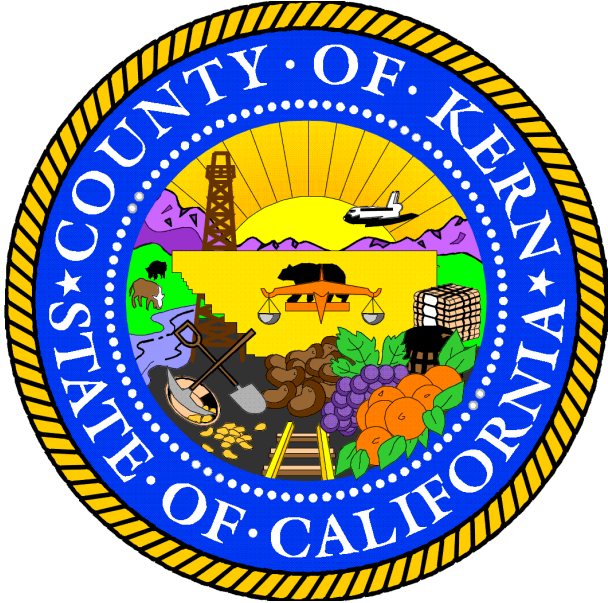


COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1999



COUNTY OF KERN

Supervisor Jon McQuiston, ChairmanFirst 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

COUNTY OF KERN
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JAMES A. RHOADES
Auditor-Controller-County Clerk



November 5, 1999

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, 1999 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 the 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 divided into five supervisorial districts. Bakersfield, the County seat, has approximately 60 percent of the County's total population of 648,000 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, agriculture production and government are driving forces in the County's economy. Eight 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 0.7% for next fiscal year, due primarily to an increase in assessed valuation of oil and gas.

Agriculture continues to remain relatively stable and the unemployment rate dropped from 13.1% in 1997-98 to 12.2% for 1998-99. The population of the County increased slightly (1.2%). The County's major employers are the military facilities at Edwards Air Force Base and China Lake Naval Weapons Center followed by Kern County Public Schools and County of Kern. Neither Edwards Air Force Base nor China Lake Naval Weapons Center were selected as targets for closure although staff reductions have occurred in the past. More than 10,000 civilians are directly employed at the military facilities.

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 approximately \$20 million. Funding is expected to be provided through County funds, Federal grants and funds from the City of Bakersfield.

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.

Human Services Programs. The Department of Human Services is currently impacted by the increasing reports of child abuse in Kern County. Child Protective Services remains the Department's number one priority. During fiscal year 1998-99, the State legislature augmented the Child Welfare Service program to fund additional emergency response services. The funding is expected to provide 37 new positions, which will help to meet the increased caseloads and mandated services.

Through the "Kern Works" and CalWORKs (California Work Opportunity and Responsibility to Kids) programs the department continues to implement a collaborative approach to intensifying employment services.

Office on Aging Integration. In order to meet the growing elderly population the Board of Supervisors took action to combine elderly services into one department. Functions from Human Services Department and Mental Health System of Care are being combined with programs in the Office on Aging to form a new department called Aging and Adult Services. The purpose of the department is to provide a single advisory and oversight department to administer the broad spectrum of services provided to seniors and adults, resulting in a focused policy recommendation and implementation agency. There is no overall increase in the net General Fund cost associated with the creation of the department.

Financial Accessibility via the Internet. The County has made a concerted effort to make financial information available to the public via the internet. The Comprehensive Annual Financial Report along with various property tax information and confirmations are now available on the County's website.

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 cost 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 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. 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, 1999 the Treasurer's Pooled Cash included cash and investments totaling \$1,044,634,000.

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, bankers' 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, 1999 averaged 5.13%, which compares with 5.52% for 91-day Treasury Bills for the same period. Interest earnings are allocated to each fund quarterly 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 2, 1998 the County issued \$68,000,000 in 1998-99 Tax and Revenue Anticipation Notes which mature on October 1, 1999. On July 1, 1999 the County issued an additional \$46,000,000 in Tax and Revenue Anticipation Notes which mature on June 30, 2000.

Certificates of Participation

As of June 30, 1999, Kern County has outstanding certificates of participation in a principal amount of \$133,935,000. The proceeds of such certificates of participation are being used for the purchase of equipment and acquisition, construction and renovation of certain public facilities within the County.

A summary of the County's certificates of participation as of June 30, 1999 includes (in thousands):

Description of Issue	Date Issued	Maturity	Principal Outstanding
Kern County Public Facilities Project, Series A,B,C and D	1986	2006	\$ 73,800
Kern Medical Center Emergency Facilities	1991	2006	9,170
Solid Waste Systems Improvements	1994	2009	14,300
Rosamond Library Project	1994	2014	1,750
Kern Medical Center Surgical Services Facility	1995	2005	6,965
Beale Memorial Library	1996	2007	12,845
Golf Course Capital Improvement	1996	2016	4,500
Fire Department	1997	2017	10,605
		Total:	\$ <u>133,935</u>

Pension Obligation Bonds

In 1995 Kern County issued Taxable Pension Obligation Bonds in the amount of \$227,818,439. The Pension Bonds are payable from the General Fund and debt service for 1998-99 is approximately \$12.6 million.

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 Transamerican Insurance Group provides coverage for claims over \$1,000,000 and up to \$22,000,000. 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 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.

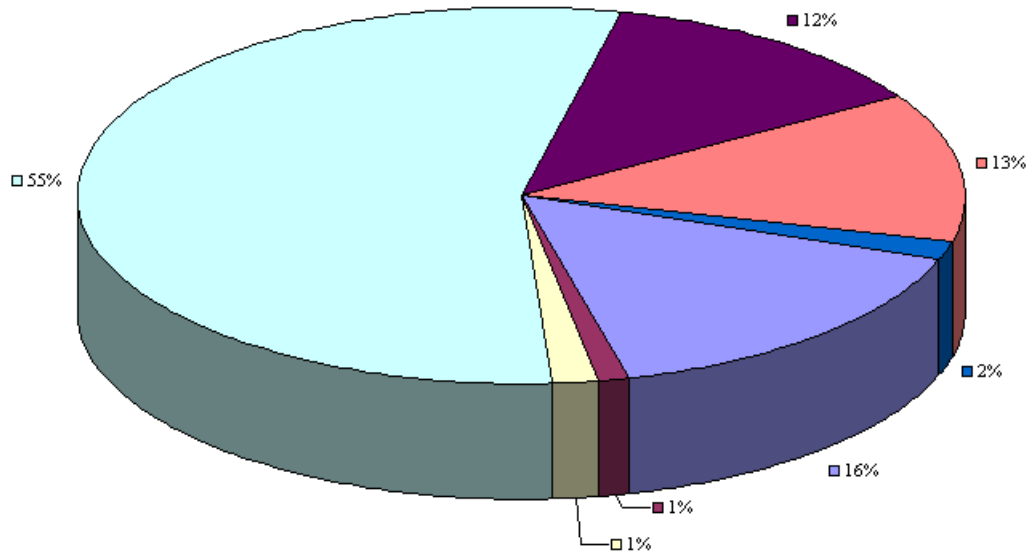
General County Governmental Functions

Revenues

Revenues for general County governmental functions totaled \$845,072,000 during 1998-99 an increase of 8.4 percent from 1997-98. Taxes produced 15.6 percent of general revenues, which is a 4.5 percent decrease in tax revenue over last year. 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>1998-99</u>	<u>1997-98</u>	<u>Change</u>
Taxes	\$132,131	\$138,034	\$(5,903)
Licenses, Permits and Franchises	9,710	8,582	1,128
Fines, Forfeitures and Penalties	13,926	12,697	1,229
Use of Money and Property	12,061	11,840	221
Aid from Other Governmental Agencies	464,590	440,414	24,176
Charges for Current Services	105,232	88,679	16,553
Other Revenue	107,422	73,467	33,955
Total Revenue	<u>\$845,072</u>	<u>\$773,713</u>	<u>\$71,359</u>

REVENUES



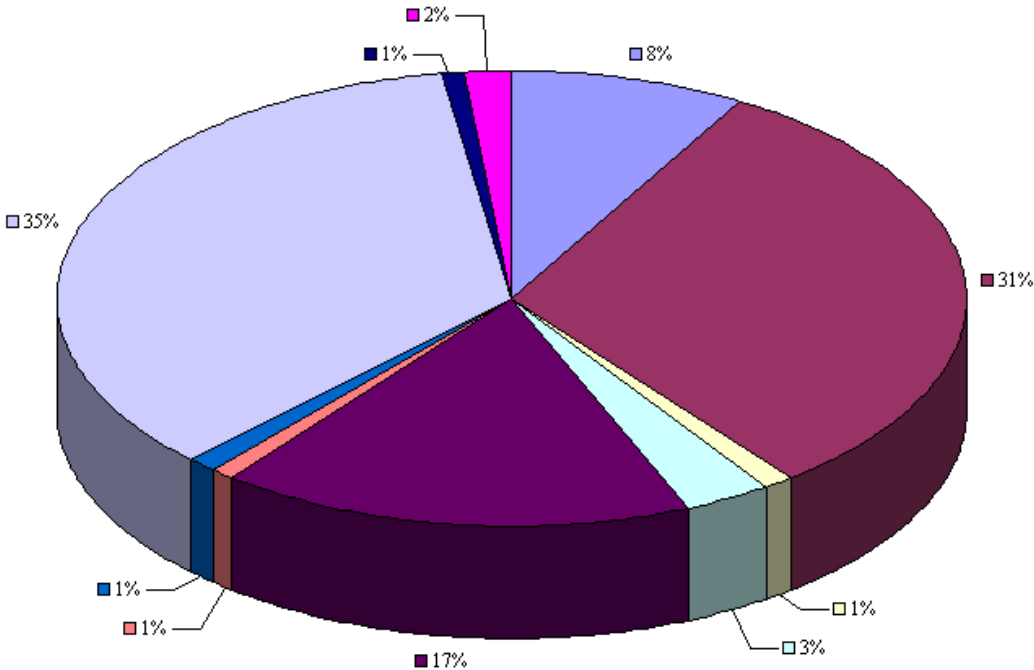
- Taxes 16%
- Licenses, Permits and Franchises 1%
- Use of Money and Property 1%
- Aid from Other Governmental Agencies 55%
- Charges for Current Services 12%
- Other Revenue 13%
- Fines, Forfeitures and Penalties 2%

Expenditures

Expenditures for general County governmental purposes totaled \$805,544,000 during fiscal year 1998-99, an increase of 6.7 percent from 1997-98. Increases and decreases in levels of expenditures (in thousands) by major functions over the preceding year are as follows:

<u>Function</u>	<u>1998-99</u>	<u>1997-98</u>	<u>Change</u>
Current:			
General Government	\$ 66,343	\$ 57,246	\$ 9,097
Public Protection	251,602	245,748	5,854
Health and Sanitation	136,385	120,616	15,769
Public Assistance	281,877	251,601	30,276
Education	7,365	7,663	(298)
Recreation and Cultural Services	9,397	9,010	387
Public Ways and Facilities	24,138	24,295	(157)
Capital Outlay	7,411	14,038	(6,627)
Debt Service:			
Principal	7,406	6,962	444
Interest	13,620	14,759	(1,139)
Total Expenditures	\$ <u>805,544</u>	\$ <u>751,938</u>	\$ <u>53,606</u>

EXPENDITURES



- General Government 8%
- Public Protection 31%
- Recreation and Cultural Services 1%
- Public Ways and Facilities 3%
- Health and Sanitation 17%
- Capital Outlay 1%
- Debt Service - Principal 1%
- Public Assistance 35%
- Education 1%
- Debt Service - Interest 2%

General Fund Balances

The General Fund is the general operating fund of the County. The General Fund began fiscal year 1998-99 with a cash balance of \$18.5 million and ended the fiscal year with a balance of \$19.3 million, an increase of 4.15%. The cash increased despite the reclassification of the Mental Health department, a major department within the General Fund, to a special revenue fund. The Mental Health fund balance as of June 30, 1999 was approximately \$8.6 million.

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 six 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 Enterprise Funds Retained Earnings balances (in thousands) at June 30, 1999 are as follows:

<u>Enterprise fund</u>	<u>Balance</u>
Airports	\$ 19,988
County Sanitation Districts	15,430
Kern Medical Center	21,529
Public Transportation	1,847
Waste Management	7,313
Golf Course	1,182

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 County's 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; General Services Reprographics provides for duplicating services for County departments; General Services Stores provides for operation of a central warehouse; Group Health provides for the operation of the county employees' health and dental insurance; Office Automation Services provides for analytical and technical maintenance support for office automation equipment; 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.

General Services Reprographics, General Services Stores and Office Automation funds were closed to the General Fund as of June 30, 1999.

The Internal Service Funds Retained earnings (deficit) balances (in thousands) at June 30, 1999 are as follows:

<u>Internal Service Fund</u>	<u>Balance</u>
General Liability	\$ (6,990)
General Services - Garage	3,151
General Services - Reprographics	-
General Services - Stores	-
Group Health	3,520
Office Automation Services	-
Retiree Group Health	8,382
Unemployment Compensation	786
Workers' Compensation	(15,437)

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

Independent Audit

The County has maintained a policy of requiring an annual audit of its various funds and account groups, financial records and transactions by an independent Certified Public Accountant selected through a "request for proposal" process. The Board of Supervisors, the County Administrative Officer, County Counsel, and the Heads of selected Departments approve and sign the audit contract. The accounting firm of Brown, Armstrong, Randall, Reyes, Paulden & McCown, Certified Public Accountants was selected to perform the 1998-99 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, 1998. 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 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,

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 DISTRICTBARBARA PATRICK
COUNTY SUPERVISOR, FOURTH DISTRICT.....KEN PETERSON
COUNTY SUPERVISOR, FIFTH DISTRICTPETER H. PARRA
ASSESSOR-RECORDER JAMES W. MAPLES
AUDITOR-CONTROLLER-COUNTY CLERK..... JAMES A. RHOADES
DISTRICT ATTORNEY..... EDWARD R. JAGELS
SHERIFF-CORONER-PUBLIC CONSERVATORCARL L. SPARKS
SUPERINTENDENT OF SCHOOLS.....KELLY F. BLANTON
TREASURER-TAX COLLECTOR.....PHIL D. FRANNEY

JUDGES OF THE SUPERIOR AND MUNICIPAL COURTS

ROBERT ANSPACH
SIDNEY CHAPIN
JAMES COMPTON
LEE FELICE
GARY T. FRIEDMAN
STEPHEN P. GILDNER
THERESA GOLDNER
JOHN I. KELLY
RICHARD J. OBERHOLZER
ROGER D. RANDALL
COLEEN W. RYAN
JON E. STUEBBE
JEROLD L. TURNER
KENNETH C. TWISSELMAN, II
ARTHUR E. WALLACE
CLARENCE WESTRA, JR

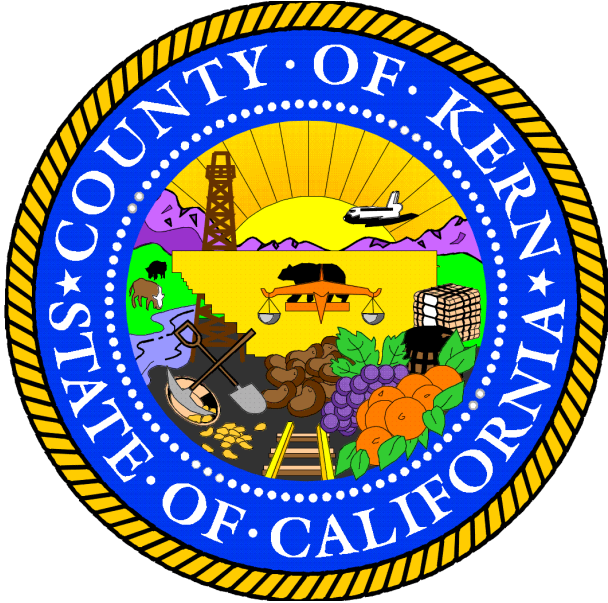
MICHAEL BUSH
BRYCE L. CHASE
JOHN L. FIELDER
FRANK A. HOOVER
COLETTE HUMPHREY
GARY A. INGLE
MICHAEL B. LEWIS
CHARLES P. McNUTT
SHARON METTLER
ROMERO J. MOENCH
JOHN D. OGLESBY
CHARLES B. PFISTER
JOHN I. QUINLEN
H.A. STALEY
CHARLES S. WILSON
ROBERT McDANIEL
GARY R. WITT

**COUNTY OF KERN
DIRECTORY OF COUNTY OFFICIALS**

APPOINTED

AGING AND ADULT SERVICES	RONALD M. ERREA
AGRICULTURAL COMMISSIONER	THEODORE K. DAVIS
AIRPORTS	RAYMOND BISHOP
BOARD OF TRADE	M. ANN GUTCHER
CLERK OF THE BOARD	SUE DAVIS
COMMUNITY DEVELOPMENT	WILLIAM MUNGARY
COUNCIL OF GOVERNMENTS	RONDALD E. BRUMMETT
COUNTY ADMINISTRATIVE OFFICER	SCOTT E. JONES
GENERAL SERVICES	
GROUP HEALTH	
UNEMPLOYMENT	
INFORMATION TECHNOLOGY SERVICES	
COUNTY COUNSEL	BERNARD C. BARMANN
EMERGENCY MEDICAL SERVICES	FREDRICK A. DREW
EMPLOYERS' TRAINING RESOURCE	JOHN NILON
ENVIRONMENTAL HEALTH	STEVE McCALLY
FARM AND HOME	DARLENE LIESCH
FIRE CHIEF	DANIEL CLARK
HUMAN SERVICES	KATHLEEN M. IRVINE
KERN MEDICAL CENTER	GERALD STARR
LIBRARY	DIANE R. DUQUETTE
LOCAL AGENCY FORMATION COMMISSION	WILLIAM A. TURPIN
MENTAL HEALTH	DIANE G. KODITEK
MUSEUM	CAROLA G. ENRIQUEZ
PARKS AND RECREATION	ROBERT D. ADDISON
PERSONNEL	KAY F. MADDEN
PUBLIC DEFENDER	MARK A. ARNOLD
PUBLIC HEALTH	BABATUNDE A. JINDAU, M.D.
RESOURCE MANAGEMENT AGENCY	DAVID L. PRICE, III
ENGINEERING & SURVEY SERVICES	CHARLES LACKEY
BUILDING INSPECTION/PLANNING & DEVELOPMENT	TED JAMES
RETIREMENT	DAVID DEUTSCH
ROADS	CRAIG POPE
VETERANS' SERVICES	CHARLES BIKAKIS
WASTE MANAGEMENT	DAPHNE H. WASHINGTON
WEIGHTS AND MEASURES	MONTY H. HOPPER

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1999



COUNTY OF KERN

Supervisor Jon McQuiston, ChairmanFirst 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

Certificate of Achievement for Excellence in Financial Reporting

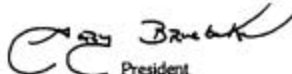
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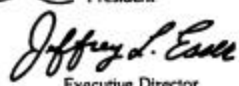
County of Kern,
California

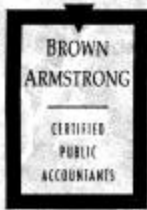
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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Cary Brueck
President


Jeffrey L. Essel
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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, 1999, 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 generally accepted auditing standards 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, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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 of 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.

The year 2000 supplementary information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the County of Kern is or will become year 2000 compliant, that the County of Kern's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the County of Kern does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 1999, 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 5, 1999

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

COUNTY OF KERN
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999 (IN THOUSANDS)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	General	Special Revenue	Capital Projects	Debt Service	Enterprise
ASSETS AND OTHER DEBITS					
Assets:					
Pooled Cash and Investments	\$ 19,349	\$ 26,714	\$ 2,404	\$ 38,135	\$ 76,122
Revolving Fund Cash	1,205	108			11
Cash and Investments Deposited With Trustee				25,668	5,695
Retirement System Investments					
Receivables:					
Participants' Contributions					
Accounts - Net		75			25,414
Taxes					
Loans	64			2,493	
Accrued Revenue	14,258	27,747			129
Due from Other:					
Funds	12,411	1,212	26	354	1,105
Agencies					130
Advances to Other Funds	18,530			3,500	
Deposits with Others	205				
Inventory- Materials and Supplies	64	1,963			735
Prepaid Items	12,000				13,401
Fixed Assets - Net					111,208
Other Debits - Resources to be Provided in Future Years:					
Compensated Absences					
Lease Purchase Agreements					
Facility Lease					
Certificates of Participation					
Bonds Payable					
Pension Obligation Bonds					
Total Assets and Other Debits	<u>\$ 78,086</u>	<u>\$ 57,819</u>	<u>\$ 2,430</u>	<u>\$ 70,150</u>	<u>\$ 233,950</u>

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)	
		General Fixed Assets	General Long-Term Debt		
Internal Service	Trust and Agency				
\$ 24,145	\$ 857,765 6	\$ -	\$ -	\$ 1,044,634	Assets:
	161,449			1,330	Pooled Cash and Investments
	863			31,363	Revolving Fund Cash
	733			161,449	Cash and Investments Deposited With Trustee
	86,544				Retirement System Investments
	271			863	Receivables:
				26,222	Participants' Contributions
				86,544	Accounts - Net
				2,828	Taxes
				42,134	Loans
					Accrued Revenue
322	40			15,470	Due from Other:
	4,184			4,314	Funds
				22,030	Agencies
635				840	Advances to Other Funds
138				2,900	Deposits with Others
288	34			25,723	Inventory- Materials and Supplies
3,028	6	375,463		489,705	Prepaid Items
					Fixed Assets - Net
			37,087	37,087	Other Debits - Resources to be Provided in Future Years:
			7,441	7,441	Compensated Absences
			671	671	Lease Purchase Agreements
			99,000	99,000	Facility Lease
			255	255	Certificates of Participation
			185,461	185,461	Bonds Payable
					Pension Obligation Bonds
<u>\$ 28,556</u>	<u>\$ 1,111,895</u>	<u>\$ 375,463</u>	<u>\$ 329,915</u>	<u>\$ 2,288,264</u>	Total Assets and Other Debits

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	General	Special Revenue	Capital Projects	Debt Service	Enterprise
LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS					
Liabilities:					
Payables:					
Warrants	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	609	1,423			
Salaries and Employee Benefits	5,917	4,299			2,252
Loans	450	335			2,043
Matured Bonds and Interest					
Deferred Compensation					
Compensated Absences					5,521
Long Term Debt					
Accrued Expenses					3,700
Due to Other:					
Funds		10,116			
Governments					
Agencies					1,549
Current Portion of Long-Term Debt					3,175
Deferred Revenue	12,000				
Advances from Other Funds		15	3,500		
Liability for Self Insurance- Current Portion					
Liability for Self Insurance- Long-Term Portion					
Deferred Income		7,970			56
Estimated Liability for Litigation	2,100				
Estimate for Professional Liability Claims					11,500
Long Term Debt- Capital Assets					36
Long Term Debt- Certificates of Participation					31,775
Unapportioned Installment Redemptions					
Long- Term Debt - Pension Obligation Bonds					33,835
Accrued Closure/ Post Closure Liability					52,111
Total Liabilities	21,076	24,158	3,500		147,553
Equity (Deficit) and Other Credits:					
Contributed Capital					19,108
Investment in General Fixed Assets					
Retained Earnings (Deficit) :					
Reserved (Note III K)					16,749
Unreserved					50,540
Fund Balance:					
Reserved (Note III L)	49,558	43,711	1,557	23,771	
Unreserved:					
Designated (Note III L)	1,325	1,659		25,668	
Undesignated	6,127	(11,709)	(2,627)	20,711	
Total Equity (Deficit) and Other Credits	57,010	33,661	(1,070)	70,150	86,397
Total Liabilities, Equity and Other Credits	\$ 78,086	\$ 57,819	\$ 2,430	\$ 70,150	\$ 233,950

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		General Fixed Assets	General Long-Term Debt	
Internal Service	Trust and Agency			
\$ -	\$ 146,054	\$ -	\$ -	\$ 146,054
	1,015			3,047
17				12,485
	154			2,828
	162,319			154
97				162,319
			329,915	5,618
677				329,915
				4,377
72	5,282			15,470
	237,759			237,759
				1,549
	18,515			3,175
14,969				12,000
17,827				22,030
				14,969
				17,827
				8,026
	3,934			31,775
482				3,934
				34,317
				52,111
<u>34,141</u>	<u>575,032</u>		<u>329,915</u>	<u>1,135,375</u>
				20,111
1,003		375,463		375,463
				17,610
861				43,091
(7,449)				
	536,863			655,460
				28,652
				12,502
<u>(5,585)</u>	<u>536,863.00</u>	<u>375,463</u>		<u>1,152,889</u>
<u>\$ 28,556</u>	<u>\$ 1,111,895</u>	<u>\$ 375,463</u>	<u>\$ 329,915</u>	<u>\$ 2,288,264</u>

LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS

Liabilities:
Payables:
Warrants
Accounts
Salaries and Employee Benefits
Loans
Matured Bonds and Interest
Deferred Compensation
Compensated Absences
Long Term Debt
Accrued Expenses
Due to Other:
Funds
Governments
Agencies
Current Portion of Long-Term Debt
Deferred Revenue
Advances from Other Funds
Liability for Self Insurance- Current Portion
Liability for Self Insurance- Long-Term Portion
Deferred Income
Estimated Liability for Litigation
Estimate for Professional Liability Claims
Long Term Debt- Capital Assets
Long Term Debt- Certificates of Participation
Unapportioned Installment Redemptions
Long- Term Debt - Pension Obligation Bonds
Accrued Closure/ Post Closure Liability
Total Liabilities
Equity (Deficit) and Other Credits:
Contributed Capital
Investment in General Fixed Assets
Retained Earnings (Deficit) :
Reserved (Note III K)
Unreserved
Fund Balance:
Reserved (Note III L)
Unreserved:
Designated (Note III L)
Undesignated
Total Equity (Deficit) and Other Credits
Total Liabilities, Equity and Other Credits

COUNTY OF KERN
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
REVENUES:						
Taxes	\$ 97,508	\$ 34,623	\$ -	\$ -	\$ -	\$ 132,131
Licenses, Permits and Franchises	6,413	3,297				9,710
Fines, Forfeitures and Penalties	9,799	4,127				13,926
Revenues From Use of Money and Property	7,324	1,087	20	3,630		12,061
Aid from Other Governmental Agencies	116,955	346,504	1,131			464,590
Charges for Current Services	73,624	31,608				105,232
Other Revenues	69,031	7,955	512	102	29,822	107,422
Total Revenues	<u>380,654</u>	<u>429,201</u>	<u>1,663</u>	<u>3,732</u>	<u>29,822</u>	<u>845,072</u>
EXPENDITURES:						
Current:						
General Government	58,941			500	6,902	66,343
Public Protection	153,915	97,615		72		251,602
Health and Sanitation	82,265	54,120				136,385
Public Assistance	28,497	253,380				281,877
Education	7,323	42				7,365
Recreation and Cultural Services	9,397					9,397
Public Ways and Facilities	4,592	19,546				24,138
Capital Outlay	3,138	520	3,753			7,411
Debt Service:						
Principal	46			7,360		7,406
Interest	46			13,574		13,620
Total Expenditures	<u>348,160</u>	<u>425,223</u>	<u>3,753</u>	<u>21,506</u>	<u>6,902</u>	<u>805,544</u>
Excess Deficiency of Revenues Over (Under) Expenditures	<u>32,494</u>	<u>3,978</u>	<u>(2,090)</u>	<u>(17,774)</u>	<u>22,920</u>	<u>39,528</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	228		532	24,894		25,654
Operating Transfers Out	(31,522)	(5,119)		(6,399)		(43,040)
Inception of Capital Leases	3,138	520				3,658
Total Other Financing Sources (Uses)	<u>(28,156)</u>	<u>(4,599)</u>	<u>532</u>	<u>18,495</u>	<u>-</u>	<u>(13,728)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>4,338</u>	<u>(621)</u>	<u>(1,558)</u>	<u>721</u>	<u>22,920</u>	<u>25,800</u>
Fund Balance, July 1, 1998	57,626	29,609	488	69,429	139,399	296,551
Residual Equity Transfer from (to) Other Funds	<u>(4,954)</u>	<u>4,673</u>				<u>(281)</u>
Fund Balance, June 30, 1999	<u>\$ 57,010</u>	<u>\$ 33,661</u>	<u>\$ (1,070)</u>	<u>\$ 70,150</u>	<u>\$ 162,319</u>	<u>\$ 322,070</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
 GENERAL FUND, CERTAIN SPECIAL REVENUE FUNDS, CERTAIN CAPITAL PROJECTS FUNDS AND CERTAIN
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

