u>1,966</u>	<u>2,388</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(422)	1,966	2,388
Fund Balance (Deficit), July 1, 2000	2,904	2,904	
Prior Period Adjustment	12	12	
Fund Balance (Deficit), June 30, 2001	<u>\$ 2,494</u>	<u>\$ 4,882</u>	<u>\$ 2,388</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2000 (IN THOUSANDS)

	<u>EMERGENCY MEDICAL SERVICES</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties	1,055	1,126	71
Revenues from Use of Money and Property	41	72	31
Aid from Other Governmental Agencies	120	94	(26)
Charges for Current Services			
Other Revenues			
Total Revenues	<u>1,216</u>	<u>1,292</u>	<u>76</u>
EXPENDITURES:			
Current:			
Health and Sanitation			
Salaries & Benefits	212	212	
Services & Supplies	1,198	951	(247)
Other Charges	4	4	
Total Expenditures	<u>1,414</u>	<u>1,167</u>	<u>(247)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(198)</u>	<u>125</u>	<u>323</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(198)	125	323
Fund Balance (Deficit), July 1, 2000	<u>956</u>	<u>956</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 758</u>	<u>\$ 1,081</u>	<u>\$ 323</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>EMPLOYERS' TRAINING RESOURCE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		62	62
Aid from Other Governmental Agencies	42,758	32,803	(9,955)
Charges for Current Services			
Other Revenues	<u>20</u>	<u>3</u>	<u>(17)</u>
Total Revenues	<u>42,778</u>	<u>32,868</u>	<u>(9,910)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Services & Supplies	21,102	18,255	(2,847)
Other Charges	<u>20,357</u>	<u>17,754</u>	<u>(2,603)</u>
Total Expenditures	<u>41,459</u>	<u>36,009</u>	<u>(5,450)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,319</u>	<u>(3,141)</u>	<u>(4,460)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,319	(3,141)	(4,460)
Fund Balance (Deficit), July 1, 2000	<u>(1,777)</u>	<u>(1,777)</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ (458)</u>	<u>\$ (4,918)</u>	<u>\$ (4,460)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>HUMAN SERVICES</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over Under</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		790	790
Aid from Other Governmental Agencies	259,000	250,516	(8,484)
Charges for Current Services	284	907	623
Other Revenues	5,476	5,172	(304)
Total Revenues	<u>264,760</u>	<u>257,385</u>	<u>(7,375)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Salaries & Benefits	65,087	61,244	(3,843)
Services & Supplies	79,254	74,337	(4,917)
Other Charges	127,031	126,042	(989)
Fixed Assets	635	568	(67)
Total Expenditures	<u>272,007</u>	<u>262,191</u>	<u>(9,816)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,247)</u>	<u>(4,806)</u>	<u>2,441</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(7,247)	(4,806)	2,441
Fund Balance (Deficit), July 1, 2000	<u>7,305</u>	<u>7,305</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 58</u>	<u>\$ 2,499</u>	<u>\$ 2,441</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>LOCAL PUBLIC SAFETY</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property			
Aid from Other Governmental Agencies	34,789	36,026	1,237
Charges for Current Services			
Other Revenues			
	<u>34,789</u>	<u>36,026</u>	<u>1,237</u>
Total Revenues	<u>34,789</u>	<u>36,026</u>	<u>1,237</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	30,946	30,946	
Services & Supplies	5,488	5,488	
Other Charges	841	841	
Fixed Assets	333	333	
Transfers & Reimbursements	(17)	(17)	
	<u>37,591</u>	<u>37,591</u>	
Total Expenditures	<u>37,591</u>	<u>37,591</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,802)</u>	<u>(1,565)</u>	<u>1,237</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2,802)	(1,565)	1,237
Fund Balance (Deficit), July 1, 2000	<u>2,802</u>	<u>2,802</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$</u>	<u>\$ 1,237</u>	<u>\$ 1,237</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>MENTAL HEALTH</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	50	701	651
Aid from Other Governmental Agencies	47,463	42,587	(4,876)
Charges for Current Services	26,860	28,478	1,618
Other Revenues	61	43	(18)
Total Revenues	<u>74,434</u>	<u>71,809</u>	<u>(2,625)</u>
EXPENDITURES:			
Current:			
Health and Sanitation			
Salaries & Benefits	27,178	25,520	(1,658)
Services & Supplies	49,833	48,964	(869)
Other Charges	4,116	4,077	(39)
Fixed Assets	58	21	(37)
Transfers & Reimbursements	(303)	(303)	
Total Expenditures	<u>80,882</u>	<u>78,279</u>	<u>(2,603)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,448)</u>	<u>(6,470)</u>	<u>(22)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(6,448)	(6,470)	(22)
Fund Balance (Deficit), July 1, 2000	10,504	10,504	
Prior Period Adjustment	2,515	2,515	
Fund Balance (Deficit), June 30, 2001	<u>\$ 6,571</u>	<u>\$ 6,549</u>	<u>\$ (22)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>PLANNED LOCAL DRAINAGE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises		21	21
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		39	39
Aid from Other Governmental Agencies			
Charges for Current Services			
Other Revenues			
Total Revenues		<u>60</u>	<u>60</u>
EXPENDITURES:			
Current:			
Public Protection			
Fixed Assets	<u>247</u>		<u>(247)</u>
Total Expenditures	<u>247</u>		<u>(247)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(247)</u>	<u>60</u>	<u>307</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(247)	60	307
Fund Balance (Deficit), July 1, 2000	<u>503</u>	<u>503</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 256</u>	<u>\$ 563</u>	<u>\$ 307</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>ROAD</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$ 6,212	\$ 6,182	\$ (30)
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property	200	832	632
Aid from Other Governmental Agencies	20,554	19,186	(1,368)
Charges for Current Services	1,235	876	(359)
Other Revenues	<u>2,336</u>	<u>1,713</u>	<u>(623)</u>
Total Revenues	<u>30,537</u>	<u>28,789</u>	<u>(1,748)</u>
EXPENDITURES:			
Current:			
Public Ways and Facilities			
Salaries & Benefits	7,962	7,935	(27)
Services & Supplies	29,541	27,582	(1,959)
Other Charges	270	247	(23)
Fixed Assets	<u>1,526</u>	<u>1,257</u>	<u>(269)</u>
Total Expenditures	<u>39,299</u>	<u>37,021</u>	<u>(2,278)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,762)</u>	<u>(8,232)</u>	<u>530</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,762)	(8,232)	530
Fund Balance (Deficit), July 1, 2000	10,403	10,403	
Prior Period Adjustment	<u>3,915</u>	<u>3,915</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 5,556</u>	<u>\$ 6,086</u>	<u>\$ 530</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>STRUCTURAL FIRE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$ 36,563	\$ 33,790	\$ (2,773)
Licenses, Permits and Franchises		1	1
Fines, Forfeitures and Penalties	25	20	(5)
Revenues from Use of Money and Property	145	616	471
Aid from Other Governmental Agencies	2,798	1,882	(916)
Charges for Current Services	16,362	17,665	1,303
Other Revenues	168	45	(123)
Total Revenues	<u>56,061</u>	<u>54,019</u>	<u>(2,042)</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	45,940	45,940	
Services & Supplies	7,189	6,754	(435)
Other Charges	2,116	826	(1,290)
Fixed Assets	4,383	3,849	(534)
Appropriation for Contingencies	147		(147)
Total Expenditures	<u>59,775</u>	<u>57,369</u>	<u>(2,406)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,714)</u>	<u>(3,350)</u>	<u>364</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		80	80
Total Other Financing Sources (Uses)		<u>80</u>	<u>80</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(3,714)	(3,270)	444
Fund Balance (Deficit), July 1, 2000	8,462	8,462	
Prior Period Adjustment	1,220	1,220	
Fund Balance (Deficit), June 30, 2001	<u>\$ 5,968</u>	<u>\$ 6,412</u>	<u>\$ 444</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>TOBACCO LITIGATION SETTLEMENT</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		496	496
Aid from Other Governmental Agencies	6,360	6,297	(63)
Charges for Current Services			
Other Revenues			
	<u>6,360</u>	<u>6,793</u>	<u>433</u>
Total Revenues			
EXPENDITURES:			
Current:			
Health and Sanitation			
Salaries & Benefits	835	835	
Services & Supplies	1,621	1,621	
Other Charges	105	105	
Fixed Assets	90	90	
Transfers and Reimbursements			
	<u>2,651</u>	<u>2,651</u>	
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>3,709</u>	<u>4,142</u>	<u>433</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	3,709	4,142	433
Fund Balance (Deficit), July 1, 2000	<u>7,279</u>	<u>7,279</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 10,988</u>	<u>\$ 11,421</u>	<u>\$ 433</u>

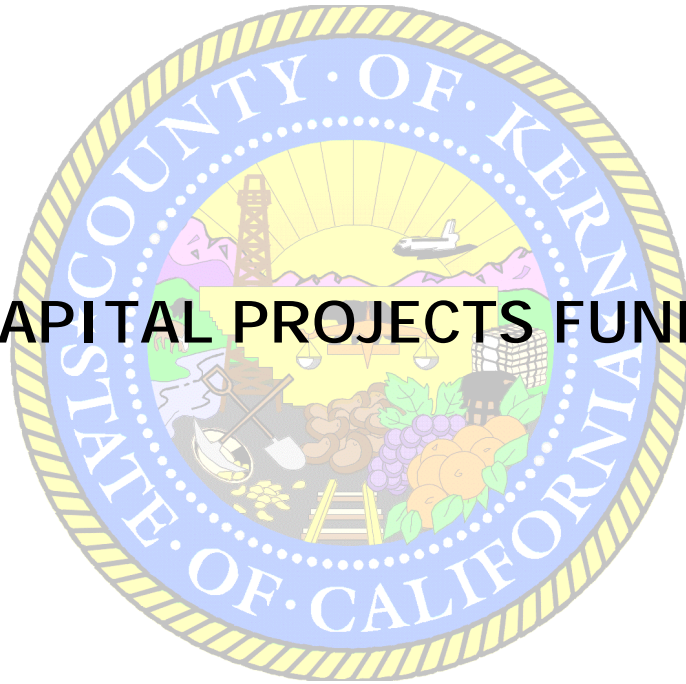
COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	OTHER SPECIAL REVENUE		
	Budget	Actual on Budgetary Basis	Variance Over (Under)
REVENUES:			
Taxes	\$ 90	\$ 110	\$ 20
Licenses, Permits and Franchises	2,956	3,265	309
Fines, Forfeitures and Penalties	6	52	46
Revenues from Use of Money and Property	168	195	27
Aid from Other Governmental Agencies	966	1,002	36
Charges for Current Services	26	40	14
Other Revenues	<u>26</u>	<u>40</u>	<u>14</u>
Total Revenues	<u>4,212</u>	<u>4,664</u>	<u>452</u>
EXPENDITURES:			
Public Protection:			
Automated County Warrant System			
Salaries & Benefits	21	21	
Services & Supplies	40	40	
Fixed Assets	2	2	
Transfers & Reimbursements	(14)	(14)	
	<u>49</u>	<u>49</u>	
Criminal Justice Facility			
Salaries & Benefits	510	510	
Services & Supplies	2,778	2,778	
Other Charges	86	86	
Fixed Assets	40	40	
Transfers & Reimbursements	(454)	(454)	
	<u>2,960</u>	<u>2,960</u>	
Juvenile Justice Facility			
Services & Supplies	12	12	
	<u>12</u>	<u>12</u>	
Court Temporary Construction			
Services & Supplies	82	82	
	<u>82</u>	<u>82</u>	
Sheriff Training			
Salaries & Benefits	133	133	
Services & Supplies	28	28	
Other Charges	4	4	
Fixed Assets	1	1	
	<u>166</u>	<u>166</u>	
Automated Fingerprint			
Salaries & Benefits	309	309	
Services & Supplies	66	66	
Other Charges	9	9	
Fixed Assets	3	3	
Transfers & Reimbursements		30	30
	<u>387</u>	<u>417</u>	<u>30</u>
Probation Training			
Salaries & Benefits	134	134	
Services & Supplies	18	18	
Other Charges	4	4	
	<u>156</u>	<u>156</u>	
Domestic Violence			
Salaries & Benefits	76	76	
Services & Supplies	10	10	
Other Charges	2	2	
	<u>88</u>	<u>88</u>	
Family Court Service			
Salaries & Benefits	26	26	
Services & Supplies	4	4	
Other Charges	1	1	
	<u>31</u>	<u>31</u>	
Recorders Fee			
Salaries & Benefits	361	361	
Services & Supplies	145	145	
Other Charges	68	68	
Fixed Assets	40	40	
	<u>614</u>	<u>614</u>	

