

OFFICE OF LARRY E. REIDER  
KERN COUNTY SUPERINTENDENT OF SCHOOLS

Bulletin No. 19

November 18, 2008

TO: School District Administrators  
FROM: Division of Administration and Finance  
SUBJECT: Contingent Tax Liability

*The attachments  
to this bulletin were  
not posted. Can you  
please post them.  
Thanks. Maria*

The Auditor-Controller's office has posted the contingent tax liability statements as of 6/30/08 on their web site at <http://www.auditor.co.kern.ca.us>. A summary copy of these liability balances is attached to this bulletin.

Districts that have excess liability balances, noted in the final column in bracketed numbers, are required to release these excess impounds. The Auditor-Controller will report the amount of excess to the CDE on the P-1 J29B report of property taxes to be collected and will be an offset to state aid at the P-1 apportionment in February.

Should the district have unfunded liability, reflected by a positive amount listed in the final column of the liability statement, plans should be undertaken to impound taxes. A resolution authorizing impounds must be adopted by the district board followed by a letter written to the Auditor-Controller's office. The letter should contain three pieces of information: 1) how much tax to impound; 2) when to impound; and 3) what to do with interest earned.

This office recommends that you instruct the Auditor-Controller to impound 50% of the required taxes from the April collections and 50% from the May collections. This will minimize the negative cash flow effect of the impound. We also recommend that you request interest earned on the impound account to be deposited to your general fund. The letter to impound should be written before March so that reduced tax collections can be reflected in the P-2 J29B.

Sample resolutions to impound or release are attached to this bulletin.

Please contact District Advisory Services should you have any questions.

MOG:kb  
Attachments

**KERN COUNTY  
AUDITOR-CONTROLLER-COUNTY CLERK  
ESTIMATE OF CONTINGENT LIABILITY  
AS OF 06/30/08**

		<u>Pending Appeals/Taxes</u>	<u>Pending Appeals/Int</u>	<u>Subtotal</u>	<u>Less Impounds</u>	<u>Net Cont Liability</u>
01	Arvin	41,850.86	1,901.26	43,752.12	588,184.69	(544,432.57)
04	Bakersfield City	407,369.75	18,558.24	425,927.99	143,302.73	282,625.26
06	Beardsley	34,449.08	1,557.00	36,006.08	70,542.49	(34,536.41)
08	Belridge	192,466.21	8,972.29	201,438.50	0.00	201,438.50
09	Blake	380.74	16.03	396.77	190.59	206.18
12	Buttonwillow	12,483.19	562.37	13,045.56	7,862.00	5,183.56
13	Caliente	2,285.53	102.67	2,388.20	1,362.77	1,025.43
16	Delano Elem	129,191.10	5,669.91	134,861.01	55,330.64	79,530.37
18	DiGiorgio	2,987.17	134.98	3,122.15	1,323.42	1,798.73
20	Edison	15,239.98	693.15	15,933.13	6,228.68	9,704.45
22	Elk Hills	3,280.85	147.47	3,428.32	2,111.32	1,317.00
25	Fairfax	25,865.55	1,178.43	27,043.98	9,567.10	17,476.88
27	Fruitvale	128,228.92	6,003.06	134,231.98	16,046.01	118,185.97
29	Gen. Shafter	7,939.18	354.59	8,293.77	4,558.98	3,734.79
32	Greenfield	95,227.56	4,344.49	99,572.05	33,181.00	66,391.05
38	Kernville	16,597.80	752.38	17,350.18	7,246.24	10,103.94
40	Lakeside	26,960.69	1,174.39	28,135.08	35,107.43	(6,972.35)
41	Lamont	29,539.22	1,350.01	30,889.23	6,218.00	24,671.23
43	Linns Valley	964.05	42.39	1,006.44	476.86	529.58
44	Lost Hills	171,098.72	6,965.96	178,064.68	85,884.01	92,180.67
46	Maple	4,147.45	186.64	4,334.09	1,422.10	2,911.99
50	McKittrick	73,219.82	3,052.59	76,272.41	0.00	76,272.41
52	Midway	317,787.70	12,698.64	330,486.34	0.00	330,486.34
54	Norris	104,764.41	4,891.26	109,655.67	9,032.84	100,622.83
56	Panama-Buena Vista	484,151.72	21,126.62	505,278.34	364,243.68	141,034.66
58	Pond	5,951.06	255.33	6,206.39	1,884.80	4,321.59
62	Richland	55,321.23	2,550.24	57,871.47	15,250.23	42,621.24
64	Rio Bravo	16,995.68	768.82	17,764.50	8,746.62	9,017.88
66	Rosedale	82,501.82	3,746.68	86,248.50	35,982.44	50,266.06
68	Semitropic	4,383.04	191.56	4,574.60	18,980.40	(14,405.80)
72	South Fork	5,067.80	229.71	5,297.51	2,175.95	3,121.56
73	Standard	280,090.17	10,932.12	291,022.29	187,802.62	103,219.67
74	Taft City	282,261.73	12,039.03	294,300.76	132,076.29	162,224.47
75	Vineland	10,330.55	468.69	10,799.24	3,433.22	7,366.02
77	Wasco Elem	60,762.52	2,811.96	63,574.48	9,734.00	53,840.48
81	Delano High School	101,092.04	4,373.16	105,465.20	41,046.86	64,418.34
83	KHSD	1,785,363.00	77,996.51	1,863,359.51	1,794,529.49	68,830.02
76	Taft High School	3,075,203.01	139,771.74	3,214,974.75	704,141.00	2,510,833.75
85	Wasco High School	358,376.79	14,785.87	373,162.66	170,201.44	202,961.22
88	El Tejon	30,917.89	1,397.36	32,315.25	17,576.18	14,739.07
91	Maricopa	58,690.01	2,341.06	61,031.07	41,916.47	19,114.60
89	McFarland	132,691.86	6,204.90	138,896.76	253,960.10	(115,063.34)
90	Mojave	415,236.37	18,002.09	433,238.46	172,476.09	260,762.37
92	Muroc	31,619.99	1,436.80	33,056.79	15,186.37	17,870.42
93	Southern Kern	56,655.03	2,561.95	59,216.98	25,085.74	34,131.24
95	Sierra Sands	73,866.18	3,362.62	77,228.80	30,634.86	46,593.94
94	Tehachapi	265,081.26	12,428.98	277,510.24	40,048.45	237,461.79
87	Kern Community College	1,710,209.94	77,066.94	1,787,276.88	773,356.58	1,013,920.30
78	West Kern Community College	586,738.01	24,043.72	610,781.73	56,770.27	554,011.46
98	County School Services	758,953.73	33,383.63	792,337.36	365,148.55	427,188.81

