



# Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023 Kern County, California

Aimee X. Espinoza  
Auditor-Controller-County Clerk





**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2023**



**COUNTY OF KERN**

**Supervisor Phillip Peters..... First District**  
**Supervisor Zach Scrivner ..... Second District**  
**Supervisor Jeff Flores ..... Third District**  
**Supervisor David Couch..... Fourth District**  
**Supervisor Leticia Perez ..... Fifth District**  
**James Zervis – Chief Administrative Officer**

**Prepared by the Office of Aimee X. Espinoza, Auditor-Controller-County Clerk**





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**INTRODUCTORY SECTION**





April 10, 2024

To the Honorable Board of Supervisors and the Citizens of Kern County:

The Annual Comprehensive Financial Report (ACFR) of the County of Kern (County) for the fiscal year ended June 30, 2023 is hereby submitted in compliance with Section 25253 of the Government Code of the State of California and Board of Supervisors' Resolution No. 69-58, dated January 28, 1969. The accompanying financial statements were prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and audited by a firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America as well as the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to safeguard the County's assets from loss, theft, or misuse, as well as compile sufficient and reliable information for the purpose of preparing the County's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh the respective benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report to be both complete and reliable in all material respects.

As the County's goal is to provide reasonable assurance that its financial statements for the fiscal year ended June 30, 2023 are free of material misstatement, the financial statements have been audited by CliftonLarsonAllen LLP, a firm of certified public accountants. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion which states the County's financial statements for the fiscal year ended June 30, 2023 are fairly presented in all material respects in conformity with GAAP. As such, the independent auditors' report is presented as the first component of the financial section of this report.

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

Additionally, GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Please note that this letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

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## *Profile of the Government*

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The County of Kern was organized April 2, 1866, from portions of Los Angeles and Tulare Counties, making it the southernmost county of California's San Joaquin Valley and spans 8,132 square miles. Kern County is organized as a general law county under California law, and is divided into five supervisorial districts. These five supervisorial districts contain 11 incorporated cities. Bakersfield, the County seat, is home to approximately 44 percent of the County's total population of 916,108 while approximately 33 percent of Kern County residents reside in unincorporated areas.

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the Chief Administrative Officer and most non-elected department heads. Supervisors are elected to four-year staggered terms, with three supervisors being elected in the presidential election cycle and two supervisors being elected in the gubernatorial election cycle. The County has elected department heads responsible for the offices of the Assessor-Recorder, Auditor-Controller-County Clerk (Auditor-Controller), District Attorney, Sheriff-Coroner-Public Administrator, and Treasurer-Tax Collector. The County provides a full range of services in the following areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and culture and recreation services.

### **Budgetary and Internal Controls**

The annual budget serves as the foundation for the County's financial planning and control. The County prepares and approves a recommended budget by June 30<sup>th</sup> and adopts a budget not later than October 2<sup>nd</sup> each fiscal year in accordance with Government Code Sections 29000-29144. The County adopts budgets for all major funds and certain non-major governmental funds. The Auditor-Controller is responsible for controlling expenditures within budgeted appropriations. Expenditures are controlled at the object level for all budget units within the County. Encumbrance accounting is utilized to ensure effective budgetary control and accountability. At year-end, unencumbered appropriations are cancelled and outstanding encumbrances rollover as reserved fund balance and are made available for subsequent year expenditures. Transfers of appropriations between budget units must be approved by the Board of Supervisors. Necessary supplemental appropriations, normally financed by unanticipated revenues during the year, and transfers of appropriations between expenditure object classifications, must also be approved by the Board.

In addition to these controls, the Auditor-Controller's Audit Division performs periodic internal control, compliance, and management audits of County departments. On an annual basis, an audit plan is recommended by the Auditor-Controller and approved by the Board of Supervisors. These audits help to ensure that prescribed procedures are followed while evaluating the adequacy, efficiency, and effectiveness of departmental governance, risk management, and internal controls. A fraud hotline provides County employees and the public with a way to anonymously report perceived fraud, waste or abuse in County government. Allegations reported to the hotline are evaluated by the Auditor-Controller's Audit Division and investigated, as appropriate.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and all budgeted major funds, comparisons are presented as part of the required supplementary information. For non-major governmental funds with appropriated annual budgets, these comparisons are presented in the combined and individual fund statements and schedules subsection of this report.

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## *Factors Affecting Financial Condition*

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The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

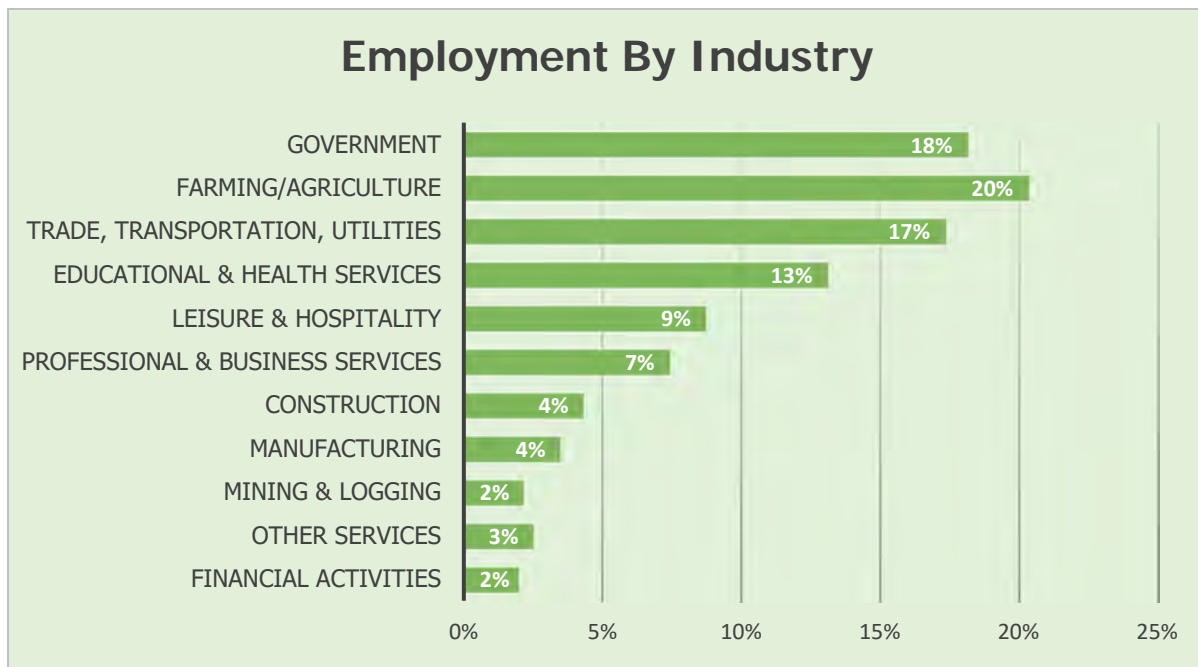
### Long-Term Financial Planning

The County cannot predict the fiscal outcome of future State budget negotiations, the impact that such budgets will have on County finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. There can be no assurances that actions taken by the State will not materially adversely affect the financial condition of the County. Current and future State budgets will be affected by national and State economic conditions and other factors, over which the County has no control. Volatility of the local assessed value of the oil & gas roll in recent years has impacted the County recently and the State has begun implementing stricter regulation over the industry. The State’s goal of achieving carbon neutrality by 2045 includes managing the elimination of the transportation-related fossil fuel supply in the State. If accomplished, this would have a direct impact on the Kern County economy. Current financial planning for future major outlays is considered on a case-by-case basis by the Board of Supervisors and the County Administrative Office.

Since 1998-99, the Board of Supervisors has set aside funds for fiscal stability, to address the fluctuations in County discretionary revenue from one fiscal year to the next on a long-term basis. The intent is for the County to set aside funds when available to help mitigate significant service reductions in fiscal years where the amount of property tax or other discretionary revenue is estimated to be severely impacted. As the County plans for the upcoming fiscal year budgets, Board mandates on limited hiring and spending are in place to provide for future increases in benefit costs and potential declines in revenues.

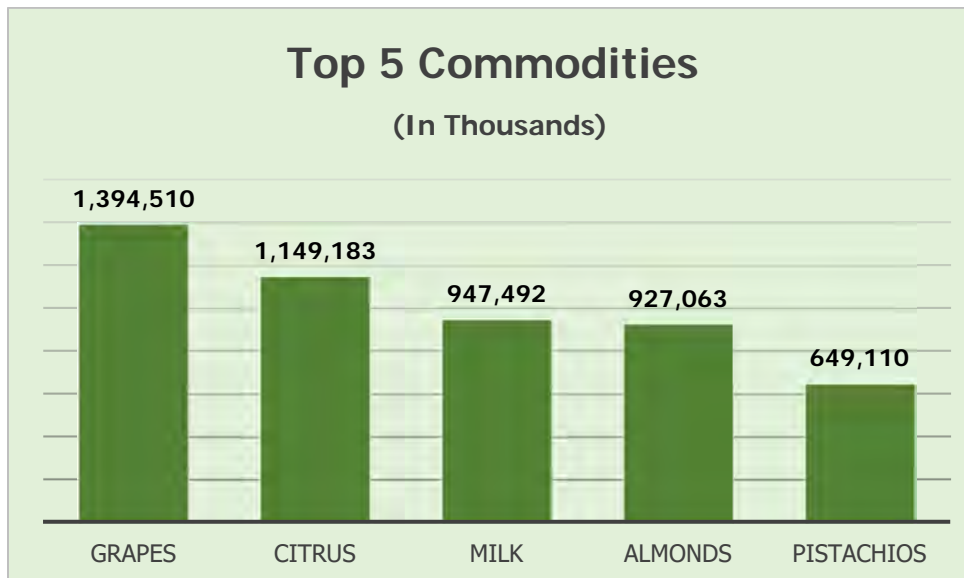
### Local Economy

According to the California Employment Development Department, as of August 2023 approximately 366,400 residents of the County were employed, resulting in an unemployment rate of 8%. This was an increase over the August 2022 rate of 6.7%.



Source: State of California EDD

Kern County is fortunate to be rich in natural resources. It remains the largest oil-producing County in the State of California, producing approximately 76% of the State’s oil. Agricultural production continues to remain steady, with the County being one of the leading producers of agricultural products in the State.



Source: Kern Agricultural Crop Report – 2022

However, regulatory and market forces threaten employment in the industry sectors on which the region relies. Because of this, Kern County has joined in a public-private collaborative effort called Better Bakersfield and Boundless Kern (B3K) to address these issues. B3K is a community-driven effort, sponsored by Kern County, the City of Bakersfield, CSU Bakersfield, the Greater Bakersfield Chamber of Commerce, Kern Economic Development Corporation, and the Kern Community Foundation to identify opportunities for regional prosperity, and coordinate and align diverse existing efforts. B3K prioritizes job quality and access to ensure inclusive economic development and regional prosperity.

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### *Major Initiatives*

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#### **County Fiscal Plan**

The County has faced many challenges in the last six years. Fiscal year 2019-20 was the last year of a four-year deficit mitigation plan approved by the Board of Supervisors as a strategy to resolve the budgetary challenges resulting from the decline of property tax revenue. As the mitigation plan ended, the global pandemic began, which had a profound effect on our County and residents. As we emerge from the global pandemic, there has been a rise in inflation and change in labor market, resulting in a need for compensation restructure.

The County paid off the 1995 Pension Obligation Bonds during fiscal year 2021-22 which decreased retirement cost and allowed the County to reform its compensation structure. The County approved a 2.5% cost of living adjustment for our workforce in fiscal year 2022-23 and more steady salary increases during the employees’ career. To attract and retain qualified personnel, including public safety and nursing personnel, the County has provided salary increases ranging from 5% to 22% for some classifications. The growth in salaries has a direct impact on benefits, particularly retirement costs. The County’s pension contribution rate continues to rise because of a decrease in the investment rate of return adopted by the Kern County Employees’ Retirement Association (KCERA). To mitigate the increase in the contribution rate, the County established a retirement designation to pay for annual increases.



Measure K was approved by voters in unincorporated areas during fiscal year 2022-23 which comprised of a one percentage point sales tax increase. Measure K funding allows for significant investments in public safety, education, homelessness, and economic development. Aided with State and Federal funds the upcoming budget allocates funds to improve roads, enhance behavioral and substance abuse services, and provide increased social services support. Additionally, funded with the American Rescue Plan Act the County will be able to finalize the Library infrastructure projects and provide significant investments in parks around Kern County.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kern for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-sixth consecutive year that the County of Kern has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

I wish to express my appreciation to the staff of the Auditor-Controller's Office whose hard work, professionalism, and dedication are responsible for the preparation of this report, and to the firm of CliftonLarsonAllen LLP for their professional assistance. Finally, I would like to thank the Board of Supervisors and the County Administrative Office for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Sincerely,



Aimee X. Espinoza  
Auditor-Controller-County Clerk



**COUNTY OF KERN  
DIRECTORY OF COUNTY OFFICIALS**

**ELECTED**

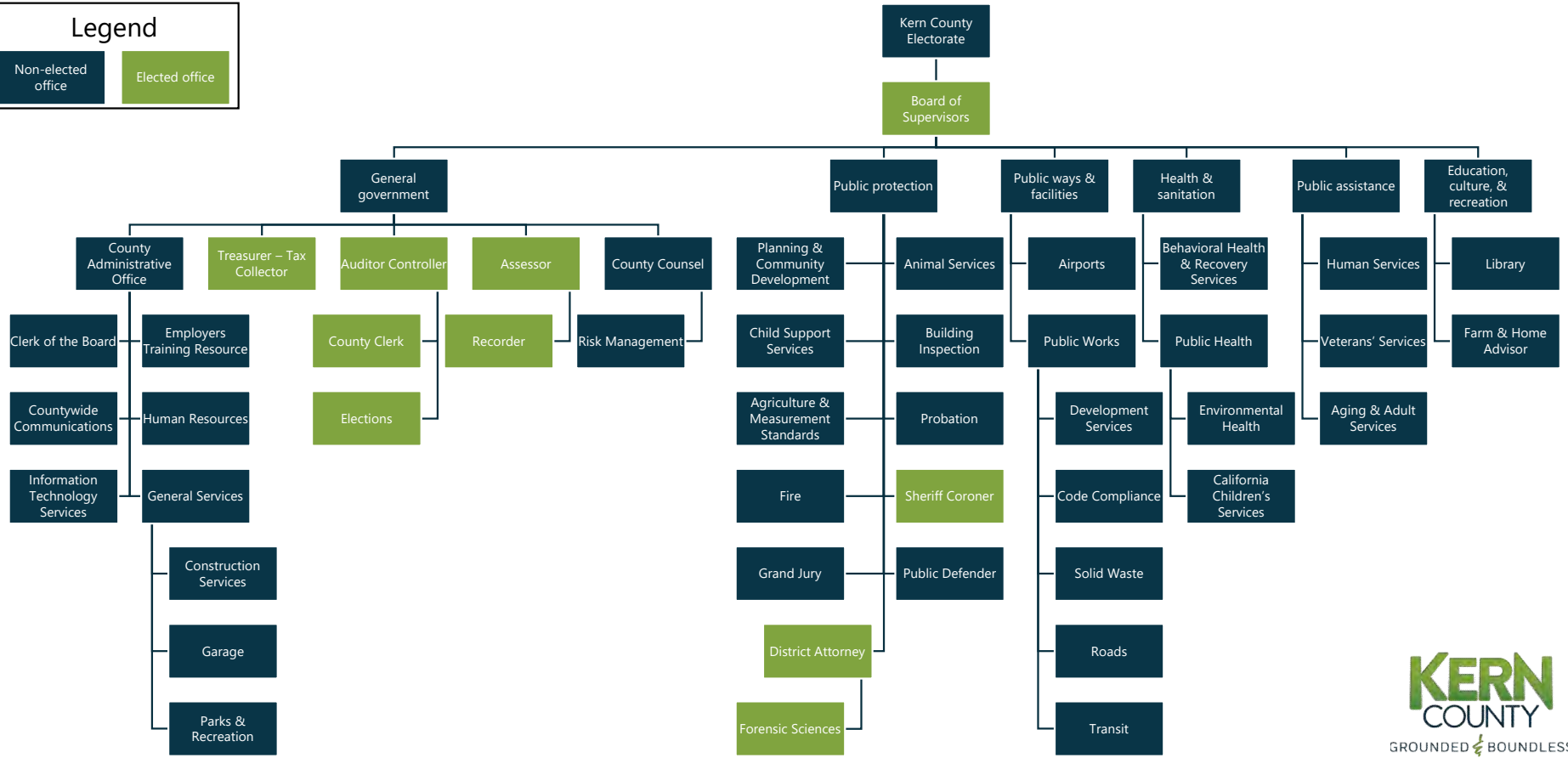
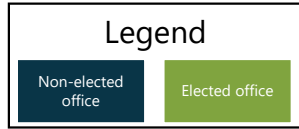
COUNTY SUPERVISOR, FIRST DISTRICT.....PHILLIP PETERS  
COUNTY SUPERVISOR, SECOND DISTRICT..... ZACH SCRIVNER  
COUNTY SUPERVISOR, THIRD DISTRICT..... JEFF FLORES  
COUNTY SUPERVISOR, FOURTH DISTRICT..... DAVID COUCH  
COUNTY SUPERVISOR, FIFTH DISTRICT..... LETICIA PEREZ  
ASSESSOR-RECORDER..... LAURA AVILA  
AUDITOR-CONTROLLER-COUNTY CLERK ..... AIMEE X. ESPINOZA  
DISTRICT ATTORNEY ..... CYNTHIA ZIMMER  
SHERIFF-CORONER-PUBLIC ADMINISTRATOR ..... DONNY YOUNGBLOOD  
TREASURER-TAX COLLECTOR .....JORDAN KAUFMAN

**COUNTY OF KERN**  
**DIRECTORY OF COUNTY OFFICIALS**  
(CONTINUED)

**APPOINTED**

AGING AND ADULT SERVICES.....	JEREMY OLIVER
AGRICULTURAL COMMISSIONER/SEALER .....	GLENN FANKHAUSER
AIRPORTS.....	RONALD BREWSTER
ANIMAL SERVICES.....	NICHOLAS CULLEN
CLERK OF THE BOARD.....	KATHLEEN KRAUSE
CHILD SUPPORT SERVICES.....	ELIZABETH CHAVEZ
COMMUNITY AND ECONOMIC DEVELOPMENT .....	LORELEI OVIATT
CHIEF ADMINISTRATIVE OFFICER .....	JAMES ZERVIS
BOARD OF TRADE	
EMPLOYERS' TRAINING RESOURCE	
GENERAL SERVICES	
GROUP HEALTH	
HUMAN RESOURCES	
INFORMATION TECHNOLOGY SERVICES	
RETIREE GROUP HEALTH	
UNEMPLOYMENT	
COUNTY COUNSEL .....	MARGO RAISON
DEVELOPMENT SERVICES AGENCY.....	LORELEI OVIATT
EMERGENCY MEDICAL SERVICES .....	BRYNN CARRIGAN
ENVIRONMENTAL HEALTH.....	JEFFREY MARSHALL
FARM AND HOME ADVISOR .....	BRIAN MARSH
FIRE DEPARTMENT.....	AARON DUNCAN
HUMAN SERVICES .....	LITO MORILLO
LIBRARY.....	ANDREA SULLIVAN
BEHAVIORAL HEALTH & RECOVERY SERVICES .....	ALISON BURROWES (INTERIM)
PLANNING.....	LORELEI OVIATT
PROBATION .....	WILLIAM DICKINSON
PUBLIC DEFENDER.....	PETER KANG
PUBLIC HEALTH .....	BRYNN CARRIGAN
PUBLIC WORKS .....	JOSHUA CHAMPLIN (INTERIM)
ENGINEERING & SURVEY SERVICES	
ROADS	
WASTE MANAGEMENT	
VETERANS' SERVICES.....	JOSE LOPEZ (INTERIM)

# Kern County Organizational Chart for Staffed Budget Units by Function of Primary Budget Unit





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Kern  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO





**FINANCIAL SECTION**







## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
County of Kern  
Bakersfield, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kern, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Kern's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kern, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority, which represent 100 percent of the assets, net position and revenues of the discretely presented component units as of and for the fiscal year ended June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority are based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Kern and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matters***

*Change in Accounting Principle*

As discussed in Note 1J to the financial statements, effective July 1, 2022, the County adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Kern's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Kern's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Kern's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison schedules, schedules of the County's proportionate share of the net pension liability and the County's contributions, and the schedules of the County's proportionate share of the net OPEB liability and the County's contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Kern's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

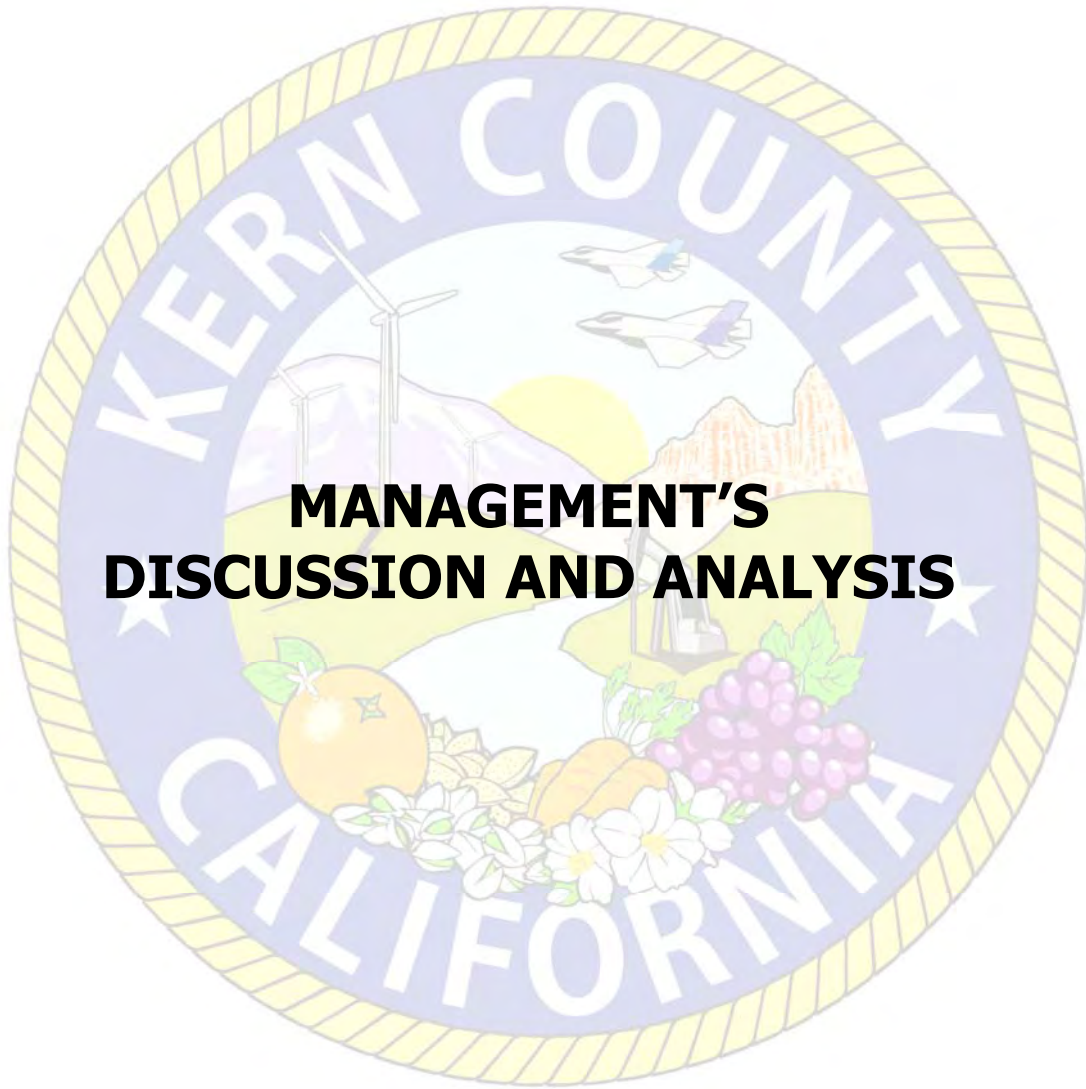
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of the County of Kern's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Kern's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Kern's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
April 10, 2024



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**



**COUNTY OF KERN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

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The management's discussion and analysis section of the County of Kern's (County) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. Users of these financial statements should read this section in conjunction with the transmittal letter at the front of the ACFR and the County's basic financial statements following this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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*Financial Highlights*

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- At June 30, 2023, the County's total net position was \$2,063,508. Of this total net position, \$2,224,915, is attributed to net investment in capital assets, and \$828,233, is restricted, which may be used for the County's ongoing obligations with external restrictions. (For additional information on Restricted Net Position see Note B.) The remaining balance of the total net position is a deficit balance of \$989,640 representing the unrestricted net position.
- During the current fiscal year, the County's net position increased by \$380,977. The County's net position increased by \$348,393 for governmental activities and increased \$32,584 for business-type activities.
- At June 30, 2023, the County's governmental funds reported total ending fund balance of 1,389,726, an increase of 17.29% compared to prior year's total ending fund balance. Approximately \$1,377,741 or 99.14% is considered spendable fund balance. See further discussion in the Financial Analysis of the County's Governmental Funds section on page 19.
- At June 30, 2023, the spendable fund balance for the General Fund was \$436,675 or 97.75% of the total fund balance of the General Fund.

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*Overview of the Basic Financial Statements*

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Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

**Government-Wide Statements**

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

The *Statement of Net Position* presents information on all County's assets and deferred outflows of resources less liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information illustrating how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event takes place regardless of when cash is received or paid. Thus, some revenues and expenses are reported in the ACFR for some items that will only result in cash inflows and outflows in future fiscal years.



Both the *Statement of Net Position* and the *Statement of Activities* distinguish between activities that are primarily financed with taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The County's governmental activities include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and culture and recreation services. The County's business-type activities include the operation of seven airports, two sanitation districts, public transportation, three golf courses, solid waste disposal, and activities associated with waste pick-up for the more densely populated unincorporated areas of Bakersfield, Mojave, Rosamond, Buttonwillow, Lost Hills, and Taft. Although the Golf Courses, Sanitation Districts, Kern Asset Leasing Corporation, and County Service Areas are legally separate entities, in substance they are part of the County's operations and have been included as part of the County's governmental and business-type activities.

The government-wide financial statements are presented on pages 26 through 28 of the ACFR.

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. A fund is a fiscal and accounting entity designated to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. County's funds can be divided into three broad categories:

- Governmental funds
- Proprietary funds
- Fiduciary funds

**Governmental funds** are used to account for activities that are similar in nature to the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating Kern County's future financing requirements and available resources.

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

The County reports nine major individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each of the major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the *Combining and Individual Fund Statements and Schedules* section.

The County adopted an annual appropriated budget for all its major governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget and are included in the *Required Supplementary Information* section of the ACFR (debt service budgetary schedules are not required to be presented in these financial statements). Individual budgetary data for each of the budgeted non-major governmental funds is presented in the *Other Supplementary Information* section of the ACFR.

The basic governmental fund financial statements are presented on pages 31 through 36 of the ACFR.

Proprietary funds are reported in two ways: enterprise funds and internal service funds. Enterprise funds are reported as business-type activities in the government-wide financial statements. The County has the following enterprise funds: Airports, County Sanitation Districts, Golf Courses, Public Transportation, Waste Management, and Universal Collection. Internal service funds are used to accumulate and allocate costs internally among the County's various functions.

**Proprietary funds** provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Airports and Waste Management, which are major funds of the County. For presentation, all other enterprise funds are combined into a single, aggregated column, as well as the internal service funds. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the combining statements of the ACFR.

The County uses the following internal service funds: General Liability, General Services - Garage, Group Health, Public Works, Retiree Group Health, Unemployment Compensation, and Workers' Compensation. Because such functions predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds basic financial statements are presented on pages 37 through 39 of the ACFR.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County government. Because fiduciary funds are presented separately, they do not appear in the government-wide financial statements. The resources of fiduciary funds are not available to support the County's own programs. Fiduciary funds are accounted for similar to proprietary funds.

The fiduciary fund basic financial statements are presented on pages 40 and 41 of the ACFR.

### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in both government-wide and fund financial statements.

The notes to the financial statements are presented starting on page of the ACFR.

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## *Government-Wide Financial Analysis*

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Table 1 - County of Kern's Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,983,737	\$ 1,706,694	\$ 135,851	\$ 98,026	\$ 2,119,588	\$ 1,804,720
Capital assets	2,235,761	2,175,876	250,487	246,142	2,486,248	2,422,018
Total assets	<u>4,219,498</u>	<u>3,882,570</u>	<u>386,338</u>	<u>344,168</u>	<u>4,605,836</u>	<u>4,226,738</u>
Total deferred outflows of resources	454,079	354,945	10,305	8,070	464,384	363,015
Current liabilities	296,017	386,797	13,880	13,827	309,897	400,624
Long-term liabilities	2,462,072	1,964,828	110,467	93,082	2,572,539	2,057,910
Total liabilities	<u>2,758,089</u>	<u>2,351,625</u>	<u>124,347</u>	<u>106,909</u>	<u>2,882,436</u>	<u>2,458,534</u>
Total deferred inflows of resources	107,511	426,329	16,765	22,382	124,276	448,711
Net position						
Net investment in capital assets	1,976,880	1,954,070	248,035	242,888	2,224,915	2,196,958
Restricted	825,363	786,122	2,870	2,870	828,233	788,992
Unrestricted (deficit)	(994,266)	(1,280,631)	4,626	(22,811)	(989,640)	(1,303,442)
Total net position	<u>\$ 1,807,977</u>	<u>\$ 1,459,561</u>	<u>\$ 255,531</u>	<u>\$ 222,947</u>	<u>\$ 2,063,508</u>	<u>\$ 1,682,508</u>

As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. At June 30, 2023, the County’s total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$2,063,508.

**Net Investment in Capital Assets**

The County’s largest portion of total net position is the net investment in capital assets of \$2,224,915. The net investment in capital assets includes land, buildings and improvements, roads, machinery and equipment, intangibles, and construction in progress, less accumulated depreciation and amortization and any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens, and, as a result, these assets are not available for future spending. Because the net investment in capital assets is reported net of related debt, and since the capital assets themselves cannot be used to liquidate the debt liabilities, it should be noted that the resources needed to repay this debt must be provided from other sources.

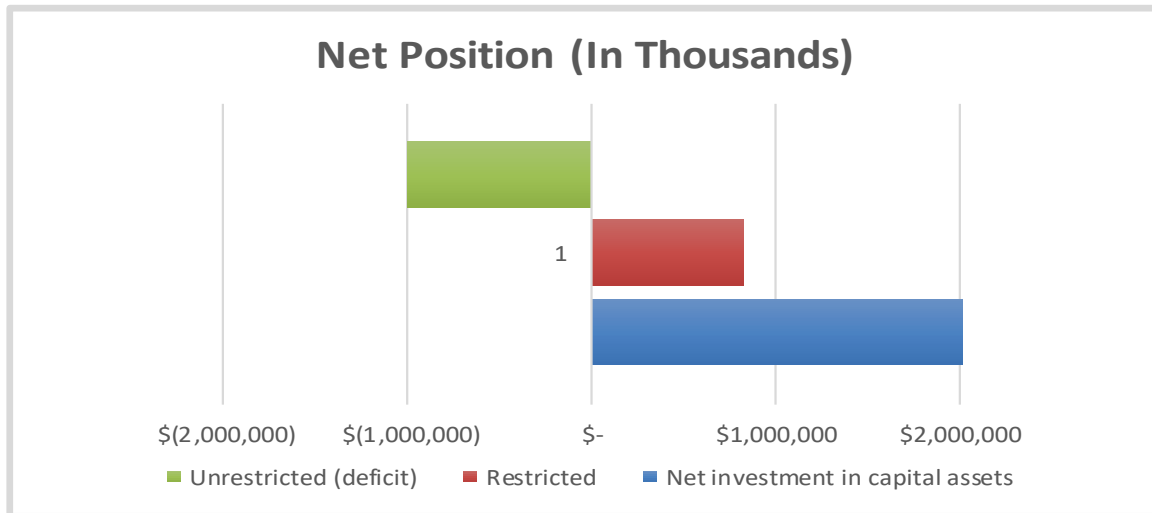
The increase in net investment in capital assets of 27,957, or 1.27%, was the result of the current fiscal year implementation of GASB 96 and the recognition of capital acquisitions, disposals, depreciation and amortization, and retirement of related long-term debt. In most cases, the disposals of capital assets have no effect on the change in net investment in capital assets, since assets are not typically disposed of until the end of their useful life and would carry no book value when net of associated depreciation or amortization. The largest increase in capital asset activity was in construction in progress. The increase was primarily due to the Psychiatric Health Facility construction, the purchase of Fire Engines that are in the process of being outfitted, and various Roads infrastructure projects. Depreciation and Amortization of \$90,087 was the biggest reduction to net investment in capital assets.

**Restricted Net Position**

Of the County’s total net position, \$828,233 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted resources, \$679,946, is reserved for public protection, public assistance, and health & sanitation. The total restricted balance increased by \$39,241, predominantly from the increase of \$81,471 to Public Protection which is mainly related to Realignment 1991 and measure K.

**Unrestricted Net Position**

The remaining balance of net position represents the unrestricted resources, which has a deficit balance of \$989,640. This deficit balance is largely due to the inclusion of the long-term debt specifically for the unfunded portions of the pension and Other Post-Employment Benefit (OPEB) liabilities. In the current fiscal year, unrestricted net position increased by \$313,802, or 24.07%; this change is due to the current year debt payments and the reductions of the net liabilities from the pension and OPEB actuarial reports.



The table below shows a summary of the governmental and business-type activities for the Statement of Activities

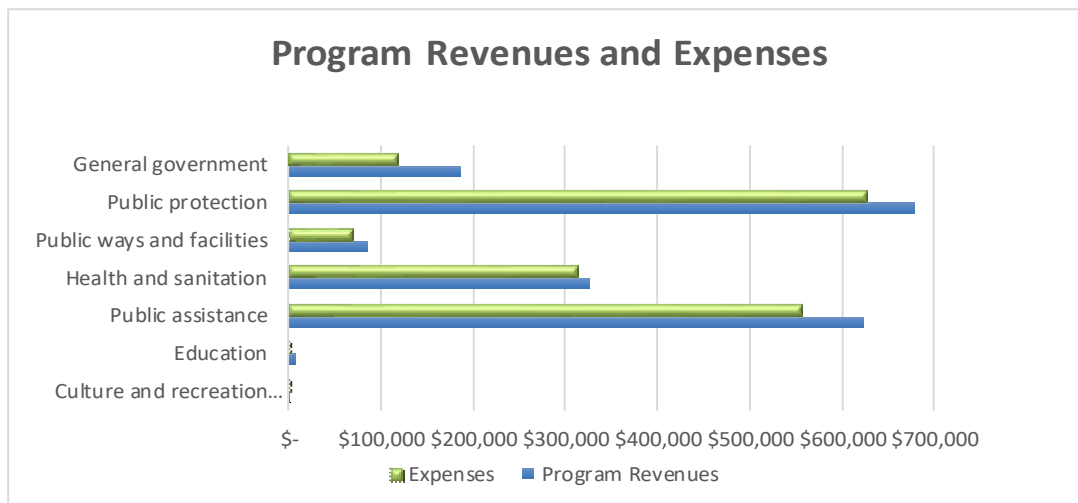
Summary of Changes in Net Position

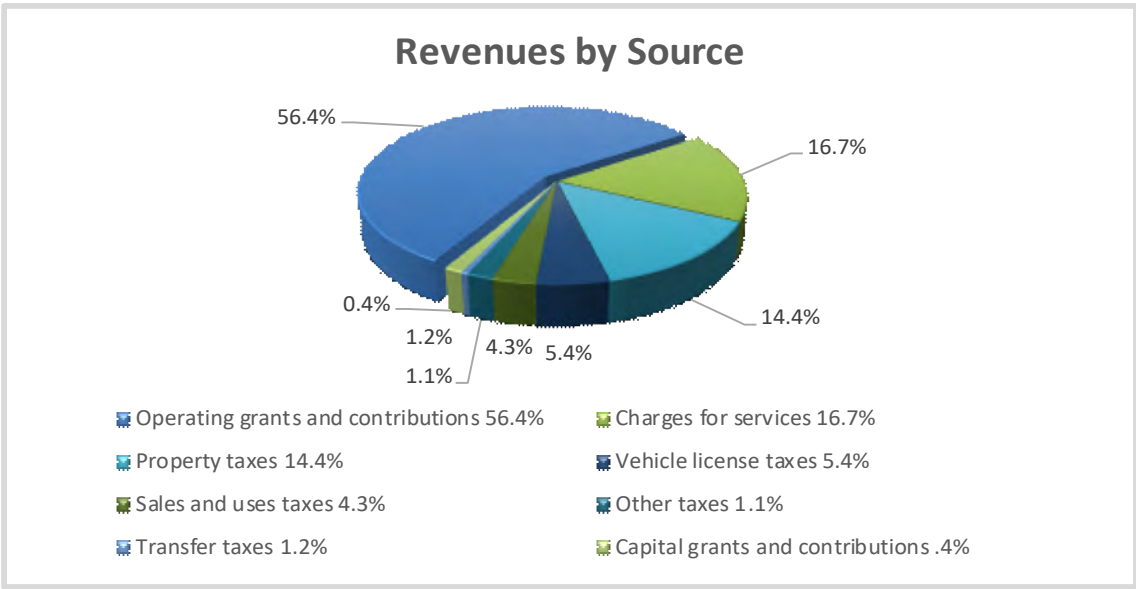
	Governmental Activities		Business-type Activities		Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 381,096	\$ 362,436	\$ 128,016	\$ 101,190	\$ 509,112	\$ 463,626
Operating grants and contributions	1,288,670	1,217,227	7,358	3,804	1,296,028	1,221,031
Capital grants and contributions	9,125	10,472	2,399	82	11,524	10,554
General revenue:						
Taxes:						
Property taxes	328,211	298,507	2	-	328,213	298,507
Aircraft taxes	95	180	-	-	95	180
Sales and uses taxes	99,019	66,214	-	-	99,019	66,214
Transient occupancy taxes	3,455	4,067	-	-	3,455	4,067
Transfer taxes	4,775	7,658	-	-	4,775	7,658
Other taxes	1,280	989	-	-	1,280	989
Propety taxes in lieu of motor vehicle taxes	124,330	111,532	-	-	124,330	111,532
Unrestricted investment earnings	27,455	(40,939)	1,250	(4,082)	28,705	(45,021)
Miscellaneous	15,871	16,403	-	-	15,871	16,403
Total revenues	<u>2,283,382</u>	<u>2,054,746</u>	<u>139,025</u>	<u>100,994</u>	<u>2,422,407</u>	<u>2,155,740</u>
<b>Expenses</b>						
General government	156,043	110,550	-	-	156,043	110,550
Public protection	679,141	539,067	-	-	679,141	539,067
Public ways and facilities	87,595	74,937	-	-	87,595	74,937
Health and sanitation	328,314	368,134	-	-	328,314	368,134
Public assistance	655,991	535,065	-	-	655,991	535,065
Education	8,933	8,364	-	-	8,933	8,364
Culture and recreation services	947	766	-	-	947	766
Interest on short and long-term debt	18,461	27,759	-	-	18,461	27,759
Airport	-	-	10,203	9,768	10,203	9,768
County sanitation districts	-	-	4,805	5,825	4,805	5,825
Golf courses	-	-	458	572	458	572
Public transportation	-	-	12,753	10,527	12,753	10,527
Universal collection	-	-	20,192	19,111	20,192	19,111
Waste management	-	-	58,731	50,161	58,731	50,161
Total expenses	<u>1,935,425</u>	<u>1,664,642</u>	<u>107,142</u>	<u>95,964</u>	<u>2,042,567</u>	<u>1,760,606</u>
Excess (deficiency) Over (Under) Expenses Before Transfers	<u>347,957</u>	<u>390,104</u>	<u>31,883</u>	<u>5,030</u>	<u>379,840</u>	<u>395,134</u>
Transfers	(696)	(7,603)	696	7,603	-	-
Gain from sale of capital assets	1,132	-	5	-	1,137	-
Change in net position	<u>348,393</u>	<u>382,501</u>	<u>32,584</u>	<u>12,633</u>	<u>380,977</u>	<u>395,134</u>
Beginning net position	<u>1,459,584</u>	<u>1,077,060</u>	<u>222,947</u>	<u>210,314</u>	<u>1,682,531</u>	<u>1,287,374</u>
Ending net position	<u>\$ 1,807,977</u>	<u>\$ 1,459,561</u>	<u>\$ 255,531</u>	<u>\$ 222,947</u>	<u>\$ 2,063,508</u>	<u>\$ 1,682,508</u>

## Governmental Activities

The Governmental activities increased the County's net position by \$348,393 for the year ended June 30, 2023:

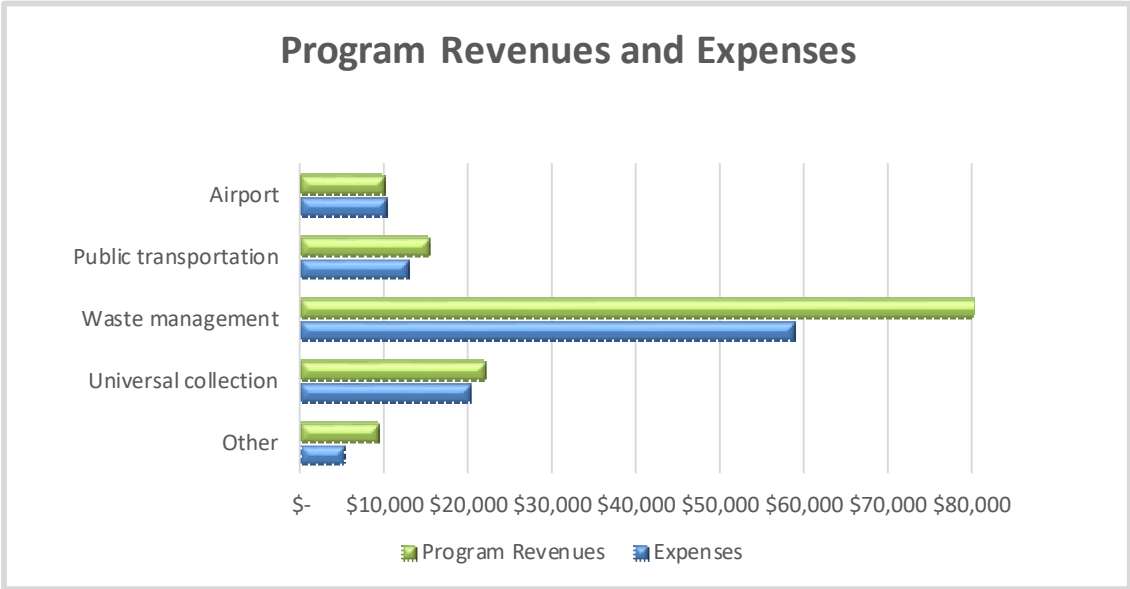
- Total revenues increased by \$228,636, or 11.13%; the largest increase in revenues of \$71,443 was from program revenues for operating grants and contributions.
- As an arm of the State government, operating grants and contributions serve multiple programs, representing 56.44% of the County's total revenue for governmental activities, and are tied to the mandated services such as public assistance, public health, and mental health. Funding levels for these revenue sources increased by 4.00% from the prior year.
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. The changes are primarily due to the following:
  - Property Tax revenues increase by \$29,704, or 9.95%, from prior year due to an increase in property values and oil prices.
  - Investment Earnings revenues increased by \$68,394, or 167.06%, from prior year due to a decrease in the fair market value adjustment of investments.
- Total expenses increased by \$270,783, or 16.27%, from prior year largely due to the increase to the governmental portion of the net pension liability, which gets allocated to functional expenses at the government-wide level. Although the total pension allocation was a reduction, personnel changes caused an increase in costs for Health & Sanitation. The remaining increase in Health & Sanitation came from additional expenses for Behavioral Health & Recovery Services. The decrease in Public Assistance resulted primarily from a reduction in benefit payments made by Human Services.

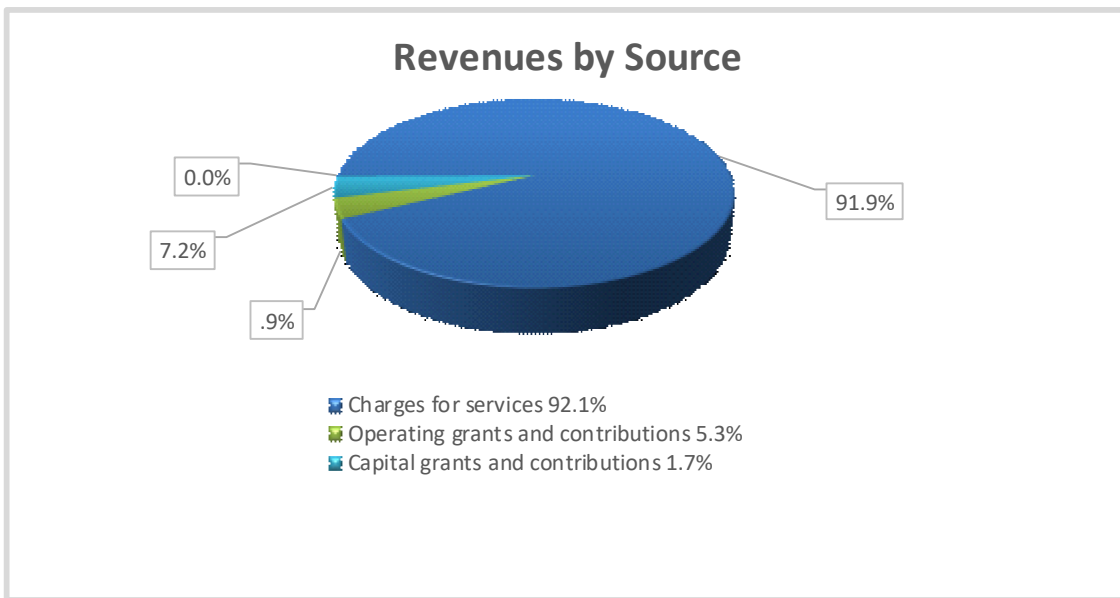




**Business-type Activities**

Business-type activities’ total net position increased the County’s net position by \$32,584. Charges for Services increased by \$26,826 due to higher sewer and universal collection fees, higher bin fees and gate fees. Expenses in the government-wide business-type activities increased \$11,178, or 11.65% due to increase in services and supplies from Waste, Universal Collection, and Public Transportation. In addition, Waste, County Sanitation Districts, and Airports had increases in depreciation expense.






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*Financial Analysis of the County's Funds*

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#### **Governmental Funds**

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

At June 30, 2023, the County's governmental funds reported total fund balances of \$1,389,726, an increase of 17.29% compared to prior year's total ending fund balance. Approximately \$1,377,741, or 99.14%, of total fund balance is spendable fund balance, which is a useful measure of the County's resources available for spending in subsequent periods. Spendable fund balance is broken out into the following categories: Restricted, Committed, Assigned, and Unassigned. These categories identify allowable usage of fund balance. The remaining balance of fund balance is non-spendable. Non-spendable fund balance indicates that it is not available for spending because it is either not in spendable form or legally or contractually required to be maintained intact.

The General Fund is the chief operating fund of the County. At June 30, 2023, spendable fund balance of the General Fund was \$436,675. As a measure of the General Fund's liquidity, it may be helpful to compare both spendable fund balance and total fund balance to total fund expenditures. Spendable fund balance represents 56.44% of total General Fund expenditures, while total fund balance represents 57.83% of total General Fund expenditures.

The fund balances for other governmental funds increased by \$204,904, or 17.29% compared to prior year's total ending fund balances. The following major governmental funds had significant changes in fund balance:

- Community Development – Fund balance increased by \$802, or 123.38%, to a total of \$152. The increase is due to aid from other government agencies exceeding expenditures for public assistance.
- Coronavirus Relief – Fund balance increased by \$3,224, or 77.54%. The increase is due to revenue from use of money and property.



- County Local Revenue Fund – Fund balance increased by \$50,156 or 41.84%. The increase is due to an increase of state aid for mental health and public protection.
- Department of Human Services – Fund balance increased by \$13,088, or 22.51%, to a total of \$71,239. The increase is related to aid received from Realignment for family support, and child poverty and transfers exceeding expenditures for public assistance.
- Structural Fire – Fund balance increased by \$16,264, or 29.98%, to a total of \$70,509. The increase is due to total revenue and transfers in exceeding total expenditures and transfers out.

