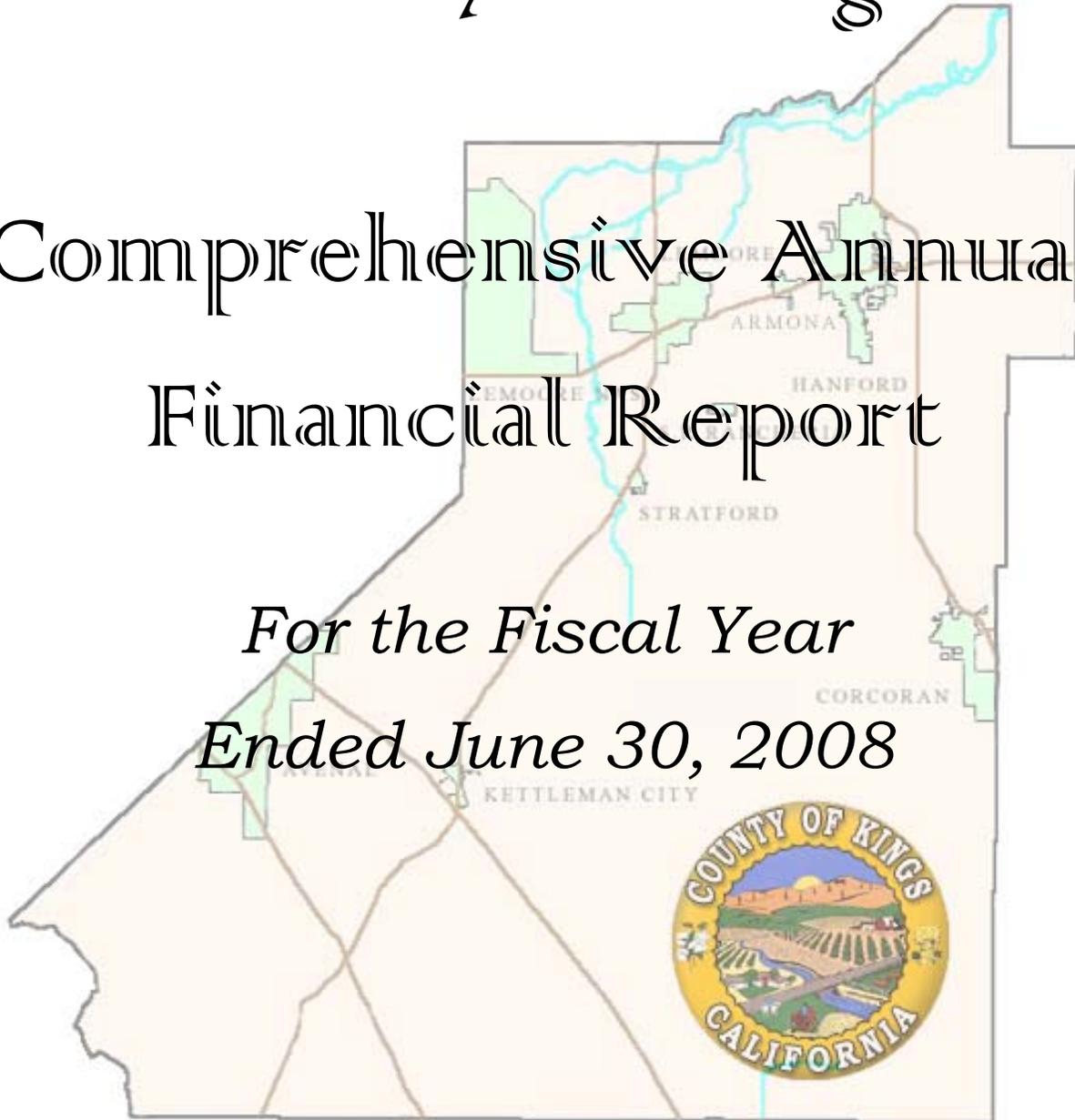


STATE OF CALIFORNIA

County of Kings

Comprehensive Annual
Financial Report

*For the Fiscal Year
Ended June 30, 2008*



Doil O'Steen

Director of Finance

**COUNTY OF KINGS, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

T A B L E O F C O N T E N T S

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	iii
Organization Chart	ix
List of Elected and Appointed Officials	x
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Government Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Assets – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Statement of Fiduciary Net Assets – Fiduciary Fund	24
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	25
Notes to the Financial Statements	26
Required Supplementary Information:	
Schedule of Funding Progress – Miscellaneous Plan (Non-Safety) California Public Employees Retirement System (CalPERS).....	45
Schedule of Funding Progress - Safety Plan California Public Employees Retirement System (CalPERS).....	45
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	46
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Children and Families First.....	47
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	49

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds –	
Special Revenue	52
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances - Nonmajor Governmental Funds – Special Revenue ..	55
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual:	
Library Special Revenue Fund.....	58
Road Special Revenue Fund.....	59
Fire Special Revenue Fund	60
Fish and Game Special Revenue Fund	61
Child Support Services Special Revenue Fund	62
Off-Highway Motor Vehicle Special Revenue Fund	63
Job Training Office Special Revenue Fund	64
Community Development Block Grants Special Revenue Fund.....	65
Criminal Justice Facility Special Revenue Fund.....	66
I.H.S.S. Public Authority Special Revenue Fund.....	67
Redevelopment Agency Special Revenue Fund	68
Combining Statement of Net Assets – Internal Service Funds	70
Combining Statement of Revenues, Expenses, and Changes in	
Net Assets - Internal Service Funds	72
Combining Statement of Cash Flows – Internal Service Funds	74
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual:	
Workers Compensation Self-Insurance Internal Service Fund	78
Fleet Management Internal Service Fund	79
Data Processing Fund Internal Service Fund.....	80
Health Self-Insurance Internal Service Fund.....	81
Public Works Internal Service Fund.....	82
Combining Statement of Changes in Assets and Liabilities – Agency Funds	84
 STATISTICAL SECTION	
Net Assets by Component.....	87
Changes in Net Assets	89
Fund Balances, Governmental Funds.....	91
Changes in Fund Balances, Governmental Funds	93
Assessed Value and Actual Value of Taxable Property	95
Property Tax Rates – Direct and Overlapping.....	96
Principal Property Taxpayers.....	98
Property Tax Levies and Collections	99
Ratios of Outstanding Debt by Type	100
Ratios of General Bonded Debt Outstanding.....	101
Legal Debt Margin Information	102
Pledged - Revenue Coverage	103
Demographic and Economic Statistics.....	104
Principal Employers	105
Full-time equivalent County Government Employees by	
Function/Program	106
Operating Indicators by Function/Program.....	108



INTRODUCTORY SECTION

DOIL O'STEEN, DIRECTOR OF FINANCE



KINGS COUNTY GOVERNMENT CENTER
1400 W. LACEY BLVD.
HANFORD, CALIFORNIA 93230

ACCOUNTING DIVISION
☎ (559) 582-3211, EXT. 2455
FAX (559) 587-9935

TREASURY DIVISION
☎ TAX COLLECTION: (559) 582-3211, EXT. 2479
TREASURY: (559) 582-3211, EXT. 2477
FAX: (559) 582-1236

August 31, 2009

To the Honorable Members of the Board of Supervisors and Citizens of
the County of Kings:

General-purpose local governments publish a complete set of annual financial statements presented in conformity with generally accepted accounting principles in the United States of America. The financial statements are independently audited by a firm of licensed certified public accountants authorized to conduct audits in accordance with generally accepted auditing standards. The Department of Finance hereby issues the comprehensive annual financial report (CAFR) of the County of Kings for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances for the County. Therefore, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the County relies on internal controls established to present sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

An independent audit conducted by the firm Brown Armstrong, Certified Public Accountants, issued an unqualified ("clean") opinion on the County of King's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standard governing Single Audit engagement requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited governments's internal controls and compliance with legal requirements, with special emphasis on internal controls over compliance involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic

financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government:

The County of Kings, incorporated in 1897, is positioned midway between Los Angeles and the Bay Area, in the heart of California's San Joaquin Valley. The County covers 1,390 square miles with four incorporated cities within the County: Hanford, Lemoore, Corcoran and Avenal. The City of Hanford is the County seat. Located seven miles West of Lemoore is Naval Air Station Lemoore, the home of the west coast fighter squadrons with a military and civilian workforce exceeding 9,000. Kings County is home for two major State Prisons at Corcoran and Avenal with a total population in excess of 20,000. The County of Kings is bordered by Fresno County to the North, Kern County to the South, Tulare County to the East, Monterey County to the Northwest and San Luis Obispo to the Southwest. Los Angeles and San Francisco International Airports are each about 3 ½ hours away. Fresno Yosemite International Airport is 35 miles North and Visalia Municipal Airport is 15 miles West from the County's population centers.

The County is governed by a five-member Board of Supervisors that are elected by district. Members serve staggered four-year terms with elections held every two years and the Chair is elected by the Board members. Other elected officials include the Assessor/Clerk-Recorder, Sheriff-Coroner and District Attorney. The County Administrative Officer is appointed by the Board. County administration consists of appointed and elected officials, boards, commissions and committees that assist the Board of Supervisors.

As the governing body for the County, the Board is responsible for the planning and providing of services related to public needs, as required by state and federal law including: adopting the annual budget, adopting County ordinances, setting policies, confirming appointments of most non-elected officials, and assisting citizens in solving problems and addressing local concerns. The County is specifically charged by the State with providing services to the most at risk: children, the elderly, the poor, those with health problems and those involved in the criminal justice system. As a countywide government, we also facilitate and coordinate the work of school districts, special districts, cities and other organizations.

The County provides a wide range of services to its residents including: Public and Mental Health Services, Child Protection and Social Services, Public Assistance, Family Support Collections, Criminal Prosecution, Public Defender, Law Enforcement, Jails and Juvenile Facilities, Veterans Services, Maintenance of Roads & Bridges, Land Use Issues, Building and Safety, Libraries, Parks, Elections, Coroner, and Agricultural Weights & Measures.

The operations of some component units are so intertwined with those of the County of Kings that they function, for all practical purposes, as an integral part of the County despite their separate legal status and should be 'blended' with the financial statement reports in accordance with generally accepted accounting principles. Blended component units of the County include the Kings County Finance Authority for jail facility construction, Children and Families First Commission for early childhood development services, I.H.S.S. Public

Authority Fund for providing in-house care for indigents and the Redevelopment Agency for improving a 473 acre area in Kettleman City.

Kings County is strategically located between Interstate 5 and Highway 99, providing excellent access to all of California. Over 200 major carriers provide interstate trucking services to area businesses. Burlington Northern Santa Fe and Union Pacific Railroads provide freight service, including refrigerated shipping, piggyback service and reciprocal switching. San Joaquin Valley Railroad provides east-west "short line" services. Amtrak meets passenger needs at the Hanford and Corcoran stations.

Local Economy:

Kings County's current population is 154,434 and is projected for expansion to 205,700 by 2020, and to 352,750 by 2050. Kings County has a civilian workforce of 59,000 and the average annual unemployment rate is 10.7 percent for the 2008 fiscal year. As of May 2009, the unemployment rate jumped to 14.4 percent with pockets of communities with 30 to 40 percent or more.

Even more serious than the economic downturn affecting unemployment rates is the Central Valley 'Water Wars'. During February 2009, West Valley Farmers were informed that their Federal water allocations had been cut to zero representing 600k acres within the Westlands Water District. Valley farmers would not be able to plant in about two-thirds of the district representing about 400k acres in western Fresno County and Kings County. In addition, State water allocations are 10 percent of normal. Projected water related losses Statewide are between \$1.6 to \$2.2 billion with related job losses amounting to 60k-80k that are likely to rise by 30 percent if the water issues continue.

Assembly Bill 934 was introduced in March 2009 to increase pressure on the Legislature for more surface water storage and a conveyance system that would bring Northern California water to the thirsty San Joaquin Valley without going through the environmentally sensitive Sacramento San Joaquin River Delta. Even the wetter Kings River farms in northeastern Kings County that don't rely on Northern California water are expecting a nearly 50 percent reduction in water supplies.

Westlands Water District, the nations largest agricultural water supplier, has filed a lawsuit to protest a federal decision during June 2009 that seeks additional protection for threatened fish species by cutting back further on water deliveries. Westland's lawsuit was joined by 29 other public water agencies. Thirty thousand acres of Kings County land depend solely on Westlands water deliveries coming almost exclusively from the Delta.

Governor Arnold Schwarzenegger asked the Federal Emergency Management Agency to declare Fresno County a major disaster area as a result of drought, crop loss, and high unemployment. A wide range of federal help was requested by saying that the State's fiscal crisis left it unable to properly assist food banks and non-profit organizations in efforts to meet drought-related needs. Kings County, along with other neighboring counties, would be included if Fresno County got the federal designation.

During 2008, commodities prices have exploded for grain, corn, tomatoes, and alfalfa hay representing about one-fourth of the total \$1.76 billion value of all crops in Kings County. Since 2007, commodities have soared because of a boom in demand for alternative fuels like ethanol and biodiesel. Export demand also played a role due to a weak dollar and generally healthy economy's overseas. The dairy industry was able to pay the higher feed prices thanks to high milk prices. But during the middle of the 2008 year, milk prices began a long slide that has cut the value of milk by 50 percent. When lines of credit were harmed worldwide and the market crashed, the industry lost half its exports causing a glut that subsequently led to a dramatic drop in domestic milk prices. Milk has been selling for \$11 or less for each 100 pounds which is about \$6 less than it costs farmers to produce. As many as 25 dairies in Kings County could face bankruptcy in the near future. California is ranked number one in the nation for dairy production generating more than \$7 billion with Kings County producing nearly 10 percent of all milk and cream in the state, making it the fourth largest producer in the state.

Local proposals and developments within Kings County are highlighted as follows: 1) Construction is halfway through for Hanford's newest hospital being built on a 31-acre site costing \$112 million. The 175,000 square foot hospital will more than double the number of hospital beds and will be three stories tall with a helipad. Hanford Community Medical Center promises to be state of the art including \$14 million for new medical equipment that has already help recruit 35 to 40 new physicians. 2) Chemical Waste Management's proposal to expand the existing hazardous waste landfill by 11 acres and to build a new 64 acre landfill in Kettleman City. 3) Kings County Board of Supervisors approved funding of \$1.16 million for a 'Smart Software System' which would bring together all law enforcement agencies in the County under a seamless data sharing network. Also included in the network are Public Safety agencies such as the jail, fire, probation and courts. The system allows the dispatch to map routes for cars and plot crime analysis on a map so officers know where crimes are occurring and where criminals are located. 4) Construction of the Corcoran's Technology Learning Center to provide vocational high school courses, College of the Sequoias courses, and adult school courses with a total project cost of \$6 million. 5) Lowes added a new store in Hanford representing a one-time investment of \$18.5 million that is expected to create 175 jobs within this 117,000 square-foot store. 6) A four-story Holiday Inn Express is being constructed on an 4 acre parcel development that is a 90 room mid-priced hotel chain offering a venue for conferences and business meetings.

Two popular regional retail department store chains, Mervyns and Gottschalks that were long time local mainstays, filed bankruptcy and closed their doors permanently due to the struggling economy. SK Foods, a large food processor with a tomato packing plant in Lemoore, has filed for Chapter 11 Bankruptcy. The SK plant has approx. 300 year-round and 650 seasonal workers that continues to operate and is up for sale due mainly to internal struggles.

The good news about California is it's diverse resources and economy. For example, a proposal for oil drilling alone could bring in \$1 billion in oil royalties. California's past history of building infrastructure has afforded a tremendous water supply in which homes use

only 10%-12% of this water. The large labor force helps preserve a relatively even mix of different and vast industries with high wage sectors leading the State economy. Driven primarily by affordability, State growth will be concentrated in the Central Valley benefitting Kings County.

The government sector in Kings County accounts for 33% of all jobs and represents the largest source of employment in the County. Other sectors, such as Agriculture (19%), Trade, Transportation and Utilities (13%), Manufacturing (9%), Educational and Health Services (8%), and Leisure, Hospitality (8%), Professional Business Services and Financial Activities (6%), and Natural Resources, Mining and Construction (3%) represent the other major contributors of jobs to the local economy.

Factors Affecting Financial Condition:

The annual budget serves as the foundation for the County's financial planning and control. All agencies under the control of the Board of Supervisors are required to submit budget requests to the County Administrator for review. The Administrator recommends a proposed budget to the Board for consideration and approval. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by September 30th of each year.

The budget is prepared by fund, function (e.g. public safety), and department (e.g. Sheriff). Board action is required to approve new funding sources and new appropriations for expenditures. Transfers of appropriations between funds as well as transfers between departments of the same fund required the Board's approval.

The State's severe fiscal crisis included a \$42 billion deficit that was resolved by cuts to expenditures of \$15.1 billion (mainly from education and payroll), raising sales and income taxes, doubling of license fees, plus additional borrowing of \$11.4 billion. California is now facing an additional \$24.3 billion deficit that the Governor currently insists on resolving with further cuts to expenditures without further tax increases. The State has limited borrowing power and faces the worst credit rating in the nation. The slowing economy is expected to lower tax receipts on property, sales, and capital gains. Downward pressure on real estate and investments could lead to higher contribution rates to CalPERS. State has begun delaying payments to preserve cash for County run health and social programs. The 2009-2010 Kings County Proposed Budget is \$36 million less than the 2009 fiscal year with an actual workforce reduction of 51 positions. This represents the start of serious reductions to service levels, subject to the ultimate outcome of the State Budget, which is expected to get worse.

The County's General Purpose Fund had revenues that exceeded expenditures by \$5.1 million. A total of \$6.6 million was transferred to the Capital Projects Fund (\$4.9 million), the Special Revenue Fund (\$1.6 million) to support the Fire Departments ongoing operations \$642k and to support Road maintenance expenditures received from Tribal Mitigation Fees. This resulted in a \$1.5 million draw down of existing fund balance leaving a residual general fund balance of \$29.7 million as of June 30, 2008.

Major Initiatives:

Kings County has applied for \$30 million in State funding for the second phase of the new Main Jail Facility to expand its overcrowded jail. This \$42 million dollar project would include 170 additional beds for inmates to avoid early releases. Funding from the State is dependent on the County securing an acceptable location for a State Prisoner Re-Entry Facility to allow inmates to spend the last 12 months of their sentence getting job training, education, and counseling to ready for civilian life. Currently, efforts by the County to secure a re-entry site for the State have been unsuccessful.

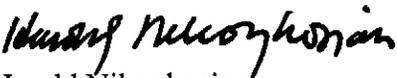
The largest capital project underway for the County is the construction of the Human Services Department to build another structure connected to their existing building with a projected budget of \$10,550,000 to be funded by Tobacco Securitization II funds of \$7,470,702 and transfers from general fund revenues of \$4,554,186. Other major capital projects include: 1) Kettleman City water project (\$3,000,000) to be ultimately repaid by redevelopment proceeds. 2) WIC Administration Building (\$2,461,400) relocating the WIC Program to a single 4,500 sq. ft. building to free up space in the existing Health Dept. for other programs and is entirely funded from the Health Realignment Trust. 3) Thermal Storage East of Central Plant (\$1,800,000) to replace the existing thermal storage unit that is experiencing problems with a new ice storage technology. 4) Burriss Park Museum expansion (\$1,000,000) funded by private donations and grant applications. 5) Morgue (\$1,000,000) that is located in the Old Kings Building presents safety issues and must be relocated.

The California Transportation Commission awarded \$78 million to Tulare and Kings Counties to widen Highway 198 in order to expand from a two-lane highway to four lanes. The funds for this project will come from Proposition 1B, a bond measure approved by California voters in November 2006. Construction might start by November 2009 with an estimated completion date by early 2012. The project's total estimated cost is \$111 million which will require officials to work together in order to find other monies such as federal funding sources that Kings County is currently pursuing.

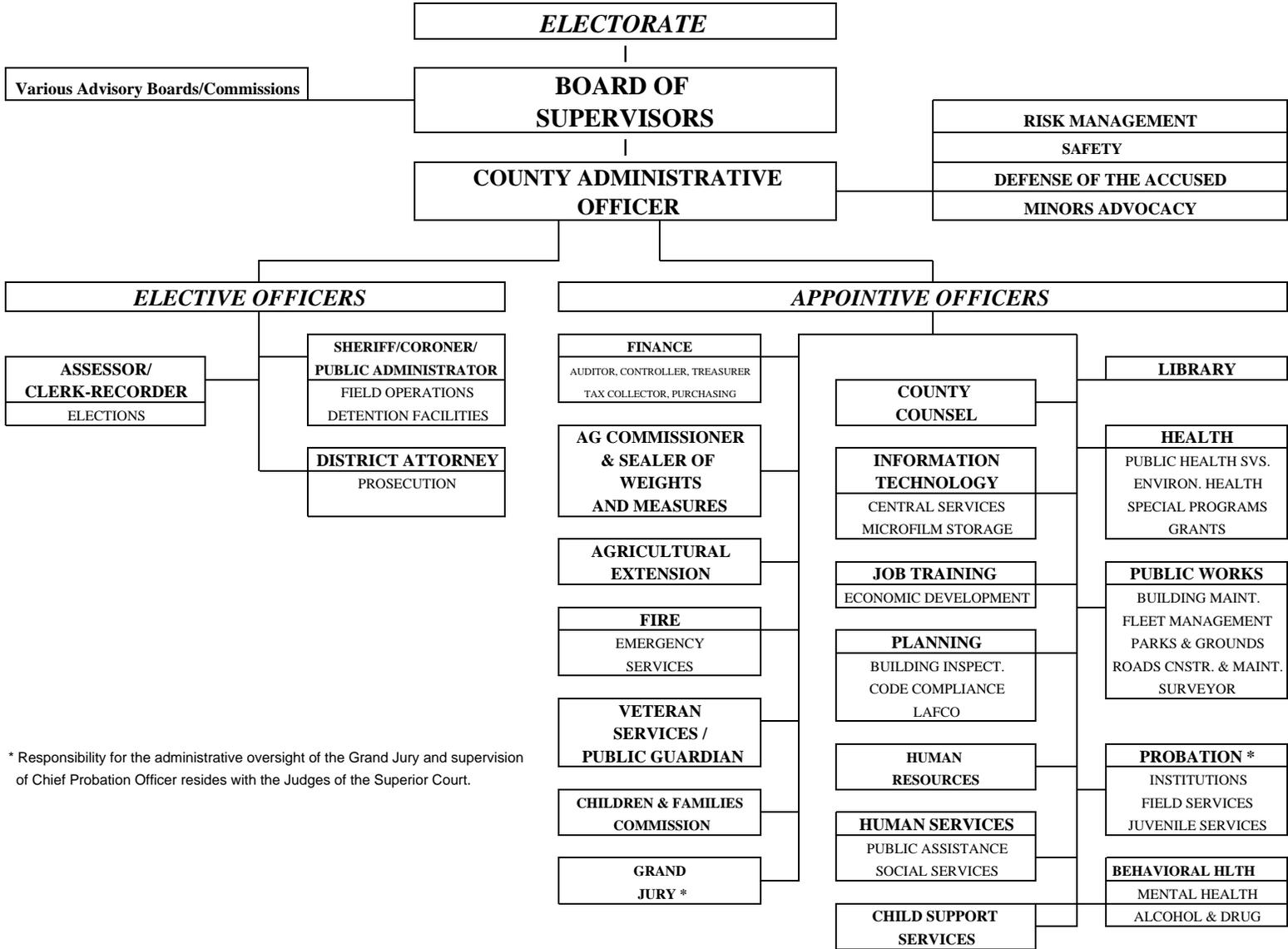
Acknowledgements

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the staff of the Department of Finance. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I acknowledge the leadership and support provided by the Board of Supervisors and the County Administrator which have made the preparation of this report possible.

Respectfully submitted,


Harold Nikoghosian
Interim Director of Finance

ORGANIZATION OF KINGS COUNTY GOVERNMENT



* Responsibility for the administrative oversight of the Grand Jury and supervision of Chief Probation Officer resides with the Judges of the Superior Court.

County of Kings
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2008

ELECTED OFFICIALS

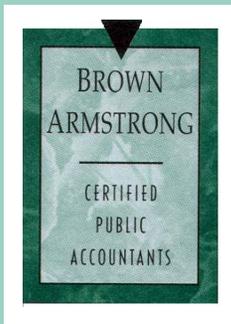
Supervisor – District 1	Joe Neves
Supervisor – District 2	Jon Rachford
Supervisor – District 3	Tony Oliveira
Supervisor – District 4	Tony Barba
Supervisor – District 5	Alene Taylor
Assessor/Clerk Recorder	Ken Baird
District Attorney	Ronald Calhoun
Sheriff/Coroner/Public Administrator	Chris Jordan

APPOINTED OFFICIALS

County Administrative Officer	Larry Spikes
Director of Finance	Doil O'Steen
County Counsel	Peter Mook
Clerk to the Board	Catherine Venturella
Agriculture Commissioner/Sealer	Tim Niswander
Agricultural Extension	Peggy Gregory
Veterans Services/Public Guardian	Joe Wright
First 5 Children & Families Director	Lisa Watson
Information Technology Director	Mark Cowart
Job Training Office Director	John Lehn
Library Director	Louise Hodges
Human Resources Director	Allison Picard
Human Services Department Director	Peggy Montgomery
Child Support Services Department Director	Barbara Curry
Public Health Director	Perry Rickard
Public Works Director	Harry Verheul
Planning Director	Bill Zumwalt
Fire Chief	Jim Kilner
Chief Probation Officer	Dorothy Van Den Berg
Behavioral Health Services Director	MaryAnn Ford-Sherman



FINANCIAL SECTION



BROWN ARMSTRONG PAULDEN
MCCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661.324.4971 Fax 661.324.4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661.746.2145 Fax 661.746.1218

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
County of Kings, California

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Kings, California, as of and for the year ended June 30, 2008 which collectively comprise the County of Kings' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Kings' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Kings, as of June 30, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, schedule of funding progress, and budgetary comparison information as listed in the accompanying table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Kings' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to read "Brent H. Armstrong". The signature is written in a cursive style with a large, sweeping flourish at the end.

