



**COUNTY OF KERN
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2016**

**Mary B. Bedard, CPA
Auditor-Controller-County Clerk**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016**



COUNTY OF KERN

Supervisor Mick Gleason..... First District
Supervisor Zach Scrivner Second District
Supervisor Mike Maggard Third District
Supervisor David Couch..... Fourth District
Supervisor Leticia PerezFifth District

John Nilon – County Administrative Officer

Prepared by the Office of Mary B. Bedard, Auditor-Controller-County Clerk



COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL2
 DIRECTORY OF ELECTED COUNTY OFFICIALS6
 DIRECTORY OF APPOINTED COUNTY OFFICIALS7
 ORGANIZATIONAL CHART8
 CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING.....9

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT 11
 MANAGEMENT’S DISCUSSION AND ANALYSIS 14

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position26
 Statement of Activities.....27

Fund Financial Statements:

Governmental Funds
 Balance Sheet.....29
 Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement
 of Net Position – Governmental Activities..... 31
 Statement of Revenues, Expenditures, and Changes in Fund Balances32
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities 34
Proprietary Funds
 Statement of Net Position 35
 Statement of Revenues, Expenses, and Changes in Net Position 36
 Statement of Cash Flows 37
Fiduciary Funds
 Statement of Net Position 39
 Statement of Changes in Net Position40

Notes to the Financial Statements:

Note I. Summary of Significant Accounting Policies42
 Note II. Restatements of Net Position..... 53
 Note III. Stewardship, Compliance and Accountability..... 54
 Note IV. Cash and Investments..... 54
 Note V. Receivables 58
 Note VI. Interfund Transactions 60
 Note VII. Capital Assets..... 62
 Note VIII. Leases..... 64

COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Note IX. Long-Term Debt	65
Note X. Short-Term Debt.....	74
Note XI. Fund Balances/Net Position.....	75
Note XII. Other Information.....	78
Note XIII. Subsequent Events	95
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedules – Major Governmental Funds	
General Fund.....	97
County Local Revenue Fund.....	98
Human Services.....	99
Mental Health	100
Roads	101
Structural Fire.....	102
Notes to Required Supplementary Information	103
Pension and Other Post-Employment Benefits	
Pensions:	
Schedule of the County’s Proportionate Share of the Net Pension Liability	106
Schedule of the County’s Contributions.....	106
Other Postemployment Benefits:	
Schedules of Funding Progress.....	107
Actuarial Assumptions and Methodology	108
OTHER SUPPLEMENTARY INFORMATION:	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Non-major Governmental Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	113
<u>Special Revenue Funds</u>	
Special Revenue Funds Descriptions	114
Combining Balance Sheet	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	136
Budgetary Comparison Schedules:	
Abatement Cost	153
Aging and Adult Services	153
Alcohol Abuse	153
Alcohol Program.....	153

COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Asset Forfeiture 15% Probation	154
Automated County Warrant System	154
Automated Fingerprint.....	154
Bio Terrorism Grant.....	154
Board of Trade Advertising.....	155
Building Inspection.....	155
Community Corrections Partnership Community Recidivism	155
Child Restraint Loaner	155
Child Support Services	156
Community Correction Performance Incentive	156
Community Development.....	156
County Service Areas.....	156
Criminal Justice Facility.....	157
Criminalistics Laboratories.....	157
DA Court Ordered Penalties	157
DA/Sheriff/Probation DNA Fund.....	157
DA Equipment Automation.....	158
DA Federal Forfeitures	158
DA Local Forfeitures	158
DHS Wraparound Savings	158
DIVCA LCL Franchise Fee.....	159
Domestic Violence.....	159
Drug Program.....	159
Emergency Medical Payments	159
Employers' Training Resource.....	160
Environmental Health Services	160
Health-MAA TCM.....	160
Hospital Preparedness Program	160
IHSS Public Authority	161
Juvenile Inmate Welfare	161
Kern County Children's Fund	161
KNET Asset Forfeitures	161
Library Books.....	162
Local Public Safety	162
Micrographics	162

COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

NSP Grant	162
Off Hwy Motor Vehicle License	163
Parcel Map In-Lieu Fees.....	163
Parks & Recreation Donation Fund.....	163
Planned Local Drainage	163
Planned Sewer	164
Planning Administration Surcharge	164
Probation DJJ Realignment	164
Probation Federal Asset Forfeiture	164
Probation Training.....	165
Public Health Miscellaneous.....	165
Range Improvement.....	165
Real Estate Fraud.....	165
Recorder	166
Recorder’s Electronic Recording.....	166
Recorder Modernization	166
Recorder SSN Truncation	166
Redemption Systems.....	167
RMA – Hazardous Waste Settlements.....	167
Shelter Care.....	167
Sheriff Cal I.D.	167
Sheriff Civil Automated	168
Sheriff Civil Subpoena.....	168
Sheriff Controlled Substance	168
Sheriff Drug Abuse Gang Diversion	168
Sheriff Drug Awareness Program	169
Sheriff Facility Training	169
Sheriff Inmate Welfare	169
Sheriff Judgment Debtor Fee.....	169
Sheriff Rural Crime	170
Sheriff Sidearm Conversion	170
Sheriff State Asset Forfeitures	170
Sheriff Training Fund.....	170
Sheriff’s Volunteer Service Group.....	171
Sheriff Work Release	171

COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Sterilization.....	171
Strong Motion Instrumentation.....	171
Tobacco Education Control.....	172
Vital Health Statistics – County Clerk	172
Vital Health Statistics.....	172
Vital Health Statistics – Recorder	172
Wildlife Resources.....	173
Other Special Revenue Funds.....	173
<u>Capital Projects Funds</u>	
Capital Project Funds Descriptions.....	174
Combining Balance Sheet	175
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	177
Budgetary Comparison Schedules:	
Tobacco Securitization Proceeds.....	179
2009 Capital Projects.....	180
7th Standard Road Widening.....	181
AB900 Jail Construction	182
Accumulated Capital Outlay Fire	183
Accumulated Capital Outlay General	184
<u>Debt Service Funds</u>	
Debt Service Funds Descriptions.....	185
Combining Balance Sheet	186
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	187
Non-major Enterprise Funds:	
Enterprise Funds Descriptions	189
Combining Statement of Net Position.....	190
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	191
Combining Statement of Cash Flows.....	192
Internal Service Funds:	
Internal Service Funds Descriptions.....	194
Combining Statement of Net Position.....	195
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	197
Combining Statement of Cash Flows.....	199

COUNTY OF KERN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Fiduciary Funds:

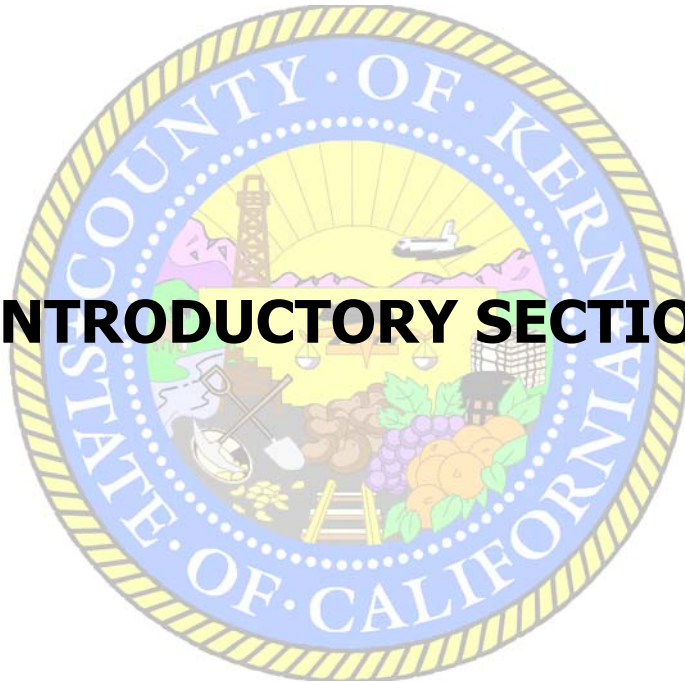
Agency Funds

Fiduciary Funds Descriptions.....	202
Combining Statement of Changes in Assets and Liabilities	203

STATISTICAL SECTION

Statistical Section Contents.....	206
Net Position by Component – Last Ten Fiscal Years	207
Changes in Net Position – Last Ten Fiscal Years	209
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	213
Changes in Fund Balances – Last Ten Fiscal Years.....	215
Assessed Value of Taxable Property and Actual Value of Property – Last Ten Fiscal Years	217
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	218
Principal Property Taxpayers.....	220
Property Tax Levies and Collections.....	221
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	223
Estimated Direct and Overlapping Bonded Debt	225
Computation of Legal Debt Margin	226
Demographic and Economic Statistics – Last Ten Fiscal Years	227
Principal Employers – Current Year and Nine Years Ago.....	229
Full-Time Equivalent County Government Employees by Function / Program – Last Ten Fiscal Years	230
Operating Indicators by Function/Program – Last Ten Fiscal Years	231
Capital Asset Statistics by Function – Last Ten Fiscal Years	235

INTRODUCTORY SECTION



Mary B. Bedard, CPA
Auditor-Controller-County Clerk



December 27, 2016

Honorable Board of Supervisors
County of Kern

Honorable Board Members:

The Comprehensive Annual Financial Report (CAFR) of the County of Kern (County) for the fiscal year ended June 30, 2016 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 and 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 of the 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 protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their 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 that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Brown Armstrong Accountancy Corporation, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016 are free of material misstatement. 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's 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.

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). 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.

Profile of the Government

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 occupies 8,170 square miles. Kern County is organized as a general law county under California law, and is divided into five supervisorial districts. Approximately 35 percent of the residents live in the unincorporated area. There are eleven incorporated cities located within the County. Bakersfield, the County seat, has approximately 43 percent of the County's total population of 886,507 living within the greater metropolitan area.

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 County 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, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector.

As depicted on the organizational chart on page 8, 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.

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, and adopts a budget not later than October 2nd 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-County Clerk 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. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures. Transfers of appropriations between budget units must be approved by the Board of Supervisors. Necessary supplemental appropriations, normally financed by unanticipated revenues during the year, and transfers of appropriations between expenditure object classifications, must also be approved by the Board.

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 combining and individual fund statements and schedules subsection of this report.

Factors Affecting Financial Condition

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

Long-term financial planning is difficult to accomplish given the recent decline of local assessed value of oil & gas roll, as well as the State experiencing significant financial difficulties from time to time. The County can reasonably expect that the State will continue to balance its budget by requiring local political subdivisions, including the County, to fund certain costs borne by the State. In addition the County cannot predict the fiscal outcome of future State budget negotiations, the impact that such budgets will have on County finances and operation 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, including the current economic downturn, over which the County has no control. 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. In the short-term, the County Administrative Office is requiring that mid-year budgetary adjustments be made for known shortfalls in budgeted revenue.

Since 1998-99, the Board of Supervisors has set aside funds for fiscal stability, in an effort to address on a long-term basis the fluctuations in County discretionary revenue from one fiscal year to the next. 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 increase in benefit costs and decline in revenues. For the Fiscal Year 2016-17 budget, General Fund departments that are supported by an allocation of Net County Cost were reduced by 5% from the Fiscal Year 2015-16 budget.

Local economy

Kern County is fortunate to be rich in natural resources. It remains the largest oil-producing County in the State of California, producing an estimated 72% of all the State's oil. Although rich in natural resources, the drop in oil prices has reduced the County's total net assessed value by 8.7% as of June 30, 2016, with a majority of the decrease caused by a \$8.4 billion decrease in oil and gas assessed value. This resulted in a decrease of discretionary revenue of \$38.8 million, or 11.65% less than Fiscal Year 2015-16.

Agriculture continues to remain steady, with the County being the second leading producer of agricultural products in the State. The unemployment rate increased from 10.4% in 2014-15 to 10.8% in 2015-16. The population of the County increased by 0.5% to 886,507. The County's major employers continue to be Grimmway Farms, Edwards Air Force Base, China Lake Naval Weapons Center, and the County of Kern.

Debt administration

The County has instituted a cash management program for its General Fund through the issuance of tax and revenue anticipation notes. The notes provide cash flows to meet General Fund expenditures during the period prior to collection of property taxes. On July 1, 2016, the County issued \$160,000,000 in Tax and Revenue Anticipation Notes that will mature on June 30, 2017.

In 1995 the County of Kern issued Taxable Pension Obligation Bonds in the amount of \$227,818,439. In 2003, the County issued additional Taxable Pension Obligation Bonds in the amount of \$288,177,067. The courts and the Kern County Employees' Retirement Association were included in the original issuance of these bonds. They are no longer part of the County. In 2008, the County refinanced the 2003B Taxable Pension Obligation Bonds.

As of June 30, 2016, the County had outstanding certificates of participation in a principal amount of \$92,396,000. The proceeds of such certificates of participation are being used for the purchase of equipment, as well as the acquisition, construction and renovation of certain public facilities within the County.

A summary of the County's certificates of participation (COP) as of June 30, 2016 includes (in thousands):

Description of Issue	Date		Principal Outstanding
	Issued	Maturity	
2009 Capital Improvements Projects	2009	2035	\$ 83,910
2011 Refunding COP - Governmental Portion	2011	2019	2,293
2011 Refunding COP - KMC Portion	2011	2019	4,238
2011 Waste Refunding COP	2011	2016	1,955
		Total	<u>\$ 92,396</u>

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 comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the nineteenth consecutive year that the County of Kern has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I wish to express my appreciation to the staff of the Auditor-Controller-County Clerk's Office whose hard work, professionalism and dedication are responsible for the preparation of this report, and to the firm of Brown Armstrong Accountancy Corporation 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,



Mary B. Bedard, CPA
Auditor-Controller-County Clerk

**COUNTY OF KERN
DIRECTORY OF COUNTY OFFICIALS**

ELECTED

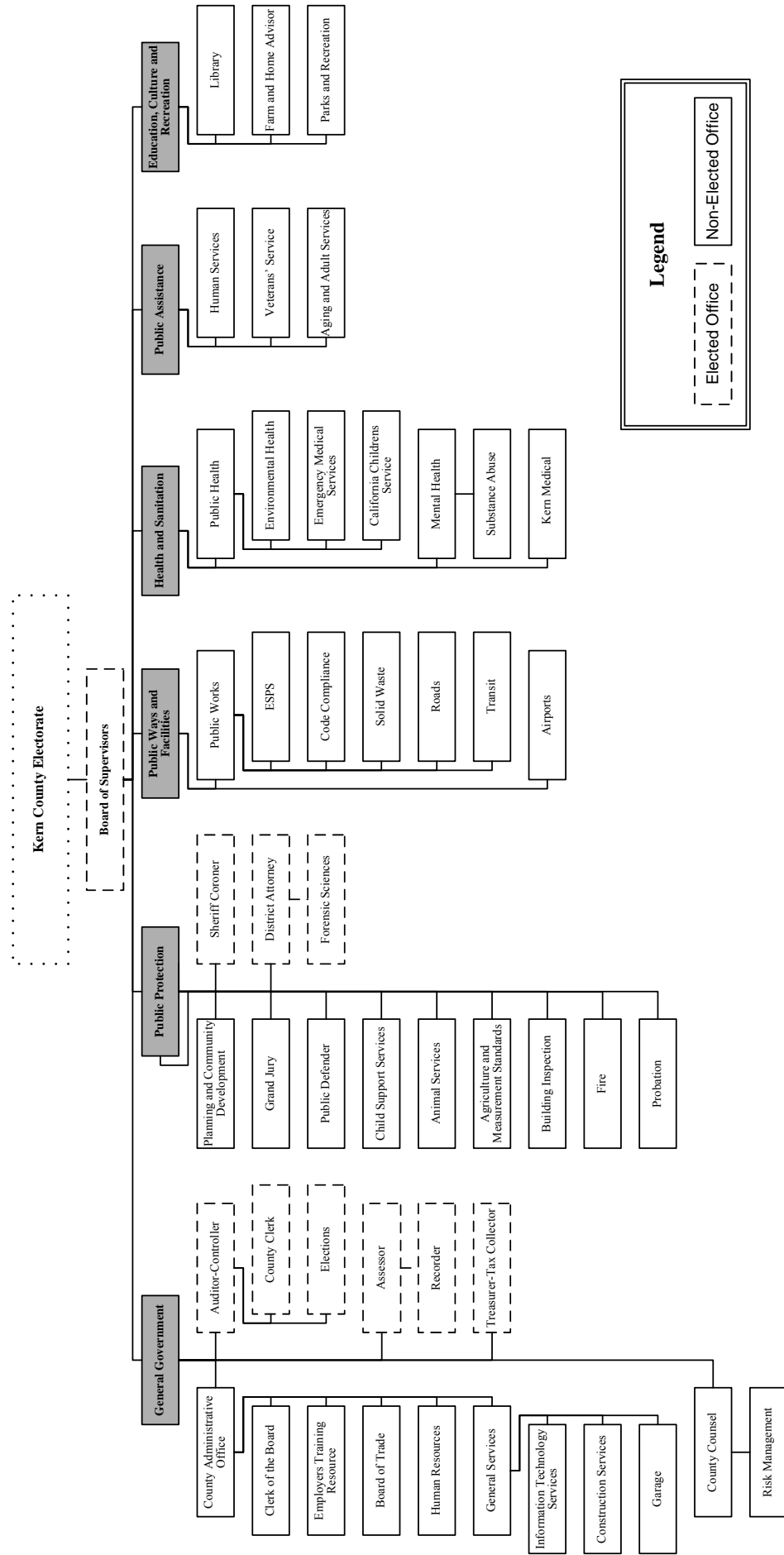
COUNTY SUPERVISOR, FIRST DISTRICT..... MICK GLEASON
COUNTY SUPERVISOR, SECOND DISTRICT ZACH SCRIVNER
COUNTY SUPERVISOR, THIRD DISTRICT MIKE MAGGARD
COUNTY SUPERVISOR, FOURTH DISTRICT DAVID COUCH
COUNTY SUPERVISOR, FIFTH DISTRICT LETICIA PEREZ
ASSESSOR-RECORDER..... JON LIFQUIST
AUDITOR-CONTROLLER-COUNTY CLERK MARY B. BEDARD
DISTRICT ATTORNEY LISA GREEN
SHERIFF-CORONER-PUBLIC ADMINISTRATOR DONNY YOUNGBLOOD
TREASURER-TAX COLLECTOR JORDAN KAUFMAN

COUNTY OF KERN
DIRECTORY OF COUNTY OFFICIALS
(CONTINUED)

APPOINTED

AGING AND ADULT SERVICES	LITO MORILLO
AGRICULTURAL COMMISSIONER/SEALER.....	RUBEN ARROYO
AIRPORTS.....	RICHARD STRICKLAND
ANIMAL SERVICES.....	NICHOLAS CULLEN
CLERK OF THE BOARD	KATHLEEN KRAUSE
CHILD SUPPORT SERVICES	PHYLLIS NANCE
COMMUNITY AND ECONOMIC DEVELOPMENT	LORELEI OVIATT
COUNTY ADMINISTRATIVE OFFICER.....	JOHN NILON
BOARD OF TRADE	
EMPLOYERS' TRAINING RESOURCE	
GENERAL SERVICES	
GROUP HEALTH	
HUMAN RESOURCES	
INFORMATION TECHNOLOGY SERVICES	
RETIREE GROUP HEALTH	
UNEMPLOYMENT	
COUNTY COUNSEL.....	THERESA GOLDNER
DEVELOPMENT SERVICES AGENCY	LORELEI OVIATT
EMERGENCY MEDICAL SERVICES.....	MATTHEW CONSTANTINE
ENVIRONMENTAL HEALTH	MATTHEW CONSTANTINE
FARM AND HOME ADVISOR.....	BRIAN MARSH
FIRE DEPARTMENT	BRIAN MARSHALL
HUMAN SERVICES	DENA MURPHY
KERN MEDICAL CENTER.....	RUSSELL JUDD
LIBRARY.....	NANCY KERR
MENTAL HEALTH.....	BILL WALKER
PARKS AND RECREATION.....	ROBERT LERUDE
PLANNING.....	LORELEI OVIATT
PROBATION	T.R. MERICKEL
PUBLIC DEFENDER	KONRAD MOORE
PUBLIC HEALTH	MATTHEW CONSTANTINE
PUBLIC WORKS	CRAIG POPE
ENGINEERING & SURVEY SERVICES	
ROADS	
WASTE MANAGEMENT	
VETERANS' SERVICES	RICHARD TAYLOR

**Kern County Organization Chart
for Staffed Budget Units – by Function of Primary Budget Unit**



Legend

--- Elected Office

--- Non-Elected Office



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

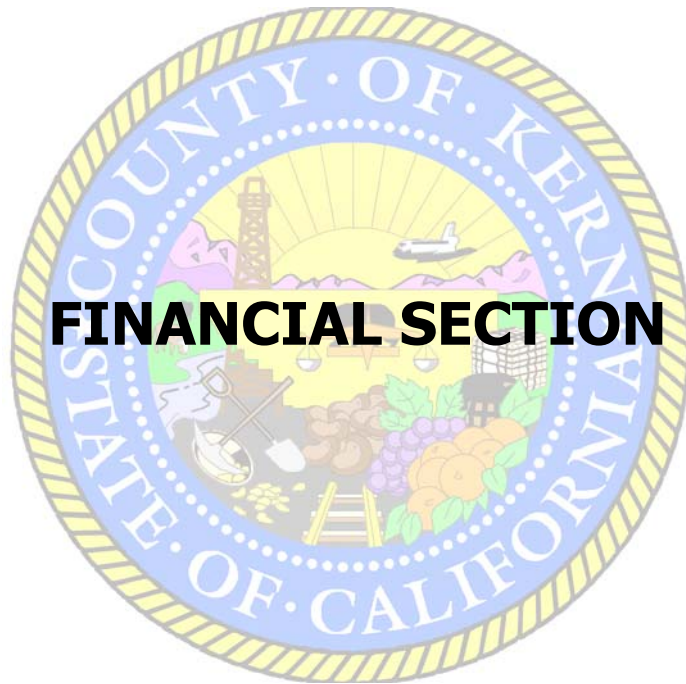
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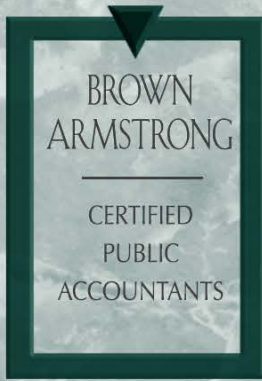
**County of Kern
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO





BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Kern, California, (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Kern Medical Center (KMC), which represents 42% of the total assets and 81% of the total revenues of the County's business-type activities. These financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinions, insofar as it relates to the amounts included for KMC, are based on the report of that auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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 unit, each major fund, and the aggregate remaining

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

7673 N. INGRAM AVENUE
SUITE 101
FRESNO, CA 93711
TEL 559.476.3592
FAX 559.476.3593

PASADENA OFFICE

260 S. LOS ROBLES AVENUE
SUITE 310
PASADENA, CA 91101
TEL 626.204.6542

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

fund information of the County, as of June 30, 2016, 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.