The following other governmental funds had significant changes in fund balance:

- Aging and Adult Services – Fund balance decreased by \$2,579, or 146.04%, to a total of \$813. The decrease was the result of additional public assistance expenditures. Total expenditures exceeded total revenue.
- Detention and Corrections – Fund balance increased by \$10,448 or 84.34%. The increase was due to an increase in governmental aid revenue for services provided to juveniles from 2021 realignment funding.
- Health – Fund balance increased by \$27,260 or 52.44%. Increase is due to an increase in 1991 local health and welfare realignment funds and opioid settlement funds.
- Judicial – Fund balance increased by \$5,737 or 13.56% due to transfers to local public safety being less than total revenue.
- Roads – Fund balance decreased by \$4,893 or 7.08% due to an increase in public ways and facilities expenditures.

### **Proprietary Funds**

The proprietary funds provide similar information to the government-wide financial statements, but in more detail. The enterprise funds' total net position increased by \$32,596, or 13.09%. The net position of Airports increased by \$536, Waste Management increased by \$23,126, and the non-major enterprise funds increased by \$8,934, or 14.41%. Operating revenues and expenses remained consistent with prior year for Airports and non-major enterprise funds.

Internal service funds had a decrease in net position of \$900, or 3.71%. The General Liability Fund's net position increased \$4,296 due to charges for services exceeding total expenses. The General Services-Garage Fund had an increase in net position of \$1,035 as a result of an increase in charges for services. The Group Health Fund decrease in net position by \$2,941 due to a decrease in charges for services and an increase in claims incurred. The Public Works Fund had an increase in net position of \$1,130 as a result of charges for services. The Retiree Group Health Fund increased net position by \$882 due to charges for current services exceeding total operating expenses. The Unemployment Compensation Fund had an increase to net position of \$1,183 as a result of charges for services exceeding total operating expenses. Workers' Compensation had a decrease in net position of \$6,485 as a result of an increase in claims incurred.

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### *General Fund Budgetary Variances*

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The difference between the General Fund's original budget and final budget includes appropriations that rolled over from the prior year and increases in supplemental appropriations. The County also adjusted for mid-year identification of any resource shortfall by adjusting appropriations down. The supplemental appropriations increases were from unanticipated revenue sources received throughout the year. All functions, except for Contingencies and Reserves, came in under budget due to various reasons, with the core reason being departments' conservative spending and hiring. Significant variances are briefly summarized as follows:

- Increase in total General Government appropriations of \$59,432 includes prior year appropriations that consisted of major maintenance and capital projects as well as appropriations transferred from contingencies and reserves.
- Increase in total Public Protection appropriations of \$28,003 includes additional appropriations for capital assets for the Probation's department as well as an increase in appropriations for salaries & benefits and professional services for the Sheriff's department.
- Increase in total Health and Sanitation appropriations of \$10,380 are due to appropriations associated to unanticipated revenue from the California Department of Public Health.

Significant variances between the General Fund's final budget and actual on the budgetary basis are as follows:

- Aid from Other Governmental Agencies was lower than anticipated due to a decrease in state aid and federal aid for various programs for department of human services and public health.
- Taxes revenue was higher than expected due to an increase in taxes collected from the 1% local sales tax, and measure K sales tax.
- Charges for services revenue was lower than expected due to an decrease of services provided from various departments for services to other governmental agencies.

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*Capital Assets and Debt Administration*

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**CAPITAL ASSETS**

Table 3 - The County's Gross Capital Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 34,088	\$ 33,738	\$ 36,938	\$ 36,687	\$ 71,026	\$ 70,425
Land improvements	-	-	69,767	69,267	69,767	69,267
Land acquisition in progress	-	-	86	86	86	86
Construction in progress	86,612	33,089	16,545	23,506	103,157	56,595
Works of art	60	60	198	198	258	258
Infrastructure	853,004	836,639	153,706	141,384	1,006,710	978,023
Structures and improvements	641,908	637,441	91,854	91,519	733,762	728,960
Equipment	237,997	229,926	51,099	46,915	289,096	276,841
Intangible	1,179,156	1,181,358	8,830	1,221	1,187,986	1,182,579
Subscription assets <sup>1</sup>	35,902	1,364	-	-	35,902	1,364
Lease assets	156,799	146,783	178	376	156,977	147,159
Total capital assets, net	<u>\$ 3,225,526</u>	<u>\$ 3,100,398</u>	<u>\$ 429,201</u>	<u>\$ 411,159</u>	<u>\$ 3,654,727</u>	<u>\$ 3,511,557</u>

<sup>1</sup> Beginning balances restated to reflect implementation of GASB 96, Subscription-Based Information Technology Arrangements.

The County's gross capital assets total \$3,654,727 at June 30, 2023 as illustrated in Table 3. Total net capital assets which include land, land improvements, land acquisition in progress, construction in progress, works of art, infrastructure, structures and improvements, equipment, intangibles, subscription assets, lease assets, depreciation, and amortization is \$2,486,248 as detailed in Note 6 in the Notes to the Financial Statements.

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

- Construction in Progress – Road's construction increased by \$31,968 and completed projects to the amount of \$22,243. In addition, there was an increase of \$13,862 related to the Psychiatric Health Facility construction project.
- Infrastructure – The Roads Department had several completed infrastructure projects in the current fiscal year. The total infrastructure additions by Roads were \$22,243 and by Airports were \$10,827.
- Subscription Assets – Additions of \$35,902 were reported as a result of implementing GASB 96.

Additional information regarding the County's capital assets is reported in Note 6 of the Notes to the Financial Statements.

**Long-Term Debt**

At June 30, 2023, the County's long-term debt is \$2,400,912, which is mainly comprised of Certificates of Participation (COP) (secured by the County's lease rental payments), tobacco asset backed bonds, net pension liability, and Pension Obligation Bonds. The remaining long-term liabilities include other bonds payable, finance purchase agreements, lease liabilities, SBITA liabilities, various loans payable, pollution remediation obligations, closure/post closure liabilities, compensated absences, and net OPEB liability.

The County has no general obligation debt. The COP and bonds are insured by different companies and have Standard and Poor's (S&P) ratings of A+ through AA.

Additional information regarding the County's long-term debt can be found in Note 9 of the Notes to the Financial Statements.

Table 4 - The County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Compensated absences	\$ 87,137	\$ 82,657	\$ 2,663	\$ 2,659	\$ 89,800	\$ 85,316
Finance purchase	21,841	19,693	-	-	21,841	19,693
Certificates of participation	63,212	67,230	-	-	63,212	67,230
Tobacco - asset backed bonds	55,266	62,259	-	-	55,266	62,259
Bonds payable - Energy conservation bonds	1,017	1,341	-	-	1,017	1,341
Loans payable	33,131	35,187	2,406	2,975	35,537	38,162
Pension obligation bonds	80,019	103,059	1,290	1,661	81,309	104,720
Lease liability	129,150	130,896	50	280	129,200	131,176
SBITA liability <sup>1</sup>	26,953	1,364	-	-	26,952	1,364
Pollution remediation	-	-	7,806	7,518	7,806	7,518
Landfill closure liability	-	-	33,448	30,967	33,448	30,967
Post-closure liability	-	-	19,414	18,423	19,414	18,423
Net OPEB liability	62,280	65,175	1,129	1,301	63,409	66,476
Net pension liability	1,731,291	1,369,748	41,410	32,038	1,772,701	1,401,786
<b>Total</b>	<b>\$ 2,291,297</b>	<b>\$ 1,938,609</b>	<b>\$ 109,616</b>	<b>\$ 97,822</b>	<b>\$ 2,400,912</b>	<b>\$ 2,036,431</b>

<sup>1</sup> Beginning balances restated to reflect implementation of GASB 96, Subscription-Based Information Technology Arrangements.

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*Economic Factors and Next Year's Budgets and Rates*

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The Economy plays a significant role in the County's ability to provide services to the public. There are several factors that the County considers and monitors to ensure that a balanced budget is adopted, including employment levels, housing market and the state and national economy. The Fiscal Year 2023-24 \$4.4 billion adopted budget invests in public safety to make Kern County among the safest communities in the State of California. Using Measure K funding, this budget includes enhancements to the level of emergency and medical response within the unincorporated areas, as well as resources to ensure the County retains a diverse and qualified Firefighter workforce that responds to emergency fire, rescue, and medical aid requests. This year's budget also invests in public safety by providing additional funding for retention and recruitment of vital personnel at the Sheriff's Office. The County will continue making investments in public safety, mitigating homelessness, improving County parks, expanding library services, and increase funding for spay and neuter programs.

The following factors were considered in developing the FY 2023-24 Adopted Budget:

- The County's FY 2023-24 estimated total net assessed value is \$123 billion, an increase of \$7.8 billion, or 6.8% from FY 2022-23. Since 2014, the County's total assessed valuation has increased 24.3%, or 2.70% per year. This continues to be significantly below the 29% change in the consumer price index over this same period and is expected to continue to place Kern County as the lowest growth in assessed valuation of all 58 counties in California.
- This year's budget invests in public safety to stabilize the Sheriff's Office staffing by providing additional funding for retention and recruitment of vital sworn and non-sworn personnel, providing additional funding for the Sheriff's trainee academy and setting aside funds to establish a housing stipend for Sheriff's Deputies assigned to hard-to-fill outlying locations. It provide for additional staff staff to respond to non-hazardous, nonemergency calls for service in the unincorporated areas of the County, allowing Deputy Sheriffs greater availability to respond to emergency calls for services. Additionally, funding for 25 Detentions Deputies has been included to help the Sheriff position the department to move Sheriff Deputies that currently work in in the custodial setting out into patrol functions throughout unincorporated areas of the County.
- For FY 2023-24, Sales and Use Tax is budgeted at \$51 million more than FY 2022-23 Adopted Budget. Actual collections in FY 2022-23 totaled \$86.4 million, which was \$38.4 million more than anticipated. The additional collections were primarily related to one-time use tax receipts for construction, prior year allocation corrections and economic activity.
- In FY 2023-24, the estimated oil and gas property assessments account for just 13% of the roll despite a 272 million year-over-year increase in oil and gas property assessments in FY 2023-24. Economic diversity is a positive indicator of sustained economic health, as more diversified economy will mitigate unsystematic risks, reduce volatility, and avail the County to more opportunities for growth.
- The allocation of Net General Fund Cost reflects a strategy to manage County resources while maintaining a prudent level of reserves. This year's NGFC allocation also incudes for the first time, enhancement of services for residents of unincorporated communities using Measure K funds. Investments are in the categories of public safety, education,homelessness and economic development. The FY 2023-24 Net County Cost increase of \$122 million includes the allocation of \$56 million of Measure K.
- The FY 2023-24 Recommended Budget anticipates the use of \$1.0 million to support security enhancements for the Elections Division, including cameras at the ballot drop boxes throughout the County.

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*Requests for Information*

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The ACFR is designed to provide citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the funds it receives. If you have any questions about the ACFR or need additional financial information, contact Ms. Aimee X. Espinoza, Kern County Auditor-Controller-County Clerk at 1115 Truxtun Avenue, Bakersfield, California 93301, (661) 868-3599 or visit the website at [www.auditor.co.kern.ca.us](http://www.auditor.co.kern.ca.us).

The County includes three discretely presented component units in the government-wide financial statements, First 5 Kern, Tejon Ranch Public Facilities Financing Authority, and Hospital Authority. The operations of these component units are not considered to be significant in relation to the overall operations of the primary government and have not been included in this Management's Discussion & Analysis. Complete financial statements of the individual component units can be obtained from First 5 Kern located at 2724 L Street, Bakersfield, California 93301; Tejon Ranch Public Facilities Financing Authority (Tejon Ranch PFFA) located at P.O. Box 1000, Lebec, California 93243; and Hospital Authority office located at 1700 Mount Vernon Avenue, Bakersfield, CA 93306.



**BASIC FINANCIAL  
STATEMENTS**

**Government-Wide Financial Statements**







**COUNTY OF KERN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023 (IN THOUSANDS)**

	PRIMARY GOVERNMENT			DISCRETELY PRESENTED COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>Assets</b>				
<hr/>				
Current and other assets				
Cash and investments	\$ 1,515,032	\$ 131,761	\$ 1,646,793	\$ 18,264
Other cash and investments	-	-	-	88,854
Revolving fund cash	468	14	482	3
Restricted cash and investments	42,658	-	42,658	-
Receivables, net	303,770	12,695	316,465	255,266
Housing loans receivable	64,062	-	64,062	-
Housing loans interest receivable	19,815	-	19,815	-
Deposits with others	2,040	-	2,040	-
Prepaid expenses	-	-	-	5,703
Inventories	3,533	-	3,533	5,471
Due from other agencies	1,763	-	1,763	-
Internal balances	26,161	(26,161)	-	-
Lease receivables	4,435	14,607	19,042	-
Investment in joint venture	-	2,935	2,935	-
Capital assets not being depreciated	1,283,659	61,778	1,345,437	10,354
Capital assets, net of accumulated depreciation/amortization	952,102	188,709	1,140,811	95,830
Total assets	4,219,498	386,338	4,605,836	479,745
<hr/>				
<b>Deferred Outflows Of Resources</b>				
Deferred charge on refunding	6,323	39	6,362	228
Deferred pension	407,877	9,542	417,419	5,573
Deferred OPEB	39,879	724	40,603	101,117
Total deferred outflows of resources	454,079	10,305	464,384	106,918

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



	<b>PRIMARY GOVERNMENT</b>			<b>DISCRETELY PRESENTED COMPONENT UNITS</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	77,216	11,199	88,415	35,234
Accrued interest payable	4,408	83	4,491	1,787
Unearned revenue	166,325	2,527	168,852	-
Salaries and employee benefits payable	37,367	71	37,438	13,762
Due to other agencies	10,701	-	10,701	-
<b>Long-term liabilities:</b>				
<b>Due within one year:</b>				
Long-term debt	29,514	833	30,347	4,107
Lease liability	12,214	41	12,255	2,618
SBITA liability	8,313	-	8,313	750
Compensated absences	58,382	1,917	60,299	6,287
Closure, post closure, pollution remediation	-	2,179	2,179	-
Liability for self insurance	27,404	-	27,404	3,155
<b>Due after one year:</b>				
Certificates of participation	59,247	-	59,247	-
Bonds and notes	116,511	1,038	117,549	-
Other Long-term liabilities	-	-	-	98,239
Loans payable	49,214	1,825	51,039	-
Accrued interest	52,780	851	53,631	6,731
Lease liability	116,936	9	116,945	4,844
SBITA Liability	18,639	-	18,639	2,345
Compensated absences	28,755	746	29,501	14,383
Closure, post closure, pollution remediation	-	58,489	58,489	-
Liability for self insurance	90,592	-	90,592	7,542
Net pension liability	1,731,291	41,410	1,772,701	345,399
Net OPEB liability	62,280	1,129	63,409	7,075
Total liabilities	<u>2,758,089</u>	<u>124,347</u>	<u>2,882,436</u>	<u>554,258</u>
<b>Deferred inflows of resources</b>				
Deferred housing payments	440	-	440	-
Deferred pension	80,298	1,956	82,254	22,716
Deferred OPEB	22,388	406	22,794	2,652
Deferred inflows - lease inflows	4,385	14,403	18,788	-
Total deferred inflows of resources	<u>107,511</u>	<u>16,765</u>	<u>124,276</u>	<u>25,368</u>
<b>Net Position</b>				
Net investment in capital assets	1,976,880	248,035	2,224,915	95,976
<b>Restricted(Note 17 B):</b>				
Capital projects	33,340	-	33,340	-
General government	32,595	-	32,595	-
Public protection	334,486	-	334,486	-
Public ways & facilities	77,592	-	77,592	-
Health and sanitation	249,032	-	249,032	-
Culture and recreation services	1,349	-	1,349	-
Public assistance	96,428	-	96,428	-
Education	541	-	541	-
Other purposes	-	-	-	8,669
Investment in Joint Venture	-	2,870	2,870	-
Unrestricted (deficit)	(994,266)	4,626	(989,640)	(97,608)
Total net position	<u>\$ 1,807,977</u>	<u>\$ 255,531</u>	<u>\$ 2,063,508</u>	<u>\$ 7,037</u>

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

**COUNTY OF KERN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

FUNCTION/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			DISCRETELY PRESENTED COMPONENT UNITS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental activities:								
General government	\$ 156,043	\$ 88,309	\$ 28,000	\$ 255	\$ (39,479)		\$ (39,479)	
Public protection	679,141	136,150	490,546	-	(52,445)		(52,445)	
Public ways and facilities	87,595	4,799	63,737	-	(19,059)		(19,059)	
Health and sanitation	328,314	134,103	168,842	8,870	(16,499)		(16,499)	
Public assistance	655,991	16,700	537,545	-	(101,746)		(101,746)	
Education	8,933	1,010	-	-	(7,923)		(7,923)	
Culture and recreation services	947	25	-	-	(922)		(922)	
Interest on short and long-term debt	18,461	-	-	-	(18,461)		(18,461)	
Total governmental activities	<u>1,935,425</u>	<u>381,096</u>	<u>1,288,670</u>	<u>9,125</u>	<u>(256,534)</u>	-	<u>(256,534)</u>	
Business-type activities:								
Airport	10,203	6,954	598	2,399		(252)	(252)	
County sanitation districts	4,805	7,876	1,154	-		4,225	4,225	
Golf courses	458	316	-	-		(142)	(142)	
Public transportation	12,753	10,330	4,914	-		2,491	2,491	
Universal collection	20,192	21,909	-	-		1,717	1,717	
Waste management	58,731	80,631	692	-		22,592	22,592	
Total business-type activities	<u>107,142</u>	<u>128,016</u>	<u>7,358</u>	<u>2,399</u>		<u>30,631</u>	<u>30,631</u>	
Total primary government	<u>\$ 2,042,567</u>	<u>\$ 509,112</u>	<u>\$ 1,296,028</u>	<u>\$ 11,524</u>	<u>\$ (256,534)</u>	<u>\$ 30,631</u>	<u>\$ (225,903)</u>	
<b>COMPONENT UNITS:</b>								
Discretely presented component units	<u>\$ 527,123</u>	<u>\$ 271,988</u>	<u>\$ 247,918</u>	<u>\$ -</u>				<u>\$ (7,217)</u>

General revenue:

Taxes:								
Property taxes					\$ 328,211	\$ 2	\$ 328,213	\$ -
Aircraft taxes					95	-	95	-
Sales and uses taxes					99,019	-	99,019	-
Transient occupancy taxes					3,455	-	3,455	-
Transfer taxes					4,775	-	4,775	-
Other taxes					1,280	-	1,280	6,072
Property taxes in lieu of motor vehicle taxes					124,330	-	124,330	-
Other governmental revenue								
Unrestricted investment earnings					27,455	1,250	28,705	1,207
Miscellaneous					15,871	-	15,871	2,069
Gain from sale of capital assets					1,132	5	1,137	-
Transfers					(696)	696	-	-
Special items					-	-	-	(5,950)
Total general revenues, transfers and special item					<u>604,927</u>	<u>1,953</u>	<u>606,880</u>	<u>3,398</u>
Change in net position					348,393	32,584	380,977	(3,819)
Net position, July 1, 2022, as restated					<u>1,459,584</u>	<u>222,947</u>	<u>1,682,531</u>	<u>10,856</u>
Net position, June 30, 2023					<u>\$ 1,807,977</u>	<u>\$ 255,531</u>	<u>\$ 2,063,508</u>	<u>\$ 7,037</u>

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



# **BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements**





**COUNTY OF KERN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

	<b>GENERAL FUND</b>	<b>BEHAVIORAL HEALTH &amp; RECOVERY SERVICES</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>CORONAVIRUS RELIEF</b>	<b>COUNTY LOCAL REVENUE FUND</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled cash and investments	\$ 420,168	\$ 158,934	\$ 283	\$ 126,567	\$ 143,486
Revolving fund cash	336	2	-	-	-
Cash and investments deposited with trustee	-	-	-	-	-
Interest receivable	6,107	1,138	-	890	-
Taxes receivable	28,632	-	-	-	-
Lease receivables	4,232	-	-	-	-
Accounts receivable, net	2,043	128	-	-	-
Accrued revenue	47,171	41,786	514	-	37,738
Due from other funds	20,161	5,239	-	-	-
Due from other agencies	553	357	-	-	-
Housing loans receivable	-	-	48,488	-	-
Housing loans interest receivable	-	-	16,383	-	-
Prepaid items and other assets	136	-	-	-	-
Inventory - materials and supplies	1,154	-	-	-	-
Total assets	<u>\$ 530,693</u>	<u>\$ 207,584</u>	<u>\$ 65,668</u>	<u>\$ 127,457</u>	<u>\$ 181,224</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 23,419	\$ 20,058	\$ 446	\$ 121	\$ -
Salaries and employee benefits payable	16,763	3,629	-	-	-
Due to other funds	-	-	199	397	11,180
Unearned revenue	14,164	-	-	127,873	-
Due to other agencies	9,025	664	-	-	-
Total liabilities	<u>63,371</u>	<u>24,351</u>	<u>645</u>	<u>128,391</u>	<u>11,180</u>
Deferred inflows of resources:					
Deferred housing loan payments	-	-	64,871	-	-
Deferred lease proceeds	4,183	-	-	-	-
Unavailable revenue - property tax	7,177	-	-	-	-
Unavailable revenue - reimbursements	-	18,539	-	-	-
Unavailable revenue - other	9,242	-	-	-	-
Total deferred inflows of resources	<u>20,602</u>	<u>18,539</u>	<u>64,871</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	10,045	2	-	-	-
Restricted	32,044	164,692	152	-	170,044
Committed	44,562	-	-	-	-
Assigned	254,817	-	-	-	-
Unassigned	105,252	-	-	(934)	-
Total fund balances	<u>446,720</u>	<u>164,694</u>	<u>152</u>	<u>(934)</u>	<u>170,044</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 530,693</u>	<u>\$ 207,584</u>	<u>\$ 65,668</u>	<u>\$ 127,457</u>	<u>\$ 181,224</u>

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

	<b>DEPARTMENT OF HUMAN SERVICES</b>	<b>KERN COUNTY TOBACCO FUNDING CORP.</b>	<b>STRUCTURAL FIRE</b>	<b>NON-MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled cash and investments	\$ 48,583	\$ -	\$ 63,213	\$ 414,120	\$ 1,375,354
Revolving fund cash	101	-	3	25	467
Cash and investments deposited with trustee	-	9,066	-	33,592	42,658
Interest receivable	441	-	454	1,304	10,334
Taxes receivable	-	-	4,065	385	33,082
Lease receivables	-	-	34	169	4,435
Accounts receivable, net	75	-	391	580	3,217
Accrued revenue	60,419	-	13,048	53,606	254,282
Due from other funds	2,192	-	718	1,322	29,632
Due from other agencies	-	-	-	853	1,763
Housing loans receivable	-	-	-	15,574	64,062
Housing loans interest receivable	-	-	-	3,432	19,815
Prepaid items and other assets	-	-	-	-	136
Inventory - materials and supplies	-	-	1,174	635	2,963
Total assets	<u>\$ 111,811</u>	<u>\$ 9,066</u>	<u>\$ 83,100</u>	<u>\$ 525,597</u>	<u>\$ 1,842,200</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,060	\$ -	\$ 1,347	\$ 26,661	\$ 73,112
Salaries and employee benefits payable	5,735	-	7,441	1,738	35,306
Due to other funds	8,986	-	-	9,118	29,880
Unearned revenue	23,145	-	-	1,143	166,325
Due to other agencies	-	-	-	680	10,369
Total liabilities	<u>38,926</u>	<u>-</u>	<u>8,788</u>	<u>39,340</u>	<u>314,992</u>
Deferred inflows of resources:					
Deferred housing loan payments	-	-	-	19,006	83,877
Deferred lease proceeds	-	-	34	168	4,385
Unavailable revenue - property tax	-	-	3,769	366	11,312
Unavailable revenue - reimbursements	-	-	-	-	18,539
Unavailable revenue - other	1,646	-	-	8,481	19,369
Total deferred inflows of resources	<u>1,646</u>	<u>-</u>	<u>3,803</u>	<u>28,021</u>	<u>137,482</u>
Fund balances:					
Nonspendable	101	-	1,177	660	11,985
Restricted	71,138	9,066	68,082	336,122	851,340
Committed	-	-	-	25,298	69,860
Assigned	-	-	1,250	97,577	353,644
Unassigned	-	-	-	(1,421)	102,897
Total fund balances	<u>71,239</u>	<u>9,066</u>	<u>70,509</u>	<u>458,236</u>	<u>1,389,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 111,811</u>	<u>\$ 9,066</u>	<u>\$ 83,100</u>	<u>\$ 525,597</u>	<u>\$ 1,842,200</u>

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

**COUNTY OF KERN****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023 (IN THOUSANDS)**

Fund balances - total governmental funds		\$	1,389,726
Capital assets used in governmental activities are not current financial resources; therefore, the capital assets are not reported in the governmental funds.			2,231,971
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized when earned in governmental activities.			132,664
Deferred outflows and inflows of resources are reported in the Statement of Net Position, but are not recognized in the governmental funds:			
Deferred charge on refunding		6,323	
Deferred OPEB - Outflow		39,806	
Deferred OPEB - Inflow		(22,347)	
Deferred Pension - Outflow		407,602	
Deferred Pension - Inflow		<u>(80,246)</u>	351,138
Internal service funds are used by management to charge the cost of fleet maintenance, employee benefits, personal injury, and retiree health insurance benefits to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.			49,548
Accrued interest expense does not require the use of current financial resources; therefore, it is not accrued as a liability in the governmental funds.			(57,137)
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:			
Pension obligation bonds		(79,948)	
Bonds payables		(51,752)	
Certificate of participation		(60,345)	
Net unamort. premium/discount on LTD		(7,398)	
Finance purchases		(21,841)	
Lease liability		(129,150)	
SBITA Liability		(26,952)	
Loans payable		(33,131)	
Compensated Absences		(87,067)	
Net OPEB liability		(62,166)	
Net Pension Liability		<u>(1,730,183)</u>	<u>(2,289,933)</u>
Net position of governmental activities		\$	<u>1,807,977</u>





**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>GENERAL FUND</b>	<b>BEHAVIORAL HEALTH &amp; RECOVERY SERVICES</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>CORONAVIRUS RELIEF</b>	<b>COUNTY LOCAL REVENUE FUND</b>
Revenues:					
Taxes	\$ 435,177	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	21,959	-	-	-	-
Fines, forfeitures, and penalties	16,157	-	-	-	-
Revenue from use of money and property	17,690	2,777	2	3,756	(1,324)
Aid from other governmental agencies	236,155	71,565	10,888	30,111	303,473
Charges for current services	96,194	103,178	-	-	-
Other revenues	8,092	803	-	-	-
<b>Total revenues</b>	<b>831,424</b>	<b>178,323</b>	<b>10,890</b>	<b>33,867</b>	<b>302,149</b>
Expenditures:					
General government	138,237	-	-	-	-
Public protection	449,747	-	-	-	3,013
Public ways and facilities	-	-	-	-	-
Health and sanitation	80,108	247,514	-	-	-
Public assistance	18,975	-	7,201	30,542	-
Education	8,124	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	58,457	11,021	-	69	-
Debt service:					
Principal	17,664	3,581	-	-	-
Interest	1,201	286	-	-	-
<b>Total expenditures</b>	<b>772,513</b>	<b>262,402</b>	<b>7,201</b>	<b>30,611</b>	<b>3,013</b>
Excess (deficiency) of revenues over expenditures	<b>58,911</b>	<b>(84,079)</b>	<b>3,689</b>	<b>3,256</b>	<b>299,136</b>
Other financing sources (uses):					
Transfers in	211,486	85,522	-	-	-
Transfers out	(308,042)	(1,508)	(2,887)	(32)	(248,980)
Settlement	1,600	-	-	-	-
Leases Issued	240	11,021	-	-	-
SBITAS Issued	34,282	-	-	-	-
Finance Purchase Issued	6,400	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(54,034)</b>	<b>95,035</b>	<b>(2,887)</b>	<b>(32)</b>	<b>(248,980)</b>
Net change in fund balances	4,877	10,956	802	3,224	50,156
Fund balances, July 1, 2022	441,843	153,738	(650)	(4,158)	119,888
Fund balances, June 30, 2023	<u>\$ 446,720</u>	<u>\$ 164,694</u>	<u>\$ 152</u>	<u>\$ (934)</u>	<u>\$ 170,044</u>

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

	<b>DEPARTMENT OF HUMAN SERVICES</b>	<b>KERN COUNTY TOBACCO FUNDING CORP.</b>	<b>STRUCTURAL FIRE</b>	<b>NON-MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
Revenues:					
Taxes	\$ -	\$ -	\$ 119,156	\$ 4,472	\$ 558,805
Licenses, permits, and franchises	-	-	2,975	17,739	42,673
Fines, forfeitures, and penalties	-	-	110	7,592	23,859
Revenue from use of money and property	652	316	488	1,073	25,430
Aid from other governmental agencies	329,307	-	10,430	275,498	1,267,427
Charges for current services	409	-	58,625	23,816	282,222
Other revenues	6,541	8,870	1,271	17,880	43,457
<b>Total revenues</b>	<b>336,909</b>	<b>9,186</b>	<b>193,055</b>	<b>348,070</b>	<b>2,243,873</b>
Expenditures:					
General government	-	16	-	2,355	140,608
Public protection	-	-	175,655	46,030	674,445
Public ways and facilities	-	-	-	45,264	45,264
Health and sanitation	-	-	-	11,387	339,009
Public assistance	550,620	-	-	54,973	662,311
Education	-	-	-	-	8,124
Culture and recreation	-	-	-	46	46
Capital outlay	1,049	-	10,470	67,410	148,476
Debt service:					
Principal	5,347	6,726	255	28,954	62,527
Interest	1,308	2,829	26	5,696	11,346
<b>Total expenditures</b>	<b>558,324</b>	<b>9,571</b>	<b>186,406</b>	<b>262,115</b>	<b>2,092,156</b>
Excess (deficiency) of revenues over expenditures	(221,415)	(385)	6,649	85,955	151,717
Other financing sources (uses):					
Transfers in	236,940	-	13,875	166,692	714,515
Transfers out	(3,203)	-	(4,305)	(146,804)	(715,761)
Settlement	-	-	-	-	1,600
Leases Issued	714	-	-	-	11,975
SBITAS Issued	52	-	45	79	34,458
Finance Purchase Issued	-	-	-	-	6,400
<b>Total other financing sources (uses)</b>	<b>234,503</b>	<b>-</b>	<b>9,615</b>	<b>19,967</b>	<b>53,187</b>
Net change in fund balances	13,088	(385)	16,264	105,922	204,904
Fund balances, July 1, 2022	58,151	9,451	54,245	352,314	1,184,822
Fund balances, June 30, 2023	\$ 71,239	\$ 9,066	\$ 70,509	\$ 458,236	\$ 1,389,726

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

**COUNTY OF KERN**  
**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, 2023 (IN THOUSANDS)**

Net changes in fund balances - total governmental funds		\$ 204,904
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense:		
Expenditures for capital assets, right-to-use, and other related capital asset adjustments	148,456	
Less: current year depreciation and amortization	(75,259)	
Retirement of capital assets	<u>(22,553)</u>	50,644
Capital contributions of capital assets are not reported on governmental funds but recorded at fair value on the Statement of Net Position.		8,157
Issuance of long-term debt provides current resources to governmental funds, but issuing debt increased long-term liabilities in the Government-wide Statement of Net Position.		
Leases Issued	(11,975)	
Finance Purchases Issued	(6,400)	
SBITAS Issued	<u>(34,457)</u>	(52,832)
Governmental fund revenues that do not provide current financial resources are not reported as revenue in the funds. Revenue in the Statement of Activities is not limited by availability and has been included in the Statement of Activities:		
Changes in unavailable property tax revenue	2,355	
Change in unavailable reimbursement and other rev.	<u>25,499</u>	27,854
Repayment of debt principal are expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Principal repayments:		
Pension obligation bonds	23,022	
Certificates of participation	3,765	
Finance Purchases	4,251	
Lease Principal Payments	13,720	
Tobacco - asset backed bonds	6,725	
SBITA Principal Payments	8,951	
Bonds Payable	325	
Loans Payable	<u>2,056</u>	62,815
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds:		
Change in accrued interest payable	(7,101)	
Change in compensated absences	(4,467)	
Change in other post-employment benefits oblig.	(863)	
Change in pension expense	<u>59,524</u>	47,093
Premiums, discounts, and losses and associated with the issuance of long-term debt are included in governmental funds, but deferred and amortized in the Statement of Activities:		
Amortization of bond premiums	520	
Amortization of losses on refunding	<u>122</u>	642
Internal service funds are used by management to charge the cost of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities.		
		<u>(884)</u>
Change in net position of governmental activities		<u>\$ 348,393</u>



**COUNTY OF KERN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUSINESS-TYPE ACTIVITIES</b>				<b>GOVERNMENTAL</b>
	<b>AIRPORTS</b>	<b>WASTE MANAGEMENT</b>	<b>NON-MAJOR ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>					
Current assets:					
Pooled cash and investments	\$ 12,901	\$ 78,832	\$ 40,028	\$ 131,761	\$ 139,678
Revolving fund cash	1	13	-	14	1
Interest receivable	74	548	288	910	950
Accounts receivable, net	761	1,982	50	2,793	32
Accrued revenue	165	1,206	1,918	3,289	1,873
Lease receivables	14,524	70	13	14,607	-
Due from other funds	-	72	58	130	303
Inventory - materials and supplies	-	-	-	-	570
Total current assets	<u>28,426</u>	<u>82,723</u>	<u>42,355</u>	<u>153,504</u>	<u>143,407</u>
Noncurrent assets:					
Taxes receivable	-	2,269	3,434	5,703	-
Deposits with others	-	-	-	-	1,904
Investment in joint ventures	-	-	2,935	2,935	-
Capital and Lease Assets:					
Non-depreciable					
Land	10,907	25,176	855	36,938	-
Land acquisition in progress	-	86	-	86	-
Works of art	198	-	-	198	-
Construction in progress	1,779	5,920	8,846	16,545	-
Intangibles	-	8,011	-	8,011	-
Depreciable					
Structures and improvements	59,379	14,506	17,969	91,854	-
Land improvements	-	69,767	-	69,767	-
Buildings - rights to use	-	178	-	178	-
Equipment	2,592	29,088	19,419	51,099	8,094
Intangible	-	535	284	819	1,807
Infrastructure	102,597	26,080	25,029	153,706	-
Accumulated depreciation and amortization	(71,727)	(72,529)	(34,458)	(178,714)	(6,111)
Total noncurrent assets	<u>105,725</u>	<u>109,087</u>	<u>44,313</u>	<u>259,125</u>	<u>5,694</u>
Total assets	<u>134,151</u>	<u>191,810</u>	<u>86,668</u>	<u>412,629</u>	<u>149,101</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount on refunding	39	-	-	39	-
Deferred OPEB	117	467	140	724	73
Deferred pensions	721	6,747	2,074	9,542	275
Total deferred outflows of resources	<u>877</u>	<u>7,214</u>	<u>2,214</u>	<u>10,305</u>	<u>348</u>

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

LIABILITIES	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	AIRPORTS	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL
					SERVICE FUNDS
Current liabilities:					
Accounts payable	\$ 123	\$ 6,478	\$ 4,598	\$ 11,199	\$ 4,107
Salaries and employee benefits payable	71	-	-	71	2,061
Deposits	-	-	147	147	-
Due to other funds	33	73	18	124	66
Current portion of long-term debt	613	180	40	833	14
Lease liability	-	41	-	41	-
Interest payable - current	33	41	9	83	3
Current portion of compensated absences	207	1,316	394	1,917	47
Current portion of closures, post closure, & pollution liabilities	-	2,179	-	2,179	-
Current portion of Liability for Self-Insurance	-	-	-	-	27,404
Due to other agencies	-	-	-	-	332
Unearned revenue	-	35	2,345	2,380	-
Total current liabilities	1,080	10,343	7,551	18,974	34,034
Non current liabilities:					
Loans payable	1,825	-	-	1,825	-
Compensated absences payable	81	512	153	746	23
Long-term liability for self insurance	-	-	-	-	90,592
Long-term debt - pension obligation bonds	134	740	164	1,038	57
Long-term - Interest payable	110	607	134	851	47
Long-Term Lease Liability	-	9	-	9	-
Pollution remediation obligation	-	7,506	-	7,506	-
Post Closure Liability	-	18,935	-	18,935	-
Closure Liability	-	32,048	-	32,048	-
Net OPEB liability	182	729	218	1,129	114
Net pension liabilities	3,362	28,837	9,211	41,410	1,108
Total non current liabilities	5,694	89,923	9,880	105,497	91,941
Total liabilities	6,774	100,266	17,431	124,471	125,975
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred lease proceeds	14,319	70	14	14,403	-
Deferred pensions	158	1,362	436	1,956	52
Deferred OPEB	66	262	78	406	41
Total deferred inflows of resources	14,543	1,694	528	16,765	93
<b>NET POSITION</b>					
Net investment in capital assets	103,319	106,768	37,948	248,035	3,790
Restricted					
Deposits - ISF	-	-	-	-	1,519
Investment in joint ventures	-	-	2,870	2,870	-
Unrestricted (deficit)	10,392	(9,704)	30,105	30,793	18,072
Total net position	\$ 113,711	\$ 97,064	\$ 70,923	\$ 281,698	\$ 23,381
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(26,167)	
Net position - business-type activities				\$ 255,531	

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

**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUSINESS-TYPE ACTIVITIES</b>				<b>GOVERNMENTAL</b>
				<b>INTERNAL</b>	
	<b>AIRPORTS</b>	<b>WASTE MANAGEMENT</b>	<b>NON-MAJOR ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>SERVICE FUNDS</b>
Operating revenues:					
Charges for current services	\$ 892	\$ 79,337	\$ 29,958	\$ 110,187	\$ 256,267
Fines, forfeitures, and penalties	-	-	1	1	-
Revenue from use of money and property	4,961	55	226	5,242	-
Other revenues	4	947	4	955	506
<b>Total operating revenues</b>	<b>5,857</b>	<b>80,339</b>	<b>30,189</b>	<b>116,385</b>	<b>256,773</b>
Operating expenses:					
Salaries and employee benefits	1,984	-	-	1,984	65,971
Services and supplies	2,243	52,272	35,796	90,311	35,609
Claims Incurred	-	-	-	-	155,526
Other charges	35	259	141	435	3,600
Depreciation and amortization	5,836	6,087	2,240	14,163	665
<b>Total operating expenses</b>	<b>10,098</b>	<b>58,618</b>	<b>38,177</b>	<b>106,893</b>	<b>261,371</b>
<b>Operating income (loss)</b>	<b>(4,241)</b>	<b>21,721</b>	<b>(7,988)</b>	<b>9,492</b>	<b>(4,598)</b>
Nonoperating revenues (expenditures):					
Taxes and assessments	1,092	-	9,683	10,775	-
Fines, forfeitures and penalties	3	271	319	593	-
Licenses, permits and franchises	-	-	228	228	-
Interest on bank deposits and investments	81	557	645	1,283	2,625
Aid from other governmental agencies	598	692	6,068	7,358	309
Other revenues	-	-	-	-	208
Interest expense	(92)	(115)	(26)	(233)	(9)
Gain (loss) on sale of capital assets	-	-	5	5	15
<b>Total nonoperating revenues (expenditures)</b>	<b>1,682</b>	<b>1,405</b>	<b>16,922</b>	<b>20,009</b>	<b>3,148</b>
<b>Income (loss) before operating transfers</b>	<b>(2,559)</b>	<b>23,126</b>	<b>8,934</b>	<b>29,501</b>	<b>(1,450)</b>
Capital contributions	2,399	-	-	2,399	-
Transfers in	696	-	-	696	6,971
Transfers out	-	-	-	-	(6,421)
<b>Change in net position</b>	<b>536</b>	<b>23,126</b>	<b>8,934</b>	<b>32,596</b>	<b>(900)</b>
Net position, July 1, 2022	113,175	73,938	61,989		24,282
Net position, June 30, 2023	<u>\$ 113,711</u>	<u>\$ 97,064</u>	<u>\$ 70,923</u>		<u>\$ 23,382</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(16)	
<b>Change in net position - business-type activities</b>				<u><u>32,580</u></u>	





**COUNTY OF KERN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUSINESS-TYPE ACTIVITIES</b>				<b>GOVERNMENTAL</b>
	<b>AIRPORTS</b>	<b>WASTE MANAGEMENT</b>	<b>NON-MAJOR ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received for current services	\$ (448)	\$ 78,459	\$ 28,653	\$ 106,664	\$ 255,202
Cash received from interfund services provided	-	-	-	-	70
Cash received for use of property	4,962	55	230	5,247	-
Cash received for other operations	3	947	-	950	436
Cash paid for services and supplies	(366)	(49,140)	(30,831)	(80,337)	(31,931)
Cash paid for other charges	(39)	(253)	(136)	(428)	(3,597)
Cash paid for salaries and benefits	(2,100)	-	-	(2,100)	(65,890)
Cash paid for reported claims	-	-	-	-	(153,688)
Net cash provided (used) by operating activities	<u>2,012</u>	<u>30,068</u>	<u>(2,084)</u>	<u>29,996</u>	<u>602</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Cash received from taxes and special assessments	1,092	-	9,911	11,003	-
Cash received from other funds	696	-	-	696	550
Aid from other governmental agencies	598	676	4,756	6,030	517
Fines, Forfeitures and penalties	3	271	319	593	-
Principal paid on pension obligation bonds	(47)	(265)	(59)	(371)	(20)
Interest paid on pension obligation bonds	10	(33)	(8)	(31)	(3)
Net cash provided (used) by noncapital financing activities	<u>2,352</u>	<u>649</u>	<u>14,919</u>	<u>17,920</u>	<u>1,044</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition or construction of capital assets	(2,318)	(7,460)	(8,736)	(18,514)	(296)
Principal paid on capital debt	(569)	(230)	-	(799)	-
Interest paid on capital debt	(80)	-	-	(80)	-
Proceeds from sale/disposition of assets	-	-	5	5	15
Cash capital contributions	2,399	-	-	2,399	-
Net cash provided (used) by capital and related financing activities	<u>(568)</u>	<u>(7,690)</u>	<u>(8,731)</u>	<u>(16,989)</u>	<u>(281)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on bank deposits and investments	29	180	441	650	2,025
Investment in Joint Venture	-	-	(65)	(65)	-
Net cash provided (used) by investing activities	<u>29</u>	<u>180</u>	<u>376</u>	<u>585</u>	<u>2,025</u>
Net increase (decrease) in cash and investments	3,825	23,207	4,480	31,512	3,390
Cash and investments, July 1, 2022	<u>9,076</u>	<u>55,638</u>	<u>35,548</u>	<u>100,262</u>	<u>136,289</u>
Cash and investments, June 30, 2023	<u>12,901</u>	<u>78,845</u>	<u>40,028</u>	<u>131,774</u>	<u>139,679</u>

**COUNTY OF KERN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES			TOTAL	GOVERNMENTAL
	AIRPORTS	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	(4,241)	21,721	(7,988)	9,492	(4,598)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	5,836	6,087	2,240	14,163	665
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	947	(4)	119	1,062	(30)
(Increase) decrease in inventory	-	-	-	-	(30)
(Increase) decrease in special assessment receivable	-	(508)	(1,434)	(1,942)	-
(Increase) decrease in accrued revenue	(151)	(382)	17	(516)	(1,161)
(Increase) decrease in lease receivable	(2,137)	19	5	(2,113)	-
(Increase) decrease in due from others	-	(72)	(43)	(115)	128
(Increase) decrease in deferred outflows of resources	(107)	(1,567)	(570)	(2,244)	(49)
Increase (decrease) in accounts payable	(91)	2,842	2,201	4,952	3,656
Increase (decrease) in salaries & benefits payable	6	-	-	6	290
Increase (decrease) in due to others	33	(121)	(5)	(93)	55
Increase (decrease) in deferred inflows of resources	1,285	(5,907)	(993)	(5,615)	(259)
Increase (decrease) in compensated absences payable	(23)	49	(30)	(4)	14
Increase (decrease) in provision for liability claims	-	-	-	-	1,838
Increase (decrease) in pollution remediation	-	289	-	289	-
Increase (decrease) in closure/post closure liability	-	3,475	-	3,475	-
Increase (decrease) in net OPEB liability	(20)	(103)	(48)	(171)	(21)
Increase (decrease) in net pension liability	675	4,250	4,445	9,370	104
Total adjustments	6,253	8,347	5,904	20,504	5,200
Net cash provided (used) by operating activities	\$ 2,012	\$ 30,068	\$ (2,084)	\$ 29,996	\$ 602

**COUNTY OF KERN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023 (IN THOUSANDS)**

	<u>PENSION TRUST FUND</u>	<u>INVESTMENT TRUST FUND</u>	<u>PRIVATE- PURPOSE TRUST FUND</u>	<u>CUSTODIAL FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
<b>ASSETS</b>					
Cash and cash equivalents held in the pool	\$ 15,830	\$ 4,434,023	\$ 10,756	\$ 107,616	\$ 4,568,225
Receivables:					
Employee and employer contribution	18,510	-	-	-	18,510
Taxes for other governments	-	-	-	76,243	76,243
Interest and dividends	10,336	28,098	74	578	39,086
Sale of investments	97,212	-	-	-	97,212
Total receivables	<u>126,058</u>	<u>28,098</u>	<u>74</u>	<u>76,821</u>	<u>231,051</u>
Investments at fair value:					
Short-Term investment	701,915	-	-	-	701,915
Debt securities and bonds	898,232	-	-	-	898,232
Equities	1,833,671	-	-	-	1,833,671
Real estate investments	439,565	-	-	-	439,565
Alternative investments	1,488,857	-	-	-	1,488,857
Commodities	50,780	-	-	-	50,780
Total investments at fair value	<u>5,413,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,413,020</u>
Prepaid expenses	94	-	-	-	94
Capital assets, net of accumulated depreciation	515	-	-	-	515
Total assets	<u>5,555,517</u>	<u>4,462,121</u>	<u>10,830</u>	<u>184,437</u>	<u>10,212,905</u>
Deferred outflows of resources - pensions	-	691	-	-	691
Total assets and deferred outflow of resources	<u>5,555,517</u>	<u>4,462,812</u>	<u>10,830</u>	<u>184,437</u>	<u>10,213,596</u>
<b>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>					
Due to other agencies	-	18,061	-	66,496	84,557
Securities purchased	166,494	-	-	-	166,494
Net pension liabilities	-	2,898	-	-	2,898
Other long-term liabilities	2,442	-	-	-	2,442
Total liabilities	<u>168,936</u>	<u>20,959</u>	<u>-</u>	<u>66,496</u>	<u>256,391</u>
Deferred inflows of resources - pensions	-	134	-	-	134
Total liabilities and deferred inflows of resources	<u>168,936</u>	<u>21,093</u>	<u>-</u>	<u>66,496</u>	<u>256,525</u>
<b>NET POSITION</b>					
Pensions	5,386,581	-	-	-	5,386,581
Pool participants	-	4,441,719	-	-	4,441,719
Individuals, organizations, and other governments	-	-	10,830	117,941	128,771
Total net position	<u>\$ 5,386,581</u>	<u>\$ 4,441,719</u>	<u>\$ 10,830</u>	<u>\$ 117,941</u>	<u>\$ 9,957,071</u>

**COUNTY OF KERN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>PENSION TRUST FUND</u>	<u>INVESTMENT TRUST FUND</u>	<u>PRIVATE- PURPOSE TRUST FUND</u>	<u>CUSTODIAL FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
Additions:					
Property tax collections	\$ -	\$ 1,113,922	\$ -	\$ 185,018	\$ 1,298,940
Other taxes and fees collected for other governments	-	36,929	-	11,067	47,996
Contributions:					
Employer	316,838	-	-	-	316,838
Plan member	59,521	-	-	-	59,521
Private contribution	-	7,533,650	4,298	234,824	7,772,772
Total contributions	<u>376,359</u>	<u>7,533,650</u>	<u>4,298</u>	<u>234,824</u>	<u>8,149,131</u>
Net increase (decrease) in fair value of investments	236,974	654,184	1,752	16,964	909,874
Interest, dividends, and other	<u>140,577</u>	<u>211,078</u>	<u>877</u>	<u>88,220</u>	<u>440,752</u>
Total investment earnings	377,551	865,262	2,629	105,184	1,350,626
Less investment cost:					
Investment activity costs	<u>73,343</u>	<u>1,217</u>	<u>3</u>	<u>21</u>	<u>74,584</u>
Net investment earnings	<u>304,208</u>	<u>864,045</u>	<u>2,626</u>	<u>105,163</u>	<u>1,276,042</u>
Total additions	<u>680,567</u>	<u>9,548,546</u>	<u>6,924</u>	<u>536,072</u>	<u>10,772,109</u>
Deductions:					
Benefits paid to participants or beneficiaries	417,855	-	-	-	417,855
Administrative expenses	7,260	812	2	14	8,088
Distributions from pooled investments	-	7,085,027	5,721	317,406	7,408,154
Property tax distributions	-	1,450,165	-	199,787	1,649,952
Payments of taxes and fees to other governments	-	46,342	-	19,933	66,275
Total deductions	<u>425,115</u>	<u>8,582,346</u>	<u>5,723</u>	<u>537,140</u>	<u>9,550,324</u>
Change in net position	255,452	966,200	1,201	(1,068)	1,221,785
Net position, July 1, 2022	<u>5,131,129</u>	<u>3,475,519</u>	<u>9,629</u>	<u>119,009</u>	<u>8,735,286</u>
Net position, June 30, 2023	<u>\$ 5,386,581</u>	<u>\$ 4,441,719</u>	<u>\$ 10,830</u>	<u>\$ 117,941</u>	<u>\$ 9,957,071</u>

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2023 (IN THOUSANDS)**

	<u>FIRST 5 KERN</u>	<u>KERN COUNTY HOSPITAL AUTHORITY</u>	<u>TEJON RANCH PUBLIC FACILITIES FINANCING AUTHORITY</u>	<u>TOTAL DISCRETELY PRESENTED COMPONENT UNITS</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 18,264	\$ -	\$ -	\$ 18,264
Other cash and investments	429	66,957	21,468	88,854
Revolving fund cash	-	3	-	3
Receivables, net	1,630	253,636	-	255,266
Prepaid expenses	36	5,667	-	5,703
Inventories	-	5,471	-	5,471
Capital assets				
Non-depreciable	-	10,354	-	10,354
Depreciable, net	125	95,705	-	95,830
Total assets	<u>20,484</u>	<u>437,793</u>	<u>21,468</u>	<u>479,745</u>
Deferred outflows of resources				
Deferred charge on refunding	-	-	228	228
Deferred OPEB	-	5,573	-	5,573
Deferred pensions	-	101,117	-	101,117
Total deferred outflows of resources	<u>-</u>	<u>106,690</u>	<u>228</u>	<u>106,918</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
Current liabilities:				
Accounts payable	\$ 1,910	\$ 33,318	\$ 6	\$ 35,234
Salaries and employee benefits payable	51	13,711	-	13,762
Long-term liabilities:				
Due within one year:				
Interest payable	-	467	1,320	1,787
Compensated absences	123	6,164	-	6,287
Lease liability	87	2,531	-	2,618
SBITA liability	-	750	-	750
Self insurance liability	-	3,155	-	3,155
Current portion of long-term debt	-	1,992	2,115	4,107
Non current liabilities				
Interest payable	-	6,731	-	6,731
Compensated absences	-	14,383	-	14,383
Lease liability	-	4,844	-	4,844
SBITA liability	-	2,345	-	2,345
Self insurance liability	-	7,542	-	7,542
Long-term debt	-	8,213	90,026	98,239
Net OPEB liability	-	7,075	-	7,075
Net pension liabilities	-	345,399	-	345,399
Total current liabilities	<u>2,171</u>	<u>458,620</u>	<u>93,467</u>	<u>554,258</u>
Deferred inflows of resources				
Deferred OPEB	-	2,652	-	2,652
Deferred pensions	-	22,716	-	22,716
Total deferred inflows of resources	<u>-</u>	<u>25,368</u>	<u>-</u>	<u>25,368</u>
<b>NET POSITION:</b>				
Net investment in capital assets	38	95,938	-	95,976
Restricted: Other purposes	8,669	-	-	8,669
Unrestricted (deficit)	9,606	(35,443)	(71,771)	(97,608)
Total net position	<u>\$ 18,313</u>	<u>\$ 60,495</u>	<u>\$ (71,771)</u>	<u>\$ 7,037</u>

**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>FIRST 5 KERN</u>	<u>KERN COUNTY HOSPITAL AUTHORITY</u>	<u>TEJON RANCH PUBLIC FACILITIES FINANCING AUTHORITY</u>	<u>TOTAL DISCRETELY PRESENTED COMPONENT UNITS</u>
Program (expenses) revenues:				
Expenses	\$ (10,051)	\$ (512,899)	\$ (4,173)	\$ (527,123)
Program revenues:				
Charges for current services	-	271,988	-	271,988
Operating grants and contributions	8,750	239,168	-	247,918
Net program (expenses) revenues	<u>(1,301)</u>	<u>(1,743)</u>	<u>(4,173)</u>	<u>(7,217)</u>
General Revenues:				
Special Assessments	-	-	6,072	6,072
Unrestricted Investment Earnings	404	181	622	1,207
Other Revenue	-	2,069	-	2,069
Total general revenues	<u>404</u>	<u>2,250</u>	<u>6,694</u>	<u>9,348</u>
Excess (deficiency) of revenues over expenditures	<u>(897)</u>	<u>507</u>	<u>2,521</u>	<u>2,131</u>
Fund Distribution	<u>-</u>	<u>-</u>	<u>(5,950)</u>	<u>(5,950)</u>
Net change in fund balances	(897)	507	(3,429)	(3,819)
Fund balances, July 1, 2022	19,210	60,012	(68,342)	10,880
Prior period adjustment	-	(24)	-	(24)
Fund balances, as restated, July 1, 2022	<u>19,210</u>	<u>59,988</u>	<u>(68,342)</u>	<u>10,856</u>
Fund balances, June 30, 2023	<u>\$ 18,313</u>	<u>\$ 60,495</u>	<u>\$ (71,771)</u>	<u>\$ 7,037</u>







**NOTES TO THE FINANCIAL  
STATEMENTS**



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

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

**B. BLENDED COMPONENT UNITS**

Using the criteria of Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39, as amended by GASB Statements No. 61, No. 80, and No. 90, management has determined that the following component units should be blended:

**County Service Areas (CSAs)**

The County's Board serves as the governing body of the CSAs. Among the duties of the Board is to approve the CSAs' budgets, approve parcel fees, and appoint the management. The CSAs' component unit is reported in the governmental activities as a non-major governmental fund. Complete financial statements for County Service Areas may be obtained from the office of Kern County Public Works located at 2700 M Street, Bakersfield, California 93301.