Bakersfield, California
August 31, 2009

Management's Discussion and Analysis

As management of the County of Kings, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Kings for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii to viii of this report. Readers should also review the notes that pertain to the basic financial statements to enhance their understanding of the County's financial performance. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets of the County of Kings exceeded its liabilities at the close of the most recent fiscal year by \$128,113,694 (net assets). Of this amount, \$37,057,137 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$9,565,755. This is attributable to the following reasons: increased property tax receipts of \$3.3 million, impact fees of \$1.9 million now collected on new developments, increased State payments for In-Lieu Sales Taxes and License Fees of \$1.5 million, the Roads Fund increased \$1.5 million due to passage of Proposition 1B Funds and reduction of expenditures, and the Internal Service Funds net assets increased \$4.1 million in which the Workers Compensation Fund increased (\$1.8 million) to help restore the negative net asset balance and increases in the Health Insurance Fund of (\$1.4 million) to payoff a \$900k loan from the General Fund, cover increases in Orthodontic Benefits, and a 20 percent rate increase to 7.49% based on labor forecast projections. The increases in net assets were met by decreases mainly from the Children and Families First Fund of \$1.3 million due primarily to an expansion of services related to the School Readiness programs as part of a 2007-2010 strategic plan and the yearly Lease Bond payments of approx. \$737k for the new Main Jail Facility.
- Restricted net assets totaled \$1,057,243. These funds are restricted for debt service payments related to the lease revenue bonds for the Main Jail Facility.
- As of the close of the current fiscal year, the County of Kings governmental funds reported combined ending fund balances of \$51,390,546, an increase of \$717,018 in comparison with the prior year. Contributing factors that lead to this increase included additional property tax receipts of \$2.9 million, increased State payments for In-Lieu Sales Taxes and License Fees of \$1.5 million and Roads Fund increased \$1.5 million due to passage of Prop 1B Funds and the reduction of expenditures due to the State holding back payments of gas tax revenues. Approximately half of the additional funds from taxes and fees were used within the Capital Projects Fund for 2008 construction expenditures mainly for the Ag Warehouse Relocation \$828k, Lemoore Health Clinic Expansion \$671k, Human Services Building Expansion \$438k, and the Remodel/Reroofing of the existing Branch Jail \$1.3 million now called the Juvenile Academy. Tobacco Securitization proceeds are being recognized as revenue amounting to \$1.5 million (including \$481k of interest income earned on these proceeds) that are mitigating approx. 70% of the costs for the Human Services Building Expansion. The Children and Families First Fund used \$1.3 million of their fund balance mainly for the expansion and scope of services offered with the School Readiness program and restructuring of the Family Resource Center Initiative. Approximately \$22,652,741, of the total combined ending fund balance amount, is available for spending at the government's discretion (unreserved undesignated fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$9,917,720, or 6.8 percent of total general fund expenditures.
- The County of Kings total liabilities increased by \$3,956,629 (5.5%) during the current fiscal year. The increase was mostly due to the receipt of \$6,883,176 of tobacco securitization proceeds earmarked for capital projects. These funds are considered unearned revenue and are reported as a liability on the financial statements. The proceeds are not recognized as revenue until the funds are actually spent for future construction projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of King's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues related to uncollected taxes.

Both of the government-wide financial statements distinguish functions of the County of Kings that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public assistance, health and sanitation, public ways and facilities, recreation and cultural services, and education. The business-type activities of the County include the following Internal Service Funds: Workers Compensation, Self-Insurance, Fleet Management, Data Processing and Health Self-Insurance Fund.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Kings, like all other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County of Kings maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, children and families first fund (a special revenue fund), all of which are considered major funds. Data from the remaining governmental funds, which represent special revenue funds, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County of Kings adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds. The County of Kings maintains internal service funds as an accounting device used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for its fleet of vehicles, management information systems, public works department, worker compensation and health self-insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements combine the internal service funds into a single, aggregated presentation. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of King’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Kings progress in funding its obligation to provide pension benefits to its employees. In addition, a budgetary comparison schedule for the general fund and for the children’s and families first fund is required in order to demonstrate compliance with the annual adopted budget. Required supplementary information can be found on pages 45-47 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information on pensions and budget comparisons. Combining and individual fund statements and schedules can be found on pages 48-82 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the County of Kings, assets exceed liabilities by \$128,113,694 at the close of the most recent fiscal year.

	County of Kings Net Assets	
	Governmental Activities	
	2008	2007
Assets:		
Current and other assets	\$101,382,233	\$90,361,578
Capital assets	<u>102,223,103</u>	<u>99,721,374</u>
Total assets	<u>203,605,336</u>	<u>190,082,952</u>
Liabilities:		
Long-term liabilities outstanding	30,237,700	33,023,786
Other liabilities	<u>45,253,942</u>	<u>38,511,227</u>
Total liabilities	<u>75,491,642</u>	<u>71,535,013</u>

**County of Kings Net Assets
Governmental Activities**

	2008	2007
Net assets:		
Invested in capital assets, net of related debt	89,999,314	86,581,002
Restricted	1,057,243	953,782
Unrestricted	<u>37,057,137</u>	<u>31,013,155</u>
Total net assets	<u>\$128,113,694</u>	<u>\$118,547,939</u>

The largest portion of the County's net assets \$89,999,314 (70 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, construction in progress and infrastructure), less any related outstanding debt used to acquire those assets that is still outstanding. The County of Kings uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County of Kings net assets (.83 percent) represent resources subject to external restrictions on how they may be used. These restricted net assets amounting to \$1,057,243 are to be used only for debt service payments related to the lease revenue bonds. The remaining balance of unrestricted net assets of \$37,057,137 may be used to meet the County's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$9,565,755 mainly due to the following reasons: increased property tax receipts of \$3.3 million due to properties purchased at higher values and continued subdivision growth from home sales still in the housing bubble as of the January 1, 2007 assessment date, impact fees of \$1.9 million are now collected on new developments set aside for new facilities that will be required in the future to support these developments, increased State payments for In-Lieu Sales Taxes and License Fees of \$1.5 million, the Roads Fund increased \$1.5 million due to passage of Proposition 1B Funds for transportation projects (\$822k) and reduction of expenditures (\$748k) due to the State holding back Gas Tax Revenues, and the Internal Service Funds net assets increased \$4.1 million in which the Workers Compensation Fund increased (\$1.8 million) to restore the current negative net asset balance resulting from a prior years Actuarial Review, increases from Fleet Management (\$505k) and Data Processing Fund (\$414k) to maintain cash balances for future fixed asset purchases and the Health Insurance Fund increased (\$1.4 million) to payoff a \$900k loan from the General Fund, increases in Orthodontic Benefits, and a 20% rate increase to 7.49% based on projected labor forecasts. The increase in net assets were met by decreases mainly from the Children and Families First Fund of \$1.3 million due primarily to expansion and scope of services related to the School Readiness program (\$695k) and restructuring of the Family Resource Initiative (\$156k) as part of the 2007-2010 Strategic Plan plus the yearly Lease Bond payments of approx \$737k from the Debt Service Fund for the new Main Jail Facility.

Total liabilities increased \$3,956,629 mainly due to the receipt of \$6,883,176 of tobacco securitization funds considered unearned revenue that are set aside for future capital projects and are reported as a liability on the financial statements. The proceeds are not recognized as revenue until the funds are actually spent for future construction projects. The increase in liabilities are mainly net of impact fees that are considered property tax revenues for government wide reporting purposes rather than as an unearned liability for governmental funds as well as continued debt service payments for the pension obligation bonds \$769,914, lease revenue bonds \$355,000, and capital lease payments of \$320,995.

Governmental activities. Governmental activities increased the County of Kings net assets by \$9,565,755. Key elements of the increase in net assets are as follows:

**County of King's Changes in Net Assets
Governmental Activities**

	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$8,738,052	\$9,181,305
Operating grants and contributions	134,893,349	132,662,351

County of King's Changes in Net Assets

	Governmental Activities	
	2008	2007
General revenues:		
Property taxes	24,443,834	20,546,081
Other taxes	5,295,768	5,508,526
Other	<u>12,433,064</u>	<u>8,501,246</u>
Total revenues	<u>185,804,067</u>	<u>176,399,509</u>
 Expenses:		
General government	18,020,019	16,498,665
Public safety	53,976,918	54,434,752
Public ways and facilities	143,796	311,764
Highways and streets	4,692,733	5,119,780
Health and sanitation	25,662,068	23,926,247
Public assistance	64,589,252	63,022,258
Education	1,957,212	1,759,616
Culture and recreation	1,593,474	1,559,113
Unallocated depreciation	4,194,569	3,819,809
Interest on long-term debt	<u>1,408,271</u>	<u>1,531,703</u>
 Total expenses	<u>176,238,312</u>	<u>171,983,707</u>
 Increase in net assets	9,565,755	4,415,802
 Net assets – beginning	118,547,939	94,612,449
Prior period adjustments	<u> </u>	<u>19,519,688</u>
 Net assets – ending	<u>\$128,113,694</u>	<u>\$118,547,939</u>

- Property tax revenues increased by approximately \$3.9 million or 19 percent during the 2008 year. Purchases of properties at higher values and continued subdivision growth from home sales still in the housing bubble as of the January 1, 2007 property value assessment date attributed an additional \$2.0 million. The remainder of the increase was due to additional impact fees of \$1.9 million that are calculated based on the property values of new projects that are now collected on new developments and are being set aside for new facilities required in the future to support these developments.
- Sales taxes decreased approx. \$89k or 5 percent. Franchise taxes decreased approx. \$123k or 4%. Estimates for 2008 indicated sales taxes would remain stagnant or decline based on current economic conditions and the State's economy. Franchise Taxes are derived from companies with telephone polls, lines, and other equipment through-out the County who pay franchise taxes based on their incomes from contracted agreements instead of paying property taxes.
- The \$2.2 million (net) increase in operating grants and contributions are due to the following 1) Intergovernmental revenues increased in the General Fund by approx. \$6.2 million mainly from the following departments: Behavioral Health (\$1.1 million) for the required expansion of services for serious mental illnesses pursuant to the plan approved by the State under Proposition 36, Human Services (\$2.9 million) from additional Federal and State Administrative allocations for the CalWorks and Medi-Cal programs, Tribal Gaming Funds (\$651k) accumulated from prior years (deferred revenue) that was recognized as revenue and then transferred to the Roads Fund, and State directed ERAF Funds of (1.5 million) allocated to the County for payment of In-Lieu Sales

Taxes and License Fees caused mainly from the purchase of a large portion of property within the City of Avenal by the Chevron Corporation. Intergovernmental revenues (net) decreased \$4.1 million from the Special Revenue Funds for the following departments: Job Training Office (\$3.4 million) resulting from the decline in funding sources of more than 40 percent due to the budget situation at the State, the Community Development Block Grant (\$537k) due to waning demand from applicants for home rehabilitation projects based on current economic conditions, and reduced funding from the Federal Government for the Homeland Security Program (\$938k) within the Fire Department. The Road Fund's intergovernmental revenues increased \$822k due to the passage of Proposition 1B Funds for transportation projects.

- Other general revenues increased by approx. \$3.9 million (net). A reimbursement of \$4.0 million for a large individual claim against a County Department, including costs for settlement, medical payments and legal fees, that are related to the County's Liability Self-Insurance Program. The County has coverage limits for excess liability for individual claims in excess of \$500k. State reimbursements of \$442k for requests of the Fire Department to assist in fighting large wildland fires located outside the County. Other general revenues decreased (\$621k) from the Job Training Office due to funding cut backs of more than 40 percent.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$51,390,546, an increase of \$717,018 in comparison with the prior year. Approximately 44 percent of this total amount \$22,652,741 constitutes unreserved, undesignated fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed, (1) to liquidate existing construction contracts and purchase orders \$3,554,021; (2) Investments \$901,782; (3) Self insurance and economic uncertainties \$20,306,884; (4) Pay debt service \$2,891,168; (5) Advances to other governmental funds \$156,527; (6) Sheriff operations \$819,547; (7) and for a variety of other restricted purposes \$107,876.

The general fund is the chief operating fund of the County of Kings. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$9,917,720, while total fund balance reached \$29,564,950. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 7 percent of total general fund expenditures, while total fund balance represents 20 percent of that same amount.

General Fund. The County's General Fund had revenues that exceeded expenditures by \$5.0 million. A total of \$6.6 million was mainly transferred out to the Capital Projects Fund (\$4.9 million) and the Special Revenue Fund (\$1.6 million). The Capital Project contributions are for the costs of completion of the Human Services Expansion Projects (\$4.6 million), Lemoore Health Clinic Expansion (\$253k), and the Ag Warehouse Relocation (\$87k). The Special Revenue Fund contributions are used to support the ongoing operations of the Fire Department (\$642k) and Road Department maintenance costs received from Tribal Mitigation Fees (\$750k). This resulted in a \$1.5 million draw down of existing fund balance leaving a residual general fund balance of \$29.6 million.

Total Expenditures increased from General Funds by approx. \$12.8 million (2008 \$146.4 vs. 2007 \$133.6). The following factors contributed to the additional operating expenditures:

- General expenditures increased approx. \$3.5 million due mainly to a large individual claim (\$3.1 million) against one of the County's Departments, including costs for settlement, medical payments and legal fees, that is related to the County's Liability Self-Insurance Program. The County was reimbursed from coverage limits for excess liabilities greater than \$500k. Salaries and benefits increased (\$692k) from 7 additional (net) staff positions and a 20 percent

increase in Health Insurance rates across the board to 7.49 percent for the Health Self-Insurance Fund to repay a \$900k loan from the General Fund, increase in Orthodontic Benefits, and increases in projected labor forecasts. Increased costs of (\$157k) conducting an additional election as enacted by the legislature and signed by the Governor. A major update effort for the County's General Plan (\$117k) requiring consultant services. Elections Department purchased a Ballot Counting Machine for back-up purposes (\$99k).

- Public Safety expenditures (net) increased approx. \$2.7 million mainly due to salaries and benefits of (\$2.4 million) that includes an additional (net) 12 positions for daily operations mainly in the Animal Shelter division (5.5) for upgrading the program and the District Attorney's Office (3.75) due to a chronic shortage of staff; along with the 7.49 percent increase in health insurance rates. In addition, rising costs for kitchen foods and supplies (\$339k) located within the Main Jail Facility. Also, increased rates of 5.8 percent for contracted prices with the County's 24-hour-a-day Medical Group Provider for the Jails increased (\$154k) due to costs and additional staff required that are related to the Main Jail expansion. Expenditures decreased (\$99k) for agricultural services and supplies due to the lower demand for rodent bait sold to the public from the Ag Warehouse.
- Health and Sanitation expenditures increased approx. \$1.9 million. Salaries and benefits increased (\$996k) including 16 (net) new hires. Approx. one-half of the increased salary costs can be split evenly between the Health Department and Behavior Health Services. Overall increases in Health were to provide more efficient and better service to patients, case load increases, the purchase of a new Mobile Health Unit (\$296k), and a new program for the development of the Child Health Initiative for children who do not qualify for other programs and are not covered by private insurance. In addition to salary costs, Behavioral Health's operational costs increased by (\$931k) for the required expansion of mental health services pursuant to the plan approved by the State under Prop 36 for those trying to live and recover from serious mental illness.
- Public Assistance expenditures increased approx. \$4.1 million. Salaries and benefits increased (\$1.6 million) mainly for 10 new hires continuing a pattern that started 2 years ago to increase staff in order to fully utilize State allocations. Additional Aid went to the following recipients because of caseload increases and shifts to higher level placements for foster care: ADFC (CalWorks) (\$583k), Adoptions (\$207k) and Foster Care (\$1.1 million). Other increases included administrative charges of (\$286k) due to expanded caseloads, In-Home Supportive Services (IHSS) charges of (\$187k) due to recent wage increases, and information technology services of (\$155k) for Voice Over Internet Protocol Phones (VOIP) and network upgrades.

Debt Service fund. The County of Kings debt service fund has a total fund balance of \$1,096,887 that is comparable to the prior fiscal year, all of which is reserved for the payment of debt service. The County issued lease revenue bonds for the main jail facility construction project in which revenues derived from the Criminal Justice Facilities Fund, that represent a portion of the penalty assessments by the Judicial Courts, have been pledged to pay the debt service.

Capital Project fund. The County of Kings capital projects fund increased \$2.5 million mainly due to the difference between actual capital outlay expenditures exceeding revenues by \$2.3 million and the receipt of \$5.0 million in transferred funds from the general fund in order to complete construction in progress and for the commencement of new projects. Major capital outlays included \$1.3 million for the Existing Branch Jail Remodel (now called the Juvenile Academy), \$828k for the Ag Warehouse Relocation, \$671k for the Lemoore Health & Clinic Building expansions and \$438k for the Human Services Building expansion. Remaining construction in progress for the Human Services Building is budgeted for \$9.2 million with 70 percent being paid with Tobacco Securitization proceeds with an estimated completion date of March 2010. New projects include the expansion of the Burris Park Museum budgeted for \$1.0 million with an estimated completion date of November 2009 .

Children and Families First fund. This fund decreased \$1.3 million mainly due to the expansion and scope for services related to the School Readiness Program (\$695k) and restructuring of the Family Resource Center Initiative (\$156k) as part of the 2007-2010 Strategic Plan.

Nonmajor funds. These funds represent special revenue funds that account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The nonmajor fund balance increased by \$1.2 million (net) due to the following: 1) Increased revenues from property taxes for the Library (\$146k) and Fire Department (\$359k), 2) Intergovernmental revenues decreased (net) \$4.1 million due to the following: The Road Fund increased (\$822k) due to passage of Prop 1B Funds, Job Training Office decreased (\$3.4 million) from cuts in funding, Fire Dept. had reduced

funding for the Homeland Security Program by (\$938k), and lower demand for home rehabilitation projects (\$537k) for the Community Development Block Grants (CDBG), 3) Miscellaneous revenues (net) decreased \$179k as follows: Fire Department received State reimbursements of (\$442k) to fight out-of-county wildland fires less (\$621k) representing cuts to funding sources for the Job Training Office. 5) Public safety expenditures decreased (net) (\$2.4 million) mainly due to reduced Homeland Security funding for Fire Department purchases of vehicles and terrorism first responder equipment. Increases in Public Safety expenditures of (\$482k) represent Fire Department overtime pay for out-of-county strike team assignments for fighting large wildland fires. 6) Highways and streets expenditures decreased (\$748k) in the Road Fund due to State holding back 5 months worth of Gas Tax Revenues. 7) Public Assistance expenditures decreased (net) by \$3.3 million because of the cuts to funding for the Job Training Office amounting to (\$4.0 million) while expenditures increased (\$1.05 million) for CDBG rehabilitation costs due to higher demand during the 2007 year for projects that are reimbursed during the subsequent year. 8) Education expenditures increase (\$161k) from the Library due to the hiring of a second Branch Manager and more purchases of library materials in comparison to the prior year.

Proprietary funds. The County of Kings proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the internal service funds at the end of the year amounted to \$4,301,993. Changes in net assets increased \$4.1 million mainly due to 1) an increase to the Workers Compensation Fund of (\$1.8 million) to help restore the negative asset balance from a prior year deficit of \$3.2 million resulting from an Actuarial Review. Current deficit balance is \$1.5 million as of year-end. 2) Increases in the Health Insurance Fund of (\$1.4 million) to payoff a \$900k loan to the General Fund, for increases in Orthodontic Benefits, and due to a 20 percent rate increase to 7.49% for projected labor forecasts.

General Fund Budgetary Highlights

The County's final budget of the general fund differs from the original budget in that it contains carry-forward appropriations for various programs and projects, and supplemental appropriations approved during the fiscal year. Differences between the original budget and the final amended budget of \$5,049,321 net increase in appropriations are briefly summarized as follows:

- The Public Safety departments increased appropriations by \$604,836.
- The Health and Sanitation departments increased appropriations by \$3,361,835.
- Capital Outlay appropriations increased by \$1,041,386.

Overall, the County's actual general fund revenues were less than budgeted during fiscal year 2008 by \$743,735 or .49 percent. Revenues that had significant variances include the following:

- Reclassed State payments recorded within property tax revenues for in-lieu sales taxes and license fees of \$16.1 million to intergovernmental revenues for financial reporting purposes. Per the Budget, this amount is included within property tax revenues.
- Actual comparison of property tax revenues is \$13,791,497 (Budget) vs. \$15,832,892 (Actual) noting actual receipts exceeding budget by \$2.04 million or 15 percent. Actual comparison of intergovernmental revenue is \$118,559,446 (Budget) vs. \$112,485,254 (Actual) showing less program revenues than budgeted of \$6.07 million or 5 percent.
- Franchise tax revenues of \$2.8 million from general funds were budgeted directly within the Capital Projects Fund. Sales and use taxes were less than budgeted by \$292k or 15 percent. License and permits were less than budget by \$976k or 68 percent.
- Charges for services were less than budget by \$1.5 million or 15 percent.
- Investment earnings were less than budget by \$114k or 6 percent.
- Miscellaneous revenues exceeded budget by \$3.0 million or 79 percent.

Actual expenditures in the general fund were less than the final budget by \$18.3 million, or 11 percent.

Capital assets and Debt administration

Capital assets. The County of Kings investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$102,223,103 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, roads, bridges, water and sewer systems. The total increase in the County's investment in capital assets for the current fiscal year was 2.5 percent for governmental activities.

Major capital asset events during the current fiscal year included the following:

- Construction in progress was completed for the Ag Warehouse Relocation and the Lemoore Health Clinic Expansion. Accordingly, construction expenditures were capitalized as part of structure and improvements.
- Continued construction in progress includes the Remodeling/Reroofing of the Branch Jail (Juvenile Academy), Human Services Expansion, and the beginning of a new project for the Burris Park Museum Expansion.

**County of Kings Capital Assets
(net of depreciation)**

	<u>2008</u>	<u>2007</u>
Land	\$7,528,650	\$7,529,425
Structures and improvements	64,475,420	64,806,258
Equipment	9,682,983	8,032,282
Construction in progress	3,684,329	1,137,495
Infrastructure	<u>16,851,721</u>	<u>18,215,915</u>
Total	<u>\$102,223,103</u>	<u>\$99,721,374</u>

Additional information on the County of Kings capital assets can be found in note I.D.5. (page 31-32), II.C. (page 35) of this report.

Long-term debt. At the end of the current fiscal year, the County of Kings had total bonded debt outstanding of \$22,607,635. Of this amount, \$12,157,635 (Pension Obligation) comprises debt backed by the full faith and credit of the County and the remaining amount of \$10,450,000 (Lease Revenue) represents bonds secured by specified revenue sources that are collateralized by certain buildings of the County. In addition, the County of Kings has total capital leases outstanding of \$3,296,677 representing retrofitting of County buildings with energy conservation equipment \$961,041, the construction of a cogeneration plant \$2,263,815 and an ongoing master lease agreement for vehicles \$71,821.

**County of Kings Outstanding Debt
Pension Obligations, Revenue Bond and Capital Leases**

	<u>2008</u>	<u>2007</u>
Pension obligation bonds	\$12,157,635	\$12,927,549
Lease revenue bonds	10,450,000	10,805,000
Capital leases	<u>3,296,677</u>	<u>3,617,671</u>
Total	<u>\$25,904,312</u>	<u>\$27,350,220</u>

The County of Kings bonded debt decreased by \$1,124,914 (4.7 percent) and capital lease obligations outstanding decreased by \$320,994 (8.9 percent) during the current fiscal year representing principal reductions from bond and lease payments.

The County of Kings and its Public Finance Authority both maintain a “AAA” rating from Standard & Poor’s and a “Aaa” rating from Moody’s Investors Service. The revenue bonds of the Public Finance Authority have been rated “AAA” and “Aaa “ by both of these rating agencies.

State statues limit the amount of debt a County may issue to 5 percent of its total assessed valuation. The current debt limitation for the County of Kings is \$398,364,449, which is significantly in excess of the County’s outstanding bonded debt.

Additional information on the County of Kings long-term debt can be found in note I.D.7. (page 32) and I.I.E. to I.I.F. (pages 37-40) of this report.

State, Budget and Economic Factors

- The unemployment rate for Kings County is currently 10.7 percent, which is an increase from a rate of 8.7 percent during 2007. The unemployment rate for the State has been reported to be 11.5 percent and projected to go higher. The State unemployment rate was approx. 5.9 percent a year ago.
- The State’s severe fiscal crisis included a \$42 billion deficit, which is larger than the budgets of all but 10 States. To close this gap, the legislature voted in February 2009 to cut State expenditures by \$15.1 billion mainly from education (\$8.6 billion) and payroll cuts primarily from work furloughs (\$1.4 billion), the raising of sales taxes by 1%, personal income tax rates .25%, and doubling of vehicle license fees from .65% to 1.15% amounting to \$12.6 billion, plus additional borrowing of about \$11.4 billion. Soon thereafter, California is now facing a projected \$24.3 billion deficit that the Governor currently insists on resolving with spending cuts without further tax increases and has threatened to allow State Government to shut down over lack of budget resolutions. California currently has the worst credit rating in the nation with its debt load ratings continuing lower causing high interest rates charged on bonds issued by the State. The State owes billions from past years that it borrowed to patch previous deficits and has limited borrowing power. Also, current estimates note \$50 billion in past deferred maintenance costs that are needed for infrastructure projects over the next 20 years. Furthermore, there are discussions that have reached the point of scraping the State Constitution and starting over again.
- In the past 10 years, there has been a doubling of the California budget from \$72 billion in 1998 to \$145 billion in 2008. This is double the rate of population and inflation growth and is proving to be unsustainable. Since the previous Governor, Grey Davis, State spending jumped from \$104 billion in the 2003-04 budget to \$145 billion in the 2007-08 budget – a 40 percent increase in just 4 years. California has the highest income taxes, gas taxes, and sales tax rates in the nation. California has the highest corporate taxes in the western part of the nation as compared to their neighboring states. Property taxes are at the national average due to Proposition 13.
- California voters rejected a package of five fiscal measures during a 2009 Special Election designed to reduce the budget deficit essentially through taxes, loans and fund shifting. In particular, California voters are resistant to further tax increases and are concerned with being asked for more money in exchange for the same system. Kings County will also join a lawsuit against the State aiming to compel it to pay billions of dollars in funding for County run health and social programs. The State began delaying payments in the beginning of 2009 to preserve cash for these mandated Federal programs.
- National foreclosure rates jumped 32 percent. California had the third highest foreclosure rate in the nation. No slow down expected because foreclosures were temporarily halted by Fannie Mae and Freddie Mac. This moratorium was lifted in April 2009 with subsequent foreclosure rates rapidly rising. The default rates for Prime Loans are quickly catching up to the Sub-Prime Loan market.
- The economy is slowing down while businesses and consumers are primarily focusing on paring down their high debt levels. This in turn is negatively affecting spending levels that account for 70 percent of economic activities. These developing circumstances have lead to projections of a continued rise in unemployment rates putting sustained pressures on real estate values and investments. These economic conditions are expected to affect capital gain taxes, property and sales tax receipts and could cause higher contribution rates for CalPERS due to reduced returns from investment portfolios. In addition, banks are implementing tougher loan standards and credit is tightening. Governments are strained under these conditions because demand for services increases during these difficult times.