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	<u>GENERAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 103,080	\$ 97,508	\$ (5,572)
Licenses, Permits and Franchises	6,087	6,413	326
Fines, Forfeitures and Penalties	9,729	9,787	58
Revenues from Use of Money and Property	4,914	7,324	2,410
Aid from Other Governmental Agencies	127,063	116,955	(10,108)
Charges for Current Services	72,339	73,624	1,285
Other Revenues	<u>76,769</u>	<u>69,043</u>	<u>(7,726)</u>
Total Revenues	<u>399,981</u>	<u>380,654</u>	<u>(19,327)</u>
EXPENDITURES:			
Current:			
General Government	75,159	64,398	10,761
Public Protection	164,677	154,426	10,251
Health and Sanitation	83,144	82,455	689
Public Assistance	32,779	28,612	4,167
Education	7,564	7,485	79
Recreation and Cultural Activities	9,687	9,584	103
Public Ways and Facilities	4,592	4,592	-
Reserve	4,298		4,298
Debt Service:			
Principal	47	46	1
Interest	<u>46</u>	<u>46</u>	<u>-</u>
Total Expenditures	<u>381,993</u>	<u>351,644</u>	<u>30,349</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,988</u>	<u>29,010</u>	<u>11,022</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		5,422	5,422
Operating Transfers Out	<u>(31,522)</u>	<u>(31,522)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(31,522)</u>	<u>(26,100)</u>	<u>5,422</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(13,534)</u>	<u>2,910</u>	<u>16,444</u>
Fund Balance (Deficit), July 1, 1998	45,350	45,350	-
Residual equity transfers from (to) Other Funds	<u>(4,954)</u>	<u>(4,954)</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 26,862</u>	<u>\$ 43,306</u>	<u>\$ 16,444</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, 1999 (IN THOUSANDS)

	<u>CERTAIN SPECIAL REVENUE FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 34,381	\$ 34,608	\$ 227
Licenses, Permits and Franchises	2,657	3,297	640
Fines, Forfeitures and Penalties	3,675	4,127	452
Revenues from Use of Money and Property	906	1,086	180
Aid from Other Governmental Agencies	405,020	346,504	(58,516)
Charges for Current Services	31,656	31,608	(48)
Other Revenues	9,920	7,956	(1,964)
Total Revenues	<u>488,215</u>	<u>429,186</u>	<u>(59,029)</u>
EXPENDITURES:			
Current:			
General Government			
Public Protection	101,883	97,919	3,964
Health and Sanitation	61,758	53,882	7,876
Public Assistance	292,605	262,865	29,740
Education	42	42	-
Public Ways and Facilities	26,033	20,499	5,534
Total Expenditures	<u>482,321</u>	<u>435,207</u>	<u>47,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,894</u>	<u>(6,021)</u>	<u>(11,915)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	(5,119)	(10,313)	5,194
Total Other Financing Sources (Uses)	<u>(5,119)</u>	<u>(10,313)</u>	<u>5,194</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	775	(16,334)	(6,721)
Fund Balance (Deficit), July 1, 1998	8,244	8,244	-
Residual Equity Transfer from (to) Other Funds	4,674	4,674	-
Fund Balance (Deficit), June 30, 1999	<u>\$ 13,693</u>	<u>\$ (3,416)</u>	<u>\$ (6,721)</u>

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, 1999 (IN THOUSANDS)

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	<u>CERTAIN CAPITAL PROJECTS FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues From Use of Money	\$ -	\$ 20	\$ 20
Aid from Other Governmental Agencies	8,250	1,131	(7,119)
Other Revenues	<u>3,950</u>	<u>512</u>	<u>(3,438)</u>
Total Revenues	<u>12,200</u>	<u>1,663</u>	<u>(10,537)</u>
EXPENDITURES:			
Current:			
General Government	50		50
Capital Outlay	<u>14,110</u>	<u>5,033</u>	<u>9,077</u>
Total Expenditures	<u>14,160</u>	<u>5,033</u>	<u>9,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,960)</u>	<u>(3,370)</u>	<u>(1,410)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		<u>532</u>	<u>532</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>532</u>	<u>532</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,960)	(2,838)	(878)
Fund Balance (Deficit), July 1, 1998	<u>199</u>	<u>199</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ (1,761)</u>	<u>\$ (2,639)</u>	<u>\$ (878)</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, 1999 (IN THOUSANDS)

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	<u>CERTAIN DEBT SERVICE FUNDS</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues from Use of Money and Property	\$ 583	\$ 2,043	\$ 1,460
Other Revenue		32	32
Total Revenues	<u>583</u>	<u>2,075</u>	<u>1,492</u>
EXPENDITURES:			
Current:			
General Government	2,238	423	1,815
Public Protection	365	72	293
Total Expenditures	<u>2,603</u>	<u>495</u>	<u>2,108</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,020)</u>	<u>1,580</u>	<u>3,600</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	6,098	6,098	-
Operating Transfers Out	(9,308)	(5,639)	3,669
Total Other Financing Sources (Uses)	<u>(3,210)</u>	<u>459</u>	<u>3,669</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(5,230)	2,039	7,269
Fund Balance (Deficit), July 1, 1998	<u>42,443</u>	<u>42,443</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 37,213</u>	<u>\$ 44,482</u>	<u>\$ 7,269</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, 1999 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Total (Memorandum Only)
OPERATING REVENUES:			
Patient Services	\$ 119,639	\$ -	\$ 119,639
Charges for Current Services	16,808	65,434	82,242
Use of Property	1,839		1,839
Other Operating Revenues	4,353	19	4,372
Total Operating Revenues	142,639	65,453	208,092
OPERATING EXPENSES:			
Salaries and Employee Benefits	76,134	2,445	78,579
Services and Supplies	65,690	9,181	74,871
Claims Incurred		41,731	41,731
Other Charges	7,270	4,530	11,800
Depreciation Expense	6,082	510	6,592
Total Operating Expenses	155,176	58,397	213,573
Operating Income (Loss)	(12,537)	7,056	(5,481)
NON-OPERATING REVENUES (EXPENSES):			
Taxes and Assessments	16,551		16,551
Fines, Forfeitures and Penalties	312		312
Licenses, Permits and Franchises	11		11
Interest on Bank Deposits and Investments	4,507	1,135	5,642
Aid from Other Governmental Agencies	30,043	35	30,078
Health Care Expense	(51,308)		(51,308)
Other Non-Operating Revenues	1,913	984	2,897
Loss on Sale of Fixed Assets	(59)	(10)	(69)
Total Non-Operating Revenues (Expenses)	1,970	2,144	4,114
Income (Loss) before Operating Transfers	(10,567)	9,200	(1,367)
Operating Transfers In	16,983	405	17,388
Net Income (Loss)	6,416	9,605	16,021
Add: Depreciation on Contributed Assets		164	164
Add: Basis of Contributed Asset Disposed of		38	38
Increase (Decrease) in Retained Earnings	6,416	9,807	16,223
Retained Earnings (Deficit), July 1, 1998	56,147	(16,353)	39,794
Prior Period Adjustment	4,726		4,726
Residual Equity Transfer (to) from Other Funds		(42)	(42)
Retained Earnings (Deficit), June 30, 1999	\$ 67,289	\$ (6,588)	\$ 60,701

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF KERN
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Patient/Current Services	\$ 133,377	\$ 66,427.00	\$ 199,804
Cash Received for Use of Property	1,839		1,839
Cash Received for Other Operations	6,280	986	7,266
Cash Paid for Salaries and Employee Benefits	(73,578)	(2,431)	(76,009)
Cash Paid for Services and Supplies	(80,235)	(9,367)	(89,602)
Cash Paid for Reported Claims		(43,970)	(43,970)
Cash Paid for Other Charges	(5,702)	(5,523)	(11,225)
Net Cash Provided (Used) by Operating Activities	(18,019)	6,122	(11,897)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	16,983	405	17,388
Cash Paid to Other Funds		(140)	(140)
Advances from Other Funds		(89)	(89)
Repayment of Advances from Other Funds	(410)	(344)	(754)
Taxes and Special Assessments	16,726		16,726
Fines, Forfeitures and Penalties	312		312
Licenses and Permits	11		11
Loans Paid	(600)		(600)
Aid from Other Governmental Agencies	31,068	35	31,103
Health Care Expense	(51,308)		(51,308)
Net Cash Provided (Used) by Non-Capital Financing Activities	12,782	(133)	12,649
CASH FLOWS FROM CAPITAL & RELATED FINANCIAL ACTIVITIES			
Acquisition or Construction of Capital Assets	(6,185)	(467)	(6,652)
Proceeds from Sale of Assets	11	49	60
Interest Paid on Advance			
Payment of Long Term Debt- Certificates of Participation	(3,010)		(3,010)
Payment of Capital Lease	(63)		(63)
Payment on Post Closure Liability			
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,247)	(418)	(9,665)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Bank Deposits and Investments	4,498	1,087	5,585
Net Cash Provided by Investing Activities	4,498	1,087	5,585
Net Increase (Decrease) in Cash and Cash Equivalents	(9,986)	6,658	(3,328)
Cash and Cash Equivalents at Beginning of Year, July 1, 1998	91,814	17,487	109,301
Cash and Cash Equivalents at End of Year, June 30, 1999	\$ 81,828	\$ 24,145	\$ 105,973
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Pooled Cash and Investments	\$ 76,122	\$ 24,145	\$ 100,267
Cash and Cash Equivalents Deposited with Trustee	11		11
Revolving Fund Cash	5,695		5,695
	\$ 81,828	\$ 24,145	\$ 105,973

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, 1999 (IN THOUSANDS)

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (12,537)	\$ 7,057	\$ (5,480)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Other Non-Operating Revenues	1,926	970	2,896
Depreciation	6,082	510	6,592
(Increase) Decrease in:			
Accounts Receivable	(3,552)		(3,552)
Inventory	(133)	59	(74)
Accrued Revenue	(8)		(8)
Prepaid Items	(12,408)	(8)	(12,416)
Increase (Decrease) in:		(239)	(239)
Accrued Expenses	979		979
Due to Others	491	(6)	485
Salaries & Benefits Payable	309	3	312
Compensated Absences Payable	391	11	402
Provision for Liability Claims	1,307	(2,235)	(928)
Closure/Post Closure Liability	(866)		(866)
Total Adjustments	(5,482)	(935)	(6,417)
Net Cash Provided (Used) by Operating Activities	\$ (18,019)	\$ 6,122	\$ (11,897)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net Transfers of Fixed Assets (To) From Other Funds	\$ 19,087	\$ 190	\$ 19,277
Residual Equity Transfers (To) From Other Funds	118	(42)	76
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 19,205	\$ 148	\$ 19,353

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

**COUNTY OF KERN
STATEMENT OF CHANGES IN NET ASSETS
INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)**

ADDITIONS:	
Contributions on pooled investments	\$ 3,215,672
Use of money and property	<u>36,684</u>
Total additions	<u>3,252,356</u>
DEDUCTIONS:	
Distributions from pooled investments	<u>3,213,154</u>
Net increase (decrease) in net assets	39,202
Net assets held in trust, July 1, 1998	<u>497,661</u>
Net assets held in trust, June 30, 1999	<u>\$ <u>536,863</u></u>

SEE ACCOMPANYING NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Kern County (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, it 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 entirely 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.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

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 their independent control. Separate audited financial statements are available from the association. Activities of K.C.E.R.A., cities, school districts and other special districts administered by boards separate of or 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:

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

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 60 days after year-end. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

GOVERNMENTAL FUNDS (continued)

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 on the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received and recognized as revenue at that time. 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 consist of monies received from the sale of real property or other revenue as designated by the Board of Supervisors. Monies received from sale of real property may be appropriated by the Board of Supervisors only for capital outlay.

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:

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

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 Expendable Trust, Investment Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental fund types. 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. General Fixed Assets include capitalized construction costs related to governmental fund

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

ACCOUNT GROUPS (continued)

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 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 Deferred Compensation Expendable Trust Fund and 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 decrease 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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES, AND EQUITY

Receivables and Payables (continued)

other outstanding balances between funds are reported as A due to/from other funds.®
(See note III.E for detailed reconciliation).

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 1998-99 gross assessed valuation of the County of Kern was \$37,124,325,905.

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 and 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 on August 31.

In 1983, the Governor approved 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 payment 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES AND EQUITY (continued)

Inventory - Materials and Supplies. Inventories in the General Services - Garage Internal Services Fund, the General Services - Reprographics Internal Service Fund, the Road Fund, the Structural Fire Fund and the Kern Medical Center Enterprise Fund consist of expendable supplies held for consumption. The General Services - Reprographics Internal Service 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. 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

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES AND EQUITY (continued)

Compensated Absences (continued)

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, 1999, was \$21,040,994 and \$32,093,607 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, \$16,046,804 should be recorded in order to reflect the County's "estimated" liability for accumulated sick leave.

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 and prior period adjustments are described as follows:

- a. Changes in Accounting Presentation. The Mental Health fund was accounted for within the General Fund in the prior year and has been reclassified with the approval of the Board of Supervisors as a Special Revenue Fund.

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. ASSETS, LIABILITIES AND EQUITY (continued)

Comparative data (continued)

b. Prior year restatements. Explanations of prior period adjustments are as follows (in thousands):

1. To record governmental aid of approximately \$3,700 not accrued in prior year and adjust professional liability by approximately \$1,000 in the Kern Medical Center Enterprise fund.

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 Accumulative Capital Outlay-Road Capital Projects Fund, and the County of Kern Asset Leasing and Pension Obligation Trustee Debt Service Funds, and 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 nonbudgeted funds primarily by monitoring cash balances throughout its integrated accounting and warrant writing system. Nonbudgeted debt service payments are determined by the terms of bond indentures.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

The aggregate 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. In 1984, Kern County voters passed Measure "A" which requires that all budgetary transactions 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 Revenues of \$78,436,456 have been 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-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

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

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):

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>
Fund Balance (budgetary basis)	\$ 43,306	\$ (3,416)	\$ (2,639)	\$ 44,482
Capital Lease – Inceptions	(3,138)	(520)		
Capital Lease – Other Financing Source	3,138	520		
Outstanding encumbrances for budgeted funds	13,704	37,076	1,557	
Fund Balance of non-budgeted funds		1	12	25,668
Fund Balance (modified accrual basis)	<u>\$ 57,010</u>	<u>\$ 33,661</u>	<u>\$ (1,070)</u>	<u>\$ 70,150</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

C. DEFICIT FUND BALANCES/NEGATIVE RETAINED EARNINGS

The following funds have total deficit fund balances/total negative retained earnings, as appropriate at June 30, 1999 (in thousands):

<u>Special Revenue Funds:</u>	
Community Development	(35)
Employer's Training Resource	\$ <u>(5,838)</u>
Total Special Revenue Funds	<u>(5,873)</u>
<u>Capital Projects Funds:</u>	
Separation of Grade	\$ <u>(1,358)</u>
<u>Internal Service Funds:</u>	
General Liability	\$ (6,990)
Workers' Compensation	<u>(15,437)</u>
Total Internal Service Funds	<u>(22,427)</u>

The deficit fund balance in the Community Development and Employers' Training Resource Special Revenue Funds and Separation of Grade Capital Projects Fund is 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 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

1. 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.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

A. CASH AND INVESTMENTS (continued)

1. Cash and Deposits (continued)

County deposits are categorized in the following manner (see schedule at note III A 3):

- 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.

2. Cash and Investments Deposited with Trustee

The June 30, 1999 balance of Cash and Investments Deposited with Trustee consists of the following:

Cash	\$	14
Money Market Accounts		9,026,004
Investment Agreements		<u>22,336,958</u>
Total Cash and Investments Deposited with Trustee	\$	<u><u>31,362,976</u></u>

\$31,362,639 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 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 at note III A 3)

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

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

A. CASH AND INVESTMENTS (continued)

3. 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, 1999 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.

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

Investment	Fair Value	Principal	Interest Rate % Range	Maturity Range
Bankers Acceptance	\$ 80,036	\$ 79,254	4.60-4.87	07/02/99-10/06/99
Commercial Paper	66,298	66,298	4.81-5.27	07/01/99-07/27/99
Fed Agency Issues (Coupon)	183,820	184,803	5.65-6.42	07/01/99-03/03/04
Pooled Funds	27,400	27,400	5.19	07/01/99
Asset Backed Securities	50,465	51,546	5.75-8.25	02/07/00-09/16/03
Medium Term Notes	159,512	162,647	5.15-9.15	01/12/00-04/20/04
Negotiable CDs	209,988	210,097	4.85-5.68	07/02/99-11/05/99
Treasury Securities	5,070	5,132	6.375	03/31/01
Fed Agency Issues (Discount)	84,952	84,610	-	-
Bank Accounts	177,093	177,093	-	-
	<u>\$ 1,044,634</u>	<u>\$ 1,048,880</u>		

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

A. CASH AND INVESTMENTS (continued)

3. Investments (continued)

The following represents a condensed statement of net assets and changes in net assets for the Pool as of June 30, 1999 (in thousands):

Statement of Net Assets

Total Assets Held for Pool Participants	\$ 1,044,634
Less: Warrants Payable	<u>146,054</u>
Pool Equity, Net	<u>\$ 1,190,688</u>

Equity of Internal Pool Participants	\$ 653,824
Equity of External Pool Participants (Voluntary and Involuntary)	<u>536,864</u>
Total Equity	<u>\$ 1,190,688</u>

Statement of Changes in Net Assets

Net Assets at July 1, 1998	\$ 900,963
Net Change in Investments by Pool Participants	<u>289,725</u>
Net Assets at June 30, 1999	<u>\$ 1,190,688</u>

In accordance with the Governmental Accounting Standards Board Statement 3, the County's investments are categorized in the following manner:

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

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

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

A. CASH AND INVESTMENTS (continued)

3. Investments (continued)

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

Investments	Risk Category				Fair Value
	1	2	3	Noncategorized	
Negotiable CD's	\$ 209,988	\$ -	\$ -	\$ -	\$ 209,988
Commercial Paper	66,298				66,298
Bankers Acceptances	80,036				80,036
U.S. Treasury Securities	5,070				5,070
Federal Agency Issues	268,772				268,772
Medium Term Notes	159,512				159,512
Asset Backed Securities	50,465				50,465
Accrued Interest at Purchase	3,317				3,317
Investment in State Treasurer's Pool				27,400	27,400
Investment Subtotal	<u>843,458</u>	<u>-</u>	<u>-</u>	<u>27,400</u>	<u>870,858</u>
Deposits					
Cash in Bank:					
Insured, Collateralized Pool	84,836				84,836
Total Cash in Bank	<u>84,836</u>				<u>84,836</u>
Short Term Investments with Fiscal Agent				88,716	88,716
Deposits Subtotal	<u>84,836</u>	<u>-</u>	<u>-</u>	<u>88,716</u>	<u>173,552</u>
Investments and Deposits Subtotal	928,294	-	-	116,116	1,044,410
Cash on Hand				224	224
Total Deposits and Investments	<u>\$ 928,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,340</u>	<u>\$1,044,634</u>
Investments Deposited with Trustees	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,337</u>	<u>\$ 9,026</u>	<u>\$ 31,363</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

A. CASH AND INVESTMENTS (continued)

4. Deferred Compensation

A Deferred Compensation Fund was established by the County in accordance with Internal Revenue Code Section 457 as a supplementary retirement program for County employees. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. For the fiscal year ended June 30, 1999 the employees of the County of Kern contributed \$11,842,469 to the plan.

Contributions along with employee payroll deductions are invested in savings accounts and mutual funds. Investments in the fund are reported at fair value. The Savings account represents investment in Federal Government Securities. The mutual funds and savings account are registered investments held by the County's agents in the County's name.

Although the County has no liability for losses under the plan it does have the duty of due care that would be required of an ordinary prudent investor. Deferred Compensation balances have been recorded in an expendable trust fund in accordance with generally accepted accounting principles.

B. ACCOUNTS RECEIVABLE AND DUE FROM OTHER AGENCIES

Receivables at June 30, 1999 consist of the following (in thousands):

	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Total Gross	\$ 75	\$ 68,625	\$ 733	\$ 69,433
Intergovernmental Accounts		130	4,183	4,313
Allowance for Uncollectibles		(43,211)		(43,211)
Net Receivables	\$ <u>75</u>	\$ <u>25,544</u>	\$ <u>4,916</u>	\$ <u>30,535</u>

C. DEPOSITS WITH OTHERS

The County has total deposits with others of \$ 840,333. The General Fund has deposited \$ 205,273 with the City of Bakersfield for the construction of an overpass on Bakersfield's 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 \$ 635,060 represents deposits by the Group Health Self-Insurance Internal Service Fund with its designated claim administrators; such amount has been determined by administrators for the County to be representative of one month's billings.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

D. FIXED ASSETS

The following is a summary of changes in the General Fixed Asset Account Group for the year ended June 30, 1999 (in thousands):

<u>Assets:</u>	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1999</u>
Land	\$ 19,232	\$ 78	\$ (15)	\$ 19,295
Structures and Improvements	287,499	49,791	(51,650)	285,640
Equipment	64,859	12,850	(12,580)	65,129
Construction in Progress	<u>1,424</u>	<u>4,415</u>	<u>(440)</u>	<u>5,399</u>
Total Assets	<u>\$ 373,014</u>	<u>\$ 67,134</u>	<u>\$ (64,685)</u>	<u>\$ 375,463</u>

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

The following is a summary of Proprietary Fund fixed assets by class as of June 30, 1999 (in thousands):

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 14,931	\$
Subsurface Lines	4,298	
Structures and Improvements	110,121	
Equipment	34,958	5,058
Land Acquisition in Progress	705	
Construction in Progress	<u>1,345</u>	
Total	<u>166,358</u>	<u>5,058</u>
Less: Accumulated Depreciation	<u>(55,150)</u>	<u>(2,030)</u>
Net Property, Plant and Equipment	<u>\$ 111,208</u>	<u>\$ 3,028</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

E. Due To/From Other Funds at June 30, 1999 are as follows (in thousands):

	Due from Other Funds	Due to Other Funds
	_____	_____
General Fund	\$ 12,411	\$
Special Revenue Funds:		
Building Inspection	16	
Community Development		186
D.A. Family Support	70	
Emergency Medical Services	104	
Employers' Training Resource		4,983
Human Services		85
Local Public Safety		4,862
Mental Health	54	
Planned Local Drainage	8	
Road	38	
Structural Fire	684	
Other Special Revenue	238	
Capital Project Funds:		
Separation of Grade	26	
Debt Service Funds:		
Accumulative Capital Outlay – General	293	
Accumulative Capital Outlay – Fire	61	
Enterprise Funds:		
Airports	18	
County Sanitation Districts	45	
Golf Course	12	
Kern Medical Center	434	
Public Transportation	3	
Waste Management	593	
Internal Service Funds:		
General Liability	38	
General Service - Garage	20	
Group Health	84	
Retiree Group Health	102	
Unemployment Compensation	14	
Workers' Compensation	64	72
Fiduciary Funds:		
State Funds - Agency		75
Other Funds - Agency	40	115
Unapportioned Funds		3,803
Investment Trusts		1,289
	_____	_____
Total	\$ 15,470	\$ 15,470
	=====	=====

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

E. INTERFUND TRANSACTIONS AND BALANCES (continued)

Loans Receivable/Payable at June 30, 1999 are as follows (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	D.A. Family Support	\$ 64
ACO – General	General	450
ACO – General	Airports	2,043
Other Agency Funds	County Service Areas	271
	TOTAL	\$ <u>2,828</u>

Advances To/From Other Funds at June 30, 1999 are as follows (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Agency Funds	\$ 18,515
General Fund	Public Improvement Districts	15
ACO – General	Separation of Grade	3,500
	TOTAL	\$ <u>22,030</u>

Operating Transfers

Operating transfers represent ongoing operating subsidies between funds. Operating transfers during the year ended June 30, 1999 were as follows (in thousands):

<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Amount</u>
Kern Asset Leasing	ACO – General	\$ 4,851
Kern Asset Leasing	ACO – Fire	789
Kern Asset Leasing	Structural Fire	1,278
Kern Asset Leasing	General	1,637
Kern Medical Center	General	16,983
Pension Obligation Bond Trustee	General	6,399
General	Pension Obligation Bond Trustee	228
Certificates of Participation	Kern Asset Leasing	532
Road	Pension Obligation Bond Trustee	198
Structural Fire	Pension Obligation Bond Trustee	2,088
Building Inspection	Pension Obligation Bond Trustee	63
Human Services	Pension Obligation Bond Trustee	1,311
D.A. Family Support	Pension Obligation Bond Trustee	181
ACO – General	General Fund	6,098
Other – Internal Service Funds	General Fund	88
Reprographics	General Fund	316
	TOTAL	\$ <u>43,040</u>

In addition to the operating transfers listed above, a transfer in the amount of \$5,194 (in thousands) of encumbrances from the General Fund to the Mental Health – Special Revenue Fund was shown for budgetary purposes only.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

E. INTERFUND TRANSACTIONS AND BALANCES (continued)

Residual Equity Transfers

Residual equity transfers represent nonrecurring or nonroutine transfers of equity between funds. Residual equity transfers are reported as an increase or decrease in the beginning fund balance for governmental fund types and contributed capital for proprietary fund types. Residual equity transfers during the year ended June 30, 1999 were as follows (in thousands):

<u>Residual Equity Transfer In</u>	<u>Residual Equity Transfer Out</u>	<u>Amount</u>
Other Trust Funds	Employers' Training Resource	\$ 191
General Fund	Reprographics	204
General Services - Garage	General Fixed Assets Account	190
General Fixed Assets Account Group	Reprographics	25
General Long Term Debt Account Group	Reprographics	(187)
Investment Trust	Trial Courts	294
Mental Health	General Fund	5,158
	TOTAL	\$ 5,875

Reprographics Internal Service Fund has been absorbed by the General Fund and all assets and liabilities have been transferred to the General Fund and Account Groups as applicable.

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 General Fund (in thousands):

<u>Year</u>	<u>Amount</u>
1999-00	\$ 4,072
2000-01	4,069
2001-02	3,955
2002-03	3,855
2003-04	3,775
Thereafter	9,723
Total Minimum Lease Payments	\$ 29,449

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

F. LEASES (continued)

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.

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

<u>Year</u>	<u>General Long- Term Debt Account Group</u>	<u>Enterprise Funds</u>
1999-00	\$ 3,199	\$ 19
2000-01	3,095	19
2001-02	1,490	19
2002-03	226	
2003-04	18	
Net Minimum Lease Payments	8,028	57
Less amount representing interest	(587)	(18)
Present Value of net minimum lease payments	\$ 7,441	\$ 39

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

	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1999</u>
General Long-Term Debt Account Group	\$ 7,150	\$ 3,658	\$ (3,367)	\$ 7,441
Enterprise Funds	\$ 115	\$	\$ (76)	\$ 39

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 \$400,742,000. These amounts do not appear in the accompanying General Purpose Financial Statements.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

G. LONG-TERM DEBT (continued)

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):

	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1999</u>
Resources to be Provided in Future Years:				
Compensated Absences	\$ 36,592	\$ 495		\$ 37,087
Lease Purchase Agreements	7,150	3,658	(3,367)	7,441
Certificates of Participation	106,360		(7,360)	99,000
Facility Lease	718		(47)	671
Loans Payable	1,400		(1,400)	
Bonds Payable		270	15	255
Pension Obligation Bonds	<u>193,187</u>	<u>125</u>	<u>(7,851)</u>	<u>185,461</u>
TOTAL	\$ <u>346,407</u>	\$ <u>4,548</u>	\$ <u>(20,040)</u>	\$ <u>329,915</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.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

I. CERTIFICATES OF PARTICIPATION

The County has outstanding Certificates of Participation totaling \$133,935,000 (\$ 73,800,000 at variable and \$ 60,135,000 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, \$ 99,000,000 is included in the General Long-Term Debt Account Group, \$16,135,000 is included as current and long-term debt of the Kern Medical Center Enterprise Fund, \$14,300,000 is included as current and long-term debt of the Waste Management Enterprise Fund and \$4,500,000 is included as current and long-term debt of the Golf Course Enterprise Fund.