**Sanitation Districts**

The County's Board serves as the governing body of the Sanitation Districts. The Board approves the budget and appoints the management of these entities, which are combined and reported as a non-major enterprise fund. Complete financial statements for Sanitation Districts may be obtained from the office of Kern County Public Works located at 2700 M Street, Bakersfield, California 93301.

**County of Kern Asset Leasing Corporation (Kern Asset Leasing Corporation)**

Although the Kern Asset Leasing Corporation has its own governing body, this component unit provides services exclusively to the County, and is reported as a non-major governmental fund. This nonprofit entity is used to finance capital assets constructed through the Certificates of Participation (COP) Program. Equipment and construction costs related to proprietary funds are recorded within each appropriate enterprise fund, and any cash related to the COP is designated as deposits with trustee. See Note 9.B. The County of Kern Asset Leasing Corporation does not issue separate audited financial statements.

**Kern County Tobacco Funding Corporation (the Corporation)**

The Corporation is a separate legal nonprofit public benefit corporation created under California Nonprofit Public Benefit Corporation Law. The Corporation was established to purchase tobacco settlement payments allocated to the County from the State, pursuant to the Master Settlement Agreement concluded on November 23, 1998, between the major tobacco companies and 46 states, including California, the District of Columbia, and four U.S. Territories. For additional information regarding the sale by the County to the Corporation of all rights, title, and interest of the County to such monies see Note 18.C. The Corporation is governed by a Board of Directors consisting of three members appointed by the County's Board. Complete financial statements for Kern County Tobacco Funding Corporation may be obtained from the Kern County Administrative Office located at 1115 Truxtun Ave, 5<sup>th</sup> Floor, Bakersfield, California 93301.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**Kern Public Services Financing Authority**

The Kern Public Services Financing Authority was originally established as a Joint Powers Authority with the Kern County Superintendent of Schools in 2003 to finance and construct the Southeast Community Services Center. The County took over the management of the property in 2010.

The fund is blended due to the Kern Public Services Financing Authority providing services directly to the County and it would be misleading to exclude the fund because of the County's nearly exclusive use of the building. The Kern Public Services Financing Authority does not issue separate audited financial statements.

**C. DISCRETELY PRESENTED COMPONENT UNITS**

The discretely presented component units column in the County's government-wide statements includes all current audited financial data of the County's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the County. Using the criteria of GASB Statements No. 14 and No. 39, as amended by GASB Statements No. 61 & No. 80, management has determined that the following component units should be discretely presented:

**First 5 Kern**

First 5 Kern was established under the State's California Children and Families Act. The Board enacted Ordinance G-6565, which created the Kern County Children and Families Trust Fund (Commission) and established the membership and Commission. The Board appoints a majority of the Commission and has the authority to replace all members. The Commission is responsible for allocating funds to local service providers for programs that promote, support, and improve the early development of children from prenatal through age five, and promote children's readiness to enter school. Complete financial statements for First 5 Kern may be obtained from the office of First 5 Kern located at 2724 L Street, Bakersfield, California 93301.

**Kern County Hospital Authority (Hospital Authority) – Kern Medical**

On September 26, 2014, Governor Edmund Gerald Brown approved Assembly Bill No. 2546 – Salas (AB 2546), which gave the Board the authority to establish, by ordinance, the Hospital Authority to manage, administer, and control Kern Medical. On October 6, 2015, the Board enacted Ordinance No. A-356, which added Chapter 2.170 to Title 2 of the Ordinance Code of the County creating the Hospital Authority. The purpose of the Hospital Authority is to provide access to affordable, high-quality health care services and to preserve and strengthen the viability of the health care safety net in the County in order to maintain and improve the health status of the people of the County through an organizational and operational structure that facilitates and improves Kern Medical's ability to function with flexibility, responsiveness, and innovation. On July 1, 2016, the County transferred ownership of Kern Medical and its employees to the Hospital Authority. The Board retained the right to approve certain actions and activities of the Hospital Authority including approving its budget as well as appointing its seven-member governing board. The Hospital Authority is discretely presented because its governing body is not substantially the same as the County's governing body, and it does not provide services exclusively to the County. The Hospital Authority issues a separate financial report that may be obtained from the Kern Medical office at 1700 Mount Vernon Avenue, Bakersfield, CA 93306.

**Tejon Ranch Public Facilities Financing Authority (Authority)**

The Authority, a not-for-profit governmental entity, was established as a Joint Powers Agreement between the County and the Tejon-Castac Water District under Articles 1-4 of Chapter 5, Division 7, and Title 1 of the Government Code of the State. The Authority is administered by a Board of Directors, of which three are appointed by the Board of the County, and two are members of the Tejon-Castac Water District. The County could impose its will upon the Authority; however, the Authority does not provide services to the County, qualifying the Authority to be discretely presented. The Authority was formed to establish Community Facilities Districts, the West District and the East District, and issue special tax bonds on behalf of those Districts. The Authority distributes funds to Tejon Industrial Corporation ("TIC") in certain years for reimbursement of planning, design, and construction costs for TIC's commercial project in Kern County. Fund distributions for fiscal year ended June 30, 2023 amounted to \$5,950. Financial statement requests can be made to the Authority's

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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Treasurer at P.O. Box 1000, Lebec, California 93243.

**D. FIDUCIARY COMPONENT UNIT**

**Kern County Employee's Retirement Association – KCERA**

The County pension plan is administered by the Kern County Employee's Retirement Association (KCERA), which was established on January 1, 1945, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. The Kern County Board of Supervisors and the governing boards of the participating districts adopt resolution, as permitted by the California State Government Code Section 31450 (County Employees' Retirement Law (CERL)), which affect the benefits of the KCERA members. KCERA is governed by the California Constitution; CERL; and the bylaws, policies and procedures adopted by the KCERA Board of Retirement. KCERA is reported in the Pension Trust Fund on the Statement of Fiduciary Net Position – Fiduciary Funds of the basic financial statements and has been included because there is a financial benefit or burden relationship, and the County appoints a voting majority of the Board. KCERA issues its own Annual Comprehensive Financial Report (ACFR) that may be obtained online at [KCERA.org](http://KCERA.org) or by writing to: KCERA at 11125 River Run Blvd., Bakersfield, California 93311. See note 10 for further disclosures related to the pension plan.

**E. RELATED ORGANIZATION**

**Housing Authority of the County of Kern (Housing Authority)**

The Housing Authority is a legally separate entity from the County established by the Board under the Housing Authorities Law of the State. The Housing Authority consists of seven members, one member nominated by appointment by each Supervisor and two member tenants who are nominated by the Housing Authority and appointed by the Board. While the County's accountability does not extend beyond making appointments and no financial benefit/burden relationship exists, the Housing Authority is deemed to be a related organization. The Housing Authority issues a separate financial report that can be obtained by contacting the Housing Authority's Treasurer at 601 24<sup>th</sup> Street, Bakersfield, California 93301.

**F. BASIS OF PRESENTATION**

**Government-Wide Financial Statements**

Information relating to the primary government is displayed in the Statement of Net Position and Statement of Activities on page 24 and 25, respectively. These statements include information regarding the financial statements, excluding the fiduciary activities. These statements distinguish between governmental activities and business-type activities of the County. Governmental activities are primarily supported by taxes and business-type activities strongly depend upon fees charged to external parties. Each type is presented separately.

In the government-wide financial statements, eliminations have been made to minimize the double counting of internal activities. In the Statement of Net Position, all internal balances have been eliminated, apart from those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total government column. In the Statement of Activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

A comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities are presented in the Statement of Activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated based on the County-wide Cost Allocation Plan, which allocates the cost of central service departments to service user departments. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or program. Revenues not classified as program revenues, including all taxes, are presented as general revenue.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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When both restricted and unrestricted resources are available, it is County policy to use restricted resources first, and then use the unrestricted resources as needed.

**Fund Financial Statements**

The fund financial statements separately present three fund categories. The three fund categories that are presented are: governmental, proprietary, and fiduciary. The emphasis of presenting these categories is to identify the major governmental and enterprise funds. The major funds are reported separately, and the remaining governmental and enterprise funds are reported aggregately and separately as non-major funds. Proprietary funds' operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. An exchange transaction is where two parties receive and give up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Proprietary funds' operating expenses, such as salaries and benefits or services and supplies, result from providing services and producing and delivering goods in relation to the proprietary funds' primary operations. Expenses that are not directly related to the proprietary funds' primary operations are reported as non-operating expenses.

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are taxes; licenses, permits and franchises; fines, forfeitures, and penalties; use of money and property; aid from other governmental agencies; and charges for current services. Primary expenditures are for general government; public protection; health and sanitation; public assistance; education; culture and recreation services; capital outlay; and debt service.

**Behavioral Health and Recovery Services** accounts for developing and maintaining Countywide, client-centered, culturally competent mental health and substance use services for people suffering from a mental illness consistent with the provision of the California Mental Health Services Law. This special revenue fund is funded primarily through state and federal aid and mental health patient fees. Additionally, the special revenue fund also receives interest revenue and other miscellaneous revenue.

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

**Coronavirus Relief** accounts for Coronavirus Relief Funds (CRF) received as a result the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA) established to battle the coronavirus disease and its economic impacts. CRF revenues and necessary expenditures incurred due to the public health emergency are recorded in this fund. Additionally, this fund also receives interest revenue.

**County Local Revenue Fund** accounts for sales tax revenues from the State's 2011 Realignment of public safety custodial responsibility of non-violent, non-sex, and non-serious offenders to local jails. Also, the State parole function was delegated to the County. In conjunction with the public safety realignment, the State also shifted full financial burden of many social service and mental health programs. The County was responsible for delivery of the social service and mental health programs before realignment but with the shift, the State no longer participates in the share of cost. Proceeds are split between Public Protection, Health and Sanitation, and Public Assistance.

**Department of Human Services** provides for direct financial assistance payments to eligible recipients. Public assistance programs administered by the Human Services Department are mandated by the State through the Welfare and Institution Code, as implementing legislation for the Federal Social Security Act. This special revenue fund is funded primarily through state-aid and receives interest revenue and other miscellaneous revenue.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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

**Kern County Tobacco Funding Corporation** is a nonprofit public benefit corporation established to ensure and otherwise protect against the risk of a substantial decline in tobacco revenues and to assure a source of funding for County programs.

**Structural Fire** accounts for fire prevention, protection, and suppression services for structures and watershed areas; hazardous material control and incident response; emergency rescue and medical aid; and performance of arson investigations. This special revenue fund is funded primarily through property taxes for fire protection and charges for services. Other revenues include aid from other governments, public protection state sales tax, and licenses and permits.

The County reports the following major enterprise funds:

**Airports**, headquartered at Meadows Field Airport in Bakersfield, comprises the financing requirements for administration, maintenance, and operation of the County's six airports located in Bakersfield, Buttonwillow, Poso, Taft, Kernville, and Wasco.

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

The County reports the following additional fund types:

**Internal Service Funds** account for services furnished to other County departments and are financed primarily by charges for such services. Internal service funds account for fleet services, public works, and self-insurance programs such as group health, retiree group health, unemployment compensation, workers' compensation, and personal injury and property damage.

Fiduciary funds include all Trust and Custodial funds, which account for assets held by the County as a trustee or as a custodian for individuals or for other government units.

The County reports the following fiduciary funds:

**Pension (and Other Employee Benefit) Trust** Funds account for the activities of KCERA pension plan which accumulate resources for pension benefit payments to qualified beneficiaries and the County deferred compensation plans available to eligible employees which are discussed further in Note 18.

The **Investment Trust Funds** are made up of funds for school districts, self-governed special districts, state trial court and other investment trusts. The County schools' operating, and debt service funds are grouped in this fund. The County is responsible for numerous self-governed special districts. Cash and investments are administered by the County Treasurer, and the Auditor-Controller-County Clerk makes disbursements upon the request of the responsible district officers.

The **Private-Purpose Trust Funds** are funds held by the County to report trust arrangements under which principal and income benefit other governments. These funds report the assets, liabilities, and activities of various successor agencies and conservatorships.

The **Custodial Fund** contains amounts held by the County in a custodial capacity for individuals or other government units.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**G. BASIS OF ACCOUNTING**

The government-wide, proprietary funds, and Custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are recorded on the accrual basis of accounting. Revenues are recorded when they are earned, and expenditures are recorded when they are incurred, regardless of when the cash is collected. Non-exchange transactions occur when an entity gives or receives value without giving or receiving the same value in return. An example of a non-exchange transaction would be property and sales taxes, grants, entitlements, and donations. On an accrual basis of accounting, property tax revenue is recognized in the fiscal year the taxes are levied. Revenues from donations, entitlements, and grants are recognized in the fiscal year in which all eligible requirements have been fulfilled.

Governmental funds are reported using the current financial resources measurement focus and on the modified accrual basis of accounting. Using this method, revenue is recorded when it is measurable and available. Property and sales taxes are considered available if collected within 60 days after the end of the accounting period. Interest and charges for services are accrued when their receipt occurs within 90 days after the end of the accounting period. The County considers voluntary non-exchange transactions, such as federal and state grants, available if received within 9 months after the end of the accounting period. All revenues must be both measurable and available. Under the modified accrual basis of accounting, expenditures are recorded when a liability is incurred. However, debt service expenditures, expenditures related to claims and judgments, and compensated absences are only recorded when payment is due. In governmental funds, general capital asset acquisitions are reported as expenditures. Proceeds from general long-term debt and finance purchases are reported as other financing sources.

Internal service funds are used by management to charge the cost of certain activities, such as fleet management and the self-insurance programs. Both the assets and liabilities of the internal service funds are included in Governmental Activities of the Statement of Activities and the Statement of Net Position. The internal service funds' profit or loss is allocated to the function or program that benefits from the internal service funds' activity. The County does this by reviewing the usage and apportioning the cost and profit to the funds responsible.

**H. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

**Cash and Cash Equivalents**

All amounts reported to be cash and cash equivalents represent cash or short-term, highly liquid investments with an original maturity of three months or less at the time of acquisition.

**Investments**

Investments in the County Treasurer's pooled investments are reported at fair value. Interest earnings are distributed to all participating funds based on their average daily balance within the pool. The unrealized increase or decrease in the fair value of the investments have been recognized.

**Interfund Receivables and Payables**

Transactions between funds with outstanding balances at fiscal year-end are referred to as "due to" or "due from" other funds with long-term balances referred to as "advances to" or "advances from" other funds. The outstanding balances at year-end result from either the time lag in reimbursement from one fund to another or from a lending/borrowing arrangement. See Note 5 for a detailed reconciliation of interfund transactions. These internal balances have been eliminated in the government-wide statements.

**Property Taxes**

All jurisdictions within the State derive their taxing authority from the State Constitution and various legislative provisions contained in the California Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions by the County Assessor and the State Board of Equalization. The total 2022 - 2023 net assessed valuation of the County was \$114,812,950. The property tax levy to support general operations of the various jurisdictions is limited to one percent (1%) of full cash value and is distributed in



**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are calculated separately and levied each fiscal year. The rates are formally adopted by the Board after approval of city councils or the governing boards of special districts, where applicable. Property taxes are levied on both real and personal property. Secured property taxes are levied on or before the first business day of September of each year and become a lien on real property on March 1 proceeding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due on November 1 and delinquent with penalties after December 10; the second is due on February 1 and delinquent with penalties after April 10.

Secured property taxes, which are delinquent if unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property may be sold at public auction. The proceeds are used to pay the delinquent amounts due, and any excess is remitted, if claimed, to the taxpayer. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1 and become delinquent if unpaid by August 31. In 1983, the Governor signed Senate Bill (SB) 813, which requires County Assessors to appraise property and issue an assessment when new construction is completed or a change in ownership occurs. The supplemental assessment will reflect the change in value for the remainder of the property tax year. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill.

**Inventory - Materials and Supplies**

Inventories in the General Fund, Roads and Structural Fire, Special Revenue Funds, and the Garage and Public Works Internal Service Funds consist of expendable supplies held for consumption. Inventories are valued at average cost. The consumption method is used to account for inventories. Under the consumption method of accounting, inventories are recorded as expenditures when consumed rather than when purchased. Reported inventories are categorized as non-spendable fund balance as required by GASB Statement No. 54 because these amounts are not available to spend.

**Capital Assets**

Capital assets are tangible and intangible assets, which include structures and improvements, equipment, intangibles (software, rights of way/easements, right-to-use), infrastructure assets (roads, street lighting, bridges, sidewalks, and similar items), lease assets, and subscription assets are reported under the governmental or business-type activities in the government-wide financial statements. For an asset to be considered a capitalized asset, it must exceed \$5 for equipment and software; \$50 for structures, infrastructures, and all other intangible types, and must have an estimated useful life of at least two years. Intangible assets are amortized based on estimated useful life and will vary by item. All purchased capital assets are valued at cost, and donated capital assets are valued at their estimated acquisition value on the date donated.

The costs of maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. As projects are constructed, major capital outlays for capital assets and improvements are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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Capital assets are depreciated or amortized using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 - 15 years
Computer Equipment	5 - 10 years
Vehicles	5 - 25 years
Software	15 years
Infrastructure (roads, sidewalks, bike paths, other improvements)	5 - 50 years
Structures and Improvements	20 - 60 years
Lease Assets	2 - 54 years
Subscription Assets	2 - 23 years

**Deferred Outflows/Inflows of Resources**

Pursuant to GASB Statements No. 63 and No. 65, the County recognizes deferred outflows and inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods. A deferred inflow of resources represents an acquisition of net assets that applies to future periods.

**Compensated Absences**

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

**Subscription-Based Information Technology Arrangements**

The County has entered into various subscription based information technology arrangements (SBITAs). The County recognizes a subscription liability and a subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5 or more.

At the commencement of a SBITA, the County initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made to the SBITA vendor at the commencement of the subscription term, plus capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the useful life of the underlying information technology asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County uses the State and Local Government Series daily rate as the incremental borrowing rate established by the US Treasury as the discount rate for SBITAs.

The subscription term includes the period during which the County has a noncancellable right-to-use the underlying information technology assets. Subscription payments included in the measurement of the subscription liability are composed of fixed payments, payments for penalties for terminating the SBITA, and any other payment to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on assessment of all relevant factors.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to

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significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets, net of accumulated depreciation/amortization and subscription liabilities are reported with long-term debt on the statement of net position.

**Leases**

*Lessee:* The County is a lessee for a noncancellable lease of equipment, land, and structures. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses the State and Local Government Series daily rate as the incremental borrowing rate established by the US Treasury as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets, net of accumulated depreciation/amortization and lease liabilities are reported with long-term debt on the statement of net position.

*Lessor:* The County is a lessor for noncancellable building leases. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The County uses the State and Local Government Series daily rate as the incremental borrowing rate established by the US Treasury as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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NOTES TO THE FINANCIAL STATEMENTS  
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**Long-Term Obligations**

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate governmental activities or proprietary funds statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

**Pension Plan**

For purposes of measuring the net pension liability and deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with Kern County Employees' Retirement Association (KCERA) pension plan and additions to or deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by KCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-Employment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB plan (OPEB Plan) and additions to or deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Public Agency Retirement Services (PARS). For this purpose, the OPEB Plan recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned classifications based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

**Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted fund balance** – amounts with constraints placed on the use of the resource that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Supervisors). An ordinance code is used by the Board to commit fund balance.

**Assigned fund balance** – amounts that are constrained by the County's *intent* to be used for specific purposes but are neither restricted nor committed. Intent can only be expressed by the Board through the signing and approving of contracts and agreements.

**Unassigned fund balance** – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if total fund balance is exceeded by expenditures.

The Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When various levels of restricted resources are available for use, it is the County's policy to use restricted resources first, followed by the committed, assigned, and then unassigned resources as they are needed. The County does not have a fund balance policy that would dictate the level of financial resources required to be in the funds at year-end. The County also does not have a formal fiscal stabilization policy.

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
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**I. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**J. ADOPTION OF NEW ACCOUNTING STANDARDS**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This standard defines a SBITA as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The standard establishes that a SBITA results in a right-to-use subscription asset-as an intangible asset-and a corresponding subscription liability. The County adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this statement did not impact the County's net position.

**2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. DEFICIT NET POSITION**

The following funds have a deficit fund balance as of June 30, 2023:

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<b>Governmental Funds</b>	
ARPA Projects	\$ (603)
Coronavirus Relief	(934)
Aging & Adult	(813)
	<u>\$ (2,350)</u>

ARPA projects negative fund balance is primarily due to expenditure accruals for supportive services at 6/30/2023. The Coronavirus Reliefs negative fund balances is related to the decrease in fair market value of investments at 6/30/2023 year-end. It's fund balance increased from -\$4,158 at 6/30/2022 to -\$934 at 6/30/2023. Aging & Adults negative fund balance is due to timing of the receipt of reimbursements.

The following funds have a deficit fund net position as of June 30, 2023:

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<b>Internal Service Funds</b>	
General Liability	\$ (13,716)
Workers Compensation	(58,686)
	<u>\$ (72,402)</u>

General Liability and Workers' Compensation negative net position represents liabilities incurred as a result of self-insurance.

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
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**3 - CASH AND INVESTMENTS**

**A. TOTAL CASH AND INVESTMENTS**

Cash and investments at June 30, 2023 consist of the following:

**Cash and Investments in County Pool:**

Cash	\$ 80,099
Investments	6,227,544
Subtotal	<u>6,307,643</u>
Less: outstanding warrants and other reconciliation items	<u>(85,626)</u>
Total cash and investments in county pool	<u>6,222,017</u>

**Cash and Investments Outside County Pool**

Cash with trustee	42,658
Primary government revolving cash	482
Discretely presented component unit other cash	88,857
Investments of KCERA	<u>5,413,020</u>
Total cash and investments outside county pool	<u>5,545,017</u>
Total cash and investments	<u>\$ 11,767,034</u>

**B. DEPOSITS**

**Cash and Deposits**

As provided for by the California Government Code, the cash balances for all funds are pooled and invested by the County’s Treasurer for the purpose of increasing interest earnings through investment activities. The respective funds' shares of the total pooled cash and investments are included in the accompanying balance sheet for governmental funds and statement of net position for proprietary funds under the caption "Pooled Cash and Investments." In accordance with Section 53652 of the California Government Code, a financial institution is required to secure deposits in excess of \$100 made by the State and local governmental units by pledging securities held in the form of an undivided collateral investment pool. The fair value of the pledged securities in the collateral investment pool must equal 110% of the total amount deposited by the public agencies. The collateral must be held at the pledging bank’s trust department or another bank, acting as the pledging bank’s agent, in the County’s name. Interest earned on pooled investments is deposited to the participating funds based upon each fund’s average daily deposit balance during the allocation period with all remaining interest deposited to the General Fund. Bank deposits are reported at cost as of the end of the reporting period.

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

At June 30, 2023, the balance for Cash and Investments Deposited with Trustee consists of the following:

Cash	\$ 162
Commercial paper	7,191
Money market account	2,218
Governmental agency bond/notes	<u>33,087</u>
Total cash and investments deposited with trustee	<u>\$ 42,658</u>

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Of the \$42,658 total cash and investments deposited with the trustee, \$33,311 is in the Tobacco Securitization Proceeds Fund to be utilized for capital projects. The \$9,066 is with the Corporation being held in trust for debt service reserves. The remaining \$281 is in the Pension Obligation Bond Trustee Debt Service Fund used to service debt payments related to the County's Pension Obligation Bonds. The funds are currently held by Wells Fargo Bank and U.S. Bank.

**D. INVESTMENTS**

**Interest Rate Risk**

In accordance with Kern County's Investment Policy, the government manages its exposure to declines in fair values by limiting the effective duration of the pool to no more than one and a half years.

**Credit Risk, Concentration and Rating**

Statutes authorize the County to invest in obligations of the United States Treasury, Federal agencies, municipalities, bankers acceptances, certificates of deposit, and commercial paper rated either A-1 by Standard & Poor's Corporation (S&P), P-1 by Moody's Commercial Paper Record (Moody's), or F-1 by Fitch Ratings (Fitch) (securities must be rated by at least two of the three; excluding Federal agencies).

The County of Kern Investment Pool (the Pool) is subject to regulatory oversight by the Treasury Oversight Committee, as required by California Government Code Section 27143. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2023, to support the value of the shares in the Pool. Management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool will not invest more than 6% of its assets in the Eligible Securities of a single institution, other than U.S. government and agency securities. The Pools ratings and weighted average maturity as of June 30, 2023 is as follows:

Investments	Rating	
	Moody's	Standard and Poor's (S&P)
Commercial paper	P-1	A-1
U.S. Treasury Securities	Aaa	AA
Corporate notes	A, Aa, Aaa	A, AA, AAA
Federal Agencies	Aaa	AA
Municipal bonds	Aa, Aaa	AA
Supranational's	Aaa	AAA
Portfolio Weighted Average Maturity		

Investments	Weighted Average Maturity (Years)
Commercial paper	0.04
U.S. Treasury Securities	2.34
Corporate notes	1.72
Federal Agencies	2.52
Municipal bonds	1.10
Supranational's	1.97
Portfolio Weighted Average Maturity	1.01

**Custodial Credit Risk - Deposits**

The County's deposits are collateralized, and two methods of protection are used. The first method is that the bank is required by state law to collateralize the deposits to the extent of 110%. Collateral securities are held in custody by the State Treasurer's office. The second method of protection is that the bank must carry umbrella

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insurance to protect against theft or negligence on the part of the bank.

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that of the County's total bank balance, \$250 is insured by the Federal Depository Insurance Corporation. The remaining amount on deposit, \$79,849, is collateralized with securities held by the pledging financial institution's agent.

**Custodial Credit Risk - Investments**

The County minimizes its exposure by purchasing securities with the highest credit rating from Moody's, S&P, and Fitch and by limiting the exposure to any one issuer as required by state law. Certain agencies outside of the County reporting entity participate in the Pool. The participation of these agencies is externally mandated. The participants reported under the Investment Trust Fund are schools, special districts, and special assessments. The County Pool does not issue separate financial statements. Participants may withdraw up to the amortized cost of their respective share. In accordance with this statement, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, except for governmental securities and bankers' acceptances, which are carried at amortized cost plus accrued interest.

The Pool participates in the Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), and the Investment Trust of California (CalTRUST). The LAIF, CAMP, and CalTRUST operate and report to participants on an amortized cost basis. For all three investment pools, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the investment pools are approximately equal to the value of the pool shares.

The Local Investment Advisory Board has oversight responsibility for LAIF. The Local Investment Advisory Board consists of five members designated by state statute. The County's investment in the LAIF is \$74,277.

The CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services directed by a seven-member Board of Trustees. The County's investment in the CAMP is \$387,419.

CalTRUST is a Joint Powers Authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a nine-member Board of Trustees made up of experienced local agency treasurers and investment officers. The County's investment in CalTRUST is \$32,674.



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

Investment	Fair Value	Principal	Maturity Range
State Treasury's Pool (LAIF)	\$ 74,277	\$ 74,277	On demand
Money market mutual funds	25,865	25,865	On demand
California Asset Management Program (CAMP)	387,419	387,419	On demand
Investment Trust of California (CalTRUST)	32,674	32,674	On demand
FDIC insured cash sweep	10,436	10,436	On demand
Commercial paper	73,015	72,885	07/03/2023 - 07/31/2023
U.S. treasury securities	3,060,177	3,201,966	07/15/2023 - 02/15/2028
Corporate notes	341,929	365,032	07/24/2023 - 06/30/2027
Federal agencies	1,983,451	2,031,801	07/10/2023 - 06/09/2028
Municipal bonds	48,434	51,330	08/01/2023 - 11/01/2025
Supranational's	189,867	199,787	07/31/2023 - 03/03/2028
Total investments	<u>\$ 6,227,544</u>	<u>\$ 6,453,472</u>	
Cash on hand	94		
Cash in banks	80,005		
Less warrants in transit	<u>(85,626)</u>		
Total cash and investments	<u><u>6,222,017</u></u>		

The following represents a condensed statement of net position and changes in net position for the Pool as of June 30, 2023:

**Statement of Net Position:**

Total assets held for pool participants	<u>\$ 6,222,017</u>
Equity of internal pool participants	\$ 1,665,057
Equity of external pool participants (voluntary & involuntary)	4,556,960
Total equity	<u>\$ 6,222,017</u>

Statement of Changes in Net Position:

Net position at July 1, 2022	\$ 5,058,328
Net changes in investments by pool participants	<u>1,163,689</u>
	<u>\$ 6,222,017</u>

**E. DEPOSITS WITH OTHERS**

The County has total deposits with others of \$2,040. The General Fund has deposited \$136 with the City of Bakersfield for the construction of an overpass on Bakersfield Union Avenue pursuant to a joint agency agreement between the County, the City of Bakersfield, and the Greater Bakersfield Separation of Grade District. Group Health has a balance of \$1,519 Internal Service Fund with its designated claim administrators, and the remaining amount of \$ 385 from Workers Compensation for an escrow account with Corvel third party administrator for worker's compensation payments. This amount has been determined by claim administrators to be representative of one month's billings.

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**F. FAIR VALUE MEASUREMENT**

The Pool categorizes its fair value measurement within the fair value hierarchy established by GASB Statement No. 72. The Pool has the following recurring fair value measurements as of June 30, 2023:

Investments by fair value level	6/30/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt securities:</b>				
Commercial paper	\$ 73,015	\$ -	\$ 73,015	\$ -
Corporate Notes	341,929	-	341,929	-
Federal agencies	1,983,451	-	1,983,451	-
Municipal bonds	48,434	-	48,434	-
Supranational's	189,867	-	189,867	-
U.S. treasury securities	3,060,177	-	3,060,177	-
Total investments by fair value level	5,696,873	\$ -	\$ 5,696,873	\$ -
<b>Investments measured at amortized cost</b>				
State Treasury's Pool (LAIF)	74,277			
California Asset Management Program (CAMP)	387,419			
Investment Trust of California (CalTRUST)	32,674			
FDIC insured cash sweep	10,436			
Money market mutual funds	25,865			
Total investments measured at amortized cost	530,671			
Total investments measured at fair value	\$ 6,227,544			

Debt Securities are classified as Level 2 of the fair value hierarchy due to use of evaluated pricing by the Pool's trustee. The trustee of the Pool has chosen this alternative pricing technique and, based on their definition of an "active market," has elected to categorize only equity securities as Level 1.

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**4 - RECEIVABLES**

**A. RECEIVABLES**

The County's net receivables for the year ended June 30, 2023 for the individual major funds, non-major funds, and internal service funds are as follows:

	<u>Interest</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Lease</u>	<u>Other</u>	<u>Allowance for uncollectible</u>	<u>Net receivables</u>
General Fund	\$ 6,107	\$ 28,632	\$ 2,487	\$ 4,232	\$ 47,171	\$ (444)	\$ 88,185
Behavioral Health & Recovery Services	1,138	-	128	-	41,786	-	43,052
Community Development	-	-	-	-	514	-	514
Coronavirus Relief	890	-	-	-	-	-	890
County Local Revenue Fund	-	-	-	-	37,738	-	37,738
Department of Human Services	441	-	75	-	60,419	-	60,935
Structural Fire	454	4,065	391	34	13,048	-	17,992
Non-Major Governmental Funds	1,304	386	1,178	169	53,606	(598)	56,045
Internal Service Funds	950	-	32	-	1,873	-	2,855
Total governmental activities	<u>\$ 11,284</u>	<u>\$ 33,083</u>	<u>\$ 4,291</u>	<u>\$ 4,435</u>	<u>\$ 256,155</u>	<u>\$ (1,042)</u>	<u>\$ 308,206</u>

The receivables category classified as "Other" is composed of receivables from the State and other sources. The total amount of taxes receivable not expected to be collected within one-year totals \$11,293. Of this amount, \$7,177 is recorded in the General Fund, \$3,769 in Structural Fire, and \$347 in Non-Major Governmental Funds.

The County's net receivables for the year ended June 30, 2023 for the enterprise funds are as follows:

	<u>Interest</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Lease</u>	<u>Other</u>	<u>Allowance for uncollectible</u>	<u>Net receivables</u>
Airports	\$ 74	\$ -	\$ 770	\$ 14,524	\$ 165	\$ (9)	\$ 15,524
Waste Management	548	2,269	2,053	70	1,206	(71)	6,075
Non-Major Enterprise Funds	288	3,434	50	13	1,918	-	5,703
Total business-type activities	<u>\$ 910</u>	<u>\$ 5,703</u>	<u>\$ 2,873</u>	<u>\$ 14,607</u>	<u>\$ 3,289</u>	<u>\$ (80)</u>	<u>\$ 27,302</u>

**Housing Loans Receivable and Housing Loans Interest Receivable**

A total of \$64,062 was recorded as housing loans receivable and a total of \$19,815 was recorded as housing loans interest receivable at June 30, 2023. These represent low or no interest mortgage notes and related accrued interest to finance multi-family and single-family construction and rehabilitation projects, as well as homebuyer assistance for low income families, as part of the County's affordable housing program with loan terms ranging from 5 to 55 years. The County's primary sources of funding for these loans come from grants from the federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs. The HOME and CDBG grants contain monitoring requirements, reflected in the loan agreements, to ensure grant compliance. Due to the terms of the loans, offsetting deferred inflows of resources of \$83,877 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments. Additionally, \$440 of deferred inflows of resources remain in the Government-wide Statement of Net Position for the principal and interest balance of loans with a forgiveness clause since these types of loans are more likely not to be repaid to the County.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

**5 - INTERFUND TRANSACTIONS**

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

Due From and Due To Other Funds amounts will be repaid in the following fiscal year. Due From and Due To Other Funds at June 30, 2023 are as follows:

Due From Other Funds	Due To Other Funds	Amount	Purpose
General Fund	Non-Major Governmental Funds	\$ 7,580	Expenditure Reimbursement
	Department of Human Services	8,986	Expenditure Reimbursement
	Community Development	181	Expenditure Reimbursement
	County Local Revenue Fund	3,410	Realignment
	Public Works ISF	4	Expense Reimbursement
		20,161	
Behavioral Health & Recovery	County Local Revenue Fund	5,042	Realignment
	Coronavirus Relief	197	Services Provided
		5,239	
Department of Human Services	County Local Revenue Fund	2,192	Realignment
Structural Fire	Non-Major Governmental Funds	718	Prop 172
Non-Major Governmental Funds	Coronavirus Relief	107	Services Provided
	Community Development	18	Services Provided
	Non-Major Governmental Funds	640	Expenditure Reimbursement
	Non-Major Enterprise Funds	1	Services Provided
	Public Works ISF	20	Expenditure Reimbursement
	Waste Management	1	Expenditure Reimbursement
	County Local Revenue Fund	535	Realignment
		1,322	
Public Works ISF	Waste Management	72	Services Provided
	Airports	33	Services Provided
	Non-Major Enterprise Funds	16	Services Provided
	Coronavirus Relief	17	Services Provided
	Non-Major Governmental Funds	165	Services Provided
		303	
Waste Management	Coronavirus Relief	64	Services Provided
	Non-Major Governmental Funds	8	Services Provided
		72	
Non-Major Enterprise Funds	Coronavirus Relief	12	Services Provided
	Non-Major Governmental Funds	3	Expenditure Reimbursement
	Non-Major Enterprise Funds	1	Expenditure Reimbursement
	Public Works ISF	42	Expenditure Reimbursement
		58	
Total		\$ 30,065	

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

**B. TRANSFERS**

Due From and Due To Other Funds amounts will be repaid in the following fiscal year. Due From and Due To Other Funds at June 30, 2023 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Airports	\$ 696
	Behavioral Health & Recovery	6,563
	Department of Human Services	154,935
	Non-Major Governmental Funds	134,889
	Public Works ISF	6,971
	Structural Fire	3,988
		<u>308,042</u>
County Local Revenue Fund	General Fund	80,239
	Behavioral Health & Recovery	77,387
	Department of Human Services	77,605
	Non-Major Governmental Funds	13,749
		<u>248,980</u>
Community Development	General Fund	2,883
	Non-Major Governmental Funds	4
		<u>2,887</u>
Behavioral Health & Recovery	General Fund	88
	Non-Major Governmental Funds	1,420
		<u>1,508</u>
Non-Major Governmental Funds	General Fund	128,246
	Behavioral Health & Recovery	1,572
	Department of Human Services	4,400
	Structural Fire	9,888
	Non-Major Governmental Funds	2,698
		<u>146,804</u>
Department of Human Services	Non-Major Governmental Funds	3,203
Public Works ISF	Non-Major Governmental Funds	6,421
Structural Fire	Non-Major Governmental Funds	4,305
Coronavirus Relief	General Fund	32
Total		<u>\$ 722,182</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

**6 - CAPITAL ASSETS**

**A. GOVERNMENTAL CAPITAL ASSETS**

Capital asset governmental activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Transfers & Adjustments	Ending Balance
<b>Governmental Activities:</b>					
<b>Capital Assets, not depreciated:</b>					
Land	\$ 33,738	\$ 350	\$ -	\$ -	\$ 34,088
Construction in progress	33,089	86,185	5,050	(27,612)	86,612
Intangible	1,165,022	1,006	3,129	-	1,162,899
Works of art	60	-	-	-	60
Total capital assets, not depreciated	<u>1,231,909</u>	<u>87,541</u>	<u>8,179</u>	<u>(27,612)</u>	<u>1,283,659</u>
Capital Assets, depreciated and amortized:					
Infrastructure	836,639	6,706	12,584	22,243	853,004
Structures and improvements	637,441	3,581	-	886	641,908
Equipment	229,926	10,183	6,576	4,464	237,997
Intangibles	16,336	-	79	-	16,257
Lease land	4,616	-	1,557	-	3,059
Lease structures	135,027	14,012	1,650	-	147,389
Lease equipment	7,140	466	1,255	-	6,351
Subscription assets (1)	1,444	34,458	-	-	35,902
Total capital assets depreciated and amortized	<u>1,868,569</u>	<u>69,406</u>	<u>23,701</u>	<u>27,593</u>	<u>1,941,867</u>
Less: Accumulated depreciation/amortization:					
Infrastructure	469,527	27,978	499	-	497,006
Structures and improvements	258,813	9,751	-	-	268,564
Equipment	170,956	12,746	6,218	(19)	177,465
Intangibles	7,469	911	36	-	8,344
Lease land	532	455	74	-	913
Lease structures	13,196	14,802	1,650	-	26,348
Lease equipment	2,665	2,111	821	-	3,955
Subscription assets	-	7,170	-	-	7,170
Total accumulated depreciation and amortization	<u>923,158</u>	<u>75,924</u>	<u>9,298</u>	<u>(19)</u>	<u>989,765</u>
Total capital assets depreciated and amortized, net	<u>945,411</u>	<u>(6,518)</u>	<u>14,403</u>	<u>27,612</u>	<u>952,102</u>
Capital assets, net	<u>\$2,177,320</u>	<u>\$ 81,023</u>	<u>\$ 22,582</u>	<u>\$ -</u>	<u>\$2,235,761</u>

(1) Beginning balances restated to reflect implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

**B. ENTERPRISE AND COMPONENT UNIT CAPITAL ASSETS**

Capital asset governmental activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Transfers & Adjustments	Ending Balance
<b>Business-type Activities:</b>					
<b>Capital Assets, not depreciated:</b>					
Land	\$ 36,687	\$ 251	\$ -	\$ -	\$ 36,938
Land acquisition in progress	86	26	26	-	86
Construction in progress	23,506	14,158	508	(20,611)	16,545
Intangible	-	-	-	8,011	8,011
Works of art	198	-	-	-	198
Total capital assets, not depreciated	<u>60,477</u>	<u>14,435</u>	<u>534</u>	<u>(12,600)</u>	<u>61,778</u>
Capital Assets, depreciated and amortized:					
Structures and improvements	91,519	151	-	184	91,854
Land improvements	69,267	-	-	500	69,767
Equipment	46,915	4,594	410	-	51,099
Intangibles	1,221	-	-	(402)	819
Infrastructure	141,384	13	9	12,318	153,706
Lease land	19	-	19	-	-
Lease structures	357	-	179	-	178
Total capital assets depreciated and amortized	<u>350,682</u>	<u>4,758</u>	<u>-</u>	<u>12,600</u>	<u>367,423</u>
Less: Accumulated depreciation/amortization:					
Structures and improvements	44,183	2,688	-	-	46,871
Land improvements	35,032	2,876	-	-	37,908
Equipment	24,058	3,223	386	-	26,895
Intangible assets	466	60	-	-	526
Infrastructure	61,128	5,258	-	-	66,386
Lease land	2	-	2	-	-
Lease structures	150	58	80	-	128
Total accumulated depreciation and amortization	<u>165,019</u>	<u>14,163</u>	<u>468</u>	<u>-</u>	<u>178,714</u>
Total capital assets depreciated and amortized, net	<u>185,663</u>	<u>(9,405)</u>	<u>149</u>	<u>12,600</u>	<u>188,709</u>
Capital assets, net	<u>\$ 246,140</u>	<u>\$ 5,030</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ 250,487</u>

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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***Discretely Presented Component Unit - Hospital Authority***

A summary of capital asset activity for the Hospital Authority, a discretely presented component unit, for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Deletions	Transfers & Adjustments	Ending Balance
<b>Hospital Authority Component Unit Activities:</b>					
Capital Assets, not depreciated::					
Land	\$ 1,854	\$ -	\$ -	\$ -	1,854
Construction in progress	6,993	4,643	-	(3,135)	8,501
Total capital assets, not depreciated:	8,847	4,643	-	(3,135)	10,355
Capital Assets, depreciated and amortized:					
Structures and improvements	98,203	-	-	2,409	100,612
Intangibles	57,300	-	-	326	57,626
Equipment	69,473	7,499	-	400	77,372
Lease assets	13,090	1,721	1,597	-	13,214
Subscription assets (1)	2,962	1,016	-	-	3,978
Total capital assets, being depreciated and amortized	241,028	10,236	-	3,135	252,802
Less: Accumulated depreciation/amortization:					
Intangibles	20,598	3,414	-	-	24,012
Equipment	52,185	5,860	-	-	58,045
Lease assets	5,125	2,590	1,597	-	6,118
Subscription assets	-	952	-	-	952
Structures and improvements	65,068	2,902	-	-	67,970
Total accumulated depreciation and amortization	142,976	15,718	-	-	157,097
Total capital assets, being depreciated and amortized, net	98,052	(5,482)	-	3,135	95,705
Capital assets, net	\$ 106,899	\$ (839)	\$ -	\$ -	106,060

(1) Beginning balances restated to reflect implementation of GASB 96, Subscription-Based Information Technology Arrangements



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**C. DEPRECIATION**

Depreciation and amortization expense were charged to functions or programs of the primary government as follows:

**Governmental activities:**

General	\$ 13,305
Public protection	15,300
Public ways and facilities	28,958
Health and sanitation	5,382
Public assistance	10,548
Education	865
Culture and recreation services	901
Depreciation on Capital Assets held by the County's Internal Service Funds are charged to various functions based on usage of the assets	665
Total depreciation and amortization expense - governmental activities	<u>\$ 75,924</u>

**Business-type activities:**

Airports	\$ 5,836
Waste management	6,087
County sanitation districts	724
Golf course	148
Public transportation	1,368
Total depreciation and amortization expense - business-type activities	<u>\$ 14,163</u>

**D. CONSTRUCTION IN PROGRESS**

Construction in progress for governmental funds includes projects for roads and several smaller projects. Business-type construction in progress projects include rehabilitating and upgrading of the airport's taxiway, bus stop enhancements, a transit station, and the improvement of land for landfill closures.