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS

	OTHER SPECIAL REVENUE		
	Budget	Actual on Budgetary Basis	Variance Over (Under)
Public Protection (continued):			
Micrographics			
Salaries & Benefits	\$ 75	\$ 75	\$
Services & Supplies	30	30	
Other Charges	14	14	
Fixed Assets	8	8	
	<u>127</u>	<u>127</u>	
Range Improvement			
Services & Supplies	55	12	(43)
Wildlife Resources			
Services & Supplies	4	3	(1)
Other Charges	36	32	(4)
	<u>40</u>	<u>35</u>	<u>(5)</u>
Total Public Protection	<u>4,767</u>	<u>4,749</u>	<u>(18)</u>
Health and Sanitation:			
Alcohol Program			
Salaries & Benefits	28	28	
Services & Supplies	65	65	
Other Charges	1	1	
Transfers and Reimbursements	(3)	(3)	
	<u>91</u>	<u>91</u>	
Alcohol Abuse			
Salaries & Benefits	21	21	
Services & Supplies	48	48	
Other Charges	1	1	
Transfers and Reimbursements	(2)	(2)	
	<u>68</u>	<u>68</u>	
Drug Program			
Salaries & Benefits	5	5	
Services & Supplies	11	11	
Transfers and Reimbursements	(1)	(1)	
	<u>15</u>	<u>15</u>	
Total Health and Sanitation	<u>174</u>	<u>174</u>	
Education:			
Experimental Farm			
Services & Supplies	38	38	
Total Education	<u>38</u>	<u>38</u>	
Total Expenditures	<u>4,979</u>	<u>4,961</u>	<u>(18)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(767)</u>	<u>(297)</u>	<u>470</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(767)	(297)	470
Fund Balance (Deficit), July 1, 2000	<u>2,372</u>	<u>2,372</u>	
Fund Balance (Deficit), June 30, 2001	<u>\$ 1,605</u>	<u>\$ 2,075</u>	<u>\$ 470</u>

CAPITAL PROJECTS 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
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$ 4,317	\$ 68	\$ 14
Interest Receivable	<u>61</u>		
Total Assets	<u>\$ 4,378</u>	<u>\$ 68</u>	<u>\$ 14</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accrued Expenditures	\$ 450	\$	\$
Advances from Other Funds	<u>4,500</u>		
Total Liabilities	<u>4,950</u>		
Fund Balance:			
Reserved:			
Encumbrances (Note III L)	5,748		13
Unreserved:			
Designated (Note III L)	1		1
Undesignated	<u>(6,321)</u>	<u>68</u>	
Total Fund Balance	<u>(572)</u>	<u>68</u>	<u>14</u>
Total Liabilities and Fund Balance	<u>\$ 4,378</u>	<u>\$ 68</u>	<u>\$ 14</u>

<u>SEPARATION OF GRADE</u>	<u>PUBLIC HEALTH FACILITY</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>ASSETS</u>
\$ 2,705	\$ 1,530	\$	Pooled Cash and Investments
<u>45</u>	<u>16</u>	<u></u>	Interest Receivable
<u>\$ 2,750</u>	<u>\$ 1,546</u>	<u>\$</u>	Total Assets
			<u>LIABILITIES AND FUND BALANCE</u>
			Liabilities:
\$ 4,500	\$ 450	\$	Accrued Expenditures
<u>4,500</u>	<u>450</u>	<u></u>	Advances from Other Funds
			Total Liabilities
			Fund Balance:
2,691	3,044		Reserved:
			Encumbrances (Note III L)
<u>(4,441)</u>	<u>(1,948)</u>	<u></u>	Unreserved:
<u>(1,750)</u>	<u>1,096</u>	<u></u>	Designated (Note III L)
			Undesignated
			Total Fund Balance
<u>\$ 2,750</u>	<u>\$ 1,546</u>	<u>\$</u>	Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)
 CAPITAL PROJECT FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>
REVENUES:			
Revenues From Use of Money	\$ 303	\$ 1	\$ 1
Aid From Other Governments	<u>3,912</u>		
Total Revenues	<u>4,215</u>	<u>1</u>	<u>1</u>
EXPENDITURES:			
Capital Outlay	<u>13,855</u>		
Total Expenditures	<u>13,855</u>		
Excess (Deficiency) of Revenues over Expenditures	<u>(9,640)</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	<u>11,173</u>		
Total Other Financing Sources (Uses)	<u>11,173</u>		
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	1,533	1	1
Fund Balance, July 1, 2000	<u>(2,105)</u>	<u>67</u>	<u>13</u>
Fund Balance, June 30, 2001	<u>\$ (572)</u>	<u>\$ 68</u>	<u>\$ 14</u>

<u>SEPARATION OF GRADE</u>	<u>PUBLIC HEALTH FACILITY</u>	<u>CERTIFICATES OF PARTICIPATION</u>	
			REVENUES:
\$ 238	\$ 63	\$	Revenues From Use of Money
<u>3,912</u>	<u> </u>	<u> </u>	Aid From Other Governments
<u>4,150</u>	<u>63</u>	<u> </u>	Total Revenues
<u>2,972</u>	<u>7,406</u>	<u>3,477</u>	Capital Outlay
<u>2,972</u>	<u>7,406</u>	<u>3,477</u>	Total Expenditures
<u>1,178</u>	<u>(7,343)</u>	<u>(3,477)</u>	Excess (Deficiency) of Revenues over Expenditures
<u> </u>	<u>7,696</u>	<u>3,477</u>	Operating Transfer In
<u> </u>	<u>7,696</u>	<u>3,477</u>	Total Other Financing Sources (Uses)
1,178	353		Other Financing Sources over
<u>(2,928)</u>	<u>743</u>	<u> </u>	Expenditures and Other Financing Uses
\$ <u>(1,750)</u>	\$ <u>1,096</u>	\$ <u> </u>	Fund Balance, July 1, 2000
			Fund Balance, June 30, 2001

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$ 280	\$ 302	\$ 22
Aid From Other Governments	14,873	3,912	(10,961)
Other Revenues	<u>3,144</u>	<u> </u>	<u>(3,144)</u>
Total Revenues	<u>18,297</u>	<u>4,214</u>	<u>(14,083)</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	19,611	19,591	20
Appropriation for Contingencies	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>19,611</u>	<u>19,591</u>	<u>20</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,314)</u>	<u>(15,377)</u>	<u>(14,063)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	3,477	11,174	7,697
Operating Transfer Out	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u>3,477</u>	<u>11,174</u>	<u>7,697</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	2,163	(4,203)	(6,366)
Fund Balance, July 1, 2000	<u>(2,118)</u>	<u>(2,118)</u>	<u> </u>
Fund Balance, June 30, 2001	<u>\$ 45</u>	<u>\$ (6,321)</u>	<u>\$ (6,366)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>MASTER LEASE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$	\$ 1	\$ 1
Aid From Other Governments			
Other Revenues			
Total Revenues	<u> </u>	<u> 1</u>	<u> 1</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay			
Appropriation for Contingencies			
Total Expenditures	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over Expenditures	<u> </u>	<u> 1</u>	<u> 1</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			
Operating Transfer Out			
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses		1	1
Fund Balance, July 1, 2000	<u> 67</u>	<u> 67</u>	<u> </u>
Fund Balance, June 30, 2001	<u>\$ 67</u>	<u>\$ 68</u>	<u>\$ 1</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

<u>CERTIFICATES OF PARTICIPATION</u>			
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$	\$	\$
Aid From Other Governments			
Other Revenues			
Total Revenues			
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	3,477	3,477	
Appropriation for Contingencies			
Total Expenditures	3,477	3,477	
Excess (Deficiency) of Revenues over Expenditures	(3,477)	(3,477)	
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	3,477	3,477	
Operating Transfer Out			
Total Other Financing Sources (Uses)	3,477	3,477	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses			
Fund Balance, July 1, 2000			
Fund Balance, June 30, 2001	\$	\$	\$

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>SEPARATION OF GRADE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$ 280	\$ 238	\$ (42)
Aid From Other Governments	5,175	3,912	(1,263)
Other Revenues	<u>3,144</u>	<u> </u>	<u>(3,144)</u>
Total Revenues	<u>8,599</u>	<u>4,150</u>	<u>(4,449)</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	5,685	5,664	21
Appropriation for Contingencies	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>5,685</u>	<u>5,664</u>	<u>21</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,914</u>	<u>(1,514)</u>	<u>(4,428)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			
Operating Transfer Out	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	2,914	(1,514)	(4,428)
Fund Balance, July 1, 2000	<u>(2,928)</u>	<u>(2,928)</u>	<u> </u>
Fund Balance, June 30, 2001	<u>\$ (14)</u>	<u>\$ (4,442)</u>	<u>\$ (4,428)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

<u>PUBLIC HEALTH FACILITY</u>			
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues From Use of Money	\$	\$	\$
Aid From Other Governments	9,698	63	63
Other Revenues			(9,698)
Total Revenues	<u>9,698</u>	<u>63</u>	<u>(9,635)</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	10,450	10,450	
Appropriation for Contingencies			
Total Expenditures	<u>10,450</u>	<u>10,450</u>	
Excess (Deficiency) of Revenues over Expenditures	<u>(752)</u>	<u>(10,387)</u>	<u>(9,635)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In		7,696	7,696
Operating Transfer Out			
Total Other Financing Sources (Uses)		<u>7,696</u>	<u>7,696</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(752)	(2,691)	(1,939)
Fund Balance, July 1, 2000	<u>743</u>	<u>743</u>	
Fund Balance, June 30, 2001	<u>\$ (9)</u>	<u>\$ (1,948)</u>	<u>\$ (1,939)</u>

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
 DEBT SERVICE FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>
ASSETS			
Pooled Cash and Investments	\$ 31,221	\$ 27,501	\$ 3,720
Cash and Investments Deposited with Trustee	26,486		
Loans Receivable	2,008	2,008	
Interest Receivable	431	371	52
Advances to Other Funds	4,500	4,500	
Total Assets	<u>\$ 64,646</u>	<u>\$ 34,380</u>	<u>\$ 3,772</u>
FUND BALANCE			
Fund Balance:			
Reserved (Note III L)	\$ 31,460	\$ 28,182	\$ 3,278
Unreserved:			
Designated (Note III L)	26,494		
Undesignated	6,692	6,198	494
Fund Balance	<u>\$ 64,646</u>	<u>\$ 34,380</u>	<u>\$ 3,772</u>

	<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>
\$	24,158	\$	\$ 2,328
			8
	<u>24,158</u>		<u>2,336</u>
\$	<u>24,158</u>	\$	<u>2,336</u>
\$	24,158	\$	\$ 2,336
			2,336
\$	<u>24,158</u>	\$	<u>2,336</u>

ASSETS

Pooled Cash and Investments
Cash and Investments Deposited with Trustee
Loans Receivable
Interest Receivable
Advances to Other Funds
Total Assets