Emphasis of Matters

As disclosed in Note I of the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, during the fiscal year ended June 30, 2016. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14–24, budgetary comparison schedules and related notes for the General Fund and major special revenue funds on pages 97-105, schedules of the County's proportionate share of the net pension liability and schedule of the County's pension contributions on page 106, and schedule of funding progress, actuarial assumptions and methodology for the County's other post-employment benefits plan on pages 107-108, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

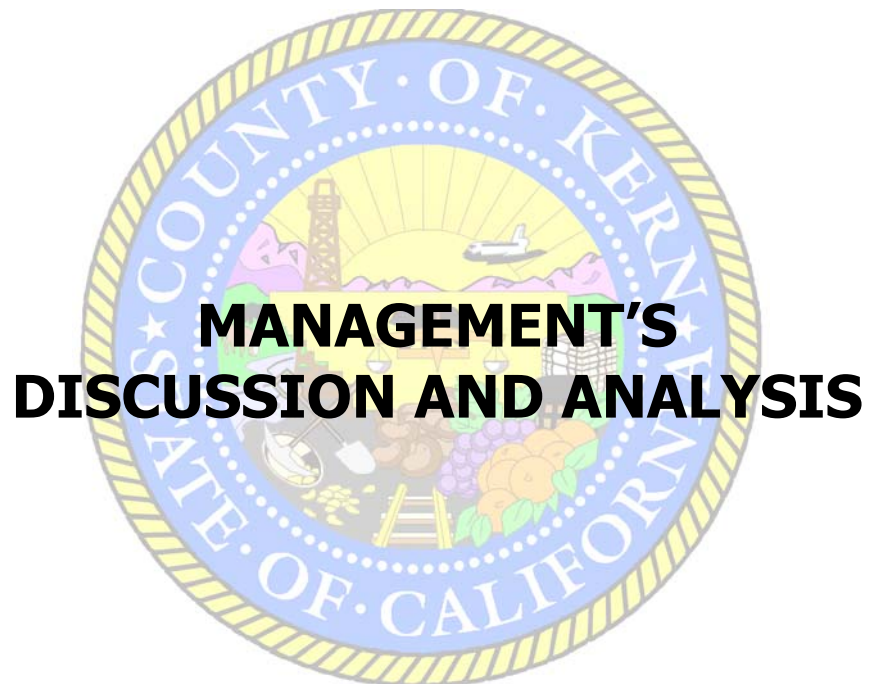
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2016, on our consideration of the County'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 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 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 the County's internal control over financial reporting and compliance.

Bakersfield, California
December 27, 2016

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation



**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

**County of Kern
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited**

The management's discussion and analysis section of the County of Kern's (County) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. Users of these financial statements should read this section in conjunction with the transmittal letter at the front of the CAFR and the County's basic financial statements following this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- At June 30, 2016, the County's total net position was \$251,268. Of this total net position, \$1,975,364 is attributed to net investment in capital assets, and \$389,709 is restricted, which may be used for the County's ongoing obligations with external restrictions. (For additional information on Restricted Net Position see Note XI. B.) The remaining balance of the total net position is a deficit balance of \$2,113,805, representing the unrestricted net position.
- During the current fiscal year, the County's net position increased by \$104,855. The County's net position increased by \$55,503 for governmental activities and \$49,352 for business-type activities.
- At June 30, 2016, the County's governmental funds reported total ending fund balance of \$673,919, an increase of 1.83% compared to prior year's total ending fund balance. Approximately \$649,373 or 96.36% is considered spendable fund balance. See further discussion in the Financial Analysis of the County's Governmental Funds section on page 18.
- At June 30, 2016, the spendable fund balance for the General Fund was \$270,739 or 44.70% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are organized so that readers can understand the County as a financial whole or as an entire operating entity. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the financial statements. In addition to the financial statements, the CAFR also contains other supplementary information.

1. Government-Wide Financial 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 of the 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 CAFR 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. The County's business-type activities include the operation of seven airports, two sanitation districts, medical services (Kern Medical), public transportation, three golf courses, solid

waste disposal, and activities associated with waste pick-up for the more densely populated unincorporated areas of Bakersfield 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 and 27 of the CAFR.

2. 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. All of the County's funds can be divided into three broad categories: governmental funds, proprietary funds, and 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 future 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 eight 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 of 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 CAFR (debt service funds are not required to be presented in these financial statements). Individual budgetary data for each of the budgeted non-major governmental funds is provided elsewhere in the CAFR.

The basic governmental fund financial statements are presented on pages 29 through 34 of the CAFR.

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, Kern Medical, 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, Kern Medical, and Waste Management, all of which are considered to be 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 CAFR.

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 35 through 38 of the CAFR.

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 39 and 40 of the CAFR.

3. 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 42 of the CAFR.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. At June 30, 2016, the County's total net position was \$251,268. See Table 1 on page 17 for details.

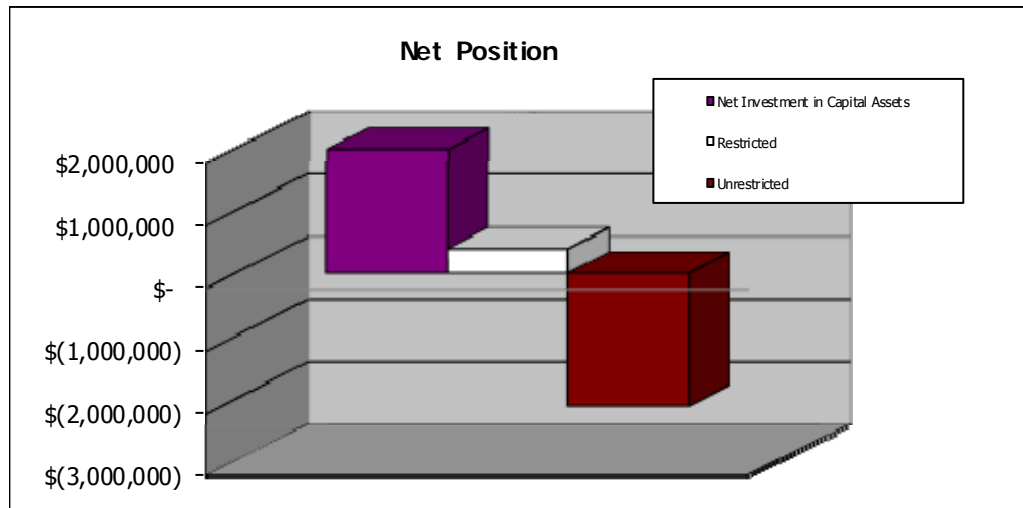
The County's largest portion of total net position is the net investment in capital assets of \$1,975,364. The investment in capital assets includes land, buildings and improvements, roads, flood control channels, machinery and equipment, intangibles and construction in progress, less accumulated depreciation 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 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.

Of the County's total net position, \$389,709 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted resources, \$351,128, is reserved for capital projects, public protection, public ways & facilities and health & sanitation. The remaining balance of net position represents the unrestricted resources, which have a deficit balance of \$2,113,805. This deficit balance is primarily due to the inclusion of the debt associated with the Kern County Tobacco Funding Corporation (see Note XII. K) Certificates of Participation for capital projects, other post-employment benefits, net pension liability and the Pension Obligation Bonds used to pay the unfunded actuarial accrued liability owed to the Kern County Employees' Retirement Association.

At June 30, 2016, the County as a whole and its governmental and business-type activities reported positive balances in "Net Investment in Capital Assets" and "Restricted Net Position." For both governmental and business-type activities, deficits were reported in unrestricted net position. Per the Governmental Accounting Standards Board's (GASB) directive, the County now reports a governmental activities' unrestricted net position deficit of \$1,708,445, which is primarily due to the recognition of liabilities associated with the Kern County Tobacco Funding Corporation, Pension Obligation Bonds, Certificates of Participation, other post-employment benefits, and net pension liability. The business-type activities reported a deficit in unrestricted resources of \$405,360. The deficit is attributable to the negative unrestricted resources of Kern Medical (KM), Waste Management and Airports. Federal and State reimbursements for indigent care have continuously not matched the cost of providing such care.

Table 1 - County of Kern's Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change
	2016	2015	2016	2015	2016	2015	
Current and Other Assets	\$ 951,919	\$ 902,110	\$ 241,682	\$ 157,963	\$ 1,193,601	\$ 1,060,073	\$ 133,528
Capital Assets	1,866,572	1,848,051	216,586	214,151	2,083,158	2,062,202	20,956
Total Assets	2,818,491	2,750,161	458,268	372,114	3,276,759	3,122,275	154,484
Total Deferred Outflows of Resources	282,809	297,929	55,877	61,592	338,686	359,521	(20,835)
Current and Other Liabilities	231,258	204,588	159,531	115,769	390,789	320,357	70,432
Long-Term Liabilities	2,332,117	2,268,685	529,521	522,065	2,861,638	2,790,750	70,888
Total Liabilities	2,563,375	2,473,273	689,052	637,834	3,252,427	3,111,107	141,320
Total Deferred Inflows of Resources	94,431	186,826	17,319	37,450	111,750	224,276	(112,526)
Net Position							
Net Investment in Capital Assets	1,770,797	1,750,564	204,567	198,605	1,975,364	1,949,169	26,195
Restricted	381,142	375,293	8,567	10,601	389,709	385,894	3,815
Unrestricted	(1,708,445)	(1,737,866)	(405,360)	(450,784)	(2,113,805)	(2,188,650)	74,845
Total Net Position	\$ 443,494	\$ 387,991	\$ (192,226)	\$ (241,578)	\$ 251,268	\$ 146,413	\$ 104,855



As shown in Table 2, the County's total net position increased by \$104,855, of which all is attributed to current year activity.

Table 2 - County of Kern's Changes in Net Position (In Thousands)

	Governmental		Business-Type		Total		Total Change
	Activities		Activities		Total		
	2016	2015	2016	2015	2016	2015	
Revenues							
Program Revenues							
Charges for Services	\$ 253,419	\$ 244,095	\$ 255,235	\$ 252,816	\$ 508,654	\$ 496,911	\$ 11,743
Operating Grants & Contributions	761,250	724,609	135,960	83,151	897,210	807,760	89,450
Capital Grants & Contributions	53,269	47,657	5,720	8,120	58,989	55,777	3,212
General Revenues							
Property Taxes	265,638	280,962			265,638	280,962	(15,324)
Aircraft Taxes	256	120			256	120	136
Sales & Use Taxes	45,554	58,683			45,554	58,683	(13,129)
Transient Occupancy Tax	2,437	2,721			2,437	2,721	(284)
Special Assessments	3,022	2,710			3,022	2,710	312
Transfer Tax	3,888	3,183			3,888	3,183	705
Other Taxes	1,444	1,664			1,444	1,664	(220)
Vehicle License Taxes	96,965	107,308			96,965	107,308	(10,343)
Investment Earnings	29,511	12,785	1,401	634	30,912	13,419	17,493
Miscellaneous	4,555	11,822			4,555	11,822	(7,267)
Total Revenues	1,521,208	1,498,319	398,316	344,721	1,919,524	1,843,040	76,484
Expenses							
General Government	83,977	92,981			83,977	92,981	(9,004)
Public Protection	608,251	593,634			608,251	593,634	14,617
Public Ways & Facilities	50,178	63,111			50,178	63,111	(12,933)
Health & Sanitation	160,958	146,941			160,958	146,941	14,017
Public Assistance	460,329	425,161			460,329	425,161	35,168
Education	8,639	8,229			8,639	8,229	410
Culture & Recreation Services	13,161	13,604			13,161	13,604	(443)
Interest on Short & Long-Term Debt	46,805	37,914			46,805	37,914	8,891
Airports			7,424	8,255	7,424	8,255	(831)
County Sanitation Districts			4,565	3,807	4,565	3,807	758
Golf Courses			216	509	216	509	(293)
Kern Medical			311,695	281,624	311,695	281,624	30,071
Public Transportation			10,134	9,099	10,134	9,099	1,035
Universal Collection			13,132	12,862	13,132	12,862	270
Waste Management			35,205	33,352	35,205	33,352	1,853
Total Expenses	1,432,298	1,381,575	382,371	349,508	1,814,669	1,731,083	83,586
Excess (Deficiency) of Revenues Over (Under) Expenses Before Transfers	88,910	116,744	15,945	(4,787)	104,855	111,957	(7,102)
Transfers	(33,407)	(42,916)	33,407	42,916			
Increase (Decrease) in Net Position	55,503	73,828	49,352	38,129	104,855	111,957	(7,102)
Net Position at Beginning of Year*	387,991	314,163	(241,578)	(279,707)	146,413	34,456	111,957
Net Position at End of Year	\$ 443,494	\$ 387,991	\$ (192,226)	\$ (241,578)	\$ 251,268	\$ 146,413	\$ 104,855

* As restated. See Note II. A.

Governmental Activities

The Governmental activities increased the County's net position by \$55,503 for the year ended June 30, 2016:

- Total revenues increased by 1.5%; capital and operating grants and investment earnings made up a majority of the increase.
- As an arm of the State government, operating grants and contributions serve multiple programs, representing 71.3% of the County's program 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 5.1% from the prior year.

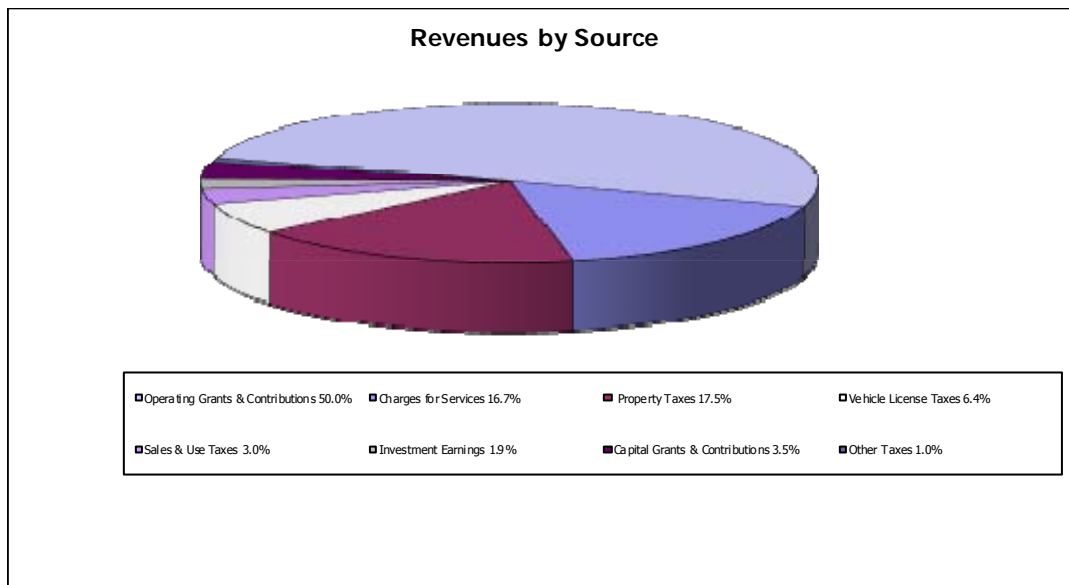
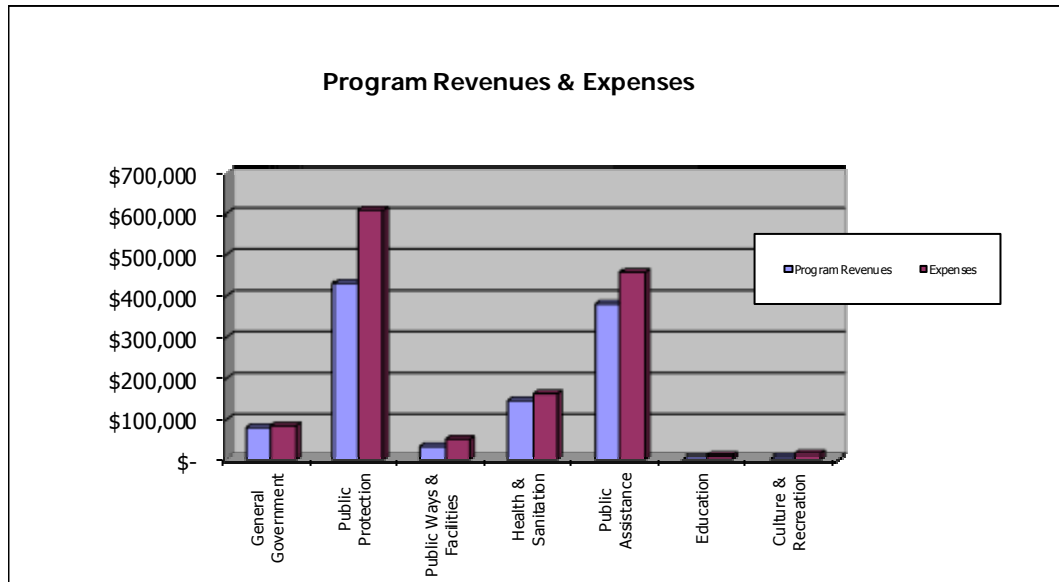
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. They decreased primarily due to the following:

Sales and Use Tax revenue decreased by \$13,129 or 22.4% from prior year.

Property Tax revenues decreased by \$15,324 or 5.5% from prior year.

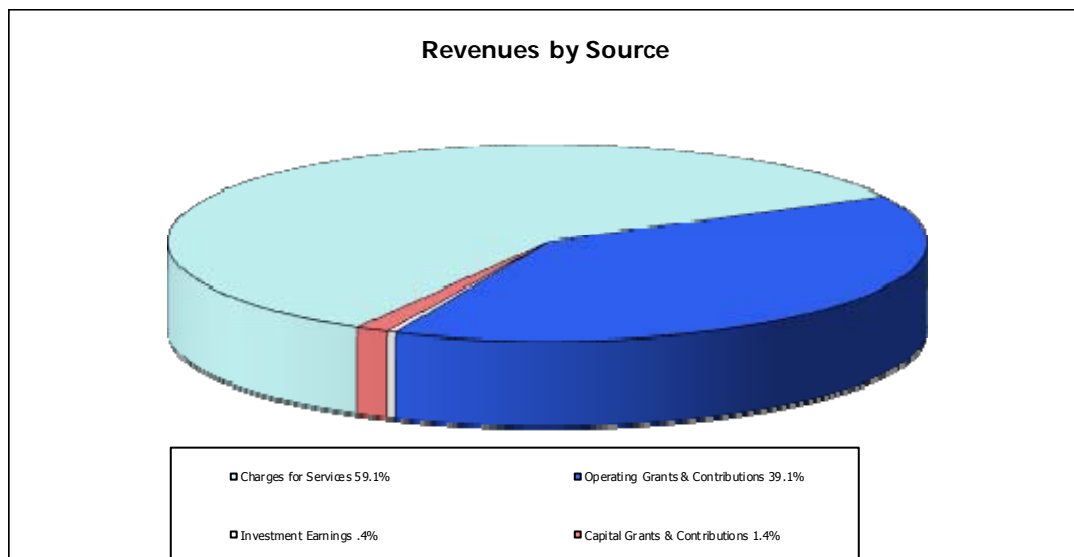
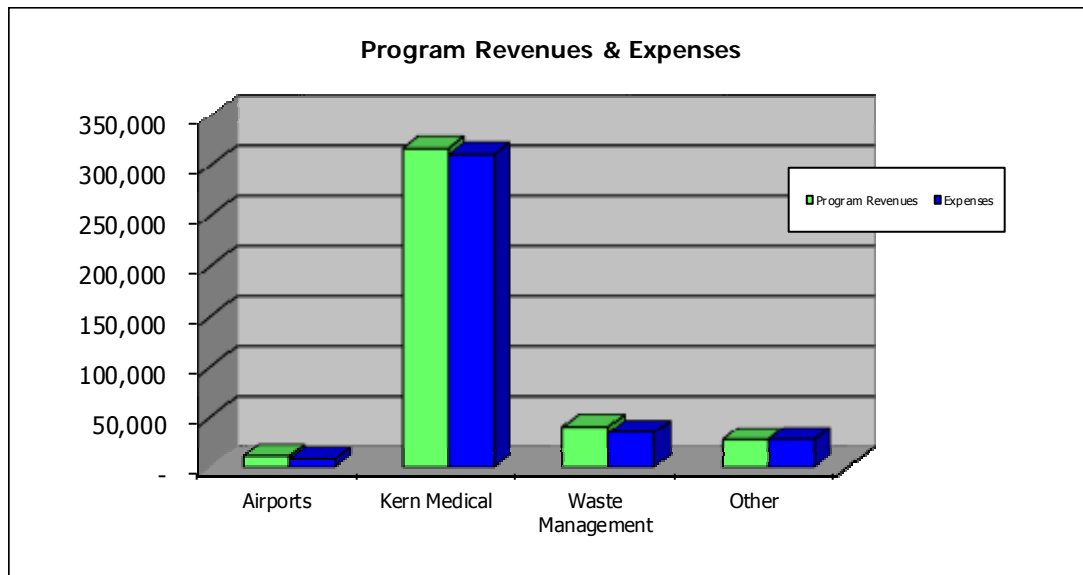
Vehicle License Tax revenues decreased by \$10,343 or 9.6% from prior year.