**7 - LEASES**

**A. LEASE RECEIVABLES**

The County has entered into fifty-two lease agreements as a lessor for right-to-use Land, ninety-six lease agreements as a lessor for right-to-use Buildings, and one lease for the right-to-use equipment. For lessor leases, the County is utilizing an incremental borrowing rate between 0.20 - 1.5%. The leases include a range of options to extend the lease term for a period of 37 years with the final extension period ending December 16, 2060.

**B. LEASE PAYABLES**

The County has entered into one-hundred and thirteen lease agreements as lessee for right-to-use twelve land, fifty buildings, two equipment, and forty-nine vehicle leases.

The leases include a range of options to extend the lease term for a period of 25 years with the final extension period ending July 9, 2048. The County is required to make annual principal and interest payments between \$8,750 and \$30,294, subject to annual rent increases ranging from 1.5 to 13.40%. The County is utilizing a range of incremental borrowing rates between 0.20 - 4.5%.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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As of June 30, 2023, the value of the lease liability was \$129,150. The difference of \$1,746 represents (1) the reduction of the principal portion of the lease payments in the current year of \$13,721 and (2) new lease agreements entered into during the current fiscal year amounting to \$11,795.

As of June 30, 2023, the value of the lease liability was \$50. The difference of \$230 represents the reduction of the principal portion of the lease payments in the current year.

The following is a schedule of future principal and interest lease payments as of June 30, 2023:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 12,214	\$ 1,752	\$ 13,966
2025	10,846	1,622	12,468
2026	10,601	1,497	12,098
2027	9,640	1,372	11,012
2028	7,488	1,262	8,750
2029-2033	25,387	4,907	30,294
2034-2038	17,301	3,350	20,651
2039-2043	19,337	1,979	21,316
2044-2048	16,336	497	16,833
Total Leases	\$ 129,150	\$ 18,238	\$ 147,388

Year Ended June 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 41	\$ -	\$ 41
2025	9	-	9
Total Leases	\$ 50	\$ -	\$ 50

**8 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

As of June 30, 2023, the County's Subscription-Based Information Technology Arrangements (SBITA) totaled \$26,952 in governmental-type subscriptions. The County has entered into thirty-three SBITAs. These arrangements include term ranges from over twelve months to sixty-six months or December 31, 2027. The County is required to make annual principal and interest payments between \$5,601 to \$9,180. Due to the nature of these arrangements there are no options to extend as they are subscription-based arrangements. The County is utilizing a range of incremental borrowing rates between 0.36 – 4.51%. The County does not have any business-type activities SBITAs.

The following is a schedule of future principal and interest SBITA commitments for as of June 30, 2023:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 8,313	\$ 867	\$ 9,180
2025	7,898	567	8,465
2026	5,341	317	5,658
2027	5,400	160	5,560
Total SBITAs	\$ 26,952	\$ 1,911	\$ 28,863

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**9 - LONG-TERM DEBT**

**A. LONG-TERM LIABILITIES**

The County is not obligated in any manner for outstanding special assessment debt. However, the County acts in an agency capacity for property owners in collecting overlapping tax and assessment debt, which totals \$1,940,460. These amounts do not appear in the accompanying Financial Statements.

As indicated in Notes 1.H., 7.B., 8., 9.B., 9.C., 9.D., and 9.E., the County has recognized a long-term liability for compensated absences, finance purchases, leases, SBITAs, certificates of participation, loans payable, bonds payable, and pension obligation bonds.

For governmental activities, the General Fund and the Special Revenue Funds for Behavioral Health & Recovery Services, Human Services, Roads, Structural Fire, Aging and Adult Services, Building Inspection, Child Support Services, County Clerk, Environmental Health, and Recorder have typically been used to liquidate compensated absences, OPEB, and Pension liabilities.

Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the totals for governmental activities.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 82,657	\$ 53,591	\$ 49,111	\$ 87,137	\$ 58,382
Finance purchase	19,693	6,400	4,252	21,841	3,650
Lease liability	130,896	11,975	13,721	129,150	12,214
SBITA liability (1)	1,444	34,457	8,949	26,952	8,313
Certificates of participation	64,110	-	3,765	60,345	3,965
COP - unamortized premium	3,120	-	253	2,867	-
Tobacco - asset backed bonds	57,461	-	6,726	50,735	3,840
Tobacco - unamortized bond premium	4,798	-	267	4,531	-
Bonds payable - qualified energy conservation bonds	1,341	-	324	1,017	332
Loans payable - I Bank	2,240	-	425	1,815	436
Loans payable Kern psychiatric facility	27,612	-	1,091	26,521	1,117
Direct borrowing - Kern Public Services	5,335	-	540	4,795	555
Pension obligation bonds (2003)	60,774	-	23,040	37,734	15,619
Pension obligation bonds (2008)	42,285	-	-	42,285	-
Net OPEB liability	65,175	-	2,895	62,280	-
Net pension liability	1,369,748	361,543	-	1,731,291	-
Total governmental activities	<u>\$ 1,938,689</u>	<u>\$ 467,966</u>	<u>\$ 115,359</u>	<u>\$ 2,291,296</u>	<u>\$ 108,423</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 2,659	\$ 1,638	\$ 1,634	\$ 2,663	\$ 1,917
Lease liability	280	-	230	50	41
Direct borrowing - airport	2,975	-	569	2,406	581
Pension obligation bonds (2003)	979	-	371	608	252
Pension obligation bonds (2008)	682	-	-	682	-
Pollution remediation	7,518	288	-	7,806	300
Closure liability	30,967	2,481	-	33,448	1,400
Post-closure liability	18,423	991	-	19,414	479
Net OPEB liability	1,301	-	172	1,129	-
Net pension liability	32,038	9,372	-	41,410	-
Total business-type activities	<u>97,822</u>	<u>14,770</u>	<u>2,976</u>	<u>109,616</u>	<u>4,970</u>
Total government-wide long-term liabilities	<u>\$ 2,036,511</u>	<u>\$ 482,736</u>	<u>\$ 118,335</u>	<u>\$ 2,400,912</u>	<u>\$ 113,393</u>

(1) Beginning balances restated to reflect implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

***Discretely Presented Component Unit - Hospital Authority***

Long-term obligations and corresponding activity for the Hospital Authority, a discretely presented component unit, for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	June 30, 2023	Due Within One Year
Compensated absences	\$ 19,087	\$ 1,804	\$ 344	\$ 20,547	\$ 6,164
Lease liability	8,344	1,751	2,720	7,375	2,531
Pension obligation bonds	13,143	-	2,938	10,205	1,992
Net OPEB liability	7,217	-	142	7,075	-
Net pension liability	284,243	61,156	-	345,399	-
Total	\$ 332,034	\$ 64,711	\$ 6,144	\$ 390,601	\$ 10,687

**B. CERTIFICATES OF PARTICIPATION**

COPs are secured by annual lease rental payments payable by the County for use of facilities constructed or purchased from the certificate proceeds.

The County has outstanding COPs totaling \$60,345 at fixed interest rates. The proceeds of the COPs are being used for the acquisition of equipment, construction, and renovation of certain public facilities within the County. The COPs have been delivered to the trustee, U.S. Bank, for investment and disbursement subject to the terms and conditions of the trust agreements.

The obligation of the County to make base rental payments does not constitute a general obligation of the County for which the County is obligated to levy or pledge any form of taxation. A portion of the 2011 Refunding is being paid for by the Hospital Authority, a discretely presented component unit; see the corresponding activity for the debt in Note 9.A. The rest of the 2011 Refunding COP and the 2016 Refunding Capital Improvement Projects COP are paid by the Kern Asset Leasing Corporation. A description of each COP and the corresponding schedules of future minimum payments owed by the primary government are as follows:

**2016 Refunding COP, Series A**

On December 14, 2016, the County issued \$80,350 of Certificates of Participation with fixed interest rates ranging from 3.00% to 5.00% with maturity dates from November 1, 2017 – 2034 to advance refund the 2009 COP. The net proceeds plus the 2009 COP reserve account were deposited in an irrevocable trust to provide for all future debt service payments on the 2009 COP until the prepayment date of February 1, 2019, at which point the 2009 COP was paid in full. As a result, the 2009 COP is considered defeased and the liability for those bonds has been removed from the County’s long-term debt liabilities. The County has pledged three County owned properties as collateral. The 2016 COP refunding included a debt service reserve insurance policy to satisfy the reserve requirement. The 2016 Refunding COP has the following schedule of future payments:

Year Ended June 30,	Principal	Interest	Total
2024	3,965	2,295	6,260
2025	4,160	2,092	6,252
2026	4,380	1,879	6,259
2027	4,600	1,654	6,254
2028	4,785	1,468	6,253
2029-2033	26,435	4,253	30,688
2033-2035	12,020	1,073	13,093
Total	\$ 60,345	\$ 14,714	\$ 75,059

**C. LOANS PAYABLE**

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

**2019 Refunding Loan - Kern Public Services Financing Authority (Direct Borrowing)**

On December 1, 2019, the County issued the 2019 Lease Revenue Refunding Private Placement Loan in the amount of \$6,885 to refund the 2010 Lease Revenue Refunding Bonds. The purpose of the refunding was to accelerate the maturity date by one year from 2032 to 2031 and reduce the variable interest rate from between 4.5% to 6.5% to fixed rate of 2.19%. The refunding resulted in a decrease in total debt service payments of \$1,350 and an economic gain of \$1,955. The loan contains a provision that in the event of a continued default, the interest rate will be raised to an annual rate of 5.19%.

The 2019 Refunding Loan debt schedule is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	555	105	660
2025	565	93	658
2026	580	80	660
2027	595	68	663
2028	605	55	660
2029-2031	1,895	84	1,979
Total	\$ 4,795	\$ 485	\$ 5,280

**2017 Refunding Loan - Airports (Direct Borrowing)**

On August 1, 2017, the County issued the 2017 Refunding Private Placement Loan in the amount of \$5,377 to refund the 2011 Airports Private Placement Loan. The purpose of the refunding was to lower the annual debt service payments by extending the maturity date from 2023 to 2027 and reduce the interest rate from a fixed rate of 3.08% to 2.28%. The extension of the loan resulted in an increase in total debt service payments of \$382 and an economic loss of \$79. The asset constructed with the proceeds from this issuance is pledged as collateral. The loan contains a provision that in the event of a continued default, the interest rate will be raised to an annual rate of 5.28%. The 2017 Refunding Loan debt schedule is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	581	52	633
2025	594	38	632
2026	608	25	633
2027	623	11	634
Total	\$ 2,406	\$ 126	\$ 2,532

**Fifth District Curb and Gutter Project**

To facilitate the construction of curbs, gutters, drainage and sidewalk improvements in the Fifth District, the County obtained a loan for \$7,200 in the fiscal year 2007-08 from the California Infrastructure and Economic Development Bank (I-Bank). The loan has a fixed interest rate of 2.66%, and the expected maturity dates are from August 1, 2007 to August 1, 2026. The Fifth District Curb and Gutter Project debt schedule of the outstanding balance is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	436	48	484
2025	448	35	483
2026	460	21	481
2027	471	8	479
Total	\$ 1,815	\$ 112	\$ 1,927

**2021 Private Placement Loan**

**COUNTY OF KERN**  
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In November 2021, the County issued the 2021 Private Placement Loan in the amount of \$27,612 to facilitate the construction of two psychiatric health facilities for the department of Behavioral Health and Recovery Services. The loan has a 20-year term with a fixed interest rate of 2.38% and an expected maturity date of November 1, 2041. The 2021 Private Placement Loan future maturities is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	1,117	618	1,735
2025	1,144	591	1,735
2026	1,172	563	1,735
2027	1,200	535	1,735
2028	1,229	506	1,735
2029-2033	6,602	2,073	8,675
2034-2038	7,437	1,239	8,676
2039-2042	6,620	320	6,940
Total	\$ 26,521	\$ 6,445	\$ 32,966

**D. BONDS PAYABLE**

**Tobacco Settlement Asset-Backed Refunding Bonds**

On October 21, 2014, the California County Tobacco Securitization Agency (the Agency) issued the Tobacco Settlement Asset-Backed Refunding Bonds, Series 2014, on behalf of the Corporation in the amount of \$95,860. The issuance consisted of \$29,010 in serial bonds and \$66,850 in term bonds with the expected maturity dates to range from June 1, 2015 – 2040. The bonds’ interest rates range from 4.0% to 5.0%.

The Agency issued bonds and loaned the proceeds to the Corporation, which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Corporation from tobacco settlement payments purchased from the County. The bonds do not constitute a charge against the general credit of the Agency (except from loan payments by the Corporation) or the County and neither will the Agency or the County be obligated to pay interest on or principal of these bonds in the event of default or in the event tobacco settlement revenues decline. These bonds do not constitute a legal debt, liability or obligation of the County. For additional information regarding the Tobacco Settlement Revenues see Note 17.C.

The Tobacco Settlement Asset-Backed Bonds debt schedule is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	3,840	2,799	6,639
2025	215	2,607	2,822
2026	225	2,548	2,773
2027	230	2,486	2,716
2028	240	2,422	2,662
2029-2033	16,145	10,396	26,541
2034-2038	20,655	5,371	26,026
2039-2040	9,185	692	9,877
Total	\$ 50,735	\$ 29,321	\$ 80,056

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**2011 Qualified Energy Conservation Bonds**

On April 12, 2011, to facilitate the construction of solar power systems for the County Administrative Center and the Lerdo Detention Facility, the County issued bonds in the principal amount of \$4,337. The constructed solar panels serve as collateral for these bonds. The bonds have a fixed interest rate of 5.94%, and the expected maturity dates are from January 1, 2012 to January 1, 2026.

The Qualified Energy Conservation Bonds debt schedule is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	332	55	387
2025	339	36	375
2026	346	15	361
Total	\$ 1,017	\$ 106	\$ 1,123

**E. PENSION OBLIGATION BONDS**

Debt service payments for the County’s pension obligation bonds are funded by charges to County departments based on their proportionate share of salaries and benefits expenses. In the event of default, the County treasury would be required to transfer funds sufficient to pay the principal and interest due and for the expense of the Trustee incurred in the performance of its powers and duties.

**2003 & 2008 Pension Obligation Bonds**

The County’s Board adopted a resolution to authorize the issuance of the County pension obligation debenture to finance the County’s share of the unfunded actuarial accrued liability of the KCERA. The actuarial accrued liability of participating special districts was excluded from this funding source. The Taxable Pension Obligation Bonds have been issued at \$288,177, of which \$238,177 was issued as 2003 Series A Bonds and \$50,000 was issued as 2003 Series B Bonds. The 2003 Series A Bonds were issued as Current Interest Bonds and Capital Appreciation Bonds; the 2003 Series B Bonds were refunded as Adjustable-Rate Bonds in August 2008. The bonds have various maturity dates ranging from 2006 to 2023 for Current Interest Bonds and from 2023 to 2028 for Capital Appreciation Bonds. The 2003 Series A has fixed interest rates that range from 2.33% to 4.88% for the Current Interest Bonds and 5.50% to 5.57% for the Capital Appreciation Bonds. A portion of the 2003 & 2008 Pension Obligation Bonds are being paid for by the Hospital Authority, a discretely presented component unit; see the corresponding activity for the debt in Note 8.A.

On August 27, 2008, the County entered into a Purchase Agreement with Dexia Credit to purchase the Taxable Pension Obligation Refunding Bonds, 2008 Series A in the principal amount of \$50,000 to redeem the 2003 Series B Pension Obligation Bond. The 2008 Series A Bonds have a fixed interest rate of 4.185% and maturity date of August 15, 2027.

At June 30, 2023, the amount of bonds included as a component of the County’s pension liability was \$81,307. The following is a summary of the County’s total funding requirements of the 2003 Series A bonds:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 15,871	\$ 9,645	\$ 25,516
2025	8,463	18,460	26,923
2026	8,431	19,953	28,384
2027	5,577	14,386	19,963
Total	\$ 38,342	\$ 62,444	\$ 100,786



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The following is a summary of the County’s total funding requirements of the 2008 Series A bonds:

Year Ended June 30,	Principal	Interest	Total
2024	\$ -	\$ 1,798	\$ 1,798
2025	-	1,798	1,798
2026	-	1,798	1,798
2027	10,213	1,442	11,655
2028	32,754	229	32,983
Total	\$ 42,967	\$ 7,065	\$ 50,032

**10 - PENSION PLAN**

**PLAN DESCRIPTION**

The County’s Board established KCERA under the provisions of the County Employees’ Retirement Law of 1937 on January 1, 1945. All permanent employees of the County and thirteen related agencies are covered by KCERA, which operates as a cost-sharing multi-employer defined benefit plan. It is the responsibility of KCERA to function as an investment and administrative agent for the County with respect to the pension plan. Separate audited financial statements can be obtained from KCERA at 11125 River Run Blvd., Bakersfield, California 93311.

KCERA became independent from the County’s supervision and control as a result of the 1992 passage of Proposition 162, which legally established the independent control of the Board of Retirement. The Board of Retirement, consisting of nine members and two alternates, establishes policy for the operation of the plan, considers applications for disability retirement, recommends contributions based on actuarial valuations and controls investment of assets.

Prior to January 1, 1996, the Kern County Treasurer-Tax Collector was responsible for financial reporting and accounting for all investments as required by California Government Code Section 31596; thereafter, responsibility for financial reporting and accounting is vested with the Board of Retirement as required by Government Code Section 31596 et seq., as amended. On January 11, 1987, the Board of Retirement authorized the retirement fund to incur an administrative expense and hire an Administrator to serve at the Board of Retirement’s pleasure. The Administrator is responsible for the processing and computing of applications for retirement benefits, refunds, beneficiary allowances, death benefits, reciprocity, and any other duties the Board of Retirement may assign. The Administrator also acts as Secretary for all Board of Retirement and Committee meetings and performs other activities as directed by the Board of Retirement. The KCERA Pension Plan (the Plan) provides for retirement, disability, death, beneficiary and cost-of-living benefits.

**BENEFITS PROVIDED**

All regular, full-time employees of the County or contracting districts who work 50% or more of the regular standard hours are required to become members of KCERA effective on the first day of the payroll period following the date of hire. Safety membership includes those in active law enforcement, fire suppression, criminal investigation, detention, and probation.

General Tier I and Tier II members are eligible to retire at age 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire at age 70 regardless of service or at age 52 with 5 or more years of retirement service credit. Safety members are eligible to retire at age 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age.

The retirement benefits the member will receive is based on age at retirement, final average salary, years of

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retirement service credit and benefit tier.

General member benefits for Tier I and Tier II are calculated pursuant to California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times an age factor from Section 31676.17 (Tier I), or 1/90th of final average compensation (FAC) times years of accrued retirement service credit times an age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by an age factor from California Government Code Section 7522.20(a).

Safety member benefits for Tier I and Tier II are calculated pursuant to California Government Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of final average compensation times years of accrued retirement service credit times an age factor from Section 31664.1 (Tier I), or 1/50th (or 2%) of final average compensation times years of accrued retirement service credit times an age factor from Section 31664 (Tier II).

For general and safety members in Tiers I and II, the maximum monthly retirement allowance is 100% of final average compensation. For General Tier III members, there is no final compensation limit on the maximum retirement benefit.

The maximum amount of compensation earnable that can be considered for 2022 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$305,000. For General Tier III members who joined KCERA on or after January 1, 2013, the maximum pensionable compensation that can be considered for 2022 is \$134,974 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final compensation consists of the highest 12 consecutive months of pensionable pay for a General Tier I or Tier IIA member or a Safety Tier I or Tier IIA member, and the highest 36 consecutive months of pensionable pay for a General Tier IIB or Tier III member or a Safety Tier IIB member.

KCERA provides an annual cost-of-living adjustment for all retirees. The cost-of-living adjustment (COLA), based upon the Consumer Price Index for the Los-Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

The total members included in the Plan as of June 30, 2023 are as follows:

	General	Safety	Total
Active employees	7,840	1,717	9,557
Terminated employees	3,900	491	4,391
Retirees and beneficiaries currently receiving benefits	6,937	2,219	9,156
	18,677	4,427	23,104

The Memorandum of Understanding (MOU) adopted March 2012 between the County and its general employees' states that all general members hired prior to the first day of payroll period 2004-16 shall start to pay, in the second year of the agreement, one-sixth of the employee's normal contribution to retirement. In the third year, the employee's normal contribution will increase to one-third. All general members hired on or after the first day of payroll period 2004-16 shall pay 100% of the new employees' normal contribution to retirement.

The MOUs adopted in March 2012 between the County and its safety employees state that all safety members, depending on MOU, hired before the range March 2007 – October 2007, will contribute one-sixth of the employee's normal contribution to retirement in the second year of the agreement. In the third year, the

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employee's normal contribution will increase to one-third.

The Kern County Prosecutors' Association's MOU adopted in March 2012 states that all employees hired prior to pay period 2005-05 will start to pay one-third of the employee's normal contribution to retirement in the first year, an additional one-third in the second and an additional one-third in the third year. In addition, any safety employee hired on or after the adoption of the new MOU will have a lower retirement tier of 2% at age 50. The County Administrative Office negotiated an agreement with the Central California Association of Public Employees (CCAPE) adopting California Government Code Section 31676.17, which provides enhanced retirement benefits, commonly known as 3% at 60, for General members, in August 2004.

**BASIS OF ACCOUNTING**

KCERA follows GASB accounting principles and reporting guidelines. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of KCERA. Employer and member contributions are recognized in the period in which the contributions are due, and benefits and refunds of prior contributions are recognized when due and payable in accordance with the terms of the Plan.

**CONTRIBUTIONS**

As a condition of participation under the provisions of the County Employees' Retirement Law of 1937 (CERL), members are required to contribute to KCERA a percentage of their salaries. Member contributions for fiscal year ended 2023 ranged from 4.72% to 19.29% and were applied to the member's base pay plus compensable special pay. For general members hired prior to 2013, contribution rates were determined by benefit tier and KCERA entry age. For safety members hired prior to 2013, contribution rates were determined by benefit tier and each safety-represented bargaining unit's applicable MOU. Some safety member rates were based on age of entry, whereas other safety members contribute at a flat, average rate. The contribution rates of general and safety members who first joined KCERA, on or after January 1, 2013, are at least 50% of the normal cost rate. Furthermore, the rate of members integrated with Social Security is reduced by one-third on the first \$350 of monthly salary.

Interest is credited to member contributions semi-annually on June 30 and December 31, in accordance with Article 5.5 of the CERL. Member contributions and credited interest are refundable upon termination of membership.

Each year, an actuarial valuation is performed for the purpose of determining the funded ratio of the retirement plan and the employer contributions that are necessary to pay benefits accruing to KCERA members that were not otherwise funded by member contributions or investment earnings. The employer contribution rates are actuarially determined by using the Entry Age Normal Actuarial Cost method. The Plan's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities.

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

At June 30, 2023, the County reported net pension liability of \$1,772,701 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by rolling forward the TPL from the actuarial valuation as of June 30, 2021. The NPL for each membership class is the TPL minus the Plan's Fiduciary Net Position (Plan's FNP). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's FNP for each membership was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total KCERA Plan's FNP (excluding the SRBR) to total KCERA valuation value of assets. Based on this methodology, any non-valuation reserves are allocated amongst the membership classes based on each membership class' valuation value of assets. At the June 30, 2022 measurement date, the County's proportion was 71.19%, which was a decrease of 3.13% from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2023, the County recognized pension expense of \$196,177. Pension expense represents the change in the NPL during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions of other inputs	\$ 46,246	\$ -
Changes in proportion and differences between County contributions and proportionate share of contributions	6,474	18,564
County contributions subsequent to the measurement date	256,579	-
Net difference between projected and actual earnings on retirement plan investments	108,811	-
Differences between expected and actual experience in the total pension liability	-	63,824
	<u>\$ 418,110</u>	<u>\$ 82,388</u>

Deferred outflows of resources and deferred inflows of resources in the previous schedule represent the unamortized portion of changes to NPL to be recognized in future periods in a systematic and rational manner. \$256,579 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	12,669
2025	10,867
2026	(28,457)
2027	84,064
Total	<u>\$ 79,143</u>

A portion of the County's proportionate share of the deferred outflows of resources, deferred inflows of resources, and NPL is allocated to an Investment Trust Fund included in the County's Fiduciary Funds Statement of Net Position. A summary of pension deferred outflows of resources, deferred inflows of resources, and NPL is as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability
Governmental Activities	\$ 407,877	\$ 80,298	\$ 1,731,291
Business-type Activities	9,542	1,956	41,410
Investment trust fiduciary fund	691	134	2,898
Total	<u>\$ 418,110</u>	<u>\$ 82,388</u>	<u>\$ 1,775,599</u>

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**FAIR VALUATION OF INVESTMENTS**

Fair value for investments are derived by various methods as indicated in the following table:

Publicly traded stocks	Most recent exchange closing price. international securities reflect currency exchange rates in effect at June 30, 2023 and 2022.
Short-term investments and bonds	Institutional evaluations or priced at par.
Over the counter securities	Evaluations based on good faith opinion as to what a buyer in the marketplace would pay for a security.
Commingled funds	Net asset value provided by the investment manager.
Alternative investments	Net asset value provided by the fund manager based on the underlying financial statements and fair value of the fund.
Private equity real estate investments	Estimated based on the price that would be received to sell an asset in an orderly transaction between marketplace participants at the measurement date. Investments without a public market are valued based on assumptions made and multiple valuation techniques used by the investment manager.

**ACTUARIAL ASSUMPTIONS**

The TPL as reported at June 30, 2023 was measured on June 30, 2022. The actuarial assumptions used were based on the results of an experience study for the period July 1, 2016 through June 30, 2019.

The following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%. Varies by service, including inflation.
Discount rate	
Investment rate of return	7.25% net of pension plan investment expenses, including inflation.
Administrative expenses	0.90% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member.
Retirement age	Same as those used in the June 30, 2022 funding valuation. These assumptions were developed in the analysis of actuarial experience for the period July 1, 2016 through June 30, 2019.

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The Entry Age Normal Actuarial Cost method used in KCERA’s annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, KCERA has reflected the same plan provisions used in determining the member’s actuarial present value of projected benefits. This is different from the version of this method applied in KCERA’s annual funding valuation, where the normal cost and actuarial accrued liability are determined as if the current benefit accrual rate had always been in effect.

The long-term expected rate of return on pension plan investments (7.25%) was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	37%	6.51%
Core fixed income	14%	1.09%
High yield corporate credit	6%	3.38%
Emerging market debt blend	4%	3.41%
Commodities	4%	3.08%
Core real estate	5%	4.59%
Private real estate	5%	9.50%
Midstream	5%	8.20%
Capital efficiency alpha pool	5%	2.40%
Hedge fund	10%	2.40%
Private equity	5%	9.40%
Private credit	5%	5.60%
Cash	-5%	0.00%
Total	<u>100%</u>	

**DISCOUNT RATE**

The discount rate used to measure the TPL was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rates assumed member contributions would be made at the current contribution rate and that employer contributions would be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of the measurement year. The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplement Retirement Benefit Reserve (SRBR) asset pools.

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**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the County’s proportionate share of the NPL calculated using a discount rate of 7.25%, and what the NPL would be if it were calculated using a discount rate that is one point lower (6.25%) or one point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net Pension Liability	2,504,196	1,775,600	1,176,177

**PENSION FUND FIDUCIARY NET POSITION**

Detailed information about the pension fund’s fiduciary net position is available in the separately issued KCERA ACFR.

**11 - OTHER POST EMPLOYMENT BENEFITS**

**A. GENERAL INFORMATION ABOUT THE OPEB PLAN**

**Plan Description**

In addition to the pension benefits described in Note 10, eligible County employees are provided post retirement health care benefits through a cost-sharing multiple-employer OPEB plan established in an irrevocable trust administered by Public Agency Retirement Services (PARS). The authority to establish and amend the benefit terms of the OPEB plan comes from union contracts and the Board’s order. The OPEB plan does not issue a separate annual financial report, however audited financial statements for PARS may be obtained at PARS (Public Agency Retirement Services), 4350 Von Karman Ave, Suite 100, Newport Beach, CA 92660.

**Benefits Provided**

The OPEB plan provides post retirement health care through two programs in accordance with union contracts and Board orders.

1. The Retiree Health Premium Supplement Program (RHPSP) provides benefits to employees who: 1) elected to participate or were required to participate, 2) retire on or after July 1, 1990, 3) are between the ages of 50 and 64, and 4) have at least 20 years of continuous County service as a permanent employee. The supplement amount is permanently fixed once determined and, depending on years of service, is equal to 50-100% of the active employee monthly health premium for a single individual at the time of retirement.
2. The Retiree Health Stipend (RHS) provides a stipend to employees who choose continuous County health coverage upon retirement. The monthly stipend paid on behalf of each retiree is a maximum of \$39.75 for single coverage, \$53.69 for two-party coverage and \$61.50 for family coverage, limited to the cost of the plan selected.

During the fiscal year 2015-2016, the County gave a one-time offer to the Service Employees International Union (SEIU) represented employees and Management, Mid-Management, and Confidential employees to opt-out of the postretirement health care benefits. During the fiscal year 2021-2022, sheriffs, probation officers, probation managers, detention officers, and law enforcement had the option to opt-out of the postretirement health care benefits. By opting out of the plan: the employee will be ineligible to receive the RHPSP supplement upon retirement, including service connected disability retirement; be ineligible to receive the RHS upon retirement; upon active retirement from the County, the employee will be eligible to receive an employer contribution to a Health Reimbursement Arrangement in the following manner (a lump sum contribution equivalent to all of the employee’s RHPSP deductions from payroll period August 11-24, 2012, up to the final pay period that the employee contributed to the RHPSP; Employees retiring at or after age 70 will not receive any contribution); the change will be effective the first biweekly pay period following receipt of the form by

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County Human Resources- Health Benefits; and the County will no longer deduct 2.12% of the employee’s salary for participating in the RHPSP.

**Plan Membership**

At June 30, 2022, County OPEB plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits <sup>1</sup>	2,254
Active members <sup>2</sup>	<u>5,317</u>
Total	<u>7,571</u>

<sup>1</sup> Excludes 483 married spouses receiving benefits

<sup>2</sup> Includes 2,071 members that are only eligible for implicit subsidy (i.e.,not eligible for Supplement of Stipend subsidy).

**Contributions**

The County’s Actuarially Determined Contribution (ADC) rate is based off an employer portion and employee portion with the County contributing all of the RHS portion. The County contributed a flat \$59 per eligible employee per pay period for the plan year ending June 30, 2023 (\$70 per pay period for plan year beginning July 1, 2023). The employer contribution is not legally or contractually determined. The employee contribution for the RHPSP is 2.12% of covered payroll for a majority of the employee union contracts. Contributions to the OPEB plan from the County were \$9,465 for the year ended June 30, 2023.

**B. OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATING TO OPEB**

At June 30, 2023, the County reported a liability of \$63,409 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County’s proportion of the net OPEB liability was based on the proportion of total OPEB liability for each group, calculated according to classification in census data. At June 30, 2023, the County’s proportion was 89.92 percent, which was a decrease of 0.26% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized an OPEB revenue of \$1,671. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between County contributions and proportionate share of contributions	\$ 228	\$ 1,068
Changes in assumptions or other inputs	34,960	4,631
Net excess of actual over projected earnings on OPEB plan investments	4,701	-
Differences between expected and actual experience in the total OPEB liability	714	17,095
	<u>\$ 40,603</u>	<u>\$ 22,794</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



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Year Ended June 30,	Principal
2024	\$ 2,043
2025	3,111
2026	7,206
2027	4,460
2028	1,059
Thereafter	(70)
<b>Total</b>	<b>\$ 17,809</b>

**Actuarial Methods and Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Inflation of 2.50% per year plus "across the board" real salary increases of .50% per year.
Discount rate	6.50% based on asset allocation in PARS OPEB Trust and understanding that the County of Kern is contributing \$70 per pay period per eligible employee for the plan year ending July 1, 2023 and the eligible employees are contributing 2.12% of payroll for the Supplement (RHSP).
Trend Rates:	
Investment rate of return	Bargaining Units 1-6, J, M, D, & X: 4.25 % to 2023/2024, then 8.00% to 2024/2025 grading down by 0.50% per year to an ultimate rate of 4.50%  Bargaining Units (All others): 4.25% to 2023/2024, then 8.00% to 2024/2025 grading down by 0.50% per year to an ultimate rate of 4.50%
Stipend	0.00%
Retirement claims	8.50% to 2023/2024 grading down 0.50% per year to an ultimate rate of 4.50%
Mortality Rates:	
Pre-retirement:	General: Pub-2010 General Employee Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021.  Safety : Safety Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021

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Post-retirement

General and Safety : Pub-2010 General Contingent Survivor Headcount-Weighted Mortality Table with rates increased by 15% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

The non-health demographic actuarial assumptions used in the June 30, 2023 valuation were based on the KCERA Experience Study dated May 24, 2023 for the period July 1, 2019 through June 20, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity-large cap core	29.09%	6.72%
Equity-mid cap core	4.38%	6.72%
Equity-small cap core	9.41%	6.72%
Equity-international	5.58%	7.12%
Equity emerging market	3.01%	8.82%
Real Estate	2.00%	4.22%
Fixed income intermediate term bond	37.02%	0.72%
Alternatives	5.05%	3.07%
Cash	4.46%	0.22%
<b>Total</b>	<b>100.0%</b>	

**Discount Rate**

The discount rate used to measure the Total OPEB Liability (TOL) was 6.50% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at a flat \$70 per eligible employee per pay period. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan Fiduciary Net Position (FNP) was projected to be sufficient to make projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2023.

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**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$77,554	\$63,409	\$50,677

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

	1% Decrease	Current Healthcare Trend Rates*	1% Increase
Net OPEB Liability	\$49,651	\$63,409	\$79,353

\*See assumption table for current trend rate

**12 - RISK MANAGEMENT**

The County is generally self-insured for general liability, unemployment insurance, workers' compensation, professional liability, retiree "under age 65" medical claims and employee medical and dental claims. The Automobile and General Liability policy protects the County and its employees against most legal liabilities arising from automobile liability and contractual liability. The County does not self-insure against liability at its six airports. Airport Liability insurance is maintained. The amount of settlements in each of the past three years has not exceeded the amount of insurance coverage.

Excess liability insurance is maintained for Automobile and General Liability claims over \$7,500 and are subject to annual aggregate limits. Workers' compensation claims are self-insured up to \$1,250 per occurrence with excess insurance covering claims up to statutory limits.

The liabilities for self-insurance included in the General Liability and Workers' Compensation Internal Service Funds are based upon the results of actuarial studies and include amounts for claims incurred but not reported (IBNR). The liability for self-insurance included in the Group Health Internal Service Fund is based upon historical trend analysis and includes amounts on the IBNR. The liability for self-insurance included in the Unemployment Compensation Internal Service Fund represents unpaid claims incurred as of June 30, 2023.

The Risk Management Division of the Office of County Counsel determines and administers General Liability and Workers' Compensation requirements of the County. The Risk Management Division also acquires insurance for earthquake, fire, boiler and machinery, crime and honesty, aviation, and other perils. Health and Unemployment self-insurance is administered by the County Administrative Office. Retiree claims are paid from the Group Health Internal Service Fund.

Financial activity of the self-insurance programs is accounted for in separate internal service funds. Internal service funds are maintained for General Liability, Group Health, Retiree Group Health, Unemployment Compensation, and Workers' Compensation.

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Changes in the Self-Insurance Fund claims liabilities since July 1, 2021 resulted from the following:

	July 1, 2022	Claims & Changes in Estimates	Claims Payments	June 30, 2023	Due Within One Year
General Liability	\$ 37,304	\$ (1,407)	\$ 375	\$ 35,522	\$ 351
Group Health	13,670	131,465	134,167	10,968	10,968
Unemployment Compensation	766	844	1,203	407	407
Workers' Compensation	64,458	21,629	14,988	71,099	15,678
Total	<u>\$ 116,198</u>	<u>\$ 152,531</u>	<u>\$ 150,733</u>	<u>\$ 117,996</u>	<u>\$ 27,404</u>

	July 1, 2021	Claims & Changes in Estimates	Claims Payments	June 30, 2022
General Liability	\$ 37,091	\$ 539	\$ 326	\$ 37,304
Group Health	12,374	136,631	135,335	13,670
Unemployment Compensation	251	1,801	1,286	766
Workers Compensation	59,222	19,304	14,068	64,458
Total	<u>\$ 108,938</u>	<u>\$ 158,275</u>	<u>\$ 151,015</u>	<u>\$ 116,198</u>

**13 - COMMITMENTS AND CONTINGENCIES**

**FEDERAL AND STATE GRANT PROGRAMS**

The County participates in a number of federal and state grant programs, which are subject to audit. Audit requirements for most Federal grants will be met by the completion of the County's "Single Audit" as required by Public Law 98-502. For the most part, state grants will be audited by the State in the future. The amount of any disallowed expenditures by grantor agencies, if any, as a result of the audit cannot be determined at this time. The County believes that such disallowance, if any, would not have a material effect on the financial statements.

**Mental Health Department Medicare and Medi-Cal Revenues**

The County receives Medicare and Medi-Cal payments for certain Mental Health services that are provided directly by the County as well as by contracted providers. Revenues received under these programs are subject to periodic review by Medicare, Medi-Cal and their agents. Periodically, as a result of these outside reviews, revisions to claimed costs and services may be required. As a result of these revisions, the County can be required to return a portion of the revenue received from Medicare and/or Medi-Cal. The timing of such reviews and the amounts of potential repayments are not known, but such potential repayments are not considered material to these financial statements.

**Contingent Property Tax Liability**

At June 30, 2023, assessment appeals are pending before the County Assessment Appeals Board (AAB). The following is a summary of the estimated contingent tax liability as of June 30, 2023:

	Principal	Interest	Impounds	Net Contingent Liability
Contingent tax liability:	<u>\$ 178,710</u>	<u>\$ 4,370</u>	<u>\$ (81,675)</u>	<u>\$ 101,405</u>

The County's share of the estimated contingent tax liability is \$47,701. The County and other agencies

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accumulate and maintain tax impound reserves for disputed property taxes. As of June 30, 2023, the County had a total of \$6,765 accumulated in its tax reserve in the General Fund. The result is a net contingent tax liability of \$20,070 for the General Fund and \$20,865 for the Structural Fire fund.

The disputed assessments involved numerous individual cases. A significant portion of assessment appeals are attributable to oil and gas activity. If all cases were settled at one point in time against the County, the County would fund the \$40,936 liability through a combination of future reserves and the abatement of property tax revenue. The effect on the County would be a reduction in appropriations.

**Other Litigation**

There are various lawsuits and claims against the County, which in the opinion of the County Counsel will be resolved with no material adverse effect upon the County's financial position.

**Outstanding Encumbrances**

Outstanding encumbrances can carryover. As of June 30, 2023, the County reported significant encumbrances of \$126,155. These encumbrances included \$26,295 of funds that are already restricted and \$72,392 of funds that are assigned. The remaining \$27,468 are part of the unrestricted balance of the enterprise funds statement. The following is a list of significant encumbrances by fund:

	General Fund	Behavioral Health & Recovery Services	Roads	Airports	Waste Management	Total
Restricted	\$ -	\$ 14,759	\$ 11,536	\$ -	\$ -	\$ 26,295
Assigned	\$ 72,392	\$ -	\$ -	\$ -	\$ -	\$ 72,392
Unrestricted (deficit)	\$ -	\$ -	\$ -	\$ 528	\$ 26,940	\$ 27,468

**14 - LANDFILLS**

Prior to fiscal year 1988-1989, Kern County Solid Waste Management Enterprise Fund was funded entirely by the County General Fund. In fiscal year 1988-1989 the Board approved a solid waste management program land use fee on all parcels of real property, but land use fee revenue continued to be supplemented by a contribution from the General Fund. In fiscal year 1992-1993, the County General Fund contribution to the Solid Waste Management Enterprise Fund was eliminated and the department became entirely fee supported. The Board eliminated the land use fee for non-residential property and approved a tipping fee for non-residential waste beginning in fiscal year 1993-1994. All revenues are placed in the Solid Waste Management Enterprise Fund exclusively for waste management.

State Financial Assurance Mechanism regulations require landfill operators to set aside funds, or provide alternative funding mechanisms, to fund the closure expense and post closure maintenance of landfills. In response, the County established a designated reserve account to fund closure expense and a pledge of future revenue to fund post closure maintenance. As of June 30, 2023, the Solid Waste Management Enterprise Fund had designations of \$33,448 for closure expenses. Estimated closure and post closure maintenance costs are based on the most recent preliminary closure and post closure plans approved by the State. State regulations require the County to prepare detailed preliminary closure and post closure plans for each landfill. For closure expense, the engineer's cost estimate includes closure design, construction of final cover, construction of monitoring systems and other related activities. For post closure maintenance expense, the engineer's cost estimate includes monitoring and erosion control. If, at some future date, these closure and post closure plans and cost estimates change (due to changes in inflation, deflation, technology, regulations, etc.), the County is required to make corresponding changes in the estimated total closure costs and post closure maintenance costs. The liabilities for closure and post closure maintenance are recognized based on the percent of the landfill capacity used to date.

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The County currently operates seven Class III landfills, three large volume transfer stations, and six small volume transfer stations. All are strategically located throughout the County. These facilities serve the solid waste disposal needs of the County’s eleven incorporated cities as well as unincorporated areas.

Estimated closure and post closure liabilities as of June 30, 2023, are \$63,982 and \$35,630, respectively. The County’s landfills are listed on the following page, along with their estimated remaining useful lives, total capacity and percentage of capacity used:

Facility Name	Remaining Useful Lives	Capacity in Cubic Yards	Percent Incurred
Arvin <sup>1</sup>	-	-	100%
Bena I <sup>1</sup>	-	-	100%
Bena II A	20	39,202,594	34%
Boron	4	1,057,000	84%
Buttonwillow <sup>1</sup>	-	-	100%
China Grade <sup>1</sup>	-	-	100%
Glennville <sup>1</sup>	-	-	100%
Kern Valley <sup>1</sup>	-	-	100%
Lebec <sup>1</sup>	-	-	100%
Lost Hills <sup>1</sup>	-	-	100%
McFarland/Delano <sup>1</sup>	-	-	100%
Mojave/Rosamond	3	2,569,533	84%
Ridgecrest	28	10,344,165	63%
Shafter/Wasco	21	21,895,179	44%
Taft	48	10,224,114	36%
Tehachapi	3	3,732,287	97%
Total		<u>\$ 89,024,872</u>	

<sup>1</sup>Site is closed.

Under Title 27 of the California Code of Regulations, landfill owners/operators are required to obtain and maintain assurances of financial responsibility to initiate and complete corrective action for all known and reasonably foreseeable releases (RFRs). These requirements first came into effect when California Code of Regulations Article 5 (Title 23, Chapter 15) was revised in 1991. The Solid Waste Management Enterprise Fund has established a groundwater corrective action designated reserve to fund capital costs for each landfill where it is appropriate. In addition, the Solid Waste Management Enterprise Fund has established a pledge of revenue to cover ongoing maintenance and operation of any capital improvements that are constructed.

The current designated reserve account of \$2,000 is expected to satisfy all capital expenditures to implement corrective action at the 16 landfill sites.

Each year a portion of the landfill’s estimated closure and post closure liabilities are recognized as an expense and liability based on the capacity used to date. As of June 30, 2023, the landfill closure liability is \$33,448 and the post closure liability is \$19,414 as recorded in the liabilities of the Solid Waste Management Enterprise Fund. These represent the cumulative liabilities to date. The remaining \$30,534 and \$16,216 anticipated closure and post closure liabilities, respectively, will be recognized in future years.

**15 - POLLUTION REMEDIATION**

The Solid Waste Management Enterprise Fund has the following pollution remediation liability for the remediation of 25 burn dumps that were either owned or operated by the County prior to 1971. The County intends to follow the guidelines set forth by the California Integrated Waste Management Board’s Local Enforcement Agency (LEA) Advisory #56, dated November 4, 1998, to remediate each burn dump. Site

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Characterization and Environmental Assessments have been conducted for 23 of the 25 burn dumps. Based on the Site Characterization and Environmental Assessments, a remediation plan has been developed for each burn dump. Costs are based on the remediation plan for each site and on our experience with similar sites, which the Solid Waste Management Enterprise Fund has previously remediated. The Solid Waste Management Enterprise Fund does not anticipate any recoveries regarding these burn dumps. The amount accrued at June 30, 2023 was \$7,806.

**16 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES/ADVANCES FROM OTHERS**

Governmental funds report deferred inflows of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. These unavailable revenues are made up of delinquent property taxes, tobacco settlement revenues, housing loan payments, reimbursements, and other long-term receivables. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The government-wide and proprietary statements of net position also include deferred outflows of resources relating to the unamortized losses on refunding of debt. This deferred charge on refunding resulted from the difference in the carrying value of the refunding debt and its reacquisition price. This amount is deferred and amortized over the remaining life of the new debt.

For information about the deferred outflows and inflows of resources relating to deferred pensions and other post-employment benefits, see Note 10 and Note 11, respectively.