LIABILITIES AND FUND BALANCE

Fund Balance:
Reserved (Note III L)
Unreserved:
Designated (Note III L)
Undesignated
Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (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	\$ 5,153	\$ 2,905	\$ 290
Other Revenue	10,239		
Total Revenues	<u>15,392</u>	<u>2,905</u>	<u>290</u>
EXPENDITURES:			
General Government	503	503	
Public Protection	76		76
Debt Service:			
Principal	9,790		
Interest	14,119		
Total Expenditures	<u>24,488</u>	<u>503</u>	<u>76</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,096)</u>	<u>2,402</u>	<u>214</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	13,667		
Operating Transfer Out	(20,123)	(7,513)	(1,217)
Proceeds of Long Term Debt			
Total Other Financing Sources (Uses)	<u>(6,456)</u>	<u>(7,513)</u>	<u>(1,217)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(15,552)</u>	<u>(5,111)</u>	<u>(1,003)</u>
Fund Balance, July 1, 2000	<u>80,198</u>	<u>39,491</u>	<u>4,775</u>
Fund Balance, June 30, 2001	<u>\$ 64,646</u>	<u>\$ 34,380</u>	<u>\$ 3,772</u>

<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>	
\$ 1,367	\$ 220	\$ 371	REVENUES:
	10,239		Revenues from Use of Money or Property
			Other Revenue
<u>1,367</u>	<u>10,459</u>	<u>371</u>	Total Revenues
			EXPENDITURES:
9,040		750	General Government
3,457	10,239	423	Public Protection
			Debt Service:
			Principal
			Interest
<u>12,497</u>	<u>10,239</u>	<u>1,173</u>	Total Expenditures
<u>(11,130)</u>	<u>220</u>	<u>(802)</u>	Excess (Deficiency) of Revenues over Expenditures
			OTHER FINANCING SOURCES (USES):
12,494		1,173	Operating Transfer In
(3,477)	(220)	(7,696)	Operating Transfer Out
			Proceeds of Long Term Debt
<u>9,017</u>	<u>(220)</u>	<u>(6,523)</u>	Total Other Financing Sources (Uses)
<u>(2,113)</u>		<u>(7,325)</u>	Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses
<u>26,271</u>		<u>9,661</u>	Fund Balance, July 1, 2000
<u>\$ 24,158</u>	<u>\$</u>	<u>\$ 2,336</u>	Fund Balance, June 30, 2001

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 2,136	\$ 3,196	\$ 1,060
Other Revenue			
Total Revenues	<u>2,136</u>	<u>3,196</u>	<u>1,060</u>
EXPENDITURES:			
General Government			
Services and Supplies	481	473	(8)
Appropriation for Contingencies	<u>1,619</u>		<u>(1,619)</u>
Total General Government	<u>2,100</u>	<u>473</u>	<u>(1,627)</u>
Public Protection			
Services and Supplies	78	76	(2)
Appropriation for Contingencies	<u>264</u>		<u>(264)</u>
Total Public Protection	<u>342</u>	<u>76</u>	<u>(266)</u>
Total Expenditures	<u>2,442</u>	<u>549</u>	<u>(1,893)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(306)</u>	<u>2,647</u>	<u>2,953</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			
Operating Transfer Out	<u>(9,902)</u>	<u>(8,761)</u>	<u>1,141</u>
Total Other Financing Sources (Uses)	<u>(9,902)</u>	<u>(8,761)</u>	<u>1,141</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(10,208)	(6,114)	4,094
Fund Balance, July 1, 2000	<u>44,266</u>	<u>44,266</u>	
Fund Balance, June 30, 2001	<u>\$ 34,058</u>	<u>\$ 38,152</u>	<u>\$ 4,094</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

<u>ACCUMULATIVE CAPITAL OUTLAY - GENERAL</u>			
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 1,941	\$ 2,905	\$ 964
Total Revenues	<u>1,941</u>	<u>2,905</u>	<u>964</u>
EXPENDITURES:			
General Government			
Services and Supplies	481	473	(8)
Appropriation for Contingencies	1,619		(1,619)
Total Expenditures	<u>2,100</u>	<u>473</u>	<u>(1,627)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(159)</u>	<u>2,432</u>	<u>2,591</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			
Operating Transfers Out	(8,511)	(7,544)	967
Total Other Financing Sources (Uses)	<u>(8,511)</u>	<u>(7,544)</u>	<u>967</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(8,670)	(5,112)	3,558
Fund Balance, July 1, 2000	<u>39,491</u>	<u>39,491</u>	
Fund Balance, June 30, 2001	<u>\$ 30,821</u>	<u>\$ 34,379</u>	<u>\$ 3,558</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>ACCUMULATIVE CAPITAL OUTLAY - FIRE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Over (Under)</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 195	\$ 290	\$ 95
Other Revenue			
Total Revenues	<u>195</u>	<u>290</u>	<u>95</u>
EXPENDITURES:			
Public Protection			
Services and Supplies	78	76	(2)
Appropriation for Contingencies	264		(264)
Total Expenditures	<u>342</u>	<u>76</u>	<u>(266)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(147)</u>	<u>214</u>	<u>361</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			
Operating Transfers Out	(1,391)	(1,217)	174
Total Other Financing Sources (Uses)	<u>(1,391)</u>	<u>(1,217)</u>	<u>174</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(1,538)	(1,003)	535
Fund Balance, July 1, 2000	<u>4,775</u>	<u>4,775</u>	
Fund Balance, June 30, 2001	<u>\$ 3,237</u>	<u>\$ 3,772</u>	<u>\$ 535</u>

ENTERPRISE 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.

Kern Medical Center - Kern Medical Center is a 261-bed acute care hospital, offering emergency, outpatient and inpatient medical care to all classes of patients, as authorized by the Board of Supervisors, including Medi-Cal and Medicare eligibles, medically indigent persons, and inmates of County institutions and juvenile facilities.

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.

Waste Management - The fund provides for the operation, engineering, planning, and regulatory compliance activities associated with the County's Solid Waste Disposal System.

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 BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>
<u>ASSETS</u>				
Pooled Cash and Investments	\$ 93,265	\$ 2,033	\$ 4,229	\$ 1,251
Revolving Fund Cash	13			
Cash and Investments Deposited with Trustee	15,132			727
Interest Receivable	1,441	26	66	14
Accounts Receivable - Net	15,979	52		
Accrued Revenue	543	239		
Prepaid Items	1,978		13	
Loans Receivable	2,800			
Inventory - Materials and Supplies	918			
Land	19,435	6,691	643	65
Subsurface Lines	4,368		4,368	
Structures and Improvements	112,489	27,595	9,056	6,649
Equipment	41,402	1,377	878	
Land Acquisition in Progress	9			
Accumulated Depreciation and Amortization	(69,829)	(12,797)	(6,983)	(1,031)
Construction in Progress	7,587	696	128	
Total Assets	<u>\$ 247,530</u>	<u>\$ 25,912</u>	<u>\$ 12,398</u>	<u>\$ 7,675</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accrued Expenses	\$ 3,817		\$ 140	
Salaries and Employee Benefits Payable	3,369	44		
Loans Payable	4,448	1,948		
Current Portion of Long Term Debt	3,707	3		175
Interest Payable - Current	1,197	12		
Deferred Income	36			
Estimate for Professional Liability Claims	7,817			
Compensated Absences Payable	6,868	200		
Long Term Debt - Capital Assets	48			
Long Term Debt - Certificates of Participation	38,625			4,000
Long Term Debt - Pension Obligation Bonds	33,582	581		
Interest Payable - Pension Obligation Bonds	3,818	66		
Accrued Closure Liability	25,616			
Accrued Postclosure Liability	29,448			
Total Liabilities	<u>162,396</u>	<u>2,854</u>	<u>140</u>	<u>4,175</u>
Fund Equity:				
Contributed Capital	19,465	362		1,848
Retained Earnings (Deficit):				
Reserved (Note III K)	29,990	6,739	3,234	270
Unreserved	35,679	15,957	9,024	1,382
Total Retained Earnings (Deficit)	<u>65,669</u>	<u>22,696</u>	<u>12,258</u>	<u>1,652</u>
Total Fund Equity	<u>85,134</u>	<u>23,058</u>	<u>12,258</u>	<u>3,500</u>
Total Liabilities and Fund Equity	<u>\$ 247,530</u>	<u>\$ 25,912</u>	<u>\$ 12,398</u>	<u>\$ 7,675</u>

	<u>KERN MEDICAL CENTER</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	<u>WASTE MANAGEMENT</u>	
					ASSETS
\$	28,713	\$ 1,038	\$ 2,366	\$ 53,635	Pooled Cash and Investments
	4			9	Revolving Fund Cash
	12,557			1,848	Cash and Investments Deposited with Trustee
	517	11	6	801	Interest Receivable
	15,232			695	Accounts Receivable - Net
		304			Accrued Revenue
	1,465			500	Prepaid Items
				2,800	Loans Receivable
	918				Inventory - Materials and Supplies
	168			11,868	Land
					Subsurface Lines
	48,340	107		20,742	Structures and Improvements
	34,152	3,552		1,443	Equipment
				9	Land Acquisition in Progress
	(39,536)	(1,755)		(7,727)	Accumulated Depreciation and Amortization
	6,512			251	Construction in Progress
	<u>109,042</u>	<u>3,257</u>	<u>2,372</u>	<u>86,874</u>	Total Assets
					LIABILITIES AND FUND EQUITY
\$	3,394	\$ 283	\$	\$	Liabilities:
	3,127	8		190	Accrued Expenses
			2,500		Salaries and Employee Benefits Payable
	2,401	1		1,127	Loans Payable
	865	2		318	Current Portion of Long Term Debt
	36				Interest Payable - Current
	7,817				Deferred Income
	6,085	22		561	Estimate for Professional Liability Claims
				48	Compensated Absences Payable
	23,460			11,165	Long Term Debt - Capital Assets
	31,152	118		1,731	Long Term Debt - Certificates of Participation
	3,541	14		197	Long Term Debt - Pension Obligation Bonds
				25,616	Interest Payable - Pension Obligation Bonds
				29,448	Accrued Closure Liability
					Accrued Postclosure Liability
	<u>81,878</u>	<u>448</u>	<u>2,500</u>	<u>70,401</u>	Total Liabilities
	<u>17,197</u>	<u>58</u>			Fund Equity:
					Contributed Capital
	9,510	402	16	9,819	Retained Earnings (Deficit):
	457	2,349	(144)	6,654	Reserved (Note III K)
					Unreserved
	<u>9,967</u>	<u>2,751</u>	<u>(128)</u>	<u>16,473</u>	Total Retained Earnings (Deficit)
	<u>27,164</u>	<u>2,809</u>	<u>(128)</u>	<u>16,473</u>	Total Fund Equity
\$	<u>109,042</u>	<u>3,257</u>	<u>2,372</u>	<u>86,874</u>	Total Liabilities and Fund Equity

COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>
OPERATING REVENUES:				
Patient Services	\$ 123,552	\$	\$	\$
Charges for Current Services	16,547	222	197	4,390
Revenues from Use of Property	2,468	2,351	98	
Other Operating Revenues	4,035			
Total Operating Revenues	<u>146,602</u>	<u>2,573</u>	<u>295</u>	<u>4,390</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	89,772	1,194		
Services and Supplies	75,361	1,148	2,116	3,903
Other Charges	7,899	356	58	
Depreciation	6,838	284	407	169
Total Operating Expenses	<u>179,870</u>	<u>2,982</u>	<u>2,581</u>	<u>4,072</u>
Operating Income (Loss)	<u>(33,268)</u>	<u>(409)</u>	<u>(2,286)</u>	<u>318</u>
NON-OPERATING REVENUES (EXPENSES):				
Taxes and Assessments	19,291	402	2,002	
Fines, Forfeitures and Penalties	342	1	68	
Licenses, Permits and Franchises	5		5	
Interest on Bank Deposits and Investments	7,635	161	304	116
Aid from Other Governmental Agencies	23,944	329		
Health Care Expense	(52,204)			
Interest Expense	(4,346)	(46)		(226)
Other Non-Operating Revenues	2,549	207	38	
Gain (Loss) on Sale of Fixed Assets	(158)	(53)	(18)	
Total Non-Operating Revenues (Expenses)	<u>(2,942)</u>	<u>1,001</u>	<u>2,399</u>	<u>(110)</u>
Income (Loss) before Operating Transfers	(36,210)	592	113	208
Operating Transfers In	<u>19,185</u>			
Net Income (Loss)	(17,025)	592	113	208
Retained Earnings (Deficit), July 1, 2000	90,418	21,695	15,634	1,444
Prior Period Adjustment	<u>(7,724)</u>	<u>409</u>	<u>(3,489)</u>	
Retained Earnings (Deficit), June 30, 2001	<u>\$ 65,669</u>	<u>\$ 22,696</u>	<u>\$ 12,258</u>	<u>\$ 1,652</u>