- To address the State's current fiscal crisis, the Governor has stated a goal to cut at least 10 percent of the budgeted expenditures. All areas of the State will be under consideration for spending cuts while further tax increases will not be considered. The Governor has also stated that none of these cuts will be allowed unless the overlapping State Agencies and Commissions are consolidated. Highlights of the latest budget proposals are as follows: 1) Borrowing from property tax revenues of the counties (County impact \$2.6 million) 2) Loss of Williamson Act Funds to the counties (County impact \$2.4 million) for property tax revenues reimbursed for tax breaks to farmers who agree to keep their lands in agricultural production instead of being developed. Represents 90 percent of Kings County Farmland – a total of approx. 680k acres. 3) Cuts to the following: State Employee Health Benefits, Public Assistance programs (CalWorks, Childs Hlth Insur., Foster Care) (\$22 Billion Statewide Cuts), School Funding (\$5 Billion Statewide Cuts), Health Care, In-Home Supportive Services, Gas Tax Revenues for maintenance of roads. 4) State deferrals of Health and Social Service payments creating cash flow problems to counties. Currently Gas Tax revenues are 5 months overdue from the State (County impact \$1.5 million). 5) Concessions from Unions including layoffs of 5,000 state workers, (already layed off all part-time and extra help), 5 percent wage cuts and Work Furlough Programs (already taking 2 days a month) 6) Sale of high profile State properties such as the Los Angeles Coliseum and San Quentin State Prison 7) State Prison may push lessor felony offenders (approx. 23k) and undocumented immigrants (approx. 19k) to County Jails.
- The 2009-2010 Kings County Proposed Budget includes an overall proposed budget of \$203 million; which is \$36 million less than the 2009 fiscal year. In addition, an actual workforce reduction is proposed for 51 positions while the general fund budget is looking at a \$13.6 million decrease in expenditure

Requests for Information

This financial report is designed to provide a general overview of the County of Kings finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Kings County Department of Finance 1400 W. Lacey Blvd. Hanford, CA 93230.

**County of Kings
Statement of Net Assets
June 30, 2008**

ASSETS	Governmental Activities
Cash and cash equivalents	\$9,758,525
Investments	73,357,978
Receivables	16,129,918
Inventories and prepaids	352,128
Deferred charges	726,441
Restricted Assets	1,057,243
Capital assets (net of accumulated depreciation):	
Land	7,528,650
Structures and improvements	64,475,420
Equipment	9,682,983
Construction in progress	3,684,329
Infrastructure	16,851,721
Total assets	203,605,336
 LIABILITIES	
Accounts payable and other current liabilities	6,835,556
Accrued interest payable	2,251,612
Due to other governments	12,039
Deferred and Unearned revenue	26,543,497
Claims payable	8,181,000
Noncurrent liabilities:	
Due within one year	1,430,238
Due in more than one year	
Capital leases	2,983,331
Pension obligation bonds	11,405,743
Lease revenue bonds	10,085,000
Compensated absences	5,763,626
Total liabilities	75,491,642
 NET ASSETS	
Invested in capital assets, net of related debt	89,999,314
Restricted for:	
Debt service	1,057,243
Unrestricted	37,057,137
Total net assets	\$128,113,694

The notes to the financial statements are an integral part of this statement.

**County of Kings
Statement of Activities
For the Year Ended June 30, 2008**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government				
Governmental activities:				
General government	\$18,020,019	\$3,190,023	\$22,752,529	\$7,922,533
Public safety	53,976,918	3,777,829	20,749,042	(29,450,047)
Public ways and facilities	143,796	31,014	1,842,172	1,729,390
Highways and streets	4,692,733	309,324	5,636,792	1,253,383
Health and sanitation	25,662,068	1,260,746	24,108,923	(292,399)
Public Assistance	64,589,252	39,895	59,077,426	(5,471,931)
Education	1,957,212	52,737	84,205	(1,820,270)
Culture and recreation	1,593,474	76,484	642,260	(874,730)
Unallocated depreciation	4,194,569			(4,194,569)
Interest on long-term debt	1,408,271			(1,408,271)
Total primary government	\$176,238,312	\$8,738,052	\$134,893,349	(\$32,606,911)

General revenues:	
Property Taxes	\$24,443,834
Sales Taxes	1,727,389
Franchise Taxes	3,334,411
Hotel Taxes	233,968
Investment earnings	3,214,760
Miscellaneous	9,218,304
Total general revenues	<u>42,172,666</u>
Change in net assets	9,565,755
Net assets - beginning	118,547,939
Net assets - ending	<u>\$128,113,694</u>

The notes to the financial statements are an integral part of this statement.

**County of Kings
Balance Sheet
Governmental Funds
June 30, 2008**

ASSETS	General	Debt Service	Capital Projects	Children & Families First	Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$1,070,623	\$3,796	\$128,196	\$65,979	\$199,386	\$1,467,980
Imprest cash	23,980			100	604	24,684
Treasurer investments	38,312,484	312,992	10,471,705	4,766,493	7,358,504	61,222,178
Deposits with others	25,000		7,615,880		44,607	7,685,487
Investments	901,782					901,782
Receivables	7,495,386	413	6,985,484	391,635	1,050,549	15,923,467
Due from other funds	315,956				343	316,299
Due from other governments	724					724
Advances to other funds	156,527					156,527
Deposits with others - restricted	277,557	779,686				1,057,243
Total assets	<u>\$48,580,019</u>	<u>\$1,096,887</u>	<u>\$25,201,265</u>	<u>\$5,224,207</u>	<u>\$8,653,993</u>	<u>\$88,756,371</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued expenses payable	\$3,614,834		\$243,988	\$729,902	\$1,347,425	\$5,936,149
Deferred revenue	14,788,967		14,998,943		426,004	30,213,914
Due to other funds	611,268			7,625	428,303	1,047,196
Due to other governments					12,039	12,039
Advances from other funds					156,527	156,527
Total liabilities	<u>\$19,015,069</u>	<u>779,686</u>	<u>\$15,242,931</u>	<u>\$737,527</u>	<u>\$2,370,298</u>	<u>\$37,365,825</u>
Fund balances:						
Reserved for:						
Investments	\$901,782					\$901,782
Donations	91,876				16,000	107,876
Advances	156,527					156,527
Construction	21,292					21,292
Equipment replacement & repair	3,997					3,997
Debt service	277,557	779,686				1,057,243
Unreserved, designated for, reported in:						
Encumbrances	430,067		349,637	5,513	7,753	792,970
Earthquake self insurance	500,000					500,000
Liability self insurance	2,060,128					2,060,128
Economic uncertainties	5,635,051				260,336	5,895,387
Contingencies	5,507,096		340,751	4,312,387	1,691,135	11,851,369
Construction	966,305		1,327,377			2,293,682
Equipment replacement & repair	14,667					14,667
Debt service	1,833,925					1,833,925
Sheriffs operations	819,547					819,547
Financial system	427,413					427,413
Unreserved, undesignated reported in:						
General fund	9,917,720					9,917,720
Debt service fund		317,201				317,201
Capital projects funds			7,940,569			7,940,569
Children and families first fund				168,780		168,780
Special revenue funds					4,308,471	4,308,471
Total fund balances	<u>29,564,950</u>	<u>1,096,887</u>	<u>9,958,334</u>	<u>4,486,680</u>	<u>6,283,695</u>	<u>51,390,546</u>
Total liabilities and fund balances	<u>\$48,580,019</u>	<u>\$1,096,887</u>	<u>\$25,201,265</u>	<u>\$5,224,207</u>	<u>\$8,653,993</u>	<u>\$88,756,371</u>

The notes to the financial statements are an integral part of this statement.

County of Kings
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
For the Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - total governmental funds	\$51,390,546
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	97,603,994
Deferred charges represent issuance costs when debt is originally issued. These charges are deferred in order to amortize the issuance costs over the life of the borrowing. Governmental funds do not defer these charges but rather recognize the costs as incurred against current financial resources. (Pension Obligation Bonds \$260,795, Lease Revenue Bonds \$465,645)	726,441
Certain accrued revenue are not available to pay for current period expenditures, and, therefore, are deferred in the funds. (Property Taxes \$1,756,114, Impact Fees \$1,915,894)	3,672,008
Accrued interest payable represents interest incurred as of the end of the fiscal year but is not yet due. Governmental funds recognize interest payable when due since this requires the use of current financial resources. (Pension Obligation Bonds \$2,112,921, Lease Revenue Bonds \$103,413, Capital Leases \$35,278)	(2,251,612)
Internal service funds are used by management to charge the costs of public works, fleet management, data processing, health self-insurance and workers compensation self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	8,889,188
Long-term liabilities are not due in the current period, and, therefore are not included in the funds. (Pension Obligation Bonds \$12,157,635, Lease Revenue Bonds \$10,450,000 , Capital Leases \$3,264,763 Compensated absences \$5,174,470, General Liability - IBNR \$870,000)	(31,916,868)
Rounding difference	(3)
Total net assets - governmental activities	<u>\$128,113,694</u>

The notes to the financial statements are an integral part of this statement.

County of Kings
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

REVENUES	General	Debt Service	Capital Projects	Children & Families First	Nonmajor Funds	Total Governmental Funds
Taxes:						
Property	\$15,832,892		\$8,190		\$6,233,392	\$22,074,474
Sales	1,708,449				18,941	1,727,390
Franchise	2,825,431				508,980	3,334,411
Hotel	233,968					233,968
Licenses and permits	453,499					453,499
Fines and forfeits	118,430				325,191	443,621
Intergovernmental	112,485,254		1,012,284	2,596,994	18,798,816	134,893,348
Charges for services	8,308,541				63,759	8,372,300
Rents and Concessions	829,748			4,000		833,748
Investment earnings	1,695,849	38,767	842,606	212,945	263,470	3,053,637
Contributions and donations	32,649				2,025	34,674
Miscellaneous	6,852,933	1,360		201,170	2,070,097	9,125,560
Total revenues	\$151,377,643	\$40,127	\$1,863,080	\$3,015,109	\$28,284,671	\$184,580,630
EXPENDITURES						
Current:						
General government	\$21,683,739					\$21,683,739
Public Safety	42,566,793				11,578,347	54,145,140
Public ways and facilities			212,364		68,277	280,641
Highways and streets					4,727,254	4,727,254
Health and sanitation	25,793,062					25,793,062
Public assistance	52,231,642			4,386,181	8,612,508	65,230,331
Education	229,828				1,725,208	1,955,036
Culture and recreation	1,593,474					1,593,474
Debt service:						
Principal	952,798	355,000			67,238	1,375,036
Interest	516,683	424,325			13,267	954,275
Capital outlay	853,325		4,178,349	6,427	1,066,623	6,104,724
Total expenditures	146,421,344	779,325	4,390,713	4,392,608	27,858,722	183,842,712
Excess (deficiency) of revenues over (under) expenditures	4,956,299	(739,198)	(2,527,633)	(1,377,499)	425,949	737,918
OTHER FINANCING SOURCES (USES)						
Transfers in	15,396	768,855	5,003,968		1,628,351	7,416,570
Transfers out	(6,609,164)				(828,306)	(7,437,470)
Total other financing sources and (uses)	(6,593,768)	768,855	5,003,968		800,045	(20,900)
Net change in fund balances	(1,637,469)	29,657	2,476,335	(1,377,499)	1,225,994	717,018
Fund balances - beginning	31,202,419	1,067,230	7,481,999	5,864,179	5,057,701	50,673,528
Fund balances - ending	\$29,564,950	\$1,096,887	\$9,958,334	\$4,486,680	\$6,283,695	\$51,390,546

The notes to the financial statements are an integral part of this statement.

**County of Kings
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2008**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$717,018
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$6,104,724) exceeded depreciation (\$4,421,846) in the current period.	1,682,878
The net effect from sale, trade-in transactions and transfers involving capital assets is to decrease net assets.	(17,922)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. Deferred revenues from property tax receivables (\$1,756,114) and impact fees (\$1,915,895) are unavailable for current fiscal year expenditures.	3,672,009
Governmental funds may not report revenues until they are available. The statement of activities, however, is not subject to this availability criterion. Property taxes of (\$1,302,648) were reported as revenue during prior year in the statement of activities.	(1,302,648)
The issuance of long-term debt for the bonds and capital leases provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Governmental activities record the principal portion as a reduction to the noncurrent liability outstanding. (Capital Leases \$277,707, Pension Obligation Bonds \$769,914, Lease Revenue Bonds \$355,000)	1,402,621
Certain expenses reported in the statement of activities do not require the use of financial resources and, therefore, are not reported as expenditures in the general funds. Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Amortization of deferred charges (\$39,876), general liability - IBNR (\$89,000), and accrued interest (\$432,391)	(561,267)
Governmental funds expense payments for compensated absences, however the statement of activities accounts for expenditures using the accrual basis of accounting. This amount results from accrued expenses exceeding paid.	(104,386)
Internal service funds are used by management to charge the costs of public works, fleet management, data processing, health self-insurance and workers compensation self-insurance to individual funds. The net revenue (expenses) of activities from internal service funds is reported within governmental activities.	4,077,455
Rounding difference	(3)
Change in net assets of governmental activities	<u>\$9,565,755</u>

The notes to the financial statements are an integral part of this statement.

**County of Kings
Statement of Net Assets
Proprietary Funds
June 30, 2008**

	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$220,043
Imprest cash	330
Treasurer investments	11,234,020
Deposit with others	360,000
Receivables	177,902
Due from other funds	813,732
Due from other governments	27,826
Inventories and prepaids	352,128
Total current assets	<u>13,185,981</u>
Noncurrent assets:	
Capital assets:	
Land	88,691
Structures and improvements	620,198
Equipment	11,997,108
Less accumulated depreciation	<u>(8,086,888)</u>
Total capital assets (net of accumulated depreciation)	<u>4,619,109</u>
Total noncurrent assets	<u>4,619,109</u>
Total assets	<u>\$17,805,090</u>
LIABILITIES	
Current liabilities:	
Accrued expenses payable	\$899,406
Due to other funds	82,835
Unearned revenue	1,591
Capital leases payable	16,272
Claims payable	7,311,000
Total current liabilities	<u>8,311,104</u>
Noncurrent liabilities:	
Capital leases payable	15,642
Compensated absences payable	589,156
Total noncurrent liabilities	<u>604,798</u>
Total liabilities	<u>8,915,902</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,587,195
Unrestricted	4,301,993
Total net assets	<u>\$8,889,188</u>

The notes to the financial statements are an integral part of this statement.

County of Kings
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$17,297,237
Miscellaneous	11,589,123
Total operating revenues	<u>28,886,360</u>
Operating expenses:	
Salaries and benefits	13,916,227
Services and supplies	7,331,709
Administration	2,904,628
Depreciation	879,054
Total operating expenses	<u>25,031,618</u>
Operating income (expenses)	<u>3,854,742</u>
Nonoperating revenues (expenses):	
Investment earnings	161,122
Interest expense	(12,865)
Net gain / (loss) on sale of assets	44,670
Total nonoperating revenue (expenses)	<u>192,927</u>
Income before contributions and transfers	4,047,669
Capital contributions from governmental funds	8,886
Transfers in	42,925
Transfers out	<u>(22,025)</u>
Change in net assets	4,077,455
Total net assets - beginning	<u>4,811,733</u>
Total net assets - ending	<u><u>\$8,889,188</u></u>

The notes to the financial statements are an integral part of this statement.

**County of Kings
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008**

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$28,724,380
Payments to suppliers	(9,284,810)
Payments to and on behalf of employees	(15,186,568)
Payments for interfund services used	(1,005,406)
Net cash provided (used) by operating activities	<u>3,247,596</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	42,925
Transfers to other funds	(22,025)
Net cash provided (used) by noncapital and related financing activities	<u>20,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,607,885)
Interest paid on capital debt	(12,865)
Net cash provided (used) by capital and related financing activities	<u>(1,620,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	8,233,601
Purchase of investments	(9,949,246)
Interest and dividends received	161,122
Net cash provided (used) by investing activities	<u>(1,554,523)</u>
Net increase in cash and cash equivalents	93,223
Cash and cash equivalents - beginning of the year	<u>127,150</u>
Cash and cash equivalents - end of the year	<u><u>\$220,373</u></u>

The notes to the financial statements are an integral part of this statement.

**County of Kings
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008**

	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (expense)	\$3,854,742
Adjustments to reconcile operating income (expense) to net cash provided (used) by operating activities:	
Depreciation expense	879,054
Net gain on sale of assets	(44,670)
(Increase) decrease in accounts receivable	(67,611)
(Increase) decrease in due from other funds	(51,288)
(Increase) decrease in due from other governments	152
(Increase) decrease in inventories and prepaids	(142,822)
Increase (decrease) in accrued expenses payable	488,256
Increase (decrease) in due to other funds	(895,041)
Increase (decrease) in unearned revenue	1,437
Increase (decrease) in capital leases payable	(43,287)
Increase (decrease) in claims payable	(717,000)
Increase (decrease) in compensated absences payable	(14,326)
Total adjustments	(607,146)
Net cash provided (used) by operating activities	\$3,247,596
 Noncash capital activities:	
Contributions of capital assets from governmental funds	\$8,886

The notes to the financial statements are an integral part of this statement.

**County of Kings
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008**

	Retiree Health Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$3,074	\$1,902,294
Treasurer investments	255,260	140,081,516
Deposit with others		2,867,455
Receivables		7,675,877
Due from other governmental funds		12,039
Prepaid expenses		83,426
Advances receivable		10,008
Total assets	\$258,334	\$152,632,615
 LIABILITIES		
Due other agencies		152,632,615
Total liabilities		\$152,632,615
 NET ASSETS		
Held in Trust for Retiree Health insurance premiums	\$258,334	

The notes to the financial statements are an integral part of this statement.

County of Kings
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2008

	Retiree Health Trust Fund
ADDITIONS	
Contributions:	
Employer	\$30,355
Plan members	29,969
Total additions	60,324
 DEDUCTIONS	
Health insurance premiums	72,818
Total deductions	72,818
Change in net assets	(12,494)
Net assets - beginning	270,828
Net assets - ending	\$258,334

The notes to the financial statements are an integral part of this statement.

County of Kings
Notes to Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Kings was incorporated in 1897 under laws of the State of California and currently consists of approximately 1,390 square miles with four incorporated cities within the County: Hanford, Lemoore, Corcoran and Avenal. The County is bordered by Fresno County to the north, Kern and San Luis Obispo Counties to the south, Monterey County to the west and Tulare County to the east. The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors that are elected by district. Members serve staggered four-year terms and the Chair is elected by the Board members. The County Administrative Officer is appointed by the Board. County administration consists of appointed and elected officials, boards, commissions and committees that assist the Board of Supervisors, including the Director of Finance, County Counsel, the Assessor-Clerk-Recorder, the District Attorney and the Sheriff-Coroner-Public Administrator.

Many of the County's functions are required under County ordinances, or by State and Federal mandate. State and federally mandated programs, primarily in the social and health care service areas, are required to be maintained at certain minimum levels, which limits the County's control.

The County provides a wide range of services to its residents including: health and welfare, sheriff, jails, probation, medical examiner, fire fighting and prevention force, elections, planning, a park and recreation system, libraries, road maintenance and the necessary support for these service providers. All are responsible to the Citizens of the County of Kings, and are therefore included within the reporting entity.

The financial statements of the County of Kings have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance a part of the government operations. There are no discretely presented component units included in these financial statements.

Blended Component Units. The operations of some component units are so intertwined with those of Kings County Government that they function, for all practical purposes, as an integral part of the County despite their separate legal status. GAAP prescribe that the data from such integral component units be blended with Kings County financial statement reports. Criteria used for determination of blended component units includes a shared governing body, exclusive or almost exclusive benefit to the County Government, and that the County is financially responsible. Blended component units of Kings County include Kings County Financing Authority for jail facility construction, Children and Families First Commission for early childhood development services, I.H.S.S. Public Authority Fund for providing in-house care for indigents and the Redevelopment Agency for improving a 473 acre area in Kettleman City. The Kings County Financing Authority is reported in the Capital Project and Debt Service Fund to account for the bond proceeds used for jail construction. The Children and Families First Commission, I.H.S.S. Public Authority and Redevelopment Agency are reported in separate Special Revenue Funds to account for revenues received that are legally restricted to expenditures for those specific purposes. Completed financial statements for each of the individual blended component units may be obtained by

contacting the County of Kings, Finance Department, 1400 W. Lacey Blvd., Hanford, CA 93230, Attn: Harold Nikoghosian – Assistant Finance Director – Accounting, telephone number #559-582-3211 ext. 2460.

Related Organizations. A government may appoint the voting majority of board members for another entity without establishing a bond of financial accountability with that entity that would justify its inclusion as a component unit. GAAP refer to entities that meet this description as related organizations. The Kings County Board of Supervisors has authority to appoint the majority of members for the Law Library Board, Corcoran Cemetary Distict, Hanford Cemetery District, Lemoore Cemetery District, Cross Creek Flood Control District, the Excelsior-Kings River Resource Conservation District and Mosquito Abatement District. The Library Board operates and maintains the County’s Law Library. The Cemetery Districts maintain, operate and establish rules and regulations for the management of cemeteries under their control within the County of Kings. The Flood Control District appointees are from land owners residing in the district in order to manage the entity’s affairs and act as a governing board. The Conservation District was formed to control water runoff, the prevention and control of soil erosion, development and distribution of water, and the improvement of land capabilities. The Mosquito District defines the policies for operations and employs the necessary staff with resources necessary to control mosquitoes.

B. Government Wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County of Kings.

The statement of activities demonstrates to which direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) fees, fines and charges paid by the recipients who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. If revenues are considered unavailable, then they are recorded as *deferred revenue* on the balance sheet; such as property taxes levied but unavailable for expenditures during the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded *only when payment is due*. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

The financial statements include the activities of various funds and account groups for which the County has oversight responsibility. 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. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The County groups and reports the various funds in the financial statements as follows:

Governmental Funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. **(Major Fund)**

Special Revenue Funds – Account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Reported in the **Nonmajor Fund** column, except for **Children & Families First considered a major fund** for financial reporting purposes.

Debt Service Fund – Account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds. **(Major Fund)**

Capital Project Fund – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds. **(Major Fund)**

Proprietary Funds:

Workers Compensation Self-insurance – Internal Service Fund: Accounts for the County's Workers Compensation Self-Insurance program. This program provides Workers Compensation insurance coverage for the County's employees.

Fleet Management – Internal Service Fund: Accounts for program costs relating to motor pool and equipment maintenance for other County departments and agencies on a cost-reimbursement basis.

Information Technology Service – Internal Service Fund: Accounts for costs relating to operations of the County's Data Processing department. Costs (including depreciation) of providing services to County departments and outside agencies are to be recovered primarily through user charges.

Health Self-Insurance Fund – Internal Service Fund: Accounts for the County's health self-insurance program. The program offers optional health insurance coverage to County employees.

Public Works – Internal Service Fund: Accounts for program costs relating to roads, building and maintenance projects, surveyor and other reimbursable projects for other County departments and agencies on a cost-reimbursement basis.

Fiduciary Funds:

Trust and Agency Funds – Account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The County has a Retiree Health Trust Fund used to account for sick leave accumulated by County employees who subsequently retire and have the option to contribute a portion of their sick leave to this fund, with County matching, in order to assist with their health insurance premiums during retirement. The remainder of the Fiduciary Funds of the County are Agency Funds in which the County's role is purely custodial such as the receipt of monies, temporary investment, and remittance to other parties outside of Kings County. Includes Special Districts, School Districts, Colleges and Hospitals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements for the primary government including interfund receivables, payables, and transfers between the governmental funds. Also, eliminated are indirect expenses for administration that are charged to certain departments. Only direct expenditures incurred are allowed to be charged to each functional category for government-wide financial reporting purposes. Exceptions to this rule are for goods and services provided by internal services funds to other governmental funds. Internal activity consists of Fleet Management, Data Processing and Public Works Departments that record program revenues representing charges for services to various other functions of County departments who in-turn record expenditures for these charges. Also, the Health Self-Insurance Fund records miscellaneous revenue for charges and these expenditures are not eliminated as well from the various functional categories. Elimination of all these interfund charges would distort the direct costs and program revenues reported for the various functions concerned. However, any net profit or loss resulting from these internal service fund activities is eliminated.

Amounts reported as *program revenues* include 1) charges to recipients for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions (if applicable). Internally dedicated resources are reported as *general revenues (discretionary revenues)* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are charges for services provided to County departments and other agencies on a cost-reimbursement basis. Operating expenses for internal service funds include cost of services and supplies, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The County maintains an Investment Pool managed by the Treasurer, which acts as a depository for over 42 units of local government including funds of the County, School Districts and Special Districts.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition including the Statement of Cash Flows for proprietary funds. Note that the Money Market Funds are reported within the Treasurer Investments.

State statutes authorize the government to invest in obligations of the U.S. Treasury and agencies of the Federal, State and Local Governments, bankers acceptances, commercial paper, negotiable certificate of deposits, collateralized certificates of deposit, repurchase agreements or reverse repurchase agreements or securities lending agreements, medium term corporate notes and bonds, asset back securities, money market mutual funds, and the State Treasurer's Investment Pool. In general, the statutes allow no maturities of investments to be in excess of five years.

The Treasurer is authorized by the County Board of Supervisors to invest within the parameters of the California State statutes except for the County does not invest in asset back securities. The Treasury Oversight Committee is a seven member committee composed of County officials, a member of the public, and representatives of the school districts and special districts who meet semiannually with the County Board to review the adoption of investment policies to ensure compliance.