The various components of deferred outflows, deferred inflows, and advances from grantors and third parties reported at June 30, 2023 are as follows:

	Deferred Inflows of Resources	Advances From Grantors and Third Parties
<b>Governmental Fund Activities:</b>		
Deferred housing loan payments		
Community Development	\$ 64,871	\$ -
Non-major Governmental Fund	19,006	-
Deferred lease revenue		
General Fund	4,183	-
Structural Fire	34	-
Non-major Governmental Fund	168	-
Delinquent property taxes receivable		
General Fund	7,177	-
Structural Fire	3,769	-
Non-major Governmental Fund	340	-
Reimbursements		
Behavioral Health & Recovery Services	18,539	-
Other long-term receivables		
General Fund	9,242	-
Human Services	1,646	-
Non-major Governmental Fund	8,481	-
Advanced funds		
Total governmental activities	<u>\$ 137,456</u>	<u>\$ -</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>Government-Wide Activities</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
Deferred OPEB	\$ 39,879	\$ 22,388
Deferred pensions	407,877	80,298
Deferred charge on refunding		
2014 Tobacco Refunding	820	-
2016 Advanced Refunding COP	5,481	-
2020 Kern Public Services	22	-
Deferred housing loan payments	-	440
Deferred lease revenue	-	4,385
Total governmental activities	<u>\$ 454,079</u>	<u>\$ 107,511</u>
Business-Type Activities:		
Deferred OPEB		
Airports	\$ 117	\$ 66
Waste management	467	262
Non-major Enterprise Funds	140	78
Deferred pensions		
Airports	721	158
Waste management	6,747	1,362
Non-major Enterprise Funds	2,074	436
Deferred lease proceeds		
Airports	-	14,319
Waste management	-	70
Non-major enterprise funds	-	14
Deferred charge on refunding		
Airports	39	-
Total business-type activities	<u>\$ 10,305</u>	<u>\$ 16,765</u>

**17 - FUND BALANCES/NET POSITION**

**A. FUND BALANCE**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1.H. for a description of these categories). Fund balances for all the major and non-major governmental funds as of June 30, 2023, were distributed as follows:



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	General Fund	Behavioral Health & Recovery Services	Community Development	Coronavirus Relief	County Local Revenue Fund	Department of Human Services	Kern County Tobacco Funding Corp.	Structural Fire	All other governmental funds	Total
<b>Nonspendable:</b>										
Receivables/advances	\$ 8,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,555
Deposits/Revolving Cash	336	2	-	-	-	101	-	3	25	467
Inventory	1,154	-	-	-	-	-	-	1,174	635	2,963
<b>Total nonspendable fund balance</b>	<b>10,045</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101</b>	<b>-</b>	<b>1,177</b>	<b>660</b>	<b>11,985</b>
<b>Restricted for:</b>										
1% Teeter (Fund 00264)	10,464	-	-	-	-	-	-	-	-	10,464
Gasb 84 Reclassed Funds	21,580	-	-	-	-	-	-	-	-	21,580
Mental Health Programs	-	164,692	-	-	-	-	-	-	-	164,692
Community Development Realignment	-	-	152	-	-	-	-	-	-	152
Human Services	-	-	-	-	170,044	-	-	-	-	170,044
Structural Fire	-	-	-	-	-	71,138	-	-	-	71,138
Vehicle/Apparatus	-	-	-	-	-	-	-	59,298	-	59,298
Fireworks Violations	-	-	-	-	-	-	-	3,101	-	3,101
Industrial Firefighting Vehicle	-	-	-	-	-	-	-	7	-	7
Fire Dept Donations	-	-	-	-	-	-	-	10	-	10
State Fire	-	-	-	-	-	-	-	31	-	31
Fire Hazard Reduction	-	-	-	-	-	-	-	2,647	-	2,647
Flood Disaster	-	-	-	-	-	-	-	816	-	816
CSAs - Health & Sanitation	-	-	-	-	-	-	-	2,172	-	2,172
CSAs - Public Ways	-	-	-	-	-	-	-	-	2,191	2,191
Child Support Services	-	-	-	-	-	-	-	-	4,957	4,957
County Clerk	-	-	-	-	-	-	-	-	476	476
Detention & Correction	-	-	-	-	-	-	-	-	607	607
Education	-	-	-	-	-	-	-	-	22,836	22,836
Enviromental & Health	-	-	-	-	-	-	-	-	541	541
Health	-	-	-	-	-	-	-	-	5,312	5,312
Hospital Care	-	-	-	-	-	-	-	-	77,047	77,047
Judicial	-	-	-	-	-	-	-	-	5,296	5,296
Other Public Protection	-	-	-	-	-	-	-	-	48,039	48,039
Plant Acquisition	-	-	-	-	-	-	-	-	6,238	6,238
Police Protection	-	-	-	-	-	-	-	-	1,297	1,297
Public Assistance Administration	-	-	-	-	-	-	-	-	10,838	10,838
Public Ways	-	-	-	-	-	-	-	-	25,138	25,138
Recorder	-	-	-	-	-	-	-	-	9,009	9,009
Recreation facilities	-	-	-	-	-	-	-	-	4,784	4,784
Roads	-	-	-	-	-	-	-	-	1,349	1,349
Debt Service	-	-	-	-	-	-	9,066	-	63,627	63,627
Capital Projects	-	-	-	-	-	-	-	-	3,101	12,167
									43,439	43,439
<b>Total restricted</b>	<b>32,044</b>	<b>164,692</b>	<b>152</b>	<b>-</b>	<b>170,044</b>	<b>71,138</b>	<b>9,066</b>	<b>68,082</b>	<b>336,122</b>	<b>851,340</b>
<b>Committed to:</b>										
Tax and Resources Loss	44,562	-	-	-	-	-	-	-	-	44,562
Other Public Protection	-	-	-	-	-	-	-	-	17,547	17,547
Plant Acquisition	-	-	-	-	-	-	-	-	5,241	5,241
Police Protection	-	-	-	-	-	-	-	-	14	14
Property Management	-	-	-	-	-	-	-	-	2,496	2,496
<b>Total committed</b>	<b>44,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,298</b>	<b>69,860</b>
<b>Assigned to:</b>										
Encumbrances	72,392	-	-	-	-	-	-	-	-	72,392
Tax Litigation	6,765	-	-	-	-	-	-	-	-	6,765
Human Services	26,453	-	-	-	-	-	-	-	-	26,453
Safety	14	-	-	-	-	-	-	-	-	14
Salary & Benifits Adj.	500	-	-	-	-	-	-	-	-	500
Retirement	50,140	-	-	-	-	-	-	-	-	50,140
Parks Improvements	370	-	-	-	-	-	-	-	-	370
Fire Station Replacement	355	-	-	-	-	-	-	-	-	355
PILT/TARP	3,200	-	-	-	-	-	-	-	-	3,200
Tax Litigation Reserve	1,338	-	-	-	-	-	-	-	-	1,338
Strategic WorkFRC Plan	2,241	-	-	-	-	-	-	-	-	2,241
KMC Working Capital	9,000	-	-	-	-	-	-	-	-	9,000
Info technology Projects	5,178	-	-	-	-	-	-	-	-	5,178
Sheriffs Aircraft	743	-	-	-	-	-	-	-	-	743

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	General Fund	Behavioral Health & Recovery Services	Community Development	Coronavirus Relief	County Local Revenue Fund	Department of Human Services	Kern County Tobacco Funding Corp.	Structural Fire	All other governmental funds	Total
EH Program enhancements	1,317	-	-	-	-	-	-	-	-	1,317
F/B health Benefit	884	-	-	-	-	-	-	-	-	884
WESTARZ	1,554	-	-	-	-	-	-	-	-	1,554
Jail Operations	963	-	-	-	-	-	-	-	-	963
Capital Projects	2,701	-	-	-	-	-	-	-	92,947	95,648
Coroner Facility	39,807	-	-	-	-	-	-	-	-	39,807
Infrastructure replacement	28,902	-	-	-	-	-	-	-	-	28,902
Fire-Helicopter Operations	-	-	-	-	-	-	-	1,247	-	1,247
Mobile Fire Kitchen	-	-	-	-	-	-	-	3	-	3
Promotion	-	-	-	-	-	-	-	-	159	159
Finance	-	-	-	-	-	-	-	-	2,396	2,396
Property Management	-	-	-	-	-	-	-	-	2,075	2,075
Total assigned:	<u>254,817</u>	-	-	-	-	-	-	1,250	97,577	<u>353,644</u>
<b>Unassigned:</b>										
General reserve	105,252	-	-	-	-	-	-	-	-	105,252
Coronavirus Relief	-	-	-	(934)	-	-	-	-	-	(934)
Aging & Adult	-	-	-	-	-	-	-	-	(818)	(818)
ARPA Projects	-	-	-	-	-	-	-	-	(603)	(603)
Total unassigned:	<u>105,252</u>	-	-	(934)	-	-	-	-	(1,421)	<u>102,897</u>
Total fund balance	<u>\$ 446,720</u>	<u>\$ 164,694</u>	<u>\$ 152</u>	<u>\$ (934)</u>	<u>\$ 170,044</u>	<u>\$ 71,239</u>	<u>\$ 9,066</u>	<u>\$ 70,509</u>	<u>\$ 458,236</u>	<u>\$ 1,389,726</u>

**B. RESTRICTED RESOURCES**

Restricted resources represent restrictions imposed on the use of the County’s resources by parties outside of the government and by law through constitutional provisions or enabling legislation. The debt service restriction is imposed by the creditors for debt payments. The deposit with others represents required cash reserves as determined by the County’s health insurance administrators. The restricted amount in the Internal Service Funds was included with the governmental activities in the government-wide financial statements.

**18 - OTHER INFORMATION**

**A. DEFERRED COMPENSATION PLAN**

The County has made available two deferred compensation plans to its eligible employees under the terms of Section 457 of the Internal Revenue Code. Of the two deferred compensation plans, one covers full-time employees and the other covers part-time, seasonal, and temporary employees. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Amounts accumulated under the plan have been invested in several investment options at the direction of the employees.

The Small Business Job Protection Act of 1996 changed the Internal Revenue Code Section 457 to protect participant assets from the creditors of a bankrupt or financially troubled public jurisdiction. The County has complied with the provisions of this act. As of June 30, 2022 (the most recent year reported), the Deferred Compensation Plans reported a net position of \$642,304 for the full-time employee plan and \$12,269 for the part-time, seasonal, and temporary employee plan. Complete Financial Statements for the Deferred Compensation Plans may be obtained from the office of the Kern County Treasurer Tax Collector located at 1115 Truxtun Avenue, Second Floor, Bakersfield, California 93301.

**B. JOINT VENTURES**

In accordance with the Joint Exercise of Powers agreement between the County’s blended component unit Ford City – Taft Heights Sanitation District (the District) and the City of Taft (the City) dated May 29, 1950, and amended March 7, 1966, April 24, 1972, and August 20, 1991, the City acts on its own behalf and on behalf of the District to operate and maintain a Wastewater Treatment Plant. Costs to operate and maintain the facility

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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are apportioned 52% to the City and 48% to the District. The District's investment in the Wastewater Treatment Plant increased by \$65 from \$2,870 to \$2,935 as of their most recent financial statements issued.

The Wastewater Treatment Facility and the result of its operations are reported as a component unit of the City. Audited financial statements for the Wastewater Treatment Plant of the City and Ford City-Taft Heights Sanitation District may be obtained through the City located at 209 East Kern Street, Taft, California 93268.

**C. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES**

In November 1998, the Attorneys General of 46 states and the four largest U.S. tobacco manufacturers (the OPM) entered into a Master Settlement Agreement (the MSA) in resolution of cigarette smoking-related litigation between the Settling States and the OPMs. On August 5, 1998, the counsel representing the state, various cities and counties in California, and certain other parties entered into a MOU pursuant to which each participant's jurisdiction is entitled to receive a portion of the payments to be made to the State pursuant to the MSA. The members are allowed to sell or otherwise exchange their rights to receive payments under the MSA and the MOU for a cash payment, thereby self-insuring, hedging against or otherwise managing the risk associated with the receipt of such revenue, and assuring the availability of monies to fund the social needs of its population.

The County elected to participate in a Joint Powers Agreement made in accordance with Chapter 5 of Division 7 of Title I of the Government Code of the State of California dated as of November 15, 2000, by and among the County of Stanislaus, the County of Merced, and the County of Sonoma to form the Agency. Since then, the County of Marin, the County of Placer, and the County of Fresno were added on May 31, 2002, and the County of Alameda and the County of Los Angeles were added on August 15, 2002 and January 24, 2006, respectively. The Agency is an entity that is separate from each of the member Counties. The debts, liabilities, and obligations of the Agency, including any bonds, do not constitute debts, liabilities or obligation of any of the member Counties.

The Agency has the power to issue bonds secured by the MSA payment of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the MSA payments.

In furtherance of its objective to ensure and otherwise protect against the risk of a substantial decline in Tobacco Revenue and to assure a source of funds for County programs, the County formed the Corporation. The Agency loaned the Corporation proceeds from bonds it had issued on behalf of the County. The County sold to the Corporation all rights, title and interest of the County's Tobacco Revenue pursuant to the terms of an Installment Sale, Self-Insurance and Risk Transfer Agreement between the County and the Corporation. The Corporation has been included as a blended component unit of the County.

The bonds are limited obligations of the Agency payable solely from loan payments made by the Corporation. The Corporation funds the loan payments with the tobacco settlement payment purchased from the County. For the year ended June 30, 2023, \$8,870 of tobacco settlement payments was recorded as Other Revenues in the Kern County Tobacco Funding Corporation debt service fund. The bonds do not constitute a charge against the general credit of the Agency or the County and neither the Agency (except from loan payments by the Corporation) nor the County will be obligated to pay the interest on or principal of these bonds. These bonds do not constitute a legal debt, liability or obligation of the County.

**COUNTY OF KERN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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**D. TAX ABATEMENTS**

The County provides property tax abatements through the California Land Conservation Act of 1965, commonly referred to as the Williamson Act, which includes the Farmland Security Zone (FSZ) program. Under the Williamson Act, the County's Planning and Natural Resources Department enrolls land in Williamson Act and/or FSZ contracts to restrict the uses of agricultural and open space lands to farming and ranching uses in exchange for reduced property tax assessments. The contracts for the Williamson Act and FSZ are for a minimum of 10 years and 20 years, respectively.

Under the provisions of these contracts, land parcels and living improvements are assessed based on the capitalization of income method of the California Revenue and Taxation Code Section 423. For the fiscal year ended June 30, 2023, the reductions in property tax assessments equaled approximately \$24,835 of property tax revenues under the Williamson Act. Of this total, \$19,212 was attributable to the General Fund and \$5,623 to Structural Fire.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Taxes	\$ 402,350	\$ 402,350	\$ 435,177	\$ 32,827
Licenses, permits, and franchises	21,471	21,471	21,959	488
Fines, forfeitures, and penalties	12,944	12,944	16,157	3,213
Revenue from use of money and property	12,605	12,605	17,690	5,085
Aid from other governmental agencies	299,372	299,372	236,155	(63,217)
Charges for current services	101,138	101,138	96,194	(4,944)
Other revenues	8,562	8,562	8,087	(475)
<b>Total revenues</b>	<b>858,442</b>	<b>858,442</b>	<b>831,419</b>	<b>(27,023)</b>
Expenditures:				
General government	186,676	246,108	203,166	42,942
Public protection	494,491	522,494	479,396	43,098
Health and sanitation	94,606	104,986	83,429	21,557
Public assistance	25,215	25,465	19,355	6,110
Education	8,762	9,232	8,269	963
Debt service payments	9,820	8,807	18,865	(10,058)
Contingencies and reserves	14,363	8,358	-	8,358
<b>Total expenditures</b>	<b>833,933</b>	<b>925,450</b>	<b>812,480</b>	<b>112,970</b>
Excess (deficiency) of revenues over (under) expenses	24,509	(67,008)	18,943	85,951
Other financing sources (uses):				
Transfers in	258,535	258,535	211,486	(47,049)
Transfers out	(189,735)	(331,608)	(292,904)	38,704
<b>Total other financing sources (uses)</b>	<b>68,800</b>	<b>(73,073)</b>	<b>(81,418)</b>	<b>(8,345)</b>
Net change in fund balances	93,309	(140,081)	(62,479)	77,602
Fund balances, July 1, 2022	441,843	441,843	441,843	-
Fund balances, June 30, 2023	\$ 535,152	\$ 301,762	\$ 379,364	\$ 77,602

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 812,480
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(59,317)
Capital outlay for leases and SBITAs issued are expenditures for financial reporting purposes but are not outflows of budgetary resources	34,488
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(15,138)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>772,513</u>
Actual other financing sources amount budgetary basis from the budgetary comparison schedule	(81,418)
Inception of leases issued are financing sources for financial reporting purposes but not inflows of budgetary resources	240
Inception of SBITAs issued are financing sources for financial reporting purposes but not inflows of budgetary resources	34,282
Inception of Finance Purchase issued are financing sources for financial reporting purposes but not inflows of budgetary resources	6,400
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(15,138)
Settlements are other financing sources for financial reporting purposes but not inflows of budgetary resources	<u>1,600</u>
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (54,034)</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**BEHAVIORAL HEALTH & RECOVERY SERVICES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Revenue from use of money and property	\$ 970	\$ 970	\$ 2,777	\$ 1,807
Aid from other governmental agencies	78,083	78,083	71,565	(6,518)
Charges for current services	107,045	107,045	103,178	(3,867)
Other revenues	826	826	803	(23)
<b>Total revenues</b>	<b>186,924</b>	<b>186,924</b>	<b>178,323</b>	<b>(8,601)</b>
Expenditures:				
Health and sanitation	280,833	306,545	265,010	41,535
Debt service payments	3,750	3,763	3,867	(104)
Contingencies and reserves	6,000	1,000	-	1,000
<b>Total expenditures</b>	<b>290,583</b>	<b>311,308</b>	<b>268,877</b>	<b>42,431</b>
Excess (deficiency) of revenues over (under) expenses	(103,659)	(124,384)	(90,554)	33,830
Other financing sources (uses):				
Transfers in	163,362	163,362	85,522	(77,840)
Transfers out	(80,113)	(83,267)	(88)	83,179
<b>Total other financing sources (uses)</b>	<b>83,249</b>	<b>80,095</b>	<b>85,434</b>	<b>5,339</b>
Net change in fund balances	(20,410)	(44,289)	(5,120)	39,169
Fund balances, July 1, 2022	153,738	153,738	153,738	-
Fund balances, June 30, 2023	<u>\$ 133,328</u>	<u>\$ 109,449</u>	<u>\$ 148,618</u>	<u>\$ 39,169</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 268,877
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(14,758)
Capital outlay for leases issued are expenditures for financial reporting purposes but are not outflows of budgetary resources	9,703
Debt service payments for pension obligation bonds are transfers out for financial purposes	(1,420)
<b>Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>262,402</b>
Actual other financing sources amount budgetary basis from the budgetary comparison schedule	85,434
Inception of leases issued are financing sources for financial reporting purposes but not inflows of budgetary resources	11,021
Debt service payments for pension obligation bonds are transfers out for financial purposes	(1,420)
<b>Total financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<b>\$ 95,035</b>



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**COMMUNITY DEVELOPMENT**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 2	\$ 2
Aid from other governmental agencies	39,376	39,376	10,888	(28,488)
Total revenues	<u>39,376</u>	<u>39,376</u>	<u>10,890</u>	<u>(28,486)</u>
Expenditures:				
Public assistance	33,539	33,712	7,201	26,511
Total expenditures	<u>33,539</u>	<u>33,712</u>	<u>7,201</u>	<u>26,511</u>
Excess (deficiency) of revenues over (under) expenses	<u>5,837</u>	<u>5,664</u>	<u>3,689</u>	<u>(1,975)</u>
Other financing sources (uses):				
Transfers in	10	10	-	(10)
Transfers out	(4,767)	(4,784)	(2,887)	1,897
Total other financing sources (uses)	<u>(4,757)</u>	<u>(4,774)</u>	<u>(2,887)</u>	<u>1,887</u>
Net change in fund balances	1,080	890	802	(88)
Fund balances, July 1, 2022	<u>(650)</u>	<u>(650)</u>	<u>(650)</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 430</u>	<u>\$ 240</u>	<u>\$ 152</u>	<u>\$ (88)</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**CORONAVIRUS RELIEF**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Revenue from use of money and property	\$ 760	\$ 760	\$ 3,756	\$ 2,996
Aid from other governmental agencies	17,779	17,779	30,111	12,332
Total revenues	<u>18,539</u>	<u>18,539</u>	<u>33,867</u>	<u>15,328</u>
Expenditures:				
Public assistance	147,930	134,019	31,385	102,634
Total expenditures	<u>147,930</u>	<u>134,019</u>	<u>31,385</u>	<u>102,634</u>
Excess (deficiency) of revenues over (under) expenses	<u>129,391</u>	<u>115,480</u>	<u>2,482</u>	<u>117,962</u>
Other financing sources (uses):				
Transfers out	(5,811)	(38,511)	(32)	38,479
Total other financing sources (uses)	<u>(5,811)</u>	<u>(38,511)</u>	<u>(32)</u>	<u>38,479</u>
Net change in fund balances	(135,202)	(153,991)	2,450	156,441
Fund balances, July 1, 2022	<u>(4,158)</u>	<u>(4,158)</u>	<u>(4,158)</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ (139,360)</u>	<u>\$ (158,149)</u>	<u>\$ (1,708)</u>	<u>\$ 156,441</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:	
Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 31,385
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	<u>(774)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 30,611</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**COUNTY LOCAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ (1,324)	\$ (1,324)
Aid from other governmental agencies	254,397	254,397	303,473	49,076
Total revenues	254,397	254,397	302,149	47,752
Expenditures:				
Public protection	1,809	3,012	3,013	(1)
Total expenditures	1,809	3,012	3,013	(1)
Excess (deficiency) of revenues over (under) expenses	252,588	251,385	299,136	47,751
Other financing sources (uses):				
Transfers out	(245,485)	(264,459)	(248,980)	15,479
Total other financing sources (uses)	(245,485)	(264,459)	(248,980)	15,479
Net change in fund balances	7,103	(13,074)	50,156	63,230
Fund balances, July 1, 2022	119,888	119,888	119,888	-
Fund balances, June 30, 2023	\$ 126,991	\$ 106,814	\$ 170,044	\$ 63,230

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**DEPARTMENT OF HUMAN SERVICES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Revenue from use of money and property	\$ 100	\$ 100	\$ 652	\$ 552
Aid from other governmental agencies	365,080	365,080	329,307	(35,773)
Charges for current services	266	266	409	143
Other revenues	3,043	3,043	6,541	3,498
<b>Total revenues</b>	<b>368,489</b>	<b>368,489</b>	<b>336,909</b>	<b>(31,580)</b>
Expenditures:				
Public assistance	546,879	573,015	555,119	17,896
Debt service payments	6,617	6,617	6,655	(38)
<b>Total expenditures</b>	<b>553,496</b>	<b>579,632</b>	<b>561,774</b>	<b>17,858</b>
Excess (deficiency) of revenues over (under) expenses	(185,007)	(211,143)	(224,865)	(13,722)
Other financing sources (uses):				
Transfers in	209,526	209,526	236,940	27,414
<b>Total other financing sources (uses)</b>	<b>209,526</b>	<b>209,526</b>	<b>236,940</b>	<b>27,414</b>
Net change in fund balances	24,519	(1,617)	12,075	13,692
Fund balances, July 1, 2022	58,151	58,151	58,151	-
Fund balances, June 30, 2023	<u>\$ 82,670</u>	<u>\$ 56,534</u>	<u>\$ 70,226</u>	<u>\$ 13,692</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 561,774
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(916)
Capital outlay for inceptions of Leases and SBITAs are expenditures for financial reporting purposes but are not outflows of budgetary resources	669
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(3,203)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 558,324</u>
Actual other financing sources amount budgetary basis from the budgetary comparison schedule	236,940
Inception of leases issued are financing sources for financial reporting purposes but not inflows of budgetary resources	714
Inception of SBITAs issued are financing sources for financial reporting purposes but not inflows of budgetary resources	52
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(3,203)
Total financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 234,503</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**STRUCTURAL FIRE**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL ON BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
Revenues:				
Taxes	\$ 117,898	\$ 117,898	\$ 119,156	\$ 1,258
Licenses, permits, and franchises	2,500	2,500	2,975	475
Fines, forfeitures, and penalties	45	45	110	65
Revenue from use of money and property	163	163	488	325
Aid from other governmental agencies	7,564	7,564	10,430	2,866
Charges for current services	55,830	55,830	58,625	2,795
Other revenues	2,175	2,175	1,271	(904)
<b>Total revenues</b>	<b>186,175</b>	<b>186,175</b>	<b>193,055</b>	<b>6,880</b>
Expenditures:				
Public protection	180,736	221,409	191,515	29,894
Debt service payments	233	233	281	(48)
<b>Total expenditures</b>	<b>180,969</b>	<b>221,642</b>	<b>191,796</b>	<b>29,846</b>
Excess (deficiency) of revenues over (under) expenses	5,206	(35,467)	1,259	36,726
Other financing sources (uses):				
Transfers in	25,613	25,613	13,875	(11,738)
Transfers out	(3,516)	(3,516)	-	3,516
<b>Total other financing sources (uses)</b>	<b>22,097</b>	<b>22,097</b>	<b>13,875</b>	<b>(8,222)</b>
Net change in fund balances	27,303	(13,370)	15,134	28,504
Fund balances, July 1, 2022	54,245	54,245	54,245	-
Fund balances, June 30, 2023	<u>\$ 81,548</u>	<u>\$ 40,875</u>	<u>\$ 69,379</u>	<u>\$ 28,504</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 191,796
Differences - Budget to GAAP	
Encumbrance for goods and/or services ordered but not received within the recognition period	(1,130)
Capital outlay for Inception of SBITAs are expenditures for financial reporting purposes but are not outflows of budgetary resources	45
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(4,305)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>186,406</u>
Actual Other Financing Sources amount budgetary basis from the budgetary comparison schedule	13,875
Inception of SBITAs issued are financing sources for financial reporting purposes but not inflows of budgetary resources	45
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(4,305)
Total Financing Sources (Uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 9,615</u>



**COUNTY OF KERN**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**I. BUDGETARY BASIS OF ACCOUNTING**

**A. BUDGETARY INFORMATION**

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

The major funds for which annual budgets are adopted are presented in the budgetary comparison schedules and include the General Fund, Behavioral Health & Recovery Services, Community Development, Coronavirus Relief, County Local Revenue Fund, Department of Human Services, Roads, and Structural Fire. The County also budgets for the following non-major funds: Aging & Adult Services, Alcohol Abuse, Alcohol Program, Asset Forfeiture 15% Probation, Automated Co. Warrant System, Automated Fingerprint, Board of Trade Advertising, Building Inspection, CCP Community Recidivism, Child Restraint Loaner, Child Support Services, Code Compliance, Community Correction Performance Incentive, County Clerk, County Service Areas, Criminal Justice Facility, Criminalistics Laboratories, DA Court Ordered Penalties, DA/Sheriff/Probation DNA Fund, DA Equipment Automation, DA Federal Forfeitures, DA Local Forfeitures, Development Services, DHS Wraparound Savings, Disaster Assistance, DIVCA LCL Franchise Fee, Domestic Violence, Drug Program, Emergency Medical Payments, Employers' Training Resource, Environmental Health Services, Health-MAA TCM, IHSS Public Authority, Juvenile Inmate Welfare, Kern County Children's Fund, KNET Asset Forfeitures, Library Books, Local Public Safety, Micrographics, NSP Grant, Off Hwy. Motor Vehicle License, Oil & Gas Program, Parcel Map In-Lieu Fees, Parks & Recreation Donation Fund, Planned Local Drainage, Planned Sewer, Planning Admin. Surcharge, Probation Asset Forfeiture, Probation DJJ Realignment, Probation Federal Asset Forfeiture, Probation Training, Project Impact Mitigation Fund, Public Health Misc., Range Improvement, Real Estate Fraud, Recorder, Recorder's Electronic Recording, Recorder Modernization, Recorder SSN Truncation, Redemption Systems, RMA-Hazardous Waste Settlements, Rural Crimes Environmental Impact Fee, Shelter Care, Sheriff Cal I.D., Sheriff Civil Automated, Sheriff Civil Subpoena, Sheriff Controlled Substance, Sheriff Drug Abuse Gang Diversion, Sheriff Drug Awareness Program, Sheriff Electronic Monitoring, Sheriff Facility Training, Sheriff Inmate Welfare, Sheriff Judgment Debtor Fee, Sheriff Rural Crime, Sheriff Sidearm Conversion, Sheriff State Asset Forfeitures, Sheriff Training Fund, Sheriff's Volunteer Service Group, Sheriff Work Release, Sterilization, Strong Motion Instrumentation, Timber Harvest, Tobacco Education Control, Veterans Grant Fund, Vital Health Statistics County Clerk, Vital Health Statistics, Vital Health Statistics Recorder, Wildlife Resources, Accumulative Capital Outlay Fire, Accumulative Capital Outlay General, and Tobacco Securitization Proceeds.

The County controls expenditures from non-budgeted funds primarily by monitoring cash balances throughout its integrated accounting and warrant writing system. Non-budgeted debt service payments are determined by the terms of bond indentures.

The aggregated County budget is an accumulation of current operating budgets within the budgeted funds operations. The County prepares annual budgets for its Enterprise and Internal Service Fund activities; however, such budgets are not presented since such comparison would make evaluation of the accrual basis of accounting funds unduly complex. All budgetary transactions must be approved by a four-fifths (4/5) vote from the Board.

**COUNTY OF KERN**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund, department, and major object level, with more stringent control over capital assets and expenditure transfers and reimbursements for all budgeted funds. The dollar amount limitation effectively lowers the legal level of budgetary control to the object level. Presentation of the Budgetary Comparison Schedules at the legal level is not feasible due to excessive length; therefore, the Budgetary Comparison Schedules have been aggregated by function and presented by activity for non-major special revenue funds. The County also prepares a separate Final Budget document at the object level, which is available to the public on the Auditor-Controller-County Clerk's website at <https://www.auditor.co.kern.ca.us/cafr/>

There were no material excess expenditures over the related appropriations in any object level within any fund. Final budget amounts, as reported, represent adjusted figures at year-end. The Board must approve transfers of appropriations between departments. The Board must also approve supplemental appropriations necessary and normally financed by unanticipated revenue during the year. Unanticipated revenues of \$152,957 were added to appropriations in the General Fund during the fiscal year.

The Board must approve transfers of appropriations between objects of expenditures within the same budget unit. Final budget amounts reported in the accompanying financial statements are as amended. Any excess of budgetary expenditures and other financing uses over revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.

Encumbrances, which are commitments related to executory purchases for goods or services, are recorded for budgetary control purposes in the budgeted funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end represent the estimated amount of expenditures ultimately to result if the purchases in process at year-end are completed. Outstanding encumbrances related to purchase orders are allowed to carryover each year and are reported as reservations of fund balance for subsequent year expenditures. Unused or unencumbered appropriations at year-end close to fund balance.



# COUNTY OF KERN

## YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

### SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 Fiscal Years\*

Reporting Fiscal Years	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	6/30/2013	91.914%	\$ 1,947,691	\$ 465,506	418.40%	59.59%
6/30/2015	6/30/2014	91.914%	\$ 1,901,916	\$ 390,175	487.45%	63.49%
6/30/2016	6/30/2015	91.290%	2,011,197	405,150	496.41%	62.36%
6/30/2017	6/30/2016	90.800%	2,191,581	395,299	554.41%	59.82%
6/30/2018†	6/30/2017	77.683%	1,836,402	401,455	457.44%	62.97%
6/30/2019	6/30/2018	76.586%	1,785,079	407,334	438.23%	64.67%
6/30/2020	6/30/2019	75.842%	1,806,945	422,275	427.91%	65.04%
6/30/2021	6/30/2020	74.671%	1,987,666	418,437	475.02%	63.13%
6/30/2022	6/30/2021	74.316%	1,404,104	433,696	323.75%	74.66%
6/30/2023	6/30/2022	74.612%	1,775,600	429,104	413.79%	68.84%

#### Notes to Schedule:

The information presented relates solely to the County and not Kern County Employees' Retirement Association (KCERA) as a whole. This information is intended to provide the reader with the status of the County's participation in KCERA. Additional information is provided in the notes section of this report.

### SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

Last 10 Fiscal Years\*

Reporting Fiscal Years	Actuarially determined contribution	County's contribution	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
6/30/2014	\$ 201,221	\$ 201,221	\$ -	\$ 390,175	51.57%
6/30/2015	\$ 194,907	\$ 194,907	\$ -	\$ 405,150	48.11%
6/30/2016	198,049	198,049	-	395,299	50.10%
6/30/2017	174,267	174,267	-	401,455	43.41%
6/30/2018	188,408	188,408	-	407,334	46.25%
6/30/2019	198,221	198,221	-	422,275	46.94%
6/30/2020	206,270	206,270	-	418,437	49.30%
6/30/2021	211,831	211,831	-	433,696	48.84%
6/30/2022	233,481	233,481	-	429,104	54.41%
6/30/2023‡	256,279	256,279	-	436,143	58.76%

#### Notes to schedule:

**Valuation date:** Actuarially determined contribution rates are calculated as of June 30, two years prior to the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

<b>Actuarial cost method</b>	Entry Age Normal
<b>Remaining amortization period</b>	13.5 years as of June 30, 2022
<b>Remaining amortization period</b>	Market value basis, less unrecognized returns over each of the last five years
<b>Inflation</b>	2.75%
<b>Projected salary increase</b>	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%, varying by service, including inflation
<b>Investment rate of return</b>	7.25%, net of pension plan investment expense, including inflation
<b>Retirement age</b>	General Age: 57, Safety Age: 53

\* GASB Statement No. 68 was implemented as of June 30, 2015. Additional years will be presented as they are available.

† As of the June 30, 2018 actuarial report, the Hospital Authority was no longer included in the County's portion of pension values.

‡ Current year County values based on a calculation of the most recent proportionate share of net pension liability by the plan's contribution totals.

# COUNTY OF KERN

YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

## SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Last 5 Fiscal Years\*

Reporting Fiscal Years	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll†	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
6/30/2018	6/30/2017	92.763%	55,195	356,748	15.47%	56.56%
6/30/2019	6/30/2018	92.493%	46,482	369,234	12.59%	62.67%
6/30/2020	6/30/2019	91.917%	42,679	221,937	19.23%	66.03%
6/30/2021	6/30/2020	91.754%	18,400	215,167	8.55%	84.90%
6/30/2022	6/30/2021	90.219%	66,567	203,766	32.67%	57.54%
6/30/2023	6/30/2022	89.962%	63,409	203,846	31.11%	60.54%

†Based on the total covered employee payroll for employees classified as County in the census data.

## SCHEDULE OF OPEB CONTRIBUTIONS

Last 5 Fiscal Years\*

Reporting Fiscal Years	Actuarially determined contribution	County's Contribution(1)	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
6/30/2018	\$ 11,921	9,725	2,196	\$ 404,925	2.40%
6/30/2019	9,838	10,078	(240)	419,097	2.40%
6/30/2020	8,853	10,748	(1,895)	249,328	4.31%
6/30/2021	9,801	9,193	608	241,340	3.81%
6/30/2022	N/A	9,242	N/A	227,687	4.06%
6/30/2023	N/A	8,921	N/A	203,846	4.38%

### Notes to schedule:

#### Methods and assumptions used to determine contribution rates:

<b>Valuation date:</b>	June 30,2023
<b>Actuarial cost method</b>	Entry Age Normal, level percentage of compensation
<b>Asset Valuation Method</b>	Market value basis
<b>Discount Rate</b>	6.50% based on asset allocation in PARS OPEB Trust and County contributions of \$70 per pay period per eligible employee and the eligible employees contributing 2.50% of payroll for the Supplement
<b>Payroll Growth</b>	inflation of 2.50% per year plus "across the board" real salary increases of .50% per year.
<b>Projected Salary Increase</b>	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%, varying by service, including inflation
<b>Trend Rates:</b>	
<b>Supplement</b>	2.50% of covered payroll
<b>Mortality Rate</b>	Headcount-Weighted Mortality Tables

\*GASB Statement No. 75 was implemented as of June 30, 2018. Additional years will be presented as they are available

(1) The employer contributions per eligible employee per pay period was changed from \$59 to \$70. This change did not have any impact on the TOL.



**OTHER  
SUPPLEMENTARY  
INFORMATION**





**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**





**NON-MAJOR  
GOVERNMENTAL FUNDS**







**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 295,462	\$ 115,844	\$ 2,814	\$ 414,120
Revolving fund cash	25	-	-	25
Cash and investments deposited with trustee	-	33,311	281	33,592
Interest receivable	1,053	232	19	1,304
Taxes receivable	385	-	-	385
Lease receivables	169	-	-	169
Accounts receivable, net	580	-	-	580
Accrued revenue	53,606	-	-	53,606
Due from other funds	1,270	52	-	1,322
Due from other agencies	853	-	-	853
Housing loans receivable	15,574	-	-	15,574
Housing loans interest receivable	3,432	-	-	3,432
Inventory - materials and supplies	635	-	-	635
	<u>\$ 373,044</u>	<u>\$ 149,439</u>	<u>\$ 3,114</u>	<u>\$ 525,597</u>
Total assets	<u>\$ 373,044</u>	<u>\$ 149,439</u>	<u>\$ 3,114</u>	<u>\$ 525,597</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 12,997	\$ 13,651	\$ 13	\$ 26,661
Salaries and employee benefits payable	1,738	-	-	1,738
Due to other funds	9,113	5	-	9,118
Unearned revenue	1,143	-	-	1,143
Due to other agencies	680	-	-	680
	<u>25,671</u>	<u>13,656</u>	<u>13</u>	<u>39,340</u>
Total liabilities	<u>25,671</u>	<u>13,656</u>	<u>13</u>	<u>39,340</u>
Deferred inflows of resources:				
Deferred housing loan payments	19,006	-	-	19,006
Deferred lease proceeds	168	-	-	168
Unavailable revenue - property tax	366	-	-	366
Unavailable revenue - other	8,481	-	-	8,481
	<u>28,021</u>	<u>-</u>	<u>-</u>	<u>28,021</u>
Total deferred inflows of resources	<u>28,021</u>	<u>-</u>	<u>-</u>	<u>28,021</u>
Fund balances:				
Nonspendable	660	-	-	660
Restricted	289,582	43,439	3,101	336,122
Committed	25,298	-	-	25,298
Assigned	4,630	92,947	-	97,577
Unassigned	(818)	(603)	-	(1,421)
	<u>319,352</u>	<u>135,783</u>	<u>3,101</u>	<u>458,236</u>
Total fund balances	<u>319,352</u>	<u>135,783</u>	<u>3,101</u>	<u>458,236</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 373,044</u>	<u>\$ 149,439</u>	<u>\$ 3,114</u>	<u>\$ 525,597</u>

**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
Revenues:				
Taxes	\$ 4,472	\$ -	\$ -	\$ 4,472
Licenses, permits, and franchises	17,739	-	-	17,739
Fines, forfeitures, and penalties	7,592	-	-	7,592
Revenue from use of money and property	1,893	(1,760)	940	1,073
Aid from other governmental agencies	272,847	2,651	-	275,498
Charges for current services	23,816	-	-	23,816
Other revenues	17,159	-	721	17,880
<b>Total revenues</b>	<b>345,518</b>	<b>891</b>	<b>1,661</b>	<b>348,070</b>
Expenditures:				
General government	1,675	-	680	2,355
Public protection	46,030	-	-	46,030
Public ways and facilities	45,264	-	-	45,264
Health and sanitation	11,387	-	-	11,387
Public assistance	54,973	-	-	54,973
Culture and recreation	46	-	-	46
Capital outlay	38,737	28,673	-	67,410
Debt service				
Principal	1,628	-	27,326	28,954
Interest	113	-	5,583	5,696
<b>Total expenditures</b>	<b>199,853</b>	<b>28,673</b>	<b>33,589</b>	<b>262,115</b>
Excess (deficiency) of revenues over expenditures	145,665	(27,782)	(31,928)	85,955
Other financing sources (uses):				
Transfers in	39,051	95,500	32,141	166,692
Transfers out	(146,804)	-	-	(146,804)
SBITAS Issued	79	-	-	79
<b>Total other financing sources (uses)</b>	<b>(107,674)</b>	<b>95,500</b>	<b>32,141</b>	<b>19,967</b>
Net change in fund balances	37,991	67,718	213	105,922
Fund balances, July 1, 2022	281,361	68,065	2,888	352,314
Fund balances, June 30, 2023	<u>\$ 319,352</u>	<u>\$ 135,783</u>	<u>\$ 3,101</u>	<u>\$ 458,236</u>

## **NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUND DESCRIPTIONS**

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

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

**Child Support Services** – This fund accounts for the initial court actions necessary to establish financial responsibility for the support of minors, and for the enforcement and collection of child support payments from absent parents under the Social Security Act.

**County Clerk** – This fund is responsible for issuing marriage licenses and fictitious business names, and accepting filings of notary public bonds, environmental impact reports, County loyalty oaths, and other miscellaneous filings.

### **Detention and Corrections:**

**Asset Forfeiture 15% Probation** – This fund was established to account for the County's allocation of asset forfeitures to be used to combat drug abuse and divert gang activity.

**Community Corrections Partnership (CCP) Community Recidivism** – This fund accounts for 2011 realignment allocation for community-based organizations as approved by the Community Correction Partnership.

**Criminal Justice Facility** – This fund accounts for surcharges upon fines, forfeitures and penalties to assist in the construction and maintenance of County criminal justice and court facilities.

**Juvenile Inmate Welfare** – This fund accounts for revenues generated at Juvenile facilities and are used for enhancing programs within the Juvenile Institutions.

**Juvenile Justice Facility** – This fund accounts for a surcharge imposed on fines and forfeitures to assist in financing the construction and rehabilitation of the County's juvenile facility.

**Probation Asset Forfeiture** – This fund was established to account for the County's allocation of asset forfeitures.

**Probation DJJ Realignment** – This fund accounts for services given to juveniles that prior to realignment received services from the Division of Juvenile Justice (DJJ).

**Probation Federal Asset Forfeiture** – This fund was established to account for the County's allocation of Federal asset forfeitures.

**Probation Training** – This fund accounts for state money received for the development of training, program evaluation, and the research study on validated standards.

### **Education:**

**Library Books** – This fund holds donations received by the Library for the sole purpose of purchasing materials (books, audiovisual materials, subscriptions, etc.).

**Environmental Health Services** – This fund provides State mandated regulatory oversight, compliance assistance, and enforcement actions relating to health and safety standards for community businesses and activities.

**NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**Finance:**

**Redemption Systems** – This fund accounts for the requirement under the Revenue and Taxation Code Section 4710.

**Health:**

**Alcohol Abuse** – This fund accounts for assessments and is used to fund alcohol abuse education and prevention programs in schools and communities throughout the County.

**Alcohol Program** – This fund accounts for DUI violation fines and is used to fund alcohol programs and services as well as to upgrade facilities to comply with State and Federal regulations regarding accessibility for handicapped persons.

**Child Restraint Loaner** – This fund accounts for fines imposed on violators of the Child Passenger Restraint Systems Law and provides a low-cost child passenger restraint purchase and/or loaner program.

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

**Drug Program** – This fund accounts for fines, penalties and forfeitures and is used to develop, implement, and operate alcohol and drug assessment programs.

**Health-MAA TCM** – This fund accounts for the reimbursement of case management services known as Targeted Case Management (TCM) and for administration of the Medi-Cal program known as Medi-Cal Administrative Activities (MAA).

**Health Services** – This fund accounts for different types of services, advances from the state for certain Medi-Cal administration cost of the welfare department, also accounts for fees for issuance of a permit for disposition of human remains to fund peace office training.

**Health 1991 Realignment** – This fund accounts for revenues forthcoming from the state pursuant to Chapter 89 of 1991 and the State Controller's guidelines for Health and Welfare Realignment.

**Oil & Gas Mitigation** – This fund accounts for the collection of mitigation fees collected for Oil & Gas activity to fund different types of impact topic like Valley Fever, Bio Habitat, Paleo, Road Maintenance, and Drinking Water.

**Opioid Settlement Fund** - This fund accounts for moneys received from the settlement of the litigation of Opioid's. Funds are limited for the specific uses of creating new or expanded SUD treatment, and interventions to prevent drug addiction in vulnerable youth.

**Public Health Miscellaneous** – This fund accounts for various private donations.

**RMA-Hazardous Waste Settlements** – This fund accounts for monies to be used only for the enforcement of laws pertaining to Hazardous Waste Control.

**Tobacco Education Control** – This fund accounts for deposits of prospective payments toward the Tobacco Education Program per State AB99.

**Tobacco Control Grant Funding** – This Fund accounts for grant monies related to the California Department of Public Health for the acceptance of Proposition 56. The agreement requires to set up separate interest-bearing trust funds.

**Vital Health Statistics County Clerk** – This fund collects a \$1 fee for each certified copy of a birth, death, or marriage certificate, and reimburses the County Clerk for allowable budget expenditures.

**NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**Vital Health Statistics** – This fund collects a \$1 fee for each certified copy of a birth, death, or marriage certificate, and reimburses the Health Department for allowable budget expenditures.

**Vital Health Statistics Recorder** – This fund collects a \$1 fee for each certified copy of a birth, death, or marriage certificate and reimburses the Recorder for allowable budget expenditures.

**Vital & Health Stat-Co. Clerk** - To retain 50% of the \$2 VRIP surcharge (SB 1535 Chapter 1594, Statutes of 1988) collected by the County of Kern to be used for local automation for reimbursement to the County Clerk for allowable expenditures.

**Hospital Care:**

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

**Judicial:**

**Automated County Warrant System** – This fund accounts for fines imposed on driving offenses and is used for the development and operation of the automated County warrant system.

**Criminalistics Laboratories** – This fund uses revenues received from a \$50 fine on each conviction for controlled substance offense to defray costs of providing controlled substances analysis in the County.

**District Attorney Court Ordered Penalties** – This fund accounts for court-ordered penalties occurring within the County and are for the exclusive use by the District Attorney for the enforcement of consumer protection laws.

**District Attorney/Sheriff/Probation DNA Fund** – This fund accounts for penalty assessments associated with DNA testing.

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

**District Attorney Federal Forfeitures** – This fund accounts for asset forfeiture distributions received through the equitable sharing program with the U.S. Department of Justice when the County's District Attorney's Office either prosecutes a related state criminal action or is responsible for the prosecution of the federal, judicial forfeiture.

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

**Domestic Violence** – This fund accounts for a surcharge on marriage licenses and is used to finance domestic violence programs.

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

**Real Estate Fraud** – This fund accounts for recording of real estate instrument fees to fund the deterrence, investigation, and prosecution of real estate fraud crimes.

**Victim Services** – This fund accounts for the collection of unclaimed restitution funds and Ordinance G-8535 fees for use within Victim Services Unite and Family Justice Center activities.

## **NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

### **Other Public Protection:**

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

**Code Compliance** – This fund accounts for the public nuisance abatement work done by the Code Compliance division.

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

**Oil and Gas Program** – This fund accounts for fees from permits issued for the drilling and production of oil and gas.

**Planning Administration Surcharge** – This fund collects specified building permit fees applied to new developments to offset costs related to the administration and update of the General Plan and Specific Plans affecting Kern County's growth and development.

**Project Impact Mitigation Fund** – This fund accounts for monies received from project impact mitigation measures that must be used to satisfy the required mitigation.

**Range Improvement** – This fund accounts for grazing fees used to support range improvement costs.

**Recorder's Electronic Recording** – This fund accounts for recording fees used to maintain the County's system of recorded documents.

**Recorder Modernization** – This fund accounts for monies collected through a \$1 fee added per recorded document to pay for the County's electronic recording delivery system.

**Recorder SSN Truncation** – This fund accounts for recording fees used to protect social security numbers on public records.

**Sterilization** – This fund holds 10% of all natural and altered dog license fees collected annually to be utilized to fund the Low-Cost Spay/Neuter Program.

**Strong Motion Instrumentation** – This fund receives revenue through fees charged for permits and is used for the purpose of promoting seismic education and awareness as part of a State mandate.

**Wildlife Resources** – This fund accounts for funds received from the State to fund projects recommended by the Parks and Recreation Commission.

### **Plant Acquisition:**

**Planned Local Drainage** – This fund accounts for Planned Drainage Areas established in 1976 to finance the construction of storm drain facilities.

**Planned Sewer** – This fund accounts for sewer facility impact fees charged to building permit applicants to defray the costs of constructing planned drainage and sewer facilities.

### **Police Protection:**

**Automated Fingerprint** – This fund accounts for an assessment on every fine, forfeiture, or penalty collected for criminal offenses and is to be used for maintaining the Cal-ID/Ran system.

**KNET Asset Forfeitures** – The fund accounts for funds received for asset forfeitures from the Kern Narcotics Enforcement Team (KNET).

**NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**Rural Crimes Environmental Impact Fee** – This fund accounts for fees collected from permits to be used to supplement general funds allocated to staffing the Rural Crimes Unit, for the prevention and investigation of rural crimes.

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

**Sheriff Civil Automated** – This fund allocates a portion of fees obtained from the service of Civil Process for the exclusive use of the Sheriff's Civil Division for implementation, maintenance, and purchase of auxiliary equipment for automated systems.

**Sheriff Civil Subpoena** – This fund is used to account for funds that cover the expense of County employees obligated by subpoena to attend civil action. Funding is provided by parties requesting subpoenas.

**Sheriff Controlled Substance** – This fund holds monies forfeited to the Sheriff to reimburse the Sheriff's department for expenditures made or incurred in connection with forfeiture proceedings and criminal convictions.

**Sheriff Drug Abuse Gang Diversion** – This fund is used to support programs designed to combat drug abuse and divert gang activity.

**Sheriff Drug Awareness Program** – This fund accounts for donations received for the sole purpose of benefiting the drug awareness efforts of the Sheriff's department.

**Sheriff Electronic Monitoring** – This fund is used to collect administrative and registration fees in accordance with Penal Code section 1208.2(b)(1). The fees collected would be used for the Electronic Monitoring Program.

**Sheriff Facility Training** – This fund accounts for the training and recruitment of Sheriff personnel in order to adhere to the California Penal Code.

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

**Sheriff Judgment Debtor Fee** – This fund collects processing fees for disbursements of certain monies to supplement the cost of purchase and maintenance of the Sheriff's vehicles and equipment.

**Sheriff Rural Crime** – This fund holds grant money to be used by the rural crime investigation program to reduce losses caused by criminal activity in the agricultural, oil, and livestock industries.