	KERN MEDICAL CENTER	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION	WASTE MANAGEMENT	
\$	123,552		\$	\$	OPERATING REVENUES:
	1,272	517		9,949	Patient Services
	4,035		14	5	Charges for Current Services
	128,859	517	14	9,954	Revenues from Use of Property
					Other Operating Revenues
	83,287	203		5,088	Total Operating Revenues
	49,126	3,122	2,571	13,375	OPERATING EXPENSES:
	1,616	53		5,816	Salaries and Employee Benefits
	4,725	441		812	Services and Supplies
	138,754	3,819	2,571	25,091	Other Charges
					Depreciation
	(9,895)	(3,302)	(2,557)	(15,137)	Total Operating Expenses
					Operating Income (Loss)
	4	2,429	2,401	12,057	NON-OPERATING REVENUES (EXPENSES):
	2,739	76	28	4,211	Taxes and Assessments
	22,782	504		329	Fines, Forfeitures and Penalties
	(52,204)			(824)	Licenses, Permits and Franchises
	(3,241)	(9)		205	Interest on Bank Deposits and Investments
	2,092	7		(4)	Aid from Other Governmental Agencies
	(69)	(14)			Health Care Expense
	(27,897)	2,993	2,429	16,243	Interest Expense
					Other Non-Operating Revenues
	(37,792)	(309)	(128)	1,106	Gain (Loss) on Sale of Fixed Assets
	19,182	(309)	(128)	1,109	Total Non-Operating Revenues (Expenses)
	(18,610)	(309)	(128)	1,109	Income (Loss) before Operating Transfers
	32,140	3,073		16,432	Operating Transfers In
	(3,563)	(13)		(1,068)	Net Income (Loss)
	9,967	2,751	(128)	16,473	Retained Earnings (Deficit), July 1, 2000
\$	\$	\$	\$		Prior Period Adjustment
					Retained Earnings (Deficit), June 30, 2001

COUNTY OF KERN
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

Page 1 of 2

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Patient/Current Services	\$ 138,994	\$ 242	\$ 202	\$ 4,390
Cash Received for Use of Property	2,468	2,351	98	
Cash Received for Other Operations	6,378	207	38	
Cash Paid for Salaries and Benefits	(88,281)	(1,168)		
Cash Paid for Services and Supplies	(77,552)	(1,148)	(2,076)	(3,903)
Cash Paid for Other Charges	(2,337)	(356)	(58)	
Net Cash Provided (Used) by Operating Activities	<u>(20,330)</u>	<u>128</u>	<u>(1,796)</u>	<u>487</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Cash Received From Other Funds	19,185			
Payment of Closure Liability	(309)			
Taxes and Special Assessments	19,337	402	2,002	
Fines, Forfeitures, and Penalties	342	1	68	
Licenses and Permits	(27)	(32)	5	
Loan Proceeds	2,500			
Loans Paid	(350)	(350)		
Aid from Other Governmental Agencies	24,759	1,247		
Payment of Long Term Debt - Pension Obligation Bond	(58)	(1)		
Interest Paid - Pension Obligation Bond	(1,836)			
Health Care Expense	(52,204)			
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>11,339</u>	<u>1,267</u>	<u>2,075</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition or Construction of Capital Assets	(12,123)	(1,419)	(166)	
Proceeds from Sale of Fixed Assets	3			
Payment of Long Term Debt - Certificates of Participation	(3,315)			(165)
Interest Paid on Long Term Debt	(1,715)			(226)
Payment of Capital Lease	(21)			
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(17,171)</u>	<u>(1,419)</u>	<u>(166)</u>	<u>(391)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Loaned to Other Agencies	(300)			
Cash Loaned to Other Funds	(2,500)			
Interest on Bank Deposits and Investments	7,943	170	299	117
Net Cash Provided (Used) by Investing Activities	<u>5,143</u>	<u>170</u>	<u>299</u>	<u>117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,019)	146	412	213
Cash and Cash Equivalents, July 1, 2000	<u>129,429</u>	<u>1,887</u>	<u>3,817</u>	<u>1,765</u>
Cash and Cash Equivalents, June 30, 2001	<u>\$ 108,410</u>	<u>\$ 2,033</u>	<u>\$ 4,229</u>	<u>\$ 1,978</u>

KERN MEDICAL CENTER	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION	WASTE MANAGEMENT	
				CASH FLOWS FROM OPERATING ACTIVITIES:
\$ 123,387	\$ 531	\$ 14	\$ 10,242	Cash Received for Patient /Current Services
5,921	7		5	Cash Received for Use of Property
(81,853)	(202)		205	Cash Received for Other Operations
(50,845)	(3,134)	(2,571)	(5,058)	Cash Paid for Salaries and Benefits
(1,617)	(53)		(13,875)	Cash Paid for Services and Supplies
			(253)	Cash Paid for Other Charges
<u>(5,007)</u>	<u>(2,851)</u>	<u>(2,557)</u>	<u>(8,734)</u>	Net Cash Provided (Used) by Operating Activities
				CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
19,182			3	Cash Received From Other Funds
			(309)	Payment of Closure Liability
4	2,475	2,401	12,057	Taxes and Special Assessments
			269	Fines, Forfeitures, and Penalties
		2,500		Licenses and Permits
				Loan Proceeds
				Loans Paid
22,782	401		329	Aid from Other Governmental Agencies
(54)			(3)	Payment of Long Term Debt - Pension Obligation Bond
(1,733)	(7)		(96)	Interest Paid - Pension Obligation Bond
(52,204)				Health Care Expense
<u>(12,023)</u>	<u>2,869</u>	<u>4,901</u>	<u>12,250</u>	Net Cash Provided (Used) by Non-Capital Financing Activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
(8,582)			(1,956)	Acquisition or Construction of Capital Assets
1	2			Proceeds from Sale of Fixed Assets
(2,105)			(1,045)	Payment of Long Term Debt - Certificates of Participation
(781)			(708)	Interest Paid on Long Term Debt
			(21)	Payment of Capital Lease
<u>(11,467)</u>	<u>2</u>		<u>(3,730)</u>	Net Cash Provided (Used) by Capital and Related Financing Activities
				CASH FLOWS FROM INVESTING ACTIVITIES:
			(300)	Cash Loaned to Other Agencies
			(2,500)	Cash Loaned to Other Funds
3,052	82	22	4,201	Interest on Bank Deposits and Investments
<u>3,052</u>	<u>82</u>	<u>22</u>	<u>1,401</u>	Net Cash Provided (Used) by Investing Activities
(25,445)	102	2,366	1,187	Net Increase (Decrease) in Cash and Cash Equivalents
<u>66,719</u>	<u>936</u>		<u>54,305</u>	Cash and Cash Equivalents, July 1, 2000
<u>\$ 41,274</u>	<u>\$ 1,038</u>	<u>\$ 2,366</u>	<u>\$ 55,492</u>	Cash and Cash Equivalents, June 30, 2001

COUNTY OF KERN
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

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	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (33,268)	\$ (409)	\$ (2,286)	\$ 318
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	2,343	207	38	
Depreciation	6,838	284	407	169
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	334	20	5	
(Increase) Decrease in Inventory	(90)			
(Increase) Decrease in Accrued Revenue	44			
(Increase) Decrease in Prepaid Items	(253)			
Increase (Decrease) in Accrued Expenses	(1,202)		40	
Increase (Decrease) in Due to Others	(1,483)			
Increase (Decrease) in Salaries & Benefits Payable	528	5		
Increase (Decrease) in Compensated Absences Payable	963	21		
Increase (Decrease) in Provision for Liability Claims	(647)			
Increase (Decrease) in Closure/Post Closure Liability	5,563			
Total Adjustments	<u>12,938</u>	<u>537</u>	<u>490</u>	<u>169</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (20,330)</u>	<u>\$ 128</u>	<u>\$ (1,796)</u>	<u>\$ 487</u>

<u>KERN MEDICAL CENTER</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>	<u>WASTE MANAGEMENT</u>	
				RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
\$ <u>(9,895)</u>	\$ <u>(3,302)</u>	\$ <u>(2,557)</u>	\$ <u>(15,137)</u>	Operating Income (Loss)
				Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
1,886	7		205	Other Non-Operating Revenues
4,725	441		812	Depreciation
				Changes in Assets and Liabilities:
46			263	(Increase) Decrease in Accounts Receivable
(90)				(Increase) Decrease in Inventory
	14		30	(Increase) Decrease in Accrued Revenue
247			(500)	(Increase) Decrease in Prepaid Items
(1,230)	(12)			Increase (Decrease) in Accrued Expenses
(1,483)				Increase (Decrease) in Due to Others
499	1		23	Increase (Decrease) in Salaries & Benefits Payable
935			7	Increase (Decrease) in Compensated Absences Payable
(647)				Increase (Decrease) in Provision for Liability Claims
			5,563	Increase (Decrease) in Closure/Post Closure Liability
<u>4,888</u>	<u>451</u>		<u>6,403</u>	Total Adjustments
\$ <u><u>(5,007)</u></u>	\$ <u><u>(2,851)</u></u>	\$ <u><u>(2,557)</u></u>	\$ <u><u>(8,734)</u></u>	Net Cash Provided (Used) by Operating Activities

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 BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
ASSETS				
Pooled Cash and Investments	\$ 26,071	\$ 5,947	\$ 1,942	\$ 2,829
Due from Other Funds				
Deposits with Others	1,310			1,310
Accounts Receivable	39		39	
Interest Receivable	384	91	26	42
Inventory- Materials and Supplies	146		146	
Equipment (Net of Accumulated Depreciation)	3,697		3,697	
Total Assets	<u>\$ 31,647</u>	<u>\$ 6,038</u>	<u>\$ 5,850</u>	<u>\$ 4,181</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accrued Expenses	\$ 489		\$ 27	\$ 462
Salaries and Employee Benefits Payable	17		17	
Interest Payable - Current	10		10	
Current Portion of Long Term Debt	13		13	
Due to Other Funds	196			
Compensated Absences Payable	80		80	
Liability for Self-Insurance - Current	15,405	1,250		4,693
Liability for Self-Insurance - Long Term	21,175	6,695		
Interest Payable - Long-term - Pension Obligation Bonds	54		54	
Long Term Debt - Pension Obligation Bonds	478		478	
Total Liabilities	<u>37,917</u>	<u>7,945</u>	<u>679</u>	<u>5,155</u>
Fund Equity (Deficit):				
Contributed Capital	1,124		1,124	
Retained Earnings (Deficit):				
Reserved (Note III K)	2,555	1	424	2,125
Unreserved	(9,949)	(1,908)	3,623	(3,099)
Total Retained Earnings (Deficit)	<u>(7,394)</u>	<u>(1,907)</u>	<u>4,047</u>	<u>(974)</u>
Total Fund Equity (Deficit)	<u>(6,270)</u>	<u>(1,907)</u>	<u>5,171</u>	<u>(974)</u>
Total Liabilities and Fund Equity	<u>\$ 31,647</u>	<u>\$ 6,038</u>	<u>\$ 5,850</u>	<u>\$ 4,181</u>