November 18, 2008

Ms. Ann Barnett  
Kern County Auditor-Controller's Office  
1115 Truxtun Ave.  
Bakersfield, CA 93301-4637

**RE: RELEASE IMPOUNDS**

Dear Ms. Barnett:

Enclosed you will find a copy of the resolution from the (District Name) School District regarding the release of excess Impounded Local Tax Revenues.

Please release \$ \_\_\_\_\_ to the ( District Name) School District General Fund immediately.

If you have any questions, or if I may be of further assistance, please contact me at ( phone #).

Sincerely,

Enc.

**BEFORE THE GOVERNING BOARD  
OF THE \_\_\_\_\_ SCHOOL DISTRICT  
OF KERN COUNTY, STATE OF CALIFORNIA**

**In the Matter of:**

**IMPOUNDMENT OF LOCAL TAX  
REVENUES TO ANTICIPATE PENDING  
CLAIMS AND/OR LITIGATION**

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**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Auditor-Controller of the County of Kern has recently informed the District of potential adverse consequences to local tax and general fund monies of the District attributable to pending court action; and

**WHEREAS**, several claims are now pending before the Assessment Appeals Board which, if determined favorably to the taxpayer will substantially impact revenues of the District through a forced refund; and

**WHEREAS**, counsel has advised the Board that a school board may not defer repayment of a tax refund over an installment period of up to ten (10) years pursuant to Education Code section 35201 due to hardship or any other factor; and

**WHEREAS**, Education Code section 14240 authorizes this Board to direct the County Auditor to impound local tax revenues pending determination of court action or administrative tax protests is that such money remains outside the scope of further Board action pending resolution of the dispute.

**NOW, THEREFORE**, the Board resolves as follows:

1. The Superintendent is authorized and directed to develop a projection of the appropriate amount of money to be impounded in light of the above tax protests and court litigation.
2. The Superintendent shall report that amount to the Board and notify the County-Auditor-Controller of the exact dollar amount to be impounded and the day on which such impound is to be made.
3. The amount so impounded shall be derived entirely from anticipated local tax revenues. No part of the impounded funds shall come from the general reserve or current operating year monies of the district.





November 18, 2008

Ms. Ann Barnett  
Kern County Auditor-Controller's Office  
1115 Truxtun Ave.  
Bakersfield, CA 93301-4637

**RE: CONTINGENT TAX LIABILITY**

Dear Ms. Barnett:

Pending a resolution from the \_\_\_\_\_ (District Name) \_\_\_\_\_ School District authorizing the County-Auditor to impound local tax revenues to anticipate pending assessment appeals and Superior Court cases, please impound \$ \_\_\_\_\_ into the (District Name) School District Impound Fund, (5 digit County fund number). This amount should be impounded from the April and May collections.

Please deposit any interest earned by this impounded amount into our General Fund. If you have any questions, or if I may be of further assistance, please contact me at (phone #).

Sincerely,

Enc.