- Total expenses increased by \$50,723 or 3.7% from prior year due to increases in salaries and benefits, services and supplies and other charges. Public Protection, Health & Sanitation, Public Assistance and Education were the functions that had increases.



Business-type Activities

Business-type activities' total net position increased the County's net position by \$49,352, which was an increase of \$11,223 as compared to the prior year's increase in net position of \$38,129. Aid from other governmental agencies increased by \$52,809 due primarily to KM. Expenses in the government-wide business-type activities increased by \$32,863, attributed to an increase in salaries and benefits and service & supplies at KM and the allocation of internal service fund losses.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and to demonstrate compliance with financial-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on future inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance 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, 2016, the County's governmental funds reported total fund balances of \$673,919, an increase of 1.83% compared to prior year's total ending fund balance. Approximately \$649,373 or 96.36% 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 nonspendable. Nonspendable 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, 2016, spendable fund balance of the General Fund was \$270,739. 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 44.70% of total General Fund expenditures, while total fund balance represents 48.34% of total General Fund expenditures.

The other governmental funds' fund balances increased by \$20,015 or 5.25%. The following major governmental funds **increased** in fund balance:

- Human Services – Fund balance increased by \$21,180 from the prior year due in part to an increase in realignment operating transfers.
- Mental Health – Fund balance increased by \$19,357 from the prior year due to an increase in realignment operating transfers.

The following major governmental funds **decreased** in fund balance:

- County Local Revenue Fund – Fund balance decreased by \$2,201 due to allocation of existing fund balance.
- Kern County Tobacco Funding Corp. – Fund balance decreased by \$249 from the prior year due to a minimal reduction in other revenue.
- Roads – Fund balance decreased by \$7,268 from the prior year due to a decrease in intergovernmental revenues.
- Structural Fire – Fund balance decreased by \$8,804 from the prior year due to a decrease in tax revenue and an increase in expenditures.
- Tobacco Securitization Proceeds – Fund balance decreased by \$6,427 from the prior year due to use of existing fund balance for the new Jail Facility.

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 \$49,128. The net position of Waste Management increased by \$7,712, similar to prior year's increase. The net position of Kern Medical increased by \$38,050 as a result of an increase in aid from other governmental agencies. The net position of Airports increased by \$3,281 primarily due to increased capital contributions and a decrease in operating expenses. Additionally, the combined net position of the non-major enterprise funds increased by \$85.

The internal service funds had an increase in net position of \$13,749 due to increases in charges for services and operating transfers in. Also changing the makeup of the internal service funds is the starting of the Public Works internal service fund.

GENERAL FUND BUDGETARY VARIANCES

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 short-fall by adjusting appropriations down. The supplemental appropriations increases were from unanticipated revenue sources received throughout the year. All functions came in under budget due to various reasons, with the core reason being departments conservative spending and hiring. Dwindling tax revenues, related to a continued drop in oil prices, was the primary cause of the conservative approach. Significant variances are briefly summarized as follows:

- Increase in total General Government appropriations of \$38,207 includes prior year appropriations that consisted of major maintenance and capital projects as well as appropriations transferred from appropriations for contingencies.
- Increase in total Public Protection appropriations of \$9,602 includes prior year appropriations for capital projects and additional appropriations for capital assets.
- Health and Sanitation decreased by \$6,997 due to the move of the Environmental Health budget unit to its own fund.
- Miscellaneous increases in appropriations for normal operations in other budgetary functions of the General Fund.

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

- Taxes were under due to a decrease in supplemental and prior secured revenues.
- Aid from Other Governmental Agencies decreased due to a reduction in State and Federal aid for welfare and other various programs.
- General Government excess appropriations are the result of capital projects not started.
- Public Protection excess appropriations are the result unspent funds in Probation, with small unspent funds in all other Public Protection departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's total net capital assets are \$2,083,158 at June 30, 2016. Capital assets include land, land acquisition in progress, construction in progress, works of art, infrastructure, structures and improvements, equipment and intangibles. The County's capital assets are illustrated in Table 3.

Table 3 – The County's Gross Capital Assets (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Total Change
	2016	2015	2016	2015	2016	2015	
Land	\$ 27,104	\$ 26,405	\$ 27,617	\$ 27,617	\$ 54,721	\$ 54,022	\$ 699
Land Acquisition in Progress			93	83	93	83	10
Construction in Progress*	59,738	55,643	10,373	12,314	70,111	67,957	2,154
Works of Arts	60	60	198	198	258	258	
Infrastructure*	721,048	705,439	51,360	50,071	772,408	755,510	16,898
Structures and Improvements	447,871	412,843	237,661	231,936	685,532	644,779	40,753
Equipment*	197,803	200,616	69,673	66,822	267,476	267,438	38
Intangibles*	1,122,266	1,119,185	11,639	10,831	1,133,905	1,130,016	3,889
Total	\$ 2,575,890	\$ 2,520,191	\$ 408,614	\$ 399,872	\$ 2,984,504	\$ 2,920,063	\$ 64,441

*As restated. See Note II. A.

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

- Major construction in progress includes new jail facility, Information Technology Services/Emergency Medical Services facility replacement and several roads projects.
- The Roads Department had several infrastructure improvements and additions for the current fiscal year. The total infrastructure additions for Roads was \$16,992.

Additional information regarding the County’s capital assets is reported in Note VII. A of the Notes to the Financial Statements.

Long-Term Debt

At June 30, 2016, the County’s long-term debt is \$2,663,604, which is mainly comprised of Certificates of Participation (COP) (secured by the County’s lease rental payments), net pension liability, and Pension Obligation Bonds. The remaining long-term liabilities include bonds payables, facilities and capital asset leases, a public health facility loan, closure/post closure liabilities, compensated absences, and Other Post-Employment Benefits.

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 the Notes to the Financial Statements in Note IX. A of the CAFR.

Table 4 – The County’s Outstanding Debt (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Total Change
	2016	2015	2016	2015	2016	2015	
Compensated Absences	\$ 54,327	\$ 54,556	\$ 11,568	\$ 11,068	\$ 65,895	\$ 65,624	\$ 271
Lease Purchase Agreements	5,005	8,552	2,453	750	7,458	9,302	(1,844)
Certificates of Participation	86,346	89,732	6,339	9,172	92,685	98,904	(6,219)
Tobacco - Asset Backed Bonds	96,326	100,098			96,326	100,098	(3,772)
Bonds Payable	12,660	13,334			12,660	13,334	(674)
Loans Payable	4,568	4,922	6,126	6,930	10,694	11,852	(1,158)
Pension Obligation Bonds	231,266	247,301	34,682	37,256	265,948	284,557	(18,609)
Landfill Closure Liability			27,483	27,273	27,483	27,273	210
Post Closure Liability			35,711	35,777	35,711	35,777	(66)
Other Post-Employment Benefits	34,253	33,357	6,019	6,876	40,272	40,233	39
Net Pension Liability	1,623,604	1,531,164	384,868	368,149	2,008,472	1,899,313	109,159
Total	\$ 2,148,355	\$ 2,083,016	\$ 515,249	\$ 503,251	\$ 2,663,604	\$ 2,586,267	\$ 77,337

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The State’s budget has improved from prior years although it continues to impact the County’s budget for fiscal year 2016 – 2017. The recommended County budget for 2016 – 2017 is \$2.4 billion. The recommended budget for the General Fund for fiscal year 2016 – 2017 was recommended at \$775 million, which is 8.1% less than appropriations adopted last year (excluding Budget Savings Incentive (BSI) credits and capital project and major maintenance projects).

Property tax revenue for the General Fund will decrease 16% due to a decrease in oil and gas values. In the coming years the following factors will have a significant impact on the County budget: Retirement cost, staffing the new jail facility, loss of public safety funding (Title IV-E, COPS, federal prisoner funding, SAFER grant) and sales tax volatility.

REQUESTS FOR INFORMATION

The CAFR 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 CAFR or need additional financial information, contact Mrs. Mary B Bedard, Kern County Auditor-Controller-County Clerk at 1115 Truxtun Avenue, Bakersfield, California 93301, (661) 868-3599 or visit the website at www.co.kern.ca.us.

The County presents three discrete component units in the government-wide financial statements, First 5 Kern, Tejon Ranch Public Facilities Financing Authority, and the Housing Authority of Kern County. 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 the Housing Authority of Kern County located at 601 24th Street, Bakersfield, California 93301.



BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

**COUNTY OF KERN
STATEMENT OF NET POSITION
JUNE 30, 2016 (IN THOUSANDS)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Totals	First 5 Kern	Tejon Ranch PFFA
ASSETS					
Cash and Investments	\$ 596,510	\$ 135,524	\$ 732,034	\$ 19,600	\$ 2,405
Restricted Cash and Investments	61,678	2,036	63,714		16,820
Revolving Fund Cash	1,489	22	1,511		
Receivables, Net	178,321	31,961	210,282	2,016	
Due from Other Agencies	18,041	92,099	110,140		
Inventories and Prepaid Expenses	2,880	5,362	8,242	2	
Housing Loans Receivable	51,511		51,511		
Housing Loans Interest Receivable	11,855		11,855		
Deposits with Others	1,915		1,915		
Internal Balances	27,719	(27,719)	0		
Investment in Joint Venture		2,397	2,397		
Capital Assets:			0		
Nondepreciable	1,202,443	38,281	1,240,724		
Depreciable, Net	664,129	178,305	842,434	5	
Total Assets	<u>2,818,491</u>	<u>458,268</u>	<u>3,276,759</u>	<u>21,623</u>	<u>19,225</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	1,257	170	1,427		509
Deferred Pensions	281,552	55,707	337,259		
Total Deferred Outflows of Resources	<u>282,809</u>	<u>55,877</u>	<u>338,686</u>		<u>509</u>
LIABILITIES					
Accounts Payable	40,267	26,458	66,725	1,968	26
Salaries and Employee Benefits Payable	43,294	10,767	54,061	46	
Claims Payable					
Due to Other Agencies	283	96,256	96,539		
Accrued Interest Payable	27,627	4,733	32,360		1,337
Advances from Grantors and Third Parties	30,365	2,254	32,619		
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
Long-Term Debt	24,246	6,491	30,737		1,050
Capital Leases	2,740	528	3,268		
Compensated Absences	34,502	8,697	43,199	89	
Landfill Closure/Post Closure Costs		3,347	3,347		
Liability for Self-Insurance	27,934		27,934		
Portion Due or Payable After One Year:					
Professional Liabilities		4,279	4,279		
Certificates of Participation	82,863	3,440	86,303		
Bonds and Notes Payable	319,852	31,914	351,766		79,744
Loans Payable	4,205	5,302	9,507		
Accrued Interest	129,154	22,945	152,099		
Capital Leases	2,265	1,925	4,190		
Compensated Absences	19,825	2,871	22,696	45	
Liability for Pollution Remediation	2,050	6,111	8,161		
Accrued Landfill Closure/Post Closure Costs		59,847	59,847		
Liability for Other Post-Employment Benefits	34,253	6,019	40,272		
Liability for Self-Insurance	114,046		114,046		
Net Pension Liability	1,623,604	384,868	2,008,472		
Total Liabilities	<u>2,563,375</u>	<u>689,052</u>	<u>3,252,427</u>	<u>2,148</u>	<u>82,157</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Housing Payments	989		989		
Deferred Pensions	93,442	17,319	110,761		
Total Deferred Outflows of Resources	<u>94,431</u>	<u>17,319</u>	<u>111,750</u>		
NET POSITION					
Net Investment in Capital Assets	1,770,797	204,567	1,975,364	5	
Restricted (Note XI. B):					
Debt Service	18,892	2,036	20,928		
Capital Projects	46,400	5,687	52,087		
General Government	4,064		4,064		
Public Protection	110,285		110,285		
Public Ways & Facilities	45,854		45,854		
Health and Sanitation	142,902		142,902		
Public Assistance	11,973		11,973		
Education	481	844	1,325		
Culture & Recreation Services	291		291		
Other Purposes				9,020	
Unrestricted (Deficits)	<u>(1,708,445)</u>	<u>(405,360)</u>	<u>(2,113,805)</u>	<u>10,450</u>	<u>(62,423)</u>
Total Net Position	<u>\$ 443,494</u>	<u>\$ (192,226)</u>	<u>\$ 251,268</u>	<u>\$ 19,475</u>	<u>\$ (62,423)</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, 2016 (IN THOUSANDS)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues			Primary Government			Component Units			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	First 5 Kern	Tejon Ranch PFFA		
Governmental Activities:										
General Government	\$ 83,977	\$ 63,550	\$ 15,248	\$ 1,046	\$ (4,133)	\$ (4,133)	\$ (4,133)	\$	\$	\$
Public Protection	608,251	99,788	311,479	20,671	(176,313)	(176,313)	(176,313)			
Public Ways and Facilities	50,178	7,137		24,315	(18,726)	(18,726)	(18,726)			
Health and Sanitation	160,958	67,699	68,197	7,237	(17,825)	(17,825)	(17,825)			
Public Assistance	460,329	12,980	366,237		(81,112)	(81,112)	(81,112)			
Education	8,639	453	89		(8,097)	(8,097)	(8,097)			
Culture and Recreation Services	13,161	1,812			(11,349)	(11,349)	(11,349)			
Interest on Short and Long-term Debt	46,805				(46,805)	(46,805)	(46,805)			
Total Governmental Activities	1,432,298	253,419	761,250	53,269	(364,360)	(364,360)	(364,360)			
Business-type Activities:										
Airports	7,424	4,027	802	5,605			3,010	3,010		
County Sanitation Districts	4,565	4,827					262	262		
Golf Courses	216	199					(17)	(17)		
Kern Medical	311,695	185,544	131,984				5,833	5,833		
Public Transportation	10,134	6,779	2,514	115			(726)	(726)		
Universal Collection	13,132	13,291					159	159		
Waste Management	35,205	40,568	660				6,023	6,023		
Total Business-type Activities	382,371	255,235	135,960	5,720			14,544	14,544		
Total Primary Government	1,814,669	508,654	897,210	58,989	(364,360)	(364,360)	(364,360)			
Component Units:										
First 5 Kern	\$ 9,700	\$	\$ 10,217	\$				517		(8,124)
Tejon Ranch PFFA	\$ 8,124	\$	\$	\$						
General Revenues:										
Taxes:										
Property Taxes					265,638					
Aircraft Taxes					256					
Sales and Use Taxes					45,554					
Transient Occupancy Tax					2,437					4,494
Special Assessments					3,022					
Transfer Taxes					3,888					
Other Taxes					1,444					
Property Taxes in Lieu of Motor Vehicle License Fees					96,965					
Grants and Contributions not Restricted to Specific Programs										
Unrestricted Investment Earnings					29,511			1,401	138	
Miscellaneous					4,555					
Transfers					(33,407)			33,407		
Total General Revenues and Transfers					419,863			34,808	138	4,521
Change in Net Position					55,503			49,352	655	(3,603)
Net Position--beginning (as restated, Note II. A)					387,991			(241,578)	18,820	(58,820)
Net Position--ending					443,494			(192,226)	19,475	(62,423)



BASIC FINANCIAL STATEMENTS

Fund Financial Statements

**COUNTY OF KERN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 1

	<u>GENERAL FUND</u>	<u>COUNTY LOCAL REVENUE FUND</u>	<u>HUMAN SERVICES</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>MENTAL HEALTH</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 242,033	\$ 16,698	\$ 67	\$	\$ 127,907
Revolving Fund Cash	1,321		101		1
Cash and Investments Deposited with Trustee				9,701	
Interest Receivable	920		14		258
Taxes Receivable	33,473				
Accounts Receivable	1,433		5,080		630
Accrued Revenue	21,037	17,302	38,338		14,794
Due from Other Funds	28,002		16,577		6,541
Due from Other Agencies	12,500	3,776	456		568
Advances to Other Funds	3,000				
Housing Loans Receivable					
Housing Loans Interest Receivable					
Deposits with Others	136				
Prepaid Items	206				
Inventory - Materials and Supplies					
Total Assets	<u>344,061</u>	<u>37,776</u>	<u>60,633</u>	<u>9,701</u>	<u>150,699</u>
Deferred Outflows of Resources:					
Tobacco Settlement Revenues				140,054	
Total Deferred Outflows of Resources				<u>140,054</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 344,061</u>	<u>\$ 37,776</u>	<u>\$ 60,633</u>	<u>\$ 149,755</u>	<u>\$ 150,699</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 13,230	\$ 243	\$ 640	\$	\$ 9,016
Salaries and Employee Benefits Payable	21,374		7,067		2,875
Due to Other Funds	11,289	19,718	18,324		
Due to Other Agencies					173
Advances from Other Funds					
Advances from Grantors and Third Parties	1,445		28,869		
Total Liabilities	<u>47,338</u>	<u>19,961</u>	<u>54,900</u>		<u>12,064</u>
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Tobacco Settlement Revenues				140,054	
Unavailable Revenue - Property Taxes	3,810				
Unavailable Revenue - Reimbursements			5,196		
Unavailable Other	139				2,464
Total Deferred Inflows of Resources	<u>3,949</u>		<u>5,196</u>	<u>140,054</u>	<u>2,464</u>
Fund Balances:					
Nonspendable	22,035		101		1
Restricted	11,471	17,815	436	9,701	136,170
Committed	37,301				
Assigned	147,459				
Unassigned	74,508				
Total Fund Balances	<u>292,774</u>	<u>17,815</u>	<u>537</u>	<u>9,701</u>	<u>136,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 344,061</u>	<u>\$ 37,776</u>	<u>\$ 60,633</u>	<u>\$ 149,755</u>	<u>\$ 150,699</u>

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

ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
					Assets:
\$ 39,875	\$ 9,018	\$ 23	\$ 102,916	\$ 538,537	Pooled Cash and Investments
	5		61	1,489	Revolving Fund Cash
		42,932	9,045	61,678	Cash and Investments Deposited with Trustee
73	17		99	1,381	Interest Receivable
	2,211		330	36,014	Taxes Receivable
89			3	7,235	Accounts Receivable
37	10,057		28,791	130,356	Accrued Revenue
	348		2,414	53,882	Due from Other Funds
			741	18,041	Due from Other Agencies
				3,000	Advances to Other Funds
			51,511	51,511	Housing Loans Receivable
			11,855	11,855	Housing Loans Interest Receivable
				136	Deposits with Others
				206	Prepaid Items
1,353	990			2,343	Inventory - Materials and Supplies
41,427	22,646	42,955	207,766	917,664	Total Assets
				140,054	Deferred Outflows of Resources:
					Tobacco Settlement Revenues
				140,054	Total Deferred Outflows of Resources
\$ 41,427	\$ 22,646	\$ 42,955	\$ 207,766	\$ 1,057,718	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
					Liabilities:
\$ 1,836	\$ 460	\$	\$ 12,216	\$ 37,641	Accounts Payable
	7,992		1,745	41,053	Salaries and Employee Benefits Payable
331			4,663	54,325	Due to Other Funds
			110	283	Due to Other Agencies
			3,000	3,000	Advances from Other Funds
			51	30,365	Advances from Grantors and Third Parties
2,167	8,452		21,785	166,667	Total Liabilities
			63,165	63,165	Deferred Inflows of Resources:
				140,054	Deferred Housing Loan Payments
	1,995		309	6,114	Tobacco Settlement Revenues
				5,196	Unavailable Revenue - Property Taxes
				2,603	Unavailable Revenue - Reimbursements
					Unavailable Other
	1,995		63,474	217,132	Total Deferred Inflows of Resources
1,353	995		61	24,546	Fund Balances:
37,907	2,889	42,955	91,760	351,104	Nonspendable
	147		27,834	65,282	Restricted
	8,168		2,852	158,479	Committed
				74,508	Assigned
					Unassigned
39,260	12,199	42,955	122,507	673,919	Total Fund Balances
\$ 41,427	\$ 22,646	\$ 42,955	\$ 207,766	\$ 1,057,718	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

COUNTY OF KERN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2016 (IN THOUSANDS)

Fund Balances - Total Governmental Funds:		\$	673,919
Capital assets used in governmental activities are not financial resources; therefore, the capital assets are not reported in the governmental funds.			1,861,440
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized when earned in governmental activities.			76,089
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	\$	1,257	
Deferred pensions - outflow		280,935	
Deferred pensions - inflow		<u>(93,230)</u>	188,962
Pollution remediation recoveries are recognized when realized, regardless of availability.			800
Internal service funds are used by management to charge the costs of management of fleet maintenance, employee benefits, personal injury, and retiree health insurance benefits to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position.			(55,025)
Accrued interest expense does not require the use of current financial resources; therefore, it is not accrued as a liability in the governmental funds.			(156,466)
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	\$	(231,003)	
Bonds Payable		(102,590)	
Certificates of Participation		(86,203)	
Net Unamortized Premium/Discount on Long-term Debt		(6,539)	
Capital Leases		(5,005)	
Loan Payable		(4,568)	
Compensated Absences		(54,263)	
Net Other Post-Employment Benefits Obligation		(34,244)	
Net Pension Liability		(1,619,760)	
Pollution Remediation		<u>(2,050)</u>	<u>(2,146,225)</u>
Net Position of Governmental Activities		\$	<u><u>443,494</u></u>