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>		
\$ 11,738	\$ 876	\$ 2,739		
161	14	50		
<u>\$ 11,899</u>	<u>\$ 890</u>	<u>\$ 2,789</u>		
			<u>ASSETS</u>	
			Pooled Cash and Investments	
			Due from Other Funds	
			Deposits with Others	
			Accounts Receivable	
			Interest Receivable	
			Inventory- Materials and Supplies	
			Equipment (Net of Accumulated Depreciation)	
			Total Assets	
			<u>LIABILITIES AND FUND EQUITY</u>	
			Liabilities:	
			Accrued Expenses	
			Salaries and Employee Benefits Payable	
			Current Portion of Long Term Debt	
			Due to Other Funds	
			Compensated Absences Payable	
			Liability for Self-Insurance- Current	
			Liability for Self-Insurance- Long Term	
			Interest Payable - Long-term - Pension Obligation Bonds	
			Long Term Debt - Pension Obligation Bonds	
			Total Liabilities	
			Fund Equity (Deficit):	
			Contributed Capital	
			Retained Earnings (Deficit):	
			Reserved (Note III K)	
			Unreserved	
<u>11,899</u>	<u>425</u>	<u>3</u>	<u>2</u>	
<u>11,899</u>	<u>428</u>	<u>(20,889)</u>	Total Retained Earnings (Deficit)	
<u>11,899</u>	<u>428</u>	<u>(20,887)</u>	Total Fund Equity (Deficit)	
<u>\$ 11,899</u>	<u>\$ 890</u>	<u>\$ 2,789</u>	Total Liabilities and Fund Equity	

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	TOTAL	GENERAL LIABILITY	GENERAL SERVICES- GARAGE	GROUP HEALTH
OPERATING REVENUES:				
Charges for Current Services	\$ 72,295	\$ 5,129	\$ 2,502	\$ 51,530
Other Revenues				
Total Operating Revenues	<u>72,295</u>	<u>5,129</u>	<u>2,502</u>	<u>51,530</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	2,490		501	
Services and Supplies	9,984	2,602	1,142	4,387
Claims Incurred	57,281	432		44,179
Other Charges	4,914	804	35	3,678
Depreciation Expense	561		561	
Total Operating Expenses	<u>75,230</u>	<u>3,838</u>	<u>2,239</u>	<u>52,244</u>
Operating Income (Loss)	<u>(2,935)</u>	<u>1,291</u>	<u>263</u>	<u>(714)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	2,052	417	143	331
Other Revenues	716	15	31	3
Aid from Other Governmental Agencies	188			
Interest Expense	(39)		(39)	
Gain (Loss) on Sale of Fixed Assets	(168)		(168)	
Total Non-Operating Revenues (Expenses)	<u>2,749</u>	<u>432</u>	<u>(33)</u>	<u>334</u>
Income (Loss) before Operating Transfers	(186)	1,723	230	(380)
Add: Depreciation on Contributed Assets	159		159	
Add: Basis of Disposed Contributed Assets	91		91	
Add: Prior Period Adjustment for Contributed Assets	317		317	
Increase (Decrease) in Retained Earnings	381	1,723	797	(380)
Retained Earnings (Deficit), July 1, 2000	(7,405)	(3,630)	3,620	(593)
Prior Period Adjustment	(370)		(370)	
Retained Earnings (Deficit), June 30, 2001	<u>\$ (7,394)</u>	<u>\$ (1,907)</u>	<u>\$ 4,047</u>	<u>\$ (973)</u>

RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	
\$ 3,471	\$ 776	\$ 8,887	OPERATING REVENUES:
			Charges for Current Services
			Other Revenues
3,471	776	8,887	Total Operating Revenues
			OPERATING EXPENSES:
1,989			Salaries and Employee Benefits
87	10	1,756	Services and Supplies
	1,006	11,664	Claims Incurred
59	14	324	Other Charges
			Depreciation Expense
2,135	1,030	13,744	Total Operating Expenses
1,336	(254)	(4,857)	Operating Income (Loss)
			NON-OPERATING REVENUES (EXPENSES):
788	87	286	Interest on Bank Deposits and Investments
41		626	Other Revenues
		188	Aid from Other Governmental Agencies
			Interest Expense
			Gain (Loss) on Sale of Fixed Assets
829	87	1,100	Total Non-Operating Revenues (Expenses)
2,165	(167)	(3,757)	Income (Loss) before Operating Transfers
			Add: Depreciation on Contributed Assets
			Add: Basis of Disposed Contributed Assets
			Add: Prior Period Adjustment for Contributed Assets
2,165	(167)	(3,757)	Increase (Decrease) in Retained Earnings
9,733	596	(17,131)	Retained Earnings (Deficit), July 1, 2000
			Prior Period Adjustment
\$ 11,898	\$ 429	\$ (20,888)	Retained Earnings (Deficit), June 30, 2001

COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	TOTAL	GENERAL LIABILITY	GENERAL SERVICES- GARAGE	GROUP HEALTH
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Current Services	\$ 72,295	\$ 5,129	\$ 2,502	\$ 51,530
Cash Received for Other Operations	716	15	31	3
Cash Paid for Salaries and Benefits	(2,488)		(499)	
Cash Paid for Services and Supplies	(10,205)	(2,602)	(1,120)	(4,711)
Cash Paid for Reported Claims	(55,406)	(547)		(45,568)
Cash Paid for Other Charges	(4,914)	(804)	(35)	(3,678)
Net Cash Provided (Used) by Operating Activities	<u>(2)</u>	<u>1,191</u>	<u>879</u>	<u>(2,424)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Aid from Other Governmental Agencies	188			
Pension Obligation Bond Principal Paid	(1)		(1)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>187</u>		<u>(1)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Received from Other Funds	12		12	
Acquisition or Construction of Capital Assets	(840)		(840)	
Proceeds From Sale of Fixed Assets	54		54	
Interest Paid	(27)		(27)	
Payment of Capital Leases	(12)		(12)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(813)</u>		<u>(813)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Increase) Decrease in Deposits With Others	(675)			(675)
Interest on Bank Deposits and Investments	2,077	399	141	376
Net Increase (Decrease) in Cash and Cash Equivalents	774	1,590	206	(2,723)
Cash and Cash Equivalents, July 1, 2000	<u>25,297</u>	<u>4,357</u>	<u>1,736</u>	<u>5,552</u>
Cash and Cash Equivalents, June 30, 2001	<u>\$ 26,071</u>	<u>\$ 5,947</u>	<u>\$ 1,942</u>	<u>\$ 2,829</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (2,935)	\$ 1,291	\$ 263	\$ (714)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	716	15	31	3
Depreciation	562		562	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	(5)		(5)	
(Increase) Decrease in Prepaid Items	234			234
Increase (Decrease) in Accrued Expenses	(531)		27	(558)
Increase (Decrease) in Due to Others	97			
Increase (Decrease) in Salaries & Benefits Payable	2		2	
Increase (Decrease) in Compensated Absences Payable	(1)		(1)	
Increase (Decrease) in Provision for Liability Claims	1,859	(115)		(1,389)
Total Adjustments	<u>2,933</u>	<u>(100)</u>	<u>616</u>	<u>(1,710)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2)</u>	<u>\$ 1,191</u>	<u>\$ 879</u>	<u>\$ (2,424)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Acquisition of Fixed Assets Through Capital Leases	<u>\$ 12</u>	<u>\$</u>	<u>\$ 12</u>	<u>\$</u>

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
			CASH FLOWS FROM OPERATING ACTIVITIES:
\$ 3,471	\$ 776	\$ 8,887	Cash Received for Current Services
41		626	Cash Received for Other Operations
(1,989)			Cash Paid for Salaries and Benefits
(87)	(10)	(1,675)	Cash Paid for Services and Supplies
	(946)	(8,345)	Cash Paid for Reported Claims
<u>(59)</u>	<u>(14)</u>	<u>(324)</u>	Cash Paid for Other Charges
<u>1,377</u>	<u>(194)</u>	<u>(831)</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
		188	Aid from Other Governmental Agencies
			Pension Obligation Bond Principal Paid
		<u>188</u>	Net Cash Provided (Used) by Non-Capital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
			Cash Received from Other Funds
			Acquisition or Construction of Capital Assets
			Proceeds From Sale of Fixed Assets
			Interest Paid
			Payment of Capital Leases
			Net Cash Provided (Used) by Capital and Related Financing Activities
			CASH FLOWS FROM INVESTING ACTIVITIES:
<u>772</u>	<u>82</u>	<u>307</u>	Interest on Bank Deposits and Investments
2,149	(112)	(336)	Net Increase (Decrease) in Cash and Cash Equivalents
<u>9,589</u>	<u>988</u>	<u>3,075</u>	Cash and Cash Equivalents, July 1, 2000
<u>\$ 11,738</u>	<u>\$ 876</u>	<u>\$ 2,739</u>	Cash and Cash Equivalents, June 30, 2001
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$ <u>1,336</u>	\$ <u>(254)</u>	\$ <u>(4,857)</u>	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
41		626	Other Non-Operating Revenues
			Depreciation
			Changes in Assets and Liabilities:
			(Increase) Decrease in Inventory
			(Increase) Decrease in Prepaid Items
			Increase (Decrease) in Accrued Expenses
		97	Increase (Decrease) in Due to Others
			Increase (Decrease) in Salaries & Benefits Payable
			Increase (Decrease) in Compensated Absences Payable
			Increase (Decrease) in Provision for Liability Claims
<u>41</u>	<u>60</u>	<u>3,303</u>	Total Adjustments
<u>\$ 1,377</u>	<u>\$ (194)</u>	<u>\$ (831)</u>	Net Cash Provided (Used) by Operating Activities
			NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
<u>\$</u>	<u>\$</u>	<u>\$</u>	Acquisition of Fixed Assets Through Capital Leases

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. The Other Investment Trust Funds account for all other funds for which the County Treasurer and Auditor-Controller-County Clerk have fiduciary responsibility.

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 BALANCE SHEET
 FIDUCIARY FUNDS
 JUNE 30, 2001 (IN THOUSANDS)

	TRUST FUND			AGENCY FUNDS		
	TOTAL	INVESTMENT		CLEARING		
ASSETS						
Pooled Cash and Investments	\$ 1,103,719	\$ 956,529		\$ 164		
Revolving Fund Cash	7	7				
Receivables:						
Accounts	907	746		10		
Loans	281					
Taxes	101,735					
Interest	9,123	6,504		2		
Due from Other:						
Agencies	13,128					
Equipment	1	1				
Total Assets	<u>\$ 1,228,901</u>	<u>\$ 963,787</u>		<u>\$ 176</u>		
LIABILITIES AND FUND BALANCE						
Liabilities						
Payables:						
Warrants	\$ 188,959	\$ 162,174		\$		
Accounts	1,655	1,655				
Matured Bonds and Interest	166	166				
Due to Other:						
Funds	2,190	1,371				
Agencies	225,928	28		176		
Advances from Other Funds	8,515					
Unapportioned Installment Redemptions	3,095					
Total Liabilities	<u>430,508</u>	<u>165,394</u>		<u>176</u>		
Fund Balance (Deficit):						
Reserved (Note III L)	<u>798,393</u>	<u>798,393</u>				
Total Liabilities and Fund Balance	<u>\$ 1,228,901</u>	<u>\$ 963,787</u>		<u>\$ 176</u>		

AGENCY FUNDS

<u>WARRANT CLEARANCE</u>	<u>STATE</u>	<u>OTHER</u>	<u>UNAPPORTIONED</u>
\$ 26,785	\$ 2,370	\$ 107,129	\$ 10,742
		151	
		281	
	2	30,194	71,541
		1,239	1,376
		5,660	7,468
<u>26,785</u>	<u>2,372</u>	<u>144,654</u>	<u>91,127</u>
\$ 26,785	\$ 2,372	\$ 144,654	\$ 91,127
		150	669
	2,372	135,989	87,363
		8,515	3,095
<u>26,785</u>	<u>2,372</u>	<u>144,654</u>	<u>91,127</u>
<u>26,785</u>	<u>2,372</u>	<u>144,654</u>	<u>91,127</u>

ASSETS

Pooled Cash and Investments
Revolving Fund Cash
Receivables:
Accounts
Loans
Taxes
Interest
Due from Other:
Agencies
Equipment
Total Assets