In prior years, investments for the County were reported at cost which has approximated fair value for past fiscal year-ends. In general, GASB #31 accounting pronouncements require governmental entities to report the fair market value changes for these investments at year-end and if significant, reflect these gains or losses on their income statements. Accordingly, the carrying value of County investments at historical cost were greater than their relative fair market values as of June 30, 2008. As a result, the County reduced investments and investment earnings in Government Funds by \$263,994, Proprietary Funds \$64,188 and Fiduciary Funds \$882,515.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either 'due to / from other funds' (i.e., the current portion of interfund loans) or 'advances to / from other funds (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as 'due to / from other funds.'

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are not shown as net of an allowance for uncollectibles. The County has evaluated the collectibility of receivables as adequate enough to report them as gross receivables without a deduction for discounts and allowances.

Property taxes are levied as of October 6th on property values assessed as of the preceding January 1st and are payable in equal installments November 1 and February 1 and are receivable when levied. For assessment and collection purposes, property is classified either as 'secured' or 'unsecured' and is listed accordingly on separate parts of the assessment roll. The secured roll is that part of the assessment roll containing State assessed property and real property which can be secured by liens. Other property is assessed on the 'unsecured roll' representing taxes paid on property that is not owned by the property tax payer; this property is not secured if unpaid by the tax payer (i.e., business leases a building).

The County has not adopted the method of secured property tax apportionment known as the Teeter Plan. The County levies a one percent property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State Law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation on the basis of 'situs' growth in assessed value (new construction, change of ownership and inflation) among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special districts.

Property taxes on the secured roll are due in two installments during the fiscal year that become delinquent on December 10th and April 10th; respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default on or about June 30th of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is declared to be subject to the Tax Collector's power of sale and may be subsequently sold within two years by the County Tax Collector.

Legislation established the 'supplemental roll' in 1984 which directs the Assessor to reassess real property, at market value, on the date the property changes ownership or upon completion of construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered.

Billings are made on a monthly basis and due on the date mailed. If mailed between the months of July through October, the first installment becomes delinquent on December 10th and the second on April 10th. If mailed within

the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property of the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue beginning November 1 of the fiscal year. The taxing authority has four ways of collecting unsecured personal property taxes: 1) by filing a civil action against the taxpayer 2) by filing a certificate in the office of the County Clerk by specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer 3) by filing a certificate of delinquency for record in the County Recorders office in order to obtain a lien on certain property of the taxpayer and 4) by seizure and sale of personal property, improvements or possessory interest, belonging to the tax payer.

3. Inventories and prepaid items

Inventories of materials and supplies are for the Information Technology Service and Fleet Management internal service funds. Cost is determined by the average cost method not to be in excess of fair value. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain proceeds of the Kings County Public Finance Authority's lease revenue bonds are recorded in the debt service fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The debt service fund is used to account for resources accumulated from the Courts to pay the bond debt service. A 'reserve account' at the bank is used to maintain and report the portion of bond proceeds set aside in order to make up for potential future deficiencies in the debt service fund amounting to \$779,686. Also, the pension obligation bonds (Series B) require an additional 2% of the estimated debt service amount in the event Libor interest rates paid exceed projections. This restricted deposit amounts to \$277,557 for the current fiscal year.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, water/sewer systems and similar items), are reported in the government-wide financials statements. The proprietary fund financials include capital assets which are also reported in the government-wide financials. Purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The County reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. In the case of the initial capitalization of infrastructure assets, the County chose to include all such items purchased and constructed after June 30, 1980 as required by the Governmental Accounting Standards Board. The reported cost of capital assets exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the County values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Lives</u>
Buildings	50
Building Improvements	7-25
Infrastructure	10-50
Vehicles	5-15
Machinery & Equipment	5-20
Office Equipment	5-20
Computer Equipment	5-10

6. Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. County employees are generally vested to twenty-five percent of their sick leave balance after five years of service for accrual purposes. There is a cap on the maximum amount of vacation hours an employee can accrue ranging from 160 to 320 hours based on years of service. Once the maximum accrual for vacation has been reached, employees stop earning additional vacation hours until the accumulation level drops below the established limits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements that become due and payable in the current fiscal year.

7. Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the bond discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources revenue while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans by management that are subject to change.

9. Deficit fund equity

The following special revenue funds, included in the column for nonmajor governmental funds, had deficit fund balances as follows: The Job Training Office for \$343,189, In-House Supportive Services for \$257,617 and the Redevelopment Agency had a deficit of \$10,452 as of June 30, 2008. In addition, the Workers Compensation Self-Insurance internal service fund held a deficit balance of \$1,500,547. The Job Training Office and In-House Supportive Services operate on a cost reimbursement basis; expenditures causing the fund deficits have been claimed for reimbursement, but have not yet been received from the State. If the State were not to approve the costs, the County would transfer funds from the general fund to cover the expenditures. Redevelopment agencies are required to incur expenditures in advance before receiving funds from the increase in property taxes generated

on the growth of assessed valuations within the project area due to redevelopment activities. During the 2005 fiscal year, an Actuarial Review of the Worker's Compensation Program was completed requiring a \$4,408,000 expense accrual for the ultimate cost of claims and expenses associated with all reported and unreported claims. This amount will be cost applied to individual funds in the amount of \$2,500,000 per year to cover actual workers compensation claims, if needed; the cost applied amount will be adjusted higher based on actual results.

10. Allocation of investment income among funds

It is presumed under Generally Accepted Accounting Principles (GAAP) that investment income is reported in the same fund that reports the underlying investment. However, it is common for income on investments to legally accrue to the benefit of some other fund. GAAP require that a government disclose whenever the income from investments in one fund is assigned directly to the benefit of another fund.

II. Detailed notes on all funds

A. Deposits and investments

As of June 30, 2008, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Cost</u>	<u>Investment Maturities</u>				
		<u>Less than 1 Year</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>4 Year</u>
Federal Agencies	\$100,804,688	\$22,008,788	\$18,149,440	\$19,125,809	\$11,865,360	\$29,655,291
Commercial Paper	10,969,805	10,969,805				
Local Agency Investment Fund	39,998,009	39,998,009				
Money Market Mutual Funds	2,372,608	2,372,608				
Medium-Term Corporate Notes	62,105,307	6,002,879	8,253,840	16,272,400	15,667,644	15,908,544
Total	\$216,250,417	\$81,352,089	\$26,403,280	\$35,398,209	\$27,533,004	\$45,563,835

Note: Federal Agency Callable bonds are shown at maturity rather than call date. All bonds are callable within the next year; however, the County invests with the assumption that the callable investments will be held to maturity.

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by investing operating funds primarily in shorter-term securities. The maximum maturity for investments is five years or less including Federal Agencies and Medium-Term Corporate Notes. Commercial Paper is limited to 270 days maximum maturity.

Credit Risk. State law limits investments in commercial paper to the highest rating and medium-term corporate notes to the upper investment grade rating and higher (A to AAA for S&P, A2 to Aaa for Moody's) issued by nationally recognized statistical rating organizations (NRSROs). It is the County's policy to limit its investments in these investment types to the same ratings as required by the State. As of June 30, 2008, the County's investments in commercial paper were rated A1 by Standard & Poor's and P-1 by Moody's Investors Service. The County's investment in medium-term notes were rated A+ to AAA by Standard & Poor's and A1 to Aaa by Moody's Investors Service. The Federal Agencies and Repurchase Agreement are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of credit risk. The County's investment policy does not allow for an investment in any one corporate issuer that is in excess of 10 percent of the County's total investments. Investments in the following corporate issuers exceeded 5 percent: General Electric Corporation (9.46 percent), Wells Fargo Company (6.8 percent), and Goldman Sachs Group (5.24 percent).

In April of 1988, the Board of Supervisors authorized the purchase of Farmers' Home Administration bonds outstanding on local sewer and water assessment bonds in the amount of \$2,335,000. The investment is amortized over 35 years and returns are all being transferred to the General Fund. At June 30, 2008, the County's remaining unamortized balance is \$901,782.

B. Receivables

Receivables as of year end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, are as follows:

	Debt		Capital	Children & Families	Nonmajor	Total Governmental	Internal Service	Fiduciary	Total
	<u>General</u>	<u>Service</u>	<u>Projects</u>	<u>First</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	
Receivables:									
Accounts	\$756,748	-	\$360,758	-	\$391,037	\$1,508,543	\$152,870	\$1,991,827	\$3,653,240
Intergovernmental	4,849,798	-	6,512,533	340,458	149,939	11,852,728	-	(1,529,808)	10,322,920
Taxes	1,330,110	-	-	-	426,004	1,756,114	-	5,595,600	7,351,714
Interest	<u>559,454</u>	<u>413</u>	<u>112,193</u>	<u>51,177</u>	<u>83,569</u>	<u>806,806</u>	<u>52,858</u>	<u>1,630,297</u>	<u>2,489,961</u>
Total Receivables	<u>\$7,496,110</u>	<u>\$413</u>	<u>\$6,985,484</u>	<u>\$391,635</u>	<u>\$1,050,549</u>	<u>\$15,924,191</u>	<u>\$205,728</u>	<u>\$7,687,916</u>	<u>\$23,817,835</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds and proprietary funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (general fund)	\$1,330,110	
Delinquent property taxes receivable (special fund)	426,004	
Deposit for Environmental Impact Studies (internal service fund)		\$1,591
Deposits for appeals against property assessments (general fund)		5,600
Property taxes paid in advance for mobile homes sold (general fund)		24,470
Impact Fees collected on new developments for future supporting facilities (capital projects fund)		1,915,895
Tobacco Securitization proceeds for construction project expenditures (capital projects fund)		13,083,048
Grant drawdown's and fees collected prior to meeting all eligibility requirements		<u>13,428,787</u>
Total deferred / unearned revenue for governmental funds and internal service funds	<u>\$1,756,114</u>	<u>\$28,459,391</u>

C. Capital assets

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$7,529,425		(\$775)	\$7,528,650
Construction in Progress	1,137,495	2,689,724	(142,890)	3,684,329
Total capital assets, not being depreciated	8,666,920	2,689,724	(143,665)	11,212,979
Capital assets, being depreciated:				
Structures and Improvements	93,957,049	1,631,515		95,588,564
Equipment	20,935,938	3,687,796	(1,400,318)	23,223,416
Infrastructure	40,436,803			40,436,803
Total capital assets being depreciated	155,329,790	5,319,311	(1,400,318)	159,248,783
Less accumulated depreciation:				
Structures and improvements	(29,150,791)	(1,962,353)		(31,113,144)
Equipment	(12,903,656)	(2,010,824)	1,374,047	(13,540,433)
Infrastructure	(22,220,888)	(1,364,194)		(23,585,082)
Total accumulated depreciation	(64,275,335)	(5,337,371)	1,374,047	(68,238,659)
Total capital assets, being depreciated, net	91,054,455	(18,060)	(26,271)	91,010,124
Governmental activities capital assets, net	\$99,721,375	\$2,671,664	(\$169,936)	\$102,223,103

Depreciation expense was charged to functions/programs for governmental activities as follows:

Governmental Activities:	
General Government	\$260,500
Public Safety	482,715
Public Ways and Facilities	2,358
Health and Sanitation	56,803
Public Assistance	292,392
Education	2,063
Unallocated depreciation	<u>4,194,569</u>
Grand Total	<u>\$5,291,400</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds(2)	315,956
Health Self-Insurance Fund	General Fund	611,268
	Nonmajor Funds(2)	112,004
	Fleet Management Fund(1)	5,876
	Information Technology Services Fund(1)	29,917
	Public Works Fund(1)	47,042
	Children & Families First Fund	7,625
Fire Fund (2)	Redevelopment Agency(2)	298
Library Fund (2)	Redevelopment Agency(2)	45
	Total	<u>\$1,130,031</u>

(1) Internal Service Funds

(2) Nonmajor Funds = Special Revenue Funds.

Short-term working capital loans payable to the General Fund represent \$301,786 of the total interfund balance amount of \$1,130,030 as noted above. The Redevelopment Agency owes the General Fund \$14,170, Fire Fund \$298, and Library Fund \$45 for 'pass-through' amounts derived from incremental taxes. The remaining \$813,731 reflects a timing difference between the current year insurance contributions withheld from payroll using a clearing account verses the allocation of these contributions to the Health Self-Insurance Fund subsequent to year-end.

Advances from / to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds(2)	<u>\$156,527</u>
		<u>\$156,527</u>

(2) Nonmajor Fund = Special Revenue Fund

The \$156,527 due the General Fund represents expenditures required to be paid in advance for the Kettlemen City redevelopment activities prior to the receipt of property tax incremental revenues.

Interfund transfers:

	<u>Transfer In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	
Transfers out:						
General fund	-	-	\$4,937,888	\$1,628,351	\$42,925	\$6,609,164
Nonmajor funds (2)	15,396	768,855	44,055	-	-	828,306
Data Processing fund (1)			22,025			22,025
Total	<u>\$15,396</u>	<u>\$768,855</u>	<u>\$5,003,968</u>	<u>\$1,628,351</u>	<u>\$42,925</u>	<u>\$7,459,495</u>

(1) Internal Service Funds

(2) Nonmajor Funds = Special Revenue Funds

The \$768,855 above represents transfers from the Criminal Justice Facility Fund to the Debt Service Fund for Lease Revenue bond payments that are due annually for the new Jail Facility. The \$5,003,968 transferred to the Capital Project Fund reflects contributions for building projects mainly from the General Fund for the costs of completion of the Human Services Expansion Project (\$4,593,486), Lemoore Health Clinic Expansion (\$253,378), Ag Warehouse Relocation of (\$86,911) and the Fire Training Facility (\$44,055). The \$1,628,351 of transfers to the Special Revenue Funds represent contributions of (\$642,398) to support the Fire Department and (\$750,000) were used to support Road Maintenance expenditures received from Tribal Mitigation Fees. The \$42,925 of transfers to the Internal Service Funds were used for the Information Technology Department towards the I.T. Replacement Fund.

E. Leases

Operating Leases

The government leases buildings and office facilities, vehicles and office equipment under noncancelable operation leases. Total estimated costs for such leases were \$656,118 for the year ended June 30, 2008. The future minimum lease payments for the leases are estimated as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2009	\$553,054
2010	439,999
2011	276,225
2012	109,539
2013	81,019
2014-2017	<u>64,079</u>
Total	<u>\$1,523,915</u>

Capital Leases

The County has entered into a lease agreement as lessee for financing the acquisition, installation and retrofitting of Energy Conservation Equipment for buildings of the County that includes lights, air conditioning, heating, and roofing amounting to \$1,332,318. This same lease agreement finances Fire Trucks amounting to \$430,306. The County has partially financed the construction of a Cogeneration Plant costing \$3,005,000, which also includes construction for new roofs of certain County buildings, with a \$2,460,358 lease agreement. In addition, the County has entered into an ongoing master vehicle lease agreement amounting to \$221,748 for a total of 8 vehicles leased as of this fiscal year. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Structures and Improvements	\$4,337,318
Equipment	<u>652,054</u>
Total	4,989,372
Less: Accumulated depreciation	<u>(898,097)</u>
Total	<u>\$4,091,275</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2009	\$451,229
2010	449,895
2011	430,163
2012	440,528
2013	452,050
2014-2018	1,365,538
2019-2020	542,968
Total minimum lease payments	4,132,371
Less: amount representing interest	(835,694)
Present value of minimum lease payments	<u>\$3,296,677</u>

F. Long-term debt

Pension Obligation Bonds

On June 29, 2004, Kings County issued \$13,877,742 in taxable Pension Obligation Bonds. Kings County participated in two separate issues. For Series A-2, the County issued \$7,007,742 in Capital Appreciation Bonds through the California Statewide Community Development Authority. For Series B, the County issued \$6,870,000 in floating rate securities (Index Bonds) by private placement. The bonds were issued to pay the County's unfunded accrued actuarial liability (UAAL) to the California Public Employees' Retirement System (PERS). Pension Obligation bonds are unconditional obligations, payable from any legally available source of funds.

2004 Series A-2 Pension Obligation Bonds (Capital Appreciation Bonds)

The Series A-2 Pension Obligation Bonds are structured with no interest or principal payments in the first two years of the twenty year issue. Each year as a bond coupon matures within the series commencing June 1, 2007, principal and interest are due and payable for that coupon.

Series A-2 Pension Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
CALPERS UAAL (2009-2013)	4.72-5.63%	\$2,252,421
CALPERS UAAL (2014-2018)	5.78-6.29%	1,899,881
CALPERS UAAL (2019-2023)	6.38-6.56%	1,583,812
CALPERS UAAL (2024)	6.58%	286,520
Total		<u>\$6,022,634</u>

Annual debt service requirements to maturity for the Series A-2 Pension Obligation Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$476,892	\$123,108
2010	463,580	156,420
2011	450,874	194,126
2012	437,591	232,410
2013	423,484	271,516
2014-2018	1,899,881	1,980,118
2019-2023	1,583,812	3,081,187
2024	286,520	753,657
Total	<u>\$6,022,634</u>	<u>\$6,792,542</u>

2004 Series B Pension Obligation Bonds (Index Bonds)

The interest rate for the Series B Pension Obligation Bonds is indexed to the London Interbank Offered Rate (LIBOR). The calculation is based on LIBOR plus .30%. The County is required to deposit with the Trustee, on or before August 1 of each year of the 20 year issue, the estimated annual debt service amount for the upcoming year. Plus an additional 2.00%, amounting to \$277,557 for the 2008 fiscal year, to ensure that debt service funds will be sufficient in the event that the LIBOR rate exceeds projections.

Series B Pension Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Current Interest Rate</u>	<u>Amount</u>
CALPERS UAAL	2.21 as of 04/09 (variable)	\$6,135,000

Projected annual debt service requirements to maturity for the Series B Pension Obligation Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Projected Interest</u>
2009	\$275,000	\$159,770
2010	275,000	250,649
2011	285,000	274,155
2012	295,000	286,470
2013	295,000	270,270
2014-2018	1,670,000	1,393,050
2019-2023	2,415,000	837,720
2024	<u>625,000</u>	<u>48,750</u>
Total	<u>\$6,135,000</u>	<u>\$3,520,834</u>

Lease Revenue Bonds

Kings County created the Kings County Public Finance Authority in order to issue \$11,470,000 of non-taxable Revenue Bonds on March 15, 2005 to finance a portion of the Jail Facility Construction Project costs. The County has pledged revenues derived from the Criminal Justice Facilities Fund representing a portion of the penalty assessments by the Judicial Courts to pay the debt service. In general, these bonds are issued as 23-year serial bonds that are structured for principal amounts to mature each year. Bonds maturing April 01, 2009 to April 01, 2015 are subject to optional call redemptions by the County on or after April 01, 2008 as a whole or in part. In addition, bonds are redeemable on or after April 01, 2015 for bonds maturing April 01, 2016 to April 01, 2028. The bond issuance is collateralized by the County's Human Services Building, Law Building and Human Resources Building with a combined appraised value of \$11,461,700. A Reserve Fund is also required to be established and maintained to secure annual debt service payments that amounts to \$779,686 for fiscal year 2008.

Series A Lease Revenue Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Jail Construction (2009-2013)	2.75-3.50%	\$1,935,000
Jail Construction (2014-2018)	3.62-4.00%	2,295,000
Jail Construction (2019-2023)	4.00-4.25%	2,790,000
Jail Construction (2024-2028)	4.25-4.50%	<u>3,430,000</u>
Total		<u>\$10,450,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$365,000	\$413,675
2010	375,000	403,637
2011	385,000	393,325
2012	400,000	381,775
2013	410,000	368,775
2014-2018	2,295,000	1,608,094
2019-2023	2,790,000	1,116,269
2024-2028	<u>3,430,000</u>	<u>471,250</u>
Total	<u>\$10,450,000</u>	<u>\$5,156,800</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Pension obligation bonds Series A-2	\$6,512,549		(\$489,914)	\$6,022,635	\$476,892
Pension obligation bonds Series B	6,415,000		(280,000)	6,135,000	275,000
Lease revenue bonds	10,805,000		(355,000)	10,450,000	365,000
Total bonds payable	<u>23,732,549</u>		<u>(1,124,914)</u>	<u>22,607,635</u>	<u>1,116,892</u>
Capital leases	3,617,672		(320,995)	3,296,677	313,346
Claims	8,809,000	5,662,409	(6,290,409)	8,181,000	8,181,000
Compensated absences	5,673,566	4,682,987	(4,592,927)	5,763,626	-
Long-term liabilities	<u>\$41,832,787</u>	<u>\$10,345,396</u>	<u>(\$12,329,245)</u>	<u>\$39,848,938</u>	<u>\$9,611,238</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$7,311,000 of claims, \$589,156 of compensated absences and \$31,914 of capital leases from internal service funds are included in the above amounts.

III. Other information

A. Risk management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County established in 1979 Self-Insurance Programs for Workers Compensation, General Liability, and Health Insurance risk management funds. County premiums paid into the general fund (general liabilities) and into the internal service funds (workers compensation, health insurance) are primarily premium charges to other funds and are available to pay claims, claim reserves, and administrative costs of the programs. Some insurance programs are partially self-funded.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of this process in estimating the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of

pay-outs), and other economic and social factors. Liabilities include allocated loss adjustment expenses (ALAE) which are direct costs associated with the defense of individual claims (legal fees, investigation fees, court fees). Also included are unallocated loss adjustment expenses (ULAE) representing the cost to administer all claims to final settlement, which may be years into the future. A discount is calculated for investment income assuming a 4.5% return on investments per year for both workers compensation and general liability.

The County has coverage limits for excess liability for individual claims in excess of \$500,000 thru \$15,000,000 and excess workers compensation claims from \$300,000 through \$100,000,000.

	<u>General Liability</u>	<u>Workers Compensation</u>	<u>Year ended 06/30/08</u>
Unpaid claims, beginning of fiscal year	\$781,000	\$8,028,000	\$8,809,000
Incurred claims (including IBNRs)	4,600,602	1,061,807	5,662,409
Claim payments	<u>(4,511,602)</u>	<u>(1,778,807)</u>	<u>(6,290,409)</u>
Unpaid claims, end of fiscal year	<u>\$870,000</u>	<u>\$7,311,000</u>	<u>\$8,181,000</u>

The County has medical malpractice coverage with limits of \$11,500,000 over the \$5,000 deductible. Fully insured programs include property insurance with limits of \$600,000,000, a blanket crime bond program and a pollution liability program with limitations to \$10,000,000 for each program, a fiduciary liability program with limits of \$5,000,000, and an aircraft liability program with limits of \$20,000,000. In addition, the County has designated funds to manage risk as follows: Earthquake Self-Insurance for \$500,000, Liability Self-Insurance \$2,060,128, Economic Uncertainties \$5,895,387 and reserves for Contingencies amounting to \$11,851,369.

B. Jointly governed organization

Kings County, with fifty-two other counties, is a member of the California State Association of Counties Excess Insurance Authority (C.S.A.C. the "Authority"). The Authority is a statewide Joint Powers Agency for insurance purposes organized in accordance with California Government Codes. The purpose of the entity is to develop and fund excess insurance programs for member counties. Each member county pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in the Authority. The Authority operates public entity risk pools including workers' compensation, comprehensive liability, property, medical malpractice, and other pool purchases for excess insurance programs and services for members. The Authority is under the control and direction of the board of directors consisting of representatives of the fifty-two member counties who annually elect an executive committee. The executive committee controls include the daily management of ongoing operations and the budgeting process.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

D. Employee retirement systems and pension plans

Plan description:

The County of Kings contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan in which all full-time employees of the County are eligible to participate.

CalPERS provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment agent for participating public entities within the State of California and is administered by the CalPERS Board of Administration according to the provisions set forth in the California Public Employees Retirement Law. Benefit provisions and other requirements are established by County ordinance and contract. A copy of the 2005 Annual Actuarial Valuation Report may be obtained from their Executive Offices – Lincoln Plaza – 400 Q Street – Sacramento, CA 95814.

Funding policy:

The contribution requirements of plan members and the County are established and may be amended by the CalPERS Board. Plan members are required to contribute 7% for the Miscellaneous Plan and 8.991% for the Safety Plan of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate is 9.596% for non-safety employees (Miscellaneous Plan) and 14.271% for safety employees (Safety Plan) of annual covered payroll. For the Miscellaneous Plan, the County pays the contributions required of employees as an additional benefit for their accounts. The Safety Plan has the County paying employee's required contributions for the Fire Department, pays 7% of the 9% required for the group supervisors in juvenile hall and boot camp departments, and 2% of the 9% required is paid by the County for the management detention and probation officers. The remaining County employees contribute their required 9% towards the CalPERS plan.

Annual pension cost – Miscellaneous Plan

For the fiscal year 2007-2008, the County 's annual pension cost for the Miscellaneous Plan is \$3,876,956 (exclusive of the employees share) for CalPERS that was equal to the government's required and actual contributions. In addition, the County pays the employee's required contributions of \$2,828,256 amounting to a total County annual pension cost of \$6,705,212. The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected salary increases are 3.25 to 14.45 percent depending on age, service, and type of employment, increased annually, (c) assumed annual inflation growth rate of 3.00 percent and payroll growth of 3.25 percent and, (d) no post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. CalPERS amortizes unfunded actuarial accrued liabilities as a level percentage of projected payroll on a closed basis not to be lower than the payment calculated over a 30 year amortization period. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6 percent each year. The unfunded actuarial liability of \$10,443,783 is amortized over an average 12.54 year amortization period. The net effect from all amortization bases, including the expected payments and interest charges through the 2008 fiscal year, increased the required employer annual contribution by \$832,945. These net amortization charges have increased the Countys rates by 2.062 percent.

Annual pension cost – Safety Plan

For the fiscal year 2007-2008, the County 's annual pension cost for the Safety Plan is \$2,390,709 (exclusive of the employees share) for CalPERS that was equal to the government's required and actual contributions. In addition, the County pays the required contributions for certain employees and only a portion of the contributions for other employees within this group totaling \$1,506,166 which amounts to a total County pension cost of \$3,896,875. The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected salary increases are 3.25 to 13.15 percent depending on age, service, and type of employment, increased annually, (c) assumed annual inflation growth rate of 3.00 percent and payroll growth of 3.25 percent and, (d) no post retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. CalPERS amortizes unfunded actuarial accrued liabilities as a level percentage of projected payroll on a closed basis not to be lower than the payment calculated over a 30 year amortization period. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6 percent each year. The unfunded actuarial liability of \$2,016,391 is amortized over an average 15.24 year amortization period. The net effect from all amortization bases,

including the expected payments and interest charges through the 2008 fiscal year, increased the required employer annual contribution by \$132,381. These net amortization charges have increased the County's rates by 0.792 percent.