The Solid Waste System Improvement 1994 Certificates of Participation are paid from the Waste Management Enterprise Fund and 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 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 summary schedule of future minimum long-term payments using maximum interest rates (for the 1986 Certificates of Participation) and fixed interest rates (for the Library Certificates of Participation) are as follows (in thousands):

1986 COP (PUBLIC FACILITIES PROJECT):

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
1999-00	\$ 6,005	\$	8,862	\$	14,867
2000-01	6,725		8,142		14,867
2001-02	7,532		7,335		14,867
2002-03	8,436		6,431		14,867
2003-04	9,448		5,419		14,867
2004-2007	35,654		8,893		44,547
TOTAL	\$ <u>73,800</u>	\$	<u>45,082</u>	\$	<u>118,882</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

I. CERTIFICATES OF PARTICIPATION (continued)

BEALE LIBRARY:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
1999-00	\$ 1,200	\$	552	\$	1,752
2000-01	1,250		503		1,753
2001-02	1,300		451		1,751
2002-03	1,350		394		1,744
2003-04	1,410		333		1,743
2004-2008	6,335		628		6,962
TOTAL	\$ 12,845	\$	2,861	\$	15,706

ROSAMOND LIBRARY:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
1999-00	\$ 70	\$	106	\$	176
2000-01	75		103		178
2001-02	80		99		179
2002-03	80		94		174
2003-04	85		90		175
2004-2015	1,360		571		1,931
TOTAL	\$ 1,750	\$	1,063	\$	2,813

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:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
1999-00	\$ 980	\$	537	\$	1,517
2000-01	1,030		479		1,509
2001-02	1,095		415		1,510
2002-03	1,140		348		1,488
2003-04	1,175		277		1,452
2004-2007	3,750		368		4,118
TOTAL	\$ 9,170	\$	2,424	\$	11,594

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

I. CERTIFICATES OF PARTICIPATION (continued)

KERN MEDICAL CENTER – SURGICAL SERVICES FACILITY:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999-00	\$ 1,025	\$ 353	\$ 1,378
2000-01	1,075	303	1,378
2001-02	1,125	250	1,375
2002-03	1,185	194	1,379
2003-04	1,245	134	1,379
2004-2005	1,310	69	1,379
TOTAL	\$ 6,965	\$ 1,303	\$ 8,268

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>
1999-00	\$ 995	\$ 752	\$ 1,747
2000-01	1,045	702	1,747
2001-02	1,095	648	1,743
2002-03	1,155	589	1,744
2003-04	1,210	527	1,737
2004-2010	8,800	1,583	10,383
TOTAL	\$ 14,300	\$ 4,801	\$ 19,101

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>
1999-00	\$ 160	\$ 235	\$ 395
2000-01	165	227	392
2001-02	175	218	393
2002-03	185	209	394
2003-04	195	200	395
2004-2017	3,620	1,439	5,059
TOTAL	4,500	2,528	7,028

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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 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>
1999-00	\$ 760	\$ 526	\$ 1,286
2000-01	800	492	1,292
2001-02	670	456	1,126
2002-03	390	425	815
2003-04	410	407	817
2004-2017	<u>7,575</u>	<u>3,030</u>	<u>10,605</u>
TOTAL	\$ <u>10,605</u>	\$ <u>5,336</u>	\$ <u>15,941</u>

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>	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1999</u>
Airports	\$ 62	\$	\$	\$ 62
Golf Course	1,849			1,849
Kern Medical Center	<u>17,176</u>	<u>21</u>	<u></u>	<u>17,197</u>
TOTAL	\$ <u>19,087</u>	\$ <u>21</u>	\$ <u></u>	\$ <u>19,108</u>

Additions represent donated equipment from outside parties.

Internal Service Funds:

<u>Sources:</u>	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1999</u>
General Services – Garage	\$ 1,005	\$ 190	\$ (192)	\$ 1,003
General Services – Reprographics	<u>41</u>	<u></u>	<u>(41)</u>	<u></u>
TOTAL	\$ <u>1,046</u>	\$ <u>190</u>	\$ <u>(233)</u>	\$ <u>1,003</u>

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. Deletions for General Services – Reprographics reflects the transfer of contributed assets back to the General Fixed Assets Account Group.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

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	\$	885	Imprest Cash and Debt Obligations
County Sanitation Districts		1,271	Capital Outlay, Debt Obligations, Restricted Program Funds
Golf Course		175	Debt Obligations
Kern Medical Center		5,520	Imprest Cash and Debt Obligations
Public Transportation		441	Debt Obligations
Waste Management		8,457	Imprest Cash, Restricted Program Funds, Debt Obligations
TOTAL	\$	<u>16,749</u>	

Internal Service Funds:

General Liability	\$	2	Debt Obligations
Group Health		637	Deposit with Others, Debt Obligations
General Services – Garage		222	Debt Obligations and Inventory
TOTAL	\$	<u>861</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, 1999 and purpose of these designations are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Sheriff Department Vehicle Replacement	\$ 815	\$	\$
Sheriff Department Aircraft	510		
Designation for Specific Programs, Capital Projects and Debt Service		1,659	25,668
TOTAL	\$ <u>1,325</u>	\$ <u>1,659</u>	\$ <u>25,668</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

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

L. DESIGNATED AND RESERVED FUND BALANCES (continued)

The County's balance sheet reports reserved fund balances which are not available for appropriation and expenditure. The balances at June 30, 1999 are as follows (in thousands):

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Trust Funds
Encumbrances	\$ 13,704	\$ 37,076	\$ 1,557	\$	\$
Imprest Cash	1,205	108			
Deposits with Others	205				
Inventory	64	1,963			
Prepaid Items	12,000				
Fiscal Stability	1,000				
Victim Witness	100				
General		4,564		17,778	
Advances	18,530			3,500	
Loans Receivable				2,493	
Tax Litigation	2,750				
Net Assets Held in Trust for External Investment Pool Participants					536,863
TOTAL	\$ 49,558	\$ 43,711	\$ 1,557	\$ 23,771	\$ 536,863

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The County is generally self-insured for general liability, unemployment insurance, workers= compensation, employee and retiree medical and dental claims. Excess liability insurance is maintained for claims over \$1,000,000 and up to \$22,000,000. The policy protects the County and its employees against most legal liabilities arising from automobile liability, products 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 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, 1999.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

A. RISK MANAGEMENT (continued)

The Risk Management Division of the Office of County Counsel determines and administers General Liability and Workers= Compensation requirements of the County. Health and Unemployment self-insurance is administered by the County Administrative Office.

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 liabilities at June 30, 1999 was \$32,795,482. Changes in the claims liability of the funds in fiscal years 1998 and 1999 were as follows (in thousands):

Fiscal Year 1997-98:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
General Liability	\$ 11,694	\$ 952	\$ (3,279)	\$ 9,367
Workers' Compensation	26,014	1,316	(7,472)	19,858
Group Health	5,224	31,401	(31,005)	5,620
Unemployment Compensation	192	862	(870)	184
TOTAL	\$ 43,124	\$ 34,531	\$ (42,626)	\$ 35,029

Fiscal Year 1998-1999:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
General Liability	\$ 9,367	\$ 1,193	\$ (931)	\$ 9,629
Workers' Compensation	19,858	6,034	(7,046)	18,846
Group Health	5,620	33,718	(35,234)	4,104
Unemployment Compensation	184	786	(753)	217
TOTAL	\$ 35,029	\$ 41,731	\$ (43,964)	\$ 32,796

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County of Kern maintains seven Enterprise Funds. Two are Sanitation Districts which are combined into one category entitled County Sanitation Districts. Segment information for Enterprise Funds is as follows (in thousands):

	<u>Airports</u>	<u>Kern Medical Center</u>	<u>Waste Management</u>
Operating Revenues	\$ 2,091	\$ 124,779	\$ 11,102
Operating Expenses	(2,527)	(116,912)	(20,690)
Taxes and Assessments	412		11,600
Aid from Other Govt. Agencies	52	29,349	355
Non-operating Revenues (Expenses)	223	(47,819)	2,590
Depreciation	(299)	(4,269)	(749)
Income (Loss) before Operating Transfers	(48)	(14,872)	4,208
Operating Transfers (net)		16,983	
Net Income (Loss)	<u>\$ (48)</u>	<u>\$ 2,111</u>	<u>\$ 4,208</u>
Property, Plant & Equipment (net)	\$ 21,610	\$ 44,169	\$ 111,208
Long-term Debt Payable	\$ 755	\$ 61,806	\$ 67,735
Net Working Capital	\$ (805)	\$ 56,363	\$ 49,750
Total Assets	\$ 22,913	\$ 109,464	\$ 76,198
Capital Contribution	\$ 62	\$ 17,197	\$
Retained Earnings	19,988	21,529	7,313
Total Equity	<u>\$ 20,050</u>	<u>\$ 38,726</u>	<u>\$ 7,313</u>

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (continued)

	Public Transportation	County Sanitation Districts	Golf Course	TOTAL
Operating Revenues	\$ 398	\$ 175	\$ 4,094	\$ 142,639
Operating Expenses	(3,022)	(1,857)	(4,086)	(149,094)
Taxes and Assessments	2,685	1,854		16,551
Aid from Other Govt. Agencies	287			30,043
Non-operating Revenues (Expenses)	42	262	78	(44,624)
Depreciation	(278)	(339)	(148)	(6,082)
Income (Loss) before Operating Transfers	112	95	(62)	(10,567)
Operating Transfers (net)				16,983
Net Income (Loss)	<u>\$ 112</u>	<u>\$ 95</u>	<u>\$ (62)</u>	<u>\$ 6,416</u>
Property, Plant and Equipment (net)	\$ 2,202	\$ 12,084	\$ 5,845	\$ 113,549
Long-Term Debt Payable	\$ 142	\$	\$ 4,340	\$ 134,778
Net Working Capital	\$ (213)	\$ 3,346	\$ 1,526	\$ 109,967
Total Assets	\$ 2,312	\$ 15,532	\$ 7,531	\$ 233,950
Capital Contribution	\$	\$	\$ 1,849	\$ 19,108
Retained Earnings	1,847	15,430	1,182	67,289
Total Equity	<u>\$ 1,847</u>	<u>\$ 15,430</u>	<u>\$ 3,031</u>	<u>\$ 86,397</u>

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 the 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.

IV. OTHER INFORMATION (continued)

C. HOSPITAL AND OTHER PROGRAM REVENUES (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 42% and 21% respectively, of net patient care revenue for the year ended June 30, 1999.

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 revenue programs:

During fiscal year 1991-92, Senate Bill's (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 \$59,475,192 in fiscal 1999 and \$67,939,376 in fiscal 1998 under the State of California's Medi-Cal disproportionate share program. The program required the County to provide matching funds of \$41,307,631 and \$54,163,321 in fiscal 1999 and 1998, 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.

SB1255, 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 1998-99 County SB 1255 revenues were \$22,000,000. 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.

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

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

C. HOSPITAL AND OTHER PROGRAM REVENUES (continued)

Other Program Revenues (continued)

to pay for care. The County's share of these revenues for the year ended June 30, 1999 was \$1,960,156.

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.

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, 1999 there were approximately 290 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 approximately \$600,000 and employee contributions of .33% of base pay.

The Retiree Health Stipend is available to employees who choose continuous County health coverage upon retirement. At June 30, 1999 there were approximately 2,292 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 \$171 per active employee per year, which totaled \$1,023,151 for the year ended June 30, 1999.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

E. CONTINGENT LIABILITIES

1. Federal and State Grant Program

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 disallowances, if any, would not have a material effect on the financial statements.

2. 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, and the likelihood of incurring a liability is less than probable. Accordingly, no liability for this contingency has been included in the financial statements.

3. Contingent Property Tax Liability

There is no significant litigation pending against the County for protested tax assessments. At June 30, 1999, assessment appeals are pending before the County Assessment Appeals Board (A.A.B.) in the amount of \$71,638,966 plus interest of \$4,271,017. Such contingent liability is shared by the various taxing agencies in proportion to the taxes levied for each agency on the County tax roll for properties involved.

The following is a summary of the estimated contingent tax liability as of June 30, 1999 (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total Estimated Principal and Interest</u>
Contingent Tax Liability:			
Court Cases	\$	\$	\$ -
Pending A.A.B. Matters	71,639	4,271	75,910
Total	<u>\$ 71,639</u>	<u>\$ 4,271</u>	\$ 75,910
Less: Impounded Tax Payments			(35,721)
Net Contingent Tax Liability			<u>\$ 40,189</u>

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

E. CONTINGENT LIABILITIES

3. Contingent Property Tax Liability (continued)

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

	<u>General</u>	<u>Fire</u>	<u>TOTAL</u>
Total Estimated Liability	\$ <u>18,362</u>	\$ <u>9,557</u>	\$ <u>27,919</u>

The disputed assessments involve numerous individual and unrelated cases. The settlement of each case would have little, if any, impact on the potential outcome of the remaining cases. If all cases were settled at one point in time against the County for the estimated liability of \$27,918,638 the County would fund the liability through a combination of future revenues and the implementation of cost reduction measures.

The Assessor and AERA/CalResources are very close to negotiating a settlement of the assessment appeals for the 1996/97 – 1999/00 tax years. The proposed settlement for all years is expected to produce a probable refund liability of \$2.1 million. Due to its probability, the amount has been recorded as a liability within the General Fund. Any settlement reached will not be finalized until December 1999 and no funds paid out until early 2000. There is also the strong possibility that AERA/CalResources will agree that any refund liability may be paid over time or in the form of tax credits against future tax revenues.

4. 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.

F. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Plan assets and the related liabilities to participants at June 30, 1999, total \$162,319,829 at fair value.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

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 thirteen 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 one alternate. 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, 1999, employee membership data related to the pension plan was as follows:

	<u>General</u>	<u>Safety</u>	<u>Total</u>
Active Employees	5,652	1,483	7,135
Terminated Employees – Vested	723	69	792
Retirees and beneficiaries currently receiving benefits	3,289	733	4,022
	<u>9,664</u>	<u>2,285</u>	<u>11,949</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

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Plan Description (continued)

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 surviving spouse is entitled to receive death benefits which consist of accumulated contributions plus interest, and one month=s salary for each full year of service up to a maximum of six months salary. A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty will be eligible for a non-service connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment, is eligible for a service connected disability regardless of length of service or age.

Basis of Accounting

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

Method Used to Value Investments

Plan investments are reported at fair value. Short-tem 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.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Concentrations

The fair value of investments with any one organization greater than 5% of plan net assets as of June 30, 1999 (other than U.S. government securities), is presented in the following table:

ORGANIZATION		AMOUNT (in thousands)
Corporate Bonds:		
W.R. Huff Asset Management	\$	90,849
Domestic Equities:		
Barclay Global Investors	\$	263,660
Fidelity Management Trust Company	\$	160,137
Westridge Capital Management, Inc.	\$	95,741
Pacific Investment Management Company	\$	94,797
International Equities:		
Barclay Global Investors	\$	242,340

Funding Policy

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

The employers contribution rates have been determined using the Projected Unit Credit Cost method. The employer contribution is made up of two parts:

- The Normal Cost, or the cost of the portion of the benefit that is allocated to the current year.
- The payment to amortize the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is the excess of the plan's accrued liability over its assets. Most of the UAAL currently is being amortized over 23 years, except for the additional liabilities due to granting Golden Handshake benefits, which are being 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,

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

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, 1999, the County's total payroll for all employees amounted to \$ 287,159,469. The County's total covered payroll for the same period amounted to \$ 275,085,003. Covered payroll refers to all compensation paid by the County to active employees covered by the pension plan on which contributions to the pension are based.

The County's contribution rates for the year ended June 30, 1999 were made in accordance with an actuarial valuation performed December 31, 1997. 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 employer's contribution.

Contributions to K.C.E.R.A. during fiscal year ended June 30, 1999 were \$45,605,326 of which \$40,159,103 were regular employer contributions and \$5,446,223 were employee contributions (15% and 2% of covered payroll respectively). The total contribution consisted of \$41,582,936 normal cost (15% of covered payroll) and \$4,022,390 (1% of covered payroll) amortization of the under funded actuarial accrued liability. 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 such class of participation as follows:

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

Employer Contributions as a Percentage of Estimated Total Compensation:

FISCAL YEAR ENDING JUNE 30, 1999:

	Special Districts (MOU)	Special Districts (non-MOU)	General Members	Safety Members
Normal Cost	11.83%	7.26%	11.27%	17.44%
Amortization of UAAL*	3.52%	3.52%	1.75%	-.51%
TOTAL	15.35%	10.78%	13.02%	16.93%

FISCAL YEAR ENDING JUNE 30, 1998:

	Special Districts (MOU)	Special Districts (non-MOU)	General Members	Safety Members
Normal Cost	10.22%	7.51%	10.58%	16.25%
Amortization of UAAL*	3.48%	3.48%	1.52%	-.58%
TOTAL	13.70%	10.99%	12.10%	15.67%

*Unfunded Actuarial Accrued Liability

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
1999	\$40,159,103	100%
1998	35,420,517	100%
1997	27,902,854	100%
1996	38,569,856	661%
1995	35,950,004	100%
1994	35,160,771	100%

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Funding Policy (continued)

The latest actuarial valuation was dated December 31, 1998. Net assets available to pay pension benefits were valued as of the same date. KCERA does not make separate measurements of assets and pension benefit obligations for individual employers. The actuarial report did not reflect any significant plan changes. However, it did note as in fiscal year 1997-98 that following a California Supreme Court decision which changed the rules for computing final compensation for all 1937 Act retirement systems, the definition of compensation recognized under KCERA had been expanded to include additional pay elements. Economic assumptions were unchanged since the last valuation and included: an 8.25% investment rate of return, projected salary increases of 5.5- 6.0% per year, and a 4.5% annual increase in Consumer Price Index. The annual increase in system benefits is capped at 2%.

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	12/31/96	12/31/97	12/31/98
Actuarial Value of Assets (a)	\$1,003,075	\$1,113,914	\$1,203,670
Actuarial Accrued Liability AAL (b)	\$1,029,574	\$1,140,019	\$1,179,753
Overfunded(Underfunded) AAL (a-b)	(\$26,499)	(\$26,105)	\$23,197
Funded Ratio (a/b)	.974	.977	1.02
Annual Covered Payroll	\$273,351	\$266,640	\$282,251
Unfunded AAL as % of Covered Payroll	9.7%	9.8%	-8.5%

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.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

G. PENSION PLAN (continued)

Pension Obligation Bonds (continued)

At June 30, 1999, the amount of certificates included as a component of the County's pension liability was \$219,779,107. Of this amount, \$ 185,461,623 has been recorded in the General Long-Term Debt Account Group, \$ 34,317,481 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 2000 and 2014 for the Current Interest bonds and between 2015 and 2022 for the 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, 1999, interest payments related to the certificates were \$12,144,851. Of this amount, \$10,241,580 was paid out of the governmental funds, and \$1,903,271 was paid out of the proprietary funds.

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

<u>Year Ending June 30</u>	<u>Funding Requirement</u>
2000	\$ 12,145
2001	12,513
2002	13,350
2003	14,241
2004	15,182
2005-2008	71,328
2009-2013	118,457
2014-2018	162,678
2019-2022	155,422
Total	\$ 575,316
Less Amount representing interest	(355,538)
Net Total	\$ <u>219,778</u>

IV. OTHER INFORMATION (continued)

H. LAND FILLS

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 1990-91, the Board of Supervisors increased the land use fee from \$27 per single family home to \$57 per single family home. 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. Annual liabilities foreclosure 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 post closure maintenance costs is also based on the most recent plans submitted to the Integrated Waste Management Board. For post closure maintenance, the engineers 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 owns eleven (11) Class III landfills, two (2) large volume transfer stations, and five (5) small volume transfer stations, strategically located throughout Kern County. These facilities serve the solid waste disposal needs of the County's eleven incorporated cities.

FINANCIAL STATEMENTS OF KERN COUNTY
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

H. LAND FILLS (continued)

Estimated closure and postclosure costs as of June 30, 1999 are \$53,348,753 and \$26,899,040 respectively. The County's landfills are listed below, along with their estimated remaining useful lives (shown in parenthesis), total capacity and percentage of capacity used:

<u>Facility Name</u>	<u>Capacity in Cubic Yards</u>	<u>Percent Incurred</u>
Arvin (10)	11,948,609	61%
Bena (6)	6,957,446	46%
Boron (15)	1,002,819	53%
Buttonwillow* (18)	358,273	84%
China Grade	N/A	100%
Glennville	N/A	N/A
Kern Valley **	2,606,575	110%
Lebec ***	N/A	100%
Lost Hills (25)	1,478,905	8%
McFarland/Delano ***	N/A	N/A
Mojave/Rosamond (14)	2,211,743	27%
Ridgecrest (28)	9,545,940	22%
Shafter/Wasco (24)	11,635,500	16%
Taft (51)	8,787,547	14%
Tehachapi (9)	2,593,900	32%
TOTAL	59,127,257	

* Buttonwillow will receive only demolition debris starting this year, and could last as long as 19 years, but is scheduled to close in 2006.

** Kern Valley capacity could last four more years, but closed in June 1997 due to lease constraints

*** Lebec and McFarland/Delano are Transfer Stations. Waste is collected at the station and taken to a landfill.

Each year a portion of the landfill's estimated closure costs are recognized as an expense and liability based on the capacity used to date. As of June 30, 1999, the landfill closure has been recorded at \$25,212,337 and is included in the liabilities of the Waste Management Enterprise Fund. This represents the cumulative liability to date based on the formulas provided by the State of California. The remaining \$28,136,416 anticipated closure costs will be recognized in future years based on the state formulas. The \$26,899,040 postclosure care costs will be updated annually.

FINANCIAL STATEMENTS OF KERN COUNTY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
Year Ended June 30, 1999

IV. OTHER INFORMATION (continued)

H. LAND FILLS (continued)

Under Title 23, Article 5 of the California Code of Regulations, the County is required to provide a financial assurance mechanism to fund a reasonably foreseeable release[®] from its landfills into groundwater. The Waste Management Department has established an Article 5 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 engineers cost estimates contained in the Article 5 Financial Assurance Plans submitted to the Integrated Waste Management Board for review and approval. The estimated contingency is two to three million per site. The current designation has been set at \$2 million.

V. SUBSEQUENT EVENTS

A. PENDING AGREEMENTS WITH EMPLOYEE UNIONS

The County is currently negotiating with two safety member unions whose memoranda of understanding expired June 30, 1999. The General Member and Management and Confidential memoranda of understanding is due to expire on March 31, 2000. The potential cost impact resulting from these negotiations has not been determined. Upon ratification and approval of new memoranda of understanding, the County Administrative Office will recommend funding alternatives to the Board of Supervisors to address any related cost impacts.

B. ISSUANCE OF CERTIFICATES OF PARTICIPATION

On June 29, 1999, the Board of Supervisors authorized the issuance of Certificates of Participation (COP) in the amount of \$20 million to finance the acquisition and construction of Phase II of the Countywide Radio/Microwave Communications System Upgrade, the Kern Medical Center (KMC) Seismic Upgrade, the KMC Central Plant Replacement, and the KMC Sagebrush Family Practice Clinic projects. The anticipated issue date is December 1, 1999.

C. TAX AND REVENUE ANTICIPATION NOTES

On July 1, 1999, the County issued Tax and Revenue Anticipation Notes (TRANS) totaling \$46,000,000 due on June 30, 2000. 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 ended June 30, 2000. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 1999-00 and legally available secure the TRANS.

YEAR 2000

Overview

The Year 2000 (Y2K) issue relates to the potential inability of computer systems and programs to properly process calendar dates after December 31, 1999, which may result in the inability of certain software applications and embedded chips to function as intended. This problem stems from the use of an insufficient number of digits in a year field in programs or data. Since many older computer systems typically did not store the first two digits of the "year" field, applications that use the difference between dates could fail dramatically as the computer cannot distinguish the year 2000, for example, from 1900. This older method of identifying years can result in incorrect results and undesirable consequences when dates using the year 2000 and thereafter are involved. To the extent that certain computer systems may not operate properly after December 31, 1999, the County's ability to provide certain essential services to the public could be significantly impaired.

The Year 2000 Readiness Process

The County has been addressing Year 2000 compliance issues over the past several years in order to bring its systems into compliance with Y2K prior to January 1, 2000.

A four-stage process has been established by the Governmental Accounting Standards Board (GASB) to achieve, at a minimum, a reasonable degree of assurance that mission critical systems will be Year 2000 compliant prior to January 1, 2000, and that viable contingency plans are in place in the event of non-compliance. GASB defines the four stages as follows:

1. Awareness - Encompasses establishment of a budget and project plan.
2. Assessment - Identification of systems and components for which work is needed.
3. Remediation - Making changes to systems and equipment.
4. Validation/Testing - Validating and testing changes made during the remediation stage.

Consequently, in November of 1998, the County formulated an action plan and formed a Year 2000 Task Force, comprised of representatives of major County departments, including Information Technology Services (Awareness stage). The action plan requires that each County department perform the following: 1) Prepare an inventory of software and hardware used; 2) Prepare a risk analysis and prioritize remediation (Assessment stage); 3) Identify and implement any necessary changes (Remediation stage); 4) Test changes and certify that systems are compliant (Validation/Testing stage); and 5) Prepare a contingency plan.

Each department was required to prepare and submit an action and contingency plan to the County Administrative Office by January 5, 1999. Each department's test results and certifications of compliance are also required to be submitted to the County Administrative Office, along with a monthly status report.

The Year 2000 Task Force was given the tasks of: 1) Creation of a Y2K guideline/information web page for County departments; 2) Evaluation of network-based products; 3) Assist and oversee individual departments in creation and execution of plans for compliance; 4) Provide training sessions to each department; 5) Monitor shared applications to ensure compliance; 6) Monitor shared embedded chip systems for compliance; and 7) Report progress to the Board of Supervisors on an ongoing basis.

A Year 2000 Test Lab was established at Information Technology Services to allow departments to test systems, including applications and hardware, in a simulated Year 2000 environment. All mission critical systems are required to be tested.

The Year 2000 Readiness Process (continued)

In addition, Information Technology Services and County Counsel have been jointly addressing contractual/legal issues regarding Y2K by requiring that all requests for proposals require bidders to certify Y2K compliance, and by developing and mailing compliance questionnaires to all suppliers of goods and services which could be impacted by Y2K, and request certifications of compliance. The County is not presently aware of any substantial problems with these entities, which could have a material effect on the County.

The County will also be prepared to activate the Emergency Operations Center on December 31, 1999 to handle media inquiries, to provide the public with accurate and timely information to minimize fear and rumors, and to maintain public confidence.

All costs that have been incurred in establishing action plans, identifying potential problem systems, and performing remediation/testing/validation efforts have been absorbed in each department's individual budget. To-date, Information Technology Services has spent approximately \$300,000 in its efforts. To complete the compliance process, each department will absorb the additional costs to ensure that all mission-critical systems are fully compliant by January 1, 2000. If necessary, additional funding may be requested to supplement in-house resources.

As of September 28, 1999, for all County systems, the Awareness stage is 100% complete; the Assessment stage is 89% complete; the Remediation stage is 65% complete; and the Validation/Testing stage is 38% complete. Also, departmental contingency plans are 64% complete. For mission-critical systems, 70% of contingency plans have been finalized.

Many departments have been waiting for manufacturers to finalize hardware and software releases. The County believes that percentages for remediated and certified systems are within the proper range for this time. The County fully expects that by the end of November 1999, all of the various stages will be at or near 100% complete for all County systems.