**Sheriff Sidearm Conversion** – This fund accounts for the deposit of monies generated from the sale of firearms to fund departmental transition to a standardized departmental sidearm.

**Sheriff State Asset Forfeitures** – This fund holds revenues received from assets seized during arrests.

**Sheriff Training Fund** – This fund accounts for the deposit of monies generated from a contract with Cerro Coso Community College for Law Enforcement training.

**Sheriff's Volunteer Service Group** – This fund accounts for donations received for the purchase of equipment and supplies for the Search and Rescue Team.

**Sheriff Work Release** – This fund collects the revenues from the Work Release Program, which promotes successful reintegration of law violators into society and reduce jail overcrowding.



**NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**BSCC - Officer Wellness and Mental Health Grant** - This fund accounts for monies received for the Officer Wellness and Mental Health Grant Program, established in the 2022 Budget Act (Assembly Bill 178, Ch. 45, Statutes of 2022), this will provide \$50 million for City and County law enforcement agencies for the purpose of improving officer wellness and expanding mental health resources.

**Promotion:**

**Board of Trade Advertising** – This fund holds monies received from the sale of advertising by the Board of Trade and is used to pay for related advertising expenses.

**Property Management:**

**Development Services** – This fund, a division of the Public Works Department, is responsible for reviewing and processing tract and parcel maps, reviewing construction and grading plans for code and regulation compliance, and oversees drainage, floodplain, and geologic activities related to land-development permits.

**DIVCA LCL Franchise Fee** – This fund accounts for a surcharge on cable providers’ franchise fees to be used for audio/visual infrastructure capital equipment purchases.

**Public Assistance Administration:**

**Department of Human Services (DHS) Wraparound Savings** – This fund accounts for the placement and holding of savings of Wraparound monies used to provide specialized intensive “wraparound” services to youth in an effort to achieve positive outcomes.

**Disaster Assistance** – This fund accounts for funding received from the California Governor’s Office of Emergency Services for the purchase of temporary modular housing units for families affected by the Erskine Fire.

**Employers’ Training Resource (ETR)** – This fund administers the Federal Workforce Investment Act and Welfare-to-Work funds received through the Department of Labor, State Employment Development Department, and the Kern County Department of Human Services. ETR accounts for job training and support services for workers of all economic classes.

**In-Home Supportive Services (IHSS) Public Authority** – This fund accounts for supportive services given to aged, blind, or disabled persons, who are unable to perform the services themselves and who cannot safely remain in their homes or abodes of their own choosing unless these services are provided.

**Kern County Children’s Fund** – This fund accounts for fees from birth certificate requests with the monies used in funding child abuse and neglect prevention and intervention programs.

**NSP Grant** – This fund accounts for grant funds from the Housing and Economic Recovery Act of 2008, which are restricted for use in addressing the effects of abandoned and foreclosed properties in Kern County.

**Shelter Care** – This fund accounts for donations received for the purchase of emergency items, arts and crafts supplies, and entertainment and recreation for the benefit of the children at the Jamison Center.

**Veterans Grant Fund** – This fund is used to account for grant and donation revenue received by the Veterans Department.

**NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**CD-NSP 3 Grant** - This fund accounts for grant funds awarded to mitigate the negative impact of the nation's economic decline and housing market collapse. Funds are restricted and regulated to help stabilize and revitalize communities hit the hardest as a result of abandoned and foreclosed residential properties. Half of funds are to be expended within two years; and all funds are to be expended within three years.

**Public Ways:**

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

**Off Highway Motor Vehicle License** – This fund supports Off Highway Projects.

**Parcel Map In-lieu Fees** – This fund accounts for providing park or recreational facilities and improvement of Parks.

**Recorder** – This fund accounts for recording fees used for the operations of the Recorder's office.

**Recreation Facilities:**

**Parks and Recreation Donation Fund** – This fund holds donations received to be used for park improvement projects.

**Timber Harvest** – This fund accounts for payments received to harvest timber to be used for improvement projects in County parks.

**Roads** – This fund accounts for planning, designing, constructing, and maintaining public roads, bridges, streets, and traffic control devices in the unincorporated areas of the County, except for State-maintained highways and bridges. This special revenue fund is funded through various revenues including gas tax, impact fee permits, federal and state aid for construction, charges for services, and County contributions.

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

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	<u>AGING &amp; ADULT SERVICES</u>	<u>CHILD SUPPORT SERVICES</u>	<u>COUNTY CLERK</u>	<u>DETENTION AND CORRECTIONS</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 447	\$ 2,006	\$ 619	\$ 22,488
Revolving fund cash	5	2	3	-
Interest receivable	6	15	4	44
Taxes receivable	-	-	-	-
Lease receivables	-	-	-	-
Accounts receivable, net	-	-	-	-
Accrued revenue	8,555	-	-	-
Due from other funds	151	-	-	255
Due from other agencies	-	-	-	270
Housing loans receivable	-	-	-	-
Housing loans interest receivable	-	-	-	-
Inventory - materials and supplies	-	-	-	-
Total assets	<u>\$ 9,164</u>	<u>\$ 2,023</u>	<u>\$ 626</u>	<u>\$ 23,057</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 789	\$ 88	\$ 2	\$ 221
Salaries and employee benefits payable	635	777	14	-
Due to other funds	618	-	-	-
Unearned revenue	26	-	-	-
Due to other agencies	-	680	-	-
Total liabilities	<u>2,068</u>	<u>1,545</u>	<u>16</u>	<u>221</u>
Deferred inflows of resources				
Deferred housing loan payments	-	-	-	-
Deferred lease proceeds	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Unavailable revenue - other	7,909	-	-	-
Total deferred inflows of resources	<u>7,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	5	2	3	-
Restricted	-	476	607	22,836
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(818)	-	-	-
Total fund balances	<u>(813)</u>	<u>478</u>	<u>610</u>	<u>22,836</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,164</u>	<u>\$ 2,023</u>	<u>\$ 626</u>	<u>\$ 23,057</u>

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

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	<u>EDUCATION</u>	<u>ENVIRONMENTAL HEALTH SERVICES</u>	<u>FINANCE</u>	<u>HEALTH</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 537	\$ 5,593	\$ 2,396	\$ 73,356
Revolving fund cash	-	-	-	-
Interest receivable	4	49	-	66
Taxes receivable	-	-	-	261
Lease receivables	-	-	-	-
Accounts receivable, net	-	-	-	-
Accrued revenue	-	-	-	5,827
Due from other funds	-	-	-	639
Due from other agencies	-	-	-	16
Housing loans receivable	-	-	-	-
Housing loans interest receivable	-	-	-	-
Inventory - materials and supplies	-	-	-	-
Total assets	<u>\$ 541</u>	<u>\$ 5,642</u>	<u>\$ 2,396</u>	<u>\$ 80,165</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 33	\$ -	\$ 36
Salaries and employee benefits payable	-	252	-	-
Due to other funds	-	-	-	638
Unearned revenue	-	45	-	-
Due to other agencies	-	-	-	-
Total liabilities	<u>-</u>	<u>330</u>	<u>-</u>	<u>674</u>
Deferred inflows of resources				
Deferred housing loan payments	-	-	-	-
Deferred lease proceeds	-	-	-	-
Unavailable revenue - property tax	-	-	-	253
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>253</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	541	5,312	-	79,238
Committed	-	-	-	-
Assigned	-	-	2,396	-
Unassigned	-	-	-	-
Total fund balances	<u>541</u>	<u>5,312</u>	<u>2,396</u>	<u>79,238</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 541</u>	<u>\$ 5,642</u>	<u>\$ 2,396</u>	<u>\$ 80,165</u>

	<u>HOSPITAL CARE</u>	<u>JUDICIAL</u>	<u>OTHER PUBLIC PROTECTION</u>	<u>PLANT ACQUISITION</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 5,095	\$ 36,943	\$ 23,414	\$ 6,495
Revolving fund cash	-	-	11	-
Interest receivable	34	24	124	43
Taxes receivable	-	-	-	-
Lease receivables	-	-	-	-
Accounts receivable, net	-	-	299	-
Accrued revenue	-	19,570	-	-
Due from other funds	-	-	-	-
Due from other agencies	293	48	200	-
Housing loans receivable	-	-	-	-
Housing loans interest receivable	-	-	-	-
Inventory - materials and supplies	-	-	-	-
Total assets	<u>\$ 5,422</u>	<u>\$ 56,585</u>	<u>\$ 24,048</u>	<u>\$ 6,538</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 126	\$ -	\$ 138	\$ -
Salaries and employee benefits payable	-	-	-	-
Due to other funds	-	7,474	114	-
Unearned revenue	-	1,072	-	-
Due to other agencies	-	-	-	-
Total liabilities	<u>126</u>	<u>8,546</u>	<u>252</u>	<u>-</u>
Deferred inflows of resources				
Deferred housing loan payments	-	-	-	-
Deferred lease proceeds	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	11	-
Restricted	5,296	48,039	6,238	1,297
Committed	-	-	17,547	5,241
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>5,296</u>	<u>48,039</u>	<u>23,796</u>	<u>6,538</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,422</u>	<u>\$ 56,585</u>	<u>\$ 24,048</u>	<u>\$ 6,538</u>

**COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2023 (IN THOUSANDS)**

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	<u>POLICE PROTECTION</u>	<u>PROMOTION</u>	<u>PROPERTY MANAGEMENT</u>	<u>PUBLIC ASSISTANCE ADMINISTRATION</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled cash and investments	\$ 10,749	\$ 158	\$ 4,497	\$ 25,561
Revolving fund cash	-	-	-	-
Interest receivable	79	1	32	25
Taxes receivable	8	-	-	-
Lease receivables	-	-	-	-
Accounts receivable, net	-	-	34	-
Accrued revenue	-	-	-	2,533
Due from other funds	-	-	8	129
Due from other agencies	26	-	-	-
Housing loans receivable	-	-	-	15,574
Housing loans interest receivable	-	-	-	3,432
Inventory - materials and supplies	-	-	-	-
Total assets	<u>\$ 10,862</u>	<u>\$ 159</u>	<u>\$ 4,571</u>	<u>\$ 47,254</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2	\$ -	\$ -	\$ 2,933
Salaries and employee benefits payable	-	-	-	-
Due to other funds	-	-	-	177
Unearned revenue	-	-	-	-
Due to other agencies	-	-	-	-
Total liabilities	<u>2</u>	<u>-</u>	<u>-</u>	<u>3,110</u>
Deferred inflows of resources				
Deferred housing loan payments	-	-	-	19,006
Deferred lease proceeds	-	-	-	-
Unavailable revenue - property tax	8	-	-	-
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	<u>8</u>	<u>-</u>	<u>-</u>	<u>19,006</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	10,838	-	-	25,138
Committed	14	-	2,496	-
Assigned	-	159	2,075	-
Unassigned	-	-	-	-
Total fund balances	<u>10,852</u>	<u>159</u>	<u>4,571</u>	<u>25,138</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,862</u>	<u>\$ 159</u>	<u>\$ 4,571</u>	<u>\$ 47,254</u>

	<u>PUBLIC WAYS</u>	<u>RECORDER</u>	<u>RECREATION FACILITIES</u>	<u>ROADS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled cash and investments	\$ 14,075	\$ 4,852	\$ 1,347	\$ 54,834	\$ 295,462
Revolving fund cash	-	4	-	-	25
Interest receivable	63	33	2	405	1,053
Taxes receivable	116	-	-	-	385
Lease receivables	-	-	-	169	169
Accounts receivable, net	-	14	-	233	580
Accrued revenue	-	-	-	17,121	53,606
Due from other funds	4	-	-	84	1,270
Due from other agencies	-	-	-	-	853
Housing loans receivable	-	-	-	-	15,574
Housing loans interest receivable	-	-	-	-	3,432
Inventory - materials and supplies	-	-	-	635	635
Total assets	<u>\$ 14,258</u>	<u>\$ 4,903</u>	<u>\$ 1,349</u>	<u>\$ 73,481</u>	<u>\$ 373,044</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 172	\$ 55	\$ -	\$ 8,402	\$ 12,997
Salaries and employee benefits payable	-	60	-	-	1,738
Due to other funds	15	-	-	77	9,113
Unearned revenue	-	-	-	-	1,143
Due to other agencies	-	-	-	-	680
Total liabilities	<u>187</u>	<u>115</u>	<u>-</u>	<u>8,479</u>	<u>25,671</u>
Deferred inflows of resources					
Deferred housing loan payments	-	-	-	-	19,006
Deferred lease proceeds	-	-	-	168	168
Unavailable revenue - property tax	105	-	-	-	366
Unavailable revenue - other	-	-	-	572	8,481
Total deferred inflows of resources	<u>105</u>	<u>-</u>	<u>-</u>	<u>740</u>	<u>28,021</u>
Fund balances:					
Nonspendable	-	4	-	635	660
Restricted	13,966	4,784	1,349	63,627	289,582
Committed	-	-	-	-	25,298
Assigned	-	-	-	-	4,630
Unassigned	-	-	-	-	(818)
Total fund balances	<u>13,966</u>	<u>4,788</u>	<u>1,349</u>	<u>64,262</u>	<u>319,352</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,258</u>	<u>\$ 4,903</u>	<u>\$ 1,349</u>	<u>\$ 73,481</u>	<u>\$ 373,044</u>





**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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	<b>AGING &amp; ADULT SERVICES</b>	<b>CHILD SUPPORT SERVICES</b>	<b>COUNTY CLERK</b>	<b>DETENTION AND CORRECTIONS</b>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	297	-
Fines, forfeitures, and penalties	-	-	-	1,773
Revenue from use of money and property	63	49	11	(144)
Aid from other governmental agencies	18,319	26,943	-	10,707
Charges for current services	2,654	-	636	-
Other revenues	404	200	(290)	-
Total revenues	<u>21,440</u>	<u>27,192</u>	<u>654</u>	<u>12,336</u>
Expenditures:				
General government	-	-	-	-
Public protection	-	25,139	612	2,049
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	26,437	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	233	133	-	-
Debt service:				
Principal	564	984	-	-
Interest	36	73	-	-
Total expenditures	<u>27,270</u>	<u>26,329</u>	<u>612</u>	<u>2,049</u>
Excess (deficiency) of revenues over expenditures	<u>(5,830)</u>	<u>863</u>	<u>42</u>	<u>10,287</u>
Other financing sources (uses):				
Transfers in	3,468	(31)	-	10,858
Transfers out	(252)	(734)	(9)	(10,697)
SBITAS Issued	35	44	-	-
Total other financing sources (uses)	<u>3,251</u>	<u>(721)</u>	<u>(9)</u>	<u>161</u>
Net change in fund balances	(2,579)	142	33	10,448
Fund balances, July 1, 2022	<u>1,766</u>	<u>336</u>	<u>577</u>	<u>12,388</u>
Fund balances, June 30, 2023	<u>\$ (813)</u>	<u>\$ 478</u>	<u>\$ 610</u>	<u>\$ 22,836</u>

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

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	<u>EDUCATION</u>	<u>ENVIRONMENTAL HEALTH SERVICES</u>	<u>FINANCE</u>	<u>HEALTH</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 873
Licenses, permits, and franchises	-	5,171	-	-
Fines, forfeitures, and penalties	-	152	218	252
Revenue from use of money and property	7	178	(9)	(788)
Aid from other governmental agencies	-	35	-	13,012
Charges for current services	-	4,085	-	3,458
Other revenues	285	1	-	13,480
Total revenues	<u>292</u>	<u>9,622</u>	<u>209</u>	<u>30,287</u>
Expenditures:				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	9,363	-	786
Public assistance	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>9,363</u>	<u>-</u>	<u>786</u>
Excess (deficiency) of revenues over expenditures	<u>292</u>	<u>259</u>	<u>209</u>	<u>29,501</u>
Other financing sources (uses):				
Transfers in	-	96	-	65
Transfers out	(137)	(170)	-	(2,315)
SBITAS Issued	-	-	-	-
Total other financing sources (uses)	<u>(137)</u>	<u>(74)</u>	<u>-</u>	<u>(2,250)</u>
Net change in fund balances	155	185	209	27,251
Fund balances, July 1, 2022	<u>386</u>	<u>5,127</u>	<u>2,187</u>	<u>51,987</u>
Fund balances, June 30, 2023	<u>\$ 541</u>	<u>\$ 5,312</u>	<u>\$ 2,396</u>	<u>\$ 79,238</u>

	<b>HOSPITAL CARE</b>	<b>JUDICIAL</b>	<b>OTHER PUBLIC PROTECTION</b>	<b>PLANT ACQUISITION</b>
Revenues:				
Taxes	\$ -	\$ -	\$ 284	\$ -
Licenses, permits, and franchises	-	154	9,211	-
Fines, forfeitures, and penalties	1,877	810	120	-
Revenue from use of money and property	81	(372)	401	134
Aid from other governmental agencies	-	111,399	204	-
Charges for current services	-	730	1,925	112
Other revenues	-	53	7	-
<b>Total revenues</b>	<b>1,958</b>	<b>112,774</b>	<b>12,152</b>	<b>246</b>
Expenditures:				
General government	-	-	-	3
Public protection	-	3,513	11,171	-
Public ways and facilities	-	-	-	-
Health and sanitation	1,237	-	-	-
Public assistance	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	516	-
Debt service:				
Principal	-	-	44	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,237</b>	<b>3,513</b>	<b>11,731</b>	<b>3</b>
Excess (deficiency) of revenues over expenditures	721	109,261	421	243
Other financing sources (uses):				
Transfers in	-	-	1,825	-
Transfers out	(180)	(103,524)	(2,915)	-
SBITAS Issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(180)</b>	<b>(103,524)</b>	<b>(1,090)</b>	<b>-</b>
Net change in fund balances	541	5,737	(669)	243
Fund balances, July 1, 2022	4,755	42,302	24,465	6,295
Fund balances, June 30, 2023	\$ 5,296	\$ 48,039	\$ 23,796	\$ 6,538

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

Page 3 of 3

	<b>POLICE PROTECTION</b>	<b>PROMOTION</b>	<b>PROPERTY MANAGEMENT</b>	<b>PUBLIC ASSISTANCE ADMINISTRATION</b>
Revenues:				
Taxes	\$ 33	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	377	-
Fines, forfeitures, and penalties	2,376	-	-	-
Revenue from use of money and property	214	6	82	264
Aid from other governmental agencies	673	-	3	28,178
Charges for current services	616	-	505	4,329
Other revenues	2,075	-	-	765
Total revenues	<u>5,987</u>	<u>6</u>	<u>967</u>	<u>33,536</u>
Expenditures:				
General government	-	-	1,669	-
Public protection	214	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	28,536
Culture and recreation	-	-	-	-
Capital outlay	-	-	151	-
Debt service:				
Principal	-	-	17	-
Interest	-	-	4	-
Total expenditures	<u>214</u>	<u>-</u>	<u>1,841</u>	<u>28,536</u>
Excess (deficiency) of revenues over expenditures	<u>5,773</u>	<u>6</u>	<u>(874)</u>	<u>5,000</u>
Other financing sources (uses):				
Transfers in	-	-	1,475	13,695
Transfers out	(4,692)	(30)	(221)	(20,312)
SBITAS Issued	-	-	-	-
Total other financing sources (uses)	<u>(4,692)</u>	<u>(30)</u>	<u>1,254</u>	<u>(6,617)</u>
Net change in fund balances	1,081	(24)	380	(1,617)
Fund balances, July 1, 2022	<u>9,771</u>	<u>183</u>	<u>4,191</u>	<u>26,755</u>
Fund balances, June 30, 2023	<u>\$ 10,852</u>	<u>\$ 159</u>	<u>\$ 4,571</u>	<u>\$ 25,138</u>

	<b>PUBLIC WAYS</b>	<b>RECORDER</b>	<b>RECREATION FACILITIES</b>	<b>ROADS</b>	<b>TOTAL NON- MAJOR GOVERNMENTAL FUNDS</b>
Revenues:					
Taxes	\$ 2,897	\$ -	\$ -	\$ 385	\$ 4,472
Licenses, permits, and franchises	277	6	-	2,246	17,739
Fines, forfeitures, and penalties	14	-	-	-	7,592
Revenue from use of money and property	182	100	1	1,433	1,893
Aid from other governmental agencies	-	-	120	63,254	272,847
Charges for current services	581	2,174	27	1,984	23,816
Other revenues	-	9	4	166	17,159
<b>Total revenues</b>	<b>3,951</b>	<b>2,289</b>	<b>152</b>	<b>69,468</b>	<b>345,518</b>
Expenditures:					
General government	-	5	-	-	1,677
Public protection	-	3,332	-	-	46,030
Public ways and facilities	2,725	-	-	42,538	45,263
Health and sanitation	-	-	-	-	11,386
Public assistance	-	-	-	-	54,973
Culture and recreation	-	-	46	-	46
Capital outlay	-	18	-	37,686	38,737
Debt service:					
Principal	-	-	-	19	1,628
Interest	-	-	-	-	113
<b>Total expenditures</b>	<b>2,725</b>	<b>3,355</b>	<b>46</b>	<b>80,243</b>	<b>199,853</b>
Excess (deficiency) of revenues over expenditures	1,226	(1,066)	106	(10,775)	145,665
Other financing sources (uses):					
Transfers in	35	1,184	-	6,381	39,051
Transfers out	-	(117)	-	(499)	(146,804)
SBITAS Issued	-	-	-	-	79
<b>Total other financing sources (uses)</b>	<b>35</b>	<b>1,067</b>	<b>-</b>	<b>5,882</b>	<b>(107,674)</b>
Net change in fund balances	1,261	1	106	(4,893)	37,991
Fund balances, July 1, 2022	12,705	4,787	1,243	69,155	281,361
Fund balances, June 30, 2023	\$ 13,966	\$ 4,788	\$ 1,349	\$ 64,262	\$ 319,352

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**AGING & ADULT SERVICES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 70	\$ 70	\$ 63	\$ (7)
Aid from other governmental agencies	24,508	24,508	18,319	(6,189)
Charges for current services	2,754	2,754	2,654	(100)
Other revenues	414	414	404	(10)
Total revenues	<u>27,746</u>	<u>27,746</u>	<u>21,440</u>	<u>(6,306)</u>
Expenditures:				
Public assistance	27,154	30,646	26,936	3,710
Debt service payments	<u>600</u>	<u>600</u>	<u>600</u>	<u>-</u>
Total expenditures	<u>27,754</u>	<u>31,246</u>	<u>27,536</u>	<u>3,710</u>
Excess (deficiency) of revenues over (under) expenses	<u>(8)</u>	<u>(3,500)</u>	<u>(6,096)</u>	<u>(2,596)</u>
Other financing sources (uses):				
Transfers in	<u>3,488</u>	<u>3,488</u>	<u>3,468</u>	<u>(20)</u>
Total other financing sources (uses)	<u>3,488</u>	<u>3,488</u>	<u>3,468</u>	<u>(20)</u>
Net change in fund balances	3,480	(12)	(2,628)	(2,616)
Fund balances, July 1, 2022	<u>1,766</u>	<u>1,766</u>	<u>1,766</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 5,246</u>	<u>\$ 1,754</u>	<u>\$ (862)</u>	<u>\$ (2,616)</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 27,536
Differences - budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(49)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	35
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(252)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>27,270</u>
Actual other financing sources amount budgetary basis from the budgetary comparison schedule	3,468
Inception of SBITAs issued are financing sources for financial reporting purposes but not inflows of budgetary resources	35
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(252)
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 3,251</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**CHILD SUPPORT SERVICES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 31	\$ 31	\$ 49	\$ 18
Aid from other governmental agencies	31,767	31,767	26,943	(4,824)
Other revenues	1	1	200	199
Total revenues	<u>31,799</u>	<u>31,799</u>	<u>27,192</u>	<u>(4,607)</u>
Expenditures:				
Public protection	30,788	30,812	25,978	4,834
Debt service payments	<u>1,039</u>	<u>1,039</u>	<u>1,057</u>	<u>(18)</u>
Total expenditures	<u>31,827</u>	<u>31,851</u>	<u>27,035</u>	<u>4,816</u>
Excess (deficiency) of revenues over (under) expenses	<u>(28)</u>	<u>(52)</u>	<u>157</u>	<u>209</u>
Other financing sources (uses):				
Transfers in	<u>25</u>	<u>25</u>	<u>(31)</u>	<u>(56)</u>
Total other financing sources (uses)	<u>25</u>	<u>25</u>	<u>(31)</u>	<u>(56)</u>
Net change in fund balances	(3)	(27)	126	153
Fund balances, July 1, 2022	<u>336</u>	<u>336</u>	<u>336</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 333</u>	<u>\$ 309</u>	<u>\$ 462</u>	<u>\$ 153</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 27,035
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(16)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	44
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(734)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>26,329</u>
Actual Other Financing Sources amount budgetary basis from the budgetary comparison schedule	(31)
Inception of SBITAs issued are financing sources for financial reporting purposes but not inflows of budgetary resources	44
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(734)</u>
Total Other Financing Sources (Uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (721)</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**COUNTY CLERK**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Licenses, permits, and franchises	\$ 340	\$ 340	\$ 297	\$ (43)
Revenue from use of money and property	1	1	11	10
Charges for current services	301	301	636	335
Other revenues	-	-	(290)	(290)
Total revenues	<u>642</u>	<u>642</u>	<u>654</u>	<u>12</u>
Expenditures:				
Public protection	<u>706</u>	<u>706</u>	<u>621</u>	<u>85</u>
Total expenditures	<u>706</u>	<u>706</u>	<u>621</u>	<u>85</u>
Excess (deficiency) of revenues over (under) expenses	<u>(64)</u>	<u>(64)</u>	<u>33</u>	<u>97</u>
Other financing sources (uses):				
Transfers in	<u>3</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
Total other financing sources (uses):	<u>3</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
Net change in fund balances	(61)	(61)	33	94
Fund balances, July 1, 2022	<u>577</u>	<u>577</u>	<u>577</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 516</u>	<u>\$ 516</u>	<u>\$ 610</u>	<u>\$ 94</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount on budgetary basis from the budgetary comparison schedule	\$ 621
Differences - Budget to GAAP	
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(9)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>612</u>
Actual Other Financing Sources amount budgetary basis from the budgetary comparison schedule	-
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(9)</u>
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (9)</u>



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**DETENTION AND CORRECTIONS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Fines, forfeitures, and penalties	\$ 1,874	\$ 1,874	\$ 1,773	\$ (101)
Revenue from use of money and property	35	35	(144)	(179)
Aid from other governmental agencies	4,456	4,456	10,707	6,251
Total revenues	<u>6,365</u>	<u>6,365</u>	<u>12,336</u>	<u>5,971</u>
Expenditures:				
Public protection	<u>3,464</u>	<u>6,431</u>	<u>2,491</u>	<u>3,940</u>
Total expenditures	<u>3,464</u>	<u>6,431</u>	<u>2,491</u>	<u>3,940</u>
Excess (deficiency) of revenues over (under) expenses	<u>2,901</u>	<u>(66)</u>	<u>9,845</u>	<u>9,911</u>
Other financing sources (uses):				
Transfers in	9,240	9,240	10,858	1,618
Transfers out	<u>(12,311)</u>	<u>(12,311)</u>	<u>(10,697)</u>	<u>1,614</u>
Total other financing sources (uses)	<u>(3,071)</u>	<u>(3,071)</u>	<u>161</u>	<u>3,232</u>
Net change in fund balances	(170)	(3,137)	10,006	13,143
Fund balances, July 1, 2022	<u>12,388</u>	<u>12,388</u>	<u>12,388</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 12,218</u>	<u>\$ 9,251</u>	<u>\$ 22,394</u>	<u>\$ 13,143</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 2,491
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period.	<u>(442)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,049</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**EDUCATION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 4	\$ 4	\$ 7	\$ 3
Other revenues	150	150	285	135
Total revenues	154	154	292	138
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenses	154	154	292	138
Other financing sources (uses):				
Transfers out	(235)	(235)	(137)	98
Total other financing sources (uses)	(235)	(235)	(137)	98
Net change in fund balances	(81)	(81)	155	236
Fund balances, July 1, 2022	386	386	386	-
Fund balances, June 30, 2023	<u>\$ 305</u>	<u>\$ 305</u>	<u>\$ 541</u>	<u>\$ 236</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**ENVIRONMENTAL HEALTH SERVICES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Licenses, permits, and franchises	\$ 4,897	\$ 4,897	\$ 5,171	\$ 274
Fines, forfeitures, and penalties	100	100	152	52
Revenue from use of money and property	80	80	178	98
Aid from other governmental agencies	35	35	35	-
Charges for current services	4,370	4,370	4,085	(285)
Other revenues	5	5	1	(4)
Total revenues	<u>9,487</u>	<u>9,487</u>	<u>9,622</u>	<u>135</u>
Expenditures:				
Health and sanitation	<u>10,593</u>	<u>10,988</u>	<u>9,542</u>	<u>1,446</u>
Total expenditures	<u>10,593</u>	<u>10,988</u>	<u>9,542</u>	<u>1,446</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,106)</u>	<u>(1,501)</u>	<u>80</u>	<u>1,581</u>
Other financing sources (uses):				
Transfers in	<u>442</u>	<u>442</u>	<u>96</u>	<u>(346)</u>
Total other financing sources (uses)	<u>442</u>	<u>442</u>	<u>96</u>	<u>(346)</u>
Net change in fund balances	(664)	(1,059)	176	1,235
Fund balances, July 1, 2022	<u>5,127</u>	<u>5,127</u>	<u>5,127</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 4,463</u>	<u>\$ 4,068</u>	<u>\$ 5,303</u>	<u>\$ 1,235</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 9,542
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(9)
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(170)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>9,363</u>
Actual other financing sources amount on budgetary basis from the budgetary comparison schedule	96
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	<u>(170)</u>
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (74)</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**FINANCE**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Fines, forfeitures, and penalties	\$ 200	\$ 200	\$ 218	\$ 18
Revenue from use of money and property	-	-	(9)	(9)
Total revenues	<u>200</u>	<u>200</u>	<u>209</u>	<u>9</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	<u>200</u>	<u>200</u>	<u>209</u>	<u>9</u>
Other financing sources (uses):				
Transfers out	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
Total other financing sources (uses)	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
Net change in fund balances	(250)	(250)	209	459
Fund balances, July 1, 2022	<u>2,187</u>	<u>2,187</u>	<u>2,187</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 1,937</u>	<u>\$ 1,937</u>	<u>\$ 2,396</u>	<u>\$ 459</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**HEALTH**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Taxes	\$ 808	\$ 808	\$ 873	\$ 65
Fines, forfeitures, and penalties	180	180	252	72
Revenue from use of money and property	56	56	(788)	(844)
Aid from other governmental agencies	654	654	13,012	12,358
Charges for current services	209	209	3,458	3,249
Other revenues	574	574	13,480	12,906
Total revenues	<u>2,481</u>	<u>2,481</u>	<u>30,287</u>	<u>27,806</u>
Expenditures:				
Health and sanitation	<u>830</u>	<u>908</u>	<u>791</u>	<u>117</u>
Total expenditures	<u>830</u>	<u>908</u>	<u>791</u>	<u>117</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,651</u>	<u>1,573</u>	<u>29,496</u>	<u>27,923</u>
Other financing sources (uses):				
Transfers in	65	65	65	-
Transfers out	<u>(1,608)</u>	<u>(2,217)</u>	<u>(2,315)</u>	<u>(98)</u>
Total other financing sources (uses)	<u>(1,543)</u>	<u>(2,152)</u>	<u>(2,250)</u>	<u>(98)</u>
Net change in fund balances	108	(579)	27,246	27,825
Fund balances, July 1, 2022	<u>51,987</u>	<u>51,987</u>	<u>51,987</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 52,095</u>	<u>\$ 51,408</u>	<u>\$ 79,233</u>	<u>\$ 27,825</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 791
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(5)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 786</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**HOSPITAL CARE**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Fines, forfeitures, and penalties	\$ 2,200	\$ 2,200	\$ 1,877	\$ (323)
Revenue from use of money and property	45	45	81	36
Total revenues	<u>2,245</u>	<u>2,245</u>	<u>1,958</u>	<u>(287)</u>
Expenditures:				
Health and sanitation	<u>1,918</u>	<u>1,918</u>	<u>1,237</u>	<u>681</u>
Total expenditures	<u>1,918</u>	<u>1,918</u>	<u>1,237</u>	<u>681</u>
Excess (deficiency) of revenues over (under) expenses	<u>327</u>	<u>327</u>	<u>721</u>	<u>394</u>
Other financing sources (uses):				
Transfers out	<u>(281)</u>	<u>(281)</u>	<u>(180)</u>	<u>101</u>
Total other financing sources (uses)	<u>(281)</u>	<u>(281)</u>	<u>(180)</u>	<u>101</u>
Net change in fund balances	46	46	541	495
Fund balances, July 1, 2022	<u>4,755</u>	<u>4,755</u>	<u>4,755</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 4,801</u>	<u>\$ 4,801</u>	<u>\$ 5,296</u>	<u>\$ 495</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**JUDICIAL**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Licenses, permits, and franchises	\$ 80	\$ 80	\$ 154	\$ 74
Fines, forfeitures, and penalties	1,186	1,186	810	(376)
Revenue from use of money and property	4	4	(372)	(376)
Aid from other governmental agencies	98,760	98,760	111,399	12,639
Charges for current services	1,200	1,200	730	(470)
Other revenues	-	-	53	53
Total revenues	<u>101,230</u>	<u>101,230</u>	<u>112,774</u>	<u>11,544</u>
Expenditures:				
Public protection	<u>1,275</u>	<u>46</u>	<u>3,513</u>	<u>(3,467)</u>
Total expenditures	<u>1,275</u>	<u>46</u>	<u>3,513</u>	<u>(3,467)</u>
Excess (deficiency) of revenues over (under) expenses	<u>99,955</u>	<u>101,184</u>	<u>109,261</u>	<u>8,077</u>
Other financing sources (uses):				
Transfers out	<u>(103,494)</u>	<u>(104,723)</u>	<u>(103,524)</u>	<u>1,199</u>
Total other financing sources (uses)	<u>(103,494)</u>	<u>(104,723)</u>	<u>(103,524)</u>	<u>1,199</u>
Net change in fund balances	(3,539)	(3,539)	5,737	9,276
Fund balances, July 1, 2022	<u>42,302</u>	<u>42,302</u>	<u>42,302</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 38,763</u>	<u>\$ 38,763</u>	<u>\$ 48,039</u>	<u>\$ 9,276</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**OTHER PUBLIC PROTECTION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Taxes	\$ 179	\$ 179	\$ 284	\$ 105
Licenses, permits, and franchises	10,499	10,499	9,211	(1,288)
Fines, forfeitures, and penalties	39	39	120	81
Revenue from use of money and property	141	141	401	260
Aid from other governmental agencies	8	8	204	196
Charges for current services	2,455	2,455	1,925	(530)
Other revenues	8	8	7	(1)
Total revenues	<u>13,329</u>	<u>13,329</u>	<u>12,152</u>	<u>(1,177)</u>
Expenditures:				
Public protection	11,751	13,531	12,040	1,491
Debt service payments	44	44	44	-
Total expenditures	<u>11,795</u>	<u>13,575</u>	<u>12,084</u>	<u>1,491</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,534</u>	<u>(246)</u>	<u>68</u>	<u>314</u>
Other financing sources (uses):				
Transfers in	1,837	1,837	1,825	(12)
Transfers out	(4,392)	(5,192)	(2,807)	2,385
Total other financing sources (uses)	<u>(2,555)</u>	<u>(3,355)</u>	<u>(982)</u>	<u>2,373</u>
Net change in fund balances	(1,021)	(3,601)	(914)	2,687
Fund balances, July 1, 2022	<u>24,465</u>	<u>24,465</u>	<u>24,465</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 23,444</u>	<u>\$ 20,864</u>	<u>\$ 23,551</u>	<u>\$ 2,687</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 12,084
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(245)
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(108)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>11,731</u>
Actual Other Financing Sources amount budgetary basis from the budgetary comparison schedule	(982)
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(108)
Total Other Financing Sources (Uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (1,090)</u>



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PLANT ACQUISITION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 2	\$ 2	\$ 134	\$ 132
Charges for current services	-	-	112	112
Total revenues	<u>2</u>	<u>2</u>	<u>246</u>	<u>244</u>
Expenditures:				
General government	<u>1</u>	<u>1</u>	<u>3</u>	<u>(2)</u>
Total expenditures	<u>1</u>	<u>1</u>	<u>3</u>	<u>(2)</u>
Excess (deficiency) of revenues over (under) expenses	<u>1</u>	<u>1</u>	<u>243</u>	<u>242</u>
Fund balances, July 1, 2022	<u>6,295</u>	<u>6,295</u>	<u>6,295</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 6,296</u>	<u>\$ 6,296</u>	<u>\$ 6,538</u>	<u>\$ 242</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**POLICE PROTECTION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Taxes	\$ 30	\$ 30	\$ 33	\$ 3
Fines, forfeitures, and penalties	2,015	2,015	2,376	361
Revenue from use of money and property	115	115	214	99
Aid from other governmental agencies	29	29	673	644
Charges for current services	760	760	616	(144)
Other revenues	<u>2,180</u>	<u>2,180</u>	<u>2,075</u>	<u>(105)</u>
Total revenues	<u>5,129</u>	<u>5,129</u>	<u>5,987</u>	<u>858</u>
Expenditures:				
Public protection	<u>174</u>	<u>182</u>	<u>233</u>	<u>(51)</u>
Total expenditures	<u>174</u>	<u>182</u>	<u>233</u>	<u>(51)</u>
Excess (deficiency) of revenues over (under) expenses	<u>4,955</u>	<u>4,947</u>	<u>5,754</u>	<u>807</u>
Other financing sources (uses):				
Transfers out	<u>(7,320)</u>	<u>(8,062)</u>	<u>(4,692)</u>	<u>3,370</u>
Total other financing sources (uses)	<u>(7,320)</u>	<u>(8,062)</u>	<u>(4,692)</u>	<u>3,370</u>
Net change in fund balances	(2,365)	(3,115)	1,062	4,177
Fund balances, July 1, 2022	<u>9,771</u>	<u>9,771</u>	<u>9,771</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 7,406</u>	<u>\$ 6,656</u>	<u>\$ 10,833</u>	<u>\$ 4,177</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 233
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(19)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 214</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PROMOTION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 3	\$ 3	\$ 6	\$ 3
Total revenues	<u>3</u>	<u>3</u>	<u>6</u>	<u>3</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	<u>3</u>	<u>3</u>	<u>6</u>	<u>3</u>
Other financing sources (uses):				
Transfers out	<u>(30)</u>	<u>(30)</u>	<u>(30)</u>	<u>-</u>
Total other financing sources (uses)	<u>(30)</u>	<u>(30)</u>	<u>(30)</u>	<u>-</u>
Net change in fund balances	(27)	(27)	(24)	3
Fund balances, July 1, 2022	<u>183</u>	<u>183</u>	<u>183</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 156</u>	<u>\$ 156</u>	<u>\$ 159</u>	<u>\$ 3</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PROPERTY MANAGEMENT**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Licenses, permits, and franchises	\$ 400	\$ 400	\$ 377	\$ (23)
Revenue from use of money and property	38	38	82	44
Aid from other governmental agencies	-	-	3	3
Charges for current services	<u>1,238</u>	<u>1,238</u>	<u>505</u>	<u>(733)</u>
Total revenues	<u>1,676</u>	<u>1,676</u>	<u>967</u>	<u>(709)</u>
Expenditures:				
General government	2,306	2,382	1,900	482
Debt service payments	<u>21</u>	<u>21</u>	<u>21</u>	<u>-</u>
Total expenditures	<u>2,327</u>	<u>2,403</u>	<u>1,921</u>	<u>482</u>
Excess (deficiency) of revenues over (under) expenses	<u>(651)</u>	<u>(727)</u>	<u>(954)</u>	<u>(227)</u>
Other financing sources (uses):				
Transfers in	1,475	1,475	1,475	-
Transfers out	<u>(200)</u>	<u>(276)</u>	<u>(221)</u>	<u>55</u>
Total other financing sources (uses)	<u>1,275</u>	<u>1,199</u>	<u>1,254</u>	<u>55</u>
Net change in fund balances	624	472	300	(172)
Fund balances, July 1, 2022	<u>4,191</u>	<u>4,191</u>	<u>4,191</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 4,815</u>	<u>\$ 4,663</u>	<u>\$ 4,491</u>	<u>\$ (172)</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 1,921
Differences - budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	<u>(80)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 1,841</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PUBLIC ASSISTANCE ADMINISTRATION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 74	\$ 74	\$ 264	\$ 190
Aid from other governmental agencies	28,301	28,301	28,178	(123)
Charges for current services	7,097	7,097	4,329	(2,768)
Other revenues	5,777	5,777	765	(5,012)
Total revenues	<u>41,249</u>	<u>41,249</u>	<u>33,536</u>	<u>(7,713)</u>
Expenditures:				
Public assistance	<u>29,670</u>	<u>31,348</u>	<u>28,875</u>	<u>2,473</u>
Total expenditures	<u>29,670</u>	<u>31,348</u>	<u>28,875</u>	<u>2,473</u>
Excess (deficiency) of revenues over (under) expenses	<u>11,579</u>	<u>9,901</u>	<u>4,661</u>	<u>(5,240)</u>
Other financing sources (uses):				
Transfers in	14,403	14,403	13,695	(708)
Transfers out	<u>(24,672)</u>	<u>(26,279)</u>	<u>(20,312)</u>	<u>5,967</u>
Total other financing sources (uses)	<u>(10,269)</u>	<u>(11,876)</u>	<u>(6,617)</u>	<u>5,259</u>
Net change in fund balances	1,310	(1,975)	(1,956)	19
Fund balances, July 1, 2022	<u>26,755</u>	<u>26,755</u>	<u>26,755</u>	-
Fund balances, June 30, 2023	<u>\$ 28,065</u>	<u>\$ 24,780</u>	<u>\$ 24,799</u>	<u>\$ 19</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 28,875
Differences - budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	<u>(339)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 28,536</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PUBLIC WAYS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Taxes	\$ 2,705	\$ 2,705	\$ 2,897	\$ 192
Licenses, permits, and franchises	-	-	277	277
Fines, forfeitures, and penalties	-	-	14	14
Revenue from use of money and property	78	78	182	104
Charges for current services	(11)	(11)	581	592
Total revenues	<u>2,772</u>	<u>2,772</u>	<u>3,951</u>	<u>1,179</u>
Expenditures:				
Public ways and facilities	<u>3,559</u>	<u>3,710</u>	<u>2,727</u>	<u>983</u>
Total expenditures	<u>3,559</u>	<u>3,710</u>	<u>2,727</u>	<u>983</u>
Excess (deficiency) of revenues over (under) expenses	<u>(787)</u>	<u>(938)</u>	<u>1,224</u>	<u>2,162</u>
Other financing sources (uses):				
Transfers in	<u>109</u>	<u>109</u>	<u>35</u>	<u>(74)</u>
Total other financing sources (uses)	<u>109</u>	<u>109</u>	<u>35</u>	<u>(74)</u>
Net change in fund balances	(678)	(829)	1,259	2,088
Fund balances, July 1, 2022	<u>12,705</u>	<u>12,705</u>	<u>12,705</u>	-
Fund balances, June 30, 2023	<u>\$ 12,027</u>	<u>\$ 11,876</u>	<u>\$ 13,964</u>	<u>\$ 2,088</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 2,727
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(2)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,725</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**RECORDER**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Licenses, permits, and franchises	\$ 3	\$ 3	\$ 6	\$ 3
Revenue from use of money and property	22	22	100	78
Charges for current services	2,461	2,461	2,174	(287)
Other revenues	2	2	9	7
Total revenues	<u>2,488</u>	<u>2,488</u>	<u>2,289</u>	<u>(199)</u>
Expenditures:				
General government	-	-	54	(54)
Public protection	5,718	5,718	3,350	2,368
Total expenditures	<u>5,718</u>	<u>5,718</u>	<u>3,404</u>	<u>2,314</u>
Excess (deficiency) of revenues over (under) expenses	<u>(3,230)</u>	<u>(3,230)</u>	<u>(1,115)</u>	<u>2,115</u>
Other financing sources (uses):				
Transfers in	2,030	2,030	1,184	(846)
Transfers out	(68)	(68)	(68)	-
Total other financing sources (uses)	<u>1,962</u>	<u>1,962</u>	<u>1,116</u>	<u>(846)</u>
Net change in fund balances	(1,268)	(1,268)	1	1,269
Fund balances, July 1, 2022	<u>4,787</u>	<u>4,787</u>	<u>4,787</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 3,519</u>	<u>\$ 3,519</u>	<u>\$ 4,788</u>	<u>\$ 1,269</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount on budgetary basis from the budgetary comparison schedule	\$ 3,404
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(49)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 3,355</u>
Actual other financing sources amount on budgetary basis from the budgetary comparison schedule	1,116
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(49)
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in fund Balances	<u>\$ 1,067</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**RECREATION FACILITIES**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 1	\$ 1
Aid from other governmental agencies	126	126	120	(6)
Charges for current services	-	-	27	27
Other revenues	1	1	4	3
Total revenues	<u>127</u>	<u>127</u>	<u>152</u>	<u>25</u>
Expenditures:				
Culture and recreation	<u>41</u>	<u>41</u>	<u>46</u>	<u>(5)</u>
Total expenditures	<u>41</u>	<u>41</u>	<u>46</u>	<u>(5)</u>
Excess (deficiency) of revenues over (under) expenses	<u>86</u>	<u>86</u>	<u>106</u>	<u>20</u>
Other financing sources (uses):				
Transfers out	<u>(50)</u>	<u>(50)</u>	<u>-</u>	<u>50</u>
Total other financing sources (uses):	<u>(50)</u>	<u>(50)</u>	<u>-</u>	<u>50</u>
Net change in fund balances	36	36	106	70
Fund balances, July 1, 2022	<u>1,243</u>	<u>1,243</u>	<u>1,243</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 1,279</u>	<u>\$ 1,279</u>	<u>\$ 1,349</u>	<u>\$ 70</u>



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**ROADS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Taxes	\$ 464	\$ 464	\$ 385	\$ (79)
Licenses, permits, and franchises	2,210	2,210	2,246	36
Revenue from use of money and property	471	471	1,433	962
Aid from other governmental agencies	79,458	79,458	63,254	(16,204)
Charges for current services	2,517	2,517	1,984	(533)
Other revenues	151	151	166	15
Total revenues	<u>85,271</u>	<u>85,271</u>	<u>69,468</u>	<u>(15,803)</u>
Expenditures:				
Public ways and facilities	114,687	156,411	92,259	64,152
Debt service payments	19	19	19	-
Total expenditures	<u>114,706</u>	<u>156,430</u>	<u>92,278</u>	<u>64,152</u>
Excess (deficiency) of revenues over (under) expenses	<u>(29,435)</u>	<u>(71,159)</u>	<u>(22,810)</u>	<u>48,349</u>
Other financing sources (uses):				
Transfers in	39,721	39,721	6,381	(33,340)
Transfers out	(3,300)	(3,300)	-	3,300
Total other financing sources (uses)	<u>36,421</u>	<u>36,421</u>	<u>6,381</u>	<u>(30,040)</u>
Net change in fund balances	6,986	(34,738)	(16,429)	18,309
Fund balances, July 1, 2022	<u>69,155</u>	<u>69,155</u>	<u>69,155</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 76,141</u>	<u>\$ 34,417</u>	<u>\$ 52,726</u>	<u>\$ 18,309</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 92,278
Differences - budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(11,536)
Debt Service payments for pension obligation bonds are transfers out for financial reporting purposes	(499)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>80,243</u>
Actual other financing sources amount budgetary basis from the budgetary comparison schedule	6,381
Debt service payments for pension obligation bonds are transfers out for financial reporting purposes	(499)
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 5,882</u>

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUNDS DESCRIPTIONS**

The capital projects funds serve as depositories for revenues received from the sale of real property and such other revenue as designated by the Board of Supervisors. The Board of Supervisors generally appropriates these funds for capital outlay.

**Accumulated Capital Outlay** – General and Accumulated Capital Outlay – Fire – These funds provide the funding of lease payments, consisting of both interest and principal, on the Certificates of Participation issued by the County to finance the construction of various County facilities. These funds have been re-classified as Capital Projects funds as they are no longer making debt service payments.

**ARPA Projects** – This fund accounts for various infrastructure construction projects funded by the American Rescue Plan Act (ARPA).

**Psychiatric Health Facilities** – This fund accounts for the construction of two Psychiatric Health Facilities managed by the Behavioral Health and Recovery Services Department. The construction is funded by the issuance of the 2021 private placement loan.