E. Excess of expenditures over appropriations

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
Major Funds:	
General Fund	
General Government Expenditures	\$2,113,340
Interest Payments	516,683
Debt Service Fund:	
Principal and Interest Payments	779,325
Capital Projects Fund:	
Public Ways & Facilities Expenditures	212,364
Non-Major Funds:	
Fire Fund	
Principal and Interest Payments	80,505
Capital Outlay	805,988
Fish and Game Fund	
Public Safety Expenditures	8,000
Job Training Office Fund	
Public Assistance Expenditures	2,323,807
Community Development Block Grants Fund	
Public Assistance Expenditures	1,685,313
Criminal Justice Facility Fund	
Public Ways and Facilities Expenditures	48,473
Redevelopment Agency Fund	
Public Ways and Facilities Expenditures	19,804
Internal Service Funds:	
Workers Compensation Self-Insurance Fund	
Administrative Expenditures	446,585
Fleet Management Fund	
Administrative Expenditures	75,222
Interest Payments	4,001
Data Processing Fund	
Administrative Expenditures	160,586
Interest Payments	6,954
Health Self-Insurance Fund	
Salaries and Benefits Expenditures	7,617,013
Public Works Fund	
Administrative Expenditures	780,507
Interest Payments	1,910

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
Internal Service Funds:	
Public Works Fund	
Depreciation Expense	9,456

F. Investment income assigned directly to the benefit of another fund is as follows:

<u>Type of Fund</u>	<u>Fund Name</u>	<u>General Fund</u>	<u>Special Fund</u>
Internal Service Fund	Worker Comp. Self-Insur	\$217,949	
Fiduciary Fund	Agency Collections Payable	4,270	
Fiduciary Fund	Animal Control Spay/Neuter	269	
Fiduciary Fund	Armona Drainage Trust	307	
Fiduciary Fund	City of Avenal	5,019	
Fiduciary Fund	City of Corcoran	12,691	
Fiduciary Fund	City of Hanford	20,301	
Fiduciary Fund	City of Lemoore	31,765	
Fiduciary Fund	Family Support Trust		9,063
Fiduciary Fund	Food Stamp Trust	11,624	
Fiduciary Fund	Retiree Health Trust	12,113	
Fiduciary Fund	School Developer Fees	1,697	
Fiduciary Fund	Schools Trust	41,414	
Fiduciary Fund	Welfare Repayment Trust	804	
		<u>\$360,223</u>	<u>\$9,063</u>

A Fiduciary Fund called 'Department Trust' reported investment income of \$85,011 which includes all fund types that were directly assigned to the benefit of the General Fund.



REQUIRED SUPPLEMENTARY
INFORMATION

County of Kings
Required Supplementary Information
California Public Employees Retirement System (CalPERS)
Schedule of Funding Progress
For the Year Ended June 30, 2008

Miscellaneous Plan (Non-Safety)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability AAL (Entry Age)	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll (3) / (5)
06/30/01	147,139,738	116,306,273	(\$30,833,465)	126.5%	31,880,982	(96.7%)
06/30/02	138,532,056	127,834,418	(10,697,638)	108.4%	35,079,465	(30.5%)
06/30/03	140,251,440	144,404,384	4,152,944	97.1%	33,870,312	12.3%
06/30/04	147,285,370	154,954,922	7,669,552	95.1%	35,101,173	21.8%
06/30/05	157,417,167	167,860,950	10,443,783	93.8%	36,707,124	28.5%
06/30/06	169,450,555	181,127,876	11,677,321	93.6%	37,988,203	30.7%
06/30/07	183,906,512	196,655,853	12,749,341	93.5%	42,338,924	30.1%

Safety Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability AAL (Entry Age)	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll (3) / (5)
06/30/01	\$82,835,185	\$74,718,598	(\$8,116,587)	110.9%	\$12,573,091	(64.6%)
06/30/02	76,538,512	85,432,196	8,893,684	89.6%	13,965,256	63.7%
06/30/03	78,156,781	90,794,141	12,637,360	86.1%	13,787,105	91.7%
06/30/04	97,831,081	100,136,652	2,305,571	97.7%	14,614,667	15.8%
06/30/05	105,933,868	107,950,259	2,016,391	98.1%	15,219,303	13.2%
06/30/06	114,158,296	116,899,376	2,741,080	97.7%	16,061,956	17.1%
06/30/07	124,199,564	128,359,684	4,160,120	96.8%	17,429,831	23.9%

County of Kings
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Property	\$29,863,765	\$29,863,765	\$15,832,892	(\$14,030,873)
Sales	2,000,000	2,000,000	1,708,449	(291,551)
Franchise			2,825,431	2,825,431
Hotel	220,000	220,000	233,968	13,968
Licenses and permits	1,429,350	1,429,350	453,499	(975,851)
Fines and forfeits	43,260	63,187	118,430	55,243
Intergovernmental	98,646,182	102,487,178	112,485,254	9,998,076
Charges for services	9,797,080	9,823,538	8,308,541	(1,514,997)
Rents and concessions	605,565	605,565	829,748	224,183
Investment earnings	1,810,000	1,810,000	1,695,849	(114,151)
Contributions and donations			32,649	32,649
Miscellaneous	3,418,752	3,818,795	6,852,933	3,034,138
Total revenues	<u>147,833,954</u>	<u>152,121,378</u>	<u>151,377,643</u>	<u>(743,735)</u>
EXPENDITURES				
Current:				
General government	19,578,937	19,570,399	21,683,739	(2,113,340)
Public Safety	51,699,044	52,303,880	42,566,793	9,737,087
Health and sanitation	27,168,778	30,530,613	25,793,062	4,737,551
Public assistance	55,518,112	55,536,597	52,231,642	3,304,955
Education	228,579	249,896	229,828	20,068
Culture and recreation	1,804,698	1,814,698	1,593,474	221,224
Debt service payment				
Principal	2,352,474	2,352,474	952,798	1,399,676
Interest			516,683	(516,683)
Capital outlay	1,345,881	2,387,267	853,325	1,533,942
Total expenditures	<u>159,696,503</u>	<u>164,745,824</u>	<u>146,421,344</u>	<u>18,324,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,862,549)</u>	<u>(12,624,446)</u>	<u>4,956,299</u>	<u>17,580,745</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	783,552	841,308	15,396	(825,912)
Transfers out			(6,609,164)	(6,609,164)
Contingencies	(5,690,578)	(5,507,096)		5,507,096
Total other financing sources and (uses)	<u>(4,907,026)</u>	<u>(4,665,788)</u>	<u>(6,593,768)</u>	<u>(1,927,980)</u>
Net change in fund balances	<u>(16,769,575)</u>	<u>(17,290,234)</u>	<u>(1,637,469)</u>	<u>15,652,765</u>
Fund balances - beginning	31,202,419	31,202,419	31,202,419	-
Fund balances - ending	<u>\$14,432,844</u>	<u>\$13,912,185</u>	<u>\$29,564,950</u>	<u>\$15,652,765</u>

Note:

The basis of budgeting for the County is essentially Non-GAAP cash basis plus encumbrances and contingencies. Encumbrances and contingencies amounting to \$430,067 and \$5,507,096; respectively, differ from cash basis. Resulting in a final budgeted ending fund balance amount of \$13,912,185 + \$430,067 + \$5,507,096 = \$19,849,348. The fund balance ending variance would then be \$19,849,348 final budget vs. \$29,564,950 actual amounts = \$9,715,602 variance with budget. The actual fund balance amount is based on GAAP using the modified accrual basis of accounting.

County of Kings
Required Supplementary Information
Children and Families First
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental revenue	\$2,701,330	\$2,596,994	(\$104,336)
Rents and concessions	7,000	4,000	(3,000)
Interest earnings	137,969	212,945	74,976
Miscellaneous	76,072	201,170	125,098
Total revenues	<u>2,922,371</u>	<u>3,015,109</u>	<u>92,738</u>
EXPENDITURES			
Current:			
Public assistance	4,446,891	4,386,181	60,710
Capital outlay	27,272	6,427	20,845
Total expenditures	<u>4,474,163</u>	<u>4,392,608</u>	<u>81,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,551,792)</u>	<u>(1,377,499)</u>	<u>174,293</u>
OTHER FINANCING SOURCES (USES)			
Contingencies	<u>(4,312,387)</u>		<u>4,312,387</u>
Total other financing sources and (uses)	<u>(4,312,387)</u>		<u>4,312,387</u>
Net change in fund balances	<u>(5,864,179)</u>	<u>(1,377,499)</u>	<u>4,486,680</u>
Fund balances - beginning	<u>5,864,179</u>	<u>5,864,179</u>	<u>-</u>
Fund balances - ending	<u><u>5,864,179</u></u>	<u><u>5,864,179</u></u>	<u><u>4,486,680</u></u>

Note:

The basis of budgeting for the County is essentially Non-GAAP cash basis plus encumbrances and contingencies. Encumbrances and contingencies amounting to \$5,513 and \$4,312,387; respectively, differ from cash basis. Resulting in a final budgeted ending fund balance amount of \$0 + \$5,513 + \$4,312,387 = \$4,317,900. The fund balance ending variance would then be \$4,317,900 final budget vs. \$4,486,680 actual = \$168,780. The actual fund balance amount is based on GAAP using the modified accrual basis of accounting.



SUPPLEMENTARY INFORMATION

**County of Kings
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest earnings		\$38,767	\$38,767
Miscellaneous		1,360	1,360
Total revenues		<u>40,127</u>	<u>40,127</u>
EXPENDITURES			
Debt service payment:			
Principal		355,000	(355,000)
Interest		424,325	(424,325)
Total expenditures		<u>779,325</u>	<u>(779,325)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(739,198)</u>	<u>(739,198)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		768,855	768,855
Total other financing sources and (uses)		<u>768,855</u>	<u>768,855</u>
Net change in fund balances		29,657	29,657
Fund balances - beginning	1,067,230	1,067,230	-
Fund balances - ending	<u>\$1,067,230</u>	<u>\$1,096,887</u>	<u>\$29,657</u>

**County of Kings
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes		\$8,190	\$8,190
Franchise taxes	1,800,000		(1,800,000)
Intergovernmental	10,425,536	1,012,284	(9,413,252)
Charges for services	163,700		(163,700)
Investment earnings	389,234	842,606	453,372
Miscellaneous	1,443,437		(1,443,437)
Total revenues	<u>14,221,907</u>	<u>1,863,080</u>	<u>(12,358,827)</u>
EXPENDITURES			
Public ways & facilities		212,364	(212,364)
Capital outlays	21,446,587	4,178,349	17,268,238
Total expenditures	<u>21,446,587</u>	<u>4,390,713</u>	<u>17,055,874</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,224,680)</u>	<u>(2,527,633)</u>	<u>4,697,047</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		5,003,968	5,003,968
Contingencies	(340,751)		340,751
Total other financing sources and (uses)	<u>(340,751)</u>	<u>5,003,968</u>	<u>5,344,719</u>
Net change in fund balances	(7,565,431)	2,476,335	10,041,766
Fund balances - beginning	7,481,999	7,481,999	-
Fund balances - ending	<u>(\$83,432)</u>	<u>\$9,958,334</u>	<u>\$10,041,766</u>

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Library Fund – The Library is a Special District under the governance of the Kings County Board of Supervisors providing informational, cultural and recreational services to the public through 6 library branches. This fund is used to account for revenues derived from property taxes, state aid, and service fees that are restricted to fund the operations of the County libraries.

Road Fund – This fund is used to account for revenues generated by a 1/4% sales tax, Federal and State Aid, and the County's share of fines for vehicle code and traffic violations. Expenditures are restricted to road and bridge construction and maintenance which are performed by the Public Works Department.

Fire Fund – This fund is used to account for mainly property tax revenues and Federal and State Aid to provide fire protection and rescue related services thru 12 fire stations to the cities of Corcoran, Avenal and unincorporated areas in the County.

Fish and Game Fund – This fund is used to account for the County's share of fines levied for violations of the fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters based on recommendations of the Fish and Game Commission to the Kings County Board of Supervisors.

Child Support Services Fund – This fund is used to account for the Federal and State mandated program revenues designed to provide a variety of services related to the establishment of paternity and the legal enforcement, modification, collection and disbursement of support payments to families.

Off – Highway Motor Vehicle Fund – The Off-Highway Vehicle Law of 1971 requires users of trail bikes, dune buggies, and similar vehicles designed for off-highway use to purchase an identification certificate. This fund can only be used to account for acquisition and development of off-road recreation areas. Allowable expenditures include feasibility studies, planning studies, environmental impact reports and other expenses necessary to implement acquisition or development.

Special Revenue Funds

Job Training Office Fund (JTO) – This fund is used to account for Federal funding for all Workforce Investment Act (WIA) funded programs used to provide for County-wide expenditures related to employment, training and economic development activities.

Community Development Block Grant Fund (CDBG) – This fund is used to account for Federal Funding related to public assistance programs for home loans and housing rehabilitations.

Criminal Justice Facility Fund – This fund is used to account for the fines received from the Courts designated for the construction of the Criminal Justice Facility and Court Buildings.

I.H.S.S. Public Authority Fund – This fund is used to account for Federal and State Aid designated for County-wide oversight of the In Home Support Services Program providing in-house care for indigents.

Kings County Redevelopment Agency – This fund is used to account for the receipt of property tax increments derived from the growth of assessed valuations within the redevelopment project area. Revenues are used for expenditures required to be paid in advance for the redevelopment of a 473 acre area in Kettleman City to eliminate blight, upgrade facilities and infrastructure (specifically sewer and water system capacities), community development programs, and improve low-moderate housing community.

Major Fund during 2008 Fiscal Year:

Children and Families First Fund – This fund is used to account for Proposition 10 revenues, passed by California voters in November of 1998, imposing a fifty-cent-per-pack State sales tax on tobacco to fund a comprehensive, integrated system of early childhood development services for California children ages 0 to 5. The overall intent of the program is for children to enter school healthy and ready to learn with 80% of the revenues going to County Commissions to fund local programs.

**County of Kings
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2008**

	<u>Library</u>	<u>Road</u>	<u>Fire</u>	<u>Fish and Game</u>	<u>Child Support Services</u>
ASSETS					
Cash and cash equivalents	\$38,737	\$38,913	\$56,764	\$674	\$30,096
Imprest cash	404		200		
Treasurer investments	2,441,756	3,254,305	146,324	55,594	(2,172)
Deposit with others					
Receivables	138,333	33,920	737,957	475	120,253
Due from other funds	45		298		
Total assets	<u>\$2,619,275</u>	<u>\$3,327,138</u>	<u>\$941,543</u>	<u>\$56,743</u>	<u>\$148,177</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued expenses payable	\$136,351		\$350,459		\$118,091
Deferred revenue	111,928		314,076		
Due to other funds	8,869		55,026		30,089
Due to other governments					
Advances from other funds					
Total liabilities	<u>257,148</u>		<u>719,561</u>		<u>148,180</u>
Fund balances:					
Reserved for:					
Donations	16,000				
Unreserved, designated for, reported in:					
Encumbrances			7,753		
Economic uncertainties	260,336				
Contingencies	981,343	658,045		40,266	11,481
Unreserved, undesignated reported in:					
Special revenue funds	1,104,448	2,669,093	214,229	16,477	(11,484)
Total fund balances	<u>2,362,127</u>	<u>3,327,138</u>	<u>221,982</u>	<u>56,743</u>	<u>(3)</u>
Total liabilities and fund balances	<u>\$2,619,275</u>	<u>\$3,327,138</u>	<u>\$941,543</u>	<u>\$56,743</u>	<u>\$148,177</u>

**County of Kings
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2008**

	Off-Highway Motor Vehicle	Job Training Office	Community Development Block Grants	Criminal Justice Facility	In - House Supportive Services
ASSETS					
Cash and cash equivalents	\$1,120	\$18,336	\$12,347	\$299	
Imprest cash					
Treasurer investments	91,477	26,473	1,006,760	180,182	
Deposit with others					44,607
Receivables	997	2,508	12,720	1,632	
Due from other funds					
Total assets	<u>\$93,594</u>	<u>\$47,317</u>	<u>\$1,031,827</u>	<u>\$182,113</u>	<u>\$44,607</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued expenses payable		\$372,486	\$369,600		\$438
Deferred revenue					
Due to other funds		18,020			301,786
Due to other governments				10,968	
Advances from other funds					
Total liabilities		<u>390,506</u>	<u>369,600</u>	<u>10,968</u>	<u>302,224</u>
Fund balances:					
Reserved for:					
Donations					
Unreserved, designated for, reported in:					
Encumbrances					
Economic uncertainties					
Contingencies					
Unreserved, undesignated reported in:					
Special revenue funds	93,594	(343,189)	662,227	171,145	(257,617)
Total fund balances	<u>93,594</u>	<u>(343,189)</u>	<u>662,227</u>	<u>171,145</u>	<u>(257,617)</u>
Total liabilities and fund balances	<u>\$93,594</u>	<u>\$47,317</u>	<u>\$1,031,827</u>	<u>\$182,113</u>	<u>\$44,607</u>

County of Kings
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2008

	<u>Redevelopment Agency</u>	<u>Total Nonmajor Governmental Total</u>
ASSETS		
Cash and cash equivalents	\$2,100	\$199,386
Imprest cash		604
Treasurer investments	157,805	7,358,504
Deposit with others		44,607
Receivables	1,754	1,050,549
Due from other funds		343
Total assets	<u>\$161,659</u>	<u>\$8,653,993</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accrued expenses payable		\$1,347,425
Deferred revenue		426,004
Due to other funds	14,513	428,303
Due to other governments	1,071	12,039
Advances from other funds	156,527	156,527
Total liabilities	<u>172,111</u>	<u>2,370,298</u>
Fund balances:		
Reserved for:		
Donations		16,000
Unreserved, designated for, reported in:		
Encumbrances		7,753
Economic uncertainties		260,336
Contingencies		1,691,135
Unreserved, undesignated reported in:		
Special revenue funds	(10,452)	4,308,471
Total fund balances	<u>(10,452)</u>	<u>6,283,695</u>
Total liabilities and fund balances	<u>\$161,659</u>	<u>\$8,653,993</u>

County of Kings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue
For the Year Ended June 30, 2008

	<u>Library</u>	<u>Road</u>	<u>Fire</u>	<u>Fish and Game</u>	<u>Child Support Services</u>
REVENUES					
Taxes:					
Property	\$1,606,477		\$4,535,194		
Sales		18,941			
Franchise			508,980		
Fines and forfeits		309,323		15,868	
Intergovernmental	84,205	5,636,792	1,808,692	65	4,216,188
Charges for services	52,737		10,056	966	
Investment earnings	93,462	51,823	20,961	1,726	19,213
Contributions and donations	1,575		450		
Miscellaneous	16,547	22,022	599,190		7,483
Total revenues	<u>1,855,003</u>	<u>6,038,901</u>	<u>7,483,523</u>	<u>18,625</u>	<u>4,242,884</u>
EXPENDITURES					
Current:					
Public Safety			7,315,980	8,000	4,254,367
Public ways and facilities					
Highways and streets		4,727,254			
Public assistance					
Education	1,725,208				
Debt service:					
Principal			67,238		
Interest			13,267		
Capital outlay			1,066,623		
Total expenditures	<u>1,725,208</u>	<u>4,727,254</u>	<u>8,463,108</u>	<u>8,000</u>	<u>4,254,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>129,795</u>	<u>1,311,647</u>	<u>(979,585)</u>	<u>10,625</u>	<u>(11,483)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		750,000	642,398		
Transfers out			(44,055)		
Total other financing sources and (uses)		<u>750,000</u>	<u>598,343</u>		
Net change in fund balances	129,795	2,061,647	(381,242)	10,625	(11,483)
Fund balances - beginning	2,232,332	1,265,491	603,224	46,118	11,480
Fund balances - ending	<u>\$2,362,127</u>	<u>\$3,327,138</u>	<u>\$221,982</u>	<u>\$56,743</u>	<u>(\$3)</u>

County of Kings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue
For the Year Ended June 30, 2008

	<u>Off-Highway Motor Vehicle</u>	<u>Job Training Office</u>	<u>Community Development Block Grants</u>	<u>Criminal Justice Facility</u>	<u>In - House Supportive Services</u>
REVENUES					
Taxes:					
Property					
Sales					
Franchise					
Fines and forfeits					
Intergovernmental		4,341,754	724,492	829,888	1,156,740
Charges for services					
Investment earnings	4,304	(147)	56,023	11,247	
Contributions and donations					
Miscellaneous		1,168,363	225,433		31,059
Total revenues	<u>4,304</u>	<u>5,509,970</u>	<u>1,005,948</u>	<u>841,135</u>	<u>1,187,799</u>
EXPENDITURES					
Current:					
Public Safety					
Public ways and facilities				48,473	
Highways and streets					
Public assistance		5,458,297	1,694,063		1,460,148
Education					
Debt service:					
Principal					
Interest					
Capital outlay					
Total expenditures		<u>5,458,297</u>	<u>1,694,063</u>	<u>48,473</u>	<u>1,460,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,304</u>	<u>51,673</u>	<u>(688,115)</u>	<u>792,662</u>	<u>(272,349)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					235,953
Transfers out	(15,396)			(768,855)	
Total other financing sources and (uses)	<u>(15,396)</u>			<u>(768,855)</u>	<u>235,953</u>
Net change in fund balances	(11,092)	51,673	(688,115)	23,807	(36,396)
Fund balances - beginning	104,686	(394,862)	1,350,342	147,338	(221,221)
Fund balances - ending	<u>\$93,594</u>	<u>(\$343,189)</u>	<u>\$662,227</u>	<u>\$171,145</u>	<u>(\$257,617)</u>

County of Kings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue
For the Year Ended June 30, 2008

	Redevelopment Agency	Total Nonmajor Governmental Total
REVENUES		
Taxes:		
Property	\$91,721	\$6,233,392
Sales		18,941
Franchise		508,980
Fines and forfeits		325,191
Intergovernmental		18,798,816
Charges for services		63,759
Investment earnings	4,858	263,470
Contributions and donations		2,025
Miscellaneous		2,070,097
Total revenues	<u>96,579</u>	<u>28,284,671</u>
EXPENDITURES		
Current:		
Public Safety		11,578,347
Public ways and facilities	19,804	68,277
Highways and streets		4,727,254
Public assistance		8,612,508
Education		1,725,208
Debt service:		
Principal		67,238
Interest		13,267
Capital outlay		1,066,623
Total expenditures	<u>19,804</u>	<u>27,858,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>76,775</u>	<u>425,949</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		1,628,351
Transfers out		(828,306)
Total other financing sources and (uses)		<u>800,045</u>
Net change in fund balances	76,775	1,225,994
Fund balances - beginning	(87,227)	5,057,701
Fund balances - ending	<u>(\$10,452)</u>	<u>\$6,283,695</u>

County of Kings
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$1,879,526	\$1,606,477	(\$273,049)
Intergovernmental	88,000	84,205	(3,795)
Charges for services	38,000	52,737	14,737
Investment earnings	65,000	93,462	28,462
Contributions and donations		1,575	1,575
Miscellaneous	25,000	16,547	(8,453)
Total revenues	<u>2,095,526</u>	<u>1,855,003</u>	<u>(240,523)</u>
EXPENDITURES			
Current:			
Education	3,046,912	1,725,208	1,321,704
Capital outlays	21,317		21,317
Total expenditures	<u>3,068,229</u>	<u>1,725,208</u>	<u>1,343,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(972,703)</u>	<u>129,795</u>	<u>1,102,498</u>
OTHER FINANCING SOURCES (USES)			
Contingencies	(981,343)		981,343
Total other financing sources and (uses)	<u>(981,343)</u>		<u>981,343</u>
Net change in fund balances	(1,954,046)	129,795	2,083,841
Fund balances - beginning	2,232,332	2,232,332	-
Fund balances - ending	<u>\$278,286</u>	<u>\$2,362,127</u>	<u>\$2,083,841</u>

County of Kings
Road Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Sales	\$45,000	\$18,941	(\$26,059)
Fines and forfeits	530,000	309,323	(220,677)
Intergovernmental	8,384,827	5,636,792	(2,748,035)
Investment earnings	30,000	51,823	21,823
Miscellaneous	50,000	22,022	(27,978)
Total revenues	<u>9,039,827</u>	<u>6,038,901</u>	<u>(3,000,926)</u>
EXPENDITURES			
Current:			
Highways and streets	9,595,777	4,727,254	4,868,523
Total expenditures	<u>9,595,777</u>	<u>4,727,254</u>	<u>4,868,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(555,950)</u>	<u>1,311,647</u>	<u>1,867,597</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		750,000	750,000
Contingencies	(658,045)		658,045
Total other financing sources and (uses)	<u>(658,045)</u>	<u>750,000</u>	<u>1,408,045</u>
Net change in fund balances	(1,213,995)	2,061,647	3,275,642
Fund balances - beginning	1,265,491	1,265,491	-
Fund balances - ending	<u>\$51,496</u>	<u>\$3,327,138</u>	<u>\$3,275,642</u>

County of Kings
Fire Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$4,331,565	\$4,535,194	\$203,629
Franchise	500,000	508,980	8,980
Intergovernmental	2,869,478	1,808,692	(1,060,786)
Charges for services	12,000	10,056	(1,944)
Investment earnings	20,000	20,961	961
Contributions and donations		450	450
Miscellaneous	382,900	599,190	216,290
Total revenues	<u>8,115,943</u>	<u>7,483,523</u>	<u>(632,420)</u>
EXPENDITURES			
Current:			
Public Safety	8,459,099	7,315,980	1,143,119
Debt service:			
Principal		67,238	(67,238)
Interest		13,267	(13,267)
Capital outlay	260,635	1,066,623	(805,988)
Total expenditures	<u>8,719,734</u>	<u>8,463,108</u>	<u>256,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(603,791)</u>	<u>(979,585)</u>	<u>(375,794)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		642,398	642,398
Transfers out		(44,055)	(44,055)
Total other financing sources and (uses)		<u>598,343</u>	<u>598,343</u>
Net change in fund balances	<u>(603,791)</u>	<u>(381,242)</u>	<u>222,549</u>
Fund balances - beginning	603,224	603,224	-
Fund balances - ending	<u>(\$567)</u>	<u>\$221,982</u>	<u>\$222,549</u>