**COUNTY OF KERN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 1

	<u>GENERAL FUND</u>	<u>COUNTY LOCAL REVENUE FUND</u>	<u>HUMAN SERVICES</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>MENTAL HEALTH</u>
REVENUES:					
Taxes	\$ 315,286	\$	\$	\$	\$
Licenses, Permits and Franchises	10,363				
Fines, Forfeitures and Penalties	13,259				
Revenues from Use of Money and Property	23,849	42	46	442	1,145
Aid from Other Governmental Agencies	147,115	184,837	250,918		41,383
Charges for Current Services	80,605		149		49,952
Other Revenues	4,096		2,462	7,237	767
Total Revenues	<u>594,573</u>	<u>184,879</u>	<u>253,575</u>	<u>7,679</u>	<u>93,247</u>
EXPENDITURES:					
Current:					
General Government	118,022			30	
Public Protection	408,778	2,374			
Public Ways and Facilities					
Health and Sanitation	32,214				122,268
Public Assistance	13,169		413,830		
Education	8,034				
Culture and Recreation Services	11,816				
Capital Outlay	106				
Debt Service:					
Principal	636			3,505	
Interest	12,897			4,393	
Total Expenditures	<u>605,672</u>	<u>2,374</u>	<u>413,830</u>	<u>7,928</u>	<u>122,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,099)</u>	<u>182,505</u>	<u>(160,255)</u>	<u>(249)</u>	<u>(29,021)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	166,930		181,435		51,399
Transfers Out	(174,767)	(184,706)			(3,021)
Inceptions of Capital Leases	106				
Total Other Financing Sources (Uses)	<u>(7,731)</u>	<u>(184,706)</u>	<u>181,435</u>		<u>48,378</u>
Net Changes in Fund Balances	(18,830)	(2,201)	21,180	(249)	19,357
Fund Balances, July 1, 2015 (as previously reported)	300,833	20,016	(20,643)	9,950	116,644
Prior Period Adjustments	10,771				170
Fund Balances, June 30, 2016	<u>\$ 292,774</u>	<u>\$ 17,815</u>	<u>\$ 537</u>	<u>\$ 9,701</u>	<u>\$ 136,171</u>

ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$ 3,768	\$ 96,604	\$	\$ 3,024	\$ 418,682	REVENUES:
2,870	712		12,862	26,807	Taxes
	108		7,844	21,211	Licenses, Permits and Franchises
450	6	1,838	1,058	28,876	Fines, Forfeitures and Penalties
24,315	3,874		155,100	807,542	Revenues from Use of Money and Property
3,658	37,255		17,079	188,698	Aid from Other Governmental Agencies
228	264		54,901	69,955	Charges for Current Services
					Other Revenues
<u>35,289</u>	<u>138,823</u>	<u>1,838</u>	<u>251,868</u>	<u>1,561,771</u>	Total Revenues
					EXPENDITURES:
			969	119,021	Current:
	154,128		32,340	597,620	General Government
42,588			2,788	45,376	Public Protection
			9,594	164,076	Public Ways and Facilities
			39,353	466,352	Health and Sanitation
				8,034	Public Assistance
			36	11,852	Education
			31,160	31,266	Culture and Recreation Services
					Capital Outlay
			20,405	24,546	Debt Service:
			35,435	52,725	Principal
					Interest
<u>42,588</u>	<u>154,128</u>		<u>172,080</u>	<u>1,520,868</u>	Total Expenditures
<u>(7,299)</u>	<u>(15,305)</u>	<u>1,838</u>	<u>79,788</u>	<u>40,903</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
31	7,764		40,500	448,059	Transfers In
	(1,263)	(8,265)	(115,861)	(487,883)	Transfers Out
				106	Inceptions of Capital Leases
<u>31</u>	<u>6,501</u>	<u>(8,265)</u>	<u>(75,361)</u>	<u>(39,718)</u>	Total Other Financing Sources (Uses)
(7,268)	(8,804)	(6,427)	4,427	1,185	Net Changes in Fund Balances
46,528	21,003	49,382	118,080	661,793	Fund Balances, July 1, 2015 (as previously reported)
				10,941	Prior Period Adjustments
<u>\$ 39,260</u>	<u>\$ 12,199</u>	<u>\$ 42,955</u>	<u>\$ 122,507</u>	<u>\$ 673,919</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Net Changes in Fund Balances - Total Governmental Funds: \$ 1,185

Amounts Reported for Governmental Activities in the Statement of Activities:

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 and other related capital asset adjustments	\$ 69,678	
Less: current year depreciation	(47,622)	
Retirement of capital assets	<u>(5,642)</u>	16,414

Capital contributions of capital assets are not reported on governmental funds but recorded at fair value on the Statement of Net Position. 2,184

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. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Inceptions of capital leases (106)

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:

Change in unavailable property tax revenues	\$ 522	
Change in unavailable reimbursements and other revenues	<u>2,198</u>	2,720

Repayments of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal repayments:		
Pension Obligation Bonds	\$ 16,010	
Certificates of Participation	3,350	
Capital Leases	3,653	
Tobacco - Asset Backed Bonds (defeasance of old debt: \$82,445)	3,505	
Bonds Payable	674	
Loans Payable	<u>354</u>	27,546

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	\$ 6,562	
Change in compensated absences	157	
Change in Other Post-Employment Benefits obligation	(929)	
Change in pension expense	<u>(13,985)</u>	(8,195)

Premiums, discounts, and losses 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	\$ 303	
Amortization of losses on refunding	<u>(73)</u>	230

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities. 13,525

Change in Net Position of Governmental Activities \$ 55,503

**COUNTY OF KERN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 2,136	\$ 32,595	\$ 83,774	\$ 17,019	\$ 135,524	\$ 57,973
Revolving Fund Cash	1	11	10		22	
Interest Receivable		86	177	25	288	123
Accounts Receivable, Net	80	24,564	1,483	3	26,130	
Accrued Revenue	183		741	1,137	2,061	2,412
Due from Other Funds						730
Due from Other Agencies		92,099			92,099	
Prepaid Items		1,987			1,987	
Inventory - Materials and Supplies		3,375			3,375	331
Total Current Assets	2,400	154,717	86,185	18,184	261,486	61,569
Non-current Assets:						
Cash and Investments Deposited with Trustee		906	1,130		2,036	
Taxes Receivable			1,760	1,722	3,482	
Deposits with Others						1,779
Investment in Joint Venture				2,397	2,397	
Capital Assets:						
Non-depreciable:						
Land	10,395	168	16,386	668	27,617	
Land Acquisition in Progress			93		93	
Works of Art	198				198	
Construction in Progress	7,462	1,576	907	428	10,373	
Depreciable:						
Structures and Improvements	59,176	82,463	79,781	16,241	237,661	
Equipment	2,374	42,496	7,248	17,555	69,673	11,343
Intangible		10,753	640	246	11,639	37
Infrastructure	40,807			10,553	51,360	
Accumulated Depreciation and Amortization	(39,887)	(88,274)	(41,067)	(22,800)	(192,028)	(6,248)
Total Non-current Assets	80,525	50,088	66,878	27,010	224,501	6,911
Total Assets	82,925	204,805	153,063	45,194	485,987	68,480
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refunding	60	110			170	
Deferred Pensions	769	49,355	4,643	940	55,707	617
Total Deferred Outflows of Resources	829	49,465	4,643	940	55,877	617
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,876	20,719	2,741	1,122	26,458	2,626
Salaries and Employee Benefits Payable	117	10,559		91	10,767	2,241
Due to Other Agencies		96,256			96,256	
Due to Other Funds			210	29	239	48
Current Portion of Long-Term Debt	803	3,468	2,174	46	6,491	26
Current Portion of Capital Leases		528			528	
Interest Payable - Current	152	4,207	306	68	4,733	62
Current Portion of Compensated Absences	167	7,457	879	194	8,697	41
Current Portion of Accrued Closure/Post Closure Liability			3,347		3,347	
Current Portion of Liability for Self-Insurance						27,934
Advances from Grantors and Third Parties			59	2,195	2,254	
Total Current Liabilities	3,115	143,194	9,716	3,745	159,770	32,978
Non-current Liabilities:						
Loans Payable	5,110		192		5,302	
Estimate for Professional Liability Claims		4,279			4,279	
Compensated Absences Payable	56	2,462	289	64	2,871	23
Long-Term Debt - Self-Insurance						114,046
Long-Term Debt - Capital Leases		1,925			1,925	
Long-Term Debt - Certificates of Participation		3,440			3,440	
Unamortized Bond Premium/Discount						
Long-Term Debt - Pension Obligation Bonds	475	28,441	2,449	549	31,914	237
Long-Term - Interest Payable - Pension Obligation Bonds	378	20,730	1,446	391	22,945	253
Pollution Remediation Obligation			6,111		6,111	
Accrued Closure Liability			25,113		25,113	
Accrued Post Closure Liability			34,734		34,734	
Other Post-Employment Benefits (OPEB) Obligation	129	5,355	434	101	6,019	9
Net Pension Liability	4,067	345,263	31,134	4,404	384,868	3,844
Total Non-current Liabilities	10,215	411,895	101,902	5,509	529,521	118,412
Total Liabilities	13,330	555,089	111,618	9,254	689,291	151,390
DEFERRED INFLOWS OF RESOURCES						
Deferred Pensions	228	15,300	1,579	212	17,319	212
Total Deferred Inflows of Resources	228	15,300	1,579	212	17,319	212
NET POSITION						
Net Investment in Capital Assets	74,655	44,946	62,075	22,891	204,567	5,132
Restricted for:						
Debt Service (Note XI. B)		906	1,130		2,036	1,779
Capital Assets		5,687			5,687	
Education		844			844	
Unrestricted	(4,459)	(368,502)	(18,696)	13,777	(377,880)	(89,416)
Total Net Position	\$ 70,196	\$ (316,119)	\$ 44,509	\$ 36,668	\$ (164,746)	\$ (82,505)
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(27,480)	
Net Position of Business-Type Activities					\$ (192,226)	

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
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES	
	AIRPORTS	KERN MEDICAL	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Patient Services	\$	\$ 181,856	\$	\$	\$ 181,856	\$
Charges for Current Services	231	3,688	40,261	18,912	63,092	233,461
Revenues from Use of Property	3,033		24	138	3,195	
Other Operating Revenues	90				90	
Total Operating Revenues	3,354	185,544	40,285	19,050	248,233	233,461
OPERATING EXPENSES:						
Salaries and Employee Benefits	2,281	182,220		1,749	186,250	52,114
Services and Supplies	1,683	112,176	29,708	23,828	167,395	30,348
Claims Incurred						139,496
Other Charges	95	8,853	1,272	100	10,320	7,983
Depreciation and Amortization	3,135	5,754	3,030	2,031	13,950	891
Total Operating Expenses	7,194	309,003	34,010	27,708	377,915	230,832
Operating Income (Loss)	(3,840)	(123,459)	6,275	(8,658)	(129,682)	2,629
NON-OPERATING REVENUES (EXPENSES):						
Taxes and Assessments	664			5,745	6,409	
Fines, Forfeitures and Penalties			283	299	582	
Licenses, Permits and Franchises	9			2	11	
Interest on Bank Deposits and Investments	10	370	860	161	1,401	564
Aid from Other Governmental Agencies	741	120,697	292	2,514	124,244	142
Other Non-Operating Revenues	61	11,287	368		11,716	3,836
Interest Expense	(248)	(3,677)	(366)	(103)	(4,394)	(5)
Gain (Loss) on Sale of Capital Assets		(296)		10	(286)	(136)
Total Non-Operating Revenues, Net	1,237	128,381	1,437	8,628	139,683	4,401
Income (Loss) before Contributions and Transfers	(2,603)	4,922	7,712	(30)	10,001	7,030
OTHER FINANCING SOURCES (USES)						
Capital Contributions	5,605			115	5,720	302
Transfers In	279	33,156			33,435	6,417
Transfers Out		(28)			(28)	
Total Other Financing Sources	5,884	33,128		115	39,127	6,719
Changes in Net Position	3,281	38,050	7,712	85	49,128	13,749
Net Position, July 1, 2015	66,915	(354,169)	36,797	36,583		(96,254)
Net Position, June 30, 2016	\$ 70,196	\$ (316,119)	\$ 44,509	\$ 36,668		\$ (82,505)
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					224	
Change in Net Position - Business-Type Activities					\$ 49,352	

**COUNTY OF KERN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Patient/Current Services	\$ 198	\$ 197,093	\$ 40,129	\$ 17,998	\$ 255,418	\$ 231,248
Cash Received for Use of Property	3,033		25	138	3,196	
Cash Received for Interfund Services Provided						595
Cash Received for Other Operations	91				91	1
Cash Paid for Salaries and Benefits	(2,179)	(178,176)		(1,852)	(182,207)	(49,943)
Cash Paid for Services and Supplies	(1,394)	(90,599)	(14,077)	(19,789)	(125,859)	(30,028)
Cash Paid for Reported Claims						(141,133)
Cash Paid for Interfund Services and Supplies	(424)	(23,809)	(15,612)	(4,139)	(43,984)	
Cash Paid for Other Charges	(95)	(8,853)	(1,062)	(100)	(10,110)	(7,986)
Deposits with Others						
Net Cash Provided (Used) by Operating Activities	<u>(770)</u>	<u>(104,344)</u>	<u>9,403</u>	<u>(7,744)</u>	<u>(103,455)</u>	<u>2,754</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Cash Received from Other Funds		33,404			33,404	6,871
Cash Received for Other Non-Operations	61	11,287	450		11,798	3,384
Cash Received for Taxes and Special Assessments	665			5,746	6,411	
Cash Received as Fines, Forfeitures, and Penalties			283	300	583	
Cash Received for Licenses, Permits & Franchises	9			2	11	
Cash Received from Advances		229,600			229,600	
Cash Paid for Advances		(234,180)			(234,180)	
Cash Paid to Other Funds						
Aid from Other Governmental Agencies	6,493	101,366	228	4,583	112,670	437
Payment of Long-Term Debt - Pension Obligation Bond	(40)	(2,310)	(182)	(42)	(2,574)	(25)
Interest Paid on Pension Obligation Bond	(21)	(1,241)	(327)	(78)	(1,667)	(62)
Net Cash Provided by Non-Capital Financing Activities	<u>7,167</u>	<u>137,926</u>	<u>452</u>	<u>10,511</u>	<u>156,056</u>	<u>10,605</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from Sale of Capital Assets				10	10	67
Capital Contributions						25
Acquisition or Construction of Capital Assets	(4,061)	(4,884)	(3,074)	(466)	(12,485)	(744)
Cash Paid For Capital Lease		(345)			(345)	
Principal Paid on Capital Debt	(740)	(941)	(1,954)		(3,635)	
Interest Paid on Capital Debt	(252)	(3,681)	(94)		(4,027)	
Net Cash Used by Capital and Related Financing Activities	<u>(5,053)</u>	<u>(9,851)</u>	<u>(5,122)</u>	<u>(456)</u>	<u>(20,482)</u>	<u>(652)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on Bank Deposits and Investments	11	296	789	150	1,246	501
Net Cash Provided by Investing Activities	<u>11</u>	<u>296</u>	<u>789</u>	<u>150</u>	<u>1,246</u>	<u>501</u>
Net Increase (Decrease) in Cash and Investments	1,355	24,027	5,522	2,461	33,365	13,208
Cash and Investments, July 1, 2015	782	9,485	79,392	14,558	104,217	44,765
Cash and Investments, June 30, 2016	<u>\$ 2,137</u>	<u>\$ 33,512</u>	<u>\$ 84,914</u>	<u>\$ 17,019</u>	<u>\$ 137,582</u>	<u>\$ 57,973</u>

**COUNTY OF KERN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	AIRPORTS	KERN MEDICAL	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (3,840)	\$ (123,459)	\$ 6,275	\$ (8,658)	\$ (129,682)	\$ 2,629
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	3,135	5,754	3,030	2,031	13,950	891
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(33)	(912)	(46)	(3)	(994)	
(Increase) Decrease in Due from Other Agencies		(21,439)			(21,439)	
(Increase) Decrease in Inventory		(475)			(475)	(206)
(Increase) Decrease in Accrued Revenue			(237)	(1,082)	(1,319)	(1,032)
(Increase) Decrease in Taxes Receivable			(25)	10	(15)	
(Increase) Decrease in Due from Others				59	59	(718)
(Increase) Decrease in Deferred Pensions Outflow	(10)	5,178	717	(205)	5,680	81
(Increase) Decrease in Deposits with Others			26		26	
(Increase) Decrease in Prepaid Items		(89)			(89)	
Increase (Decrease) in Accounts Payable						
Increase (Decrease) in Accrued Expenses	(135)	(515)	231	(130)	(549)	479
Increase (Decrease) in Salaries & Benefits Payable	24	2,568	(618)	11	1,985	2,160
Increase (Decrease) in Due to Others			150	28	178	48
Increase (Decrease) in Due to Other Agencies		33,900			33,900	
Increase (Decrease) in Deferred Pensions Inflow	(194)	(18,204)	(1,510)	(223)	(20,131)	(168)
Increase (Decrease) in Compensated Absences Payable	27	447	(68)	96	502	(72)
Increase (Decrease) in Provision for Liability Claims		(1,153)			(1,153)	(1,509)
Increase (Decrease) in Pollution Remediation						
Increase (Decrease) in Closure/Post Closure Liability			144		144	
Increase (Decrease) in Advances from Grantors and Third Parties				103	103	
Increase (Decrease) in Other Post-Employment Benefits Obligation	36	(715)	(190)	14	(855)	(34)
Increase (Decrease) in Net Pension Liability	220	14,770	1,524	205	16,719	205
Total Adjustments	3,070	19,115	3,128	914	26,227	125
Net Cash Provided (Used) by Operating Activities	\$ (770)	\$ (104,344)	\$ 9,403	\$ (7,744)	\$ (103,455)	\$ 2,754
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Borrowing Under Capital Lease	\$	\$ 2,047	\$	\$	\$ 2,047	\$
Capital Contributions						277
Total Non-cash Investing, Capital, and Financing Activities	\$	\$ 2,047	\$	\$	\$ 2,047	\$ 277

COUNTY OF KERN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016 (IN THOUSANDS)

<u>ASSETS</u>	<u>INVESTMENT TRUST FUND</u>	<u>OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST</u>	<u>AGENCY FUNDS</u>
Cash and Cash Equivalents Held in the Pool	\$ 1,996,338	\$ 795	\$ 249,565
Cash and Cash Equivalents Held in Trust		63,509	
Total Cash and Cash Equivalents	<u>1,996,338</u>	<u>64,304</u>	<u>249,565</u>
Receivables:			
Accounts	395		
Taxes			57,620
Interest and Dividends	4,023		423
Due from Other Agencies			15,163
Capital Assets, Net of Accumulated Depreciation	<u>15</u>		
Total Assets	<u>2,000,771</u>	<u>64,304</u>	<u>\$ 322,771</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pensions	<u>440</u>		
Total Deferred Outflows of Resources	<u>440</u>		
LIABILITIES			
Warrants Payable	38,793		8,038
Accounts Payable	2,970		
Matured Bonds & Interest Payable	139		1,374
Due to Other Agencies	8,068		313,039
Unapportioned Installment Redemptions			<u>320</u>
Net Pension Liability	<u>2,725</u>		
Total Liabilities	<u>52,695</u>		<u>\$ 322,771</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pensions	<u>126</u>		
Total Deferred Inflows of Resources	<u>126</u>		
NET POSITION			
Net Position Held in Trust for Pool Participants	1,948,390		
Net Position Held in Trust for OPEB	<u>\$</u>	<u>\$ 64,304</u>	

COUNTY OF KERN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	<u>INVESTMENT TRUST FUND</u>	<u>OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST</u>
ADDITIONS:		
Contributions	\$ 8,040,298	\$ 12,594
Use of Money and Property	<u>24,201</u>	<u>327</u>
Total Additions	<u>8,064,499</u>	<u>12,921</u>
DEDUCTIONS:		
Distributions	7,815,963	8,601
Fiscal Agent Expense	<u> </u>	<u>203</u>
Total Deductions	<u>7,815,963</u>	<u>8,804</u>
Change in Net Position	248,536	4,117
Net Position, July 1, 2015	<u>1,699,854</u>	<u>60,187</u>
Net Position, June 30, 2016	<u>\$ 1,948,390</u>	<u>\$ 64,304</u>

The seal of Kern County, California, is a circular emblem. It features a central scene with a sun rising over a landscape that includes a windmill, a ship, and various agricultural products like grapes and oranges. The text "COUNTY OF KERN" is written in a blue arc at the top, and "STATE OF CALIFORNIA" is written in a blue arc at the bottom. The entire seal is surrounded by a yellow and black striped border.

**NOTES TO THE FINANCIAL
STATEMENTS**

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The County of Kern (the County) was established April 2, 1866, as a legal subdivision of the State of California (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 Statement No. 61, 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.

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 is reported as a non-major enterprise funds.

County of Kern Asset Leasing Corporation

Although the County of 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 in these financial statements. 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 IX. B.

Kern County Tobacco Funding Corporation (the Corporation)

The Corporation is a separate legal nonprofit public benefit corporation created under the California Nonprofit Public Benefit Corporation Law. This 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 XII. K. The Corporation is governed by the Board of Directors consisting of three members appointed by the County's Board.

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 for the purpose of financing and constructing the Southeast Community Services Center. The County took over the

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BLENDED COMPONENT UNITS (CONTINUED)

Kern Public Services Financing Authority (continued)

management of the property. The fund was 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 use of the building.

C. DISCRETELY PRESENTED COMPONENT UNITS

Using the criteria of GASB Statements No. 14 and No. 39, as amended by GASB Statement No. 61, 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 County's 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 the 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.

Housing Authority of the County of Kern (Housing Authority)

The Housing Authority was 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 members are tenants who are nominated by the Housing Authority and appointed by the Board. The Housing Authority is discretely presented due to the fact it provides services to the citizens of the County and not directly related to the County. Also, the Board is able to impose its will on the Housing Authority. The purpose of the Housing Authority is to provide adequate housing for qualified low-income individuals in areas where a shortage of such housing exists. If you have any questions about the report or need additional financial information, please contact the Housing Authority's Treasurer at 601 24th Street, Bakersfield, California 93301.