LIABILITIES AND FUND BALANCE

Liabilities
Payables:
Warrants
Accounts
Matured Bonds and Interest
Due to Other:
Funds
Agencies
Advances from Other Funds
Unapportioned Installment Redemptions
Total Liabilities
Fund Balance (Deficit):
Reserved (Note III L)
Total Liabilities and Fund Balance

COUNTY OF KERN
STATEMENT OF NET ASSETS
INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

<u>ASSETS</u>	<u>INVESTMENT</u>
Cash and Cash Equivalents	\$ 956,536
Total Cash and Cash Equivalents	<u>956,536</u>
Receivables:	
Interest and Dividends Receivable	6,504
Contributions and Other Receivables	<u>746</u>
Total Receivables	<u>7,250</u>
Fixed Assets, Net of Accumulated Depreciation	<u>1</u>
Total Assets	<u>963,787</u>
<u>LIABILITIES</u>	
Warrants Payable	162,174
Accounts Payable	1,655
Due to Other Funds	1,371
Due to Other Agencies	28
Matured Bonds & Interest Payable	<u>166</u>
Total Liabilities	<u>165,394</u>
Net Assets Held in Trust for Pool Participants	<u>\$ 798,393</u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
TOTAL AGENCY FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 117,525	\$ 3,201,380	\$ 3,171,717	\$ 147,188
Interest Receivable	2,334	2,619	2,334	2,619
Due from Other Funds	259	8,750	9,009	
Accounts Receivable	156	1,159	1,152	163
Loans Receivable	189	200	109	280
Taxes Receivable	91,565	1,160,729	1,150,558	101,736
Due from Other Agencies	4,806	13,127	4,806	13,127
Prior Period Adjustment	18,895		18,895	
Total Assets	\$ <u>235,729</u>	\$ <u>4,387,964</u>	\$ <u>4,358,580</u>	\$ <u>265,113</u>
LIABILITIES				
Warrants Payable	\$ 15,660	\$ 1,493,733	\$ 1,482,608	\$ 26,785
Advance from Other Funds	13,515		5,000	8,515
Due to Other Funds	110	12,459	11,750	819
Due to Other Governments	183,838	2,153,686	2,111,625	225,899
Unapportioned Installment Redemptions	3,711	3,951	4,567	3,095
Prior Period Adjustment	18,895		18,895	
Total Liabilities	\$ <u>235,729</u>	\$ <u>3,663,829</u>	\$ <u>3,634,445</u>	\$ <u>265,113</u>
CLEARING FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 316	\$ 526,663	\$ 526,816	\$ 163
Interest Receivable		2		2
Accounts Receivable	14	203	206	11
Prior Period Adjustment	345		345	
Total Assets	\$ <u>675</u>	\$ <u>526,868</u>	\$ <u>527,367</u>	\$ <u>176</u>
LIABILITIES				
Due to Other Governments	\$ 330	\$ 525,782	\$ 525,936	\$ 176
Prior Period Adjustment	345		345	
Total Liabilities	\$ <u>675</u>	\$ <u>525,782</u>	\$ <u>526,281</u>	\$ <u>176</u>
WARRANT CLEARANCE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 15,660	\$ 1,493,736	\$ 1,482,611	\$ 26,785
Total Assets	\$ <u>15,660</u>	\$ <u>1,493,736</u>	\$ <u>1,482,611</u>	\$ <u>26,785</u>
LIABILITIES				
Warrants Payable	\$ 15,660	\$ 1,493,733	\$ 1,482,608	\$ 26,785
Total Liabilities	\$ <u>15,660</u>	\$ <u>1,493,733</u>	\$ <u>1,482,608</u>	\$ <u>26,785</u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
STATE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 2,940	\$ 11,968	\$ 12,538	\$ 2,370
Interest Receivable	24	2	24	2
Prior Period Adjustment	1,013		1,013	
Total Assets	<u>\$ 3,977</u>	<u>\$ 11,970</u>	<u>\$ 13,575</u>	<u>\$ 2,372</u>
LIABILITIES				
Due to Other Funds	\$	\$	\$	\$
Due to Other Governments	2,964	11,585	12,177	2,372
Prior Period Adjustment	1,013		1,013	
Total Liabilities	<u>\$ 3,977</u>	<u>\$ 11,585</u>	<u>\$ 13,190</u>	<u>\$ 2,372</u>
OTHER FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 89,648	\$ 499,274	\$ 481,793	\$ 107,129
Interest Receivable	952	1,239	952	1,239
Due from Other Funds	259	518	777	
Due from Other Agencies	4,806	5,659	4,806	5,659
Accounts Receivable	142	956	946	152
Loans Receivable	189	200	109	280
Taxes Receivable	28,562	26,433	24,800	30,195
Prior Period Adjustment	17,537		17,537	
Total Assets	<u>\$ 142,095</u>	<u>\$ 534,279</u>	<u>\$ 531,720</u>	<u>\$ 144,654</u>
LIABILITIES				
Advances from Other Funds	\$ 13,515	\$	\$ 5,000	\$ 8,515
Due to Other Funds	110	150	110	150
Due to Other Government	110,933	393,016	367,960	135,989
Prior Period Adjustment	17,537		17,537	
Total Liabilities	<u>\$ 142,095</u>	<u>\$ 393,166</u>	<u>\$ 390,607</u>	<u>\$ 144,654</u>
UNAPPORTIONED FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 8,961	\$ 669,739	\$ 667,959	\$ 10,741
Interest Receivable	1,358	1,376	1,358	1,376
Due From Other Funds		8,232	8,232	
Due From Other Agencies		7,468		7,468
Taxes Receivable	63,003	1,134,296	1,125,758	71,541
Total Assets	<u>\$ 73,322</u>	<u>\$ 1,821,111</u>	<u>\$ 1,803,307</u>	<u>\$ 91,126</u>
LIABILITIES				
Due to Other Funds	\$	\$ 12,309	\$ 11,640	\$ 669
Due to Other Governments	69,611	1,223,303	1,205,552	87,362
Unapportioned Installment Redemptions	3,711	3,951	4,567	3,095
Total Liabilities	<u>\$ 73,322</u>	<u>\$ 1,239,563</u>	<u>\$ 1,221,759</u>	<u>\$ 91,126</u>

GENERAL FIXED ASSETS ACCOUNT GROUP DESCRIPTION

General Fixed Assets includes all County Funds and all Special Districts governed by the Board of Supervisors (except for Enterprise Funds and Internal Service Funds). Fixed assets are generally recorded at cost. Depreciation for these fixed assets is not recorded in the records of the County.

Additions include purchases, construction and other acquisitions. Deductions represent sales, trade-ins, or other dispositions.

COUNTY OF KERN
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 2001 (IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$	19,441
Structures and Improvements		292,434
Equipment		74,037
Construction in Progress		<u>15,003</u>
Total General Fixed Assets	\$	<u><u>400,915</u></u>

INVESTMENT IN GENERAL FIXED ASSETS:

County Funds	\$	266,859
Donations		6,988
Special Districts		2,658
Certificates of Participation		116,960
Public Health Facility Loan		<u>7,450</u>
Investment in General Fixed Assets	\$	<u><u>400,915</u></u>

COUNTY OF KERN
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION
JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>LAND</u>	<u>STRUCTURES & IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>
FUNCTION:					
General Government	\$ 103,875	\$ 2,358	\$ 82,075	\$ 13,636	\$ 5,806
Public Protection	193,538	9,153	148,441	35,153	791
Public Ways and Facilities	19,156	1,651	6,835	10,401	269
Health and Sanitation	15,061	209	5,644	1,239	7,969
Public Assistance	6,674	12	1,383	5,279	
Education	32,569	2,285	25,868	4,416	
Recreation & Cultural Services	<u>30,042</u>	<u>3,773</u>	<u>22,188</u>	<u>3,913</u>	<u>168</u>
Total General Fixed Assets	\$ <u>400,915</u>	\$ <u>19,441</u>	\$ <u>292,434</u>	\$ <u>74,037</u>	\$ <u>15,003</u>

COUNTY OF KERN
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
FUNCTION:				
General Government	\$ 96,176	\$ 9,215	\$ 1,515	\$ 103,876
Public Protection	191,106	3,672	1,241	193,537
Public Ways and Facilities	17,986	1,373	203	19,156
Health and Sanitation	8,401	6,711	51	15,061
Public Assistance	5,842	1,041	208	6,675
Education	32,229	780	441	32,568
Recreation & Cultural Services	<u>29,690</u>	<u>430</u>	<u>78</u>	<u>30,042</u>
Total General Fixed Assets	<u>\$ 381,430</u>	<u>\$ 23,222</u>	<u>\$ 3,737</u>	<u>\$ 400,915</u>



**GENERAL LONG-TERM
DEBT ACCOUNT GROUP**

GENERAL LONG-TERM DEBT ACCOUNT GROUP DESCRIPTION

The General Long-Term Debt Account Group is used to account for the estimated County liability for accrued vacation and sick leave and the amounts committed by the County for the lease purchase of equipment, Certificates of Participation, Loans Payable, Facility Lease and Pension Obligation Bonds.

COUNTY OF KERN
GENERAL LONG-TERM DEBT ACCOUNT GROUP - COUNTY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL</u>	<u>HUMAN SERVICES</u>	<u>ROAD</u>	<u>BUILDING INSPECTION</u>	<u>MENTAL HEALTH</u>
ASSETS						
Resources to be Provided in Future Years:						
Compensated Absences	\$ 44,089	\$ 30,159	\$ 5,334	\$ 1,733	\$ 288	\$ 1,585
Lease Purchase Agreements	6,792	6,364	68			81
Facility Lease	596	596				
Certificates of Participation	88,745					
Loan Payable	9,250	9,250				
Bonds Payable	225					
Pension Obligation Bonds	<u>185,140</u>	<u>105,329</u>	<u>23,524</u>	<u>3,582</u>	<u>1,144</u>	<u>9,308</u>
Total Assets	<u>\$ 334,837</u>	<u>\$ 151,698</u>	<u>\$ 28,926</u>	<u>\$ 5,315</u>	<u>\$ 1,432</u>	<u>\$ 10,974</u>
LIABILITIES						
General Long-Term Debt Payable	<u>\$ 334,837</u>	<u>\$ 151,698</u>	<u>\$ 28,926</u>	<u>\$ 5,315</u>	<u>\$ 1,432</u>	<u>\$ 10,974</u>

<u>STRUCTURAL FIRE</u>	<u>DISTRICT ATTORNEY FAMILY SUPPORT</u>	<u>AGING AND ADULT SERVICES</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>	<u>COUNTY OF KERN ASSET LEASING</u>
\$ 3,527 123	\$ 997	\$ 466 156	\$	\$
<u>37,714</u>	<u>3,277</u>	<u>1,262</u>	<u>225</u>	<u>88,745</u>
<u>\$ 41,364</u>	<u>\$ 4,274</u>	<u>\$ 1,884</u>	<u>\$ 225</u>	<u>\$ 88,745</u>

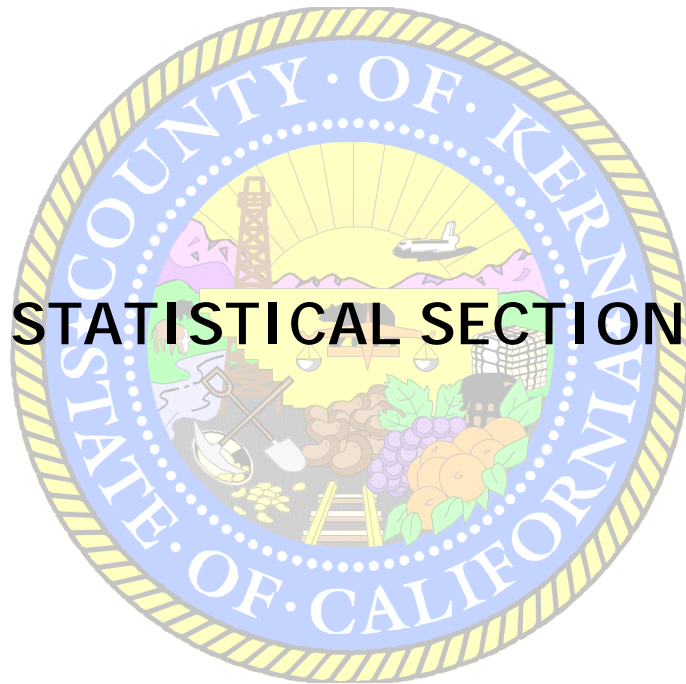
<u>ASSETS</u>
Resources to be Provided in Future Years:
Compensated Absences
Lease Purchase Agreements
Facility Lease
Certificates of Participation
Loan Payable
Bonds Payable
Pension Obligation Bonds
Total Assets