County of Kings
Fish and Game Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Fines and forfeits	\$400	\$15,868	\$15,468
Intergovernmental revenue		65	65
Charges for services	1,100	966	(134)
Investment earnings	1,000	1,726	726
Total revenues	<u>2,500</u>	<u>18,625</u>	<u>16,125</u>
EXPENDITURES			
Current:			
Public Safety		8,000	(8,000)
Capital outlays	8,000		8,000
Total expenditures	<u>8,000</u>	<u>8,000</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(5,500)</u>	<u>10,625</u>	<u>16,125</u>
OTHER FINANCING SOURCES (USES)			
Contingencies	(40,266)		40,266
Total other financing sources and (uses)	<u>(40,266)</u>		<u>40,266</u>
Net change in fund balances	(45,766)	10,625	56,391
Fund balances - beginning	46,118	46,118	-
Fund balances - ending	<u>\$352</u>	<u>\$56,743</u>	<u>\$56,391</u>

County of Kings
Child Support Services - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$4,247,177	\$4,216,188	(\$30,989)
Investment earnings	20,000	19,213	(787)
Miscellaneous	5,000	7,483	2,483
Total revenues	<u>4,272,177</u>	<u>4,242,884</u>	<u>(29,293)</u>
EXPENDITURES			
Current:			
Public safety	4,255,284	4,254,367	917
Capital outlays	16,893		16,893
Total expenditures	<u>4,272,177</u>	<u>4,254,367</u>	<u>17,810</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(11,483)</u>	<u>(11,483)</u>
OTHER FINANCING SOURCES (USES)			
Contingencies	(11,481)		11,481
Total other financing sources and (uses)	<u>(11,481)</u>		<u>11,481</u>
Net change in fund balances	(11,481)	(11,483)	(2)
Fund balances - beginning	11,480	11,480	-
Fund balances - ending	<u>(\$1)</u>	<u>(\$3)</u>	<u>(\$2)</u>

County of Kings
Off-Highway Motor Vehicle Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment earnings		\$4,304	4,304
Total revenues		4,304	4,304
EXPENDITURES			
Current:			
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures		4,304	4,304
OTHER FINANCING SOURCES (USES)			
Transfers out	(15,396)	(15,396)	
Total other financing sources and (uses)	(15,396)	(15,396)	
Net change in fund balances	(15,396)	(11,092)	4,304
Fund balances - beginning	104,686	104,686	-
Fund balances - ending	<u>\$89,290</u>	<u>\$93,594</u>	<u>\$4,304</u>

County of Kings
Job Training Office Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$2,417,244	\$4,341,754	\$1,924,510
Investment earnings		(147)	(147)
Miscellaneous	735,557	1,168,363	432,806
Total revenues	<u>3,152,801</u>	<u>5,509,970</u>	<u>2,357,169</u>
EXPENDITURES			
Public assistance	3,134,490	5,458,297	(2,323,807)
Capital outlays	27,085		27,085
Total expenditures	<u>3,161,575</u>	<u>5,458,297</u>	<u>(2,296,722)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,774)</u>	<u>51,673</u>	<u>60,447</u>
Fund balances - beginning	(394,862)	(394,862)	-
Fund balances - ending	<u>(\$403,636)</u>	<u>(\$343,189)</u>	<u>\$60,447</u>

County of Kings
Community Development Block Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental		\$724,492	\$724,492
Investment earnings		56,023	56,023
Miscellaneous		225,433	225,433
Total revenues		<u>1,005,948</u>	<u>1,005,948</u>
EXPENDITURES			
Public assistance	8,750	1,694,063	(1,685,313)
Total expenditures	<u>8,750</u>	<u>1,694,063</u>	<u>(1,685,313)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,750)</u>	<u>(688,115)</u>	<u>(679,365)</u>
Fund balances - beginning	1,350,342	1,350,342	-
Fund balances - ending	<u>\$1,341,592</u>	<u>\$662,227</u>	<u>(\$679,365)</u>

County of Kings
Criminal Justice Facility Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental		\$829,888	\$829,888
Investment earnings		11,247	11,247
Total revenues		<u>841,135</u>	<u>841,135</u>
EXPENDITURES			
Public ways and facilities		48,473	(48,473)
Total expenditures		<u>48,473</u>	<u>(48,473)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>792,662</u>	<u>792,662</u>
OTHER FINANCING SOURCES (USES)			
Transfers out		(768,855)	(768,855)
Total other financing sources and (uses)		<u>(768,855)</u>	<u>(768,855)</u>
Net change in fund balances		23,807	23,807
Fund balances - beginning	147,338	147,338	-
Fund balances - ending	<u>\$147,338</u>	<u>\$171,145</u>	<u>\$23,807</u>

County of Kings
I.H.S.S. Public Authority Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$1,658,015	\$1,156,740	(\$501,275)
Miscellaneous	41,850	31,059	(10,791)
Total revenues	<u>1,699,865</u>	<u>1,187,799</u>	<u>(512,066)</u>
EXPENDITURES			
Current:			
Public assistance	1,684,964	1,460,148	224,816
Capital outlays	14,900		14,900
Total expenditures	<u>1,699,864</u>	<u>1,460,148</u>	<u>239,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>(272,349)</u>	<u>(272,350)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		235,953	235,953
Total other financing sources and (uses)		<u>235,953</u>	<u>235,953</u>
Net change in fund balances	1	(36,396)	(36,397)
Fund balances - beginning	(221,221)	(221,221)	-
Fund balances - ending	<u>(\$221,220)</u>	<u>(\$257,617)</u>	<u>(\$36,397)</u>

County of Kings
Redevelopment Agency Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property		\$91,721	\$91,721
Investment earnings		4,858	4,858
Total revenues		<u>96,579</u>	<u>96,579</u>
EXPENDITURES			
Public ways and facilities		19,804	(19,804)
Total expenditures		<u>19,804</u>	<u>(19,804)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>76,775</u>	<u>76,775</u>
Fund balances - beginning	<u>(87,227)</u>	<u>(87,227)</u>	-
Fund balances - ending	<u><u>(\$87,227)</u></u>	<u><u>(\$10,452)</u></u>	<u><u>\$76,775</u></u>

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Worker Compensation Self-Insurance Fund – This fund is used to account for the County Workers Compensation Self-Insurance Program providing coverage to County employees.

Fleet Management Fund – This fund is used to account for program costs related to motor pool and equipment maintenance to other departments and agencies.

Data Processing Fund – This fund is used to account for the accumulation and allocation of costs associated with electronic data processing and related services provided.

Health Insurance Fund – This fund is used to account for the County Health Self-Insurance Program providing coverage to County employees.

Public Works Fund – This fund is used to account for program costs related to roads, building and maintenance projects, surveyor and other projects.

County of Kings
Internal Service Funds
Combining Statement of Net Assets
June 30, 2008

ASSETS	Workers Compensation Self-Insurance	Fleet Management	Data Processing
Current assets:			
Cash and cash equivalents	\$68,741	\$27,468	\$41,965
Imprest cash			
Treasurer investments	5,675,249	1,766,239	986,568
Deposit with others	210,000		
Accounts receivable		16,372	127,546
Due from other funds			
Due from other governments			
Inventories and prepaids		206,349	29,098
Total current assets	<u>5,953,990</u>	<u>2,016,428</u>	<u>1,185,177</u>
Noncurrent assets:			
Capital assets:			
Land			
Structures and improvements		608,094	
Equipment		9,355,648	2,496,868
Less accumulated depreciation		<u>(6,636,870)</u>	<u>(1,378,179)</u>
Total capital assets (net of accumulated depreciation)		<u>3,326,872</u>	<u>1,118,689</u>
Total noncurrent assets		<u>3,326,872</u>	<u>1,118,689</u>
Total assets	<u>5,953,990</u>	<u>5,343,300</u>	<u>2,303,866</u>
LIABILITIES			
Current liabilities:			
Accrued expenses payable	143,537	37,841	131,470
Due to other funds		5,876	29,917
Unearned revenue			
Capital leases payable		16,272	
Claims payable	7,311,000		
Total current liabilities	<u>7,454,537</u>	<u>59,989</u>	<u>161,387</u>
Noncurrent liabilities:			
Capital leases payable		15,642	
Compensated absences payable		24,885	216,591
Total noncurrent liabilities		<u>40,527</u>	<u>216,591</u>
Total liabilities	<u>7,454,537</u>	<u>100,516</u>	<u>377,978</u>
NET ASSETS			
Invested in capital assets, net of related debt		3,294,958	1,118,689
Unrestricted	<u>(1,500,547)</u>	<u>1,947,826</u>	<u>807,199</u>
Total net assets	<u><u>(\$1,500,547)</u></u>	<u><u>\$5,242,784</u></u>	<u><u>\$1,925,888</u></u>

County of Kings
Internal Service Funds
Combining Statement of Net Assets
June 30, 2008

ASSETS	Health Self-Insurance	Public Works	Total
Current assets:			
Cash and cash equivalents	\$74,351	\$7,518	\$220,043
Imprest cash		330	330
Treasurer investments	2,226,505	579,459	11,234,020
Deposit with others	150,000		360,000
Accounts receivable	28,146	5,838	177,902
Due from other funds	813,732		813,732
Due from other governments	27,826		27,826
Inventories and prepaids		116,681	352,128
Total current assets	<u>3,320,560</u>	<u>709,826</u>	<u>13,185,981</u>
Noncurrent assets:			
Capital assets:			
Land		88,691	88,691
Structures and improvements		12,104	620,198
Equipment		144,592	11,997,108
Less accumulated depreciation		<u>(71,839)</u>	<u>(8,086,888)</u>
Total capital assets (net of accumulated depreciation)		<u>173,548</u>	<u>4,619,109</u>
Total noncurrent assets		<u>173,548</u>	<u>4,619,109</u>
Total assets	<u>3,320,560</u>	<u>883,374</u>	<u>17,805,090</u>
LIABILITIES			
Current liabilities:			
Accrued expenses payable	309,864	276,694	899,406
Due to other funds	47,042		82,835
Unearned revenue		1,591	1,591
Capital leases payable			16,272
Claims payable			7,311,000
Total current liabilities	<u>356,906</u>	<u>278,285</u>	<u>8,311,104</u>
Noncurrent liabilities:			
Capital leases payable			15,642
Compensated absences payable		347,680	589,156
Total noncurrent liabilities		<u>347,680</u>	<u>604,798</u>
Total liabilities	<u>356,906</u>	<u>625,965</u>	<u>8,915,902</u>
NET ASSETS			
Invested in capital assets, net of related debt		173,548	4,587,195
Unrestricted	2,963,654	83,861	4,301,993
Total net assets	<u>\$2,963,654</u>	<u>\$257,409</u>	<u>\$8,889,188</u>

County of Kings
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2008

	Workers Compensation Self-Insurance	Fleet Management	Data Processing
Operating revenues:			
Charges for services		\$3,031,895	\$5,801,194
Miscellaneous	994,023	134,029	113,576
Total operating revenues	<u>994,023</u>	<u>3,165,924</u>	<u>5,914,770</u>
Operating expenses:			
Salaries and benefits	(1,225,308)	528,426	3,440,515
Services and supplies		1,480,986	1,652,874
Administration	446,585	186,240	151,453
Depreciation		598,783	265,829
Total operating expenses	<u>(778,723)</u>	<u>2,794,435</u>	<u>5,510,671</u>
Operating income (expenses)	<u>1,772,746</u>	<u>371,489</u>	<u>404,099</u>
Nonoperating revenues (expenses):			
Investment earnings	(32,158)	73,653	20,795
Interest expense		(4,001)	(6,954)
Net gain / (loss) on sale of assets		54,170	(9,500)
Total nonoperating revenue (expenses)	<u>(32,158)</u>	<u>123,822</u>	<u>4,341</u>
Income (loss) before contributions and transfers	1,740,588	495,311	408,440
Capital contributions from general funds			8,886
Transfers in			42,925
Transfers out			<u>(22,025)</u>
Change in net assets	1,740,588	495,311	438,226
Total net assets - beginning	<u>(3,241,135)</u>	<u>4,747,473</u>	<u>1,487,662</u>
Total net assets - ending	<u>(\$1,500,547)</u>	<u>\$5,242,784</u>	<u>\$1,925,888</u>

County of Kings
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2008

	Health Self-Insurance	Public Works	Total
Operating revenues:			
Charges for services		\$8,464,148	\$17,297,237
Miscellaneous	10,347,495		11,589,123
Total operating revenues	<u>10,347,495</u>	<u>8,464,148</u>	<u>28,886,360</u>
Operating expenses:			
Salaries and benefits	7,617,013	3,555,581	13,916,227
Services and supplies		4,197,849	7,331,709
Administration	1,452,637	667,713	2,904,628
Depreciation		14,442	879,054
Total operating expenses	<u>9,069,650</u>	<u>8,435,585</u>	<u>25,031,618</u>
Operating income (expenses)	<u>1,277,845</u>	<u>28,563</u>	<u>3,854,742</u>
Nonoperating revenues (expenses):			
Investment earnings	101,642	(2,810)	161,122
Interest expense		(1,910)	(12,865)
Net gain / (loss) on sale of assets			44,670
Total nonoperating revenue (expenses)	<u>101,642</u>	<u>(4,720)</u>	<u>192,927</u>
Income (loss) before contributions and transfers	1,379,487	23,843	4,047,669
Capital contributions from general funds			8,886
Transfers in			42,925
Transfers out			(22,025)
Change in net assets	<u>1,379,487</u>	<u>23,843</u>	<u>4,077,455</u>
Total net assets - beginning	<u>1,584,167</u>	<u>233,566</u>	<u>4,811,733</u>
Total net assets - ending	<u>\$2,963,654</u>	<u>\$257,409</u>	<u>\$8,889,188</u>

**County of Kings
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

	Workers		
	Compensation	Fleet	Data
	Self-Insurance	Management	Processing
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$994,023	\$3,124,370	\$5,842,580
Payments to suppliers	(446,585)	(1,534,264)	(1,658,935)
Payments to and on behalf of employees	651,845	(528,297)	(3,423,520)
Payments for interfund services used		(186,240)	(151,453)
Net cash provided (used) by operating activities	<u>1,199,283</u>	<u>875,569</u>	<u>608,672</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds			42,925
Transfers to other funds			(22,025)
Net cash provided (used) by noncapital and related financing activities			<u>20,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets		(1,356,845)	(218,891)
Interest paid on capital debt		(4,001)	(6,954)
Net cash provided (used) by capital and related financing activities		<u>(1,360,846)</u>	<u>(225,845)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	4,125,029	1,295,683	722,968
Purchase of investments	(5,246,596)	(872,743)	(1,138,417)
Interest and dividends received	(32,158)	73,653	20,795
Net cash provided (used) by investing activities	<u>(1,153,725)</u>	<u>496,593</u>	<u>(394,654)</u>
Net increase (decrease) in cash and cash equivalents	45,558	11,316	9,073
Cash and cash equivalents - beginning of the year	<u>23,183</u>	<u>16,152</u>	<u>32,892</u>
Cash and cash equivalents - end of the year	<u>\$68,741</u>	<u>\$27,468</u>	<u>\$41,965</u>

**County of Kings
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

	<u>Workers Compensation Self-insurance</u>	<u>Fleet Management</u>	<u>Data Processing</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (expense)	\$1,772,746	\$371,489	\$404,099
Adjustments to reconcile operating income (expense) to net cash provided (used) by operating activities:			
Depreciation expense		598,783	265,829
Net (gain) / loss on sale of assets		(54,170)	9,500
(Increase) decrease in accounts receivable		12,616	(81,690)
(Increase) decrease in due from other funds			
(Increase) decrease in due from other governments			
(Increase) decrease in inventories		(26,100)	(41)
Increase (decrease) in accrued expenses payable	143,537	20,795	8,263
Increase (decrease) in due to other funds		456	547
Increase (decrease) in unearned revenue			
Increase (decrease) in capital leases payable		(43,287)	
Increase (decrease) in claims payable	(717,000)		
Increase (decrease) in compensated absences payable		(5,013)	2,165
Total adjustments	<u>(573,463)</u>	<u>504,080</u>	<u>204,573</u>
Net cash provided (used) by operating activities	<u>\$1,199,283</u>	<u>\$875,569</u>	<u>\$608,672</u>
Noncash capital activities:			
Contributions of capital assets from governmental funds			\$8,886

**County of Kings
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

	Health Self-Insurance	Public Works	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$10,287,153	\$8,476,254	\$28,724,380
Payments to suppliers	(1,452,637)	(4,192,389)	(9,284,810)
Payments to and on behalf of employees	(8,160,107)	(3,726,489)	(15,186,568)
Payments for interfund services used		(667,713)	(1,005,406)
Net cash provided (used) by operating activities	<u>674,409</u>	<u>(110,337)</u>	<u>3,247,596</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds			42,925
Transfers to other funds			(22,025)
Net cash provided (used) by noncapital and related financing activities			<u>20,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets		(32,149)	(1,607,885)
Interest paid on capital debt		(1,910)	(12,865)
Net cash provided (used) by capital and related financing activities		<u>(34,059)</u>	<u>(1,620,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,638,783	451,137	8,233,601
Purchase of investments	(2,348,303)	(343,186)	(9,949,246)
Interest and dividends received	101,642	(2,810)	161,122
Net cash provided (used) by investing activities	<u>(607,878)</u>	<u>105,141</u>	<u>(1,554,523)</u>
Net increase (decrease) in cash and cash equivalents	66,531	(39,255)	93,223
Cash and cash equivalents - beginning of the year	<u>7,820</u>	<u>47,103</u>	<u>127,150</u>
Cash and cash equivalents - end of the year	<u>\$74,351</u>	<u>\$7,848</u>	<u>\$220,373</u>

**County of Kings
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

	Health Self-Insurance	Public Works	Total
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (expense)	<u>\$1,277,845</u>	<u>\$28,563</u>	<u>\$3,854,742</u>
Adjustments to reconcile operating income (expense) to net cash provided (used) by operating activities:			
Depreciation expense		14,442	879,054
Net (gain) / loss on sale of assets			(44,670)
(Increase) decrease in accounts receivable	(9,206)	10,669	(67,611)
(Increase) decrease in due from other funds	(51,288)		(51,288)
(Increase) decrease in due from other governments	152		152
(Increase) decrease in inventories		(116,681)	(142,822)
Increase (decrease) in accrued expenses payable	309,864	5,797	488,256
Increase (decrease) in due to other funds	(852,958)	(43,086)	(895,041)
Increase (decrease) in unearned revenue		1,437	1,437
Increase (decrease) in capital leases payable			(43,287)
Increase (decrease) in claims payable			(717,000)
Increase (decrease) in compensated absences payable		(11,478)	(14,326)
Total adjustments	<u>(603,436)</u>	<u>(138,900)</u>	<u>(607,146)</u>
Net cash provided (used) by operating activities	<u>\$674,409</u>	<u>(\$110,337)</u>	<u>\$3,247,596</u>
 Noncash capital activities:			
Contributions of capital assets from governmental funds			\$8,886

County of Kings
Workers Compensation Self-Insurance Internal Service Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$552,500		(\$552,500)
Miscellaneous		994,023	994,023
Total operating revenues	<u>552,500</u>	<u>994,023</u>	<u>441,523</u>
Operating expenses:			
Salaries and benefits		(1,225,308)	1,225,308
Services and supplies	552,500		552,500
Administration		446,585	(446,585)
Total operating expenses	<u>552,500</u>	<u>(778,723)</u>	<u>1,331,223</u>
Operating income (expenses)		<u>1,772,746</u>	<u>1,772,746</u>
Nonoperating revenues (expenses):			
Investment earnings		(32,158)	(32,158)
Total nonoperating revenue (expenses)		<u>(32,158)</u>	<u>(32,158)</u>
Change in net assets		1,740,588	1,740,588
Total net assets - beginning	<u>(3,241,135)</u>	<u>(3,241,135)</u>	-
Total net assets - ending	<u><u>(\$3,241,135)</u></u>	<u><u>(\$1,500,547)</u></u>	<u><u>\$1,740,588</u></u>

County of Kings
Fleet Management Internal Service Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$2,911,306	\$3,031,895	\$120,589
Miscellaneous	80,000	134,029	54,029
Total operating revenues	<u>2,991,306</u>	<u>3,165,924</u>	<u>174,618</u>
Operating expenses:			
Salaries and benefits	575,316	528,426	46,890
Services and supplies	1,774,402	1,480,986	293,416
Administration	111,018	186,240	(75,222)
Depreciation	708,358	598,783	109,575
Capital outlays	1,531,635		1,531,635
Total operating expenses	<u>4,700,729</u>	<u>2,794,435</u>	<u>1,906,294</u>
Operating income (expenses)	<u>(1,709,423)</u>	<u>371,489</u>	<u>2,080,912</u>
Nonoperating revenues (expenses):			
Investment earnings	20,000	73,653	53,653
Interest expense		(4,001)	(4,001)
Net gain / (loss) on sale of assets		54,170	54,170
Total nonoperating revenue (expenses)	<u>20,000</u>	<u>123,822</u>	<u>103,822</u>
Change in net assets	<u>(1,689,423)</u>	<u>495,311</u>	<u>2,184,734</u>
Total net assets - beginning	<u>4,747,473</u>	<u>4,747,473</u>	<u>-</u>
Total net assets - ending	<u>\$3,058,050</u>	<u>\$5,242,784</u>	<u>\$2,184,734</u>

County of Kings
Data Processing Internal Service Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$6,172,204	\$5,801,194	(\$371,010)
Miscellaneous		113,576	113,576
Total operating revenues	<u>6,172,204</u>	<u>5,914,770</u>	<u>(257,434)</u>
Operating expenses:			
Salaries and benefits	3,466,269	3,440,515	25,754
Services and supplies	2,389,728	1,652,874	736,854
Administration	(9,133)	151,453	(160,586)
Depreciation	282,617	265,829	16,788
Capital outlays	249,442		249,442
Total operating expenses	<u>6,378,923</u>	<u>5,510,671</u>	<u>868,252</u>
Operating income (expenses)	<u>(206,719)</u>	<u>404,099</u>	<u>610,818</u>
Nonoperating revenues (expenses):			
Investment earnings	8,916	20,795	11,879
Interest expense		(6,954)	(6,954)
Net gain / (loss) on sale of assets		(9,500)	(9,500)
Total nonoperating revenue (expenses)	<u>8,916</u>	<u>4,341</u>	<u>(4,575)</u>
Income (loss) before contributions and transfers	(197,803)	408,440	606,243
Capital contributions from general funds		8,886	8,886
Transfers in	27,295	42,925	15,630
Transfers out	(28,000)	(22,025)	5,975
Change in net assets	(198,508)	438,226	636,734
Total net assets - beginning	<u>1,487,662</u>	<u>1,487,662</u>	<u>-</u>
Total net assets - ending	<u>\$1,289,154</u>	<u>\$1,925,888</u>	<u>\$636,734</u>

County of Kings
Health Self-Insurance Internal Service Fund
Schedule of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Miscellaneous	\$11,556,938	\$10,347,495	(\$1,209,443)
Total operating revenues	<u>11,556,938</u>	<u>10,347,495</u>	<u>(1,209,443)</u>
Operating expenses:			
Salaries and benefits		7,617,013	(7,617,013)
Services and supplies	7,833,392		7,833,392
Administration	1,490,145	1,452,637	37,508
Total operating expenses	<u>9,323,537</u>	<u>9,069,650</u>	<u>253,887</u>
Operating income (expenses)	<u>2,233,401</u>	<u>1,277,845</u>	<u>(955,556)</u>
Nonoperating revenues (expenses):			
Investment earnings	25,000	101,642	76,642
Total nonoperating revenue (expenses)	<u>25,000</u>	<u>101,642</u>	<u>76,642</u>
Change in net assets	2,258,401	1,379,487	(878,914)
Total net assets - beginning	<u>1,584,167</u>	<u>1,584,167</u>	<u>-</u>
Total net assets - ending	<u>\$3,842,568</u>	<u>\$2,963,654</u>	<u>(\$878,914)</u>

County of Kings
Public Works Internal Service Fund
Schedule of Revenue, Expenditures, and Changes in Net Assets
For the Year Ended June 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$13,835,443	\$8,464,148	(\$5,371,295)
Total operating revenues	<u>13,835,443</u>	<u>8,464,148</u>	<u>(5,371,295)</u>
Operating expenses:			
Salaries and benefits	4,532,777	3,555,581	977,196
Services and supplies	9,362,758	4,197,849	5,164,909
Administration	(112,794)	667,713	(780,507)
Depreciation	4,986	14,442	(9,456)
Capital outlays	36,861		36,861
Total operating expenses	<u>13,824,588</u>	<u>8,435,585</u>	<u>5,389,003</u>
Operating income (expenses)	<u>10,855</u>	<u>28,563</u>	<u>17,708</u>
Nonoperating revenues (expenses):			
Investment earnings		(2,810)	(2,810)
Interest expense		(1,910)	(1,910)
Total nonoperating revenue (expenses)	<u>0</u>	<u>(4,720)</u>	<u>(4,720)</u>
Change in net assets	10,855	23,843	12,988
Total net assets - beginning	<u>233,566</u>	<u>233,566</u>	<u>-</u>
Total net assets - ending	<u>\$244,421</u>	<u>\$257,409</u>	<u>\$12,988</u>

Fiduciary Funds

Fiduciary funds include all Trust and Agency funds that account for assets held by the County as a trustee or as an agent for individuals or other governmental units and therefore cannot be used to support the County programs.

Trust Fund

Other Employee Benefit Trust Fund – The Retiree Health Trust fund is used to account for the monies paid to employees who retire and have accumulated sick leave. Based on the plans formula, a percentage of the sick leave is allocated to this fund and the County then matches. This fund is then used to pay the health insurance premiums of the retired employees.

Agency Funds

Property Tax Collection Fund – This fund is used to account for property tax receipts awaiting apportionment to other local government agencies.

Trial Court Operations Fund – This fund is used to account for monies deposited and disbursed under the control of the Trial Courts.

Public Administrator Fund – This fund is used to account for monies held and administered by the County for citizens who have died and have assets that need to be properly distributed.

Public Guardian Fund – This fund is used to account for monies held outside the County as well as a portion now held by the County treasury beginning in the 2005 fiscal year. The County administers the program for the mentally handicapped.

Law Library Fund – This fund is used to account for fees received from the Courts for building maintenance and the Small Claim Advisor. The County is required to have this Library and is governed by Judges, Private Attorneys, County Council and the District Attorney.