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-Castaic 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 of the directors are appointed by the Board of the County, and two members of the Tejon-Castaic Water District. The County is able to impose its will upon the Authority, however the Authority does not provide services to the County, qualifying the Authority to be discretely presented. The purpose of the Joint Powers Agreement is for the issuance of special tax bonds to finance public improvements related to Tejon Ranch Company land based developments on behalf of the districts. At time of publication, current financial statements were not available. If you have any questions about the report or need additional financial information, please contact the Authority's Treasurer at P.O. Box 1000, Lebec, California 93243.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS

New Accounting Pronouncements

Statement No. 72	<i>Fair Value Measurement and Application</i>	The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73	<i>Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68</i>	The provisions in GASB Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No. 76	<i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>	The provisions in GASB Statement No. 76 are effective for reporting periods beginning after June 15, 2015.
Statement No. 79	<i>Certain External Investment Pools and Pool Participants</i>	The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015.

New Accounting Pronouncements Affecting Future Fiscal Years

Statement No. 74	<i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	The provisions in GASB Statement No. 74 are effective for fiscal years beginning after June 15, 2016.
Statement No. 75	<i>Accounting and Financial Reporting for Postemployment Benefits Other than Pensions</i>	The provisions in GASB Statement No. 75 are effective for fiscal years beginning after June 15, 2017.
Statement No. 77	<i>Tax Abatement Disclosures</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.
Statement No. 78	<i>Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans</i>	The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.
Statement No. 80	<i>Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14</i>	The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.
Statement No. 81	<i>Irrevocable Split-Interest Agreements</i>	The requirements of this Statement are effective for periods beginning after December 15, 2016.
Statement No. 82	<i>Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73</i>	The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS (CONTINUED)

Government-Wide Financial Statements

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

In the government-wide financial statements, eliminations have been made in order to minimize the double counting of internal activities. In the Statement of Net Position, all internal balances have been eliminated, with the exception of 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 clearly identifiable to a particular function and are specifically associated with a program or 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 program. Revenues not classified as program revenues, including all taxes, are presented as general revenue.

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

Estimates

In compliance with accounting principles generally accepted in the United States of America, the preparation of basic financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS (CONTINUED)

Fund Financial Statements (continued)

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; cultural and recreation services; and capital leases.

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 also receives interest revenue and other miscellaneous revenue.

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.

Mental Health accounts for developing and maintaining Countywide, client-centered, culturally competent mental health 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.

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

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.

Roads 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, federal and state aid for construction, charges for services, and County contributions.

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 perform arson investigations. This special revenue fund is funded primarily through property taxes for fire protection and charges for services. Other miscellaneous revenues include aid from other governments, public protection state sales tax, and licenses and permits.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS (CONTINUED)

Fund Financial Statements (continued)

Tobacco Securitization Proceeds fund accounts for the sale of rights to future tobacco settlement payments. For additional information regarding the sale by the Corporation see Note XII. K. The proceeds from the sale have been used to finance certain capital projects and to set up an endowment fund.

The County reports the following major business-type funds:

Kern Medical (KM) (the Hospital) accounts for hospital services, offering emergency, outpatient and inpatient medical care to all classes of patients, including those eligible for Medi-Cal and Medicare; medically indigent persons; and inmates of County institutions and juvenile facilities.

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

The County has opted to report the following business-type fund as a major fund:

Airports, which are headquartered at Meadows Field Airport in Bakersfield, contain the financing requirements for administration, maintenance, and operation of the County's seven airports located in Bakersfield, Buttonwillow, Kern Valley, Lost Hills, Poso, Taft, and Wasco.

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.

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 under 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.

Other Post-Employment Benefits (OPEB) Trust fund accounts for the County's participation in the Public Agency Retirement Services (PARS). The fund is used to accumulate the resources needed to fund future benefit payments of the County's OPEB plans.

Agency Funds are funds under the control of individual County officers who use them for the deposit of various types of receipts and to accumulate resources for specific purposes. Unapportioned funds are used for recording the collection and distribution of property taxes and interest on bank deposits. Disbursements are made from these funds by warrants issued by the County Auditor-Controller-County Clerk upon the requisition of the responsible officer.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BASIS OF ACCOUNTING

The government-wide and proprietary 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 and are custodial in nature and do not involve measurement of results of operations. Revenues are recorded when they are earned and expenditures are recorded when they are incurred, regardless of when the cash was 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 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 capital leases are reported as other financing sources.

GASB Statement No. 34 has eliminated the presentation of account groups, but requires these records to be maintained and incorporated with the Governmental Activities column in the Government-wide Statement of Net Position.

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 the Statement of Governmental Activities and in the Statements 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.

F. ASSETS, LIABILITIES, AND NET POSITION

Cash and Cash Equivalents

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

Investments

In accordance with GASB Statement No. 31, investments in the County Treasurer's pooled investments are reported at fair value. Participating entities that are not part of the County's reporting entity prepare independent financial statements, which may or may not include these changes in fair value. Interest earnings are distributed to all participating funds based on their average daily balance within the pool. The unrealized increase or decrease in the fair value of the investments have been recognized.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending or borrowing arrangements with outstanding balances at fiscal year-end are referred to as either "loans receivable or loans payable," and "advances to or advances from other funds." An example of a lending arrangement is the current portion of inter-fund loans. An example of a borrowing arrangement is the non-current portion of inter-fund loans. All other outstanding balances between funds are reported as "due to" or "due from" other funds. See Notes VI. A and VI. B for a detailed reconciliation. These internal balances have been eliminated in the government-wide statements.

Property Tax

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 2015 - 2016 net assessed valuation of the County was \$89,243,662. The property tax levy to support general operations of the various jurisdictions is limited to one percent (1%) of full cash value and is distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are 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 Garage Internal Services Fund, the Roads Fund, the Structural Fire Fund and the KM Enterprise Fund consist of expendable supplies held for consumption. KM Enterprise Fund uses the "moving average" method for costing inventory. Roads and Structural Fire Funds value inventory at cost and the Garage Internal Service Fund uses the first-in, first-out (FIFO) method of costing inventory. Although a component of net position, reported inventories are equally offset by a fund balance reserve for governmental type funds indicating that they do not constitute "available spendable resources." Other materials and supplies are recorded as expenditures upon acquisition.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)

Capital Assets

Capital assets, which include plant, property, equipment, and infrastructure assets (roads, street lighting, bridges, sidewalks, and similar items), are reported under the governmental or business-type activities in the government-wide financial statements. To be considered a County's capital asset, the capital asset must exceed \$5 for equipment; \$25 for intangibles; \$50 for structures and infrastructures 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, where historical records are available, and donated capital assets are valued at their estimated fair value on the date donated.

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

Structures and Improvements	20 - 60 years
Airplanes and Temporary Buildings	25 years
Boats	20 years
Ground Equipment, Furniture, Office Equipment, and Fire Trucks or Engines	15 years
Kitchen Equipment	12 years
Construction, Communication, and Scientific Equipment and Vehicles	5 - 10 years
Computer Equipment	5 - 7 years
Infrastructure (roads, sidewalks, drains, bike paths, other improvements)	5 - 50 years

Deferred Outflows and 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 is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

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. Several funds that contribute to the liquidation of compensated absences are General Fund, Kern County Department of Child Support Services, Structural Fire, Building Inspection, Roads, Mental Health, Aging and Adult Services, Department of Human Services, and Employers' Training Resource.

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 effective interest method. Bonds payable are reported gross of the applicable premium or discount.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)

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.

Nonspendable 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 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 expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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 both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted committed, assigned and 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.

G. HOSPITAL AND OTHER PROGRAM REVENUES

Medi-Cal and Medicare Programs

A substantial portion of the Hospital's revenue is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Medi-Cal inpatient services are reimbursed at a Medi-Cal Cost Report determined rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Outpatient Medicare beneficiaries are reimbursed based on prospective determined rates on an Ambulatory Payment Classifications System, subject to certain limitations. The Hospital has various outstanding Medicare audit settlements. Because the outcomes are not certain, the

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES

Medi-Cal and Medicare Programs (continued)

settlement amounts have not been recorded. The potential impact of these appeals will not have an adverse effect on the County.

The Disproportionate Share Hospital (DSH) program was established in 1981 as part of the Medicaid program and requires state Medicaid agencies to make additional payments to hospitals serving disproportionate numbers of low-income patients with special needs. Effective July 1, 1997, the Medicaid program was amended to limit DSH payments to 100 percent of the amount of incurred Uncompensated Care Costs (UCC) with a special provision that allowed payments of up to 175 percent of UCC to those public hospitals qualifying as "high DSH" hospitals in the State.

In 2001, the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services conducted an audit of DSH payments to KM in order to determine that those payments did not exceed the hospital specific limit for fiscal year 1998. A final report was issued on September 24, 2002. The OIG states that the Hospital exceeded its specific limit by nearly \$44,000 for fiscal year 1998. The report states that Federal law requires the State to recover overpayments. However, in the report's conclusion, the report does not specifically request KM to refund the overpayment.

The issues surrounding the OIG audit are serious and affect every DSH participant hospital in the State. The State has contended that payments made to KM and other participating hospitals were in accordance with a state plan approved by the Centers for Medicare and Medicaid Services (CMS), and therefore, are not "overpayments."

The California State Department of Health Services and KM disagree with the preliminary findings of the OIG, and maintain that the DSH payments were properly paid. Furthermore, both the State and KM assert that the governing statute, Omnibus Budget Reconciliation Act (OBRA) 1993, does not require retrospective settlement, as these settlements are extremely disruptive and counter-productive to the purposes of the DSH program. This debate with the OIG and subsequently CMS will go on for an indefinite period of time. No provision has been made in these financial statements to repay the amounts claimed by the OIG in its report.

Other Program Revenues

In November 2010, the CMS approved, pursuant to Section 1115(a) of the Social Security Act, a Medi-Cal Demonstration Project, called the "California's Bridge to Reform" (Bridge to Reform), which affects many aspects of Medi-Cal revenue for the Hospital including the financing methods by which the State draws down federal matching funds. The Bridge to Reform covers the period November 1, 2010 to October 31, 2015. Revenues for the public hospitals are comprised of: 1) Fee-For-Service (FFS) cost-based reimbursement for inpatient hospital services for Medi-Cal patients who are not enrolled in managed care; 2) DSH payments; and 3) distribution from a pool of federal funding for uninsured care, known as the Safety Net Care Pool (SNCP), which was capped Statewide at \$311.00 million in fiscal year 2013-2014. The non-federal share of these payments is provided by the public hospitals rather than the State, through certified public expenditures (CPE). For the inpatient hospital FFS cost-based payments, each hospital provides its own CPE. In addition to CPE, for DSH, Intergovernmental Transfers (IGTs) are also made whereby the hospital would utilize its local funding for services to draw down the federal financial participation (FFP).

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)

Other Program Revenues (CONTINUED)

For the DSH and SNCP distributions, the CPEs of all the public hospitals in the State are used in the aggregate to draw down the federal match. It is therefore possible for one hospital to receive the federal match that results from another hospital's CPE. In this situation, the first hospital is referred to as a "recipient" hospital, while the second is referred to as a "donor" hospital. A recipient hospital is required to "retain" the FFP amounts resulting from donated CPEs. All CPEs reported by each hospital will be subject to the State and federal audit and final reconciliation. If, at the end of the final reconciliation process, it is determined that a hospital's claimed CPEs resulted in an overpayment of federal funds to the State, the hospital may be required to return the overpayment whether or not the County's hospital received the federal matching funds. KM also provides funding for the State's share of the DSH program by transferring funds to the State. These transferred funds, referred to as intergovernmental transfers or "IGTs" are used by the State to draw down federal matching funds. The combined IGTs sent to the State by KM Enterprise Fund, plus the matching federal funds, are utilized by the State to provide supplemental funding for the Demonstration Project.

A hospital's IGT may be used to draw federal DSH funding, but only with respect to DSH payments made to that hospital, and the gross amount of such IGT funded payments (non-federal plus federal match) may not exceed 75% of the hospital's uncompensated care costs.

California elected to carry out a state-run Medicaid Expansion effort when it implemented the Affordable Care Act. The State anticipates that counties' costs and responsibilities for the health care services for the indigent population will decrease as much of this population becomes eligible for coverage through Medi-Cal or the Health Exchange (Covered California). On June 27, 2013, Governor Brown signed into law Assembly Bill 85 to provide a mechanism for the State to redirect state health realignment funding, previously used to cover indigent health expenses, to fund social service programs.

The redirected realignment amount is determined according to respective formula options for California's twelve public hospital system counties, thirty-four County Medical Services Program (CMSP) counties, and the remaining twelve counties (Article 13 counties). The formula options were developed in consultation with the counties and Department of Health Care Services (DHCS) to ensure continued viability of the county safety net. The County uses the County Savings Formula, which is a formula-based approach that takes into account the County's cost and revenue experience, and redirects 80% (70% in fiscal year 13-14) of the savings realized by the County back to the State.

II. RESTATEMENTS OF NET POSITION

A. RESTATEMENT OF EQUITY

The County's beginning fund balance and net position have been restated to reflect prior period adjustments to Major and Non-Major Governmental Funds and the Major and Non-Major Business-type Funds; in addition to those previously mentioned, the Government-Wide financial statements were also restated for the fiscal year ended June 30, 2015. The impacts of these restatements in the government-wide and fund financial statements are as follows:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

II. RESTATEMENTS OF NET POSITION (CONTINUED)

A. RESTATEMENT OF EQUITY (CONTINUED)

Fund Balances – Governmental Activities	
Fund Balances – Governmental Funds at June 30, 2015, as previously reported	\$ 661,793
Prior Period Adjustments:	
Correction of tax allocation - General Fund	10,771
Correction of revenue accrual amounts - Mental Health	170
Fund Balances – Governmental Activities at June 30, 2015, as restated	<u>\$ 672,734</u>
Net Position – Governmental Activities - Government-Wide	
Net Position – Governmental Activities at June 30, 2015, as previously reported	\$ 320,215
Prior Period Adjustments:	
To record Housing Loan Receivables not previously recorded	62,377
Correction to Capital Assets	(5,542)
Net change change from Governmental Activities noted above	10,941
Net Position – Governmental Activities at June 30, 2015, as restated	<u>\$ 387,991</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES/DEFICIT NET POSITION

The following funds have deficit net position at June 30, 2016:

Proprietary Funds	
Kern Medical	\$ (316,119)
General Liability	(25,961)
Workers' Compensation	(71,830)
	<u>\$ (413,910)</u>

General Liability and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance. KM's deficit is a result of liabilities related to pensions and pension obligation bonds.

IV. CASH AND INVESTMENTS

A. 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 market 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. First 5 Kern, a discretely presented component unit, maintains their cash accounts with the County.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

B. CASH AND INVESTMENTS DEPOSITED WITH TRUSTEE

At June 30, 2016, the balance for Cash and Investments Deposited with Trustee consists of the following:

Commercial Paper	\$	2,023
Federal Agency		59,825
Money Market Accounts		1,866
Short-term Treasury Fund		16,820
Total Cash and Investments Deposited with Trustee	\$	<u>80,534</u>

Of the \$80,534 total cash and investments deposited with the trustee, \$9,944 relates to the construction debt refinancing and equipment acquisition funds from Certificates of Participation held by the trustee for Kern Asset Leasing and are reported in the Kern Asset Leasing Debt Service Governmental Fund, KM, and Waste Management Enterprise Funds. \$42,932 is in the Tobacco Securitization Fund to be utilized for capital projects. \$9,701 is with the Corporation being held in trust for debt service reserves. \$917 resides in the Kern Public Services Financing Authority reserved for debt service. The remaining \$220 is in the Pension Obligation Bond Debt Service Non-major Governmental 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.

The remaining \$16,820 held by fiscal agents on behalf of the Authority, a discretely presented component unit, are pledged for payment as security of certain long-term debt issuances.

C. 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 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 (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, 2016, 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.

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

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. The share of the Treasurer's pool related to involuntary and voluntary participants is 92% and 8%, respectively. As of July 1, 1997, the County implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In accordance with this statement, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, except for governmental securities and bankers acceptances, which are carried at amortized cost plus accrued interest.

GASB Statement No. 79 establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The statement also establishes additional note disclosures for qualifying external investment pools. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 79.

The Pool participates in the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). The LAIF and CAMP operate and report to participants on an amortized cost basis. For both the LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the LAIF and CAMP 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 \$44,224. 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 \$42,024.

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

<u>Investment</u>	<u>Fair Value</u>	<u>Principal</u>	<u>Maturity Range</u>
State Treasury's Pool (LAIF)	\$ 44,224	\$ 44,227	On Demand
California Asset Management Program (CAMP)	42,024	42,025	On Demand
Money Market Account	45,410	45,428	On Demand
Commercial Paper	494,342	494,015	07/05/2016-03/20/2017
Negotiable Certificates of Deposits	624,621	625,005	07/05/2016-06/20/2017
U.S. Treasury Securities	40,140	40,021	11/15/2016-04/30/2018
Coporate Notes	557,021	564,038	07/05/2016-10/27/2020
Federal Agencies	956,981	953,807	12/09/2016-04/28/2021
Supranational	50,381	50,166	01/17/2017-04/15/2020
Total Investments	<u>\$ 2,855,144</u>	<u>\$ 2,858,732</u>	
Cash on Hand	186		
Cash in Banks	<u>142,902</u>		
Total Cash and Investments	<u>\$ 2,998,232</u>		

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments (continued)

Investment	Rating		Weighted Average Maturity
	Moody's	Standard & Poor's (S&P)	
Commercial Paper	P-1	NR, A-1	0.27
Negotiable Certificates of Deposits	P-1	NR, A-1	0.35
U.S. Treasury Securities	Aaa	AA	1.36
Corporate Notes	A, Aa, Aaa	A, AA, AAA	1.70
Federal Agencies	NR, Aaa	NR, AA	2.41
Supranational	Aaa	AAA	2.69
Portfolio Weighted Average Maturity			<u>1.46</u>

Of the cash and investments reported on the government-wide Statement of Net Position, \$100 and \$2,405 was not maintained in the Pool by the discretely presented component units, First 5 Kern and the Authority, respectively.

The following represents a condensed statement of net position and changes in net position for the Pool as of June 30, 2016:

Statement of Net Position:	
Total Assets Held for Pool Participants	\$ 2,998,232
Less: Warrants Payable	46,831
Pool Equity, Net	<u>\$ 2,951,401</u>
Equity of Internal Pool Participants	\$ 1,003,014
Equity of External Pool Participants (Voluntary & Involuntary)	1,948,387
Total Equity	<u>\$ 2,951,401</u>
Statement of Changes in Net Position:	
Net Position at July 1, 2015	\$ 2,626,373
Net Changes in Investments by Pool Participant	325,028
Net Position at June 30, 2016	<u>\$ 2,951,401</u>

Bank deposits are reported based upon balances at June 30, 2016, and investments are reported at the County's book balance.

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, \$142,652 is collateralized with securities held by the pledging financial institution's agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

D. DEPOSITS WITH OTHERS

The County has total deposits with others of \$1,915. 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. The remaining balance of \$1,779 represents deposits by the Group Health Self-Insurance Program Internal Service Fund with its designated claim administrators. This amount has been determined by claim administrators to be representative of one month's billings.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

F. FAIR VALUE MEASUREMENTS

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, 2016:

Investments by Fair Value Level	6/30/2016	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)
Debt Securities				
Commercial Paper	\$ 494,342	\$	\$ 494,342	\$
Corporate Notes	557,021		557,021	
Federal Agencies	956,981		956,981	
Money Market Account	45,410		45,410	
Negotiable Certificates of Deposits	624,621		624,621	
Supranational	50,381		50,381	
U.S. Treasury Securities	40,140		40,140	
Total Investments by Fair Value Level	2,768,896	\$	\$ 2,768,896	\$
Investments Measured at Amortized Cost				
State Treasury's Pool (LAIF)	44,224			
California Asset Management Program (CAMP)	42,024			
Total Investments Measured at Amortized Cost	86,248			
Total Investments Measured at Fair Value	\$ 2,855,144			

Debt Securities are classified as Level 2 of the fair value hierarchy due to use of evaluated pricing by the trustee used by the pool. 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.

V. RECEIVABLES

A. RECEIVABLES

The County's net receivables for the year ended June 30, 2016 for the individual funds, non-major funds, and internal service funds are as follows:

Governmental Activities:	Interest	Taxes	Accounts	Other	Total Receivables
General Fund	\$ 920	\$ 33,473	\$ 1,433	\$ 21,037	\$ 56,863
County Local Revenue Fund				17,302	17,302
Human Services	14		5,080	38,338	43,432
Mental Health	258		630	14,794	15,682
Roads	73		89	37	199
Structural Fire	17	2,211		10,057	12,285
Other Non-major Governmental Funds	99	330	3	28,791	29,223
Internal Service Funds	123			2,412	2,535
Total Governmental Activities	\$ 1,504	\$ 36,014	\$ 7,235	\$ 132,768	\$ 177,521

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

V. RECEIVABLES (CONTINUED)

A. RECEIVABLES (CONTINUED)

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 \$36,014. Of this amount, \$33,473 is recorded in the General Fund, \$2,211 in the Structural Fire Fund and \$330 in the CSAs Non-major Governmental Fund – Special Revenue Fund. The Government-Wide receivables include an additional \$800 as detailed in the Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities.

The County's net receivables for the year ended June 30, 2016 for the business-type funds are as follows:

Business-type Activities:	Interest	Taxes	Accounts	Other	Gross Receivables	Allowance for Uncollectibles	Total Receivables
Airports	\$	\$	\$ 81	\$ 183	\$ 264	\$ 1	\$ 263
Kern Medical	86		144,910		144,996	120,346	24,650
Waste Management	177	1,760	1,525	741	4,203	42	4,161
Non-major Enterprise Funds	25	1,722	3	1,137	2,887		2,887
Total Business-type Activities	\$ 288	\$ 3,482	\$ 146,519	\$ 2,061	\$ 152,350	\$ 120,389	\$ 31,961

KM's accounts receivable balance is \$144,910. Of the accounts receivable balance, KM estimates not to collect \$120,346. The \$3,482 taxes receivable is allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$1,760, \$551 and \$1,171, respectively.