Countywide mission-critical systems have been identified as follows:

1. Kern Medical Center – Embedded chips in hospital equipment.
2. Dept. of Human Services – Processing of welfare checks.
3. District Attorney-Family Support – Processing of family support checks.
4. Criminal Justice Information System (CJIS) – Booking/inmate management.
5. Payroll – Processing of payroll checks.
6. Financial Management System (FMS) – Performs accounting functions for County.
7. Kern Integrated Property System (KIPS) – Manages property tax system.
8. Communications – Dispatching for police/fire/emergency services.

The County anticipates that all mission-critical systems and embedded chip systems will be Year 2000 compliant or adequate contingencies will be in place to assure uninterrupted provision of essential services and the continuation of essential internal processes. However, because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until January 1, 2000 and thereafter. Management cannot assure that the County will be fully Year 2000 ready, that the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business will be Year 2000 ready.

GENERAL FUND

General Fund - The main operating fund of the County. It 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
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 1999 (IN THOUSANDS)

<u>ASSETS</u>	<u>GENERAL FUND</u>
Pooled Cash and Investments	\$ 19,349
Revolving Fund Cash	1,205
Loans Receivable	64
Accrued Revenue	14,258
Due from Other Funds	12,411
Advances to Other Funds	18,530
Deposits with Others	205
Prepaid Items	12,000
Inventory Materials and Supplies	<u>64</u>
Total Assets	\$ <u><u>78,086</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts Payable	\$ 609
Deferred Revenue	12,000
Salaries and Employee Benefits Payable	5,917
Loans Payable	450
Estimated Liability for Litigation	<u>2,100</u>
Total Liabilities	<u>21,076</u>
Fund Balance (Deficit):	
Reserved (Note III L)	49,558
Unreserved:	
Designated (Note III L)	1,325
Undesignated	<u>6,127</u>
Total Fund Balance (Deficit)	<u>57,010</u>
Total Liabilities and Fund Balance	\$ <u><u>78,086</u></u>

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
GENERAL FUNDS
YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)**

	GENERAL FUND
	<hr/>
REVENUES:	
Taxes	\$ 97,508
Licenses, Permits and Franchises	6,413
Fines, Forfeitures and Penalties	9,799
Revenues from Use of Money and Property	7,324
Aid from Other Governmental Agencies	116,955
Charges for Current Services	73,624
Other Revenues	69,031
	<hr/>
Total Revenues	380,654
	<hr/>
EXPENDITURES:	
Current:	
General Government	58,941
Public Protection	153,915
Health and Sanitation	82,265
Public Assistance	28,497
Education	7,323
Recreation and Cultural Services	9,397
Public Ways and Facilities	4,592
Capital Outlay	3,138
Debt Service:	
Principal	46
Interest	46
	<hr/>
Total Expenditures	348,160
	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	32,494
	<hr/>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	228
Operating Transfers Out	(31,522)
Inception of Capital Leases	3,138
	<hr/>
Total Other Financing Sources (Uses)	(28,156)
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	4,338
	<hr/>
Fund Balance (Deficit), July 1, 1998, as previously reported	57,626
Residual Equity Transfer	(4,954)
	<hr/>
Fund Balance (Deficit), July 1, 1998, as restated	52,672
	<hr/>
Fund Balance (Deficit), June 30, 1999	\$ 57,010
	<hr/> <hr/>

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, 1999 (IN THOUSANDS)

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
General Government			
Administrative Office			
Aid from Other Governmental Agencies	\$ 50	\$ 50	\$ -
Charges for Current Services	364	388	24
Other Revenues	22	25	3
	<u>436</u>	<u>463</u>	<u>27</u>
Clerk of the Board			
Charges for Current Services	4	9	5
Other Revenues	3	2	(1)
	<u>7</u>	<u>11</u>	<u>4</u>
Auditor-Controller			
Licenses, Permits and Franchises	181	183	2
Aid from Other Governmental Agencies	31	37	6
Charges for Current Services	500	579	79
Other Revenues	1	1	-
	<u>713</u>	<u>800</u>	<u>87</u>
Discretionary Revenue			
Taxes	103,080	97,508	(5,572)
Licenses, Permits and Franchises	3,335	3,677	342
Fines, Forfeitures and Penalties	2,300	3,420	1,120
Revenues from Use of Money and Property	4,200	6,604	2,404
Aid from Other Governmental Agencies	41,009	44,283	3,274
Charges for Current Services	6,080	6,303	223
Other Revenues	30	6,451	6,421
	<u>160,034</u>	<u>168,246</u>	<u>8,212</u>
Travel Agent Expense			
Charges for Current Services	170	171	1
	<u>170</u>	<u>171</u>	<u>1</u>
Treasurer-Tax Collector			
Fines, Forfeitures and Penalties	85	217	132
Aid from Other Governmental Agencies		1	1
Charges for Current Services	2,430	2,403	(27)
Other Revenues	123	151	28
	<u>2,638</u>	<u>2,772</u>	<u>134</u>
Assessor			
Charges for Current Services	968	1,230	262
	<u>968</u>	<u>1,230</u>	<u>262</u>
Assessor- Property Tax Administration			
Aid from Other Governmental Agencies	1,440	1,201	(239)
	<u>1,440</u>	<u>1,201</u>	<u>(239)</u>
Purchasing - Division of General Services			
Revenues from Use of Money and Property	93	88	(5)
Charges for Current Services	37	38	1
	<u>130</u>	<u>126</u>	<u>(4)</u>
General Services - Mail Services			
Charges for Current Services	425	436	11
	<u>425</u>	<u>436</u>	<u>11</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, 1999 (IN THOUSANDS)

Page 2 of 14

	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (Continued):			
Information Technology Services			
Aid from Other Governmental Agencies	\$ 43	\$ 50	\$ 7
Charges for Current Services	4,834	4,900	66
Other Revenues		3	3
	<u>4,877</u>	<u>4,953</u>	<u>76</u>
County Counsel			
Charges for Current Services	2,435	2,552	117
Other Revenues		2	2
	<u>2,435</u>	<u>2,554</u>	<u>119</u>
Personnel			
Charges for Current Services	110	88	(22)
Other Revenues	1		(1)
	<u>111</u>	<u>88</u>	<u>(23)</u>
Elections			
Aid from Other Governmental Agencies	75	121	46
Charges for Current Services	354	426	72
Other Revenues	5	24	19
	<u>434</u>	<u>571</u>	<u>137</u>
Communications			
Aid from Other Governmental Agencies	5	6	1
Charges for Current Services	569	590	21
Other Revenues	145	1	(144)
	<u>719</u>	<u>597</u>	<u>(122)</u>
General Services			
Fines, Forfeitures and Penalties	90	107	17
Revenues from Use of Money and Property	277	303	26
Aid from Other Governmental Agencies		2	2
Charges for Current Services	1,402	1,297	(105)
Other Revenues	6	21	15
	<u>1,775</u>	<u>1,730</u>	<u>(45)</u>
Utility Payments			
Charges for Current Services	536	491	(45)
Other Revenues		3	3
	<u>536</u>	<u>494</u>	<u>(42)</u>
Property Management			
Revenues from Use of Money and Property	24	29	5
Charges for Current Services	218	286	68
Other Revenues	8	18	10
	<u>250</u>	<u>333</u>	<u>83</u>
ADA Compliance			
Aid from Other Governmental Agencies	462	227	(235)
	<u>462</u>	<u>227</u>	<u>(235)</u>
Construction Services - General Services			
Aid from Other Governmental Agencies	5	9	4
Charges for Current Services	502	410	(92)
Other Revenues	50		(50)
	<u>557</u>	<u>419</u>	<u>(138)</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, 1999 (IN THOUSANDS)

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
General Government (continued)			
General Services - Major Maintenance			
Aid from Other Governmental Agencies	\$ 10,545	\$ 3,378	\$ (7,167)
	<u>10,545</u>	<u>3,378</u>	<u>(7,167)</u>
Board of Trade			
Other Revenues	8	6	(2)
	<u>8</u>	<u>6</u>	<u>(2)</u>
Engineering and Survey Services			
Licenses, Permits and Franchises	2		(2)
Aid from Other Governmental Agencies	164	166	2
Charges for Current Services	1,401	1,272	(129)
Other Revenues	6	1	(5)
	<u>1,573</u>	<u>1,439</u>	<u>(134)</u>
Risk Management			
Charges for Current Services	1,550	1,441	(109)
Other Revenues	5	2	(3)
	<u>1,555</u>	<u>1,443</u>	<u>(112)</u>
Capital Projects			
Aid from Other Governmental Agencies	3,212	1,216	(1,996)
Charges for Current Services		1,012	1,012
Other Revenues	942	928	(14)
	<u>4,154</u>	<u>3,156</u>	<u>(998)</u>
Total General Government	<u>196,952</u>	<u>196,844</u>	<u>(108)</u>
Public Protection:			
Contri-Trial Court Funding			
Fines, Forfeitures and Penalties	3,977	3,524	(453)
Charges for Current Services	3,043	3,609	566
	<u>7,020</u>	<u>7,133</u>	<u>113</u>
Indigent Defense Services			
Aid from Other Governmental Agencies	120	120	-
Charges for Current Services	59	49	(10)
	<u>179</u>	<u>169</u>	<u>(10)</u>
District Attorney			
Fines, Forfeitures and Penalties	550	169	(381)
Aid from Other Governmental Agencies	2,675	3,431	756
Charges for Current Services	2,300	2,262	(38)
Other Revenues	230	(3)	(233)
	<u>5,755</u>	<u>5,859</u>	<u>104</u>
Public Defender			
Aid from Other Governmental Agencies	77	77	-
Charges for Current Services	287	300	13
	<u>364</u>	<u>377</u>	<u>13</u>
Forensic Sciences-Division of District Attorney			
Aid from Other Governmental Agencies	12		(12)
Charges for Current Services	166	251	85
Other Revenues	1,138	388	(750)
	<u>1,316</u>	<u>639</u>	<u>(677)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
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	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Public Protection (continued)			
Sheriff			
Licenses, Permits and Franchises	\$ 185	\$ 157	\$ (28)
Fines, Forfeitures and Penalties	25	9	(16)
Aid from Other Governmental Agencies	2,968	1,974	(994)
Charges for Current Services	22,568	23,283	715
Other Revenues	3,835	2,705	(1,130)
	<u>29,581</u>	<u>28,128</u>	<u>(1,453)</u>
Probation			
Fines, Forfeitures and Penalties	18	8	(10)
Revenues from Use of Money and Property	81	69	(12)
Aid from Other Governmental Agencies	11,471	11,662	191
Charges for Current Services	2,143	1,867	(276)
Other Revenues	30	28	(2)
	<u>13,743</u>	<u>13,634</u>	<u>(109)</u>
Agricultural Commissioner			
Licenses, Permits and Franchises	17	19	2
Fines, Forfeitures and Penalties	9	10	1
Aid from Other Governmental Agencies	1,739	1,894	155
Charges for Current Services	643	621	(22)
Other Revenues	45	102	57
	<u>2,453</u>	<u>2,646</u>	<u>193</u>
Code Compliance			
Charges for Current Services	63	14	(49)
	<u>63</u>	<u>14</u>	<u>(49)</u>
Weights and Measures			
Fines, Forfeitures and Penalties	100	67	(33)
Aid from Other Governmental Agencies	22	25	3
Charges for Current Services	276	273	(3)
Other Revenues	1	55	54
	<u>399</u>	<u>420</u>	<u>21</u>
Special Services			
Charges for Current Services	114	109	(5)
Other Revenues	6	6	(6)
	<u>120</u>	<u>109</u>	<u>(11)</u>
Recorder			
Licenses, Permits and Franchises	3	4	1
Charges for Current Services	1,450	1,750	300
Other Revenues	92	79	(13)
	<u>1,545</u>	<u>1,833</u>	<u>288</u>
Resource Management Agency			
Charges for Current Services	568	562	(6)
	<u>568</u>	<u>562</u>	<u>(6)</u>
Planning			
Licenses, Permits and Franchises	279	212	(67)
Charges for Current Services	459	409	(50)
Other Revenues	5	53	48
	<u>743</u>	<u>674</u>	<u>(69)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Public Protection (continued)			
Animal Control			
Licenses, Permits and Franchises	\$ 296	\$ 303	\$ 7
Fines, Forfeitures and Penalties	2	1	(1)
Aid from Other Governmental Agencies	836	836	-
Charges for Current Services	117	57	(60)
Other Revenues	4	23	19
	<u>1,255</u>	<u>1,220</u>	<u>(35)</u>
Local Agency Formation Committee			
Charges for Current Services	40	42	2
	<u>40</u>	<u>42</u>	<u>2</u>
Emergency Services			
Aid from Other Governmental Agencies	115	183	68
	<u>115</u>	<u>183</u>	<u>68</u>
Superior Court			
Fines, Forfeitures and Penalties	4	43	39
Aid from Other Governmental Agencies	759	968	209
Charges for Current Services	403	117	(286)
Other Revenues	27	(7)	(34)
	<u>1,193</u>	<u>1,121</u>	<u>(72)</u>
Bakersfield Municipal Court			
Fines, Forfeitures and Penalties	1,140	985	(155)
Charges for Current Services	1,170	584	(586)
Other Revenues	36	5	(31)
	<u>2,346</u>	<u>1,574</u>	<u>(772)</u>
East Kern Municipal Court			
Fines, Forfeitures and Penalties	500	527	27
Charges for Current Services	486	225	(261)
Other Revenues	24	4	(20)
	<u>1,010</u>	<u>756</u>	<u>(254)</u>
North Kern Municipal Court			
Fines, Forfeitures and Penalties	325	241	(84)
Charges for Current Services	335	133	(202)
Other Revenues	18	2	(16)
	<u>678</u>	<u>376</u>	<u>(302)</u>
South Kern Municipal Court			
Fines, Forfeitures and Penalties	550	417	(133)
Charges for Current Services	697	331	(366)
Other Revenues	24	3	(21)
	<u>1,271</u>	<u>751</u>	<u>(520)</u>
Total Public Protection	<u>71,757</u>	<u>68,220</u>	<u>(3,537)</u>
Health and Sanitation:			
Department of Public Health			
Aid from Other Governmental Agencies	13,408	12,614	(794)
Charges for Current Services	1,324	1,640	316
Other Revenues	72	65	(7)
	<u>14,804</u>	<u>14,319</u>	<u>(485)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Health and Sanitation (continued):			
Air Quality Control			
Charges for Current Services	\$ 578	\$ 513	\$ (65)
	<u>578</u>	<u>513</u>	<u>(65)</u>
Environmental Health			
Licenses, Permits and Franchises	1,530	1,613	83
Fines, Forfeitures and Penalties	44	35	(9)
Aid from Other Governmental Agencies	855	855	-
Charges for Current Services	1,539	1,459	(80)
Other Revenues		3	3
	<u>3,968</u>	<u>3,965</u>	<u>(3)</u>
Emergency Medical Services			
Licenses, Permits and Franchises	260	248	(12)
Aid from Other Governmental Agencies	115	135	20
Charges for Current Services		13	13
Other Revenues	1	1	-
	<u>376</u>	<u>397</u>	<u>21</u>
KMC Enterprise Fund - County Contribution			
Aid from Other Governmental Agencies	11,316	11,316	-
	<u>11,316</u>	<u>11,316</u>	<u>-</u>
Contribution for Medical Care			
Other Revenues	69,438	57,438	(12,000)
	<u>69,438</u>	<u>57,438</u>	<u>(12,000)</u>
California Children Services			
Aid from Other Governmental Agencies	3,248	3,355	107
Charges for Current Services	18	15	(3)
Other Revenues		45	45
	<u>3,266</u>	<u>3,415</u>	<u>149</u>
Waste Management			
Aid from Other Governmental Agencies		2	2
Charges for Current Services	1,610	1,576	(34)
	<u>1,610</u>	<u>1,578</u>	<u>(32)</u>
Total Health and Sanitation	<u>105,356</u>	<u>92,941</u>	<u>(12,415)</u>
Public Assistance:			
Veterans Service			
Aid from Other Governmental Agencies	80	84	4
	<u>80</u>	<u>84</u>	<u>4</u>
Office on Aging			
Aid from Other Governmental Agencies	2,727	2,484	(243)
Other Revenues	95	119	24
	<u>2,822</u>	<u>2,603</u>	<u>(219)</u>
Employers' Training Resource			
Aid from Other Governmental Agencies	14,182	10,977	(3,205)
Other Revenues		62	62
	<u>14,182</u>	<u>11,039</u>	<u>(3,143)</u>
Community Development Program Agency			
Aid from Other Governmental Agencies	2,361	2,012	(349)
Charges for Current Services	20		(20)
	<u>2,381</u>	<u>2,012</u>	<u>(369)</u>
Total Public Assistance	<u>19,465</u>	<u>15,738</u>	<u>(3,727)</u>

COUNTY OF KERN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Education			
Kern County Library			
Revenues from Use of Money and Property	\$ 117	\$ 110	\$ (7)
Aid from Other Governmental Agencies	792	793	1
Charges for Current Services	381	373	(8)
Other Revenues	209	212	3
	<u>1,499</u>	<u>1,488</u>	<u>(11)</u>
Farm and Home Advisor			
Other Revenues	50	13	(37)
	<u>50</u>	<u>13</u>	<u>(37)</u>
Total Education	<u>1,549</u>	<u>1,501</u>	<u>(48)</u>
Recreation and Culture:			
Parks and Recreation			
Fines, Forfeitures and Penalties	9	9	-
Revenues from Use of Money and Property	123	120	(3)
Aid from Other Governmental Agencies	143	409	266
Charges for Current Services	1,994	1,982	(12)
Other Revenues	31	5	(26)
	<u>2,300</u>	<u>2,525</u>	<u>225</u>
Total Recreation and Culture	<u>2,300</u>	<u>2,525</u>	<u>225</u>
Debt Service:			
Charges for Current Services	2,602	2,885	283
	<u>2,602</u>	<u>2,885</u>	<u>283</u>
Total Debt Service	<u>2,602</u>	<u>2,885</u>	<u>283</u>
Total Revenue	<u>399,981</u>	<u>380,654</u>	<u>(19,327)</u>
EXPENDITURES:			
General Government:			
Board of Supervisors			
Salaries & Benefits	1,473	1,408	65
Services & Supplies	274	241	33
Other Financing Uses	16		16
	<u>1,763</u>	<u>1,649</u>	<u>114</u>
Administrative Office			
Salaries & Benefits	1,638	1,630	8
Services & Supplies	267	241	26
Transfers & Reimbursements	(130)	(152)	22
Other Financing Uses	90		90
	<u>1,865</u>	<u>1,719</u>	<u>146</u>
Clerk of the Board			
Salaries & Benefits	473	372	101
Services & Supplies	101	88	13
Other Charges	48	48	-
Other Financing Uses	128		128
	<u>750</u>	<u>508</u>	<u>242</u>
Special Services			
Salaries & Benefits	4		4
Services & Supplies	124		124
Other Charges	42		42
	<u>170</u>	<u>-</u>	<u>170</u>

COUNTY OF KERN
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	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued):			
Auditor-Controller			
Salaries & Benefits	\$ 2,311	\$ 2,304	\$ 7
Services & Supplies	476	473	3
Fixed Assets	57	57	-
Transfers & Reimbursements	(97)	(98)	1
Other Financing Uses	78	78	-
	<u>2,825</u>	<u>2,736</u>	<u>89</u>
Travel Agent Expense			
Services & Supplies	380	348	32
Appropriation for Contingencies	(210)	(178)	(32)
	<u>170</u>	<u>170</u>	<u>-</u>
Treasurer - Tax Collector			
Salaries & Benefits	1,503	1,394	109
Services & Supplies	1,588	1,583	5
Fixed Assets	189	185	4
Other Financing Uses	57	57	-
	<u>3,337</u>	<u>3,162</u>	<u>175</u>
Assessor			
Salaries & Benefits	5,781	5,706	75
Services & Supplies	346	315	31
Fixed Assets	40	40	-
Transfers & Reimbursements	(3)	(3)	-
	<u>6,164</u>	<u>6,058</u>	<u>106</u>
Assessor - Property Tax Administration			
Salaries & Benefits	834	767	67
Services & Supplies	581	406	175
	<u>1,415</u>	<u>1,173</u>	<u>242</u>
Purchasing-Division of General Services			
Salaries & Benefits	422	419	3
Services & Supplies	30	29	1
Fixed Assets	21	21	-
	<u>473</u>	<u>469</u>	<u>4</u>
General Services-Mail Services			
Salaries & Benefits	227	223	4
Services & Supplies	991	977	14
Transfers & Reimbursements	(530)	(520)	(10)
	<u>688</u>	<u>680</u>	<u>8</u>
Reprographics			
Salaries & Benefits	112	-	112
Services & Supplies	263	11	252
Transfers & Reimbursements	(170)	-	(170)
Other Charges	6	-	6
	<u>211</u>	<u>11</u>	<u>200</u>
Information Technology Service			
Salaries & Benefits	3,712	3,673	39
Services & Supplies	6,655	6,569	86
Other Charges	30	29	1
Fixed Assets	515	463	52
Transfers & Reimbursements	(3,019)	(3,190)	171
Other Financing Uses	37	(13)	50
	<u>7,930</u>	<u>7,531</u>	<u>399</u>

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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
General Government (continued):			
County Counsel			
Salaries & Benefits	\$ 3,634	\$ 3,629	\$ 5
Services & Supplies	287	270	17
Transfers & Reimbursements	(604)	(552)	(52)
Other Charges	52	52	-
Other Financing Uses	62	-	62
	<u>3,431</u>	<u>3,399</u>	<u>32</u>
Personnel			
Salaries & Benefits	1,332	1,332	-
Services & Supplies	215	198	17
Other Financing Uses	32	-	32
Transfers & Reimbursements	(35)	(19)	(16)
	<u>1,544</u>	<u>1,511</u>	<u>33</u>
Elections			
Salaries & Benefits	575	569	6
Services & Supplies	1,200	1,198	2
Fixed Assets	56	56	-
	<u>1,831</u>	<u>1,823</u>	<u>8</u>
Communications			
Salaries & Benefits	1,443	1,440	3
Services & Supplies	621	606	15
Fixed Assets	91	90	1
Transfers & Reimbursements	(297)	(297)	-
Other Charges	13	13	-
	<u>1,871</u>	<u>1,852</u>	<u>19</u>
General Services			
Salaries & Benefits	5,170	5,166	4
Services & Supplies	2,427	2,324	103
Fixed Assets	27	27	-
Transfers & Reimbursements	(674)	(547)	(127)
Other Charges	17	17	-
Other Financing Uses	26	-	26
	<u>6,993</u>	<u>6,987</u>	<u>6</u>
Utility Payments			
Services & Supplies	3,480	3,275	205
Transfers & Reimbursements	(167)	(172)	5
Other Charges	75	75	-
Other Financing Uses	7	-	7
	<u>3,395</u>	<u>3,178</u>	<u>217</u>
Property Management			
Salaries & Benefits	380	379	1
Services & Supplies	23	23	-
Transfers & Reimbursements	(38)	(40)	2
	<u>365</u>	<u>362</u>	<u>3</u>
ADA Compliance			
Services & Supplies	342	64	278
	<u>342</u>	<u>64</u>	<u>278</u>
Construction Service-Division General Service			
Salaries & Benefits	1,188	1,165	23
Services & Supplies	147	133	14
Fixed Assets	11	11	-
Transfers & Reimbursements	(652)	(706)	54
	<u>694</u>	<u>603</u>	<u>91</u>

COUNTY OF KERN
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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
General Government (Continued):			
General Service-Major Maintenance-General			
Services & Supplies	\$ 13,844	\$ 6,712	\$ 7,132
Transfers & Reimbursements	(155)	(134)	(21)
	<u>13,689</u>	<u>6,578</u>	<u>7,111</u>
Board of Trade			
Salaries & Benefits	316	310	6
Services & Supplies	156	131	25
Other Financing Uses	14	-	14
	<u>486</u>	<u>441</u>	<u>45</u>
Engineering & Survey Services			
Salaries & Benefits	2,123	1,985	138
Services & Supplies	381	376	5
Fixed Assets	52	52	-
Transfers & Reimbursements	(12)	(30)	18
Other Charges	50	49	1
Other Financing Uses	110	-	110
	<u>2,704</u>	<u>2,432</u>	<u>272</u>
Risk Management			
Salaries & Benefits	1,002	1,001	1
Services & Supplies	718	467	251
Other Charges	574	572	2
Transfers & Reimbursements	(254)	(174)	(80)
	<u>2,040</u>	<u>1,866</u>	<u>174</u>
Capital Projects			
Transfers & Reimbursements	(287)	(249)	(38)
Fixed Assets	4,023	3,446	577
	<u>3,736</u>	<u>3,197</u>	<u>539</u>
Debt Service			
Services & Supplies	46	54	(8)
Other Charges	4,483	4,434	49
Transfers & Reimbursements	(252)	(249)	(3)
	<u>4,277</u>	<u>4,239</u>	<u>38</u>
Total General Government	<u>75,159</u>	<u>64,398</u>	<u>10,761</u>
Public Protection:			
Contri-Trial Court Funding			
Services & Supplies	20,735	19,382	1,353
	<u>20,735</u>	<u>19,382</u>	<u>1,353</u>
Grand Jury			
Salaries & Benefits	1	1	-
Services & Supplies	117	91	26
Other Financing Uses	6	-	6
	<u>124</u>	<u>92</u>	<u>32</u>
Indigent Defense Services			
Services & Supplies	2,803	2,798	5
	<u>2,803</u>	<u>2,798</u>	<u>5</u>
District Attorney			
Salaries & Benefits	10,131	9,798	333
Services & Supplies	1,621	1,294	327
Transfers & Reimbursements	(27)	(27)	-
	<u>11,725</u>	<u>11,065</u>	<u>660</u>

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	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Public Protection (continued):			
Public Defender			
Salaries & Benefits	\$ 4,771	\$ 4,386	\$ 385
Services & Supplies	397	210	187
Other Financing Uses	136	(30)	166
	<u>5,304</u>	<u>4,566</u>	<u>738</u>
Forensic Sciences-Division of District Attorney			
Salaries & Benefits	1,141	1,055	86
Services & Supplies	931	861	70
Other Charges	63	41	22
Fixed Assets	429	428	1
Transfers & Reimbursements	(73)	(78)	5
	<u>2,491</u>	<u>2,307</u>	<u>184</u>
Sheriff			
Salaries & Benefits	58,719	55,971	2,748
Services & Supplies	13,994	13,020	974
Other Charges	1,556	1,383	173
Other Financing Uses	305	-	305
Fixed Assets	330	328	2
Transfers & Reimbursements	(35)	(42)	7
	<u>74,869</u>	<u>70,660</u>	<u>4,209</u>
Probation			
Salaries & Benefits	19,489	18,138	1,351
Services & Supplies	2,697	2,609	88
Other Charges	654	522	132
Other Financing Uses	342	(43)	385
Fixed Assets	156	132	24
Transfers & Reimbursements	-	(4)	4
	<u>23,338</u>	<u>21,354</u>	<u>1,984</u>
Structural Fire			
Salaries & Benefits	8,783	8,783	-
Services & Supplies	1,033	1,033	-
Other Charges	517	517	-
	<u>10,333</u>	<u>10,333</u>	<u>-</u>
Agricultural Commissioner			
Salaries & Benefits	2,780	2,719	61
Services & Supplies	815	801	14
Other Financing Uses	21	-	21
Transfers & Reimbursements	(18)	(11)	(7)
	<u>3,598</u>	<u>3,509</u>	<u>89</u>
Code Compliance			
Salaries & Benefits	123	-	123
Services & Supplies	405	296	109
Transfers & Reimbursements	(335)	(247)	(88)
	<u>193</u>	<u>49</u>	<u>144</u>
Weights & Measures			
Salaries & Benefits	543	522	21
Services & Supplies	138	133	5
Other Charges	37	37	-
Other Financing Uses	77	-	77
Fixed Assets	25	19	6
Transfers & Reimbursements	(18)	(1)	(17)
	<u>802</u>	<u>710</u>	<u>92</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, 1999 (IN THOUSANDS)