**Tobacco Securitization Proceeds** – This fund accounts for the sale of rights to future tobacco settlement payments. The proceeds from the sale have been used to finance certain capital projects and to set up an endowment fund.

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

	<b>ACCUMULATED CAPITAL OUTLAY - FIRE</b>	<b>ACCUMULATED CAPITAL OUTLAY - GENERAL</b>	<b>ARPA PROJECTS</b>	<b>PSYCHIATRIC HEALTH FACILITY CONSTRUCTION</b>	<b>TOBACCO SECURIZATION PROCEEDS</b>	<b>TOTAL CAPITAL PROJECTS FUNDS</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Assets:						
Pooled cash and investments	\$ 296	\$ 101,454	\$ 81	\$ 13,984	\$ 29	\$ 115,844
Cash and investments deposited with trustee	-	-	-	-	33,311	33,311
Interest receivable	2	119	-	111	-	232
Due from other funds	-	-	52	-	-	52
Total assets	<u>298</u>	<u>101,573</u>	<u>133</u>	<u>14,095</u>	<u>33,340</u>	<u>149,439</u>
<b>FUND BALANCES</b>						
Accounts payable	\$ -	\$ 8,924	\$ 731	\$ 3,996	\$ -	\$ 13,651
Due to other funds	-	-	5	-	-	5
Total liabilities	-	8,924	736	3,996	-	13,656
Fund balances:						
Restricted	-	-	-	10,099	33,340	43,439
Assigned	298	92,649	-	-	-	92,947
Unassigned	-	-	(603)	-	-	(603)
Total fund balances	<u>298</u>	<u>92,649</u>	<u>(603)</u>	<u>10,099</u>	<u>33,340</u>	<u>135,783</u>
Total fund balances	<u>\$ 298</u>	<u>\$ 101,573</u>	<u>\$ 133</u>	<u>\$ 14,095</u>	<u>\$ 33,340</u>	<u>\$ 149,439</u>

**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>ACCUMULATED CAPITAL OUTLAY - FIRE</b>	<b>ACCUMULATED CAPITAL OUTLAY - GENERAL</b>	<b>ARPA PROJECTS</b>	<b>PSYCHIATRIC HEALTH FACILITY CONSTRUCTION</b>	<b>TOBACCO SECURIZATION PROCEEDS</b>	<b>TOTAL CAPITAL PROJECTS FUNDS</b>
Revenues:						
Revenue from use of money and property	\$ 6	\$ (3,118)	\$ (5)	\$ 848	\$ 509	\$ (1,760)
Aid from other governmental agencies	-	-	2,651	-	-	2,651
Total revenues	6	(3,118)	2,646	848	509	891
Expenditures:						
Capital outlay	-	8,924	3,249	16,494	6	28,673
Total expenditures	-	8,924	3,249	16,494	6	28,673
Excess (deficiency) of revenues over expenditures	6	(12,042)	(603)	(15,646)	503	(27,782)
Other financing sources (uses):						
Transfers in	-	95,500	-	-	-	95,500
Total other financing sources (uses)	-	95,500	-	-	-	95,500
Net change in fund balances	6	83,458	(603)	(15,646)	503	67,718
Fund balances, July 1, 2022	292	9,191	-	25,745	32,837	68,065
Fund balances, June 30, 2023	\$ 298	\$ 92,649	\$ (603)	\$ 10,099	\$ 33,340	\$ 135,783

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**ACCUMULATED CAPITAL OUTLAY - FIRE**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 4	\$ 4	\$ 6	\$ 2
Total revenues	<u>4</u>	<u>4</u>	<u>6</u>	<u>2</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenses	<u>4</u>	<u>4</u>	<u>6</u>	<u>2</u>
Net change in fund balances	4	4	6	2
Fund balances, July 1, 2022	<u>292</u>	<u>292</u>	<u>292</u>	<u>-</u>
Fund balances, July 30, 2023	<u>\$ 296</u>	<u>\$ 296</u>	<u>\$ 298</u>	<u>\$ 2</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**ACCUMULATED CAPITAL OUTLAY - GENERAL**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ 100	\$ 100	\$ (3,118)	\$ (3,218)
Total revenues	<u>100</u>	<u>100</u>	<u>(3,118)</u>	<u>(3,218)</u>
Expenditures:				
Capital outlay	-	95,500	8,924	86,576
Total expenditures	<u>-</u>	<u>95,500</u>	<u>8,924</u>	<u>86,576</u>
Excess (deficiency) of revenues over (under) expenses	<u>100</u>	<u>(95,400)</u>	<u>(12,042)</u>	<u>83,358</u>
Other financing sources (uses):				
Transfers in	95,500	95,500	95,500	-
Total other financing sources (uses)	<u>95,500</u>	<u>95,500</u>	<u>95,500</u>	<u>-</u>
Net change in fund balances	95,600	100	83,458	83,358
Fund balances, July 1, 2022	<u>9,191</u>	<u>9,191</u>	<u>9,191</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 104,791</u>	<u>\$ 9,291</u>	<u>\$ 92,649</u>	<u>\$ 83,358</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**ARPA PROJECTS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ (5)	\$ (5)
Aid from other governmental agencies	-	-	2,651	2,651
Total revenues	-	-	2,646	2,646
Expenditures:				
Capital outlay	-	33,974	7,467	26,507
Total expenditures	-	33,974	7,467	26,507
Excess (deficiency) of revenues over (under) expenses	-	(33,974)	(4,821)	29,153
Other financing sources (uses):				
Transfers in	33,974	33,974	-	(33,974)
Total other financing sources (uses)	33,974	33,974	-	(33,974)
Net change in fund balances	33,974	-	(4,821)	(4,821)
Fund balances, July 1, 2022	-	-	-	-
Fund balances, June 30, 2023	<u>\$ 33,974</u>	<u>\$ -</u>	<u>\$ (4,821)</u>	<u>\$ (4,821)</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 7,467
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(4,218)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 3,249</u>

**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**PSYCHIATRIC HEALTH FACILITY CONSTRUCTION**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 848	\$ 848
Total revenues	-	-	848	848
Expenditures:				
Capital outlay	-	30,232	31,150	(918)
Total expenditures	-	30,232	31,150	(918)
Excess (deficiency) of revenues over (under) expenses	-	(30,232)	(30,302)	(70)
Other financing sources (uses):				
Transfers in	2,620	2,620	-	(2,620)
Proceeds of long-term debt	27,612	27,612	-	(27,612)
Total other financing sources (uses)	30,232	30,232	-	(30,232)
Net change in fund balances	30,232	-	(30,302)	(30,302)
Fund balances, July 1, 2022	25,745	25,745	25,745	-
Fund balances, June 30, 2023	<u>\$ 55,977</u>	<u>\$ 25,745</u>	<u>\$ (4,557)</u>	<u>\$ (30,302)</u>

Explanation of differences between budgetary expenditures and GAAP expenditures:

Actual expenditure amount budgetary basis from the budgetary comparison schedule	\$ 31,150
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(14,656)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 16,494</u>



**COUNTY OF KERN**  
**BUDGETARY COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**  
**TOBACCO SECURIZATION PROCEEDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 509	\$ 509
Total revenues	-	-	509	509
Expenditures:				
Capital outlay	-	-	6	(6)
Total expenditures	-	-	6	(6)
Excess (deficiency) of revenues over (under) expenses	-	-	503	503
Net change in fund balances	-	-	503	503
Fund balances, July 1, 2022	32,837	32,837	32,837	-
Fund balances, June 30, 2023	<u>\$ 32,837</u>	<u>\$ 32,837</u>	<u>\$ 33,340</u>	<u>\$ 503</u>

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **DEBT SERVICE FUNDS DESCRIPTIONS**

Debt service funds account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

**Kern Asset Leasing Corporation** – This is a nonprofit entity that holds the capital assets constructed through the Certificates of Participation Program. Equipment and construction costs related to proprietary funds are recorded within each appropriate enterprise fund, and any cash related to the Certificates of Participation is designated as deposits with trustee.

**Pension Obligation Bond Trustee** – This fund administers the debt service payments related to the County's Pension Obligation Bonds.

**Public Services Financing Authority** – This fund administers the debt service payments related to the Lease Revenue Refunding Bonds.

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
JUNE 30, 2023 (IN THOUSANDS)**

	<b><u>KERN ASSET LEASING CORPORATION</u></b>	<b><u>PENSION OBLIGATION BOND TRUSTEE</u></b>	<b><u>PUBLIC SERVICES FINANCING AUTHORITY</u></b>	<b><u>TOTAL DEBT SERVICE FUNDS</u></b>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 2,814	\$ 2,814
Cash and investments deposited with trustee	-	281	-	281
Interest receivable	-	-	19	19
Total assets	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ 2,833</u>	<u>\$ 3,114</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
Fund balances:				
Restricted	<u>-</u>	<u>281</u>	<u>2,820</u>	<u>3,101</u>
Total fund balances	<u>-</u>	<u>281</u>	<u>2,820</u>	<u>3,101</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ 2,833</u>	<u>\$ 3,114</u>

**COUNTY OF KERN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>KERN ASSET LEASING CORPORATION</b>	<b>PENSION OBLIGATION BOND TRUSTEE</b>	<b>PUBLIC SERVICES FINANCING AUTHORITY</b>	<b>TOTAL DEBT SERVICE FUNDS</b>
Revenues:				
Revenue from use of money and property	\$ -	\$ 60	\$ 880	\$ 940
Other revenues	-	110	611	721
Total revenues	<u>-</u>	<u>170</u>	<u>1,491</u>	<u>1,661</u>
Expenditures:				
General government	-	(1)	681	680
Debt service:				
Principal	3,765	23,021	540	27,326
Interest	2,489	2,977	117	5,583
Total expenditures	<u>6,254</u>	<u>25,997</u>	<u>1,338</u>	<u>33,589</u>
Excess (deficiency) of revenues over expenditures	<u>(6,254)</u>	<u>(25,827)</u>	<u>153</u>	<u>(31,928)</u>
Other financing sources (uses) :				
Transfers in	6,254	25,887	-	32,141
Total other financing sources (uses)	<u>6,254</u>	<u>25,887</u>	<u>-</u>	<u>32,141</u>
Net change in fund balances	-	60	153	213
Fund balances, July 1, 2022	-	221	2,667	2,888
Fund balances, June 30, 2023	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ 2,820</u>	<u>\$ 3,101</u>



**NON-MAJOR  
ENTERPRISE FUNDS**



## **NON-MAJOR ENTERPRISE FUNDS**

### **FUNDS DESCRIPTIONS**

Enterprise funds are used to account for operations: (a) that are financed and operated in a similar manner to a private business (where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges) or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**County Sanitation Districts** - These funds consist of two sanitation districts, Kern Sanitation Authority and Ford City-Taft Heights Sanitation District. These funds are administered by the Public Works Department, which is responsible for the planning, design, construction, operations, and maintenance of the County's sanitation districts.

**Golf Courses** - This fund is used to finance new capital improvements and replace existing capital improvements as necessary. Revenues are generated primarily from a percentage of user fees collected by the lessee.

**Public Transportation** - This fund is administered by the Public Works Department and provides for the planning, development and management of public transportation for intercity routes and unincorporated areas of Kern County.

**Universal Collection** - This fund is administered by the Public Works Department and segregates the revenues and expenses related to hauling of residential waste from the universal collection area that encompasses the more densely populated unincorporated areas of metropolitan Bakersfield, South Taft, Lost Hills, Rosamond and South Shafter.

**COUNTY OF KERN**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2023 (IN THOUSANDS)**

	<b>COUNTY SANITATION DISTRICTS</b>	<b>GOLF COURSE</b>	<b>PUBLIC TRANSPORTATION</b>	<b>UNIVERSAL COLLECTION</b>	<b>TOTAL NON- MAJOR ENTERPRISE FUNDS</b>
<b>ASSETS</b>					
Current assets:					
Pooled cash and investments	\$ 22,987	\$ 946	\$ 12,158	\$ 3,937	\$ 40,028
Interest receivable	164	6	88	30	288
Accounts receivable, net	25	-	25	-	50
Accrued revenue	-	-	1,918	-	1,918
Lease receivables	13	-	-	-	13
Due from other funds	28	-	30	-	58
Total current assets	<u>23,217</u>	<u>952</u>	<u>14,219</u>	<u>3,967</u>	<u>42,355</u>
Noncurrent assets:					
Taxes receivable	797	-	-	2,637	3,434
Investment in joint ventures	2,935	-	-	-	2,935
Capital Assets:					
Non-depreciable					
Land	603	65	187	-	855
Construction in progress	7,368	-	1,478	-	8,846
Depreciable					
Structures and improvements	9,163	6,483	2,323	-	17,969
Equipment	1,951	-	17,468	-	19,419
Intangible	36	-	248	-	284
Infrastructure	25,029	-	-	-	25,029
Accumulated depreciation and amortization	<u>(16,613)</u>	<u>(4,260)</u>	<u>(13,585)</u>	<u>-</u>	<u>(34,458)</u>
Total noncurrent assets	<u>31,269</u>	<u>2,288</u>	<u>8,119</u>	<u>2,637</u>	<u>44,313</u>
Total assets	<u><u>54,486</u></u>	<u><u>3,240</u></u>	<u><u>22,338</u></u>	<u><u>6,604</u></u>	<u><u>86,668</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred OPEB	107	-	33	-	140
Deferred pensions	1,394	-	680	-	2,074
Total deferred outflows of resources	<u>\$ 1,501</u>	<u>\$ -</u>	<u>\$ 713</u>	<u>\$ -</u>	<u>\$ 2,214</u>



	<b>COUNTY SANITATION DISTRICTS</b>	<b>GOLF COURSE</b>	<b>PUBLIC TRANSPORTATION</b>	<b>UNIVERSAL COLLECTION</b>	<b>TOTAL NON- MAJOR ENTERPRISE FUNDS</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 2,422	\$ -	\$ 545	\$ 1,631	\$ 4,598
Deposits	147	-	-	-	147
Due to other funds	8	-	10	-	18
Unearned revenue	22	-	2,323	-	2,345
Current portion of long-term debt	31	-	9	-	40
Interest payable - current	7	-	2	-	9
Current portion of compensated absences	302	-	92	-	394
Total current liabilities	<u>2,939</u>	<u>-</u>	<u>2,981</u>	<u>1,631</u>	<u>7,551</u>
Non current liabilities:					
Compensated absences payable	117	-	36	-	153
Long-term debt - pension obligation bonds	126	-	38	-	164
Long-term - Interest payable	103	-	31	-	134
Net OPEB liability	167	-	51	-	218
Net pension liabilities	4,944	-	4,267	-	9,211
Total non current liabilities	<u>5,457</u>	<u>-</u>	<u>4,423</u>	<u>-</u>	<u>9,880</u>
Total liabilities	<u>8,396</u>	<u>-</u>	<u>7,404</u>	<u>1,631</u>	<u>17,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred lease proceeds	14	-	-	-	14
Deferred pensions	234	-	202	-	436
Deferred OPEB	60	-	18	-	78
Total deferred inflows of resources	<u>308</u>	<u>-</u>	<u>220</u>	<u>-</u>	<u>528</u>
<b>NET POSITION</b>					
Net investment in capital assets Restricted	27,539	2,288	8,121	-	37,948
Investment in joint ventures	2,870	-	-	-	2,870
Unrestricted (deficit)	16,874	952	7,306	4,973	30,105
Total net position	<u>\$ 47,283</u>	<u>\$ 3,240</u>	<u>\$ 15,427</u>	<u>\$ 4,973</u>	<u>\$ 70,923</u>

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>COUNTY SANITATION DISTRICTS</b>	<b>GOLF COURSE</b>	<b>PUBLIC TRANSPORTATION</b>	<b>UNIVERSAL COLLECTION</b>	<b>TOTAL NON- MAJOR ENTERPRISE FUNDS</b>
Operating Revenues:					
Charges for current services	\$ 7,387	\$ 316	\$ 587	\$ 21,668	\$ 29,958
Fines, forfeitures, and penalties	1	-	-	-	1
Revenue from use of money and property	171	-	56	-	227
Other revenues	-	-	4	-	4
Total operating revenues	<u>7,559</u>	<u>316</u>	<u>647</u>	<u>21,668</u>	<u>30,190</u>
Operating expenses:					
Services and supplies	3,976	252	11,396	20,172	35,796
Other charges	69	58	(6)	21	142
Depreciation and amortization	724	148	1,368	-	2,240
Total operating expenses	<u>4,769</u>	<u>458</u>	<u>12,758</u>	<u>20,193</u>	<u>38,178</u>
Operating income (loss)	<u>2,790</u>	<u>(142)</u>	<u>(12,111)</u>	<u>1,475</u>	<u>(7,988)</u>
Nonoperating Revenues					
(Expenditures):					
Taxes and assessments	-	-	9,683	-	9,683
Fines, forfeitures and penalties	89	-	-	230	319
Licenses, permits and franchises	228	-	-	-	228
Interest on bank deposits and investments	504	21	148	(28)	645
Aid from other governmental agencies	1,154	-	4,914	-	6,068
Interest expense	(20)	-	(6)	-	(26)
Gain (loss) on sale of capital assets	-	-	5	-	5
Total nonoperating revenues (expenditures)	<u>1,955</u>	<u>21</u>	<u>14,744</u>	<u>202</u>	<u>16,922</u>
Change in net position	4,745	(121)	2,633	1,677	8,934
Net position, July 1, 2022	42,538	3,361	12,794	3,296	61,989
Net position, June 30, 2023	<u>\$ 47,283</u>	<u>\$ 3,240</u>	<u>\$ 15,427</u>	<u>\$ 4,973</u>	<u>\$ 70,923</u>

**COUNTY OF KERN**  
**STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**  
**PAGE 1 OF 2**

	<b>COUNTY SANITATION DISTRICTS</b>	<b>GOLF COURSE</b>	<b>PUBLIC TRANSPORTATION</b>	<b>UNIVERSAL COLLECTION</b>	<b>TOTAL NON- MAJOR ENTERPRISE FUNDS</b>
<b>CASH FROM OPERATING ACTIVITIES:</b>					
Cash received for current services	\$ 7,415	\$ 316	\$ 613	\$ 20,309	\$ 28,653
Cash received for use of property	174	-	56	-	230
Cash paid for services and supplies	(2,394)	(253)	(9,643)	(18,541)	(30,831)
Cash paid for other charges	(65)	(57)	7	(21)	(136)
Net cash provided (used) by operating activities	<u>5,130</u>	<u>6</u>	<u>(8,967)</u>	<u>1,747</u>	<u>(2,084)</u>
<b>CASH FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Cash received from taxes and special assessments	228	-	9,683	-	9,911
Aid from other governmental agencies	1,164	-	3,592	-	4,756
Fines, forfeitures and penalties	89	-	-	230	319
Principal paid on pension obligation bonds	(45)	-	(14)	-	(59)
Interest paid on pension obligation bonds	(6)	-	(2)	-	(8)
Net cash provided (used) by non-capital financing activities	<u>1,430</u>	<u>-</u>	<u>13,259</u>	<u>230</u>	<u>14,919</u>
<b>CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition or construction of capital assets	(7,247)	-	(1,489)	-	(8,736)
Proceeds from sale/disposition of assets	-	-	5	-	5
Net cash provided (used) by capital and related financing activities	<u>(7,247)</u>	<u>-</u>	<u>(1,484)</u>	<u>-</u>	<u>(8,731)</u>
<b>CASH FROM INVESTING ACTIVITIES:</b>					
Interest on bank deposits and investments	387	16	85	(47)	441
Investment in joint venture	(65)	-	-	-	(65)
Net cash provided (used) by investing activities	<u>322</u>	<u>16</u>	<u>85</u>	<u>(47)</u>	<u>376</u>
Net cash increase (decreases) in cash and cash equivalents	(365)	22	2,893	1,930	4,480
Cash and cash equivalents at beginning of period	<u>23,352</u>	<u>924</u>	<u>9,265</u>	<u>2,007</u>	<u>35,548</u>
Cash and cash equivalents at end of period	<u>22,987</u>	<u>946</u>	<u>12,158</u>	<u>3,937</u>	<u>40,028</u>

**COUNTY OF KERN**  
**STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**  
**PAGE 2 OF 2**

	<b>COUNTY SANITATION DISTRICTS</b>	<b>GOLF COURSE</b>	<b>PUBLIC TRANSPORTATION</b>	<b>UNIVERSAL COLLECTION</b>	<b>TOTAL NON- MAJOR ENTERPRISE FUNDS</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	2,790	(142)	(12,111)	1,475	(7,988)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and Amortization	724	148	1,368	-	2,240
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	111	-	8	-	119
(Increase) decrease in special assessment receivable	(76)	-	-	(1,358)	(1,434)
(Increase) decrease in accrued revenue	-	-	17	-	17
(Increase) decrease in lease receivables	5	-	-	-	5
(Increase) decrease in due from others	(24)	-	(19)	-	(43)
(Increase) decrease in deferred outflows of resources	(598)	-	28	-	(570)
Increase (decrease) in accounts payable	738	-	(167)	1,630	2,201
Increase (decrease) in due to others	(15)	-	10	-	(5)
Increase (decrease) in deferred inflows of resources	(635)	-	(358)	-	(993)
Increase (decrease) in compensated absences payable	106	-	(136)	-	(30)
Increase (decrease) in net OPEB liability	25	-	(73)	-	(48)
Increase (decrease) in net pension liability	1,979	-	2,466	-	4,445
Total adjustments	<u>2,340</u>	<u>148</u>	<u>3,144</u>	<u>272</u>	<u>5,904</u>
Net cash provided (used) by operating activities	<u>\$ 5,130</u>	<u>\$ 6</u>	<u>\$ (8,967)</u>	<u>\$ 1,747</u>	<u>\$ (2,084)</u>



**INTERNAL SERVICE FUNDS**



## INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal service funds account for services furnished to other County departments and are financed primarily by charges for such services. Because the internal service funds are separated from the regular County operations, they are free to employ commercial accounting techniques and are often used in situations where a more accurate determination of costs is desired.

**General Liability** - This fund provides for the funding, administration, and operation of a self-insured system to meet the County's legal liability for damages to persons and/or property arising out of the County's general and automotive activities.

**General Services - Garage** - This fund provides funding for the purchase and maintenance service for vehicles assigned operationally to County departments, excluding those departments that maintain and operate their own vehicle fleets (Parks, Fire, Roads, Airports, and Sheriffs Lerdo Facility).

**Group Health** - This fund provides for the funding, administration, and operation of the County employees' health and dental insurance plans. This fund is administered by the County Administrative Office and is financed through charges to the operating departments and special districts enrolled in the program.

**Public Works** - This fund provides for the administrative activities for the Roads, Public Transit, Waste Management, Engineering, Surveying and Permit Services, Code Compliance, and Building Inspection budget units.

**Retiree Group Health** - This fund provides for the County's contributions to the Retired Employees Health Insurance and the Retiree Premium Support Program.

**Unemployment Compensation** - This fund provides for the funding, administration, and operation of the Unemployment Compensation Program to meet the County's obligation of providing unemployment benefits to former employees eligible under State law.

**Workers' Compensation** - This fund provides for the funding, administration, and operation of the self-insured system to meet the County's statutory obligation to compensate its employees for work related injuries and illnesses.

**COUNTY OF KERN**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2023 (IN THOUSANDS)**  
**PAGE 1 OF 2**

	<b>GENERAL LIABILITY</b>	<b>GENERAL SERVICES - GARAGE</b>	<b>GROUP HEALTH</b>	<b>PUBLIC WORKS</b>
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 21,649	\$ 9,055	\$ 79,928	\$ 9,348
Revolving fund cash	-	-	-	1
Interest receivable	157	60	538	45
Accounts receivable, net	-	-	-	32
Accrued revenue	-	-	1,132	96
Due from other funds	-	-	-	303
Inventory - materials and supplies	-	86	-	484
Total current assets	<u>21,806</u>	<u>9,201</u>	<u>81,598</u>	<u>10,309</u>
Noncurrent assets:				
Deposits with others	-	-	1,519	-
Capital assets:				
Depreciable				
Equipment	-	7,365	-	729
Intangible	-	37	1,752	18
Accumulated depreciation and amortization	-	(4,961)	(876)	(274)
Total noncurrent assets	<u>-</u>	<u>2,441</u>	<u>2,395</u>	<u>473</u>
Total assets	<u>21,806</u>	<u>11,642</u>	<u>83,993</u>	<u>10,782</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred OPEB	-	73	-	-
Deferred pensions	-	275	-	-
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ -</u>



	<b>GENERAL LIABILITY</b>	<b>GENERAL SERVICES - GARAGE</b>	<b>GROUP HEALTH</b>	<b>PUBLIC WORKS</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 37	\$ 3,160	\$ 342
Salaries and employee benefits payable	-	25	-	2,036
Due to other funds	-	-	-	66
Due to other agencies	-	-	332	-
Current portion of long-term debt	-	14	-	-
Interest payable - current	-	3	-	-
Current portion of compensated absences	-	47	-	-
Current portion of Liability for Self-Insurance	351	-	10,968	-
Total current liabilities	<u>351</u>	<u>126</u>	<u>14,460</u>	<u>2,444</u>
Non current liabilities:				
Compensated absences payable	-	23	-	-
Long-term debt - pension obligation bonds	-	57	-	-
Long-term - Interest payable	-	47	-	-
Long-term liability for self insurance	35,171	-	-	-
Net OPEB liability	-	114	-	-
Net pension liabilities	-	1,108	-	-
Total non current liabilities	<u>35,171</u>	<u>1,349</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>35,522</u>	<u>1,475</u>	<u>14,460</u>	<u>2,444</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	-	52	-	-
Deferred OPEB	-	41	-	-
Total deferred inflows of resources	<u>-</u>	<u>93</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	2,441	876	473
Restricted	-	-	1,519	1
Unrestricted (deficit)	(13,716)	7,981	67,138	7,864
Total net position	<u>\$ (13,716)</u>	<u>\$ 10,422</u>	<u>\$ 69,533</u>	<u>\$ 8,338</u>

**COUNTY OF KERN**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2023 (IN THOUSANDS)**  
**PAGE 2 OF 2**

	<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS COMPENSATION</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 3,280	\$ 4,570	\$ 11,848	\$ 139,678
Revolving fund cash	-	-	-	1
Interest receivable	16	32	102	950
Accounts receivable, net	-	-	-	32
Accrued revenue	-	-	645	1,873
Due from other funds	-	-	-	303
Inventory - materials and supplies	-	-	-	570
Total current assets	<u>3,296</u>	<u>4,602</u>	<u>12,595</u>	<u>143,407</u>
Noncurrent assets:				
Deposits with others	-	-	385	1,904
Capital assets:				
Depreciable				
Equipment	-	-	-	8,094
Intangible	-	-	-	1,807
Accumulated depreciation and amortization	-	-	-	(6,111)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>385</u>	<u>5,694</u>
Total assets	<u>3,296</u>	<u>4,602</u>	<u>12,980</u>	<u>149,101</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred OPEB	-	-	-	73
Deferred pensions	-	-	-	275
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348</u>

	<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS COMPENSATION</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 567	\$ 4,106
Salaries and employee benefits payable	-	-	-	2,061
Due to other funds	-	-	-	66
Due to other agencies	-	-	-	332
Current portion of long-term debt	-	-	-	14
Interest payable - current	-	-	-	3
Current portion of compensated absences	-	-	-	47
Current portion of Liability for Self-Insurance	-	407	15,678	27,404
Total current liabilities	-	407	16,245	34,033
Non current liabilities:				
Compensated absences payable	-	-	-	23
Long-term debt - pension obligation bonds	-	-	-	57
Long-term - Interest payable	-	-	-	47
Long-term liability for self insurance	-	-	55,421	90,592
Net OPEB liability	-	-	-	114
Net pension liabilities	-	-	-	1,108
Total non current liabilities	-	-	55,421	91,941
Total liabilities	-	407	71,666	125,974
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	-	-	-	52
Deferred OPEB	-	-	-	41
Total deferred inflows of resources	-	-	-	93
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	3,790
Restricted	-	-	-	1,520
Unrestricted (deficit)	3,296	4,195	(58,686)	18,072
Total net position	\$ 3,296	\$ 4,195	\$ (58,686)	\$ 23,382

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>GENERAL LIABILITY</b>	<b>GENERAL SERVICES - GARAGE</b>	<b>GROUP HEALTH</b>	<b>PUBLIC WORKS</b>
Operating Revenues:				
Charges for current services	\$ 11,464	\$ 3,075	\$ 138,628	\$ 71,002
Other revenues	7	70	-	1
Total operating revenues	<u>11,471</u>	<u>3,145</u>	<u>138,628</u>	<u>71,003</u>
Operating expenses:				
Salaries and employee benefits	-	569	-	57,239
Services and supplies	7,446	1,314	8,235	12,201
Other charges	1,842	119	576	1,142
Depreciation and amortization	-	459	117	89
Claims Incurred	(1,782)	-	134,543	-
Total operating expenses	<u>7,506</u>	<u>2,461</u>	<u>143,471</u>	<u>70,671</u>
Operating income (loss)	<u>3,965</u>	<u>684</u>	<u>(4,843)</u>	<u>332</u>
Nonoperating Revenues (Expenditures):				
Interest on bank deposits and investments	331	137	1,790	51
Aid from other governmental agencies	-	-	112	197
Other revenues	-	208	-	-
Interest expense	-	(9)	-	-
Gain (loss) on sale of capital assets	-	15	-	-
Total nonoperating revenues (expenditures)	<u>331</u>	<u>351</u>	<u>1,902</u>	<u>248</u>
Income (loss) before operating transfers	<u>4,296</u>	<u>1,035</u>	<u>(2,941)</u>	<u>580</u>
Transfers in	-	-	-	6,971
Transfers out	-	-	-	(6,421)
Change in net position	4,296	1,035	(2,941)	1,130
Net position, July 1, 2022	(18,012)	9,387	72,474	7,208
Net position, June 30, 2023	<u>\$ (13,716)</u>	<u>\$ 10,422</u>	<u>\$ 69,533</u>	<u>\$ 8,338</u>

	<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS COMPENSATION</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
Operating Revenues:				
Charges for current services	\$ 9,249	\$ 1,998	\$ 20,851	\$ 256,267
Other revenues	-	-	428	506
Total operating revenues	<u>9,249</u>	<u>1,998</u>	<u>21,279</u>	<u>256,773</u>
Operating expenses:				
Salaries and employee benefits	8,163	-	-	65,971
Services and supplies	180	24	6,209	35,609
Other charges	41	2	(122)	3,600
Depreciation and amortization	-	-	-	665
Claims Incurred	-	844	21,921	155,526
Total operating expenses	<u>8,384</u>	<u>870</u>	<u>28,008</u>	<u>261,371</u>
Operating income (loss)	<u>865</u>	<u>1,128</u>	<u>(6,729)</u>	<u>(4,598)</u>
Nonoperating Revenues (Expenditures):				
Interest on bank deposits and investments	17	55	244	2,625
Aid from other governmental agencies	-	-	-	309
Other revenues	-	-	-	208
Interest expense	-	-	-	(9)
Gain (loss) on sale of capital assets	-	-	-	15
Total nonoperating revenues (expenditures)	<u>17</u>	<u>55</u>	<u>244</u>	<u>3,148</u>
Income (loss) before operating transfers	<u>882</u>	<u>1,183</u>	<u>(6,485)</u>	<u>(1,450)</u>
Transfers in	-	-	-	6,971
Transfers out	-	-	-	(6,421)
Change in net position	882	1,183	(6,485)	(900)
Net position, July 1, 2022	2,414	3,012	(52,201)	24,282
Net position, June 30, 2023	<u>\$ 3,296</u>	<u>\$ 4,195</u>	<u>\$ (58,686)</u>	<u>\$ 23,382</u>

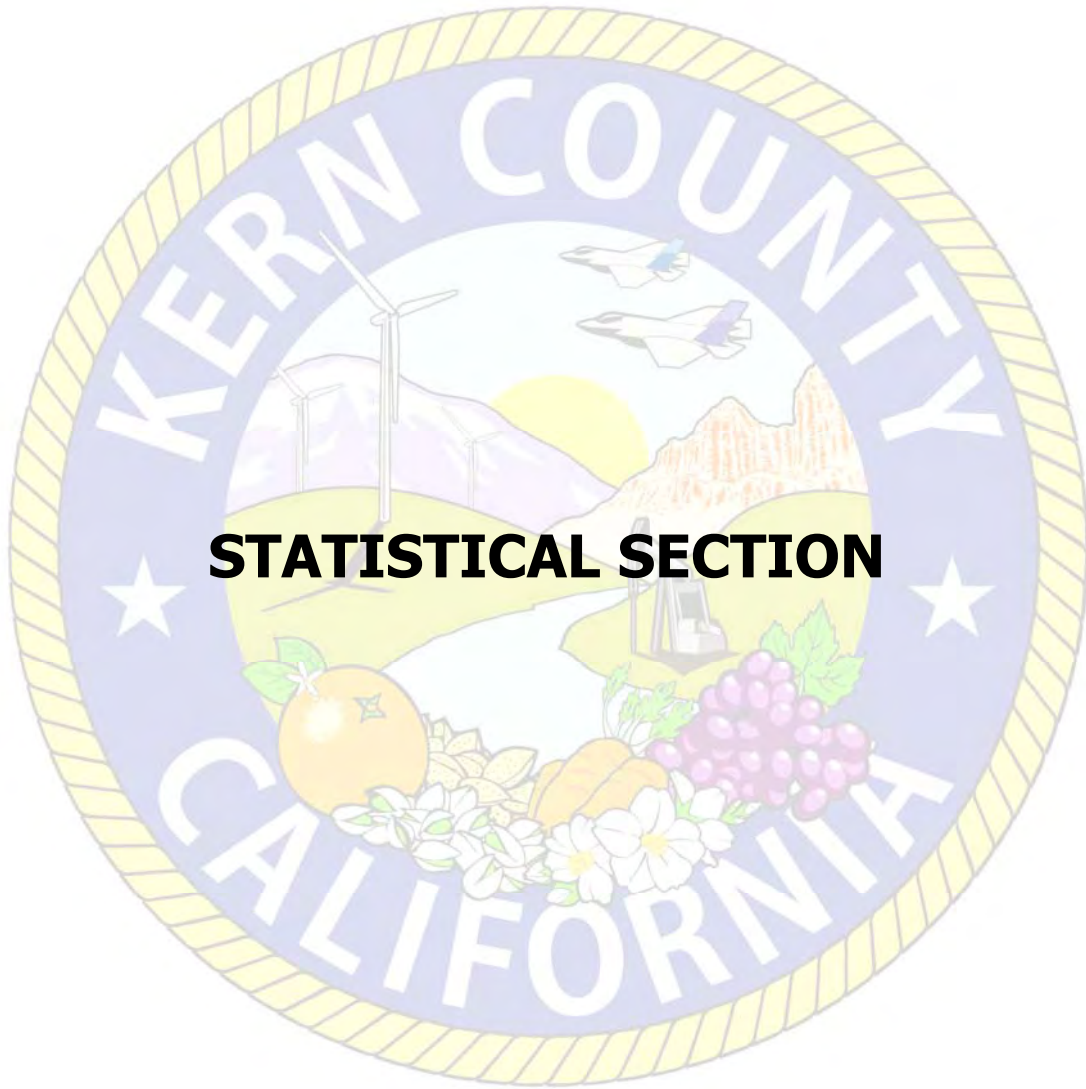
**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<b>GENERAL LIABILITY</b>	<b>GENERAL SERVICES - GARAGE</b>	<b>GROUP HEALTH</b>	<b>PUBLIC WORKS</b>
<b>CASH FROM OPERATING ACTIVITIES:</b>				
Cash received for current services	\$ 11,464	\$ 3,074	\$ 137,494	\$ 71,072
Cash received from interfund services provided	-	70	-	-
Cash received for other operations	7	-	-	1
Cash paid for services and supplies	(7,445)	(1,296)	(5,137)	(11,962)
Cash paid for other charges	(1,843)	(119)	(577)	(1,139)
Cash paid for salaries and benefits	-	(774)	-	(56,953)
Cash paid for reported claims	-	-	(137,244)	-
Net cash provided (used) by operating activities	<u>2,183</u>	<u>955</u>	<u>(5,464)</u>	<u>1,019</u>
<b>CASH FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other funds	-	-	-	550
Aid from other governmental agencies	-	208	112	197
Principal paid on pension obligation bonds	-	(20)	-	-
Interest paid on pension obligation bonds	-	(3)	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>185</u>	<u>112</u>	<u>747</u>
<b>CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition or construction of capital assets	-	(205)	-	(91)
Proceeds from sale/disposition of assets	-	15	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(190)</u>	<u>-</u>	<u>(91)</u>
<b>CASH FROM INVESTING ACTIVITIES:</b>				
Interest on bank deposits and investments	227	97	1,465	17
Net cash provided (used) by investing activities	<u>227</u>	<u>97</u>	<u>1,465</u>	<u>17</u>
Net cash increase (decreases) in cash and cash equivalents	2,410	1,047	(3,887)	1,692
Cash and cash equivalents at beginning of period	19,239	8,008	83,815	7,657
Cash and cash equivalents at end of period	<u>21,649</u>	<u>9,055</u>	<u>79,928</u>	<u>9,349</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	3,965	684	(4,843)	332
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and Amortization	-	459	117	89
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	(30)
(Increase) decrease in inventory	-	(14)	-	(16)
(Increase) decrease in accrued revenue	-	-	(1,132)	(29)
(Increase) decrease in due from others	-	-	-	128
(Increase) decrease in deferred outflows of resources	-	(49)	-	-
Increase (decrease) in accounts payable	-	32	3,096	205
Increase (decrease) in salaries & benefits payable	-	5	-	285
Increase (decrease) in due to others	-	-	-	55
Increase (decrease) in deferred inflows of resources	-	(259)	-	-
Increase (decrease) in compensated absences payable	-	14	-	-
Increase (decrease) in provision for liability claims	(1,782)	-	(2,702)	-
Increase (decrease) in net OPEB liability	-	(21)	-	-
Increase (decrease) in net pension liability	-	104	-	-
Total adjustments	<u>(1,782)</u>	<u>271</u>	<u>(621)</u>	<u>687</u>
Net cash provided (used) by operating activities:	<u>\$ 2,183</u>	<u>\$ 955</u>	<u>\$ (5,464)</u>	<u>\$ 1,019</u>

	<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS COMPENSATION</b>	<b>TOTAL</b>
<b>CASH FROM OPERATING ACTIVITIES:</b>				
Cash received for current services	\$ 9,249	\$ 1,998	\$ 20,851	\$ 255,202
Cash received from interfund services provided	-	-	-	70
Cash received for other operations	-	-	428	436
Cash paid for services and supplies	(179)	(26)	(5,886)	(31,931)
Cash paid for other charges	(42)	-	123	(3,597)
Cash paid for salaries and benefits	(8,163)	-	-	(65,890)
Cash paid for reported claims	-	(1,203)	(15,241)	(153,688)
	<u>865</u>	<u>769</u>	<u>275</u>	<u>602</u>
Net cash provided (used) by operating activities				
<b>CASH FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other funds	-	-	-	550
Aid from other governmental agencies	-	-	-	517
Principal paid on pension obligation bonds	-	-	-	(20)
Interest paid on pension obligation bonds	-	-	-	(3)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
Net cash provided (used) by noncapital financing activities	-	-	-	1,044
<b>CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition or construction of capital assets	-	-	-	(296)
Proceeds from sale/disposition of assets	-	-	-	15
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>
Net cash provided (used) by capital and related financing activities	-	-	-	(281)
<b>CASH FROM INVESTING ACTIVITIES:</b>				
Interest on bank deposits and investments	7	33	179	2,025
	<u>7</u>	<u>33</u>	<u>179</u>	<u>2,025</u>
Net cash provided (used) by investing activities	7	33	179	2,025
Net cash increase (decreases) in cash and cash equivalents	872	802	454	3,390
Cash and cash equivalents at beginning of period	2,408	3,768	11,394	136,289
Cash and cash equivalents at end of period	<u>3,280</u>	<u>4,570</u>	<u>11,848</u>	<u>139,679</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	865	1,128	(6,729)	(4,598)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and Amortization	-	-	-	665
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	(30)
(Increase) decrease in inventory	-	-	-	(30)
(Increase) decrease in accrued revenue	-	-	-	(1,161)
(Increase) decrease in due from others	-	-	-	128
(Increase) decrease in deferred outflows of resources	-	-	-	(49)
Increase (decrease) in accounts payable	-	-	323	3,656
Increase (decrease) in salaries & benefits payable	-	-	-	290
Increase (decrease) in due to others	-	-	-	55
Increase (decrease) in deferred inflows of resources	-	-	-	(259)
Increase (decrease) in compensated absences payable	-	-	-	14
Increase (decrease) in provision for liability claims	-	(359)	6,681	1,838
Increase (decrease) in net OPEB liability	-	-	-	(21)
Increase (decrease) in net pension liability	-	-	-	104
	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
Total adjustments	-	(359)	7,004	5,200
Net cash provided (used) by operating activities:	<u>\$ 865</u>	<u>\$ 769</u>	<u>\$ 275</u>	<u>\$ 602</u>







**STATISTICAL SECTION**



**CONTENTS**

**Financial Trends**

The financial trend schedules contain trend information to assist the reader in understanding how the County's financial performance and well-being have changed over time and to help the reader follow the direction the County's economic condition is heading. These schedules also provide information to assist the user in comprehending how spending priorities and funding sources have changed from year to year.

**Revenue Capacity**

The revenue capacity schedules contain information to help the reader assess the factors affecting the County's ability to generate its most significant revenue source, property taxes. The schedules have information to help the user assess the tax burden on the taxpayers. Information is provided to help the user evaluate whether the County is disproportionately dependent on a single taxpayer.

**Debt Capacity**

The debt capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. Information is provided to give users an idea of the burden of debt on the taxpayers, both the direct burden and the portion of debt issued by other governmental entities for which the County's taxpayers are responsible.

**Demographic and Economic Information**

The demographic and economic information schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information**

The operating information schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The schedules provide information to give the user a sense of the size of the County, the types of services it provides, the volume of these services and the non-financial resources used to provide those services.

**Source:** Unless otherwise noted, the information in the statistical schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant years.