Housing Loans Receivable and Housing Loans Interest Receivable

A total of \$51,511 was recorded as housing loans receivable and a total of \$11,855 was recorded as housing loans interest receivable at June 30, 2016. 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 15 to 55 years. Loans, with a total balance of \$989 contain a forgiveness clause and more than likely will not be repaid back to the County. 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 \$63,165 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments. Additionally, offsetting deferred inflows of resources of \$989 have been established in the Statement of Net Position for the principal and interest balance of loans with a forgiveness clause.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VI. 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, 2016 are as follows:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	County Local Revenue Fund	\$ 5,404	Realignment
	Human Services	18,324	Cash Flow
	Non-major Governmental Funds	4,226	Expenditure Reimbursement, Prop 172 Revenue, Cash Flow
	Internal Service Funds	<u>48</u>	Expenditure Reimbursement
		28,002	
Human Services	General Fund	9,904	Realignment
	County Local Revenue Fund	<u>6,673</u>	Realignment
		16,577	
Mental Health	County Local Revenue Fund	6,541	Realignment
Structural Fire	Non-major Governmental Funds	348	Prop 172 Revenue
Non-major Governmental Funds	General Fund	1,314	Realignment
	County Local Revenue Fund	<u>1,100</u>	Realignment
		2,414	
Internal Service Funds	General Fund	71	Services Provided
	Roads	331	Services Provided
	Solid Waste	210	Services Provided
	Non-major Governmental Funds	89	Services Provided
	Non-major Enterprise Funds	<u>29</u>	Services Provided
		730	
Total		<u>\$ 54,612</u>	

B. ADVANCES TO/FROM OTHER FUNDS

Advances To and From Other Funds at June 30, 2016 are as follows:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non-major Governmental Funds	\$ 3,000	To cover cash flow

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VI. INTERFUND TRANSACTIONS (CONTINUED)

C. TRANSFERS

Transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. Transfers also include debt service payments required to be paid out of debt service funds. Other transfers include unrestricted amounts in the General Fund transferred to finance various programs accounted for in other funds as per the budgetary authorizations.

The \$5,605 in capital contributions in the major enterprise funds are capital grants received by Airports. The \$115 of capital contribution in the Non-major Enterprise Funds is composed of a capital grant received in the Public Transportation Fund.

Transfers Out	Transfers In	Amount
General Fund	Airports	\$ 279
	Human Services	116,327
	Kern Medical	33,156
	Mental Health	1,481
	Roads	29
	Non-Major Governmental Funds	17,191
	Internal Service Fund - Public Works	6,304
		<u>174,767</u>
County Local Revenue Fund	General Fund	55,839
	Human Services	64,863
	Mental Health	49,758
	Non-Major Governmental Funds	14,246
		<u>184,706</u>
Kern Medical	General Fund	28
Mental Health	General Fund	3,021
Structural Fire	General Fund	679
	Non-Major Governmental Funds	584
		<u>1,263</u>
Tobacco Securitization Proceeds	General Fund	400
	Non-Major Governmental Funds	7,865
		<u>8,265</u>
Non-Major Governmental Funds	General Fund	106,963
	Human Services	245
	Mental Health	160
	Roads	2
	Structural Fire	7,764
	Non-Major Governmental Funds	614
	Internal Service Fund - Public Works	113
		<u>115,861</u>
Total		<u><u>\$ 487,911</u></u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VII. CAPITAL ASSETS

A. CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2016 is as follows:

	Beginning Balance Restated*	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and Easement	\$ 26,405	\$ 699		\$ 27,104
Construction in Progress*	55,643	55,355	51,260	59,738
Intangibles*	1,113,765	7,144	5,368	1,115,541
Works of Art	60			60
Total Capital Assets, not being depreciated	<u>1,195,873</u>	<u>63,198</u>	<u>56,628</u>	<u>1,202,443</u>
Capital Assets, being depreciated and amortized:				
Infrastructure*	705,439	16,992	1,383	721,048
Structures and Improvements	412,843	35,507	479	447,871
Equipment*	200,616	8,017	10,830	197,803
Intangibles	5,420	1,305		6,725
Total Capital Assets, being depreciated and amortized	<u>1,324,318</u>	<u>61,821</u>	<u>12,692</u>	<u>1,373,447</u>
Less: Accumulated Depreciation and Amortization for:				
Infrastructure*	340,142	26,136	1,136	365,142
Structures and Improvements*	190,168	9,348	327	199,189
Equipment*	139,768	12,649	9,872	142,545
Intangibles	2,062	380		2,442
Total Accumulated Depreciation and Amortization	<u>672,140</u>	<u>48,513</u>	<u>11,335</u>	<u>709,318</u>
Total Capital Assets, being depreciated and amortized, net	<u>652,178</u>	<u>13,308</u>	<u>1,357</u>	<u>664,129</u>
Capital Assets, net	<u>\$ 1,848,051</u>	<u>\$ 76,506</u>	<u>\$ 57,985</u>	<u>\$ 1,866,572</u>

*As restated see Note II. A

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

A. CAPITAL ASSETS (CONTINUED)

Capital asset business-type and component unit activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 27,617	\$ 3	\$ 3	\$ 27,617
Land Acquisition in Progress	83	13	3	93
Construction in Progress	12,314	9,489	11,430	10,373
Works of Art	198			198
Total Capital Assets, not being depreciated	40,212	9,505	11,436	38,281
Capital Assets, being depreciated and amortized:				
Structures and Improvements	231,936	9,467	3,742	237,661
Equipment	66,822	7,132	4,281	69,673
Intangibles	10,831	808		11,639
Infrastructure	50,071	1,289		51,360
Total Capital Assets, being depreciated and amortized	359,660	18,696	8,023	370,333
Less: Accumulated Depreciation and Amortization for:				
Structures and Improvements	103,063	7,496	3,730	106,829
Equipment	44,072	4,464	3,913	44,623
Intangibles	9,793	735		10,528
Infrastructure	28,793	1,255		30,048
Total Accumulated Depreciation and Amortization	185,721	13,950	7,643	192,028
Total Capital Assets, being depreciated and amortized, net	173,939	4,746	380	178,305
Capital Assets, net	\$ 214,151	\$ 14,251	\$ 11,816	\$ 216,586

The Tejon Ranch Public Facilities Financing Authority, discretely presented component unit, does not have capital assets.

	Beginning Balance Restated	Additions	Deletions	Ending Balance
First 5 Kern Component Unit Activities:				
Capital Assets, being depreciated:				
Vehicles	\$ 25	\$	\$	\$ 25
Equipment	43			43
Total Capital Assets, being depreciated	68			68
Less: Accumulated Depreciation	57	6		63
Capital Assets, net	\$ 11	\$ (6)	\$	\$ 5

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

B. DEPRECIATION

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

Governmental Activities:	
General	\$ 4,260
Public Protection	13,057
Public Ways and Facilities	27,269
Health and Sanitation	621
Public Assistance	648
Education	748
Culture and Recreation Services	1,019
Depreciation on Capital Assets Held by the County's Internal Service Funds are charged to various functions based on usage of the assets	891
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 48,513</u>
Business-type Activities:	
Airports	\$ 3,135
Kern Medical	5,754
Waste Management	3,030
County Sanitation Districts	410
Golf Course	148
Public Transportation	1,473
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 13,950</u>

C. CONSTRUCTION IN PROGRESS

Construction in progress for governmental funds represents work that is being performed on an upgrade to the Lerdo water plant, a new jail facility, the Mental Health building, roads, and a number of smaller projects. Business-type funds have construction in progress for the rehabilitating and upgrading of the airport's runway as well as additional smaller projects in other funds.

VIII. LEASES

A. LONG-TERM OPERATING LEASES

The County has entered into various long-term lease agreements for buildings and land, which have been classified as operating leases. None of the leases convey rights of ownership or are of a duration approximating useful economic life. The total costs for operating leases for the fiscal year ended June 30, 2016, amounted to \$12,265. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds:

Year Ending June 30,	Amount
2017	\$ 13,583
2018	11,895
2019	9,942
2020	9,294
2021	8,547
2022 - 2026	35,531
2027 - 2031	17,209
2032 - 2036	31
2037 - 2041	30
2042	5
Total	<u>\$ 106,067</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

VIII. LEASES (CONTINUED)

B. CAPITAL LEASES

The County has entered into several long-term lease purchase agreements for certain major pieces of equipment during the fiscal year ended June 30, 2016. At the end of the lease, when all terms have been met, the related equipment will become property of the County.

The following is a schedule of future minimum lease payments for capital leases:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2017	\$ 2,849	\$ 570
2018	1,660	570
2019	646	570
2020	23	570
2021	2	285
Total Minimum Lease Payments	5,180	2,565
Less: Amount Representing Interest	(175)	(112)
Present Value of Minimum Lease Payments	<u>\$ 5,005</u>	<u>\$ 2,453</u>

Interest expense for the capital leases for Governmental Activities and for Business-Type Activities for the current fiscal year was \$163 and \$12, respectively. The interest expense is reported as direct expense in each function.

The following is a schedule of capital assets under capital leases by major classes at June 30, 2016:

Year Ending June 30, 2016	Governmental Activities	Business-Type Activities
Equipment	\$ 22,275	\$ 2,994
Total Capital Lease Assets, Gross	<u>\$ 22,275</u>	<u>\$ 2,994</u>

IX. 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 \$1,269,045. These amounts do not appear in the accompanying General Purpose Financial Statements.

As indicated in Notes I. E, VIII. A, VIII. B, IX. B, IX. C, IX. D, and IX. E, the County has recognized a long-term liability for employees' vacation and sick leave accruals, compensated absences, lease purchase agreements, certificates of participation, facility lease, loans payable, bonds payable, and pension obligation bonds.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

A. LONG-TERM LIABILITIES (CONTINUED)

A schedule of changes in long-term debt is as follows:

	Beginning Balance	Additions	Deletions	June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 54,556	\$ 37,923	\$ 38,152	\$ 54,327	\$ 34,502
Lease Purchase Agreements	8,552	106	3,653	5,005	2,740
Certificates of Participation (COP)	89,553		3,350	86,203	3,483
COP - Unamortized Premium	179		36	143	
Tobacco - Asset Backed Bonds	93,435		3,505	89,930	2,290
Tobacco - Unamortized Bond Premium	6,663		267	6,396	
Bonds Payable - Qualified Energy Conservation Bonds	3,429		279	3,150	285
Bonds Payable - Kern Public Services	9,905		395	9,510	410
Loans Payable - I Bank	4,922		354	4,568	363
Pension Obligation Bonds (1995)	40,407		6,318	34,089	6,222
Pension Obligation Bonds (2003)	164,609		9,717	154,892	11,193
Pension Obligation Bonds (2008)	42,285			42,285	
Other Post-Employment Benefit Obligation	33,357	896		34,253	
Net Pension Liability	1,531,164	92,440		1,623,604	
Total Governmental Activities	2,083,016	131,365	66,026	2,148,355	61,488
Business-type Activities:					
Compensated Absences	11,068	10,650	10,150	11,568	8,697
Lease Purchase Agreements	750	2,047	344	2,453	528
Certificates of Participation	9,022		2,829	6,193	2,942
COP - Unamortized Premium	237		48	189	
COP - Unamortized Discount	(87)		(44)	(43)	
Loans Payable - California Waste Management Board	320		64	256	64
Loan Payable - Airport	6,610		740	5,870	760
Pension Obligation Bonds (1995)	7,534		1,179	6,355	1,160
Pension Obligation Bonds (2003)	23,647		1,395	22,252	1,608
Pension Obligation Bonds (2008)	6,075			6,075	
Closure Liability	27,273	210		27,483	2,370
Post-Closure Liability	35,777		66	35,711	977
Other Post-Employment Benefit Obligation	6,876		857	6,019	
Net Pension Liability	368,149	16,719		384,868	
Total Business-type Activities	503,251	29,626	17,628	515,249	19,106
Total Government-wide Long-Term Liabilities	\$ 2,586,267	\$ 160,991	\$ 83,654	\$ 2,663,604	\$ 80,594

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION

COP 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 \$92,396 at fixed interest rates. The proceeds of these certificates of participation are being used for the acquisition of equipment and acquisition of construction and renovation of certain public facilities within the County. All of the certificates COP have been delivered to the trustees (U.S. Bank and Wells Fargo Bank) for investment and disbursement subject to the terms and conditions of the trust agreements. Of this debt, \$86,203 is included in the governmental activities, \$4,238 is included as current and long-term debt of the KM Fund and \$1,955 is included as current and long-term debt of the Waste Management Fund.

The 2011 Solid Waste Refunding COP is paid from the Solid Waste Enterprise Fund. The 2011 Refunding COP is paid from the KM Fund and the Kern Asset Leasing. The 2009 Capital Improvement Projects COP is paid from the Kern Asset Leasing Corporation.

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. Schedules of future minimum long-term payments of the COP are recorded in the governmental and business-type activities. The schedules are as follows:

2011 Refunding COP, Series A – Governmental Portion

The original issue amount of the 2011 Refunding COP, Series A – Governmental Portion, is \$6,431 and the expected maturity dates are from November 1, 2011 – 2019. The Refunding COP has fixed interest rates from 2.00% to 5.00%. The 2011 Refunding COP, Series A – Governmental Portion debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 948	\$ 98	\$ 1,046
2018	427	52	479
2019	449	30	479
2020	469	9	478
Total	<u>\$ 2,293</u>	<u>\$ 189</u>	<u>\$ 2,482</u>

2011 Refunding COP, Series A – KM Portion

The original issue amount of the 2011 Refunding COP, Series A – KM, is \$8,558 and the expected maturity dates are from November 1, 2011 – 2019. The Refunding COP has fixed interest rates from 2.00% to 5.00%. The 2011 Refunding COP, Series A – KM Portion debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 987	\$ 164	\$ 1,151
2018	1,033	125	1,158
2019	1,086	72	1,158
2020	1,132	23	1,155
Total	<u>\$ 4,238</u>	<u>\$ 384</u>	<u>\$ 4,622</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

2009 Capital Improvement Projects

The original issue amount of the 2009 Capital Improvement Projects was \$95,410 and the expected maturity dates are from August 1, 2011 - 2035. The Projects have fixed interest rates that range from 3% to 6%. The debt schedule of the 2009 Capital Improvement Projects is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,535	\$ 4,402	\$ 6,937
2018	2,635	4,301	6,936
2019	2,745	4,192	6,937
2020	2,870	4,073	6,943
2021	2,995	3,943	6,938
2022-2026	17,400	17,306	34,706
2027-2031	22,645	12,063	34,708
2032-2036	30,085	4,612	34,697
Total	\$ 83,910	\$ 54,892	\$ 138,802

Refunding COP, Series 2011 – Solid Waste

The original issue amount of the Refunding COP, Series 2011 was \$10,860 and the expected maturity dates are from August 1, 2011 - 2016. The Refunding COP has fixed interest rates that range from 0.50% to 3.25%. The debt schedule for the Refunding COP, Series 2011 is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,955	\$ 32	\$ 1,987
Total	\$ 1,955	\$ 32	\$ 1,987

Per the terms of the Amendment to the Master Agreement governing the COP, the Solid Waste Enterprise Fund has agreed to fix, charge, and collect rates, fees and charges for the use of the system and the provision of the services, and shall revise the rates, fees and charges as may be necessary or appropriate to produce, in each fiscal year, net operating revenue which will, in each fiscal year, at least equal 1.50 times the aggregate system debt service expenses payable in such fiscal year.

The following is a schedule calculating the ratios described above. In order to meet the terms described in the master agreement, the ratio must be equal to or greater than 1. This table shows the historical revenues and expenses for the Solid Waste System. This table reflects the cash basis revenues and expenses consistent with the rate covenant and the conditions precedent to execution of additional system obligations under the master agreement. This cash basis of reporting is different from the basis of reporting for the Solid Waste Enterprise Fund contained in the fund statements. In the fund statements, revenues and expenses for the Solid Waste Enterprise Fund are accounted for on the accrual basis of accounting, in which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. A schedule of debt service coverage is as follows:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

Refunding COP, Series 2011 – Solid Waste (continued)

	2016	2015	2014	2013	2012
Operating Revenues					
Land Use Fee	\$ 22,668	\$ 22,463	\$ 22,309	\$ 22,070	\$ 20,624
Gate Fee	11,445	11,830	11,470	10,512	9,331
Bin Fee	4,704	4,791	5,066	5,034	4,523
Other (includes interest income)	2,168	2,344	2,225	4,426	2,937
Total Operating Revenues	<u>40,985</u>	<u>41,428</u>	<u>41,070</u>	<u>42,042</u>	<u>37,415</u>
Operating Expenses					
Salaries		13,799	13,613	13,265	12,573
Services and Supplies	30,405	15,788	15,360	14,156	14,798
Transfer to Closure	903	914	1,237	1,537	235
Other (excluding depreciation)	369	143	464	241	435
Total Operating Expenses	<u>31,677</u>	<u>30,644</u>	<u>30,674</u>	<u>29,199</u>	<u>28,041</u>
Net Operating Revenue	<u>\$ 9,308</u>	<u>\$ 10,784</u>	<u>\$ 10,396</u>	<u>\$ 12,843</u>	<u>\$ 9,374</u>
2002 Debt Service	\$ 1,983	\$ 1,973	\$ 1,961	\$ 1,982	\$ 1,958
Total Debt Service	<u>\$ 1,983</u>	<u>\$ 1,973</u>	<u>\$ 1,961</u>	<u>\$ 1,982</u>	<u>\$ 1,958</u>
Debt Service Coverage Ratio	4.69	5.47	5.30	6.48	4.79

C. LOANS PAYABLE

2011 Refunding Loan – Airports

The original issue amount of the 2011 Refunding Loan - Airports is \$8,660 and the expected maturity date is August 1, 2022. The Refunding Loan has a fixed interest rate of 3.080%. The 2011 Refunding Loan – Airports debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 760	\$ 175	\$ 935
2018	785	151	936
2019	810	127	937
2020	835	102	937
2021	865	76	941
2022-2023	1,815	63	1,878
Total	<u>\$ 5,870</u>	<u>\$ 694</u>	<u>\$ 6,564</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

C. LOANS PAYABLE (CONTINUED)

Fifth District Curb and Gutter Project

In order 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 2007-2008 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 Ending June 30,	Principal	Interest	Total
2017	\$ 363	\$ 130	\$ 493
2018	373	120	493
2019	382	108	490
2020	393	97	490
2021	403	85	488
2022 - 2026	2,182	238	2,420
2027	472	8	480
Total	\$ 4,568	\$ 786	\$ 5,354

California Integrated Waste Management Board (CIWMB) Loan

On August 12, 2009, the Solid Waste Management Enterprise Fund was approved interest-free loans from the CIWMB. The loan funds will be used to cover part of the closing costs of the Buttonwillow and Lost Hills Sanitary Landfills. The total loan amount was \$640 and will be repaid within ten years with an annual payment of \$64.

Year Ending June 30,	Principal	Interest	Total
2017	\$ 64		\$ 64
2018	64		64
2019	64		64
2020	64		64
Total	\$ 256	\$	\$ 256

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

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 proceeds of the bonds were used to refund the outstanding obligations of the Tobacco Settlement Asset-Backed Bonds, Series 2002 A & B, in the amount of \$84,979, provide for the costs of issuing the bonds, and provide excess proceeds of \$19,969 to be used for future capital projects. The remaining unamortized original issue discount of \$1,144 along with \$95 bond call premium is being amortized as a deferred loss over the remaining life of the current debt. As a result of the refunding, the Agency decreased its total debt service requirements by \$33,435 resulting in an economic gain of \$23,366.

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. These bonds do not constitute a legal debt, liability or obligation of the County. For additional information regarding the Tobacco Settlement Revenues see Note XII. K. The Tobacco Settlement Asset-Backed Bonds debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,290	\$ 4,253	\$ 6,543
2018	2,790	4,162	6,952
2019	2,860	4,050	6,910
2020	2,950	3,907	6,857
2021	3,050	3,760	6,810
2022 - 2026	11,005	16,398	27,403
2027 - 2031	19,245	13,744	32,989
2032 - 2036	20,590	9,376	29,966
2037 - 2040	25,150	5,030	30,180
Total	<u>\$ 89,930</u>	<u>\$ 64,680</u>	<u>\$ 154,610</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

D. BONDS PAYABLE (CONTINUED)

2010 Lease Revenue Refunding

Kern Public Services Financing Authority refinanced the Lease Revenue Refunding Bonds, 2002 Series A bonds in the principal amount of \$11,095. The maturity date of the bonds was September 1, 2022.

On December 16, 2010, the County issued Lease Revenue Refunding Bonds, 2010 Series in the principal amount of \$11,250. The maturity date of the bonds is March 1, 2032. The Lease Revenue Refunding Bonds, 2002 Series A have been redeemed with the proceeds of the 2010 Series bonds. The aggregate difference between the 2010 Series and 2002 Series Bonds Debt Service is \$(4,231). Using the Effective Interest Rate Method, the refunding resulted in an economic loss of \$(210). The Bonds have interest rates that range from 3.00% to 5.75%. The debt related schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 410	\$ 495	\$ 905
2018	425	479	904
2019	440	461	901
2020	460	441	901
2021	480	421	901
2022 - 2026	2,800	1,715	4,515
2027 - 2031	3,640	877	4,517
2032	855	49	904
Total	\$ 9,510	\$ 4,938	\$ 14,448

2011 Qualified Energy Conservation Bonds

On April 12, 2011, in order 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 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 Ending June 30,	Principal	Interest	Total
2017	\$ 285	\$ 183	\$ 468
2018	292	166	458
2019	298	148	446
2020	305	131	436
2021	311	113	424
2022 - 2026	1,659	275	1,934
Total	\$ 3,150	\$ 1,016	\$ 4,166

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

E. PENSION OBLIGATION BONDS

1995 Pension Obligation Bond

The County's Board adopted a resolution to authorize the issuance of a County pension obligation debenture, a trust agreement, and the option to enter into an interest rate swap agreement in order to finance the County's share of the unfunded actuarial accrued liability of the Kern County Employees' Retirement Association (KCERA). The actuarial accrued liability of participating special districts was excluded from this funding source. The taxable pension obligation bonds were issued at \$227,818 to cover the County's unfunded actuarial accrued liability of not less than \$224,437. KCERA received the bond proceeds and recorded \$224,437 of contribution income for the fiscal year ended June 30, 1996.