Page 12 of 14

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Public Protection (continued):			
Special Services			
Salaries & Benefits	\$ 76	\$ 52	\$ 24
Services & Supplies	1,587	1,250	337
Other Charges	632	630	2
	<u>2,295</u>	<u>1,932</u>	<u>363</u>
Recorder			
Salaries & Benefits	593	585	8
Services & Supplies	229	205	24
Other Charges	117	118	(1)
Fixed Assets	17	13	4
	<u>956</u>	<u>921</u>	<u>35</u>
Resource Management Agency			
Salaries & Benefits	1,379	1,367	12
Services & Supplies	233	218	15
Other Charges	21	21	-
Transfers & Reimbursements	(1,040)	(1,037)	(3)
	<u>593</u>	<u>569</u>	<u>24</u>
Planning			
Salaries & Benefits	1,633	1,631	2
Services & Supplies	780	558	222
Transfers & Reimbursements	-	(6)	6
	<u>2,413</u>	<u>2,183</u>	<u>230</u>
Animal Control			
Salaries & Benefits	1,164	1,094	70
Services & Supplies	479	469	10
	<u>1,643</u>	<u>1,563</u>	<u>80</u>
Local Agency Formation Commission			
Salaries & Benefits	177	160	17
Services & Supplies	70	60	10
	<u>247</u>	<u>220</u>	<u>27</u>
Emergency Services			
Salaries & Benefits	161	160	1
Services & Supplies	54	53	1
	<u>215</u>	<u>213</u>	<u>2</u>
Total Public Protection	<u>164,677</u>	<u>154,426</u>	<u>10,251</u>
Public Ways and Facilities:			
Roads			
Salaries & Benefits	1,286	1,286	-
Services & Supplies	3,122	3,122	-
Other Charges	46	46	-
Fixed Assets	138	138	-
Total Public Ways and Facilities	<u>4,592</u>	<u>4,592</u>	<u>-</u>
Health and Sanitation:			
Department of Public Health			
Salaries & Benefits	10,570	10,474	96
Services & Supplies	4,238	3,957	281
Other Charges	128	128	-
Fixed Assets	35	35	-
Transfers & Reimbursements	(260)	(261)	1
	<u>14,711</u>	<u>14,333</u>	<u>378</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, 1999 (IN THOUSANDS)

Page 13 of 14

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Health and Sanitation (continued)			
Air Quality Control			
Salaries & Benefits	\$ 571	\$ 549	\$ 22
Services & Supplies	7	7	-
	<u>578</u>	<u>556</u>	<u>22</u>
Environmental Health			
Salaries & Benefits	2,924	2,924	-
Services & Supplies	1,028	870	158
Other Financing Uses	109	-	109
Fixed Assets	37	37	-
Transfers & Reimbursements	(27)	-	(27)
	<u>4,071</u>	<u>3,831</u>	<u>240</u>
Mental Health			
Salaries & Benefits	289	289	-
Services & Supplies	535	535	-
Other Charges	52	52	-
	<u>876</u>	<u>876</u>	<u>-</u>
Emergency Medical Services			
Salaries & Benefits	359	341	18
Services & Supplies	129	128	1
Other Charges	7	6	1
	<u>495</u>	<u>475</u>	<u>20</u>
Contribution for Medical Care			
Other Charges	57,438	57,438	-
	<u>57,438</u>	<u>57,438</u>	<u>-</u>
California Children Services			
Salaries & Benefits	1,380	1,381	(1)
Services & Supplies	1,989	1,988	1
	<u>3,369</u>	<u>3,369</u>	<u>-</u>
Waste Management			
Salaries & Benefits	1,619	1,569	50
Services & Supplies	135	127	8
Transfers & Reimbursements	(148)	(119)	(29)
	<u>1,606</u>	<u>1,577</u>	<u>29</u>
Total Health and Sanitation	<u>83,144</u>	<u>82,455</u>	<u>689</u>
Public Assistance:			
Human Services			
Salaries & Benefits	2,855	2,855	-
Services & Supplies	2,235	2,235	-
Other Charges	7,324	7,324	-
	<u>12,414</u>	<u>12,414</u>	<u>-</u>
Veterans Service			
Salaries & Benefits	355	343	12
Services & Supplies	58	47	11
Other Financing Uses	2	-	2
	<u>415</u>	<u>390</u>	<u>25</u>
Office On Aging			
Salaries & Benefits	916	826	90
Services & Supplies	2,485	2,348	137
	<u>3,401</u>	<u>3,174</u>	<u>227</u>
Employers Training Resource			
Salaries & Benefits	8,228	5,874	2,354
Services & Supplies	5,782	4,605	1,177
Fixed Assets	159	137	22
	<u>14,169</u>	<u>10,616</u>	<u>3,553</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, 1999 (IN THOUSANDS)

	TOTAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Public Assistance (continued):			
Community Development Program Agency			
Salaries & Benefits	\$ 1,457	\$ 1,250	\$ 207
Services & Supplies	923	768	155
	<u>2,380</u>	<u>2,018</u>	<u>362</u>
Total Public Assistance	<u>32,779</u>	<u>28,612</u>	<u>4,167</u>
Education:			
Kern County Library			
Salaries & Benefits	4,725	4,722	3
Services & Supplies	1,989	1,984	5
Other Charges	402	402	-
Transfers & Reimbursements	(1)	-	(1)
	<u>7,115</u>	<u>7,108</u>	<u>7</u>
Farm & Home Advisor			
Salaries & Benefits	263	262	1
Services & Supplies	166	115	51
Other Financing Uses	20	-	20
	<u>449</u>	<u>377</u>	<u>72</u>
Total Education	<u>7,564</u>	<u>7,485</u>	<u>79</u>
Recreation and Culture:			
Parks and Recreation			
Salaries & Benefits	6,160	6,051	109
Services & Supplies	2,919	2,917	2
Other Charges	89	85	4
Fixed Assets	554	549	5
Transfers & Reimbursements	(35)	(18)	(17)
	<u>9,687</u>	<u>9,584</u>	<u>103</u>
Total Recreation and Culture	<u>9,687</u>	<u>9,584</u>	<u>103</u>
Debt Service - General Fund			
Debt Service - Principal	47	46	1
Debt Service - Interest	46	46	-
	<u>93</u>	<u>92</u>	<u>1</u>
Total Debt Service - General Fund	<u>93</u>	<u>92</u>	<u>1</u>
Contingencies and Reserves			
Appropriations for Contingencies	<u>4,298</u>		<u>4,298</u>
Total Expenditures	<u>381,993</u>	<u>351,644</u>	<u>30,349</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,988</u>	<u>29,010</u>	<u>11,022</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		5,422	5,422
Operating Transfers Out	(31,522)	(31,522)	-
	<u>(31,522)</u>	<u>(26,100)</u>	<u>5,422</u>
Total Other Financing Sources (Uses)	<u>(31,522)</u>	<u>(26,100)</u>	<u>5,422</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(13,534)</u>	<u>2,910</u>	<u>16,444</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	45,350	45,350	-
Residual equity transfers from (to) Other Funds	<u>(4,954)</u>	<u>(4,954)</u>	<u>-</u>
Fund Balance (Deficit), July 1, 1998, as restated	<u>40,396</u>	<u>40,396</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 26,862</u>	<u>\$ 43,306</u>	<u>\$ 16,444</u>

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. Special Revenue funds with material fund balances are described below:

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.

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.

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.

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.

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.

Road Fund - 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.

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

Other Special Revenue Funds – These funds account for revenues received for various activities and programs including Experimental Farm, Geothermal Resources Development, Fish and Game, Litter Clean Up, Off Highway Motor Vehicle License, Probation Training, Sheriff Facilities Training, Automated Fingerprint, Municipal Court Automation, Juvenile Justice Facilities Temporary Construction, Automated County Warrant System, Municipal Court Night Session, Domestic Violence Family Support, Criminal Justice Facilities Construction, Family Court Services, Courthouse Construction, Court Auto/Micro, Alcoholism Program, Alcohol Abuse Education/Prevention, Drug Program, Recorders Fee-Recorder, Micrographics – Recorder, and Range Improvement Projects.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 1999 (IN THOUSANDS)

Page 1 of 2

	<u>TOTAL</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>	<u>COUNTY SERVICE AREAS</u>
ASSETS				
Pooled Cash and Investments	\$ 26,714	\$ 1,332	\$ 366	\$ 4,777
Revolving Fund Cash	108			
Accounts Receivable	75			
Accrued Revenue	27,747			
Due from Other Funds	1,212	16		
Inventory- Materials and Supplies	1,963			
Total Assets	<u>\$ 57,819</u>	<u>\$ 1,348</u>	<u>\$ 366</u>	<u>\$ 4,777</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accrued Expenditures	\$ 1,423	\$ 56	\$ 215	\$
Salaries and Employee Benefits Payable	4,299			
Advances from Other Funds	15			
Due to Other Funds	10,116		186	
Loans Payable	335			271
Deferred Revenue	7,970			
Total Liabilities	<u>24,158</u>	<u>56</u>	<u>401</u>	<u>271</u>
Fund Balance (Deficit):				
Reserved (Note III L)	43,711	223	6,001	2,677
Unreserved:				
Designated (Note III L)	1,659			244
Undesignated	(11,709)	1,069	(6,036)	1,585
Total Fund Balance (Deficit)	<u>33,661</u>	<u>1,292</u>	<u>(35)</u>	<u>4,506</u>
Total Liabilities and Fund Balance	<u>\$ 57,819</u>	<u>\$ 1,348</u>	<u>\$ 366</u>	<u>\$ 4,777</u>

<u>DISTRICT ATTORNEY FAMILY SUPPORT</u>	<u>EMERGENCY MEDICAL SERVICES</u>	<u>EMPLOYERS' TRAINING RESOURCE</u>	<u>HUMAN SERVICES</u>	
\$	\$	\$	\$	
3	544	342	3,774	
4,945			100	Pooled Cash and Investments
70	104		11,840	Revolving Fund Cash
				Accounts Receivable
				Accrued Revenue
				Due from Other Funds
				Inventory- Materials and Supplies
\$	\$	\$	\$	Total Assets
<u>5,018</u>	<u>648</u>	<u>342</u>	<u>15,714</u>	
\$	\$	\$	\$	
-		1,197	1,538	Liabilities:
289			85	Accrued Expenditures
		4,983	7,970	Salaries and Employee Benefits Payable
64				Advances from Other Funds
				Due to Other Funds
				Loans Payable
				Deferred Revenue
<u>353</u>	<u>-</u>	<u>6,180</u>	<u>9,593</u>	Total Liabilities
2,608	178	9,626	9,531	Fund Balance (Deficit):
67	449	(15,464)	(3,440)	Reserved (Note III L)
1,990	21			Unreserved:
				Designated (Note III L)
<u>4,665</u>	<u>648</u>	<u>(5,838)</u>	<u>6,121</u>	Undesignated
\$	\$	\$	\$	Total Fund Balance (Deficit)
<u>5,018</u>	<u>648</u>	<u>342</u>	<u>15,714</u>	Total Liabilities and Fund Balance

COUNTY OF KERN
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 1999 (IN THOUSANDS)

Page 2 of 2

	LOCAL PUBLIC SAFETY	MENTAL HEALTH	PLANNED LOCAL DRAINAGE FACILITY	PUBLIC IMPROVEMENT DISTRICTS
ASSETS				
Pooled Cash and Investments	\$	\$ 6,032	\$ 594	\$ 16
Revolving Fund Cash		3		
Accounts Receivable		66		
Accrued Revenue	4,862	3,111		
Due from Other Funds		54	8	
Inventory- Materials and Supplies				
Total Assets	<u>\$ 4,862</u>	<u>\$ 9,266</u>	<u>\$ 602</u>	<u>\$ 16</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accrued Expenditures	\$	\$	\$	\$
Salaries and Employee Benefits Payable		623		
Advances from Other Funds				15
Due to Other Funds	4,862			
Loans Payable				
Deferred Revenue				
Total Liabilities	<u>4,862</u>	<u>623</u>	<u>-</u>	<u>15</u>
Fund Balance (Deficit):				
Reserved (Note III L)		4,865	130	
Unreserved:				
Designated (Note III L)			86	
Undesignated		3,778	386	1
Total Fund Balance (Deficit)	<u>-</u>	<u>8,643</u>	<u>602</u>	<u>1</u>
Total Liabilities and Fund Balance	<u>\$ 4,862</u>	<u>\$ 9,266</u>	<u>\$ 602</u>	<u>\$ 16</u>

<u>ROAD</u>	<u>STRUCTURAL FIRE</u>	<u>TRIAL COURT</u>	<u>OTHER SPECIAL REVENUE</u>
\$ 4,278	\$ 2,976	\$	\$ 1,683
	2		
	9		
1,771	1,218		
38	684		238
<u>1,674</u>	<u>289</u>	<u></u>	<u></u>
\$ <u>7,761</u>	\$ <u>5,178</u>	\$ <u>-</u>	\$ <u>1,921</u>
\$ 11	\$	\$	\$
260	1,533		
<u>271</u>	<u>1,533</u>	<u>-</u>	<u>-</u>
6,840	882		150
-			
650	2,763		783
<u>7,490</u>	<u>3,645</u>	<u>-</u>	<u>988</u>
\$ <u>7,761</u>	\$ <u>5,178</u>	\$ <u>-</u>	\$ <u>1,921</u>

ASSETS

Pooled Cash and Investments
 Revolving Fund Cash
 Accounts Receivable
 Accrued Revenue
 Due from Other Funds
 Inventory- Materials and Supplies
 Total Assets

LIABILITIES AND FUND BALANCE

Liabilities:
 Accrued Expenditures
 Salaries and Employee Benefits Payable
 Advances from Other Funds
 Due to Other Funds
 Loans Payable
 Deferred Revenue
 Total Liabilities
 Fund Balance (Deficit):
 Reserved (Note III L)
 Unreserved:
 Designated (Note III L)
 Undesignated
 Total Fund Balance (Deficit)
 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, 1999 (IN THOUSANDS)

Page 1 of 2

	TOTAL	BUILDING INSPECTION	COMMUNITY DEVELOPMENT PROGRAM	COUNTY SERVICE AREAS
REVENUES:				
Taxes	\$ 34,623	\$	\$	\$ 1,812
Licenses, Permits and Franchises	3,297	3,202		
Fines, Forfeitures and Penalties	4,127			40
Revenues from Use of Money and Property	1,087	52		265
Aid from Other Governmental Agencies	346,504		9,333	
Charges for Current Services	31,608	223		101
Other Revenues	7,955	79	629	49
Total Revenues	<u>429,201</u>	<u>3,556</u>	<u>9,962</u>	<u>2,267</u>
EXPENDITURES:				
Current:				
Public Protection	97,615	2,594		235
Health and Sanitation	54,120			2,259
Public Assistance	253,380		10,097	
Education	42			
Public Ways and Facilities	19,546			1,524
Capital Outlay	520			
Total Expenditures	<u>425,223</u>	<u>2,594</u>	<u>10,097</u>	<u>4,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,978</u>	<u>962</u>	<u>(135)</u>	<u>(1,751)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(5,119)	(63)		
Inception of Capital Leases	520			
Total Other Financing Sources (Uses)	<u>(4,599)</u>	<u>(63)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(621)</u>	<u>899</u>	<u>(135)</u>	<u>(1,751)</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	29,609	393	100	6,257
Residual Equity Transfer (to) from Other Funds	4,673			
Fund Balance (Deficit), July 1, 1998, as restated	<u>34,282</u>	<u>393</u>	<u>100</u>	<u>6,257</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 33,661</u>	<u>\$ 1,292</u>	<u>\$ (35)</u>	<u>\$ 4,506</u>

DISTRICT ATTORNEY FAMILY SUPPORT	EMERGENCY MEDICAL SERVICES	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	
\$	\$	\$	\$	REVENUES:
	1,067			Taxes
258	37	26		Licenses, Permits and Franchises
20,327	176	22,815	210,111	Fines, Forfeitures and Penalties
				Revenues from Use of Money and Property
355	3	3	197	Aid from Other Governmental Agencies
				Charges for Current Services
20,940	1,283	22,844	3,592	Other Revenues
				Total Revenues
				EXPENDITURES:
18,934	1,320	26,558	216,725	Current:
				Public Protection
				Health and Sanitation
				Public Assistance
				Education
			23	Public Ways and Facilities
				Capital Outlay
18,934	1,320	26,558	216,748	Total Expenditures
2,006	(37)	(3,714)	(2,848)	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
(181)			(1,311)	Operating Transfers Out
			23	Inception of Capital Leases
(181)	-	-	(1,288)	Total Other Financing Sources (Uses)
				Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses
1,825	(37)	(3,714)	(4,136)	Fund Balance (Deficit), July 1, 1998, as previously reported
2,840	685	(1,933)	10,257	Residual Equity Transfer (to) from Other Funds
		(191)		Fund Balance (Deficit), July 1, 1998, as restated
2,840	685	(2,124)	10,257	Fund Balance (Deficit), June 30, 1999
\$ 4,665	\$ 648	\$ (5,838)	\$ 6,121	

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

Page 2 of 2

	LOCAL PUBLIC SAFETY	MENTAL HEALTH	PLANNED LOCAL DRAINAGE FACILITY	PUBLIC IMPROVEMENT DISTRICTS
REVENUES:				
Taxes	\$	\$	\$	\$ 15
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties				
Revenues from Use of Money and Property		98	29	1
Aid from Other Governmental Agencies	29,733	35,300		
Charges for Current Services		18,401		
Other Revenues		83		
Total Revenues	29,733	53,882	29	16
EXPENDITURES:				
Current:				
Public Protection	29,733		12	
Health and Sanitation		50,397		
Public Assistance				
Education				
Public Ways and Facilities				37
Capital Outlay		45		
Total Expenditures	29,733	50,442	12	37
Excess (Deficiency) of Revenues Over Expenditures	-	3,440	17	(21)
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out				
Inception of Capital Leases		45		
Total Other Financing Sources (Uses)	-	45	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	3,485	17	(21)
Fund Balance (Deficit), July 1, 1998, as previously reported	-		585	22
Residual Equity Transfer (to) from Other Funds		5,158		
Fund Balance (Deficit), July 1, 1998, as restated	-	5,158	585	22
Fund Balance (Deficit), June 30, 1999	\$ -	\$ 8,643	\$ 602	\$ 1

ROAD	STRUCTURAL FIRE	TRIAL COURT	OTHER SPECIAL REVENUE
\$ 583	\$ 32,213	\$ -	\$ -
	1		94
	25		2,995
135	165		21
17,167	1,345		197
1,078	10,538		1,070
975	2,160		27
<u>19,938</u>	<u>46,447</u>	<u>-</u>	<u>4,404</u>
	42,116		3,991
			144
17,985			42
<u>17,985</u>	<u>452</u>	<u>-</u>	<u>4,177</u>
<u>1,953</u>	<u>3,879</u>	<u>-</u>	<u>227</u>
(198)	(3,366)		
<u>-</u>	<u>452</u>	<u>-</u>	<u>-</u>
<u>(198)</u>	<u>(2,914)</u>	<u>-</u>	<u>-</u>
<u>1,755</u>	<u>965</u>	<u>-</u>	<u>227</u>
5,735	2,680	294	1,694
		(294)	
<u>5,735</u>	<u>2,680</u>	<u>-</u>	<u>1,694</u>
<u>\$ 7,490</u>	<u>\$ 3,645</u>	<u>\$ -</u>	<u>\$ 1,921</u>

REVENUES:
Taxes
Licenses, Permits and Franchises
Fines, Forfeitures and Penalties
Revenues from Use of Money and Property
Aid from Other Governmental Agencies
Charges for Current Services
Other Revenues

Total Revenues

EXPENDITURES:

Current:

Public Protection
Health and Sanitation
Public Assistance
Education
Public Ways and Facilities
Capital Outlay

Total Expenditures

Excess (Deficiency) of Revenues Over Expenditures

OTHER FINANCING SOURCES (USES):

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

Fund Balance (Deficit), July 1, 1998, as previously reported

Residual Equity Transfer (to) from Other Funds

Fund Balance (Deficit), July 1, 1998, as restated

Fund Balance (Deficit), June 30, 1999

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, 1999 (IN THOUSANDS)

	TOTAL		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 34,381	\$ 34,608	\$ 227
Licenses, Permits and Franchises	2,657	3,297	640
Fines, Forfeitures and Penalties	3,675	4,127	452
Revenues from Use of Money and Property	906	1,086	180
Aid from Other Governmental Agencies	405,020	346,504	(58,516)
Charges for Current Services	31,656	31,608	(48)
Other Revenues	9,920	7,956	(1,964)
Total Revenues	<u>488,215</u>	<u>429,186</u>	<u>(59,029)</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	75,726	73,461	2,265
Services & Supplies	22,285	21,157	1,128
Other Charges	2,489	2,509	(20)
Fixed Assets	1,752	1,269	483
Transfers & Reimbursements	(462)	(477)	15
Appropriation for Contingencies	93	-	93
Total Public Protection	<u>101,883</u>	<u>97,919</u>	<u>3,964</u>
Health and Sanitation			
Salaries & Benefits	20,582	19,691	891
Services & Supplies	35,318	31,956	3,362
Other Charges	5,570	2,068	3,502
Fixed Assets	297	167	130
Transfers & Reimbursements	(58)	-	(58)
Appropriation for Contingencies	49	-	49
Total Health and Sanitation	<u>61,758</u>	<u>53,882</u>	<u>7,876</u>
Public Assistance			
Salaries & Benefits	53,419	51,237	2,182
Services & Supplies	81,709	61,149	20,560
Other Charges	155,934	150,295	5,639
Fixed Assets	259	184	75
Appropriation for Contingencies	1,284	-	1,284
Total Public Assistance	<u>292,605</u>	<u>262,865</u>	<u>29,740</u>
Education			
Services & Supplies	42	42	-
Total Education	<u>42</u>	<u>42</u>	<u>-</u>
Public Ways and Facilities			
Salaries & Benefits	7,719	7,601	118
Services & Supplies	17,024	11,940	5,084
Other Charges	269	219	50
Fixed Assets	854	739	115
Appropriation for Contingencies	167	-	167
Total Public Ways and Facilities	<u>26,033</u>	<u>20,499</u>	<u>5,534</u>
Total Expenditures	<u>482,321</u>	<u>435,207</u>	<u>47,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,894</u>	<u>(6,021)</u>	<u>(11,915)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(5,119)</u>	<u>(10,313)</u>	<u>5,194</u>
Total Other Financing Sources (Uses)	<u>(5,119)</u>	<u>(10,313)</u>	<u>5,194</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>775</u>	<u>(16,334)</u>	<u>(6,721)</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	8,244	8,244	-
Residual equity transfers from (to) Other Funds	<u>4,674</u>	<u>4,674</u>	<u>-</u>
Fund Balance (Deficit), July 1, 1998, as restated	<u>12,918</u>	<u>12,918</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 13,693</u>	<u>\$ (3,416)</u>	<u>\$ (6,721)</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, 1999 (IN THOUSANDS)

	BUILDING INSPECTION		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$	\$	\$ -
Licenses, Permits and Franchises	2,550	3,202	652
Fines, Forfeitures and Penalties			-
Revenues from Use of Money and Property	18	52	34
Aid from Other Governmental Agencies			-
Charges for Current Services	252	223	(29)
Other Revenues	95	79	(16)
Total Revenues	2,915	3,556	641
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	1,949	1,840	109
Services & Supplies	617	606	11
Other Charges	135	87	48
Fixed Assets	256	232	24
Appropriation for Contingencies	87		87
Total Expenditures	3,044	2,765	279
Excess (Deficiency) of Revenues Over Expenditures	(129)	791	920
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	(63)	(63)	-
Total Other Financing Sources (Uses)	(63)	(63)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(192)	728	920
Fund Balance (Deficit), July 1, 1998	342	342	-
Fund Balance (Deficit), June 30, 1999	\$ 150	\$ 1,070	\$ 920

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, 1999 (IN THOUSANDS)

	<u>COMMUNITY DEVELOPMENT</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			-
Revenues from Use of Money and Property			-
Aid from Other Governmental Agencies	29,242	9,333	(19,909)
Charges for Current Services	18		(18)
Other Revenues	<u>1,126</u>	<u>629</u>	<u>(497)</u>
-			-
Total Revenues	<u>30,386</u>	<u>9,962</u>	<u>(20,424)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Services & Supplies	24,640	11,539	13,101
Appropriation for Contingencies	<u>1,284</u>		<u>1,284</u>
Total Expenditures	<u>25,924</u>	<u>11,539</u>	<u>14,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,462</u>	<u>(1,577)</u>	<u>(6,039)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	4,462	(1,577)	(6,039)
Fund Balance (Deficit), July 1, 1998	<u>(4,458)</u>	<u>(4,458)</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 4</u>	<u>\$ (6,035)</u>	<u>\$ (6,039)</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, 1999 (IN THOUSANDS)

	COUNTY SERVICE AREAS		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 1,902	\$ 1,812	\$ (90)
Licenses, Permits and Franchises			-
Fines, Forfeitures and Penalties		40	40
Revenues from Use of Money and Property		265	265
Aid from Other Governmental Agencies			-
Charges for Current Services		101	101
Other Revenues	718	49	(669)
Total Revenues	<u>2,620</u>	<u>2,267</u>	<u>(353)</u>
EXPENDITURES:			
Current:			
Public Protection			
Services & Supplies	286	235	51
Other Charges	1		1
Appropriation for Contingencies	6		6
Total Public Protection	<u>293</u>	<u>235</u>	<u>58</u>
Health and Sanitation			
Services & Supplies	658	246	412
Other Charges	2,072	2,014	58
Appropriation for Contingencies	49		49
Total Health and Sanitation	<u>2,779</u>	<u>2,260</u>	<u>519</u>
Public Ways and Facilities			
Services & Supplies	2,158	1,521	637
Other Charges	32	7	25
Appropriation for Contingencies	167		167
Total Public Ways and Facilities	<u>2,357</u>	<u>1,528</u>	<u>829</u>
Total Expenditures	<u>5,429</u>	<u>4,023</u>	<u>1,406</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,809)</u>	<u>(1,756)</u>	<u>1,053</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	(2,809)	(1,756)	1,053
Fund Balance (Deficit), July 1, 1998	<u>6,230</u>	<u>6,230</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 3,421</u>	<u>\$ 4,474</u>	<u>\$ 1,053</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, 1999 (IN THOUSANDS)

<u>DISTRICT ATTORNEY - FAMILY SUPPORT</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			-
Revenues from Use of Money and Property	200	258	58
Aid from Other Governmental Agencies	19,107	20,327	1,220
Charges for Current Services			-
Other Revenues	<u>381</u>	<u>355</u>	<u>(26)</u>
Total Revenues	<u>19,688</u>	<u>20,940</u>	<u>1,252</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	9,990	9,659	331
Services & Supplies	9,584	9,222	362
Other Charges	384	383	1
Fixed Assets	<u>338</u>	<u>294</u>	<u>44</u>
Total Expenditures	<u>20,296</u>	<u>19,558</u>	<u>738</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(608)</u>	<u>1,382</u>	<u>1,990</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(181)</u>	<u>(181)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(181)</u>	<u>(181)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(789)</u>	<u>1,201</u>	<u>1,990</u>
Fund Balance (Deficit), July 1, 1998	<u>2,502</u>	<u>2,502</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 1,713</u>	<u>\$ 3,703</u>	<u>\$ 1,990</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, 1999 (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	971	1,067	96
Revenues from Use of Money and Property	41	37	(4)
Aid from Other Governmental Agencies	288	176	(112)
Charges for Current Services			-
Other Revenues	-	3	3
Total Revenues	<u>1,300</u>	<u>1,283</u>	<u>(17)</u>
EXPENDITURES:			
Current:			
Health and Sanitation			
Services & Supplies	1,450	1,413	37
Total Expenditures	<u>1,450</u>	<u>1,413</u>	<u>37</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(150)</u>	<u>(130)</u>	<u>20</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>(150)</u>	<u>(130)</u>	<u>20</u>
Fund Balance (Deficit), July 1, 1998	<u>600</u>	<u>600</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 450</u>	<u>\$ 470</u>	<u>\$ 20</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, 1999 (IN THOUSANDS)