Other Agency Funds – This fund is used to account for assets held for other governmental agencies and governmental units by the County in a fiduciary capacity. Examples of Agency funds held by the County include Special Districts, Hospitals, School Districts and Community Colleges.

County of Kings
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>PROPERTY TAX COLLECTION</u>				
Assets:				
Cash and cash equivalents	\$1,135	\$889		\$2,024
Treasurer investments	199,259	142,060,675	142,120,505	139,429
Receivables	4,359,115	101,020,965	99,651,237	5,728,843
Total assets	<u>\$4,559,509</u>	<u>\$243,082,529</u>	<u>\$241,771,742</u>	<u>\$5,870,296</u>
Liabilities:				
Due other agencies	4,559,509	164,922,716	163,611,929	5,870,296
Total Liabilities	<u>\$4,559,509</u>	<u>\$163,611,929</u>	<u>\$164,922,716</u>	<u>\$5,870,296</u>
<u>TRIAL COURT OPERATIONS</u>				
Assets:				
Cash and cash equivalents	\$151,901	\$357		\$152,258
Treasurer investments	204	445,621	416,376	29,449
Deposit with others	20,000			20,000
Due from other governments	0	10,968		10,968
Receivables	0	147		147
Total assets	<u>\$172,105</u>	<u>\$457,093</u>	<u>\$416,376</u>	<u>\$212,822</u>
Liabilities:				
Due other agencies	172,105	643,993	603,276	212,822
Total Liabilities	<u>\$172,105</u>	<u>\$643,993</u>	<u>\$603,276</u>	<u>\$212,822</u>
<u>PUBLIC ADMINISTRATOR</u>				
Assets:				
Cash and cash equivalents	\$5,916	\$5,128		\$11,044
Treasurer investments	1,160,129	553,271	811,157	902,243
Receivables	13,337		3,823	9,514
Total assets	<u>\$1,179,382</u>	<u>\$558,399</u>	<u>\$814,980</u>	<u>\$922,801</u>
Liabilities:				
Due other agencies	1,179,382	2,161,382	2,417,963	922,801
Total Liabilities	<u>\$1,179,382</u>	<u>\$2,161,382</u>	<u>\$2,417,963</u>	<u>\$922,801</u>
<u>PUBLIC GUARDIAN</u>				
Assets:				
Cash and cash equivalents	\$1,989	\$3,397		\$5,386
Treasurer investments	390,732	121,288	71,979	440,041
Deposit with others	851,113			851,113
Receivables	4,774		116	4,658
Total assets	<u>\$1,248,608</u>	<u>\$124,685</u>	<u>\$72,095</u>	<u>\$1,301,198</u>
Liabilities:				
Due other agencies	1,248,608	220,687	168,097	1,301,198
Total Liabilities	<u>\$1,248,608</u>	<u>\$220,687</u>	<u>\$168,097</u>	<u>\$1,301,198</u>

County of Kings
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>LAW LIBRARY</u>				
Assets:				
Cash and cash equivalents	\$146	\$235		\$381
Treasurer investments	28,217	104,144	101,179	31,182
Receivables	8,391	8,970	8,391	8,970
Total assets	\$36,754	\$113,349	\$109,570	\$40,533
Liabilities:				
Due other agencies	36,754	174,009	170,230	40,533
Total Liabilities	\$36,754	\$174,009	\$170,230	\$40,533
<u>OTHER AGENCY FUNDS:</u>				
Assets:				
Cash and cash equivalents	\$807,668			\$1,731,201
Treasurer investments	149,919,150			138,539,172
Deposit with others	1,880,519			1,996,342
Receivables	3,958,100			1,923,745
Due from other governmental funds				1,071
Prepaid expenses	101,663			83,426
Advances receivable	10,008			10,008
Total assets	\$156,677,108			\$144,284,965
Liabilities:				
Due other agencies	156,677,108			144,284,965
Total Liabilities	\$156,677,108			\$144,284,965
<u>TOTAL - ALL AGENCY FUNDS:</u>				
Assets:				
Cash and cash equivalents	\$968,755			\$1,902,294
Treasurer investments	151,697,691			140,081,516
Deposit with others	2,751,632			2,867,455
Receivables	8,343,717			7,675,877
Due from other governmental funds				12,039
Prepaid expenses	101,663			83,426
Advances receivable	10,008			10,008
Total assets	\$163,873,466			\$152,632,615
Liabilities:				
Due other agencies	163,873,466			152,632,615
Total Liabilities	\$163,873,466			\$152,632,615



STATISTICAL SECTION

Statistical Section

This part of the County of Kings comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the counties financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the counties most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the counties current levels of outstanding debt and the counties ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the counties financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the counties financial report relates to the services the county provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

County of Kings
Net Assets by Component
Last Six Fiscal Years
 (accrual basis of accounting)

Page 1 of 2

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in Capital Assets, net of related debt	\$42,661,311	\$43,571,584	\$47,340,838	\$65,192,955	\$86,581,002
Restricted			11,805,916	797,841	953,782
Unrestricted	<u>46,520,658</u>	<u>29,531,761</u>	<u>27,441,947</u>	<u>28,621,653</u>	<u>31,013,155</u>
Total primary government net assets	<u>\$89,181,969</u>	<u>\$73,103,345</u>	<u>\$86,588,701</u>	<u>\$94,612,449</u>	<u>\$118,547,939</u>

County of Kings
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

Page 2 of 2

	<u>Fiscal Year</u>
	<u>2008</u>
Governmental activities	
Invested in Capital Assets, net of related debt	\$89,999,314
Restricted	1,057,243
Unrestricted	<u>37,057,137</u>
Total primary government net assets	<u>\$128,113,694</u>

County of Kings
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Page 1 of 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$21,842,342	\$26,062,050	\$27,249,665	\$14,348,691	\$16,498,665
Public safety	43,232,730	35,288,347	46,976,402	47,856,210	54,434,752
Public ways and facilities	20,425,881	9,411,587	5,717,581	1,716,559	311,764
Highways and streets	4,464,796	6,685,869	9,774,211	6,310,692	5,119,780
Health and sanitation	20,388,501	20,520,326	21,091,240	21,730,481	23,926,247
Public Assistance	53,400,960	53,557,910	54,899,715	60,922,929	63,022,258
Education	1,191,117	1,100,633	1,232,037	1,444,728	1,759,616
Culture and recreation	571,977	971,000	1,232,781	1,379,658	1,559,113
Unallocated depreciation				2,243,400	3,819,809
Interest on long-term debt		82,937	1,058,736	1,607,540	1,531,703
Total primary governmental expenses	<u>\$165,518,303</u>	<u>\$153,680,659</u>	<u>\$169,232,368</u>	<u>\$159,560,888</u>	<u>\$171,983,707</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$9,267,697	\$11,220,150	\$9,937,975	\$3,750,044	\$3,601,313
Public safety	5,674,504	1,737,154	3,915,637	4,386,961	3,795,392
Public ways and facilities	10,941,891	13,291,044	8,375,795	12,782	42,195
Highways and streets	475,314	509,840	501,212	497,281	370,455
Health and sanitation	688,101	848,151	765,453	874,951	1,182,557
Public Assistance	1,448	438,984	13,880	51,317	41,893
Education	42,979	42,023	41,012	42,301	42,481
Culture and recreation	63,538	54,824	141,923	140,666	105,019
Operating Grants and Contributions	98,482,884	113,120,185	116,532,433	123,706,094	132,662,351
Capital Grants and Contributions			600,000		
Total primary government program revenues	<u>\$125,638,356</u>	<u>\$141,262,355</u>	<u>\$140,825,320</u>	<u>\$133,462,397</u>	<u>\$141,843,656</u>
Net (Expense)/Revenue					
Total primary government net expense	<u>(\$39,879,946)</u>	<u>(\$12,418,304)</u>	<u>(\$28,407,048)</u>	<u>(\$26,098,491)</u>	<u>(\$30,140,051)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property Taxes	\$13,026,110	\$15,058,983	\$25,925,756	\$21,117,166	\$20,546,081
Sales Taxes	2,382,375	1,943,432	1,866,013	2,145,639	1,816,542
Franchise Taxes	2,900,654	2,876,097	2,567,018	3,367,275	3,457,719
Hotel Taxes	196,735	212,790	201,403	212,172	234,265
Grants not restricted to specific programs	2,736,516				
Unrestricted investment earnings	1,074,347	1,118,152	1,502,668	2,486,092	3,199,265
Net gain / (loss) on sale of capital assets	1,154,789	(60,863)	(5,066)	26,838	
Miscellaneous Revenues	3,430,779	3,307,161	11,301,657	4,767,057	5,301,981
Total primary government	<u>\$26,902,305</u>	<u>\$24,455,752</u>	<u>\$43,359,449</u>	<u>\$34,122,239</u>	<u>\$34,555,853</u>
Change in Net Assets					
Total primary government	<u>(\$12,977,642)</u>	<u>\$12,037,448</u>	<u>\$14,952,401</u>	<u>\$8,023,748</u>	<u>\$4,415,802</u>

County of Kings
Changes in Net Assets, Last Six Fiscal Years
 (accrual basis of accounting)

Page 2 of 2

	<u>Fiscal Year</u> <u>2008</u>
Expenses	
Governmental activities:	
General government	\$18,020,019
Public safety	53,976,918
Public ways and facilities	143,796
Highways and streets	4,692,733
Health and sanitation	25,662,068
Public Assistance	64,589,252
Education	1,957,212
Culture and recreation	1,593,474
Unallocated depreciation	4,194,569
Interest on long-term debt	1,408,271
Total primary governmental expenses	<u>\$176,238,312</u>
Program Revenues	
Governmental activities:	
Charges for services:	
General government	\$3,190,023
Public safety	3,777,829
Public ways and facilities	31,014
Highways and streets	309,324
Health and sanitation	1,260,746
Public Assistance	39,895
Education	52,737
Culture and recreation	76,484
Operating Grants and Contributions	134,893,349
Capital Grants and Contributions	
Total primary government program revenues	<u>\$143,631,401</u>
Net (Expense)/Revenue	
Total primary government net expense	<u>(\$32,606,911)</u>
General Revenues and Other Changes in Net Asset	
Governmental activities:	
Taxes	
Property Taxes	\$24,443,834
Sales Taxes	1,727,389
Franchise Taxes	3,334,411
Hotel Taxes	233,968
Grants not restricted to specific programs	
Unrestricted investment earnings	3,214,760
Net gain / (loss) on sale of capital assets	
Miscellaneous Revenues	9,218,304
Total primary government	<u>\$42,172,666</u>
Change in Net Assets	
Total primary government	<u>\$9,565,755</u>

County of Kings
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Page 1 of 2

	Fiscal Year				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund					
Reserved	\$3,975,061	\$3,911,250	\$4,157,663	\$3,787,528	\$4,145,043
Unreserved	3,551,578	7,207,999	7,896,691	7,678,705	11,020,619
Total general fund	<u>7,526,639</u>	<u>11,119,249</u>	<u>12,054,354</u>	<u>11,466,233</u>	<u>15,165,662</u>
 All Other Governmental Funds					
Reserved	4,766,203	6,005,971	11,996,533	14,769,474	8,192,234
Unreserved, reported in:					
Special revenue funds	2,743,189	2,043,009	2,911,135	1,992,329	3,122,095
Capital Projects Fund		858,906	(3,083,561)	(370,559)	18,752,283
Debt Service Fund					
Childrens and Families First Fund					
Total all other governmental Fund	<u>\$7,509,392</u>	<u>\$8,907,886</u>	<u>\$11,824,107</u>	<u>\$16,391,244</u>	<u>\$30,066,612</u>

County of Kings
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Page 2 of 2

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$3,376,903	\$2,443,184	\$2,101,535	\$1,742,191	\$1,453,031
Unreserved	13,911,087	24,476,785	31,881,571	29,460,228	28,111,919
Total general fund	<u>17,287,990</u>	<u>26,919,969</u>	<u>33,983,106</u>	<u>31,202,419</u>	<u>29,564,950</u>
 All Other Governmental Funds					
Reserved	2,589,401	11,821,916	2,114,869	809,077	795,686
Unreserved, reported in:					
Special revenue funds	16,790,933	5,688,862	4,034,066	5,041,701	6,267,695
Capital Projects Fund	5,175,269	7,300,576	2,479,115	7,481,999	9,958,334
Debt Service Fund			267,683	274,153	317,201
Childrens and Families First Fund		6,950,473	6,697,539	5,864,179	4,486,680
Total all other governmental Fund	<u>\$24,555,603</u>	<u>\$31,761,827</u>	<u>\$15,593,272</u>	<u>\$19,471,109</u>	<u>\$21,825,596</u>

County of Kings
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Page 1 of 2

	Fiscal Year				
	1999	2000	2001	2002	2003
Revenues					
Taxes	\$14,772,821	\$15,475,791	\$16,687,966	\$16,607,668	\$18,505,874
Licenses and permits	856,641	898,994	966,622	1,238,317	290,752
Fines and forfeits	391,319	418,899	487,133	571,215	650,716
Intergovernmental	72,902,631	86,099,326	94,836,340	104,271,553	100,248,274
Charges for services	6,780,959	8,143,561	8,062,406	8,087,583	8,606,826
Investment earnings	1,964,809	2,135,590	2,770,996	1,733,241	1,011,971
Other revenues	1,003,479	1,188,962	3,377,647	5,074,521	3,188,267
Total revenues	98,672,659	114,361,123	127,189,110	137,584,098	132,502,680
Expenditures					
General government	8,600,468	9,312,238	11,732,972	10,817,808	10,663,716
Public safety	34,599,661	35,464,462	37,686,070	41,652,384	42,201,007
Public ways and facilities					
Highways and streets	4,907,047	8,339,480	5,516,654	5,142,479	4,464,796
Health and sanitation	11,449,710	15,597,139	17,733,237	21,395,444	20,380,048
Public assistance	37,900,977	38,245,461	44,521,763	49,660,088	53,314,771
Education	1,159,626	1,314,648	1,220,555	1,281,141	1,187,674
Culture and recreation	700,102	832,959	924,425	1,031,852	803,521
Bond issuance costs					
Debt service:					
Principal		66,978		154,893	49,501
Interest		32,659		109,385	79,649
Capital outlay	1,355,105	5,903,971	1,756,711	2,342,714	9,577,528
Total expenditures	100,672,696	115,109,995	121,092,387	133,588,188	142,722,211
Excess of revenues over over (under) expenditures	(2,000,037)	(748,872)	6,096,723	3,995,910	(10,219,531)
Other Financing Sources (Uses)					
Transfers in	193,442	1,146,532		526,000	531,198
Transfers out	(144,341)	(80,097)	(289,651)	(526,000)	(531,198)
Proceeds from borrowing					
CalPers actuarial liability payment					
Sale of capital assets					568,377
Other sources		2,320,000			
Encumbrances	334,565	1,223,481	(6,021,130)		
Total other financing sources and (uses)	383,666	4,609,916	(6,310,781)		568,377
Net changes in fund balances	(\$1,616,371)	\$3,861,044	(\$214,058)	\$3,995,910	(\$9,651,154)
Debt service as a percentage of noncapital expenditures		0.80%		0.20%	0.09%

County of Kings
Changes in Fund Balances, Gove
Last Ten Fiscal Years
(modified accrual basis of accountin

Page 2 of 2

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$19,675,571	\$30,205,037	\$22,427,567	\$25,791,503	\$27,370,243
Licenses and permits	430,179	475,604	516,413	447,366	453,499
Fines and forfeits	619,118	717,642	862,361	524,359	443,621
Intergovernmental	111,234,356	119,018,261	127,852,143	132,662,352	134,893,348
Charges for services	6,408,462	7,709,910	8,014,029	8,252,117	8,372,300
Investment earnings	1,072,489	1,443,810	2,397,046	3,026,233	3,053,637
Other revenues	3,732,708	4,398,026	5,690,538	6,319,506	9,993,982
Total revenues	<u>143,172,883</u>	<u>163,968,290</u>	<u>167,760,097</u>	<u>177,023,436</u>	<u>184,580,630</u>
Expenditures					
General government	18,434,416	13,850,998	15,755,707	18,145,793	21,683,739
Public safety	35,439,527	44,636,927	47,950,439	53,778,497	54,145,140
Public ways and facilities	262,941	305,765	468,159	683,345	280,641
Highways and streets	3,332,810	4,887,106	6,293,313	5,475,403	4,727,254
Health and sanitation	20,630,446	20,860,614	22,013,610	23,900,814	25,793,062
Public assistance	53,447,137	54,585,914	62,533,487	63,321,180	65,230,331
Education	1,121,474	1,227,045	1,433,056	1,742,238	1,955,036
Culture and recreation	961,823	1,232,781	1,379,658	1,559,113	1,593,474
Bond issuance costs	325,994	542,270			
Debt service:					
Principal	36,369	221,150	616,086	1,341,319	1,375,036
Interest	15,415	288,885	1,003,279	1,007,290	954,275
Capital outlay	4,507,306	19,111,501	16,879,175	3,293,951	6,104,724
Total expenditures	<u>138,515,658</u>	<u>161,750,956</u>	<u>176,325,969</u>	<u>174,248,943</u>	<u>183,842,712</u>
Excess of revenues over over (under) expenditures	4,657,225	2,217,334	(8,565,872)	2,774,493	737,918
Other Financing Sources (Uses)					
Transfers in	2,100,107	4,845,649	2,169,565	9,221,146	7,416,570
Transfers out	(3,100,107)	(4,845,649)	(2,709,111)	(10,898,489)	(7,437,470)
Proceeds from borrowing	13,877,742	13,930,358			
CalPers actuarial liability payment	(13,551,748)				
Sale of capital assets					
Other sources					
Encumbrances					
Total other financing sources and (uses)	<u>(674,006)</u>	<u>13,930,358</u>	<u>(539,546)</u>	<u>(1,677,343)</u>	<u>(20,900)</u>
Net changes in fund balances	<u>\$3,983,219</u>	<u>\$16,147,692</u>	<u>(\$9,105,418)</u>	<u>\$1,097,150</u>	<u>\$717,018</u>
Debt service as a percentage of noncapital expenditures	0.04%	0.40%	1.02%	1.37%	1.31%

County of Kings
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Land Property	Improvement Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1999	\$1,189,386,325	\$2,833,790,629	\$304,126,337	(\$211,190,968)	\$4,116,112,323	2.71
2000	1,207,657,509	2,957,359,878	305,170,500	(242,606,895)	4,227,580,992	2.71
2001	1,293,497,076	3,025,972,249	360,781,475	(258,324,365)	4,421,926,435	2.68
2002	1,355,078,423	3,118,095,292	359,903,254	(257,233,343)	4,575,843,626	2.66
2003	1,363,911,903	3,355,222,617	371,917,851	(267,965,144)	4,823,087,227	2.65
2004	1,493,517,419	3,826,204,494	408,076,776	(279,695,104)	5,448,103,585	2.55
2005	1,531,687,522	4,073,446,484	406,354,019	(286,778,801)	5,724,709,224	2.52
2006	1,766,945,824	4,438,990,262	410,214,525	(308,122,152)	6,308,028,459	2.53
2007	1,967,894,593	5,006,876,017	472,145,193	(319,774,450)	7,127,141,353	2.48
2008	\$2,259,410,890	\$5,527,421,758	\$521,674,891	(\$341,218,566)	7,967,288,973	2.49

Note: Property in the County is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value. Since fiscal year 2006, the assessed values for unsecured property taxes are included in this report.

County of Kings
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (rate per \$1,000 of assessed value)

Page 1 of 2

	Year Taxes are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates										
General	\$1.79	\$1.79	\$1.77	\$1.77	\$1.80	\$1.71	\$1.71	\$1.72	\$1.70	\$1.71
Library	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.20	0.20
Fire	0.71	0.70	0.69	0.68	0.64	0.64	0.61	0.61	0.58	0.58
Total direct rate	2.71	2.71	2.68	2.66	2.65	2.55	2.52	2.53	2.48	2.49
Overlapping Rates (a)										
City Rates										
City of Avenal	0.03	0.03	0.03	0.02	0.03	0.02	0.02	0.02	0.02	0.02
City of Corcoran	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02
City of Hanford	0.47	0.47	0.48	0.49	0.49	0.47	0.48	0.49	0.52	0.52
City of Lemoore	0.12	0.12	0.12	0.12	0.13	0.11	0.11	0.11	0.12	0.12
Total City Rates	0.65	0.65	0.65	0.66	0.67	0.63	0.64	0.65	0.68	0.69
Special District Rates										
Armona Community Services	0.004	0.004	0.005	0.004	0.005	0.004	0.004	0.004	0.004	0.004
Avenal Hospital	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Corcoran Cemetary	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.005	0.005
Corcoran Hospital	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
Devils Den	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002
Empire Westside	0.004	0.004	0.003	0.003	0.003	0.003	0.003	0.002	0.002	0.002
Green Valley	0.002	0.002	0.002	0.002	0.002	0.002	0.001	0.001	0.001	0.001
Hacienda Water	-	-	-	-	-	-	-	-	-	-
Hanford Cemetary	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Home Garden Community Services	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.001	0.002
Kings County Light	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Kings County Water	0.12	0.12	0.12	0.12	0.12	0.11	0.12	0.12	0.13	0.13
Kings County Water #1	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Kettleman City Community Services	0.004	0.004	0.004	0.005	0.004	0.004	0.004	0.004	0.002	0.002
Lakeside Irrigation	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Lemoore Cemetary	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Stratford PUD	0.003	0.003	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.002
Consolidated Mosquito	0.001	0.001	0.001	0.001	0.001	0.001	0.0001	0.0007	0.0007	0.0007
Deer Creek	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.0005	0.0004
Kaweah Water Conservation	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03
Kings Mosquito	0.22	0.21	0.21	0.22	0.21	0.20	0.21	0.21	0.21	0.21
Kings River Conservation	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Kingsburg Cemetery	0.002	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Kingsburg Hospital	0.004	0.004	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Tulare Lake Drainage	0.07	0.05	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.04
Total Special District Rates	0.65	0.64	0.64	0.63	0.61	0.59	0.58	0.58	0.58	0.58
Redevelopment Rates										
Avenal Redevelopment	0.10	0.10	0.10	0.10	0.10	0.10	0.11	0.12	0.11	0.12
Corcoran Redevelopment	0.11	0.12	0.11	0.11	0.11	0.10	0.10	0.11	0.13	0.13
Hanford Redevelopment	0.19	0.20	0.19	0.18	0.25	0.22	0.22	0.21	0.18	0.15
Hanford Downtown Redevelopment	-	-	-	-	-	-	-	-	0.04	0.08
Kettleman City Redevelopment	-	-	-	-	-	-	-	-	0.01	0.01
Lemoore Redevelopment	0.33	0.35	0.35	0.37	0.45	0.81	0.83	0.79	0.76	0.73
Total Redevelopment Rates	0.73	0.76	0.76	0.76	0.91	1.21	1.27	1.23	1.23	1.23
School District Rates										
Armona Elementary	0.14	0.14	0.14	0.13	0.11	0.10	0.09	0.09	0.09	0.09
Central Union	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.04	0.04
Corcoran Unified	0.31	0.28	0.28	0.28	0.27	0.26	0.25	0.24	0.23	0.22
Delta View	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Hanford Elementary	0.37	0.36	0.36	0.37	0.36	0.34	0.35	0.36	0.37	0.37
Hanford High School	0.60	0.60	0.60	0.60	0.58	0.56	0.57	0.57	0.59	0.59
Island	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02
Kings River-Hardwick	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.08
Kingsburg Elementary	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Kingsburg High School	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

County of Kings
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (rate per \$1,000 of assessed value)

Page 2 of 2

	Year Taxes are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
School District Rates - continued										
Kit Carson	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03
Lakeside	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.05
Laton Unified	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Lemoore Elementary	0.19	0.19	0.19	0.19	0.20	0.18	0.18	0.18	0.18	0.18
Lemoore High School	0.21	0.21	0.21	0.21	0.21	0.22	0.22	0.21	0.21	0.21
Pioneer	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.16	0.17
Reef-Sunset	0.20	0.22	0.21	0.20	0.20	0.20	0.18	0.18	0.17	0.16
Riverdale Unified	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Traver	0.002	0.002	0.002	0.002	0.001	0.002	0.001	0.001	0.001	0.001
Tulare High School	0.002	0.002	0.003	0.002	0.002	0.003	0.002	0.002	0.002	0.002
Waukena	0.002	0.002	0.002	0.002	0.002	0.003	0.002	0.002	0.002	0.002
Office of Education	0.25	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24
College of Sequoias	0.31	0.30	0.30	0.30	0.30	0.28	0.28	0.28	0.29	0.29
State Center Community College	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
West Hills Community College	0.12	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11
Total School District Rates	3.12	3.11	3.11	99.10	3.04	2.94	2.92	2.93	2.92	2.93
Educational Revenue Augmentation Fund										
ERAF	2.38	2.37	2.37	2.37	2.32	2.24	2.23	2.24	2.24	2.25
School Bonds										
Armona Elementary	-	-	-	-	-	-	0.29	0.28	0.26	0.24
Corcoran Hospital	-	-	-	-	-	-	-	-	0.48	0.44
COS/Hanford Compus	-	-	-	-	-	-	-	-	-	0.25
Hanford Elementary	0.69	0.75	0.67	0.72	0.74	0.53	0.75	0.62	0.43	0.48
Hanford High School	0.21	0.21	0.23	0.27	0.32	0.30	0.33	0.39	0.58	0.49
Kaweah	0.01	0.01	0.01	0.004	0.004	0.01	0.01	0.01	0.01	0.004
Kingsburg Elementary	0.36	0.33	0.20	0.12	0.14	0.18	0.65	0.28	0.54	0.72
Kingsburg High School	0.58	0.73	0.52	0.65	0.54	0.50	0.50	0.59	0.89	0.89
Laton Unified	-	-	-	-	-	-	-	-	-	-
Lemoore High School	0.74	0.61	0.63	0.61	0.68	0.57	0.52	0.50	0.28	0.31
Pioneer Elementary	0.37	0.34	0.32	0.26	0.24	0.24	0.19	0.19	0.41	0.30
Reef-Sunset	1.46	1.23	1.99	2.19	2.10	1.69	1.78	1.73	1.25	1.50
Riverdale Joint Union	0.18	0.43	0.38	0.44	0.44	0.45	0.47	0.90	0.56	0.44
State Center Community College	-	-	-	-	-	0.16	0.14	0.06	0.05	0.18
Traver Elementary	-	-	-	-	-	-	0.28	0.57	0.53	0.60
Tulare Joint High	-	-	-	-	-	-	0.53	0.60	0.47	0.43
West Hills Community College	-	0.14	0.61	0.21	0.27	0.22	0.21	0.01	0.19	0.19
Total School Bonds Rate	4.60	4.79	5.57	5.48	5.48	4.86	6.66	6.71	6.94	7.44
City Bonds										
City of Avenal	0.70	1.00	0.99	0.98	0.96	0.94	0.81	0.76	0.69	0.62
Utility Bonds										
SBE	6.88	7.40	8.53	8.36	9.77	9.36	10.88	11.81	13.55	11.74

Note: The County's basic property tax rate of 1% is established by State Law and may be increased only by a majority vote of the County's residents for specific projects. Rates for debt service are set based on each year's requirements.