At June 30, 2016, the amount of bonds included, as a component of the County's pension liability, was \$40,444. Of this amount, \$34,089 has been recorded in the governmental activities, and \$6,355 has been recorded in the proprietary fund types. Debt service for the amount recorded in the governmental activities is reflected in the debt service fund entitled Pension Obligation Bond Trustee Non-major Governmental Fund.

The bonds have various maturity dates between 2001 and 2015 for Current Interest bonds and between 2016 and 2022 for Capital Appreciation bonds. The interest ranges from 6.160% to 7.260% for the Current Interest bonds and 7.560% to 7.610% for the Capital Appreciation bonds. For the year ended June 30, 2016, interest payments related to the bonds were \$24,875. Of this amount, \$20,966 was paid out of governmental funds and \$3,909 was paid out of enterprise funds. The following is a summary of the County's total funding requirements of the bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 7,382	\$ 27,159	\$ 34,541
2018	7,306	29,603	36,909
2019	7,247	32,282	39,529
2020	7,231	35,273	42,504
2021	7,279	38,820	46,099
2022 - 2023	3,999	23,288	27,287
Total	<u>\$ 40,444</u>	<u>\$ 186,425</u>	<u>\$ 226,869</u>

2003 Pension Obligation Bond

The County's Board adopted a resolution to authorize the issuance of the County pension obligation debenture in order 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. This amount was recorded in the Government-Wide Statement of Net Position as a liability along with a negative net pension asset for the same amount. 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

E. PENSION OBLIGATION BONDS (CONTINUED)

2003 Pension Obligation Bond (CONTINUED)

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

At June 30, 2016, the amount of bonds included as a component of the County's pension liability was \$225,504. The following is a summary of the County's total funding requirements of the 2003 Series A bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 12,801	\$ 6,764	\$ 19,565
2018	14,629	6,145	20,774
2019	16,621	5,408	22,029
2020	18,798	4,544	23,342
2021	21,138	3,570	24,708
2022 - 2026	86,881	57,823	144,704
2027	6,276	16,192	22,468
Total	<u>\$ 177,144</u>	<u>\$ 100,446</u>	<u>\$ 277,590</u>

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

Year Ending June 30,	Principal	Interest	Total
2017		\$ 2,024	\$ 2,024
2018		2,024	2,024
2019		2,024	2,024
2020		2,024	2,024
2021		2,024	2,024
2022 - 2026		10,119	10,119
2027 - 2028	48,360	1,880	50,240
Total	<u>\$ 48,360</u>	<u>\$ 22,119</u>	<u>\$ 70,479</u>

X. SHORT-TERM DEBT

TAX AND REVENUE ANTICIPATION NOTES

The Tax and Revenue Anticipation Notes (TRAN) proceeds were intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ended June 30, 2016.

Beginning Balance	Additions	Deletions	Ending Balance
\$	\$ 180,000	\$ 180,000	\$

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XI. FUND BALANCES/NET POSITION

A. FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I. F for a description of these categories). Fund balances for all the major and non-major governmental funds as of June 30, 2016, were distributed as follows:

	GENERAL FUND	COUNTY LOCAL REVENUE FUND	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Nonspendable:									
Receivables/Advances	\$ 20,578	\$	\$	\$	\$	\$	\$	\$	\$
Prepaid/Deposits/Revolving Cash Inventory	1,457		101		1	1,353	5		61
Total Nonspendable Fund Balance	22,035		101		1	1,353	995		61
Restricted for:									
Aging and Adult Services									216
Animal Control Programs									220
Apparatus Replacement							446		
Assessor/Recorder Programs									3,379
Automated Fingerprint									416
Automated Warrant System									33
Bakersfield Mitigation						1,601			
Capital Improvement - Fire Stations							2,007		
Capital Projects								42,955	874
Child Support Enforcement									672
Children Services	974								
Comm Corr. Performance Incentive									421
Community Development									744
CCP Community Recidivism									5,899
CSAs - Health & Sanitation									1,190
CSAs - Public Protection									398
CSAs - Public Ways									4,419
Criminal Justice Facility									1,685
Criminalistics Lab									338
DA Court Ordered Penalties									1,326
Debt Service				9,701					9,191
DHS-Wraparound									5,620
DHS-Administrative			436						
District Attorney Equipment									434
DIVCA Franchise Fee									481
DNA Fund									190
Domestic Violence									116
Emergency Medical Services									2,050
Engineering and Survey Services									73
Environmental Health									102
Fire Activity							54		
Fire Hazard Reduction							336		
Fire Prevention Activities							42		
Fire Truck Replacement							4		

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XI. FUND BALANCES/NET POSITION (CONTINUED)

A. FUND BALANCE (CONTINUED)

	GENERAL FUND	COUNTY LOCAL REVENUE FUND	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Forfeitures									703
IHSS Public Authority									718
Juvenile Inmate Welfare									234
Kern County Childrens Fund									873
Library Books									481
Local Public Safety									12,487
Mental Health - Alcohol Abuse									239
Mental Health - Drug Program									68
Mental Health - Prudent Reserve					12,507				
Mental Health Programs					123,663				
Micrographics									55
Off Highway Motor Vehcile License									516
Oildale Revitalization									8
Parks Services	26								292
Probation Programs									19
Probation Realignment									1,598
Project Impact Mitigation									14,453
Public Health Programs									347
Range Improvement									93
Realignment		17,815							
Recorder	19								876
Redemption Systems									1,635
Resource Management Agency									862
Roads - Construction Projects						22,693			
Roads - Maintenance									99
Roads - Metro Bakersfield Impact						12,845			
Roads - Rosamond Impact						768			
Roads - Tehachapi Impact									2,076
Sheriff Programs									9,615
Teeter 1%	10,028								
Vital Health									582
Veterans Services	424								
Wildlife Resources									15
Workforce Investment Act									2,329
Total Restricted Fund Balance	11,471	17,815	436	9,701	136,170	37,907	2,889	42,955	91,760
Committed to:									
Abatement Cost									92
Aging and Adult Services									1,552
Building Inspection									18,806
Teeter Buyout	37,301								
Engineering and Survery Services									7,384
Firework Safety & Enforcement							147		
Total Committed Fund Balance	37,301	-	-	-	-	-	147	-	27,834

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XI. FUND BALANCES/NET POSITION (CONTINUED)

A. FUND BALANCE (CONTINUED)

	GENERAL FUND	COUNTY LOCAL REVENUE FUND	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Assigned to:									
Encumbrances									
General Gov't - Major Maint	10,622								
General Gov't - Capital Proj	15,664								
General Gov't - Other	2,718								
Public Protection - Sheriff	1,150								
Public Protection - Probation	264								
Public Protection - Other	173								
Health & Sanitation - Health	198								
Public Assistance	1								
Education	11								
Recreation and Culture	52								
Board of Trade									280
Capital Projects									2,572
Environmental Health	111								
Fire Department Capital							2,051		
Fire Protection Programs							4,317		
Fire Station Replacement	355								
Human Services	20,453								
Information Technology Services	193								
Infrastructure Replacement	14,944								
Jail Operations	7,500								
KM Working Capital	44,823								
PILT/TARP	400								
Retirement	17,613								
Safety Retirement	710								
Sheriff Equipment	1,193								
Sheriff	1,413								
Strategic Work FRC Plan	125								
Tax Litigation	6,625						1,800		
WESTARZ	148								
Total Assigned Fund Balance	<u>147,459</u>						<u>8,168</u>		<u>2,852</u>
Unassigned Fund Balance:	<u>74,508</u>								
Total Fund Balances	<u>\$ 292,774</u>	<u>\$ 17,815</u>	<u>\$ 537</u>	<u>\$ 9,701</u>	<u>\$ 136,171</u>	<u>\$ 39,260</u>	<u>\$ 12,199</u>	<u>\$ 42,955</u>	<u>\$ 122,507</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 other 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION

A. 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. Excess liability insurance is maintained for Automobile and General Liability claims over \$3,000 and up to \$25,000 with aggregate corridor retention of \$2,500.

The Automobile and General Liability policy protects the County and its employees against most legal liabilities arising from automobile liability and contractual liability. Workers' compensation claims are self-insured up to \$1,250 per occurrence.

Excess coverage is maintained for workers' compensation claims up to statutory limits. The County does not self-insure against liability at its seven 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. The liabilities for self-insurance included in the General Liability and Workers' Compensation Internal Service Funds are based upon the results of actuarial studies and include amounts for claims incurred but not reported. The liability for self-insurance included in the Group Health Internal Service Fund is based upon historical trend analysis and includes amounts for claims incurred but not reported (IBNR). The liability for self-insurance included in the Unemployment Compensation Internal Service Fund represents unpaid claims incurred as of June 30, 2016.

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.

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

Retiree claims are paid from the Group Health Internal Service Fund. Changes in the Self Insurance Fund claims liabilities during the fiscal year ended June 30, 2016 are as follows:

	July 1, 2015	Claims & Changes in Estimates	Claims Payments	June 30, 2016	Due Within One Year
General Liability	\$ 35,757	\$ 8,455	\$ 295	\$ 43,917	\$ 360
Group Health	15,452	126,137	128,103	13,486	13,486
Unemployment Compensation	1,142	2,820	2,733	1,229	1,229
Workers' Compensation	91,136	4,086	11,874	83,348	12,859
Total	\$ 143,487	\$ 141,498	\$ 143,005	\$ 141,980	\$ 27,934

	July 1, 2014	Claims & Changes in Estimates	Claims Payments	June 30, 2015
General Liability	\$ 35,588	\$ 594	\$ 425	\$ 35,757
Group Health	10,284	134,719	129,551	15,452
Unemployment Compensation	1,324	2,638	2,820	1,142
Workers' Compensation	98,793	3,051	10,708	91,136
Total	\$ 145,989	\$ 141,002	\$ 143,504	\$ 143,487

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

A. RISK MANAGEMENT (CONTINUED)

KM maintains a liability in its fund based on actuarial estimates for the self-insured portion of its professional liability risks. The liability for losses and related expenses is estimated using expected loss-reporting patterns and was discounted to its present value using a rate of 90%. Adjustments to the liability are included in results of operations. KM has accrued, in accordance with accounting principles generally accepted in the United States of America, an estimated liability for incurred but not reported losses of \$4,279 at June 30, 2016. KM had a \$2,500 self-insured retention per occurrence for medical malpractice as of June 30, 2016. The primary excess insurance policy included \$12,000 per occurrence and \$12,000 in aggregate.

Reconciliation for claims, including IBNR claims, for the current and prior fiscal year are as follows:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims & Changes in Estimates	Claims Payments	Claims Payable June 30,
2016	\$ 5,433	\$ (373)	\$ 781	\$ 4,279
2015	\$ 7,023	\$ (874)	\$ 716	\$ 5,433

B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Airports, which is headquartered at Meadows Field Airport (Bakersfield), contains the financing requirements for administration, maintenance, and operation of the County's seven airports located at Bakersfield, Buttonwillow, Kern Valley, Lost Hills, Poso, Taft, and Wasco. Airports are reported as a major enterprise fund on the fund financial statements.

Kern Medical is a hospital offering emergency care and inpatient and outpatient services to all classes of patients, including eligible Medicare and Medi-Cal patients, medically indigent persons, and inmates of County institution and juvenile facilities. KM is reported as a major enterprise fund on the fund financial statements.

Solid Waste Management provides for the operating, engineering, planning, and regulatory compliance activities associated with the County's Solid Waste Disposal System. Waste Management is reported as a major enterprise fund on the fund financial statements.

C. POST RETIREMENT HEALTH CARE BENEFITS

Plan Description

In addition to the pension benefits described in Note XII. H, the County provides post retirement health care benefits in accordance with union contracts and Board orders. Two programs contribute funding for retirees' health insurance. The Retiree Health Premium Supplement Program (RHPSP) is a cost-sharing multi-employer defined benefit plan available 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. At June 30, 2016, there were approximately 1,122 retirees receiving the supplement. The supplement amount is permanently fixed once determined and is, depending on years of service, equal to 50 -100% of the active employee monthly health premium for a single individual at the time of retirement.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Plan Description (continued)

The Retiree Health Stipend (RHS) is a cost-sharing multi-employer defined benefit plan available to employees who choose continuous County health coverage upon retirement. At June 30, 2016, there were approximately 2,851 retirees receiving the stipend. 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. Both the RHPSP and RHS are included as an internal service fund within these audited financial statements.

During the fiscal year ending June 30, 2016, the County gave a one-time offer to SEIU-represented or Management, Mid-Management, and Confidential employees the option to opt out of the RHPSP. 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 employees 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 County Human Resources- Health Benefits; and the County will no longer deduct 2.12% of the employee's salary for participating in the RHPSP. The actuary report for June 30, 2016, will reflect this change.

Funding Policies

County, Special Districts, and employee contributions fund the RHPSP and County contributions fund all of the RHS. As of the June 30, 2014 actuary report, the RHPSP was paid on the annual required contribution (ARC) basis. During the fiscal year ended June 30, 2013, the County entered into an OPEB trust with the Public Agency Retirement Services (PARS) to accumulate resources to fund future benefit payments of the RHPSP and RHS. The employee contribution for the RHPSP is 2.12% of covered payroll for a majority of the employee union contracts. The overall contribution rate is determined to meet the overall rate determined by an independent actuary. The contribution rate is based on the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

	RHPSP	RHS
Annual Required Contribution	\$ 10,273	\$ 3,164
Interest on net OPEB obligation	1,577	240
Adjustment to annual required contribution	(1,668)	(254)
Annual OPEB cost (expense)	10,182	3,150
Contributions made	(12,119)	(1,265)
Increase (decrease) in net OPEB obligation	(1,937)	1,885
Net OPEB obligation - beginning of year	35,031	5,339
Net OPEB obligation - end of year	\$ 33,094	\$ 7,224

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the RHPSP and RHS were funded 42.67% and .77%, respectively. The actuarial accrued liability for RHPSP benefits was \$108,976, and the actuarial value of the assets was \$46,496, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,480. The actuarial accrued liability for RHS benefits was \$28,885, and the actuarial value of the assets was \$221, resulting in an UAAL of \$28,664. The covered payroll (annual payroll of active employees covered by the plan) was \$501,431 for both plans, and the ratio of the UAAL to the covered payroll was 12.46% for RHPSP and 5.72% for RHS.

In fiscal year 2015-2016, contributions for the RHPSP were \$12,119, \$4,348 of which was from the County and \$7,771 was from employee contributions. The RHS is funded by County contributions of approximately \$168 (not in thousands) per active employee per year, which totaled \$1,265 for the year ended June 30, 2016.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, annual investment return, mortality, inflation and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuations for RHPSP and the RHS, the projected unit credit actuarial cost method was used. The amortization period is 22 years closed on a level dollar basis. The actuarial assumptions include a 4.5% investment rate of return, a medical premiums trend rate for the supplement of 6.87% in 2013/2014, grading down 0.25% per year to an ultimate rate of 5.00% and 0.00% for the stipend.

Per the June 30, 2014 actuary report the RHPSP ARC was \$10,273, or 2.05% of the County's estimated annual covered payroll, the RHS was \$3,164, or 0.63% of estimated annual covered payroll. This included the normal cost for the year for current active employees of \$4,560, and \$5,086 for UAAL amortization. The County's contribution to the RHPSP for the fiscal year ended June 30, 2016 was \$12,119. The County's contribution to the RHS for the fiscal year ended June 30, 2016 was \$1,265.

As of the fiscal year 2012-2013, the County began participating in PARS and is now contributing to the PARS irrevocable trust. See Fiduciary Trust fund statements for current contributions and plan balances.

**COUNTY OF KERN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

D. CONTINGENT LIABILITIES

Federal and State Grant Programs

The County participates in a number of federal and state grant programs, which are subject to audit. Audit requirements for most Federal grants will be met by the completion of the County's "Single Audit" as required by Public Law 98-502. For the most part, state grants will be audited by the State in the future. The amount of any disallowed expenditures by grantor agencies, if any, as a result of 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, 2016, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$270,358 plus interest of \$19,192.

The following is a summary of the estimated contingent tax liability as of June 30, 2016:

	Principal	Interest	Total
Contingent Tax Liability:	\$ 270,358	\$ 19,192	\$ 289,550
Total Pending AAB Matters	\$ 270,358	\$ 19,192	\$ 289,550

The County's share of the estimated contingent tax liability is \$88,359. The County and other agencies accumulate and maintain tax impound reserves for disputed property taxes. As of June 30, 2016, the County had a total of \$8,425 accumulated in its tax reserve, of which \$6,625 was reserved in the General Fund and \$1,800 was reserved in the Structural Fire fund. The result is a net liability of \$51,614 for the General Fund and \$28,320 net liability to 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 \$79,934 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

E. OUTSTANDING ENCUMBRANCES

Outstanding encumbrances were allowed to carryover. As of June 30, 2016, the County reported significant encumbrances of \$106,576. These encumbrances included \$86,512 of funds that are already restricted and \$20,064 of funds that are assigned. The following is a list of significant encumbrances by fund:

	GENERAL FUND	MENTAL HEALTH	ROADS	OTHER GOVERN- MENTAL FUNDS
Assigned	\$ 20,064			
Restricted		3,611	6,415	76,486

F. DEFERRED COMPENSATION PLAN

The County has made available to its eligible employees a deferred compensation plan under the terms of Section 457 of the Internal Revenue Code. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Amounts accumulated under the plan have been invested in several investment options at the direction of the 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, 2015, the Deferred Compensation Plan reported a net position of \$441,663, which is not included as part of the County's financial statements.

Complete Financial Statements for the Deferred Compensation Plan may be obtained from the office of the Kern County Treasurer Tax Collector located at 1115 Truxtun Avenue, Second Floor, Bakersfield, California 93301.

G. PHYSICIAN EMPLOYEE RETIREMENT PLAN

The County has made available to all eligible physicians providing professional services to KM a single-employer defined contribution retirement plan. The County is the plan sponsor and administrator. The plan is funded exclusively through a combination of mandatory contributions by the County and the KM physician employees through payroll withholdings and earnings on such contributions. The plan consists of two funds, Fund A whose assets are held in trust by Wells Fargo Bank and whose investments are under the direction of an Investment Manager appointed by the KM Faculty Practice Board, and Fund B whose assets are held in trust by the Teacher's Insurance and Annuities Association-College Retirement Equities Fund (TIAA-CREF) whose investments are under the direction of the employee. As of January 1, 2003, all contributions are made to Fund B. Participants with assets in Fund A have been given the option to roll them into Fund B, however, \$1,817 continues to be held in Fund A.

As of December 31, 2014, the Kern County Physician Employee Retirement Plan reported a net position of \$58,214, which is not included as part of the County's financial statements. Audited financial statements for the Kern County Physician Retirement Plan may be obtained through the Kern County Auditor-Controller-County Clerk, 1115 Truxtun Avenue, Bakersfield, California 93301.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN

PLAN DESCRIPTION

The County's Board established the 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.

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.

Separate audited financial statements can be obtained from KCERA at 11125 River Run Blvd., Bakersfield, California 93311. Management of the KCERA plan is vested with the Board of Retirement, which consists of nine members and two alternates.

The Board of Retirement establishes policy for the operation of the plan, considers applications for disability retirement, recommends contributions on the basis of actuarial valuations and controls investment of assets. Prior to January 1, 1996, the Kern County Treasurer-Tax Collector was responsible for financial reporting and accounting for all investments as required by 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 Plan provides for retirement, disability, death, beneficiary and cost-of-living benefits.

	General	Safety	Total
Active Employees	6,795	1,840	8,635
Terminated Employees	784	108	892
Retirees and Beneficiaries			
Currently Receiving Benefits	5,967	1,857	7,824
	<u>13,546</u>	<u>3,805</u>	<u>17,351</u>

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 benefit the member will receive is based on age at retirement, final average compensation (FAC), years of retirement service credit and benefit tier.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

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 FAC times years of accrued retirement service credit times an age factor from Section 31676.17 (Tier I), or 1/90th of 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 FAC 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 FAC times years of accrued retirement service credit times an age factor from Section 31664.1 (Tier I), or 1/50th of FAC 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 FAC. For General Tier III members, there is no limit on the maximum monthly allowance relative to FAC.

The maximum amount of "compensation earnable" that can be taken into account for 2015 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$265,000. For General Tier III members who joined KCERA on or after January 1, 2013, the maximum "pensionable compensation" that can be taken into account for 2015 is \$117,020 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.

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

An annual 2.0% cost-of-living adjustment (COLA) for all retirees and continuance beneficiaries was adopted as of April 1, 1973. An additional 0.5% COLA was granted by the Ventura Settlement as of April 1, 2002, resulting in a maximum COLA of 2.5%, depending on the rate of inflation. The liability for this annual retirement benefit increase was funded entirely from the unreserved fund balance until February 5, 1983. After this date (as recommended by the plan's Independent Actuary, adopted by KCERA Board of Retirement, and approved by the County Board and prior to fiscal year 2003, funding the 2.0% COLA was included in the employers' contribution.

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

**COUNTY OF KERN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

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.

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, 2015 and 2014.
Short-term investments and bonds	Institutional evaluations or priced at par.
OTC 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	Provided by the Fund manager based on the underlying financial statements and performance of the investments.
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.

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 contribution rates for fiscal year ended 2015 ranged from 4.25% to 17.50% and were applied to the member's base pay plus compensable special pays. 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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

CONTRIBUTIONS (CONTINUED)

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 \$161 of biweekly salary.