	<u>EMPLOYERS' TRAINING RESOURCE</u>		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$	\$	\$ -
Licenses, Permits and Franchises			-
Fines, Forfeitures and Penalties			-
Revenues from Use of Money and Property		26	26
Aid from Other Governmental Agencies	45,541	22,815	(22,726)
Charges for Current Services			-
Other Revenues	<u>85</u>	<u>3</u>	<u>(82)</u>
Total Revenues	<u>45,626</u>	<u>22,844</u>	<u>(22,782)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Services & Supplies	17,297	14,402	2,895
Other Charges	<u>19,549</u>	<u>15,125</u>	<u>4,424</u>
Total Expenditures	<u>36,846</u>	<u>29,527</u>	<u>7,319</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,780</u>	<u>(6,683)</u>	<u>(15,463)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>8,780</u>	<u>(6,683)</u>	<u>(15,463)</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	(8,590)	(8,590)	-
Residual equity transfers from (to) Other Funds	<u>(191)</u>	<u>(191)</u>	<u>-</u>
Fund Balance (Deficit), July 1, 1998, as restated	<u>(8,781)</u>	<u>(8,781)</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ (1)</u>	<u>\$ (15,464)</u>	<u>\$ (15,463)</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, 1999 (IN THOUSANDS)

	<u>HUMAN 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			-
Revenues from Use of Money and Property	401		(401)
Aid from Other Governmental Agencies	221,578	210,111	(11,467)
Charges for Current Services	77	197	120
Other Revenues	<u>3,320</u>	<u>3,592</u>	<u>272</u>
Total Revenues	<u>225,376</u>	<u>213,900</u>	<u>(11,476)</u>
EXPENDITURES:			
Current:			
Public Assistance			
Salaries & Benefits	53,419	51,237	2,182
Services & Supplies	39,772	35,208	4,564
Other Charges	136,385	135,170	1,215
Fixed Assets	<u>259</u>	<u>184</u>	<u>75</u>
Total Expenditures	<u>229,835</u>	<u>221,799</u>	<u>8,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,459)</u>	<u>(7,899)</u>	<u>(3,440)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(1,311)</u>	<u>(1,311)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,311)</u>	<u>(1,311)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(5,770)</u>	<u>(9,210)</u>	<u>(3,440)</u>
Fund Balance (Deficit), July 1, 1998	<u>5,900</u>	<u>5,900</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 130</u>	<u>\$ (3,310)</u>	<u>\$ (3,440)</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, 1999 (IN THOUSANDS)

	<u>LOCAL PUBLIC SAFETY</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			-
Revenues from Use of Money and Property			-
Aid from Other Governmental Agencies	29,972	29,733	(239)
Charges for Current Services			-
Other Revenues			-
Total Revenues	<u>29,972</u>	<u>29,733</u>	<u>(239)</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	23,987	23,989	(2)
Services & Supplies	5,000	4,684	316
Other Charges	656	788	(132)
Fixed Assets	244	202	42
Transfers & Reimbursements	85	70	15
Total Expenditures	<u>29,972</u>	<u>29,733</u>	<u>239</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), July 1, 1998	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 1999 (IN THOUSANDS)

	<u>MENTAL HEALTH</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			
Revenues from Use of Money and Property		98	98
Aid from Other Governmental Agencies	37,588	35,300	(2,288)
Charges for Current Services	19,733	18,401	(1,332)
Other Revenues	65	83	18
Total Revenues	<u>57,386</u>	<u>53,882</u>	<u>(3,504)</u>
EXPENDITURES:			
Current:			
Health and Sanitation			
Salaries & Benefits	20,549	19,658	891
Services & Supplies	33,102	30,189	2,913
Other Charges	3,495	51	3,444
Fixed Assets	297	167	130
Transfers & Reimbursements	(58)		(58)
Total Expenditures	<u>57,385</u>	<u>50,065</u>	<u>7,320</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1</u>	<u>3,817</u>	<u>3,816</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out		(5,194)	(5,194)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,194)</u>	<u>(5,194)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>1</u>	<u>(1,377)</u>	<u>(1,378)</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	-	-	-
Residual equity transfers from (to) Other Funds	<u>5,158</u>	<u>5,158</u>	
Fund Balance (Deficit), July 1, 1998, as restated	<u>5,158</u>	<u>5,158</u>	-
Fund Balance (Deficit), June 30, 1999	<u>\$ 5,159</u>	<u>\$ 3,781</u>	<u>\$ (1,378)</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, 1999 (IN THOUSANDS)

	<u>PLANNED LOCAL DRAINAGE</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			-
Revenues from Use of Money and Property		29	29
Aid from Other Governmental Agencies			-
Charges for Current Services			-
Other Revenues			-
Total Revenues	<u>-</u>	<u>29</u>	<u>29</u>
EXPENDITURES:			
Current:			
Public Protection			
Fixed Assets	369	12	357
Total Expenditures	<u>369</u>	<u>12</u>	<u>357</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(369)</u>	<u>17</u>	<u>386</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>(369)</u>	<u>17</u>	<u>386</u>
Fund Balance (Deficit), July 1, 1998	<u>585</u>	<u>585</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 216</u>	<u>\$ 602</u>	<u>\$ 386</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, 1999 (IN THOUSANDS)

	<u>ROAD</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 632	\$ 583	\$ (49)
Licenses, Permits and Franchises			-
Fines, Forfeitures and Penalties			-
Revenues from Use of Money and Property	140	135	(5)
Aid from Other Governmental Agencies	20,392	17,167	(3,225)
Charges for Current Services	944	1,078	134
Other Revenues	<u>1,592</u>	<u>975</u>	<u>(617)</u>
Total Revenues	<u>23,700</u>	<u>19,938</u>	<u>(3,762)</u>
EXPENDITURES:			
Current:			
Public Ways and Facilities			
Salaries & Benefits	7,719	7,601	118
Services & Supplies	14,866	10,419	4,447
Other Charges	237	212	25
Fixed Assets	<u>854</u>	<u>739</u>	<u>115</u>
Total Expenditures	<u>23,676</u>	<u>18,971</u>	<u>4,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>24</u>	<u>967</u>	<u>943</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(198)</u>	<u>(198)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(198)</u>	<u>(198)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(174)</u>	<u>769</u>	<u>943</u>
Fund Balance (Deficit), July 1, 1998	<u>1,554</u>	<u>1,554</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 1,380</u>	<u>\$ 2,323</u>	<u>\$ 943</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, 1999 (IN THOUSANDS)

	STRUCTURAL FIRE		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 31,847	\$ 32,213	\$ 366
Licenses, Permits and Franchises		1	1
Fines, Forfeitures and Penalties	13	25	12
Revenues from Use of Money and Property	100	165	65
Aid from Other Governmental Agencies	1,211	1,345	134
Charges for Current Services	9,828	10,538	710
Other Revenues	<u>2,272</u>	<u>2,160</u>	<u>(112)</u>
Total Revenues	<u>45,271</u>	<u>46,447</u>	<u>1,176</u>
EXPENDITURES:			
Current:			
Public Protection			
Salaries & Benefits	38,185	36,631	1,554
Services & Supplies	4,085	3,834	251
Other Charges	1,159	1,144	15
Fixed Assets	<u>23</u>	<u>23</u>	<u>-</u>
Total Expenditures	<u>43,452</u>	<u>41,632</u>	<u>1,820</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,819</u>	<u>4,815</u>	<u>2,996</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(3,366)</u>	<u>(3,366)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,366)</u>	<u>(3,366)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(1,547)</u>	<u>1,449</u>	<u>2,996</u>
Fund Balance (Deficit), July 1, 1998	<u>1,606</u>	<u>1,606</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 59</u>	<u>\$ 3,055</u>	<u>\$ 2,996</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, 1999 (IN THOUSANDS)

	<u>TRIAL COURT</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			-
Revenues from Use of Money and Property			-
Aid from Other Governmental Agencies			-
Charges for Current Services			-
Other Revenues			-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Current:			
Public Protection			-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), July 1, 1998, as previously reported	293	293	-
Residual equity transfers from (to) Other Funds	<u>(293)</u>	<u>(293)</u>	
Fund Balance (Deficit), July 1, 1998, as restated	<u>-</u>	<u>-</u>	
Fund Balance (Deficit), June 30, 1999	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 1999 (IN THOUSANDS)

OTHER SPECIAL REVENUE			
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$	\$	\$ -
Licenses, Permits and Franchises	107	94	(13)
Fines, Forfeitures and Penalties	2,691	2,995	304
Revenues from Use of Money and Property	6	21	15
Aid from Other Governmental Agencies	101	197	96
Charges for Current Services	804	1,070	266
Other Revenues	266	28	(238)
Total Revenues	3,975	4,405	430
EXPENDITURES:			
Current:			
Public Protection:			
Automated County Warrant System			
Salaries & Benefits	27	27	-
Services & Supplies	49	49	-
Other Charges	1	1	-
Fixed Assets	5	5	-
Transfers & Reimbursements	(22)	(22)	-
	<u>60</u>	<u>60</u>	<u>-</u>
Criminal Justice Facility			
Salaries & Benefits	576	576	-
Services & Supplies	1,905	1,905	-
Other Charges	29	28	1
Fixed Assets	254	254	-
Transfers & Reimbursements	(513)	(513)	-
	<u>2,251</u>	<u>2,250</u>	<u>1</u>
Juvenile Justice Facility			
Fixed Assets	32	32	-
Transfers & Reimbursements	(2)	(2)	-
	<u>30</u>	<u>30</u>	<u>-</u>
Court Temporary Construction			
Fixed Assets	176	176	-
Transfers & Reimbursements	(13)	(13)	-
	<u>163</u>	<u>163</u>	<u>-</u>
Municipal Court Automation			
Services & Supplies	209	209	-
Municipal Court Night Session			
Services & Supplies	23	23	-
Court Auto/Micro			
Services & Supplies	129	129	-
Sheriff Training			
Salaries & Benefits	177	128	49
Services & Supplies	46	33	13
Other Charges	5	3	2
Fixed Assets	2	2	-
	<u>230</u>	<u>166</u>	<u>64</u>
Automated Fingerprint			
Salaries & Benefits	199	113	86
Services & Supplies	52	30	22
Other Charges	5	3	2
Fixed Assets	3	1	2
	<u>259</u>	<u>147</u>	<u>112</u>
Probation Training			
Salaries & Benefits	75	75	-
Services & Supplies	11	11	-
Other Charges	3	3	-
Fixed Assets	1	1	-
	<u>90</u>	<u>90</u>	<u>-</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, 1999 (IN THOUSANDS)

	<u>OTHER SPECIAL REVENUE</u>		
Public Protection (continued):			
Domestic Violence			
Salaries & Benefits	\$ 89	\$ 86	\$ 3
Services & Supplies	13	12	1
Other Charges	3	4	(1)
Fixed Assets	1	1	-
Transfers & Reimbursements	1	1	-
	<u>107</u>	<u>104</u>	<u>3</u>
Family Court Service			
Salaries & Benefits	29	27	2
Services & Supplies	4	4	-
Other Charges	1	1	-
Fixed Assets	1	1	-
	<u>35</u>	<u>33</u>	<u>2</u>
Recorders Fee			
Salaries & Benefits	348	232	116
Services & Supplies	168	111	57
Other Charges	68	45	23
Fixed Assets	37	25	12
	<u>621</u>	<u>413</u>	<u>208</u>
Micrographics			
Salaries & Benefits	95	78	17
Services & Supplies	46	38	8
Other Charges	19	15	4
Fixed Assets	10	8	2
	<u>170</u>	<u>139</u>	<u>31</u>
Range Improvement			
Services & Supplies	55	19	36
	<u>55</u>	<u>19</u>	<u>36</u>
Wildlife Resources			
Services & Supplies	3	3	-
Other Charges	20	4	16
	<u>23</u>	<u>7</u>	<u>16</u>
Total Public Protection	<u>4,455</u>	<u>3,982</u>	<u>473</u>
Health and Sanitation:			
Alcohol Program			
Salaries & Benefits	14	14	-
Services & Supplies	45	45	-
Other Charges	1	1	-
	<u>60</u>	<u>60</u>	<u>-</u>
Alcohol Abuse			
Salaries & Benefits	15	15	-
Services & Supplies	50	50	-
Other Charges	2	2	-
	<u>67</u>	<u>67</u>	<u>-</u>
Drug Program			
Salaries & Benefits	4	4	-
Services & Supplies	13	13	-
	<u>17</u>	<u>17</u>	<u>-</u>
Total Health and Sanitation	<u>144</u>	<u>144</u>	<u>-</u>
Education:			
Experimental Farm			
Services & Supplies	42	42	-
Total Education	<u>42</u>	<u>42</u>	<u>-</u>
Total Expenditures	<u>4,641</u>	<u>4,168</u>	<u>473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(666)</u>	<u>237</u>	<u>903</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers 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	<u>(666)</u>	<u>237</u>	<u>903</u>
Fund Balance (Deficit), July 1, 1998	<u>1,680</u>	<u>1,680</u>	<u>-</u>
Fund Balance (Deficit), June 30, 1999	<u>\$ 1,014</u>	<u>\$ 1,917</u>	<u>\$ 903</u>

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.

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

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.

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.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>
ASSETS					
Pooled Cash and Investments	\$ 2,404	\$ 266	\$ 12	\$ 510	\$ 1,616
Due from Other Funds	<u>26</u>				<u>26</u>
Total Assets	<u>\$ 2,430</u>	<u>\$ 266</u>	<u>\$ 12</u>	<u>\$ 510</u>	<u>\$ 1,642</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Advances from Other Funds	\$ 3,500			\$ 500	\$ 3,000
Total Liabilities	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>3,000</u>
Fund Balance:					
Reserved:					
Encumbrances (Note III L)	1,557				1,557
Unreserved:					
Undesignated	<u>(2,627)</u>	<u>266</u>	<u>12</u>	<u>10</u>	<u>(2,915)</u>
Total Fund Balance	<u>(1,070)</u>	<u>266</u>	<u>12</u>	<u>10</u>	<u>(1,358)</u>
Total Liabilities and Fund Balance	<u>\$ 2,430</u>	<u>\$ 266</u>	<u>\$ 12</u>	<u>\$ 510</u>	<u>\$ 1,642</u>

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY ROAD</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>
REVENUES:					
Revenues From Use of Money	\$ 20	\$	\$	\$	\$ 20
Aid From Other Governments	1,131				1,131
Other Revenues	<u>512</u>			<u>12</u>	<u>500</u>
Total Revenues	<u>1,663</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>1,651</u>
EXPENDITURES:					
Capital Outlay	<u>3,753</u>	<u>464</u>		<u>280</u>	<u>3,009</u>
Total Expenditures	<u>3,753</u>	<u>464</u>	<u>-</u>	<u>280</u>	<u>3,009</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,090)</u>	<u>(464)</u>	<u>-</u>	<u>(268)</u>	<u>(1,358)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfer In	<u>532</u>			<u>532</u>	
Total Other Financing Sources (Uses)	<u>532</u>	<u>-</u>	<u>-</u>	<u>532</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(1,558)</u>	<u>(464)</u>	<u>-</u>	<u>264</u>	<u>(1,358)</u>
Fund Balance, July 1, 1998	<u>488</u>	<u>730</u>	<u>12</u>	<u>(254)</u>	
Fund Balance, June 30, 1999	<u><u>\$ (1,070)</u></u>	<u><u>\$ 266</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ (1,358)</u></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, 1999 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues From Use of Money	\$ -	\$ 20	\$ 20
Aid From Other Governments	8,250	1,131	(7,119)
Other Revenues	<u>3,950</u>	<u>512</u>	<u>(3,438)</u>
Total Revenues	<u>12,200</u>	<u>1,663</u>	<u>(10,537)</u>
EXPENDITURES:			
General Government			
Services & Supplies	50		50
Capital Outlay	<u>14,110</u>	<u>5,033</u>	<u>9,077</u>
Total Expenditures	<u>14,160</u>	<u>5,033</u>	<u>9,127</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,960)</u>	<u>(3,370)</u>	<u>(1,410)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	<u>-</u>	<u>532</u>	<u>532</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>532</u>	<u>532</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(1,960)</u>	<u>(2,838)</u>	<u>(878)</u>
Fund Balance, July 1, 1998	<u>199</u>	<u>199</u>	<u>-</u>
Fund Balance, June 30, 1999	<u>\$ (1,761)</u>	<u>\$ (2,639)</u>	<u>\$ (878)</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, 1999 (IN THOUSANDS)

	<u>MASTER LEASE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues From Use of Money	\$	\$	\$
Aid From Other Governments			
Other Revenues			
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
General Government			
Services and Supplies	50		50
Capital Outlay	1,350	464	886
Total Expenditures	<u>1,400</u>	<u>464</u>	<u>936</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,400)</u>	<u>(464)</u>	<u>936</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			
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	(1,400)	(464)	936
Fund Balance, July 1, 1998	<u>730</u>	<u>730</u>	<u>-</u>
Fund Balance, June 30, 1999	<u><u>\$ (670)</u></u>	<u><u>\$ 266</u></u>	<u><u>\$ 936</u></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, 1999 (IN THOUSANDS)

	<u>CERTIFICATES OF PARTICIPATION</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues From Use of Money	\$	\$	\$
Aid From Other Governments			
Other Revenues	<u> </u>	<u> 12</u>	<u> 12</u>
Total Revenues	<u> -</u>	<u> 12</u>	<u> 12</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	<u> 560</u>	<u> 3</u>	<u> 557</u>
Total Expenditures	<u> 560</u>	<u> 3</u>	<u> 557</u>
Excess (Deficiency) of Revenues over Expenditures	<u> (560)</u>	<u> 9</u>	<u> 569</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In		<u> 532</u>	<u> 532</u>
Total Other Financing Sources (Uses)	<u> -</u>	<u> 532</u>	<u> 532</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u> (560)</u>	<u> 541</u>	<u> 1,101</u>
Fund Balance, July 1, 1998	<u> (531)</u>	<u> (531)</u>	<u> -</u>
Fund Balance, June 30, 1999	<u>\$ (1,091)</u>	<u>\$ 10</u>	<u>\$ 1,101</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, 1999 (IN THOUSANDS)

	<u>SEPARATION OF GRADE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues From Use of Money	\$	\$	\$
Aid From Other Governments	8,250	1,131	(7,119)
Other Revenues	3,950	500	(3,450)
Total Revenues	<u>12,200</u>	<u>1,651</u>	<u>(10,549)</u>
EXPENDITURES:			
General Government			
Services and Supplies			
Capital Outlay	12,200	4,566	7,634
Total Expenditures	<u>12,200</u>	<u>4,566</u>	<u>7,634</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(2,915)</u>	<u>(2,915)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In			-
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>-</u>	<u>(2,915)</u>	<u>(2,915)</u>
Fund Balance, July 1, 1998			-
Fund Balance, June 30, 1999	<u>\$ -</u>	<u>\$ (2,915)</u>	<u>\$ (2,915)</u>

DEBT SERVICE FUNDS

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.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>	<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>
ASSETS					
Pooled Cash and Investments	\$ 38,135	\$ 33,260	\$ 4,875	\$	\$
Cash and Investments Deposited with Trustee	25,668			25,668	
Loans Receivable	2,493	2,493			
Due from Other Funds	354	293	61		
Advances to Other Funds	3,500	3,500			
Total Assets	<u>\$ 70,150</u>	<u>\$ 39,546</u>	<u>\$ 4,936</u>	<u>\$ 25,668</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to Other Funds	\$	\$	\$	\$	\$
Total Liabilities	_____	_____	_____	_____	_____
Fund Balance:					
Reserved (Note III L)	23,771	19,923	3,848		
Unreserved:					
Designated (Note III L)	25,668			25,668	
Undesignated	20,711	19,623	1,088		
Total Fund Balance	<u>70,150</u>	<u>39,546</u>	<u>4,936</u>	<u>25,668</u>	_____
Total Liabilities and Fund Balance	<u>\$ 70,150</u>	<u>\$ 39,546</u>	<u>\$ 4,936</u>	<u>\$ 25,668</u>	<u>\$ -</u>

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	TOTAL	ACCUMULATIVE CAPITAL OUTLAY GENERAL	ACCUMULATIVE CAPITAL OUTLAY FIRE	KERN ASSET LEASING	PENSION OBLIGATION BOND TRUSTEE
REVENUES:					
Revenues from Use of Money or Property	\$ 3,630	\$ 1,799	\$ 244	\$ 1,360	\$ 227
Other Revenue	102		32	70	
Total Revenues	<u>3,732</u>	<u>1,799</u>	<u>276</u>	<u>1,430</u>	<u>227</u>
EXPENDITURES:					
General Government	500	423		77	
Public Protection	72		72		
Debt Service:					
Principal	7,360			7,360	
Interest	13,574			3,332	10,242
Total Expenditures	<u>21,506</u>	<u>423</u>	<u>72</u>	<u>10,769</u>	<u>10,242</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(17,774)</u>	<u>1,376</u>	<u>204</u>	<u>(9,339)</u>	<u>(10,015)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfer In	24,894	6,098		8,554	10,242
Operating Transfer Out	(6,399)	(4,850)	(789)	(532)	(228)
Total Other Financing Sources (Uses)	<u>18,495</u>	<u>1,248</u>	<u>(789)</u>	<u>8,022</u>	<u>10,014</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>721</u>	<u>2,624</u>	<u>(585)</u>	<u>(1,317)</u>	<u>(1)</u>
Fund Balance, July 1, 1998	<u>69,429</u>	<u>36,922</u>	<u>5,521</u>	<u>26,985</u>	<u>1</u>
Fund Balance, June 30, 1999	<u>\$ 70,150</u>	<u>\$ 39,546</u>	<u>\$ 4,936</u>	<u>\$ 25,668</u>	<u>\$ -</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, 1999 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 583	\$ 2,043	\$ 1,460
Other Revenue		32	32
Total Revenues	<u>583</u>	<u>2,075</u>	<u>1,492</u>
EXPENDITURES:			
General Government			
Services and Supplies	532	423	109
Appropriation for Contingencies	1,706		1,706
Total General Government	<u>2,238</u>	<u>423</u>	<u>1,815</u>
Public Protection			
Services and Supplies	86	72	14
Appropriation for Contingencies	279		279
Total Public Protection	<u>365</u>	<u>72</u>	<u>293</u>
Total Expenditures	<u>2,603</u>	<u>495</u>	<u>2,108</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,020)</u>	<u>1,580</u>	<u>3,600</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	6,098	6,098	-
Operating Transfer Out	(9,308)	(5,639)	3,669
Total Other Financing Sources (Uses)	<u>(3,210)</u>	<u>459</u>	<u>3,669</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(5,230)</u>	<u>2,039</u>	<u>7,269</u>
Fund Balance, July 1, 1998	<u>42,443</u>	<u>42,443</u>	<u>-</u>
Fund Balance, June 30, 1999	<u>\$ 37,213</u>	<u>\$ 44,482</u>	<u>\$ 7,269</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, 1999 (IN THOUSANDS)

	ACCUMULATIVE CAPITAL OUTLAY - GENERAL		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:			
Revenues from Use of Money or Property	\$ 499	\$ 1,799	\$ 1,300
Total Revenues	499	1,799	1,300
EXPENDITURES:			
General Government			
Services and Supplies	532	423	109
Appropriation for Contingencies	1,706		1,706
Total Expenditures	2,238	423	1,815
Excess (Deficiency) of Revenues over Expenditures	(1,739)	1,376	3,115
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	6,098	6,098	-
Operating Transfers Out	(8,001)	(4,850)	3,151
Total Other Financing Sources (Uses)	(1,903)	1,248	3,151
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(3,642)	2,624	6,266
Fund Balance, July 1, 1998	36,922	36,922	-
Fund Balance, June 30, 1999	\$ 33,280	\$ 39,546	\$ 6,266

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, 1999 (IN THOUSANDS)

	<u>ACCUMULATIVE CAPITAL OUTLAY - FIRE</u>		
	<u>Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenues from Use of Money or Property	\$ 84	\$ 244	\$ 160
Other Revenue		<u>32</u>	<u>32</u>
Total Revenues	<u>84</u>	<u>276</u>	<u>192</u>
EXPENDITURES:			
Public Protection			
Services and Supplies	86	72	14
Appropriation for Contingencies	<u>279</u>		<u>279</u>
Total Expenditures	<u>365</u>	<u>72</u>	<u>293</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(281)</u>	<u>204</u>	<u>485</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	<u>(1,307)</u>	<u>(789)</u>	<u>518</u>
Total Other Financing Sources (Uses)	<u>(1,307)</u>	<u>(789)</u>	<u>518</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(1,588)	(585)	1,003
Fund Balance, July 1, 1998	<u>5,521</u>	<u>5,521</u>	<u>-</u>
Fund Balance, June 30, 1999	<u>\$ 3,933</u>	<u>\$ 4,936</u>	<u>\$ 1,003</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.

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 Transportation Management Department and provides the resources for the planning and development of public transportation systems; conducting studies, preparing reports and making recommendations regarding public transportation needs; administering contracts with public and private transportation providers; and other tasks related to provision of public transportation in 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.