<u>\$ 41,364</u>	<u>\$ 4,274</u>	<u>\$ 1,884</u>	<u>\$ 225</u>	<u>\$ 88,745</u>
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<u>LIABILITIES</u>
General Long-Term Debt Payable

COUNTY OF KERN
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
 YEAR ENDED JUNE 30, 2001 (IN THOUSANDS)

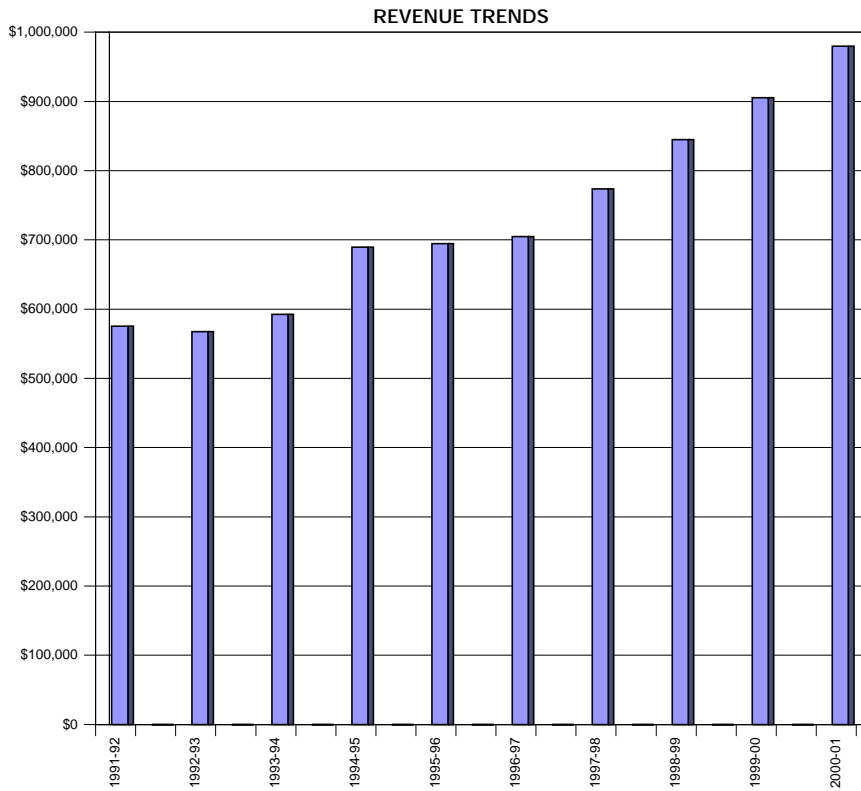
	<u>BALANCE JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2001</u>
Resources to be Provided in Future Years:				
Compensated Absences	\$ 40,796	\$ 3,293	\$	\$ 44,089
Lease Purchase Agreements	6,788	3,600	3,596	6,792
Loans Payable	10,000		750	9,250
Facility Lease	622		26	596
Certificates of Participation	97,785		9,040	88,745
Bonds Payable	240		15	225
Pension Obligation Bonds	<u>185,462</u>		<u>322</u>	<u>185,140</u>
Total General Long-Term Debt	<u>\$ 341,693</u>	<u>\$ 6,893</u>	<u>\$ 13,749</u>	<u>\$ 334,837</u>



STATISTICAL SECTION

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

<u>SOURCE</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
Taxes	\$ 162,335	\$ 150,459	\$ 126,338	\$ 114,397	\$ 119,228
Licenses, Permits and Franchises	11,055	8,229	8,507	7,766	8,189
Fines, Forfeitures and Penalties	6,883	6,071	6,435	6,788	8,701
Revenue from Use of Money and Property	18,647	7,919	6,551	8,928	10,687
Aid From Other Governmental Agencies	308,894	312,763	357,021	398,843	428,170
Charges For Current Services	59,196	58,168	60,626	73,360	77,447
Other Revenue	<u>8,363</u>	<u>23,974</u>	<u>26,901</u>	<u>79,640</u>	<u>42,084</u>
Total	<u>\$ 575,373</u>	<u>\$ 567,583</u>	<u>\$ 592,379</u>	<u>\$ 689,722</u>	<u>\$ 694,506</u>

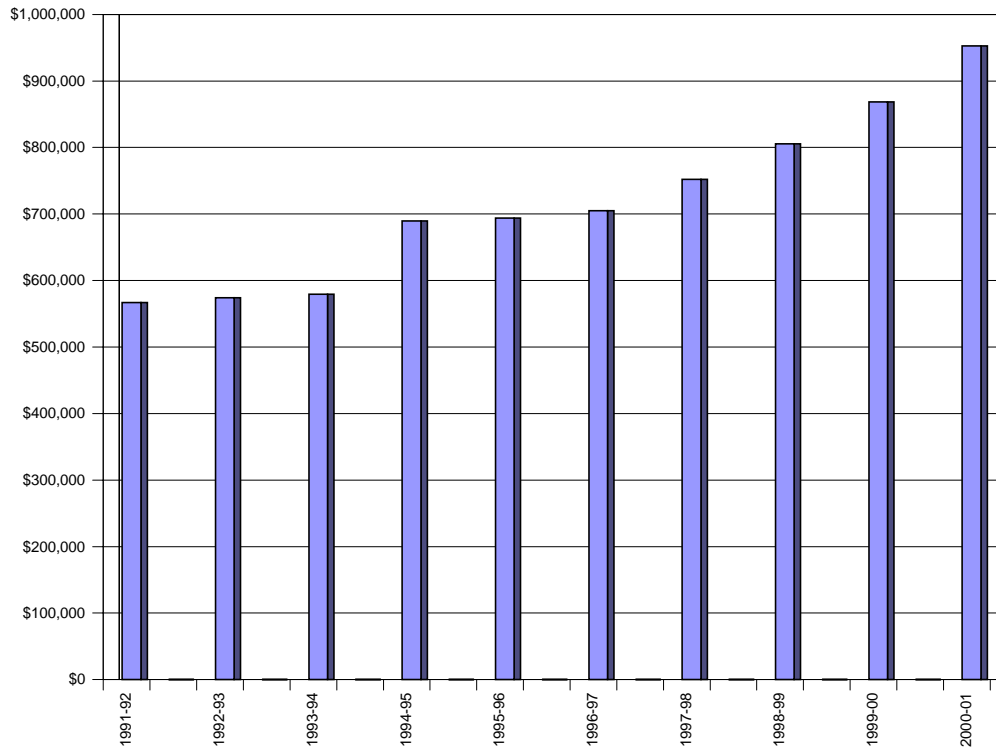


<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>SOURCE</u>
\$ 124,323	\$ 138,034	\$ 132,131	\$ 139,328	\$ 143,060	Taxes
8,453	8,582	9,710	9,492	12,293	Licenses, Permits and Franchises
7,669	12,697	13,926	17,248	17,618	Fines, Forfeitures and Penalties
10,315	11,840	12,061	13,038	19,543	Revenue from Use of Money and Property
421,008	440,414	464,590	521,590	577,078	Aid From Other Governmental Agencies
80,267	88,679	105,232	116,471	132,038	Charges For Current Services
<u>52,987</u>	<u>73,467</u>	<u>107,422</u>	<u>88,256</u>	<u>78,482</u>	Other Revenue
<u>\$ 705,022</u>	<u>\$ 773,713</u>	<u>\$ 845,072</u>	<u>\$ 905,423</u>	<u>\$ 980,112</u>	Total

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

<u>FUNCTION</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
General Government	\$ 59,728	\$ 51,905	\$ 50,767	\$ 50,778	\$ 53,100
Public Protection	183,188	183,752	188,358	204,075	220,899
Health and Sanitation	44,704	43,155	44,632	108,586	88,878
Public Assistance	226,319	231,669	246,581	275,568	279,640
Education	7,622	7,090	6,213	6,486	6,758
Recreation and Cultural Services	9,089	7,065	7,629	8,795	9,377
Public Ways and Facilities	22,246	20,607	25,345	23,125	22,075
Capital Outlay	5,356	4,171	2,501	3,715	4,839
Debt Service - Principal	3,425	20,865	4,210	4,150	4,300
Debt Service - Interest	5,000	3,862	3,320	4,233	4,185
Total	<u>\$ 566,677</u>	<u>\$ 574,141</u>	<u>\$ 579,556</u>	<u>\$ 689,511</u>	<u>\$ 694,051</u>

EXPENDITURE TRENDS



	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>FUNCTION</u>
\$	52,337	\$ 57,246	\$ 66,343	\$ 66,461	\$ 69,040	General Government
	227,549	245,748	251,602	264,142	300,742	Public Protection
	97,355	120,616	136,385	157,362	152,334	Health and Sanitation
	262,503	251,601	281,877	309,570	334,562	Public Assistance
	7,064	7,663	7,365	7,449	8,377	Education
	8,769	9,010	9,397	9,440	9,843	Recreation and Cultural Services
	20,806	24,295	24,138	24,194	36,632	Public Ways and Facilities
	8,966	14,038	7,411	8,478	17,455	Capital Outlay
	5,300	6,962	7,406	8,079	9,816	Debt Service - Principal
	14,223	14,759	13,620	13,590	14,139	Debt Service - Interest
	<u>\$ 704,872</u>	<u>\$ 751,938</u>	<u>\$ 805,544</u>	<u>\$ 868,765</u>	<u>\$ 952,940</u>	Total

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

FISCAL YEAR	DESCRIPTION	TAXES LEVIED	TAXES COLLECTED*	AMOUNT DELINQUENT (JUNE 30)	PERCENTAGE OF DELINQUENCY
1991-92	Secured	\$ 394,365	\$ 379,490	\$ 14,874	3.777%
	Unsecured	<u>25,254</u>	<u>24,278</u>	<u>976</u>	
	Total	<u>\$ 419,619</u>	<u>\$ 403,768</u>	<u>\$ 15,850</u>	
1992-93	Secured	\$ 394,749	\$ 378,535	\$ 16,214	4.046%
	Unsecured	<u>26,779</u>	<u>25,936</u>	<u>843</u>	
	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	<u>25,294</u>	<u>24,708</u>	<u>586</u>	
	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	<u>20,819</u>	<u>20,034</u>	<u>785</u>	
	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	<u>19,031</u>	<u>18,271</u>	<u>758</u>	
	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	<u>19,204</u>	<u>18,564</u>	<u>640</u>	
	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	<u>18,796</u>	<u>18,099</u>	<u>697</u>	
	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	<u>21,502</u>	<u>20,900</u>	<u>602</u>	
	Total	<u>\$ 477,029</u>	<u>\$ 457,245</u>	<u>\$ 19,784</u>	
1999-00	Secured	\$ 497,571	\$ 480,111	\$ 17,461	3.46%
	Unsecured	<u>22,847</u>	<u>22,303</u>	<u>544</u>	
	Total	<u>\$ 520,418</u>	<u>\$ 502,414</u>	<u>\$ 18,005</u>	
2000-01	Secured	\$ 518,583	\$ 500,720	\$ 17,864	3.37%
	Unsecured (1)	<u>23,736</u>	<u>23,295</u>	<u>441</u>	
	Total	<u>\$ 542,319</u>	<u>\$ 524,015</u>	<u>\$ 18,305</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

<u>FISCAL YEAR</u>	<u>COUNTYWIDE</u>	<u>CITY OF BAKERSFIELD</u>	<u>SPECIAL DISTRICTS</u>	<u>SCHOOLS</u>	<u>TOTAL</u>
1991-92	1.0	0.002502	0.061379	0.068013	1.131894
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

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, (commonly known as Statutes of 1978, Chapter 292, as amended) which provides that notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by 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, pursuant to Senate Bill 1656, Statutes of 1978.