(a) Overlapping rates represent those local governments whose geographic area coincides within the County of Kings. Although the County property tax rates apply to all County of Kings property owners, the overlapping rates listed above apply only to a portion of County property owners whose property is located within the district's geographic boundaries.

**County of Kings
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Taxpayer	2008			1998		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Leprino Foods	\$306,212,200	1	5.59%	\$42,029,600	8	1.13%
Boswell, J.G. Co.	218,309,800	2	3.98%	207,517,958	1	5.56%
GWF Energy LLC.	133,600,000	3	2.44%	49,297,000	5	1.32%
Pacific Gas & Electric Co.	104,749,400	4	1.91%	97,131,902	2	2.60%
Del Monte Corporation	81,762,300	5	1.49%	-	-	-
S.K. Foods	64,039,000	6	1.17%	-	-	-
Sandridge Partners	47,594,400	7	0.87%	-	-	-
Hanford Mall Partners	41,829,800	8	0.76%	25,704,148	10	0.69%
Centennial-Hanford Center West	37,724,100	9	0.69%	-	-	-
Paramount Land Company LP	29,498,200	10	0.54%	-	-	-
Nestle Food Company	-	-	-	97,122,980	3	2.60%
Armstrong Rubber Co.	-	-	-	85,250,396	4	2.28%
Waste Management Holdings	-	-	-	46,429,288	6	1.24%
Westlake Farms	-	-	-	42,824,800	7	1.15%
Pacific Bell	-	-	-	40,391,352	9	1.08%
Total	\$1,065,319,200		14.95%	\$733,699,424		18.16%

Note: The 1999 fiscal year information is unavailable.

**County of Kings
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal year	Collected within the Fiscal Year of the Levy		(See Note) Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$11,141,616	\$10,179,612	91.37%	\$567,031	\$10,746,643	96.45%
2000	11,440,976	10,518,783	91.94%	314,151	10,832,934	94.69%
2001	11,838,603	10,948,788	92.48%	249,943	11,198,731	94.60%
2002	12,158,383	11,254,006	92.56%	582,035	11,836,041	97.35%
2003	12,785,136	11,847,494	92.67%	263,503	12,110,997	94.73%
2004	13,915,546	13,168,109	94.63%	281,161	13,449,270	96.65%
2005	14,429,530	13,709,911	95.01%	300,182	14,010,093	97.09%
2006	15,961,709	15,311,410	95.93%	300,854	15,612,264	97.81%
2007	17,637,964	16,946,371	96.08%	324,738	17,271,109	97.92%
2008	19,730,433	18,659,186	94.57%	311,842	18,971,028	96.15%

Note: The column for 'Collections in Subsequent Years' represents all prior years property tax collections recorded during the fiscal year rather than; for example, only fiscal year 1997 taxes levied and then collected during subsequent years as per GASB Statement 44 requirements.

County of Kings
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Pension Obligation Bonds	Lease Revenue Bonds	Capital Leases			
2003	-	-	\$1,762,624	\$1,762,624	0.06%	\$12.65
2004	13,877,742	-	1,623,599	15,501,341	0.51%	108.01
2005	13,797,742	11,470,000	3,911,529	29,179,271	0.94%	199.70
2006	13,697,742	11,150,000	3,935,312	28,783,054	0.86%	192.20
2007	12,927,549	10,805,000	3,617,672	27,350,221	0.82%	180.67
2008	\$12,157,635	\$10,450,000	\$3,296,677	\$25,904,312	0.75%	167.74

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See schedule 'Demographic and Economic Statistics' for personal income and population data. Percentage for 2007 based on 2006's personal income figures; since County amounts from 2007 are not yet available from the U.S. Department of Commerce, Bureau of Economic Analysis.

**County of Kings
Ratios of General Bonded Debt Outstanding,
Last Six Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-

Note: As of 6/30/08, the County had no tax supported general obligation debt outstanding. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See schedule 'Assessed Value and Actual Value of Taxable Property' for reference.

(b) Per Capita data can be found in the schedule of 'Demographic and Economic Statistics' for personal income and population data.

**County of Kings
 Legal Debt Margin Information
 Last Six Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value	\$7,967,288,973
Debt limit (% of assessed value)	5%
Debt applicable to limit:	
General obligation bonds	-
	<hr/>
Legal debt margin	<u>\$398,364,449</u>

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$230,388,377	\$260,747,353	\$273,983,614	\$315,401,423	\$356,357,068	\$398,364,449
Total net debt applicable to limit	-	-	-	-	-	-
Legal debt margin	<u>\$230,388,377</u>	<u>\$260,747,353</u>	<u>\$273,983,614</u>	<u>\$315,401,423</u>	<u>\$356,357,068</u>	<u>\$398,364,449</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-

Note:

As of 06/30/08 the County has no tax supported general obligation bonded debt outstanding. Under California Government Code Section 29909, the county's total bonded debt should not exceed 5 percent of total assessed property value. In addition, the County has established an internal limit of no more than 7% of general fund discretionary revenue (including property tax, sales tax, motor vehicle in-lieu tax, interest earnings, franchise fees and certain fines and penalties) can be used for general obligation debt service payments during each fiscal year.

County of Kings
Pledged - Revenue Coverage
Last Six Fiscal Years

Lease Revenue Bonds

Fiscal Year	Penalty Assessment Collections	Interest Income	Refund for Issuance Cost	Gross Revenues	Debt Service		Coverage
					Principal	Interest	
2003	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2005	782,519	9,969	-	792,488	-	-	-
2006	1,020,586	28,015	6,785	1,055,386	320,000	462,349	1.35
2007	745,345	38,035	-	783,380	345,000	434,675	1.00
2008	\$767,625	\$11,317	-	\$778,942	\$355,000	\$424,325	1.00

Per State statute, a portion of penalty assessments collected by the Courts are to be used for the Criminal Justice Facility Fund. This revenue stream is now pledged to repay the annual debt service payments for the Lease Revenue Bonds.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**County of Kings
Demographic and Economic Statistics
Last Six Fiscal Years**

Year	(A) Population	(B) Personal Income	(B) Capita Personal Income	(C) Unemployment Rate
2003	139,343	\$2,774,000,000	\$20,013	12.3%
2004	143,513	3,024,000,000	21,253	11.3%
2005	146,112	3,108,563,000	21,609	9.2%
2006	149,758	3,328,978,000	22,771	8.4%
2007	151,381	3,471,294,000	23,418	8.7%
2008	154,434			10.7%

Sources:

- (A)** Population data provided by the California Department of Finance, Demographic Research Unit.
- (B)** Personal and Per Capita Personal Income data provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
- (C)** Unemployment data provided by the California Employment Development Department.
- n/a** Not available.

County of Kings
Principal Employers
Current Year and Nine Years Ago

Employer	2008			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lemoore Naval Air Station	9,500	1	17.79%	9,500	1	17.59%
Corcoran & Avenal State Prisons	3,000	2	5.62%	1,700	2	3.15%
Palace Indian Gaming Center	3,000	3	5.62%	1,300	4	2.41%
Del Monte Corp	1,400	4	2.62%	1,400	3	2.59%
Kings County Government Center	1,330	5	2.49%	1,210	5	2.24%
JG Boswell Company	1,200	6	2.25%	1,200	6	2.22%
Hanford Community Medical Center	750	7	1.40%	750	7	1.39%
Leprino Foods	750	8	1.40%	618	8	1.14%
Wamerdam Packing	750	9	1.40%			
Walmart	750	10	1.40%			
Marquez Brothers				306	9	0.57%
Central Vally Meat Co.				270	10	0.50%
Total	22,430		42.00%	18,254		33.80%

Source:
Kings County Economic Development Corporation
America's Labor Market Information System (ALMIS) Employer Data Base (Average Estimate)

Note:
Total 2008 County Employment is 59,000. 1999 County employment was 37,200.
1999 employer information is unavailable to meet GASB #44 requirements.

**County of Kings
Full-time equivalent County Government Employees
Listed by Function/Program
Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Government						
Board of Supervisors	7.00	6.00	6.00	6.00	7.00	7.00
Administrative Office	5.00	6.00	7.00	7.00	7.00	8.00
Department of Finance	15.25	15.25	16.50	16.50	18.50	18.50
Assessor	22.75	23.35	24.45	25.65	26.35	27.35
County of Counsel	7.75	7.75	7.50	7.50	7.50	8.75
Human Resources	7.50	6.50	5.75	6.75	8.00	8.00
Elections	6.00	5.00	5.00	5.00	6.00	6.00
Information Technology	29.00	29.00	29.00	29.00	31.00	35.00
Record Storage/Microfilm	3.00	3.00	3.00	3.00	4.00	5.00
Central Services	6.00	6.00	4.00	4.00	4.00	4.00
Clerk-Recorder	7.00	7.00	8.00	9.00	9.00	9.00
Planning	7.00	9.00	8.50	9.50	11.50	15.00
Total General Government	123.25	123.85	124.70	128.90	139.85	151.60
Public Safety						
Law Library	1.00	1.00	1.00	1.00	0.75	0.75
District Attorney	26.25	29.50	30.50	32.50	32.50	36.25
Child Abduction	2.00	2.00	2.00	2.00	2.00	2.00
OCJP Grant	2.00	2.00	2.00	2.00	2.00	2.00
Prison Prosecution	6.00	8.00	8.00	8.00	8.00	8.00
Sexual Assault	0.75	1.50	1.50	1.50	1.50	1.50
Miscellaneous Grants	3.00	4.00	3.00	3.00	3.00	3.00
Minors Advocacy Unit	3.00	3.00	3.00	3.50	3.60	3.60
Child Support Agency	83.00	77.60	71.50	61.50	58.50	56.50
Sheriff Administration	18.75	18.75	18.75	18.75	18.75	18.75
Contract Law Enforcement	13.90	13.90	12.90	13.90	12.90	12.90
Narcotics Task Force	2.00	2.00	2.00	2.00	3.00	3.00
Field Operations	69.10	68.10	67.10	61.10	58.10	59.10
Court Security Services				10.50	10.50	10.50
Rural Crime Task Force	3.00	3.00	3.00	3.00	3.00	3.00
Operations AB443					3.00	3.00
Main Jail (Merged with Branch Jail in 2005)	81.00	81.00	81.00	80.50	102.50	103.50
Communications	18.00	18.00	18.00	19.00	19.00	19.00
Probation	57.00	54.00	53.00	59.00	60.00	61.00
Juvenile Treatment Center	32.00	31.00	31.00	34.00	31.00	33.00
Juvenile Boot Camp	19.00	17.00	18.00	19.00	19.00	19.00
G.R.E.A.T. Grant	2.00	1.00		1.00	1.00	1.00
Proposition 36	4.00	4.00	3.80	3.00	3.00	3.00
Family Intervention			3.70	2.50	2.50	1.50
Victim/Witness	6.00	6.00	5.00	5.00	2.20	2.20
Special Emphasis SEVA					2.80	2.80
Day Center	5.00	4.00	3.00			
Miscellaneous Grants	8.00	7.00	5.50	5.50	5.50	6.50
Female Boot Camp	7.00	7.00	7.00	7.00	7.00	7.00
Fire	56.50	56.50	60.00	62.00	70.00	70.00
Agricultural Commissioner/Sealer	25.50	24.50	25.50	25.50	24.50	25.50

County of Kings
 Full-time equivalent County Government Employees
 Listed by Function/Program
 Last Six Fiscal Years

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Building Inspection	6.00	4.00	4.00	4.00	5.00	4.00
Regional Transportation	3.00	3.00	4.00	4.00		
Public Guardian/Veterans Services	8.00	8.00	8.00	8.00	8.00	9.00
Animal Control	5.00	5.00	5.00	6.00	6.00	5.00
Animal Shelter						5.50
Total Public Safety	<u>576.75</u>	<u>671.35</u>	<u>561.75</u>	<u>569.25</u>	<u>590.10</u>	<u>602.35</u>
Public Ways and Facilities						
Public Works Administration	4.00	3.00	3.00	3.00	4.00	4.00
Roads and Bridges	26.00	26.00	25.00	24.00	23.00	23.00
Fleet Management	9.00	8.00	8.00	9.00	9.00	9.00
Building Maintenance	25.50	27.50	25.00	25.00	27.00	29.00
Parks and Grounds	8.00	8.00	7.00	8.00	10.00	12.00
Transit	2.00	2.00	4.00			
Surveyor	4.00	4.00	3.75	3.75	3.75	3.75
AG Industry Transport Services	2.00	3.00	3.00			
Total Public Ways and Facilities	<u>80.50</u>	<u>81.50</u>	<u>78.75</u>	<u>72.75</u>	<u>76.75</u>	<u>80.75</u>
Health and Sanitation						
Health Department	30.30	29.10	31.60	32.60	35.60	44.10
Environmental Health	11.00	11.00	11.00	11.00	11.00	12.00
Tobacco Grant					2.00	2.00
Woman, Infants, Children Nutrition Program	13.50	14.10	18.50	21.50	20.50	19.50
TB Program					1.00	1.00
Family Planning	12.00	16.00	15.50	14.60	15.60	17.60
Bio-Terrorism Grant					3.00	3.00
AIDS Program	5.00	5.00	5.00	4.00	4.00	3.60
Child Health & Disability	3.80	3.30	3.50	4.75	4.75	5.75
California Children's Services	5.00	5.00	5.00	6.00	5.75	7.00
Health Grants	11.45	13.10	10.60	10.60	9.60	11.00
Margolin - CPSP	7.00	6.50	6.60	6.60	6.60	5.60
Substance Abuse	3.00	3.00	3.00	3.00	1.00	
Behavioral Health Services					3.00	7.00
Children & Families Commission	6.00	6.00	6.00	6.00	6.00	8.00
Total Health and Sanitation	<u>108.05</u>	<u>112.10</u>	<u>116.30</u>	<u>120.65</u>	<u>129.40</u>	<u>147.15</u>
Public Assistance						
Welfare Administration	279.00	269.00	269.00	285.00	291.00	301.00
Job Training Office	35.00	35.00	33.00	31.00	28.00	28.00
Total Public Assistance	<u>314.00</u>	<u>304.00</u>	<u>302.00</u>	<u>316.00</u>	<u>319.00</u>	<u>329.00</u>
Education						
Library	15.44	15.44	14.98	15.38	16.38	16.38
Agricultural Extension	2.00	2.00	2.00	2.00	3.00	3.00
Total Education	<u>17.44</u>	<u>17.44</u>	<u>16.98</u>	<u>17.38</u>	<u>19.38</u>	<u>19.38</u>
Total County Employees	<u>1219.99</u>	<u>1310.24</u>	<u>1200.48</u>	<u>1224.93</u>	<u>1274.48</u>	<u>1330.23</u>

County of Kings
 Operating Indicators by Function/Program
 Last Six Fiscal Years

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Government						
Board of Supervisors:						
Number of:						
Board meetings	68	67	68	68	65	62
Board agenda items	1,200	1,250	1,350	1,400	1,600	1,300
Board of Equalization agenda items	50	50	53	55	50	45
Housing Authority agenda items	48	48	48	48	48	48
Administration:						
Number of:						
Agenda items prepared	160	175	200	210	210	225
Board referrals resolved	45	50	50	50	50	40
Major organizational Studies	4	2	2	3	2	2
Hours representing County on State Legislation	600	625	700	700	700	700
Hours preparing County Budget and related issues	2,600	2,900	3,000	3,100	3,100	4,200
Human Resources:						
Number of:						
Recruitments	123	115	140	140	166	170
Applicant written exams	900	1,011	698	1,234	1,714	2,300
Classification and compensation reviews	29	35	36	40	86	65
Major grievances, investigations, legal issues	32	33	36	48	53	55
Oral board days	55	96	53	77	97	100
Finance:						
Number of:						
Purchase orders	6,425	6,274	6,274	2,999	1,907	1,400
Treasurer deposits, warrants and journals	245,966	223,393	199,038	152,848	122,642	117,362
Parcels for tax collection and apportionment	59,214	62,000	63,390	62,836	64,448	64,500
Debt issues	16	17	22	20	22	20
Assessor:						
Number of:						
Properties reassessed involving transfers	8,496	10,399	11,182	10,600	10,214	12,600
Properties assessed involving construction	4,840	5,253	4,837	5,448	6,466	5,624
Business/Agricultural property statements	11,461	11,424	11,473	11,530	11,744	11,863
Unsecured roll	5,028	5,124	5,213	5,123	5,415	5,698
Audits conducted	26	31	30	46	30	35
Assessment appeals	54	55	63	60	152	17
Clerk-Recorder:						
Number of:						
Recorded documents	37,472	39,614	40,658	41,372	36,229	37,937
Certified copies	11,304	11,594	11,561	11,812	12,827	12,702
Vitals	9,575	9,643	9,437	9,994	11,045	10,982
Marriage licenses	1,064	1,107	1,159	1,068	1,063	1,064
Fictitious business statements	491	546	574	554	575	596
Passport applications	1,236	1,295	932	1,196	2,163	1,897

**County of Kings
Operating Indicators by Function/Program
Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Elections:						
Number of:						
Elections conducted	1	2	2	3	1	3
Absentee ballots issued	16,708	30,993	25,128	40,303	24,652	66,000
Voter registrations	10,089	10,991	17,758	14,432	10,883	16,300
County Counsel:						
Number of:						
Cases	654	513	537	617	420	500
Hours for county departments	10,271	9,620	8,421	7,452	9,130	8,238
Hours for county-related clients	116	330	123	280	297	220
Hours for outside clients	623	550	294	375	135	500
Information Technology:						
Number of:						
Personal office computers supported	1,342	1,376	1,283	1,283	1,463	1,488
Calls to Help Desk	3,937	4,543	5,887	4,297	4,018	4,111
Application/Enterprise servers	n/a	41	43	43	55	76
Public Safety						
Child Support Services:						
Number of:						
Active cases	10,797	10,694	11,155	10,985	11,144	n.a.
New cases opened	2,504	2,646	2,723	2,668	2,368	n.a.
In-coming phone calls	45,556	47,994	48,031	40,693	38,713	n.a.
Correspondence received	138,630	134,127	134,596	83,580	62,401	n.a.
Interviews	9,362	9,083	8,211	7,836	7,998	n.a.
Payments processed	82,708	84,316	85,732	24,371		n.a.
Collections	12,439,715	12,929,562	13,011,901	13,532,034	14,018,986	n.a.
District Attorney:						
Number of:						
Cases reviewed	9,642	10,481	10,263	10,486	10,164	8,177
Felonies filed	1,817	1,951	2,055	2,080	1,983	1,978
Misdemeanors filed	5,473	5,273	5,699	5,798	5,153	3,327
Minor's Advocacy:						
Number of:						
Juvenile delinquency cases	2,185	2,319	3,217	3,124	3,108	2,680
Child abuse cases	185	169	133	169	197	183
Sheriff (Radio Communications):						
Number of dispatches received	51,086	47,628	51,352	51,975	50,316	51,650

**County of Kings
Operating Indicators by Function/Program
Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Sheriff (Administration):						
Number of:						
Civil cases processed	2,698	2,063	2,379	2,555	2,403	2,400
Reports processed	3,264	3,637	4,194	3,995	3,942	4,000
Citations and warrants	6,841	7,740	7,992	8,732	8,154	7,800
Bookings and releases	16,471	15,034	13,787	17,271	15,364	16,000
Sheriff (Contract Law Enforcement):						
Number of:						
Arrests	1,056	978	732	718	725	750
Written reports	1,380	1,036	971	1,055	1,068	1,100
Calls for service	3,945	3,499	3,554	3,775	3,879	3,900
Citations issued	1,105	1,506	674	652	725	850
Sheriff (Narco Task Force):						
Number of:						
Court cases	244	109	161	150	175	80
Cases investigated	197	109	169	190	150	175
Sheriff (Field Operations):						
Number of:						
Arrests	2,323	2,351	2,764	2,814	2,465	2,093
Calls for service	17,216	18,650	18,931	18,188	17,524	19,468
Written reports	2,457	2,607	3,267	3,300	2,864	2,291
Sheriff (Rural Crime Task Force):						
Amount of:						
Rural area loss (Equipment, Livestock, Supplies)	241,824	137,282	658,418	1,017,008	856,158	1,304,343
Rural area recovery (Equipment, Livestock, Supplies)	289,886	127,263	499,172	834,431	741,341	149,017
Sheriff (Main Jail and Branch Jail):						
Number of:						
Bookings and releases	20,084	19,116	13,787	14,866	15,551	16,100
Transportations	5,678	5,468	5,534	5,056	5,201	5,395
Prisoner cell checks	429,496	420,496	420,496	420,496	420,496	1,646,880
Meals prepared and served	535,490	515,332	513,787	530,788	1,120,000	1,120,000
Visits	43,680	43,980	44,280	31,200	31,200	n.a.
Animal Control:						
Number of:						
Dog licenses issued	2,950	3,000	3,050	3,100	3,467	3,650
Impoundments	6,418	7,168	7,868	8,500	7,145	6,200
Calls for nuisance complaints	3,213	3,500	4,000	4,227	4,512	8,000

County of Kings
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Probation						
Total juvenile intake / traffic	4,100	765	2,217	2,687	2,776	2,800
Number of felony, juvenile and in-court reports	2,109	2,049	2,422	2,394	2,549	3,325
Number of adults and juveniles supervised	4,280	4,361	4,558	4,842	5,102	4,935
Average daily population - juvenile hall	60	60	60	60	62	60
Average daily population - day center	50	50	50	n.a.	n.a.	n.a.
Average daily population - boot camp	35	31	29	30	19	25
Average daily population - female treatment center	15	9	8	8	4	5
Victim Witness						
Number of:						
New victims	600	615	800	802	1,010	600
Fire						
Number of:						
Emergency and non-emergency calls	4,077	4,658	4,483	4,635	4,597	4,650
Fire investigations	660	624	700	724	721	725
Inspections	810	793	815	804	830	835
Ag Commissioner-Sealer						
Number of:						
Ag inspections	201,928	101,734	90,860	101,664	89,889	100,500
Weight and measure inspections	8,922	5,105	10,997	9,427	13,473	9,650
Planning Agency (Building Inspection)						
Number of Hours for:						
Inspections	2,635	2,370	2,667	2,411	2,790	2,467
Permit issuing	380	614	553	371	272	391
Compliance investigations	220	28	17	62	42	24
Building abatements	3,180	65	87	56	36	60
Planning Agency (Planning)						
Number of Hours for:						
Zoning administration	2,681	3,292	3,088	3,674	3,006	4,598
Land division administration	1,548	1,507	1,618	2,069	1,030	1,575
General plan	601	312	171	297	1,328	2,031
Code compliance	3,278	3,111	3,541	3,268	2,246	3,435
Public Guardian						
Total caseload units	266	285	179	182	178	178
Veterans Services						
Number of:						
Claims	1,944	2,175	890	752	1,299	1,705
Office contacts	2,542	2,587	1,673	1,582	1,904	2,000
Telephone contacts	8,930	9,922	5,120	5,775	6,510	6,600

County of Kings
 Operating Indicators by Function/Program
 Last Six Fiscal Years

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Public Ways and Facilities						
Roads and Bridges:						
Number of:						
Road miles maintained	960	960	960	960	960	960
Bridges maintained	106	106	106	106	106	106
Park Services:						
Number of:						
Visitors	115,000	20,000	50,000	75,000	75,000	100,000
Acres maintained	230	230	230	230	230	240
Equipment units maintained	110	110	110	110	115	115
Fleet Management:						
Number of:						
Motor pool vehicles	235	230	235	260	253	260
Sheriff vehicles	109	109	112	112	108	120
Heavy equipment roads vehicles	97	95	100	105	90	96
Building Maintenance:						
Number of:						
Buildings	93	94	94	94	94	96
Square feet	700,093	705,200	705,200	705,200	705,200	713,500
Work orders	4,640	4,778	4,778	4,778	4,867	4,789
Health and Sanitation						
Number of clients served:						
Communicable diseases	20,000	25,700	26,000	26,000	n.a.	n.a.
Maternal, child and adolescent health	3,425	17,549	17,600	17,600	n.a.	n.a.
Family planning visits	9,184	9,728	10,000	10,000	n.a.	n.a.
Women, infants and children	76,104	80,100	84,000	86,400	n.a.	n.a.
Targeted Case Management	438	454	600	700	n.a.	n.a.
Child health and disability prevention	8,624	8,794	8,800	9,000	n.a.	n.a.
California children services	555	593	600	650	n.a.	n.a.
Lab services-specimens	17,000	17,801	17,300	17,300	n.a.	n.a.
Pre-employment exams	159	178	190	200	n.a.	n.a.
Environmental health services and inspections	12,035	12,145	14,758	14,000	n.a.	n.a.
Public Assistance						
Caseloads (average monthly cases):						
California Work Opportunities & Respon. to Kids	2,415	2,570	2,719	2,705	2,610	2,617
Adoptions Assistance	205	218	267	291	310	326
Foster Care	327	362	363	381	402	428
Indigent burial	28	36	27	28	26	32
General Relief	17	19	17	11	10	16
In-Home Supportive Services	1,234	1,353	1,435	1,479	1,520	1,578
Severely Emotionally Disturbed Children	5	6	9	8	4	3

**County of Kings
Operating Indicators by Function/Program
Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Education						
Library:						
Circulation	138,999	139,035	154,288	152,526	153,611	122,468
References	17,881	38,713	26,839	29,313	29,207	27,077
Books added and processed	5,627	5,001	5,001	4,200	5,300	4,500

Sources: 2009 County Budget.

n.a. = no longer available within budget book