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.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 ENTERPRISE FUNDS
 JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>AIRPORTS</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>
ASSETS				
Pooled Cash and Investments	\$ 76,122	\$ 1,086	\$ 3,390	\$ 992
Revolving Fund Cash	11			
Cash and Investments Deposited with Trustee	5,695			682
Accounts Receivable - Net	25,414	69		
Accrued Revenue	129			
Due from Other Funds	1,105	18	45	12
Prepaid Items	13,401		13	
Due from Other Agencies	130	130		
Inventory- Materials and Supplies	735			
Land	14,931	4,734	644	65
Subsurface Lines	4,298		4,298	
Structures and Improvements	110,121	27,469	9,049	6,483
Equipment	34,958	1,414	799	
Land Acquisition in Progress	705	11		
Accumulated Depreciation and Amortization	(55,150)	(12,239)	(2,787)	(703)
Construction in Progress	1,345	221	81	
Total Assets	<u>\$ 233,950</u>	<u>\$ 22,913</u>	<u>\$ 15,532</u>	<u>\$ 7,531</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accrued Expenses	\$ 3,700	\$ 31	\$ 102	\$
Salaries and Employee Benefits Payable	2,252	34		
Loans Payable	2,043	2,043		
Due to Other Agencies	1,549			
Current Portion - Long Term Debt	3,175			160
Deferred Income	56			
Estimate for Professional Liability Claims	11,500			
Compensated Absences Payable	5,521	170		
Long Term Debt - Capital Assets	36			
Long-Term Debt - Certificates of Participation	31,775			4,340
Long-Term Debt - Pension Obligation Bonds	33,835	585		
Accrued Closure Liability	25,212			
Accrued Post Closure Liability	26,899			
Total Liabilities	<u>147,553</u>	<u>2,863</u>	<u>102</u>	<u>4,500</u>
Fund Equity:				
Contributed Capital	19,108	62		1,849
Retained Earnings (Deficit):				
Reserved (Note III K)	16,749	885	1,271	175
Unreserved	50,540	19,103	14,159	1,007
Total Retained Earnings (Deficit)	<u>67,289</u>	<u>19,988</u>	<u>15,430</u>	<u>1,182</u>
Total Fund Equity	<u>86,397</u>	<u>20,050</u>	<u>15,430</u>	<u>3,031</u>
Total Liabilities and Fund Equity	<u>\$ 233,950</u>	<u>\$ 22,913</u>	<u>\$ 15,532</u>	<u>\$ 7,531</u>

KERN MEDICAL CENTER	PUBLIC TRANSPORTATION	WASTE MANAGEMENT
\$ 23,789	\$ 56	\$ 46,809
3		8
3,215		1,798
23,731		1,614
434	51	78
13,388	3	593
735		
168		9,320
47,280	118	19,722
28,356	3,165	1,224
		694
(32,593)	(1,081)	(5,747)
958		85
<u>\$ 109,464</u>	<u>\$ 2,312</u>	<u>\$ 76,198</u>

\$ 3,250	\$ 318	\$ (1)
2,072	5	141
1,549		
2,005		1,010
56		
11,500		
4,789	23	539
		36
14,130		13,305
31,387	119	1,744
		25,212
		26,899
<u>70,738</u>	<u>465</u>	<u>68,885</u>
<u>17,197</u>		
5,520	441	8,457
16,009	1,406	(1,144)
<u>21,529</u>	<u>1,847</u>	<u>7,313</u>
<u>38,726</u>	<u>1,847</u>	<u>7,313</u>
<u>\$ 109,464</u>	<u>\$ 2,312</u>	<u>\$ 76,198</u>

ASSETS
Pooled Cash and Investments
Revolving Fund Cash
Cash and Investments Deposited with Trustee
Accounts Receivable - Net
Accrued Revenue
Due from Other Funds
Prepaid Items
Due from Other Agencies
Inventory- Materials and Supplies
Land
Subsurface Lines
Structures and Improvements
Equipment
Land Acquisition in Progress
Accumulated Depreciation and Amortization
Construction in Progress
Total Assets

LIABILITIES AND FUND EQUITY
Liabilities:
Accrued Expenses
Salaries and Employee Benefits Payable
Loans Payable
Due to Other Agencies
Current Portion - Long Term Debt
Deferred Income
Estimate for Professional Liability Claims
Compensated Absences Payable
Long Term Debt - Capital Assets
Long-Term Debt - Certificates of Participation
Long-Term Debt - Pension Obligation Bonds
Accrued Closure Liability
Accrued Post Closure Liability
Total Liabilities
Fund Equity:
Contributed Capital
Retained Earnings (Deficit):
Reserved (Note III K)
Unreserved
Total Retained Earnings (Deficit)
Total Fund Equity
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, 1999 (IN THOUSANDS)

	TOTAL	AIRPORTS	COUNTY SANITATION DISTRICTS	GOLF COURSE
OPERATING REVENUES:				
Patient Services	\$ 119,639	\$ -	\$ -	\$ -
Charges for Current Services	16,808	252	163	4,094
Revenues from Use of Property	1,839	1,782	8	
Other Operating Revenues	4,353	57	4	
Total Operating Revenues	<u>142,639</u>	<u>2,091</u>	<u>175</u>	<u>4,094</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	76,134	1,108	1,857	
Services and Supplies	65,690	1,167		3,843
Other Charges	7,270	252		243
Depreciation	6,082	299	339	148
Total Operating Expenses	<u>155,176</u>	<u>2,826</u>	<u>2,196</u>	<u>4,234</u>
Operating Income (Loss)	<u>(12,537)</u>	<u>(735)</u>	<u>(2,021)</u>	<u>(140)</u>
NON-OPERATING REVENUES (EXPENSES):				
Taxes and Assessments	16,551	412	1,854	
Fines, Forfeitures and Penalties	312		78	
Licenses, Permits and Franchises	11		11	
Interest on Bank Deposits and Investments	4,507	66	197	78
Aid from Other Governmental Agencies	30,043	52		
Health Care Expense	(51,308)			
Other Non-Operating Revenues	1,913	158		
Gain (Loss) on Sale of Fixed Assets	(59)	(1)	(24)	
Total Non-Operating Revenues (Expenses)	<u>1,970</u>	<u>687</u>	<u>2,116</u>	<u>78</u>
Income (Loss) before Operating Transfers	(10,567)	(48)	95	(62)
Operating Transfers In	16,983			
Net Income (Loss)	6,416	(48)	95	(62)
Retained Earnings (Deficit), July 1, 1998	56,147	20,036	15,335	1,244
Prior Period Adjustment	4,726			
Retained Earnings (Deficit), June 30, 1999	<u>\$ 67,289</u>	<u>\$ 19,988</u>	<u>\$ 15,430</u>	<u>\$ 1,182</u>

<u>KERN MEDICAL CENTER</u>	<u>PUBLIC TRANSPORTATION</u>	<u>WASTE MANAGEMENT</u>	
\$ 119,639	\$ -	\$ -	OPERATING REVENUES:
1,008	398	10,893	Patient Services
		49	Charges for Current Services
<u>4,132</u>		<u>160</u>	Revenues from Use of Property
			Other Operating Revenues
<u>124,779</u>	<u>398</u>	<u>11,102</u>	Total Operating Revenues
			OPERATING EXPENSES:
68,339	172	4,658	Salaries and Employee Benefits
45,266	2,792	12,622	Services and Supplies
3,307	58	3,410	Other Charges
<u>4,269</u>	<u>278</u>	<u>749</u>	Depreciation
			Total Operating Expenses
<u>121,181</u>	<u>3,300</u>	<u>21,439</u>	Operating Income (Loss)
<u>3,598</u>	<u>(2,902)</u>	<u>(10,337)</u>	NON-OPERATING REVENUES (EXPENSES):
	2,685	11,600	Taxes and Assessments
5		229	Fines, Forfeitures and Penalties
1,775	27	2,364	Licenses, Permits and Franchises
29,349	287	355	Interest on Bank Deposits and Investments
(51,308)			Aid from Other Governmental Agencies
1,742	13		Health Care Expense
<u>(33)</u>	<u>2</u>	<u>(3)</u>	Other Non-Operating Revenues
			Gain (Loss) on Sale of Fixed Assets
<u>(18,470)</u>	<u>3,014</u>	<u>14,545</u>	Total Non-Operating Revenues (Expenses)
(14,872)	112	4,208	Income (Loss) before Operating Transfers
<u>16,983</u>			Operating Transfers In
2,111	112	4,208	Net Income (Loss)
14,692	1,735	3,105	Retained Earnings (Deficit), July 1, 1998
<u>4,726</u>			Prior Period Adjustment
<u>\$ 21,529</u>	<u>\$ 1,847</u>	<u>\$ 7,313</u>	Retained Earnings (Deficit), June 30, 1999

COUNTY OF KERN
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

Page 1 of 2

	TOTAL	AIRPORTS	COUNTY SANITATION DISTRICTS	GOLF COURSE
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received for Patient/Current Services	\$ 133,377	\$ 291	\$ 163	\$ 4,093
Cash Received for Use of Property	1,839	1,782	8	
Cash Received for Other Operations	6,280	224	4	
Cash Paid for Salaries and Benefits	(73,578)	(1,078)		
Cash Paid for Services and Supplies	(80,235)	(1,176)	(1,851)	(3,843)
Cash Paid for Other Charges	(5,702)	(252)		(242)
Net Cash Provided (Used) by Operating Activities	<u>(18,019)</u>	<u>(209)</u>	<u>(1,676)</u>	<u>8</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>				
Cash Received From Other Funds	16,983			
Repayment of Advances from Other Funds	(410)			
Taxes and Special Assessments	16,726	586	1,854	
Fines, Forfeitures, and Penalties	312		78	
Licenses and Permits	11		11	
Loans Paid	(600)	(408)		
Aid from Other Governmental Agencies	31,068	1,119		
Health Care Expense	(51,308)			
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>12,782</u>	<u>1,297</u>	<u>1,943</u>	
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Acquisition or Construction of Capital Assets	(6,185)	(1,617)	(381)	(5)
Proceeds from Sale of Fixed Assets	11			
Payment of Long Term Debt - Certificates of Participation	(3,010)			(150)
Payment of Capital Lease	(63)			
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,247)</u>	<u>(1,617)</u>	<u>(381)</u>	<u>(155)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest on Bank Deposits and Investments	4,498	77	200	77
Net Increase (Decrease) in Cash and Cash Equivalents	(9,986)	(452)	86	(70)
Cash and Cash Equivalents, July 1, 1998	91,814	1,538	3,304	1,744
Cash and Cash Equivalents, June 30, 1999	<u>\$ 81,828</u>	<u>\$ 1,086</u>	<u>\$ 3,390</u>	<u>\$ 1,674</u>

KERN MEDICAL CENTER	PUBLIC TRANSPORTATION	WASTE MANAGEMENT
\$ 117,240	\$ 389	\$ 11,201
5,879	13	49
(67,770)	(168)	160
(57,950)	(2,793)	(4,562)
(3,307)	(57)	(12,622)
<u>(5,908)</u>	<u>(2,616)</u>	<u>(1,844)</u>
16,983		
	2,685	(410)
5		11,601
		229
29,349	245	(192)
(51,308)		355
<u>(4,971)</u>	<u>2,930</u>	<u>11,583</u>
(1,654)	(1,304)	(1,224)
11		
(1,910)		(950)
(38)		(25)
<u>(3,591)</u>	<u>(1,304)</u>	<u>(2,199)</u>
1,779	36	2,329
(12,691)	(954)	4,095
39,698	1,010	44,520
<u>\$ 27,007</u>	<u>\$ 56</u>	<u>\$ 48,615</u>

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received for Patient /Current Services
Cash Received for Use of Property
Cash Received for Other Operations
Cash Paid for Salaries and Benefits
Cash Paid for Services and Supplies
Cash Paid for Other Charges

Net Cash Provided (Used) by Operating Activities

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Cash Received From Other Funds
Repayment of Advances from Other Funds
Taxes and Special Assessments
Fines, Forfeitures, and Penalties
Licenses and Permits
Loans Paid
Aid from Other Governmental Agencies
Health Care Expense

Net Cash Provided (Used) by Non-Capital Financing Activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition or Construction of Capital Assets
Proceeds from Sale of Fixed Assets
Payment of Long Term Debt - Certificates of Participation
Payment of Capital Lease

Net Cash Provided (Used) by Capital and Related Financing Activities

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on Bank Deposits and Investments

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents, July 1, 1998

Cash and Cash Equivalents, June 30, 1999

COUNTY OF KERN
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

Page 2 of 2

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	TOTAL	AIRPORTS	COUNTY SANITATION DISTRICTS	GOLF COURSE
Operating Income (Loss)	\$ (12,537)	\$ (735)	\$ (2,021)	\$ (140)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	1,926	166		
Depreciation	6,082	299	339	148
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(3,552)	39		
(Increase) Decrease in Inventory	(133)			
(Increase) Decrease in Accrued Revenue	(8)			
(Increase) Decrease in Prepaid Items	(12,408)		1	
Increase (Decrease) in Accrued Expenses	979	(8)	5	
Increase (Decrease) in Due to Others	491			
Increase (Decrease) in Salaries & Benefits Payable	309	5		
Increase (Decrease) in Compensated Absences Payable	391	25		
Increase (Decrease) in Provision for Liability Claims	1,307			
Increase (Decrease) in Closure/Post Closure Liability	(866)			
Total Adjustments	(5,482)	526	345	148
Net Cash Provided (Used) by Operating Activities	\$ (18,019)	\$ (209)	\$ (1,676)	\$ 8

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Net Transfers of Fixed Assets (To) From Other Funds	\$ 19,087	\$ 62	\$ -	\$ 1,849
Acquisition of Fixed Assets Through Capital Leases	118			
Total Noncash Investing, Capital, and Financing Activities	\$ 19,205	\$ 62	\$ -	\$ 1,849

KERN MEDICAL CENTER	PUBLIC TRANSPORTATION	WASTE MANAGEMENT
\$ 3,598	\$ (2,902)	\$ (10,337)
1,747	13	
4,269	278	749
(3,898)		307
(133)	(8)	
(12,409)	(1)	
983	(1)	
491		
288	1	15
282	3	81
(1,126)		2,433
		(866)
<u>(9,506)</u>	<u>286</u>	<u>2,719</u>
\$ <u>(5,908)</u>	\$ <u>(2,616)</u>	\$ <u>(7,618)</u>

\$ 17,176	\$	\$
	118	
\$ <u>17,176</u>	\$ <u>118</u>	\$ <u>-</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)

Adjustments to Reconcile Operating Income (Loss) to
Net Cash Provided (Used) by Operating Activities:

Other Non-Operating Revenues

Depreciation

Changes in Assets and Liabilities:

(Increase) Decrease in Accounts Receivable

(Increase) Decrease in Inventory

(Increase) Decrease in Accrued Revenue

(Increase) Decrease in Prepaid Items

Increase (Decrease) in Accrued Expenses

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

Increase (Decrease) in Closure/Post Closure Liability

Total Adjustments

Net Cash Provided (Used) by Operating Activities

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Net Transfers of Fixed Assets (To) From Other Funds

Acquisition of Fixed Assets Through Capital Leases

Total Noncash Investing, Capital, and Financing 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).

General Services Reprographics - This fund provides for duplicating services for County departments.

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.

Other Internal Service Funds – The Other Internal Service Funds account for General Services – Stores and Office Automation Services operations.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 INTERNAL SERVICE FUNDS
 JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GENERAL SERVICES - REPROGRAPHICS</u>
ASSETS				
Pooled Cash and Investments	\$ 24,145	\$ 2,530	\$ 1,564	\$ -
Due from Other Funds	322	38	20	
Deposits with Others	635			
Prepaid Items	288	71		
Inventory- Materials and Supplies	138		138	
Equipment (Net of Accumulated Depreciation)	3,028		3,028	
Total Assets	<u>\$ 28,556</u>	<u>\$ 2,639</u>	<u>\$ 4,750</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accrued Expenses	\$ 677	\$ -	\$ -	\$ -
Salaries and Employee Benefits Payable	17		17	
Due to Other Funds	72			
Compensated Absences Payable	97		97	
Liability for Self-Insurance- Current	14,969	2,873		
Liability for Self-Insurance- Long Term	17,827	6,756		
Long-Term Debt-Pension Obligation Bonds	482		482	
Total Liabilities	<u>34,141</u>	<u>9,629</u>	<u>596</u>	
Fund Equity (Deficit):				
Contributed Capital	1,003		1,003	
Retained Earnings (Deficit):				
Reserved (Note III K)	861	2	222	
Unreserved	(7,449)	(6,992)	2,929	
Total Retained Earnings (Deficit)	<u>(6,588)</u>	<u>(6,990)</u>	<u>3,151</u>	
Total Fund Equity (Deficit)	<u>(5,585)</u>	<u>(6,990)</u>	<u>4,154</u>	
Total Liabilities and Fund Equity	<u>\$ 28,556</u>	<u>\$ 2,639</u>	<u>\$ 4,750</u>	<u>\$ -</u>

<u>GROUP HEALTH</u>	<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	<u>OTHER INTERNAL SERVICE</u>	
\$ 7,365	\$ 8,280	\$ 989	\$ 3,417	\$ -	
84	102	14	64		
635					
217					
<u>\$ 8,301</u>	<u>\$ 8,382</u>	<u>\$ 1,003</u>	<u>\$ 3,481</u>	<u>\$ -</u>	
					ASSETS
					Pooled Cash and Investments
					Due from Other Funds
					Deposits with Others
					Prepaid Items
					Inventory- Materials and Supplies
					Equipment (Net of Accumulated Depreciation)
					Total Assets
					LIABILITIES AND FUND EQUITY
\$ 677	\$ -	\$ -	\$ -	\$ -	Liabilities:
					Accrued Expenses
			72		Salaries and Employee Benefits Payable
					Due to Other Funds
4,104		217	7,775		Compensated Absences Payable
			11,071		Liability for Self-Insurance- Current
					Liability for Self-Insurance- Long Term
					Long-Term Debt-Pension Obligation Bonds
<u>4,781</u>		<u>217</u>	<u>18,918</u>		Total Liabilities
					Fund Equity (Deficit):
					Contributed Capital
637					Retained Earnings (Deficit):
2,883	8,382	786	(15,437)		Reserved (Note III K)
					Unreserved
<u>3,520</u>	<u>8,382</u>	<u>786</u>	<u>(15,437)</u>		Total Retained Earnings (Deficit)
<u>3,520</u>	<u>8,382</u>	<u>786</u>	<u>(15,437)</u>		Total Fund Equity (Deficit)
<u>\$ 8,301</u>	<u>\$ 8,382</u>	<u>\$ 1,003</u>	<u>\$ 3,481</u>	<u>\$ -</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, 1999 (IN THOUSANDS)

	TOTAL	GENERAL LIABILITY	GENERAL SERVICES- GARAGE	GENERAL SERVICES- REPROGRAPHICS
OPERATING REVENUES:				
Charges for Current Services	\$ 65,434	\$ 6,207	\$ 2,244	\$ 1,196
Other Revenues	19		19	
Total Operating Revenues	<u>65,453</u>	<u>6,207</u>	<u>2,263</u>	<u>1,196</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	2,445		635	340
Services and Supplies	9,181	2,250	857	824
Claims Incurred	41,731	1,193		
Other Charges	4,530	993	345	187
Depreciation Expense	510		497	13
Total Operating Expenses	<u>58,397</u>	<u>4,436</u>	<u>2,334</u>	<u>1,364</u>
Operating Income (Loss)	<u>7,056</u>	<u>1,771</u>	<u>(71)</u>	<u>(168)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	1,135	105	80	8
Other Revenues	984	43	27	121
Aid from Other Governmental Agencies	35			
Gain (Loss) on Sale of Fixed Assets	(10)		(10)	
Total Non-Operating Revenues (Expenses)	<u>2,144</u>	<u>148</u>	<u>97</u>	<u>129</u>
Income (Loss) before Operating Transfers	9,200	1,919	26	(39)
Operating Transfer In	405			316
Add: Depreciation on Contributed Assets	164		153	11
Add: Basis of Disposed Contributed Assets	38		38	
Increase (Decrease) in Retained Earnings	9,807	1,919	217	288
Retained Earnings (Deficit), July 1, 1998	(16,353)	(8,909)	2,934	(246)
Residual Equity Transfer (to) from Other Funds	(42)			(42)
Retained Earnings (Deficit), June 30, 1999	<u>\$ (6,588)</u>	<u>\$ (6,990)</u>	<u>\$ 3,151</u>	<u>\$ -</u>

GROUP HEALTH	RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	OTHER INTERNAL SERVICE	
\$ 43,845	\$ 2,512	\$ 1,000	\$ 8,430	\$ -	<u>OPERATING REVENUES:</u>
					Charges for Current Services
					Other Revenues
<u>43,845</u>	<u>2,512</u>	<u>1,000</u>	<u>8,430</u>		Total Operating Revenues
	1,470				<u>OPERATING EXPENSES:</u>
3,846	66	12	1,326		Salaries and Employee Benefits
33,718		786	6,034		Services and Supplies
2,762	29	1	213		Claims Incurred
					Other Charges
					Depreciation Expense
<u>40,326</u>	<u>1,565</u>	<u>799</u>	<u>7,573</u>		Total Operating Expenses
<u>3,519</u>	<u>947</u>	<u>201</u>	<u>857</u>		Operating Income (Loss)
					<u>NON-OPERATING REVENUES (EXPENSES):</u>
291	381	58	212		Interest on Bank Deposits and Investments
			793		Other Revenues/(Expenses)
			35		Aid from Other Governmental Agencies
					Gain (Loss) on Sale of Fixed Assets
<u>291</u>	<u>381</u>	<u>58</u>	<u>1,040</u>		Total Non-Operating Revenues (Expenses)
3,810	1,328	259	1,897	-	Income (Loss) before Operating Transfers
				89	Operating Transfer In
					Add: Depreciation on Contributed Assets
					Add: Basis of Disposed Contributed Assets
<u>3,810</u>	<u>1,328</u>	<u>259</u>	<u>1,897</u>	<u>89</u>	Increase (Decrease) in Retained Earnings
(290)	7,054	527	(17,334)	(89)	Retained Earnings (Deficit), July 1, 1998
					Residual Equity Transfer (to) from Other Funds
<u>\$ 3,520</u>	<u>\$ 8,382</u>	<u>\$ 786</u>	<u>\$ (15,437)</u>	<u>\$ -</u>	Retained Earnings (Deficit), June 30, 1999

COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	TOTAL	GENERAL LIABILITY	GENERAL SERVICES- GARAGE	GENERAL SERVICES- REPROGRAPHICS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Current Services	\$ 66,427	\$ 7,200	\$ 2,244	\$ 1,196
Cash Received for Other Operations	986	43	45	105
Cash Paid for Salaries and Benefits	(2,431)		(633)	(328)
Cash Paid for Services and Supplies	(9,367)	(2,250)	(851)	(772)
Cash Paid for Reported Claims	(43,970)	(931)		
Cash Paid for Other Charges	(5,523)	(1,986)	(345)	(187)
Net Cash Provided (Used) by Operating Activities	6,122	2,076	460	14
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Cash Received from Other Funds	405			316
Cash Paid to Other Funds	(140)			(140)
Advances from Other Funds	(89)			
Repayment of Advances from Other Funds	(344)	(28)		(316)
Aid from Other Governmental Agencies	35			
Net Cash Provided (Used) by Non-Capital Financing Activities	(133)	(28)		(140)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition or Construction of Capital Assets	(467)		(453)	(14)
Proceeds From Sale of Fixed Assets	49		49	
Net Cash Provided (Used) by Capital and Related Financing Activities	(418)		(404)	(14)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Bank Deposits and Investments	1,087	105	78	9
Net Increase (Decrease) in Cash and Cash Equivalents	6,658	2,153	134	(131)
Cash and Cash Equivalents, July 1, 1998	17,487	377	1,430	131
Cash and Cash Equivalents, June 30, 1999	\$ 24,145	\$ 2,530	\$ 1,564	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 7,057	\$ 1,771	\$ (71)	\$ (168)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	970	44	27	106
Depreciation	510		497	13
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	59		5	54
(Increase) Decrease in Prepaid Items	(8)			
Increase (Decrease) in Accrued Expenses	(239)			(3)
Increase (Decrease) in Due to Others	(6)			
Increase (Decrease) in Salaries & Benefits Payable	3		1	2
Increase (Decrease) in Compensated Absences Payable	11		1	10
Increase (Decrease) in Provision for Liability Claims	(2,235)	261		
Total Adjustments	(935)	305	531	182
Net Cash Provided (Used) by Operating Activities	\$ 6,122	\$ 2,076	\$ 460	\$ 14
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Residual Equity Transfer (To) From Other Funds	(42)			(42)
Net Transfers of Fixed Assets (To) From Other Funds	190		190	
Total Noncash Investing, Capital, and Financing Activities	\$ 148	\$ -	\$ 190	\$ (42)

GROUP HEALTH	RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	OTHER INTERNAL SERVICE	
\$ 43,845	\$ 2,512	\$ 1,000	\$ 8,430	\$ -	CASH FLOWS FROM OPERATING ACTIVITIES:
	(1,470)		793		Cash Received for Current Services
(4,078)	(78)	(12)	(1,326)		Cash Received for Other Operations
(35,234)	(753)	(753)	(7,052)		Cash Paid for Salaries and Benefits
(2,762)	(29)	(1)	(213)		Cash Paid for Services and Supplies
					Cash Paid for Reported Claims
					Cash Paid for Other Charges
1,771	935	234	632		Net Cash Provided (Used) by Operating Activities
					CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
				89	Cash Received from Other Funds
				(89)	Cash Paid to Other Funds
					Advances from Other Funds
			35		Repayment of Advances from Other Funds
					Aid from Other Governmental Agencies
			35		Net Cash Provided (Used) by Non-Capital Financing Activities
					CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
					Acquisition or Construction of Capital Assets
					Proceeds From Sale of Fixed Assets
					Net Cash Provided (Used) by Capital and Related Financing Activities
					CASH FLOWS FROM INVESTING ACTIVITIES:
266	373	55	201		Interest on Bank Deposits and Investments
2,037	1,308	289	868		Net Increase (Decrease) in Cash and Cash Equivalents
5,328	6,972	700	2,549		Cash and Cash Equivalents, July 1, 1998
\$ 7,365	\$ 8,280	\$ 989	\$ 3,417	\$ -	Cash and Cash Equivalents, June 30, 1999
					RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
\$ 3,520	\$ 947	\$ 202	\$ 856	\$ -	Operating Income (Loss)
					Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
			793		Other Non-Operating Revenues
					Depreciation
					Changes in Assets and Liabilities:
					(Increase) Decrease in Inventory
(8)					(Increase) Decrease in Prepaid Items
(224)	(12)				Increase (Decrease) in Accrued Expenses
			(6)		Increase (Decrease) in Due to Others
					Increase (Decrease) in Salaries & Benefits Payable
					Increase (Decrease) in Compensated Absences Payable
(1,517)		32	(1,011)		Increase (Decrease) in Provision for Liability Claims
(1,749)	(12)	32	(224)		Total Adjustments
\$ 1,771	\$ 935	\$ 234	\$ 632	\$ -	Net Cash Provided (Used) by Operating Activities
					NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
					Residual Equity Transfer (To) From Other Funds
					Net Transfers of Fixed Assets (To) From Other Funds
\$ -	\$ -	\$ -	\$ -	\$ -	Total Noncash Investing, Capital, and Financing Activities

FIDUCIARY FUNDS DESCRIPTION

EXPENDABLE TRUST

The Deferred Compensation Fund is used to account for the accumulation of resources to be used for payments upon employee's termination, death or retirement. This program is designed to be a retirement program supplementary to the Kern County Employees Retirement System.

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. For the fiscal year ending June 30, 1998, this fund was accounted for in the Special Revenue Funds section.