**COUNTY OF KERN**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEAR (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>GOVERNMENTAL ACTIVITIES</b>					
Net investment in capital assets	\$ 1,726,834	\$ 1,750,564	\$ 1,770,797	\$ 1,840,822	\$ 1,875,532
Restricted	347,207	375,293	381,142	397,190	405,102
Unrestricted (deficit)	(294,565)	(1,805,642)	(1,708,445)	(1,713,301)	(1,689,857)
Total governmental activities net position	<u>\$ 1,779,476</u>	<u>\$ 320,215</u>	<u>\$ 443,494</u>	<u>\$ 524,711</u>	<u>\$ 590,777</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net investment in capital assets	\$ 180,025	\$ 198,605	\$ 204,567	\$ 184,012	\$ 192,196
Restricted	15,231	10,601	8,567	-	2,402
Unrestricted (deficit)	(114,309)	(450,784)	(405,360)	(27,323)	(16,973)
Total business-type activities net position	<u>80,947</u>	<u>(241,578)</u>	<u>(192,226)</u>	<u>156,689</u>	<u>177,625</u>
<b>PRIMARY GOVERNMENT</b>					
Net investment in capital assets	\$ 1,906,859	\$ 1,949,169	\$ 1,975,364	\$ 2,024,834	\$ 2,067,728
Restricted	362,438	385,894	389,709	397,190	407,504
Unrestricted (deficit)	(408,874)	(2,256,426)	(2,113,805)	(1,740,624)	(1,706,830)
Total primary government net position	<u>\$ 1,860,423</u>	<u>\$ 78,637</u>	<u>\$ 251,268</u>	<u>\$ 681,400</u>	<u>\$ 768,402</u>

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GOVERNMENTAL ACTIVITIES</b>					
Net investment in capital assets	\$ 1,852,704	\$ 1,849,934	\$ 1,919,459	\$ 1,954,070	\$ 1,976,880
Restricted	443,866	(1,244,015)	651,515	811,872	825,363
Unrestricted (deficit)	<u>(1,586,845)</u>	<u>100,505</u>	<u>(1,500,323)</u>	<u>(1,306,381)</u>	<u>(994,266)</u>
Total governmental activities net position	<u>\$ 709,725</u>	<u>\$ 706,424</u>	<u>\$ 1,070,651</u>	<u>\$ 1,459,561</u>	<u>\$ 1,807,977</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net investment in capital assets	\$ 208,752	\$ 525,117	\$ 233,771	\$ 242,888	\$ 248,035
Restricted	2,274	8,424	2,787	2,870	2,870
Unrestricted (deficit)	<u>(23,184)</u>	<u>912</u>	<u>(27,404)</u>	<u>(22,811)</u>	<u>4,626</u>
Total business-type activities net position	<u>187,842</u>	<u>534,453</u>	<u>209,154</u>	<u>222,947</u>	<u>255,531</u>
<b>PRIMARY GOVERNMENT</b>					
Net investment in capital assets	\$ 2,061,456	\$ 2,375,051	\$ 2,153,230	\$ 2,196,958	\$ 2,224,915
Restricted	446,140	(1,235,591)	654,302	814,742	828,233
Unrestricted (deficit)	<u>(1,610,029)</u>	<u>101,417</u>	<u>(1,527,727)</u>	<u>(1,329,192)</u>	<u>(989,640)</u>
Total primary government net position	<u>\$ 897,567</u>	<u>\$ 1,240,877</u>	<u>\$ 1,279,805</u>	<u>\$ 1,682,508</u>	<u>\$ 2,063,508</u>

**COUNTY OF KERN**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)  
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	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>EXPENSES</b>					
Governmental activities:					
General government	\$ 85,816	\$ 92,981	\$ 86,975	\$ 108,559	\$ 97,224
Public protection	558,228	593,634	631,913	597,476	564,490
Public ways and facilities	122,567	63,111	48,945	60,666	51,826
Health and sanitation	157,183	146,941	165,023	206,660	240,493
Public assistance	411,182	425,161	466,599	466,736	471,462
Education	8,600	8,229	8,874	8,403	7,789
Culture and recreation services	14,565	13,604	11,586	777	920
Interest on short and long-term debt	37,679	37,914	46,805	35,566	28,423
Total governmental activities	<u>1,395,820</u>	<u>1,381,575</u>	<u>1,466,720</u>	<u>1,484,843</u>	<u>1,462,627</u>
Business-type activities:					
Airport	8,330	7,312	8,255	7,040	7,320
County sanitation districts	3,707	4,248	3,807	4,156	4,255
Golf courses	779	456	509	216	217
Kern medical	302,694	297,570	281,624	311,695	-
Public transportation	8,367	8,817	9,099	10,101	10,621
Universal collection	10,867	12,800	12,862	13,132	13,305
Waste management	32,080	30,385	33,352	32,138	37,626
Total business-type activities	<u>366,824</u>	<u>361,588</u>	<u>349,508</u>	<u>378,478</u>	<u>73,344</u>
Total primary government	<u>\$ 1,762,644</u>	<u>\$ 1,743,163</u>	<u>\$ 1,816,228</u>	<u>\$ 1,863,321</u>	<u>\$ 1,535,971</u>
<b>PROGRAM REVENUES</b>					
Governmental activities:					
Charges for services:					
General government	\$ 58,908	\$ 65,900	\$ 63,550	\$ 65,439	\$ 64,126
Public protection	106,151	93,559	99,788	104,186	107,854
Health and sanitation	39,080	61,195	67,699	78,007	78,668
Other	-	-	-	-	-
Operating grants and contributions	44,419	47,657	53,269	87,051	37,551
Capital grants and contributions -	703,323	724,439	762,670	814,087	831,071
Total governmental activities	<u>951,881</u>	<u>992,750</u>	<u>1,046,976</u>	<u>1,148,770</u>	<u>1,119,270</u>
Business-type activities:					
Charges for services:					
Airport	4,095	4,395	4,066	4,027	4,198
County sanitation districts	4,081	4,162	4,368	4,827	5,330
Golf course	474	462	282	199	190
Public transportation	5,896	6,677	6,929	6,779	7,453
Universal collection	9,817	12,922	12,963	13,291	13,341
Waste management	38,787	39,892	40,661	40,568	42,710
Operating grants and contributions	112,218	99,819	83,151	135,960	2,974
Capital grants and contributions	16,316	15,267	8,120	5,720	25,291
Total business-type activities	<u>191,684</u>	<u>183,596</u>	<u>160,540</u>	<u>211,371</u>	<u>101,487</u>
Total primary government program revenues	<u>1,143,565</u>	<u>1,176,346</u>	<u>1,207,516</u>	<u>1,360,141</u>	<u>1,220,757</u>
<b>NET (EXPENSE)/REVENUE</b>					
Governmental activities	\$ (443,939)	\$ (388,825)	\$ (419,744)	\$ (336,073)	\$ (343,357)
Business-type activities	(175,140)	(177,992)	(188,968)	(167,107)	28,143
Total primary government net expenses	<u>\$ (619,079)</u>	<u>\$ (566,817)</u>	<u>\$ (608,712)</u>	<u>\$ (503,180)</u>	<u>\$ (315,214)</u>

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>EXPENSES</b>					
Governmental activities:					
General government	\$ 117,969	\$ 125,107	\$ 125,627	\$ 110,550	\$ 156,043
Public protection	583,013	623,722	578,401	539,067	679,141
Public ways and facilities	53,158	69,698	65,488	74,937	87,595
Health and sanitation	268,994	364,610	389,283	368,134	328,314
Public assistance	482,731	539,287	514,074	535,065	655,991
Education	6,335	7,379	6,543	8,364	8,933
Culture and recreation services	902	988	913	766	947
Interest on short and long-term debt	24,839	23,794	18,935	27,759	18,461
Total governmental activities	<u>1,537,941</u>	<u>1,754,585</u>	<u>1,699,264</u>	<u>1,664,642</u>	<u>1,935,425</u>
Business-type activities:					
Airport	8,630	8,198	10,244	9,768	10,203
County sanitation districts	4,772	5,074	4,445	5,825	4,805
Golf courses	331	312	642	572	458
Kern medical	-	-	-	-	-
Public transportation	10,362	10,660	10,956	10,527	12,753
Universal collection	16,026	16,218	17,756	19,111	20,192
Waste management	33,265	52,539	46,123	50,161	58,731
Total business-type activities	<u>73,386</u>	<u>93,001</u>	<u>90,166</u>	<u>95,964</u>	<u>107,142</u>
Total primary government	<u>\$ 1,611,327</u>	<u>\$ 1,847,586</u>	<u>\$ 1,789,430</u>	<u>\$ 1,760,606</u>	<u>\$ 2,042,567</u>
<b>PROGRAM REVENUES</b>					
Governmental activities:					
Charges for services:					
General government	\$ 70,009	\$ 69,266	\$ 82,636	\$ 74,485	\$ 88,309
Public protection	110,116	114,449	142,003	133,124	136,150
Health and sanitation	72,788	107,855	119,760	130,086	134,103
Other	-	-	-	24,742	22,534
Operating grants and contributions	18,290	29,778	9,423	1,217,227	1,288,670
Capital grants and contributions -	864,539	923,221	1,151,366	10,472	9,125
Total governmental activities	<u>1,135,742</u>	<u>1,244,569</u>	<u>1,505,188</u>	<u>1,590,136</u>	<u>1,678,891</u>
Business-type activities:					
Charges for services:					
Airport	4,225	4,555	5,063	6,353	6,954
County sanitation districts	7,515	7,763	7,918	7,659	7,876
Golf course	200	188	332	348	316
Public transportation	7,696	8,109	9,654	10,356	10,330
Universal collection	15,706	16,783	17,910	19,269	21,909
Waste management	42,941	46,015	47,888	57,205	80,631
Operating grants and contributions	3,387	3,067	12,625	3,804	7,358
Capital grants and contributions	10,344	8,331	2,956	82	2,399
Total business-type activities	<u>92,014</u>	<u>94,811</u>	<u>104,346</u>	<u>105,076</u>	<u>137,773</u>
Total primary government program revenues	<u>1,227,756</u>	<u>1,339,380</u>	<u>1,609,534</u>	<u>1,695,212</u>	<u>1,816,664</u>
<b>NET (EXPENSE)/REVENUE</b>					
Governmental activities	\$ (402,199)	\$ (510,016)	\$ (194,076)	\$ (74,506)	\$ (256,534)
Business-type activities	18,628	1,810	14,180	9,112	30,631
Total primary government net expenses	<u>\$ (383,571)</u>	<u>\$ (508,206)</u>	<u>\$ (179,896)</u>	<u>\$ (65,394)</u>	<u>\$ (225,903)</u>

**COUNTY OF KERN**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)  
 PAGE 2 OF 2

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
<b>GOVERNMENTAL ACTIVITIES:</b>					
Taxes:					
Property taxes	\$ 270,406	\$ 270,191	\$ 265,638	\$ 248,903	\$ 256,436
Property taxes in lieu of motor vehicle taxes	101,645	107,308	96,965	93,082	98,609
Aircraft taxes	113	120	256	271	195
Sales and uses taxes	52,240	58,683	45,554	44,699	41,872
Transient occupancy taxes	1,772	2,721	2,437	2,403	2,700
Special assessment	2,717	2,710	3,022	3,265	3,780
Transfer taxes	2,942	3,183	3,888	3,607	4,489
Other taxes	1,440	1,664	1,444	1,544	1,673
Other governmental revenue					
Unrestricted investment earnings	17,307	12,785	29,511	10,514	5,659
Miscellaneous	3,369	11,822	9,372	8,519	6,190
Gain from sale of capital assets	-	-	-	-	-
Transfers	(65,949)	(42,916)	(33,407)	(328)	(305)
Total governmental activities	<u>\$ 388,002</u>	<u>\$ 428,271</u>	<u>\$ 424,680</u>	<u>\$ 416,479</u>	<u>\$ 421,298</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other governmental revenue					
Unrestricted investment earnings	181	907	634	1,401	432
Miscellaneous	-	-	-	-	-
Gain from sale of capital assets	-	-	-	-	-
Total business-type activities	<u>181</u>	<u>907</u>	<u>634</u>	<u>1,401</u>	<u>432</u>
Transfers	37,735	65,949	42,916	33,407	328
Total primary government	<u>37,916</u>	<u>66,856</u>	<u>43,550</u>	<u>34,808</u>	<u>760</u>
<b>CHANGE IN NET POSITION</b>					
Governmental activities	<u>(55,937)</u>	<u>39,446</u>	<u>4,936</u>	<u>80,406</u>	<u>77,941</u>
Business-type activities	<u>(174,959)</u>	<u>(177,085)</u>	<u>(188,334)</u>	<u>(165,706)</u>	<u>28,575</u>
Total primary government	<u>\$ (230,896)</u>	<u>\$ (137,639)</u>	<u>\$ (183,398)</u>	<u>\$ (85,300)</u>	<u>\$ 106,516</u>



	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
<b>GOVERNMENTAL ACTIVITIES:</b>					
Taxes:					
Property taxes	\$ 264,690	\$ 267,250	\$ 293,159	\$ 298,507	\$ 328,211
Property taxes in lieu of motor vehicle taxes	102,935	107,421	110,505	111,532	124,330
Aircraft taxes	155	176	162	180	95
Sales and uses taxes	53,153	44,914	50,028	66,214	99,019
Transient occupancy taxes	2,901	2,492	3,117	4,067	3,455
Special assessment	3,828	-	-	-	-
Transfer taxes	4,606	4,110	4,961	7,658	4,775
Other taxes	1,770	1,237	1,050	989	1,280
Other governmental revenue					
Unrestricted investment earnings	29,608	31,946	5,495	(40,939)	27,455
Miscellaneous	6,073	12,492	-	16,403	15,871
Gain from sale of capital assets	-	-	-	-	1,132
Transfers	(396)	(436)	(815)	(7,603)	(696)
Total governmental activities	<u>\$ 469,323</u>	<u>\$ 471,602</u>	<u>\$ 467,662</u>	<u>\$ 457,008</u>	<u>\$ 604,927</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	2
Other governmental revenue					
Unrestricted investment earnings	716	4,114	60	(4,082)	1,250
Miscellaneous	-	3,897	7	-	-
Gain from sale of capital assets	-	-	-	-	5
Total business-type activities	<u>716</u>	<u>8,011</u>	<u>67</u>	<u>(4,082)</u>	<u>1,257</u>
Transfers	305	396	815	7,603	696
Total primary government	<u>1,021</u>	<u>8,407</u>	<u>882</u>	<u>3,521</u>	<u>1,953</u>
<b>CHANGE IN NET POSITION</b>					
Governmental activities	<u>67,124</u>	<u>(38,414)</u>	<u>273,586</u>	<u>382,502</u>	<u>348,393</u>
Business-type activities	<u>19,344</u>	<u>9,821</u>	<u>14,247</u>	<u>5,030</u>	<u>32,584</u>
Total primary government	<u>\$ 86,468</u>	<u>\$ (28,593)</u>	<u>\$ 287,833</u>	<u>\$ 387,532</u>	<u>\$ 380,977</u>

**COUNTY OF KERN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (IN THOUSANDS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>GENERAL FUND BALANCES:</b>					
Nonspendable	\$ 42,785	\$ 18,088	\$ 22,035	\$ 22,370	\$ 17,924
Restricted	9,718	10,867	11,471	11,915	9,753
Committed	16	-	37,301	44,488	35,528
Assigned	100,909	156,780	147,459	118,153	140,264
Unassigned	72,898	115,098	74,508	91,217	80,804
Total general fund balances	<u>\$ 226,326</u>	<u>\$ 300,833</u>	<u>\$ 292,774</u>	<u>\$ 288,143</u>	<u>\$ 284,273</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>					
Restricted	\$ 3,515	\$ 3,645	\$ 2,511	\$ 2,109	\$ 2,535
Nonspendable	298,854	333,275	339,633	359,807	370,395
Revolving fund cash	21,602	26,705	27,981	26,728	25,242
Assigned	23,239	18,709	11,020	6,634	4,929
Unassigned	-	(20,744)	-	-	-
Total all other governmental funds	<u>\$ 347,210</u>	<u>\$ 361,590</u>	<u>\$ 381,145</u>	<u>\$ 395,278</u>	<u>\$ 403,101</u>

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GENERAL FUND BALANCES:</b>					
Nonspendable	\$ 17,995	\$ 18,416	\$ 16,734	\$ 11,628	\$ 10,045
Restricted	10,650	100,505	41,898	21,318	32,044
Committed	47,316	494,775	34,891	39,056	44,562
Assigned	153,451	70,945	191,965	243,190	254,817
Unassigned	88,191	349,545	124,182	126,651	105,252
Total general fund balances	<u>\$ 317,603</u>	<u>\$ 1,034,186</u>	<u>\$ 409,670</u>	<u>\$ 441,843</u>	<u>\$ 446,720</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>					
Restricted	\$ 4,447	\$ 15,040	\$ 5,800	\$ 7,116	\$ 1,940
Nonspendable	407,095	303,890	535,183	696,671	819,296
Revolving fund cash	25,787	(435,608)	27,326	26,863	25,298
Assigned	4,325	87,448	7,795	17,130	98,827
Unassigned	(4,786)	(241,193)	-	(4,808)	(2,355)
Total all other governmental funds	<u>\$ 436,868</u>	<u>\$ (270,423)</u>	<u>\$ 576,104</u>	<u>\$ 742,972</u>	<u>\$ 943,006</u>

**COUNTY OF KERN**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Revenues:					
Taxes	\$ 425,124	\$ 473,579	\$ 418,682	\$ 397,468	\$ 409,734
Licenses, permits, and franchises	37,957	25,642	26,807	25,168	27,474
Fines, forfeitures, and penalties	23,574	22,983	21,211	21,826	21,823
Revenue from use of money and property	16,777	12,343	28,876	10,314	5,230
Aid from other governmental agencies	768,169	763,446	807,542	885,447	865,206
Charges for current services	152,546	180,449	188,698	204,358	205,172
Other revenues	55,802	67,715	69,955	75,554	79,089
<b>Total revenues</b>	<b>1,479,949</b>	<b>1,546,157</b>	<b>1,561,771</b>	<b>1,620,135</b>	<b>1,613,728</b>
Expenditures:					
General government	109,822	108,827	119,021	127,674	123,469
Public protection	575,008	575,159	597,620	591,876	612,013
Public ways and facilities	69,496	50,682	45,376	23	5
Health and sanitation	114,488	152,244	164,076	51,775	62,177
Public assistance	437,019	435,492	466,352	212,621	231,172
Education	12,391	7,919	8,034	473,512	485,450
Culture and recreation	17,324	11,911	11,852	7,945	7,585
Capital outlay	59,887	22,708	31,266	74,887	22,523
Debt service:					
Principal	36,241	41,021	24,546	26,289	29,367
Interest	24,155	21,612	52,725	49,058	41,616
Bond issuance cost	-	1,371	-	2,139	-
<b>Total Expenditures</b>	<b>1,455,831</b>	<b>1,428,946</b>	<b>1,520,868</b>	<b>1,617,799</b>	<b>1,615,377</b>
Excess (deficiency) of revenues over expenditures	24,118	117,211	40,903	2,336	(1,649)
Other financing sources (uses):					
Transfers in	-	-	-	424,776	463,434
Transfers out	-	-	-	(426,368)	(463,739)
Settlement	-	-	-	-	-
Proceeds of long-term debt	-	-	-	-	-
Leases Issued	2,150	15	106	7,338	6,300
SBITAS Issued	-	-	-	-	-
Finance Purchase Issued	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,150</b>	<b>15</b>	<b>106</b>	<b>5,746</b>	<b>5,995</b>
Net changes in fund balances (deficits)	\$ 26,268	\$ 117,226	\$ 41,009	\$ 8,082	\$ 4,346
Debt services as a percentage of non-capital expenditures	4.31 %	4.56 %	5.32 %	5.00 %	4.63 %

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Revenues:</b>					
Taxes	\$ 431,070	\$ 433,790	\$ 461,808	\$ 488,290	\$ 558,805
Licenses, permits, and franchises	31,385	30,771	100,505	34,077	42,673
Fines, forfeitures, and penalties	21,785	19,302	494,775	24,191	23,859
Revenue from use of money and property	25,562	27,517	70,945	(36,763)	25,430
Aid from other governmental agencies	867,411	963,401	349,545	1,225,912	1,267,427
Charges for current services	207,675	229,664	269,134	275,374	282,222
Other revenues	29,594	44,367	53,500	37,869	43,457
<b>Total revenues</b>	<b>1,614,482</b>	<b>1,748,812</b>	<b>1,800,212</b>	<b>2,048,950</b>	<b>2,243,873</b>
<b>Expenditures:</b>					
General government	111,433	123,795	119,424	140,705	140,608
Public protection	572,965	577,006	596,568	636,022	674,445
Public ways and facilities	-	72,058	77,325	60,813	45,264
Health and sanitation	41,559	329,133	318,514	329,256	339,009
Public assistance	265,540	556,213	591,195	594,015	662,311
Education	490,272	6,964	6,331	8,212	8,124
Culture and recreation	6,965	-	2	1	46
Capital outlay	17,822	4,760	9,000	148,292	148,476
<b>Debt service:</b>					
Principal	33,367	36,242	41,094	56,510	62,527
Interest	43,117	44,605	45,743	32,501	11,346
Bond issuance cost	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,583,040</b>	<b>1,750,776</b>	<b>1,805,196</b>	<b>2,006,327</b>	<b>2,092,156</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>31,442</b>	<b>(1,964)</b>	<b>(4,984)</b>	<b>42,623</b>	<b>151,717</b>
<b>Other financing sources (uses):</b>					
Transfers in	531,413	565,056	586,893	579,765	714,515
Transfers out	(531,002)	(566,616)	(587,804)	(580,635)	(715,761)
Settlement	-	-	-	-	1,600
Proceeds of long-term debt	-	6,885	-	27,612	-
Leases Issued	11,690	4,635	9,000	146,782	11,975
SBITAS Issued	-	-	-	-	34,458
Finance Purchase Issued	-	-	-	-	6,400
<b>Total other financing sources (uses)</b>	<b>12,101</b>	<b>9,960</b>	<b>8,089</b>	<b>173,524</b>	<b>53,187</b>
<b>Net changes in fund balances (deficits)</b>	<b>\$ 43,543</b>	<b>\$ 7,996</b>	<b>\$ 3,105</b>	<b>\$ 216,147</b>	<b>\$ 204,904</b>
<b>Debt services as a percentage of non-capital expenditures</b>	<b>4.93 %</b>	<b>4.73 %</b>	<b>4.92 %</b>	<b>4.96 %</b>	<b>3.80 %</b>

**COUNTY OF KERN  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEAR  
(RATE PER \$1,000 OF ASSESSED VALUE)**

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>COUNTY OF KERN</b>					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
<b>RANGE OF OVERLAPPING RATES</b>					
Total City Rate					
City of Bakersfield	-	-	-	-	-
Total School District Rate	0% to .004545%	0% to .063958%	0% to .065744%	0% to .068085%	0% to .069500%
Total Special District Rate	0% to .016354%	0% to .070490%	0% to .070490%	0% to .070490%	0% to .070490%

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

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>COUNTY OF KERN</b>					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
<b>RANGE OF OVERLAPPING RATES</b>					
Total City Rate					
City of Bakersfield	-	-	-	-	-
Total School District Rate	0% to .073749%	0% to .065541%	0% to .065541%	0% to .075513%	0% to .060019%
Total Special District Rate	0% to .070490%	0% to .070490%	0% to .070490%	0% to .070490%	0% to .070490%

**COUNTY OF KERN**

**ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

<b>FISCAL YEAR</b>	<b>SECURED<sup>a</sup></b>	<b>UNSECURED<sup>b</sup></b>	<b>UNITARY<sup>c</sup></b>	<b>EXEMPT<sup>d</sup></b>	<b>TOTAL TAXABLE ASSESSED VALUE<sup>e</sup></b>	<b>TOTAL DIRECT TAX RATE</b>
2013 - 14	\$ 87,753,748	\$ 3,252,933	\$ 1,997,051	\$ (739,715)	\$ 92,264,017	1.00000
2014 - 15	93,210,470	3,397,078	1,899,707	(726,775)	97,780,480	1.00000
2015 - 16	84,427,685	3,495,892	2,068,574	(748,489)	89,243,662	1.00000
2016 - 17	80,574,940	3,356,283	2,235,440	(735,112)	85,431,551	1.00000
2017 - 18	85,722,602	3,173,638	2,584,612	(725,054)	90,755,798	1.00000
2018 - 19	88,994,738	3,762,481	2,634,392	(716,358)	94,675,253	1.00000
2019 - 20	92,826,332	3,939,290	2,693,033	(707,238)	98,751,417	1.00000
2020 - 21	95,765,618	3,896,525	2,915,611	(699,437)	101,878,317	1.00000
2021 - 22	96,807,316	3,355,625	3,498,002	(674,437)	102,986,506	1.00000
2022 - 23	\$ 107,924,173	\$ 4,065,388	\$ 3,498,002	\$ (674,613)	\$ 114,812,950	1.00000

Notes:

- <sup>a</sup> Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees, and vines.
- <sup>b</sup> Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
- <sup>c</sup> Unitary properties are railroads and utilities crossing the county and are assessed by the State Board of Equalization.
- <sup>d</sup> Exempt properties include numerous full and partial exclusions/exceptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- <sup>e</sup> Due to 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increases limited to the lesser of 2% or the Consumer Price Index on properties not involved in change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

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



**COUNTY OF KERN  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO (IN THOUSANDS)**

TAX PAYER	2023			2014				
	TAXABLE ASSESSED VALUATION	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	TAXABLE ASSESSED VALUATION	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
Chevron USA Inc	5,213,873	1	58,848	4.54	8,468,208	1	90,683	9.18
*California Resources Elk Hills LLC	4,049,133	2	45,307	19.80	7,741,842	2	83,799	26.15
Aera Energy LLC	2,639,118	3	28,281	12.36	6,745,488	3	70,123	21.89
Pacific Gas & Electric Co	1,410,436	4	24,003	10.49	746,171	7	10,284	3.21
Southern California Edison Co	1,339,625	5	22,799	9.97	512,341	9	7,060	2.20
Berry Petroleum Company LLC	1,452,366	6	15,859	6.93	1,679,270	4	18,112	5.65
Sentinel Peak Resources Cal LLC	1,076,316	7	11,424	4.99	-	-	-	-
Southern California Gas Co	526,061	8	8,949	3.91	-	-	-	-
Wonderful Nut Orchards, LLC	588,331	9	6,917	3.02	-	-	-	-
Wonderful Citrus	506,361	10	6,402	2.80	-	-	-	-
Plains Exploration Production Company	-	-	-	-	1,422,841	5	14,822	4.63
Vintage Production Cal LLC	-	-	-	-	1,083,579	6	12,020	3.75
Seneca Resources Corporation	-	-	-	-	789,588	8	8,289	2.59
Macpherson Oil Co	-	-	-	-	471,681	10	5,210	1.63
<b>Total</b>	<b>18,801,620</b>		<b>228,789</b>	<b>100.00</b>	<b>29,661,009</b>		<b>320,402</b>	<b>100.00</b>

\*Formerly Occidental of Elk Hills Inc

Source: The principal property taxpayers for June 30, 2012 were obtained from the 2012 CAFR. The 2023 information was obtained from the "2022-2023 Tax Rates and Assessed Valuations Report."

**COUNTY OF KERN**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEAR (IN THOUSANDS)**

	<b>FISCAL YEAR</b>				
	<b>2014<sup>a</sup></b>	<b>2015<sup>a</sup></b>	<b>2016<sup>a</sup></b>	<b>2017<sup>a</sup></b>	<b>2018<sup>a</sup></b>
Original Levy	\$ 1,228,246	\$ 1,300,154	\$ 1,232,638	\$ 1,230,570	\$ 1,309,211
Adjustments to Original Levy	9,424	(7,384)	1,695	2,844	(3,523)
Taxes Levied	1,237,670	1,292,770	1,234,333	1,233,414	1,305,688
Collected within the Fiscal Year of the Levy: <sup>b</sup>					
Amount	\$ 1,211,804	\$ 1,265,444	\$ 1,206,061	\$ 1,202,759	\$ 1,277,247
Percentage of Adjusted Levy	97.91 %	97.89 %	97.71 %	97.51 %	97.82 %
Collections in subsequent years	22,917	19,671	19,418	18,050	19,823
Total Collections to Date:					
Amount	\$ 1,234,721	\$ 1,285,115	\$ 1,225,479	\$ 1,220,809	\$ 1,297,070
Percentage of Adjusted Levy	99.76 %	99.41 %	99.28 %	98.98 %	99.34 %

Notes:

<sup>a</sup> Denotes Secured, Unsecured and Supplemental Property Taxes.

<sup>b</sup> The above amounts do not include any penalties collected or any penalties due with delinquency amount.

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

	<b>FISCAL YEAR</b>				
	<b>2019<sup>a</sup></b>	<b>2020<sup>a</sup></b>	<b>2021<sup>a</sup></b>	<b>2022<sup>a</sup></b>	<b>2023<sup>a</sup></b>
Original Levy	\$ 1,363,339	\$ 1,428,289	\$ 1,479,020	\$ 5,796,270	\$ 1,671,773,018
Adjustments to Original Levy	2,701	(437)	36,490	9,621,167	1,432,131
Taxes Levied	1,366,040	1,427,852	1,515,510	5,417,437	1,673,205,149
Collected within the Fiscal Year of the Levy: <sup>b</sup>					
Amount	\$ 1,334,142	\$ 1,359,412	\$ 1,472,898	\$ 8,747,804	\$ 1,626,554,719
Percentage of Adjusted Levy	97.66 %	95.21 %	97.19 %	96.94 %	97.21 %
Collections in subsequent years	16,901	20,969	26,809	7,680,703	26,715,447
Total Collections to Date:					
Amount	\$ 1,351,043	\$ 1,380,381	\$ 1,499,707	\$ 6,428,507	\$ 1,653,270,166
Percentage of Adjusted Levy	98.90 %	96.68 %	98.96 %	98.76 %	98.81 %

**COUNTY OF KERN**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)**

	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Finance Purchase	\$ 12,798	\$ 8,552	\$ 5,005	\$ 8,400	\$ 11,340
Certificates of Participation	93,001	89,732	89,732	86,188	82,542
Bonds Payable	95,289	113,432	108,986	104,403	98,185
Loans Payable	5,266	4,922	4,568	4,205	3,832
Pension Obligation Bonds <sup>(1)</sup>	280,342	247,301	231,266	213,851	194,902
Lease Liability	-	-	-	-	-
Subscription Liability	-	-	-	-	-
Total governmental activities	<u>486,696</u>	<u>463,939</u>	<u>439,557</u>	<u>417,047</u>	<u>390,801</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Finance Purchased	8,044	750	2,453	-	-
Loans Payable	384	6,930	6,126	5,302	5,250
Certificates of Participation	11,894	9,172	6,339	-	-
Pension Obligation Bonds	43,060	37,256	34,682	3,473	3,162
Lease Liability	-	-	-	-	-
Total business-type activities	<u>63,382</u>	<u>54,108</u>	<u>49,600</u>	<u>8,775</u>	<u>8,412</u>
Total primary government	<u>\$ 550,078</u>	<u>\$ 518,047</u>	<u>\$ 489,157</u>	<u>\$ 425,822</u>	<u>\$ 399,213</u>
Percentage of personal income <sup>a</sup>	1.7 %	1.6 %	1.5 %	1.3 %	1.2 %
Per Capita Outstanding Debt <sup>b</sup>	\$ 635	\$ 593	\$ 551	\$ 480	\$ 446

Notes:

<sup>(1)</sup> Under the original bond official statements, Kern County's Pension Obligation Bonds do not qualify as General Obligation Bonds.

<sup>a</sup> Refer to the "Demographic and Economic Statistics" for the personal income figures.

<sup>b</sup> Refer to the "Demographic and Economic Statistics" for the population figures. This ratio is calculated using the population for the latest calendar year for each corresponding fiscal year.

<sup>c</sup> Refer to the "Assessed value of Taxable Property and Actual Value of Property" for taxable property used in this ratio.

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

	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Finance Purchase	\$ 20,091	\$ 21,079	\$ 24,424	\$ 19,693	\$ 21,841
Certificates of Participation	78,724	74,721	71,063	67,230	63,212
Bonds Payable	92,017	100,505	71,479	63,600	56,282
Loans Payable	3,450	494,775	8,519	35,187	33,131
Pension Obligation Bonds <sup>(1)</sup>	174,260	70,945	127,111	103,059	80,018
Lease Liability	-	-	-	130,896	129,150
Subscription Liability	-	-	-	1,444	26,953
Total governmental activities	<u>368,542</u>	<u>762,025</u>	<u>302,596</u>	<u>421,109</u>	<u>410,587</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Finance Purchased	-	-	-	-	-
Loans Payable	4,667	4,072	3,529	2,974	2,406
Certificates of Participation	-	-	-	-	-
Pension Obligation Bonds	2,823	2,455	2,053	1,661	1,290
Lease Liability	-	-	-	280	50
Total business-type activities	<u>7,490</u>	<u>6,527</u>	<u>5,582</u>	<u>4,915</u>	<u>3,746</u>
Total primary government	<u>\$ 376,032</u>	<u>\$ 768,552</u>	<u>\$ 308,178</u>	<u>\$ 426,024</u>	<u>\$ 414,333</u>
Percentage of personal income <sup>a</sup>	1.1 %	0.9 %	0.7 %	1.0 %	1.0 %
Per Capita Outstanding Debt <sup>b</sup>	\$ 415	\$ 389	\$ 336	\$ 466	\$ 446

**COUNTY OF KERN**  
**ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT**  
**JUNE 30, 2023 (IN THOUSANDS)**

2022 - 2023 Assessed value (includes unitary utility valuation)

114,812,950

	<b>Debt 06/30/23</b>	<b>Percentage Applicable<sup>b</sup></b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>		
Kern Community College Safety, Repair and Improvement District	\$ 81,779	92.200
Kern Community College Safety, Repair and Improvement District No. 1	302,291	91.644
Antelope Valley Joint Community College District and West Kern Community College District	26,491	6.14-100
West Kern Community College District	24,414	100
Mojave Unified School District School Facilities Improvement Districts No. 1 and No. 2	26,461	100
Southern Kern Unified School District	49,969	100
Other Unified School Districts	102,328	92.876-100
Kern High School District	322,876	100
Other Union High School District	51,333	0.011-100
Bakersfield School District	128,627	100
Delano Union School District	22,575	100
Fruitvale School District	33,097	100
Norris School District	32,974	100
Panama-Buena Vista School District	130,975	100
Taft School District	21,273	100
Other School Districts	249,876	64.229-100
Tehachapi Valley Healthcare District	58,895	100
Bear Valley Community Services District, I.D. No. 2	393	100
Buttonwillow Recreation and Park District	3,621	100
Community Facilities Districts	229,966	100
1915 Act Bonds (Estimated)	<u>40,247</u>	
Total overlapping tax and assessment debt	<u>1,940,461</u>	
<b>OVERLAPPING GENERAL FUND DEBT</b>		
Kern County Board of Education Certificates of Participation	31,330	100
Community College District Certificates of Participation and Other Post-Employment Benefit Bonds	90,502	Various
Unified School District General Fund Obligations	17,326	Various
Antelope Valley Union High School District General Fund Obligations	1	0.011
School District General Fund Obligations	99,147	100
City of Arvin General Fund Obligations	3,670	100
City of Delano Certificates of Participation	13,655	100
City of McFarland General Fund Obligations	4,904	100
City of Ridgecrest General Fund Obligations	17,090	100
Tehachapi Valley Recreation and Park General Fund Obligations	<u>718</u>	100
Total overlapping general fund debt	<u>278,343</u>	
Total direct and overlapping debt	<u>2,218,804</u>	
<b>DIRECT GENERAL FUND DEBT</b>		
Kern County General Fund Obligations	330,569	
Kern County Pension Obligations	<u>80,018</u>	
Total direct general fund debt	410,587	
<b>OVERLAPPING TAX INCREMENT DEBT</b>		
	<u>\$ 63,777</u>	
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>		
	<u>2,693,168</u> <sup>a</sup>	
Ratios to 2022 - 2023 assessed valuation:		
Total overlapping tax and assessment debt		1.75 %
Ratios to Adjusted Assessed Valuation:		
Combined direct debt (\$410,587)		0.22 % -
Combined Total Debt		2.21 % -

Notes:

<sup>a</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

<sup>b</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the County.

Source: California Municipal Statistics, Inc.

**COUNTY OF KERN  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE YEAR ENDED JUNE 30, 2023**

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

**COUNTY OF KERN  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS**

<b>FISCAL YEAR</b>	<b>POPULATION</b>	<b>PERSONAL INCOME</b>	<b>PER CAPITA INCOME</b>	<b>MEDIAN AGE</b>	<b>SCHOOL ENROLLMENT</b>	<b>UNEMPLOYMENT RATE</b>
2014	874,190	\$ 32,059,138	\$ 36,673	-	179,680	10.3%
2015	882,176	32,953,453	37,355	-	180,304	10.4%
2016	886,507	33,368,619	37,641	-	181,393	10.8%
2017	895,112	32,852,879	36,783	-	185,236	9.5%
2018	905,801	33,980,966	37,743	-	189,949	8.7%
2019	916,464	35,784,162	39,477	-	192,446	7.4%
2020	917,553	40,097,301	44,063	-	198,910	17.5%
2021	914,193	42,177,029	45,961	-	195,310	10.0%
2022	929,851	39,352,831	43,167	-	196,030	6.7%
2023	909,813	\$ 40,542,387	\$ 44,397	-	197,042	8.8%



**COUNTY OF KERN  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>JUNE 30, 2023</b>				<b>JUNE 30, 2014</b>			
<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF COUNTY TOTAL EMPLOYMENT</b>	<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</b>
Government	66,464	1	16.72	China Lake Naval Air Weapons Station	10,000 +	1	2.77
Edwards Air Force Base	11,701	2	2.94	County of Kern	9,128	2	2.52
China Lake Naval Air Weapon Station	6,454	3	1.62	Grimmway Farms	5,000-9,999	3	1.38
Grimmway Farms	6,130	4	1.54	Naval Air Warfare Center	5,000-9,999	4	1.38
Amazon	5,723	5	1.44	US Navy Public Affairs Office	5,000-9,999	5	1.38
Dignity Health	3,467	6	0.87	Chevron	1,000 - 4,9000	6	0.28
Mojave Air & Spaceport at Rutan Field	3,000	7	0.75	Kern County School Superintendent	1,000 - 4,9000	7	0.28
Adventist Health	2,826	8	0.71	State Farms	1,000 - 4,9000	8	0.28
Wonderful Corp.	2,800	9	0.70	Dignity Health	1,000 - 4,9000	9	0.28
Kern Medical	<u>2,400</u>	10	<u>0.60</u>	Edwards Air Force Base	<u>1,000 - 4,9000</u>	10	<u>0.28</u>

Sources:

State of California - Employment Development Department, Labor Market Information

Data for 2014 was obtained from the June 30, 2014 CAFR

**COUNTY OF KERN  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30,				
	2014	2015	2016	2017	2018
<b>GENERAL GOVERNMENT:</b>					
Assessor	98	93	98	95	86
Information Technology	46	41	45	42	55
County Counsel	45	47	47	42	43
Other <sup>a</sup>	366	354	337	373	378
<b>PUBLIC PROTECTION:</b>					
District Attorney	236	240	244	228	239
Public Defender	94	87	92	87	81
Sheriff - Coroner	1,199	1,182	1,173	1,141	1,177
Probation	532	521	559	528	526
Fire Department	622	605	599	589	592
Other <sup>a</sup>	380	381	329	323	328
<b>PUBLIC WAYS &amp; FACILITIES:</b>					
Roads <sup>a</sup>	188	181	-	-	-
<b>HEALTH AND SANITATION:</b>					
Public Health	195	183	175	180	183
Behavioral Health & Recovery	440	450	517	606	667
Other	112	99	126	95	96
<b>PUBLIC ASSISTANCE:</b>					
Human Services	1,457	1,518	1,515	1,510	1,502
Other	183	183	190	194	200
<b>EDUCATION:</b>					
Library	52	47	50	46	40
Other	4	4	4	4	4
Culture & recreation services <sup>c</sup>	74	69	69	-	-
Airports	19	21	22	21	18
Kern Medical <sup>b</sup>	1,274	1,273	1,276	-	-
Public Transportation <sup>a</sup>	4	4	-	-	-
Public Works <sup>a</sup>	-	-	348	338	357
Waste Management <sup>a</sup>	112	114	-	-	-
Total full-time employees	<u>7,732</u>	<u>7,697</u>	<u>7,815</u>	<u>6,442</u>	<u>6,572</u>

Note:

<sup>a</sup> In 2016, the Internal Service Fund - Public Works was created. The employees from Roads, Public Transportation, Waste Management, Engineering, Surveying and Permit Services, Building Inspection, and Code Compliance departments were consolidated into this new fund.

<sup>b</sup> Kern Medical transferred operations on July 1, 2016 to a new special district (Hospital Authority)

<sup>c</sup> In Fiscal year 2016-17, the Parks and Recreation employees were moved to General Services located in General Government - Other.

Source: County Administrative Office - Human Resources Department

**FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30,**

<b>FUNCTION/PROGRAM</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GENERAL GOVERNMENT:</b>					
Assessor	81	76	77	76	76
Information Technology	68	77	69	73	82
County Counsel	45	44	44	47	46
Other <sup>a</sup>	376	394	379	383	387
<b>PUBLIC PROTECTION:</b>					
District Attorney	205	221	210	210	200
Public Defender	78	83	82	82	83
Sheriff - Coroner	1,155	1,125	1,102	1,032	1,116
Probation	518	531	538	530	543
Fire Department	600	554	573	641	636
Other <sup>a</sup>	397	393	377	372	378
<b>PUBLIC WAYS &amp; FACILITIES:</b>					
Roads <sup>a</sup>	-	-	-	-	-
<b>HEALTH AND SANITATION:</b>					
Public Health	180	185	172	178	201
Behavioral Health & Recovery	796	810	794	781	862
Other	78	76	69	76	92
<b>PUBLIC ASSISTANCE:</b>					
Human Services	1,483	1,461	1,428	1,435	1,539
Other	218	238	238	251	272
<b>EDUCATION:</b>					
Library	42	38	35	44	53
Other	4	4	4	4	4
Culture & recreation services <sup>c</sup>	-	-	-	-	-
Airports	20	18	19	18	18
Kern Medical <sup>b</sup>	-	-	-	-	-
Public Transportation <sup>a</sup>	-	-	-	-	-
Public Works <sup>a</sup>	422	422	448	449	474
Waste Management <sup>a</sup>	-	-	-	-	-
Total full-time employees	<u>6,766</u>	<u>6,750</u>	<u>6,658</u>	<u>6,682</u>	<u>7,062</u>

**COUNTY OF KERN  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
PAGE 1 OF 2**

<b>FUNCTION/PROGRAM</b>	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><u>GENERAL GOVERNMENT</u></b>					
Assessor - Recorder					
Recorded Documents	188,908	191,660	199,972	206,612	195,708
County Counsel					
Litigated & Administrative Hearings	6,667	9,241	7,882	8,585	8,654
Attorneys	28	29	30	26	25
Attorneys Per Capita	-	-	-	-	-
Human Resources					
Applications Received	22,688	26,520	38,118	29,935	36,922
County Clerk - Elections					
Marriage Licenses	4,805	4,700	4,792	4,940	4,705
Fictitious Business Names	5,937	5,873	6,511	6,630	6,609
<b><u>PUBLIC PROTECTION</u></b>					
District Attorney					
Misdemeanors Cases Filed	31,604	22,671	27,361	25,220	20,390
Felony Cases Filed	8,938	17,923	5,795	5,869	5,954
Felony Information Field	2,373	1,966	1,819	1,726	1,420
Felony Cases with Juries	160	210	189	204	167
Public Defender					
Public Defense Cases Accepted/Received	44,880	46,166	46,853	39,479	32,773
Public Defense Cases Opened	21,725	20,984	20,530	21,102	18,558
Public Defense Case Closed	35,830	37,937	41,978	36,366	30,575
Public Defense Cases Closed Within 12 Months	35,830	37,937	41,978	36,366	30,575
Sheriff - Coroner:					
Dispatched Calls for Service	317,487	293,448	257,425	261,829	242,210
Violent Crimes::	1,626	2,005	1,858	1,731	1,734
Homicide	28	35	42	37	52
Robbery	335	354	405	422	472
Aggravated Assault	1,161	1,500	1,237	1,102	1,054
Property Crimes	9,806	4,783	6,628	6,636	6,307
Total Larceny - Theft	3,411	4,521	3,484	3,257	3,257
Bookings	18,430	14,730	14,749	16,372	15,765
Fingerprints	5,949	6,315	7,426	7,797	5,795
Fire Department:					
Total Incident Calls	42,770	45,363	48,585	50,262	52,922
Fire Calls	2,711	2,596	3,000	3,360	3,715
Overpressure, Ruptures, Explosion	173	126	119	58	92
Other Type of Incidents	543	499	751	1,401	1,592
EMS / Rescue Calls	24,371	25,882	26,317	26,033	27,935
Hazardous Condition Calls	1,776	1,772	1,678	1,486	1,503
Public Service Calls	2,089	2,129	2,692	2,849	2,895
False Calls	1,739	1,982	2,082	2,093	2,073

Source: Ddepartments of the County of Kern

Notes: N/A - Information not available.

\* Information was updated from prior year report.

FUNCTION/PROGRAM	FISCAL YEAR				
	2019	2020	2021	2022	2023
<b>GENERAL GOVERNMENT</b>					
Assessor - Recorder					
Recorded Documents	181,238	194,767	277,578	250,055	177,770
County Counsel					
Litigated & Administrative Hearings	8,713	9,578	10,021	7,619	7,519
Attorneys	27	26	26	27	29
Attorneys Per Capita	-	-	-	-	-
Human Resources					
Applications Received	38,216	31,904	27,320	31,204	39,382
County Clerk - Elections					
Marriage Licenses	4,420	2,045	3,782	4,576	4,191
Fictitious Business Names	6,613	5,396	5,960	7,353	8,902
<b>PUBLIC PROTECTION</b>					
District Attorney					
Misdemeanors Cases Filed	21,733	21,312	20,456	18,257	19,682
Felony Cases Filed	6,662	6,617	7,155	6,954	6,751
Felony Information Field	N/A	N/A	N/A	N/A	1,571
Felony Cases with Juries	192	101	104	124	113
Public Defender					
Public Defense Cases Accepted/Received	35,354	35,709	38,598	32,746	36,452
Public Defense Cases Opened	19,083	16,941	16,040	32,746	29,247
Public Defense Case Closed	31,838	31,755	32,485	25,980	20,713
Public Defense Cases Closed Within 12 Months	31,838	31,755	32,485	32,746	20,713
Sheriff - Coroner:					
Dispatched Calls for Service	208,689	193,560	171,326	155,331	145,903
Violent Crimes::	4,404	5,821	6,743	5,988	5,147
Homicide	40	55	67	54	48
Robbery	428	530	430	496	468
Aggravated Assault	1,020	1,204	1,556	5,311	2,580
Property Crimes	2,579	6,566	8,501	9,281	5,228
Total Larceny - Theft	3,192	3,387	2,872	3,663	3,164
Bookings	17,843	13,576	11,197	10,902	11,580
Fingerprints	5,516	4,005	3,662	2,584	2,826
Fire Department:					
Total Incident Calls	53,722	54,639	52,075	63,581	61,744
Fire Calls	3,465	4,052	5,007	4,760	4,689
Overpressure, Ruptures, Explosion	238	155	554	280	234
Other Type of Incidents	1,930	1,825	353	76	78
EMS / Rescue Calls	29,082	29,732	35,711	40,759	39,422
Hazardous Condition Calls	1,380	1,485	1,322	1,424	1,435
Public Service Calls	2,857	3,175	3,276	3,473	3,681
False Calls	1,965	1,979	1,520	1,489	1,583

**COUNTY OF KERN  
 OPERATING INDICATORS BY FUNCTION / PROGRAM  
 LAST TEN FISCAL YEARS  
 PAGE 2 OF 2**

<b>FUNCTION/PROGRAM</b>	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Building Inspection					
Building Permits Issued	7,758	9,005	9,172	9,028	7,791
Animal services					
Received Calls for Response	19,529	20,258	19,443	19,290	16,649
Animals Impounded	18,406	16,521	17,551	17,444	15,567
Animals Returned to Owner^	717	742	796	912	911
Animals Rescued+	-	-	-	-	-
Animals Adopted	3,774	3,228	5,097	5,394	5,813
Animals Euthanized	8,302	7,211	5,893	4,882	3,819
<b><u>PUBLIC WAYS &amp; FACILITIES</u></b>					
Roads					
Maintained Road Lanes (in miles)	3,332	3,337	3,332	3,319	3,324
<b><u>HEALTH AND SANITATION</u></b>					
Mental Health Services					
Unique Clients Served	24,207	26,113	27,729	28,356	30,540
Unique Clients Served with Outpatient Services*	24,099	26,036	27,652	28,356	-
Unique Clients Served with Intensive Services	1,349	1,398	1,537	1,393	2,595
<b><u>PUBLIC ASSISTANCE</u></b>					
Aging & Adult Services					
Senior Nutrition Participation::					
Congregate Senior Participants	3,218	3,228	3,010	2,767	2,522
Congregate Meals	144,274	145,762	141,851	134,465	129,694
Home Delivered Senior Participants	1,715	1,614	1,572	1,522	1,505
Home Delivered Meals	231,831	232,157	212,853	208,147	208,311
COVID19 Senior Participants	-	-	-	-	-
COVID19 Meals	-	-	-	-	-
Human Services					
Children Admitted to the Jamison Center:					
Protective Custody/New Intakes	1,538	1,579	1,839	1,687	1,577
Change of Placement	1,418	1,463	1,634	1,492	1,383
Children released from the Jamison Center	120	116	205	195	194
Average day stay in the Jamison Center	629	724	807	1,492	1,399
Average day stay in the Jamison Center	4	4	5	3	4
Admissions - Breakdown by Age::					
Newborn - 5 years	685	689	719	657	581
6 - 12 years	358	417	475	436	424
13 - 18 years	377	357	440	399	378
<b><u>CULTURE AND RECREATION SERVICES &amp; EDUCATION</u></b>					
Parks & Recreation					
Annual Boat Permits	1,680	1,618	1,591	2,699	2,870
Day Use Boat Fees	11,742	10,895	10,409	12,358	12,236
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>					
Waste Management					
Landfill capacity in cubic yards	94,962,970	88,239,785	88,288,861	88,288,861	88,288,940

<b>FUNCTION/PROGRAM</b>	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Building Inspection					
Building Permits Issued	8,818	8,903	10,331	9,755	11,150
Animal services					
Received Calls for Response	16,435	13,394	12,157	14,713	18,785
Animals Impounded	13,859	12,810	8,296	10,691	13,578
Animals Returned to Owner^	851	653	445	558	751
Animals Rescued+	2,360	2,213	1,418	1,280	2,350
Animals Adopted	5,316	3,793	2,408	3,665	5,011
Animals Euthanized	3,351	2,249	634	2,048	2,859
<b><u>PUBLIC WAYS &amp; FACILITIES</u></b>					
Roads					
Maintained Road Lanes (in miles)	3,327	3,331	3,329	3,329	3,318
<b><u>HEALTH AND SANITATION</u></b>					
Mental Health Services					
Unique Clients Served	32,227	31,554	32,317	33,168	35,843
Unique Clients Served with Outpatient Services*	55,283	62,264	61,388	63,762	35,818
Unique Clients Served with Intensive Services	2,735	3,072	3,202	3,033	2,292
<b><u>PUBLIC ASSISTANCE</u></b>					
Aging & Adult Services					
Senior Nutrition Participation::					
Congregate Senior Participants	2,108	1,671	240	1,267	1,991
Congregate Meals	115,083	73,221	4,756	54,112	107,095
Home Delivered Senior Participants	1,384	2,974	1,507	2,546	2,917
Home Delivered Meals	185,408	227,079	214,488	357,893	412,022
COVID19 Senior Participants	-	-	1,870	1,340	623
COVID19 Meals	-	-	270,566	144,191	2,838
Human Services					
Children Admitted to the Jamison Center:					
Protective Custody/New Intakes	1,433	1,340	1,472	1,538	1,566
Change of Placement	1,279	1,123	1,224	1,281	1,334
Children released from the Jamison Center	154	217	248	257	232
Average day stay in the Jamison Center	1,556	1,372	1,443	1,550	1,339
Admissions - Breakdown by Age::	3	3	4	5	4
Newborn - 5 years	529	510	628	587	519
6 - 12 years	399	403	445	511	394
13 - 18 years	351	427	399	440	416
<b><u>CULTURE AND RECREATION SERVICES &amp; EDUCATION</u></b>					
Parks & Recreation					
Annual Boat Permits	2,711	3,235	2,613	1,882	3,736
Day Use Boat Fees	10,785	12,457	13,586	9,700	19,844
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>					
Waste Management					
Landfill capacity in cubic yards	88,309,205	88,872,485	89,024,872	89,024,872	88,762,230

**COUNTY OF KERN  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION/PROGRAM</b>	<b>FISCAL YEAR</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>EDUCATION</b>					
Public Library					
Main Library	1	1	1	1	1
Branches	25	23	23	23	23
Law Library	1	1	1	1	1
<b>PARKS AND LAND USE</b>					
Number of Neighborhood Parks	40	40	40	40	40
Number of Regional Parks	8	8	8	8	7
County Golf Courses	3	3	3	3	3
<b>PUBLIC WORKS</b>					
Miles of County Roads	3,332	3,337	3,332	3,319	3,324
<b>PUBLIC SAFETY</b>					
Number of Sheriff Stations	15	15	15	14	14
Number of Fire Stations	46	47	47	47	47
<b>AIRPORTS</b>					
Number of Runways	8	8	8	8	8

Source: Departments of the County of Kern



**COUNTY OF KERN  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION/PROGRAM</b>	<b>FISCAL YEAR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>EDUCATION</b>					
Public Library					
Main Library	1	1	1	1	1
Branches	23	23	23	21	21
Law Library	1	1	1	1	1
<b>PARKS AND LAND USE</b>					
Number of Neighborhood Parks	43	43	40	40	40
Number of Regional Parks	8	8	8	8	8
County Golf Courses	3	3	3	3	3
<b>PUBLIC WORKS</b>					
Miles of County Roads	3,327	3,331	3,331	3,332	3,318
<b>PUBLIC SAFETY</b>					
Number of Sheriff Stations	15	15	12	12	12
Number of Fire Stations	47	47	47	47	47
<b>AIRPORTS</b>					
Number of Runways	8	7	7	7	7