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

FISCAL YEAR	REAL ESTATE INSIDE	REAL ESTATE OUTSIDE	IMPROVEMENTS INSIDE	IMPROVEMENTS OUTSIDE	PERSONAL PROPERTY INSIDE
1991-92	\$ 2,447,185	\$ 13,250,859	\$ 6,747,483	\$ 9,127,430	\$ 482,465
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

* 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

<u>PERSONAL PROPERTY OUTSIDE</u>	<u>COUNTYWIDE UNITARY AND OPERATING NON-UNITARY**</u>	<u>TOTAL COUNTY VALUATION</u>	<u>LESS NON-SUBVENTED EXEMPTIONS</u>	<u>NET TOTAL COUNTY VALUATIONS*</u>	<u>FISCAL YEAR</u>
\$ 1,045,461	\$ 1,608,369	\$ 34,709,252	\$ 456,933	\$ 34,252,319	1991-92
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	35,911,128	670,985	35,240,143	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	41,810,287	816,531	40,993,755	1999-00
1,167,124	1,525,556	44,439,140	873,551	43,565,589	2000-01

COUNTY OF KERN
SPECIAL ASSESSMENTS AND BUILDING PERMITS
FISCAL YEARS 1990-91 THROUGH 1999-00 (IN THOUSANDS)

COUNTY OF KERN SPECIAL ASSESSMENTS (1)			COUNTY OF KERN BUILDING PERMITS (2)		
Fiscal Year		Amount Assessed	Fiscal Year	Permits Issued	Value of Buildings
1991-92	\$	18,888	1991-92	9,108	\$ 514,933
1992-93		17,778	1992-93	8,429	541,781
1993-94		14,829	1993-94	6,716	528,321
1994-95		15,167	1994-95	6,603	458,797
1995-96		15,348	1995-96	6,750	448,664
1996-97		15,712	1996-97	6,001	426,811
1997-98		12,343	1997-98	6,674	525,390
1998-99		15,335	1998-99	6,719	644,182
1999-00		13,772	1999-00	6,556	537,434
2000-01		<u>14,006</u>	2000-01	6,795	<u>712,214</u>
	\$	<u><u>153,178</u></u>			\$ <u><u>5,338,527</u></u>

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

(2) Source: Board of Trade, 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)

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES</u>
1991-92	\$ 3,425	\$ 5,000	\$ 8,425	\$ 566,677	1.49%
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%

Notes:

(1) Total General Governmental Expenditures include General, Special Revenue, Capital Projects and Debt Service Funds.

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

COUNTY OF KERN
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2000 (IN THOUSANDS)

2000-01 Assessed Valuation: \$39,958,881 (After deducting \$921,685 Redevelopment Incremental Valuation; Includes unitary utility valuation)

	Percentage Applicable	Debt 5/20/2001
<u>Overlapping Tax and Assessment Debt:</u>		
Kern County Union High School District	100	\$ 70,435
Bakersfield School District	100	31,334
Panama-Buena Vista Union School District	100	13,965
Fruitvale School District	100	13,415
Fruitvale School District Lease Tax Obligation	100	2,030
Other School, High School and Unified School Districts	100	77,298
City of Bakersfield	100	5,615
North of the River Municipal Water District	100	185
Antelope Valley-East Kern Water Agency	22.972	1,453
Kern County Water Agency I.D. #4	100	5,310
Berrenda Mesa Water District	100	4,085
Cawelo Water District	100	6,345
Kern Delta Water District	100	2,685
Lost Hills Water District and Improvement Districts #1,4,5,6 & 7	100	2,965
Other Water Districts	Various	1,097
Belridge Water Storage District	100	5,785
Wheeler Ridge-Maricopa Water Storage District	100	13,860
Semitropic Water Storage District Improvement Districts	100	14,050
Other Water Storage Districts	100	1,385
Community Facilities Districts	100	3,234
Other Special Districts	100	41,045
1915 Act Bonds (Estimated)	100	112,462
		<u>430,038</u>
Total Gross Overlapping Tax and Assessment Debt		430,038
Less:		
City of Bakersfield Water Bonds (100% Self Supporting)		5,615
Water Storage Districts (100% Self Supporting)		14,655
Other Self Supporting Bonds		6,345
		<u>26,615</u>
Total Net Overlapping Tax and Assessment Debt		<u>\$ 403,423</u>

	Percentage Applicable	Debt 5/20/2001
<u>Direct and Overlapping General Fund Obligation Debt:</u>		
Kern County Certificates of Participation	100	\$ 116,445 (1)
Kern County Pension Obligations	100	227,423
Kern County Board of Education Certificates of Participation	100	100,000
Community College Districts and Certificates of Participation	Various	42,234
Kern County Union High School and Certificates of Participation	100	70,900
Other School, High School and Unified School Districts Certificates of Participation	Various	85,006
City of Bakersfield Authorities	100	39,459
City of Ridgecrest Certificates of Participation	100	10,085
City of Taft Certificates of Participation	100	1,660
Other Cities Certificates of Participation	100	139
Kern County Public Cemetery Dist. No 1 General Fund Obligations	100	50
		<u>693,401</u>
Total Gross Direct and Overlapping General Fund Obligation Debt		\$ 693,401
Total Overlapping Debt		\$ 1,096,825.00
Combined Gross Debt		\$ 1,123,740.00 (2)

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.

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>
1991-92	587	\$ 34,252,319	\$ -	-	\$ -
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

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 the five years prior to fiscal year ending June 30, 1996.

COUNTY OF KERN
 ASSESSED VALUATION OF REDEVELOPMENT AGENCY INCREMENT
 JUNE 30, 2001 (IN THOUSANDS)

	BOND RATE	COUNTY ASSESSMENT SECURED	COUNTY ASSESSMENT UNSECURED	STATE ASSESSMENT UTILITIES	TOTAL
<u>ASSESSED VALUATION OF INSIDE PROPERTY</u>					
Arvin		\$ 149,420	\$ 15,173	\$ 202	\$ 164,795
Bakersfield		9,809,568	432,050	19,040	10,260,658
California City		300,666	1,710	115	302,491
Delano		522,784	10,583	1,849	535,216
Maricopa		15,359	1,871	3	17,233
McFarland		146,511	2,189	127	148,827
Ridgecrest		453,414	23,092	11	476,517
Shafter		250,868	19,150	1,669	271,687
Taft		184,603	18,535	415	203,553
Tehachapi		224,393	13,936	1,737	240,066
Wasco		222,546	12,464	1,372	236,382
Total Assessed Value of Inside Property		12,280,132	550,753	26,540	12,857,425
<u>ASSESSED VALUE OF OUTSIDE PROPERTY</u>					
Road Fund - Outside		26,724,579	1,254,331	37,980	28,016,890
<u>ASSESSED VALUATION OF COUNTYWIDE PROPERTY</u>					
Unitary and Operating Non-Unitary (GENERAL LEVY = 1.000000)	0.097099			1,525,556	1,525,556
Pipeline Right of Way (GENERAL LEVY = 1.000000)	0.097099		145,423		145,423
Total Inside and Outside (Excluding Aircraft and Redevelopment)		39,004,711	1,950,507	1,590,076	42,545,294
Arvin		43,270	(11,185)	(81)	32,004
Bakersfield		94,354	16,799	(59)	111,094
Old Town		3,860	14,074	105	18,039
Southeast		7,086	157	(1,927)	5,316
California City		163,009	2,947	(13)	165,943
Delano #1		12,632	76		12,708
Delano		45,860	49,218	(632)	94,446
Ridgecrest		305,574	3,020	(10)	308,584
Shafter #1		57,955	537	403	58,895
Shafter #2		45,966	4,361		50,327
Taft		15,974	888	2,218	19,080
Wasco		47,746	(2,666)	(53)	45,027
Wasco #1		260			260
Total Redevelopment Agency		843,546	78,226	(49)	921,723
Grand Total - Countywide Taxable Value	\$	39,848,257	2,028,733	1,590,027	\$ 43,467,017

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

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

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Valuations: (1)							
Residential	\$ 306,916	\$ 333,865	\$ 290,196	\$ 274,743	\$ 360,455	\$ 361,140	\$ 398,474
Non-Residential	<u>151,881</u>	<u>114,799</u>	<u>136,615</u>	<u>144,408</u>	<u>202,899</u>	<u>164,388</u>	<u>155,275</u>
Total	<u>\$ 458,797</u>	<u>\$ 448,664</u>	<u>\$ 426,811</u>	<u>\$ 419,151</u>	<u>\$ 563,354</u>	<u>\$ 525,528</u>	<u>\$ 553,749</u>
New Dwelling Units: (1)							
Single Family	\$ 265,246	\$ 275,226	\$ 245,186	\$ 244,134	\$ 314,658	\$ 320,811	\$ 356,344
Multiple Family	<u>23,773</u>	<u>40,450</u>	<u>22,089</u>	<u>11,132</u>	<u>28,770</u>	<u>17,953</u>	<u>12,946</u>
Total	<u>\$ 289,019</u>	<u>\$ 315,676</u>	<u>\$ 267,275</u>	<u>\$ 255,266</u>	<u>\$ 343,428</u>	<u>\$ 338,764</u>	<u>\$ 369,290</u>
Bank Deposits: (2)	<u>\$ 3,220</u>	<u>\$ 3,197</u>	<u>\$ 3,058</u>	<u>\$ 3,092</u>	<u>\$ 3,179</u>	<u>\$ 3,268</u>	<u>\$ 3,265</u>

(1) Source: Construction Industry Research Board.

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

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

<u>FISCAL YEAR</u>	<u>POPULATION (1) COUNTY OF KERN</u>	<u>POPULATION (1) STATE OF CALIFORNIA</u>	<u>POPULATION (2) UNITED STATES</u>	<u>SCHOOL (1) ENROLLMENT COUNTY OF KERN</u>	<u>UNEMPLOYMENT RATE COUNTY OF KERN (3)</u>
1991-92	587	30,413	253,668	126	14.8%
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%

(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, 2001**

GEOGRAPHIC LOCATION: The County of Kern was organized from portions of Los Angeles and Tulare Counties, and is 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: 8,172 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: 271,285 as of June 30, 2001

ESTIMATED POPULATION OF THE COUNTY OF KERN AS OF JANUARY 1, 2000:

INCORPORATED CITIES (1):

Arvin	13,550
Bakersfield	254,400
California City	9,350
Delano	40,300
Maricopa	1,140
McFarland	9,925
Ridgecrest	25,550
Shafter	13,200
Taft	8,900
Tehachapi	11,450
Wasco	21,950
Unincorporated	<u>276,200</u>
Total Population	<u><u>685,915</u></u>

COUNTY EMPLOYEES (2)(3):

1991-92	7,703
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

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, 2001 (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	\$ 4,894,560	\$ 50,390	9.70%
Aera Energy LLC	Oil	3,485,008	35,566	6.85%
Texaco California, Inc.	Oil	1,316,220	13,391	2.58%
Chevron USA, Inc.	Oil	1,235,224	12,969	2.50%
Texaco Exploration & Prod., Inc.	Oil	1,166,760	12,280	2.37%
Pacific Gas & Electric Company	Utility	370,647	4,067	0.78%
US Borax, Inc.	Mining	357,807	3,843	0.74%
Nuevo Energy Co.	Oil	371,556	3,780	0.73%
Equilon Enterprises LLC	Oil	234,994	2,955	0.57%
Sycamore Generation	Utility	<u>242,092</u>	<u>2,552</u>	<u>0.49%</u>
Total		<u>\$ 13,674,868</u>	<u>\$ 141,793</u>	<u>27.31%</u>

Source: TRAN