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, 1999 (IN THOUSANDS)

	TOTAL	EXPENDABLE	TRUST FUND	AGENCY FUNDS
		TRUST		
		DEFERRED	INVESTMENT	CLEARING
		COMPENSATION		
ASSETS				
Pooled Cash and Investments	\$ 857,766	\$	\$ 660,702	\$ 395
Revolving Fund Cash	6		6	
Retirement system investments:				
Guaranteed Government Fund	73,376	73,376		
Shares of Registered Investment Companies	88,073	88,073		
Receivables:				
Participants' Contributions	863	863		
Accounts	733		580	11
Loans	271			
Taxes	86,544			
Due from Other:				
Funds	40		40	
Agencies	4,183			
Prepaid Items	34	34		
Equipment	6		6	
Total Assets	\$ 1,111,895	\$ 162,346	\$ 661,334	\$ 406
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payables:				
Warrants	\$ 146,054	\$	\$ 122,041	\$
Accounts	1,014	27	987	
Deferred Compensation	162,319	162,319		
Matured Bonds and Interest	154		154	
Due to Other:				
Funds	5,282		1,289	
Agencies	237,760			406
Advances from Other Funds	18,515			
Unapportioned Installment Redemptions	3,934			
Total Liabilities	575,032	162,346	124,471	406
Fund Balance (Deficit):				
Reserved (Note III L)	536,863		536,863	
Total Liabilities and Fund Balance	\$ 1,111,895	\$ 162,346	\$ 661,334	\$ 406

AGENCY FUNDS

<u>WARRANT CLEARANCE</u>	<u>STATE</u>	<u>OTHER</u>	<u>UNAPPORTIONED</u>
\$ 24,013	\$ 4,046	\$ 155,915	\$ 12,695
		142	
		271	
		29,569	56,975
		4,183	
<u>\$ 24,013</u>	<u>\$ 4,046</u>	<u>\$ 190,080</u>	<u>\$ 69,670</u>

\$ 24,013	\$	\$	\$
	75	115	3,803
	3,971	171,450	61,933
		18,515	
<u>24,013</u>	<u>4,046</u>	<u>190,080</u>	<u>69,670</u>
<u>\$ 24,013</u>	<u>\$ 4,046</u>	<u>\$ 190,080</u>	<u>\$ 69,670</u>

ASSETS

Pooled Cash and Investments
 Revolving Fund Cash
 Retirement system investments:
 Guaranteed Government Fund
 Shares of Registered Investment Companies
 Receivables:
 Participants' Contributions
 Accounts
 Loans
 Taxes
 Due from Other:
 Funds
 Agencies
 Prepaid Items
 Equipment
 Total Assets

LIABILITIES AND FUND BALANCE

Liabilities:
 Payables:
 Warrants
 Accounts
 Deferred Compensation
 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, 1999 (IN THOUSANDS)

<u>ASSETS</u>	<u>INVESTMENT</u>
Cash and Cash Equivalents	\$ 660,708
Total Cash and Cash Equivalents	<u>660,708</u>
Receivables:	
Interest and Dividends Receivable	580
Contributions and Other Receivables	<u>40</u>
Total Receivables	<u>620</u>
Fixed Assets, Net of Accumulated Depreciation	<u>6</u>
Total Assets	<u>661,334</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Warrants Payable	122,041
Accounts Payable	987
Due to Other Funds	1,289
Matured Bonds & Interest Payable	<u>154</u>
Total Liabilities	<u>124,471</u>
Net Assets Held in Trust for Pool Participants	\$ <u><u>536,863</u></u>

COUNTY OF KERN
EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	<u>DEFERRED COMPENSATION</u>
REVENUES:	
Contributions	\$ 11,843
Investment Income	<u>17,979</u>
Total Revenues	<u>29,822</u>
 EXPENDITURES:	
Benefits paid to participants	6,119
Hardship Withdrawals	270
Administrative expenses	<u>513</u>
Total Expenditures	<u>6,902</u>
Excess (Deficiency) of Revenues over Expenditures	22,920
Fund Balance, July 1, 1998	<u>139,399</u>
Fund Balance, June 30, 1999	<u><u>\$ 162,319</u></u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	BALANCE JULY 1, 1998	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1999
TOTAL AGENCY FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 196,491	\$ 3,443,081	\$ 3,442,508	\$ 197,064
Accounts Receivable	121	2,736	2,704	153
Loans Receivable	270	388	387	271
Taxes Receivable	85,978	651,143	650,577	86,544
Due from Other Agencies	4,200	4,182	4,199	4,183
Total Assets	<u>\$ 287,060</u>	<u>\$ 4,101,530</u>	<u>\$ 4,100,375</u>	<u>\$ 288,215</u>
LIABILITIES:				
Warrants Payable	\$ 20,987	\$ 1,404,636	\$ 1,401,610	\$ 24,013
Accounts Payable	34	20,708	20,742	-
Advance from Other Funds	20,516	-	2,000	18,516
Loans Payable	5,370	-	5,370	-
Due to Other Funds	4,849	29,807	30,663	3,993
Due to Other Governments	231,032	1,514,175	1,507,448	237,759
Unapportioned Installment Redemptions	4,272	1,362	1,700	3,934
Total Liabilities	<u>\$ 287,060</u>	<u>\$ 2,970,688</u>	<u>\$ 2,969,533</u>	<u>\$ 288,215</u>
CLEARING FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 220	\$ 958,157	\$ 957,982	\$ 395
Accounts Receivable	-	2,017	2,006	11
Total Assets	<u>\$ 220</u>	<u>\$ 960,174</u>	<u>\$ 959,988</u>	<u>\$ 406</u>
LIABILITIES:				
Due to Other Governments	\$ 220	\$ 511,416	\$ 511,230	\$ 406
Total Liabilities	<u>\$ 220</u>	<u>\$ 511,416</u>	<u>\$ 511,230</u>	<u>\$ 406</u>
WARRANT CLEARANCE FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 20,987	\$ 1,404,649	\$ 1,401,623	\$ 24,013
Total Assets	<u>\$ 20,987</u>	<u>\$ 1,404,649</u>	<u>\$ 1,401,623</u>	<u>\$ 24,013</u>
LIABILITIES:				
Warrants Payable	\$ 20,987	\$ 1,404,636	\$ 1,401,610	\$ 24,013
Total Liabilities	<u>\$ 20,987</u>	<u>\$ 1,404,636</u>	<u>\$ 1,401,610</u>	<u>\$ 24,013</u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	BALANCE JULY 1, 1998	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1999
STATE FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 2,402	\$ 12,048	\$ 10,404	\$ 4,046
Total Assets	<u>\$ 2,402</u>	<u>\$ 12,048</u>	<u>\$ 10,404</u>	<u>\$ 4,046</u>
LIABILITIES:				
Due to Other Funds	\$ 189	\$ 75	\$ 189	\$ 75
Due to Other Governments	<u>2,213</u>	<u>9,845</u>	<u>8,087</u>	<u>3,971</u>
Total Liabilities	<u>\$ 2,402</u>	<u>\$ 9,920</u>	<u>\$ 8,276</u>	<u>\$ 4,046</u>
OTHER FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 160,017	\$ 423,718	\$ 427,820	\$ 155,915
Due to Other Agencies	4,200	4,182	4,199	4,183
Accounts Receivable	121	719	698	142
Loans Receivable	270	388	387	271
Taxes Receivable	<u>35,261</u>	<u>18,861</u>	<u>24,553</u>	<u>29,569</u>
Total Assets	<u>\$ 199,869</u>	<u>\$ 447,868</u>	<u>\$ 457,657</u>	<u>\$ 190,080</u>
LIABILITIES:				
Accounts Payable	\$ 34	\$ 20,708	\$ 20,742	\$ -
Advances from Other Funds	20,516	-	2,000	18,516
Loans Payable	5,370	-	5,370	-
Due to Other Funds	843	25,929	26,657	115
Due to Other Government	<u>173,106</u>	<u>298,927</u>	<u>300,584</u>	<u>171,449</u>
Total Liabilities	<u>\$ 199,869</u>	<u>\$ 345,564</u>	<u>\$ 355,353</u>	<u>\$ 190,080</u>
UNAPPORTIONED FUNDS				
ASSETS:				
Pooled Cash and Investments	\$ 12,865	\$ 644,509	\$ 644,679	\$ 12,695
Taxes Receivable	<u>50,717</u>	<u>632,282</u>	<u>626,024</u>	<u>56,975</u>
Total Assets	<u>\$ 63,582</u>	<u>\$ 1,276,791</u>	<u>\$ 1,270,703</u>	<u>\$ 69,670</u>
LIABILITIES:				
Due to Other Funds	\$ 3,817	\$ 3,803	\$ 3,817	\$ 3,803
Due to Other Governments	55,493	693,987	687,547	61,933
Unapportioned Installment Redemptions	<u>4,272</u>	<u>1,362</u>	<u>1,700</u>	<u>3,934</u>
Total Liabilities	<u>\$ 63,582</u>	<u>\$ 699,152</u>	<u>\$ 693,064</u>	<u>\$ 69,670</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, 1999 (IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$ 19,295
Structures and Improvements	285,640
Equipment	65,129
Construction in Progress	<u>5,399</u>
Total General Fixed Assets	<u><u>\$ 375,463</u></u>

INVESTMENT IN GENERAL FIXED ASSETS:

County Funds	\$ 253,781
Donations	6,982
Special Districts	2,658
Certificates of Participation	<u>112,042</u>
Investment in General Fixed Assets	<u><u>\$ 375,463</u></u>

COUNTY OF KERN
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION
JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>LAND</u>	<u>STRUCTURES & IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>
FUNCTION:					
General Government	\$ 97,246	\$ 2,323	\$ 83,408	\$ 10,218	\$ 1,297
Public Protection	188,112	9,163	145,338	32,901	710
Public Ways and Facilities	17,013	1,631	6,835	8,522	25
Health and Sanitation	6,225	209	4,169	1,297	550
Public Assistance	5,568	12	1,383	4,173	-
Education	31,834	2,285	22,319	4,455	2,775
Recreation & Cultural Services	<u>29,465</u>	<u>3,672</u>	<u>22,188</u>	<u>3,563</u>	<u>42</u>
Total General Fixed Assets	<u>\$ 375,463</u>	<u>\$ 19,295</u>	<u>\$ 285,640</u>	<u>\$ 65,129</u>	<u>\$ 5,399</u>

COUNTY OF KERN
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

FUNCTION:	<u>BALANCE</u> <u>JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1999</u>
General Government	\$ 143,711	\$ 962	\$ 47,426	\$ 97,247
Public Protection	141,254	57,547	10,689	188,112
Public Ways and Facilities	16,775	609	371	17,013
Health and Sanitation	3,089	3,252	116	6,225
Public Assistance	7,680	457	2,570	5,567
Education	31,197	3,988	3,351	31,834
Recreation & Cultural Services	<u>29,308</u>	<u>319</u>	<u>162</u>	<u>29,465</u>
Total General Fixed Assets	<u>\$ 373,014</u>	<u>\$ 67,134</u>	<u>\$ 64,685</u>	<u>\$ 375,463</u>

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
BALANCE SHEET
JUNE 30, 1999 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL</u>	<u>HUMAN SERVICES</u>	<u>ROAD</u>	<u>BUILDING INSPECTION</u>
ASSETS					
Resources to be Provided in Future Years:					
Compensated Absences	\$ 37,087	\$ 26,439	\$ 4,873	\$ 1,507	\$ 302
Lease Purchase Agreements	7,441	7,019	37		
Facility Lease	671	671			
Certificates of Participation	99,000				
Bonds Payable	255				
Pension Obligation Bonds	<u>185,461</u>	<u>115,934</u>	<u>23,730</u>	<u>3,589</u>	<u>1,146</u>
Total Assets	<u>\$ 329,915</u>	<u>\$ 150,063</u>	<u>\$ 28,640</u>	<u>\$ 5,096</u>	<u>\$ 1,448</u>
LIABILITIES					
General Long-Term Debt Payable	<u>\$ 329,915</u>	<u>\$ 150,063</u>	<u>\$ 28,640</u>	<u>\$ 5,096</u>	<u>\$ 1,448</u>

<u>MENTAL HEALTH</u>	<u>STRUCTURAL FIRE</u>	<u>DISTRICT ATTORNEY FAMILY SUPPORT</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>	<u>COUNTY OF KERN ASSET LEASING</u>
\$ 33	\$ 3,130 352	\$ 836	\$	\$
	<u>37,779</u>	<u>3,283</u>	255	99,000
<u>\$ 33</u>	<u>\$ 41,261</u>	<u>\$ 4,119</u>	<u>\$ 255</u>	<u>\$ 99,000</u>
<u>\$ 33</u>	<u>\$ 41,261</u>	<u>\$ 4,119</u>	<u>\$ 255</u>	<u>\$ 99,000</u>

ASSETS

Resources to be Provided in Future Years:
 Compensated Absences
 Lease Purchase Agreements
 Facility Lease
 Certificates of Participation
 Bonds Payable
 Pension Obligation Bonds

Total Assets

LIABILITIES

General Long-Term Debt Payable

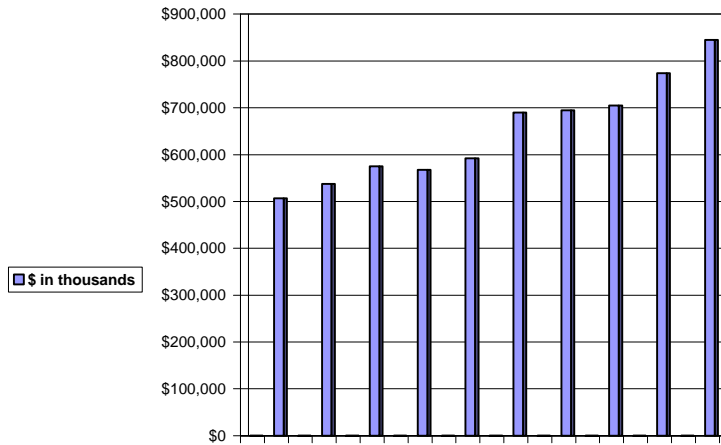
COUNTY OF KERN
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
 YEAR ENDED JUNE 30, 1999 (IN THOUSANDS)

	<u>BALANCE JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 1999</u>
Resources to be Provided in Future Years:				
Compensated Absences	\$ 36,592	\$ 495	\$ -	\$ 37,087
Lease Purchase Agreements	7,150	3,658	3,367	7,441
Loans Payable	1,400		1,400	-
Facility Lease	718		47	671
Certificates of Participation	106,360		7,360	99,000
Bonds Payable		270	15	255
Pension Obligation Bonds	<u>193,187</u>	<u>125</u>	<u>7,851</u>	<u>185,461</u>
Total General Long-Term Debt	<u>\$ 345,407</u>	<u>\$ 4,548</u>	<u>\$ 20,040</u>	<u>\$ 329,915</u>

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

<u>SOURCE</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Taxes	\$ 167,867	\$ 173,468	\$ 162,335	\$ 150,459	\$ 126,338
Licenses, Permits and Franchises	11,711	11,026	11,055	8,229	8,507
Fines, Forfeitures and Penalties	9,480	10,648	6,883	6,071	6,435
Revenue from Use of Money and Property	14,394	11,455	18,647	7,919	6,551
Aid From Other Governmental Agencies	249,090	268,928	308,894	312,763	357,021
Charges For Current Services	43,879	48,878	59,196	58,168	60,626
Other Revenue	10,415	12,964	8,363	23,974	26,901
Total	<u>\$ 506,836</u>	<u>\$ 537,367</u>	<u>\$ 575,373</u>	<u>\$ 567,583</u>	<u>\$ 592,379</u>

REVENUE TRENDS



<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>SOURCE</u>
\$ 114,397	\$ 119,228	\$ 124,323	\$ 138,034	\$ 132,131	Taxes
7,766	8,189	8,453	8,582	9,710	Licenses, Permits and Franchises
6,788	8,701	7,669	12,697	13,926	Fines, Forfeitures and Penalties
8,928	10,687	10,315	11,840	12,061	Revenue from Use of Money and Property
398,843	428,170	421,008	440,414	464,590	Aid From Other Governmental Agencies
73,360	77,447	80,267	88,679	105,232	Charges For Current Services
<u>79,640</u>	<u>42,084</u>	<u>52,987</u>	<u>73,467</u>	<u>107,422</u>	Other Revenue
<u>\$ 689,722</u>	<u>\$ 694,506</u>	<u>\$ 705,022</u>	<u>\$ 773,713</u>	<u>\$ 845,072</u>	Total

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

<u>FISCAL YEAR</u>	<u>DESCRIPTION</u>	<u>TAXES LEVIED</u>	<u>TAXES COLLECTED*</u>	<u>AMOUNT DELINQUENT (JUNE 30)</u>	<u>PERCENTAGE OF DELINQUENCY</u>
1989-90	Secured	\$ 366,164	\$ 353,920	\$ 12,244	3.478%
	Unsecured	23,890	22,568	1,322	
	Total	<u>390,054</u>	<u>376,488</u>	<u>13,566</u>	
1990-91	Secured	409,930	395,906	14,024	3.493%
	Unsecured	27,243	25,998	1,245	
	Total	<u>437,173</u>	<u>421,904</u>	<u>15,269</u>	
1991-92	Secured	394,365	379,490	14,874	3.777%
	Unsecured	25,254	24,278	976	
	Total	<u>419,618</u>	<u>403,768</u>	<u>15,850</u>	
1992-93	Secured	394,749	378,535	16,214	4.046%
	Unsecured	26,779	25,936	843	
	Total	<u>421,528</u>	<u>404,471</u>	<u>17,057</u>	
1993-94	Secured	408,640	391,347	17,293	4.120%
	Unsecured	25,294	24,708	586	
	Total	<u>433,934</u>	<u>416,055</u>	<u>17,879</u>	
1994-95	Secured	393,977	376,846	17,131	4.319%
	Unsecured	20,819	20,034	785	
	Total	<u>414,796</u>	<u>396,880</u>	<u>17,916</u>	
1995-96	Secured	423,449	404,437	19,012	4.468%
	Unsecured	19,031	18,271	758	
	Total	<u>442,480</u>	<u>422,708</u>	<u>19,770</u>	
1996-97	Secured	447,890	429,474	18,416	4.080%
	Unsecured	19,204	18,564	640	
	Total	<u>467,094</u>	<u>448,038</u>	<u>19,056</u>	
1997-98	Secured	467,784	449,604	18,180	3.880%
	Unsecured	18,796	18,099	697	
	Total	<u>486,580</u>	<u>467,703</u>	<u>18,877</u>	
1998-99	Secured	455,527	436,345	19,182	4.147%
	Unsecured	21,502	20,900	602	
	Total	<u>477,029</u>	<u>457,245</u>	<u>19,784</u>	

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

<u>FISCAL YEAR</u>	<u>DESCRIPTION</u>	<u>TAXES LEVIED</u>	<u>TAXES COLLECTED*</u>	<u>AMOUNT DELINQUENT (JUNE 30)</u>	<u>PERCENTAGE OF DELINQUENCY</u>
1989-90	Secured	\$ 366,164	\$ 353,920	\$ 12,244	3.478%
	Unsecured	23,890	22,568	1,322	
	Total	<u>390,054</u>	<u>376,488</u>	<u>13,566</u>	
1990-91	Secured	409,930	395,906	14,024	3.493%
	Unsecured	27,243	25,998	1,245	
	Total	<u>437,173</u>	<u>421,904</u>	<u>15,269</u>	
1991-92	Secured	394,365	379,490	14,874	3.777%
	Unsecured	25,254	24,278	976	
	Total	<u>419,618</u>	<u>403,768</u>	<u>15,850</u>	
1992-93	Secured	394,749	378,535	16,214	4.046%
	Unsecured	26,779	25,936	843	
	Total	<u>421,528</u>	<u>404,471</u>	<u>17,057</u>	
1993-94	Secured	408,640	391,347	17,293	4.120%
	Unsecured	25,294	24,708	586	
	Total	<u>433,934</u>	<u>416,055</u>	<u>17,879</u>	
1994-95	Secured	393,977	376,846	17,131	4.319%
	Unsecured	20,819	20,034	785	
	Total	<u>414,796</u>	<u>396,880</u>	<u>17,916</u>	
1995-96	Secured	423,449	404,437	19,012	4.468%
	Unsecured	19,031	18,271	758	
	Total	<u>442,480</u>	<u>422,708</u>	<u>19,770</u>	
1996-97	Secured	447,890	429,474	18,416	4.080%
	Unsecured	19,204	18,564	640	
	Total	<u>467,094</u>	<u>448,038</u>	<u>19,056</u>	
1997-98	Secured	467,784	449,604	18,180	3.880%
	Unsecured	18,796	18,099	697	
	Total	<u>486,580</u>	<u>467,703</u>	<u>18,877</u>	
1998-99	Secured	455,527	436,345	19,182	4.147%
	Unsecured	21,502	20,900	602	
	Total	<u>477,029</u>	<u>457,245</u>	<u>19,784</u>	

* 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>
1989-90	1.0	0.004298	0.087366	0.033787	1.125451
1990-91	1.0	0.004041	0.084929	0.073231	1.162201
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

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.

* Tax rates were adjusted as a direct result of Proposition 4.

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
1989-90	\$ 2,183,562	\$ 14,487,305	\$ 5,852,275	\$ 8,074,791	\$ 436,667
1990-91	2,251,926	15,818,665	6,252,920	8,780,989	479,536
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

* 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>
\$ 920,360	\$ 1,545,352	\$ 33,500,312	\$ 409,537	\$ 33,090,775	1989-90
1,059,298	1,621,075	36,264,409	420,567	35,843,842	1990-91
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	35,911,129	670,985	35,240,144	1995-96
912,295	1,709,893	37,219,550	711,575	36,507,975	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

COUNTY OF KERN
 SPECIAL ASSESSMENTS AND BUILDING PERMITS
 FISCAL YEARS 1990-91 THROUGH 1998-99 (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
1990-91	\$ 16,907	1990-91	8,870	\$ 651,431
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
	<u>\$ 142,307</u>			<u>\$ 4,740,310</u>

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

(2) Source: Board of Trade, County of Kern

(Information for one year prior to 1990-91 not available)

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 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>
1989-90	545	\$ 33,090,775	\$ -	-	\$ -
1990-91	562	35,843,842	-	-	-
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	0.01	309
1996-97	628	36,507,975	193,187	0.01	308
1997-98	640	37,784,760	193,187	0.01	302
1998-99	648	36,127,467	185,462	0.01	286

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 six years prior to fiscal year ending June 30, 1996.

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 EXPENDITURES (1)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1989-90	\$ -	\$ 14,640	\$ 14,640	\$ 508,886	2.88%
1990-91	2,850	14,469	17,319	552,520	3.13%
1991-92	3,195	14,106	17,301	558,251	3.10%
1992-93	20,865	3,862	24,727	574,142	4.31%
1993-94	4,210	3,320	7,530	579,557	1.30%
1994-95	4,150	4,233	8,383	688,221	1.22%
1995-96	4,300	4,185	8,485	694,047	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%

Notes:

(1) Total General Expenditures includes 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, 1999 (IN THOUSANDS)

1998-99 Assessed Valuation: \$36,127,468 (After deducting \$883,775 Redevelopment Incremental Valuation; Includes unitary utility valuation)

	Percentage Applicable	Debt 5/1/99
<u>Overlapping Tax and Assessment Debt:</u>		
Kern County Union High School District	100	\$ 72,540
Bakersfield School District	100	34,470
Panama-Buena Vista Union School District	100	17,045
Fruitvale School District	100	10,940
Fruitvale School District Lease Tax Obligation	100	2,900
Other School, High School and Unified School Districts	100	54,014
City of Bakersfield	100	7,090
North of the River Municipal Water District	100	515
Antelope Valley-East Kern Water Agency	18.652	1,647
Kern County Water Agency I.D. #4	100	7,155
Berrenda Mesa Water District	100	6,880
Cawelo Water District	100	8,350
Kern Delta Water District	100	2,870
Lost Hills Water District and Improvement Districts #1,4,5,6 & 7	100	4,655
Other Water Districts	Various	2,299
Belridge Water Storage District	100	7,060
Wheeler Ridge-Maricopa Water Storage District	100	15,050
Semitropic Water Storage District Improvement Districts	100	16,225
Other Water Storage Districts	100	1,678
Community Facilities Districts	100	18,470
Other Special Districts	100	3,611
1915 Act Bonds (Estimated)	100	115,306
		<hr/>
Total Gross Overlapping Tax and Assessment Debt		410,770
Less:		
City of Bakersfield Water Bonds (100% Self Supporting)		7,090
Water Storage Districts (100% Self Supporting)		16,078
Other Self Supporting Bonds		9,452
		<hr/>
Total Net Overlapping Tax and Assessment Debt		\$ <u>378,150</u>

	Percentage Applicable	Debt 5/1/99
<u>Direct and Overlapping General Fund Obligation Debt:</u>		
Kern County Certificates of Participation	100	\$ 125,035 (1)
Kern County Pension Obligations	100	227,818
Kern County Board of Education Certificates of Participation	100	92,539
Community College Districts and Certificates of Participation	Various	42,501
Kern County Union High School and Certificates of Participation	100	42,700
Other School, High School and Unified School Districts Certificates of Participation	Various	73,796
City of Bakersfield Authorities	100	41,756
City of Ridgecrest Certificates of Participation	100	10,030
City of Taft Certificates of Participation	100	2,417
Other Cities Certificates of Participation	100	2,001
Kern County Public Cemetary Dist. No 1 General Fund Obligations	Various	135
		<hr/>
Total Gross Direct and Overlapping General Fund Obligation Debt		\$ <u>660,728</u>
Combined Gross Debt		\$ 1,071,498 (2)
Combined Net Debt		\$ 1,038,878

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
 ASSESSED VALUATION OF REDEVELOPMENT AGENCY INCREMENT
 JUNE 30, 1999 (IN THOUSANDS)

	<u>BOND RATE</u>	<u>COUNTY ASSESSMENT SECURED</u>	<u>COUNTY ASSESSMENT UNSECURED</u>	<u>STATE ASSESSMENT UTILITIES</u>	<u>TOTAL</u>
<u>ASSESSED VALUATION OF INSIDE PROPERTY</u>					
Arvin		\$ 143,632	\$ 16,323	\$ 154	\$ 160,109
Bakersfield		8,628,533	450,514	17,719	9,096,766
California City \$53 per parcel combined special assessment		194,067	1,602	156	195,825
Delano		477,348	12,152	1,924	491,424
Maricopa		15,106	403	3	15,512
McFarland		129,670	1,958	158	131,786
Ridgecrest		453,489	22,979	11	476,479
Shafter		190,286	18,309	1,597	210,192
Taft		170,112	14,945	424	185,481
Tehachapi		211,839	10,792	1,801	224,432
Wasco		<u>202,360</u>	<u>12,016</u>	<u>1,372</u>	<u>215,748</u>
Total Assessed Value of Inside Property		<u>10,816,442</u>	<u>561,993</u>	<u>25,319</u>	<u>11,403,754</u>
<u>ASSESSED VALUE OF OUTSIDE PROPERTY</u>					
Road Fund - Outside		<u>21,973,300</u>	<u>1,011,381</u>	<u>40,687</u>	<u>23,025,368</u>
<u>ASSESSED VALUATION OF COUNTYWIDE PROPERTY</u>					
Unitary and Operating Non-Unitary (GENERAL LEVY = 1.000000)	0.151708	<u> </u>	<u> </u>	<u>1,619,550</u>	<u>1,619,550</u>
Pipeline Right of Way (GENERAL LEVY = 1.000000)	0.151708	<u> </u>	<u>78,796</u>	<u> </u>	<u>78,796</u>
Total Inside and Outside (Excluding Aircraft and Redevelopment)		<u>32,789,742</u>	<u>1,652,170</u>	<u>1,685,556</u>	<u>36,127,468</u>
Arvin		32,404	(13,203)	(35)	19,166
Bakersfield		67,179	15,881	1,751	84,811
California City		164,900	2,170	(13)	167,057
Delano		102,797	9,163	(379)	111,581
Ridgecrest		358,278	2,039	(10)	360,307
Shafter #1		38,617	786	361	39,764
Shafter #2		47,341	(5,486)	-	41,855
Taft		16,156	1,059	2,218	19,433
Wasco		<u>43,853</u>	<u>(3,966)</u>	<u>(85)</u>	<u>39,802</u>
Total Redevelopment Agency		<u>871,525</u>	<u>8,443</u>	<u>3,808</u>	<u>883,776</u>
Grand Total - Countywide Taxable Value		<u>\$ 33,661,267</u>	<u>\$ 1,660,613</u>	<u>\$ 1,689,364</u>	<u>\$ 37,011,244</u>

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>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Valuations:(1)							
Residential	\$ 387,039	\$ 333,461	\$ 306,916	\$ 333,865	\$ 290,196	\$ 274,743	\$ 360,455
Non-Residential	<u>154,742</u>	<u>194,860</u>	<u>151,881</u>	<u>114,799</u>	<u>136,615</u>	<u>144,408</u>	<u>202,899</u>
Total	<u>\$ 541,781</u>	<u>\$ 528,321</u>	<u>\$ 458,797</u>	<u>\$ 448,664</u>	<u>\$ 426,811</u>	<u>\$ 419,151</u>	<u>\$ 563,354</u>
New Dwelling Units:(1)							
Single Family	\$ 341,190	\$ 295,959	\$ 265,246	\$ 275,226	\$ 245,186	\$ 244,134	\$ 314,658
Multiple Family	<u>25,950</u>	<u>16,647</u>	<u>23,773</u>	<u>40,450</u>	<u>22,089</u>	<u>11,132</u>	<u>28,770</u>
Total	<u>\$ 367,140</u>	<u>\$ 312,606</u>	<u>\$ 289,019</u>	<u>\$ 315,676</u>	<u>\$ 267,275</u>	<u>\$ 255,266</u>	<u>\$ 343,428</u>
Bank Deposits:(2)	<u>\$ not available</u>	<u>\$ not available</u>	<u>\$ 3,220</u>	<u>\$ 3,197</u>	<u>\$ 3,058</u>	<u>\$ 3,092</u>	<u>\$ 3,179</u>

(1) Source: Construction Industry Research Board.

(2) Source: Federal Deposit Insurance Corporation. Bank deposit information unanavailable 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 (2) STATE OF CALIFORNIA</u>	<u>POPULATION (2) UNITED STATES</u>	<u>SCHOOL (1) ENROLLMENT</u>	<u>UNEMPLOYMENT RATE COUNTY OF KERN (3)</u>
1989-90	545	29,785	249,605	112	10.5%
1990-91	562	29,929	250,878	125	11.9%
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%

(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, 1999**

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

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

AREA OF COUNTY: 8,172 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: 244,831 as of June 30, 1999

ESTIMATED POPULATION OF THE COUNTY OF KERN AS OF JANUARY 1, 1999:

INCORPORATED CITIES (1):

Arvin	11,400
Bakersfield	230,800
California City	8,750
Delano	34,450
Maricopa	1,230
McFarland	9,250
Ridgecrest	27,500
Shafter	11,650
Taft	8,950
Tehachapi	12,800
Wasco	20,350
Unincorporated	<u>271,300</u>
Total Population	<u><u>648,430</u></u>

COUNTY EMPLOYEES (2)(3):

1989-90	7,904
1990-91	7,748
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

Notes:

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