As a condition of participation under the provisions of the CERL, members are required to contribute to KCERA a percentage of their salaries. Member contribution rates for fiscal year ended 2015 ranged from 4.25% to 17.50% and were applied to the member's base pay plus compensable special pays. 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 \$161 of biweekly 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. Employer rates include the "normal cost" and an annual amortization payment toward the Plan's unfunded or overfunded actuarial accrued liability.

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

The total pension liability as of June 30, 2015, was determined based upon rolling forward the total pension liability from actuarial valuation as of June 30, 2014. The actuarial assumptions used were based on the results of an experience study for the period July 1, 2010 through June 30, 2013. The following actuarial assumptions were applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	General: 4.25 to 9.25 % and Safety: 4.25% to 11.75%. Varies by service, including inflation
COLA increase	2.50% (actual increases contingent upon CPI increases with a 2.50% maximum)

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

Administrative Expenses	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member
Investment rate of return	7.50%, net of pension plan investment expenses, including inflation
Mortality	For both General and Safety members the RP-2000 Combined Health Mortality Table projected with Scale BB to 2023 for males and females

The Entry Age Normal Actuarial Cost method used in KCERA's annual actuarial valuation has also been applied in measuring the service cost and total pension liability (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 (7.50%) was determined using a building-block method in which expected future real rates of return (expected returns net of pension plan investment expenses and inflation) are developed for each major asset class. This data is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before 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>
Large Cap U.S Equity	19%	5.92%
Small/Mid-Cap U.S. Equity	4%	6.49%
Developed International Eequity	18%	6.90%
Emerging Markets Equity	4%	8.34%
Core Bonds	18%	0.73%
High Yield Bonds	4%	2.67%
Emerging Market Debt	4%	4.00%
TIPS	3%	0.35%
Real Estate	5%	4.96%
Commodities	6%	4.35%
Hedge Funds	10%	4.30%
Private Equity	5%	8.10%
	<u>100%</u>	

DISCOUNT RATE

The discount rates used to measure the TPL were 7.50% as of June 30, 2015. 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

DISCOUNT RATE (CONTINUED)

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 pension 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 total pension liability as of June 30, 2015.

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.

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

The following presents the County's proportionate share of the net pension liability calculated using a discount rate of 7.50%, and what the net pension liability would be if it were calculated using a discount rate that is one point lower (6.50%) or one point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
County's Proportionate Share of the Net Pension Liability	2,703,437	2,011,197	1,438,576

PENSION FUND FIDUCIARY NET POSITION

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

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

At June 30, 2016, the County reported a liability of \$2,011,197 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2015, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPL for each membership class is the TPL minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's Fiduciary Net Position 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 Fiduciary Net Position (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 June 30, 2015, the County's proportion was 91.290%, which was an increase of 0.624% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$227,768 per the KCERA June 30, 2016 GASB 68 Actuarial Valuation. 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, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

PENSIONS LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 116,143	\$ 12,280
Changes in proportion and differences between County contributions and proportionate share of contributions	2,209	
County contributions subsequent to the measurement date	219,347	
Net difference between projected and actual earnings on retirement plan investments		482
Differences between expected and actual experience		98,125
	\$ 337,699	\$ 110,887

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to NPL to be recognized in future periods in a systematic and rational manner. \$219,347 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 ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

Year Ended June 30,		
2017	\$	(3,748)
2018		(3,748)
2019		(3,748)
2020		22,250
2021		(3,541)
Thereafter		-
	\$	7,465

I. 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 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, 2016, the Solid Waste Management Enterprise Fund had a designated cash reserve of \$23,352 for closure expenses. Estimated closure and post closure maintenance costs are based

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

I. LANDFILLS (CONTINUED)

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.

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, 2016, are \$59,362 and \$53,419, respectively. The County's landfills are listed below, 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 ¹	0	N/A	100%
Bena I ¹	0	N/A	100%
Bena II A	29	38,939,952	21%
Boron	26	1,051,895	81%
Buttonwillow ¹	0	N/A	100%
China Grade ¹	0	N/A	100%
Glennville ¹	0	N/A	100%
Kern Valley ¹	0	N/A	100%
Lebec ¹	0	N/A	100%
Lost Hills ¹	0	N/A	100%
McFarland/Delano ¹	0	N/A	100%
Mojave/Rosamond	12	2,515,491	70%
Ridgecrest	14	10,129,557	58%
Shafter/Wasco	43	21,895,179	36%
Taft	60	10,044,765	30%
Tehachapi	6	<u>3,712,022</u>	88%
Total		<u><u>88,288,861</u></u>	

¹ 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

I. LANDFILLS (CONTINUED)

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, 2016, the landfill closure liability is \$27,483 and the post closure liability is \$35,711 as recorded in the liabilities of the Solid Waste Management Enterprise Fund. These represent the cumulative liabilities to date. The remaining \$31,879 and \$17,708 anticipated closure and post closure liabilities, respectively, will be recognized in future years.

J. JOINT VENTURES

In accordance with the Joint Exercise of Powers agreement between the 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 are apportioned 52% to the City and 48% to the District. The District's investment in the Wastewater Treatment Plant decreased by \$14 from \$2,411 at June 30, 2014, to \$2,397 at June 30, 2015.

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

K. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES

In November 1998, the Attorney 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

K. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES (CONTINUED)

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 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, 2016, \$7,237 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.

L. POLLUTION REMEDIATION LIABILITY

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 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, 2016 was \$6,111.

The County also has six underground storage tank sites that are in the process of being remediated. Costs are based on the remediation plan for each site and on experience with similar sites, which have previously remediated. The County does not anticipate any recoveries regarding these sites. The amount accrued at June 30, 2016 was \$2,050.

M. 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, 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.

Of the \$30,365 advances from grantors and third parties for the governmental activities, \$1,445 is within General Fund and comprised of advances to the Public Health Department, the Department of Animal Services, and the Department of Probation.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

M. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES/ADVANCES FROM OTHERS (CONTINUED)

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 the deferred pensions, see Note XII. H. The various components of deferred outflows, deferred inflows, and advances from grantors and third parties reported at June 30, 2016 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Advances From Grantors and Third Parties
Governmental Activities:			
Delinquent Property Taxes Receivable			
General Fund	\$	\$ 3,810	\$
Structural Fire		1,995	
Non-major Governmental Fund		309	
Other Long-term Receivables			
General Fund		139	
Human Services		5,196	
Mental Health		2,464	
Deferred Housing Loan Payments			
Non-major Governmental Fund		63,165	
Deferred Tobacco Revenues			
Kern County Tobacco Funding Corp.	140,054	140,054	
Advance Funds			
General Fund			1,445
Human Services			28,869
Non-major Governmental Fund			51
Total Governmental Activities	<u>\$ 140,054</u>	<u>\$ 217,132</u>	<u>30,365</u>
Business-Type Activities:			
Deferred Pensions			
Airports	\$ 769	\$ 228	
Kern Medical	49,355	15,300	
Waste	4,643	1,579	
Non-major Enterprise Funds	940	212	
Unearned Revenue			
Waste			59
Non-major Enterprise Funds			2,195
Deferred Charge on Refunding			
Airports	60		
Kern Medical	110		
Total Business-Type Activities	<u>55,877</u>	<u>17,319</u>	<u>2,254</u>
Government-Wide Activities:			
Governmental:			
Deferred Pensions	281,552	93,442	
Deferred Charge on Refunding			
2011 Refunding COP	99		
2014 Tobacco Refunding	1,158		
Deferred Housing Loan Payments		989	
Total Government-Wide Activities	<u>\$ 338,686</u>	<u>\$ 111,750</u>	<u>\$ 32,619</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

XIII. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 27, 2016, which is the date the financial statements were available to be issued. The following events have occurred that would require disclosure.

A. TAX AND REVENUE ANTICIPATION NOTES

On July 5, 2016, the County issued TRAN totaling \$160,000 due on June 30, 2016. The proceeds of the TRAN are intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ending June 30, 2017. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2016-17 are legally available to secure the TRAN.

B. ASSEMBLY BILL 2546 – KERN COUNTY HOSPITAL AUTHORITY (HOSPITAL AUTHORITY)

On September 26, 2014 Governor Edmund Gerald Brown approved Assembly Bill No. 2546 – Salas (AB 2546) which gave the County Board the authority to establish, by ordinance, the Hospital Authority to manage, administer, and control KM, a County owned and operated public hospital, and for the operation of additional programs, clinics and other facilities, care organizations, physician practice plans and delivery systems that may be affiliated or consolidated with KM. Assembly Bill No. 1350 approved by Governor Brown October 11, 2015 revised and recast certain provisions and made technical changes to the sections of the Health and Safety Code, relating to hospital authorities.

The County Board of Supervisors enacted Ordinance No. A-356 on October 6, 2015, which added Chapter 2.170 to Title 2 of the Ordinance Code of the County creating the Hospital Authority 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 the KM's ability to function with flexibility, responsiveness, and innovation.

The creation and establishment of the Hospital Authority does not constitute a transfer of, or a commitment to transfer, the maintenance, operation, management, control, ownership, or personnel of the KM to the Hospital Authority without the satisfactory completion of specific task and the execution and delivery of documents and agreement as set forth in the Board approved Hospital Authority implementation plan. As of July 1, 2016, the County transferred ownership of KM and its employees to the Hospital Authority.

C. 2009 CAPITAL IMPROVEMENT PROJECTS COP

On the 10th of October 2016 the County began the process of refunding the 2009 Capital Improvement Projects COP. The purpose of the refunding is to procure a lower interest rate for the COP. The refunding closed on December 22, 2016. The County will apply a portion of the refunding proceeds and other available funds to establish an irrevocable escrow fund to refund and defease all the outstanding 2009 Certificates of Participation. The refunded bonds were issued in the amount of \$80,350 and will be known as the *2016 Refunding Certificates of Participation, Series A*.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 326,761	\$ 322,592	315,286	\$ (7,306)
Licenses, Permits, and Franchises	13,350	9,616	10,363	747
Fines, Forfeitures and Penalties	14,029	13,979	13,259	(720)
Revenues from Use of Money and Property	21,353	21,509	23,849	2,340
Aid from Other Governmental Agencies	143,030	160,204	147,115	(13,089)
Charges for Current Services	83,413	83,636	80,605	(3,031)
Other Revenues	3,022	4,065	4,096	31
Total Revenues	<u>604,958</u>	<u>615,601</u>	<u>594,573</u>	<u>(21,028)</u>
EXPENDITURES:				
General Government	121,901	160,108	146,182	13,926
Public Protection	419,100	428,702	410,367	18,335
Health and Sanitation	46,241	39,244	32,412	6,832
Public Assistance	15,647	16,220	13,170	3,050
Education	8,206	8,433	8,045	388
Culture and Recreation Services	12,620	12,699	11,869	830
Debt Service - General Fund	23,051	23,163	14,374	8,789
Contingencies and Reserves	7,770	3,546		3,546
Total Expenditures	<u>654,536</u>	<u>692,115</u>	<u>636,419</u>	<u>55,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(49,578)</u>	<u>(76,514)</u>	<u>(41,846)</u>	<u>34,668</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	180,785	187,918	166,930	(20,988)
Transfers Out	<u>(179,547)</u>	<u>(192,538)</u>	<u>(174,767)</u>	<u>17,771</u>
Total Other Financing Sources (Uses)	<u>1,238</u>	<u>(4,620)</u>	<u>(7,837)</u>	<u>(3,217)</u>
Net Change in Fund Balance	(48,340)	(81,134)	(49,683)	31,451
Fund Balance, July 1, 2015 (as previously reported)	300,833	300,833	300,833	
Prior Period Adjustments (Modified Accrual Basis of Accounting, p. 27)			10,771	10,771
Fund Balance, June 30, 2016	<u>\$ 252,493</u>	<u>\$ 219,699</u>	<u>\$ 261,921</u>	<u>\$ 42,222</u>

Note: The Fund Balance at July 1, 2016 for Budgetary Basis is recorded on the modified accrual basis of accounting, excluding prior year encumbrances.

Explanation of differences between budgetary revenues and expenditures and Generally Accepted Accounting Principles (GAAP) revenues and expenditures:

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>594,573</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 636,419
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(30,853)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	<u>106</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>605,672</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 COUNTY LOCAL REVENUE FUND
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 172,370	\$ 180,277	\$ 184,837	\$ 4,560
Aid from Other Governmental Agencies			42	42
Total Revenues	<u>172,370</u>	<u>180,277</u>	<u>184,879</u>	<u>4,602</u>
EXPENDITURES:				
Public Protection	<u>1,714</u>	<u>2,521</u>	<u>2,374</u>	<u>147</u>
Total Expenditures	<u>1,714</u>	<u>2,521</u>	<u>2,374</u>	<u>147</u>
Excess of Revenues Over Expenditures	<u>170,656</u>	<u>177,756</u>	<u>182,505</u>	<u>4,749</u>
OTHER FINANCING USES:				
Transfers Out	<u>(182,415)</u>	<u>(189,745)</u>	<u>(184,706)</u>	<u>5,039</u>
Total Other Financing Uses	<u>(182,415)</u>	<u>(189,745)</u>	<u>(184,706)</u>	<u>5,039</u>
Net Change in Fund Balance	(11,759)	(11,989)	(2,201)	9,788
Fund Balance, July 1, 2015	<u>20,016</u>	<u>20,016</u>	<u>20,016</u>	
Fund Balance, June 30, 2016	<u>\$ 8,257</u>	<u>\$ 8,027</u>	<u>\$ 17,815</u>	<u>\$ 9,788</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 17	17	46	\$ 29
Aid from Other Governmental Agencies	273,065	263,443	250,918	(12,525)
Charges for Current Services	98	98	149	51
Other Revenues	<u>2,209</u>	<u>2,210</u>	<u>2,462</u>	<u>252</u>
Total Revenues	<u>275,389</u>	<u>265,768</u>	<u>253,575</u>	<u>(12,193)</u>
EXPENDITURES:				
Public Assistance	<u>424,444</u>	<u>430,765</u>	<u>414,016</u>	<u>16,749</u>
Total Expenditures	<u>424,444</u>	<u>430,765</u>	<u>414,016</u>	<u>16,749</u>
Deficiency of Revenues Under Expenditures	<u>(149,055)</u>	<u>(164,997)</u>	<u>(160,441)</u>	<u>4,556</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>171,561</u>	<u>186,862</u>	<u>181,435</u>	<u>(5,427)</u>
Total Other Financing Sources	<u>171,561</u>	<u>186,862</u>	<u>181,435</u>	<u>(5,427)</u>
Net Change in Fund Balance	22,506	21,865	20,994	(871)
Fund Balance (Deficit), July 1, 2015	<u>(20,643)</u>	<u>(20,643)</u>	<u>(20,643)</u>	
Fund Balance, June 30, 2016	<u>\$ 1,863</u>	<u>\$ 1,222</u>	<u>\$ 351</u>	<u>\$ (871)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures:

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 253,575

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 414,016
Differences - Budget to GAAP
Encumbrances for goods and/or services ordered but not received within the recognition period (186)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 413,830

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 176	\$ 176	\$ 1,145	\$ 969
Aid from Other Governmental Agencies	36,236	37,601	41,383	3,782
Charges for Current Services	40,658	41,801	49,952	8,151
Other Revenues	<u>337</u>	<u>337</u>	<u>767</u>	<u>430</u>
Total Revenues	<u>77,407</u>	<u>79,915</u>	<u>93,247</u>	<u>13,332</u>
EXPENDITURES:				
Health and Sanitation	<u>130,768</u>	<u>162,462</u>	<u>153,346</u>	<u>9,116</u>
Total Expenditures	<u>130,768</u>	<u>162,462</u>	<u>153,346</u>	<u>9,116</u>
Deficiency of Revenues Under Expenditures	<u>(53,361)</u>	<u>(82,547)</u>	<u>(60,099)</u>	<u>22,448</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	80,076	80,924	51,399	(29,525)
Transfers Out	<u>(33,549)</u>	<u>(37,444)</u>	<u>(3,021)</u>	<u>34,423</u>
Total Other Financing Sources	<u>46,527</u>	<u>43,480</u>	<u>48,378</u>	<u>4,898</u>
Net Change in Fund Balance	(6,834)	(39,067)	(11,721)	27,346
Fund Balance, July 1, 2015	116,644	116,644	116,644	
Prior Period Adjustments	<u>170</u>	<u>170</u>	<u>170</u>	
Fund Balance, June 30, 2016	<u>\$ 109,980</u>	<u>\$ 77,747</u>	<u>\$ 105,093</u>	<u>\$ 27,346</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures:

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>93,247</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 153,346
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(31,078)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>122,268</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
ROADS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 3,460	\$ 3,460	\$ 3,768	\$ 308
Licenses, Permits and Franchises	295	295	2,870	2,575
Revenues from Use of Money and Property	103	104	450	346
Aid from Other Governmental Agencies	36,280	36,780	24,315	(12,465)
Charges for Current Services	4,252	4,252	3,658	(594)
Other Revenues	269	319	228	(91)
Total Revenues	<u>44,659</u>	<u>45,210</u>	<u>35,289</u>	<u>(9,921)</u>
EXPENDITURES:				
Public Ways and Facilities	<u>66,817</u>	<u>77,550</u>	<u>50,111</u>	<u>27,439</u>
Total Expenditures	<u>66,817</u>	<u>77,550</u>	<u>50,111</u>	<u>27,439</u>
Deficiency of Revenues Under Expenditures	<u>(22,158)</u>	<u>(32,340)</u>	<u>(14,822)</u>	<u>17,518</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	872	822	31	(791)
Transfers Out	<u>(462)</u>	<u>(462)</u>	<u> </u>	<u>462</u>
Total Other Financing Sources	<u>410</u>	<u>360</u>	<u>31</u>	<u>(329)</u>
Net Change in Fund Balance	<u>(21,748)</u>	<u>(31,980)</u>	<u>(14,791)</u>	<u>17,189</u>
Fund Balance, July 1, 2015	<u>46,528</u>	<u>46,528</u>	<u>46,528</u>	<u> </u>
Fund Balance, June 30, 2016	<u>\$ 24,780</u>	<u>\$ 14,548</u>	<u>\$ 31,737</u>	<u>\$ 17,189</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 35,289

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 50,111
Differences - Budget to GAAP
Encumbrances for goods and/or services ordered but not received within the recognition period (7,523)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 42,588

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
STRUCTURAL FIRE
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 98,446	\$ 98,094	\$ 96,604	\$ (1,490)
Licenses, Permits and Franchises	500	500	712	212
Fines, Forfeitures and Penalties	155	155	108	(47)
Revenues from Use of Money and Property	14	7	6	(1)
Aid from Other Governmental Agencies	6,511	3,715	3,874	159
Charges for Current Services	26,471	36,244	37,255	1,011
Other Revenues	402	405	264	(141)
Total Revenues	<u>132,499</u>	<u>139,120</u>	<u>138,823</u>	<u>(297)</u>
EXPENDITURES:				
Current:				
Public Protection	147,844	157,206	154,439	2,767
Total Expenditures	<u>147,844</u>	<u>157,206</u>	<u>154,439</u>	<u>2,767</u>
Deficiency of Revenues Under Expenditures	<u>(15,345)</u>	<u>(18,086)</u>	<u>(15,616)</u>	<u>2,470</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	9,135	9,215	7,764	(1,451)
Transfers Out	(2,446)	(2,858)	(1,263)	1,595
Total Other Financing Sources	<u>6,689</u>	<u>6,357</u>	<u>6,501</u>	<u>144</u>
Net Change in Fund Balance	<u>(8,656)</u>	<u>(11,729)</u>	<u>(9,115)</u>	<u>2,614</u>
Fund Balance, July 1, 2015	<u>21,003</u>	<u>21,003</u>	<u>21,003</u>	
Fund Balance, June 30, 2016	<u>\$ 12,347</u>	<u>\$ 9,274</u>	<u>\$ 11,888</u>	<u>\$ 2,614</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures:

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>138,823</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 154,439
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	<u>(311)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>154,128</u>

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2016 (IN THOUSANDS)

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 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 leased 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, County Local Revenue Fund, Human Services, Kern County Tobacco Funding Corporation, Mental Health, Roads, Structural Fire, and Tobacco Securitization Proceeds. The County also budgets for the following non-major funds: Abatement Cost, Aging & Adult Services, Alcohol Abuse, Alcohol Program, Asset Forfeiture 15% Probation, Automated Co. Warrant System, Automated Fingerprint, Bio Terrorism Grant, Board of Trade Advertising, Building Inspection, CCP Community Recidivism, Child Restraint Loaner, Child Support Services, Comm. Corr. Performance Incentive, Community Development, County Service Areas, Criminal Justice Facility, Criminalistics Laboratories, DA Court Ordered Penalties, DA/Sheriff/Probation DNA Fund, DA Equipment Automation, DA Federal Forfeiture, DA Local Forfeitures, DHS Wraparound Savings, DIVCA LCL Franchise Fee, Domestic Violence, Drug Program, Emergency Medical Payments, Employers' Training Resource, Environmental Health Services, Health-MAA TCM, Hospital Preparedness Program, IHSS Public Authority, Juvenile Inmate Welfare, Kern County Children's Fund, KNET Asset Forfeiture, Library Books, Litter Cleanup, Local Public Safety, Micrographics, NSP Grant, Off Hwy. Motor Vehicle License, Parcel Map In-Lieu Fees, Parks & Recreation Donation Fund, Planned Local Drainage Facility, Planned Sewer, Planning Admin. Surcharge, Probation DJJ Realignment, Probation Federal Asset Forfeiture, Probation Training, Public Health Misc., Range Improvement, Real Estate Fraud, Recorder, Recorder's Electronic Recording, Recorder Modernization, Recorder SSN Truncation, Redemption Systems, RMA-Hazardous Waste Settlements, 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 Facility Training, Sheriff Inmate Welfare, Sheriff Judgment Debtor Fee, Sheriff Rural Crime, Sheriff Sidearm Conversion, Sheriff State Asset Forfeiture, Sheriff Training Fund, Sheriff's Volunteer Service Group, Sheriff Work Release, Sterilization, Strong Motion Instrumentation, Tobacco Education Control, Vital Health Statistics-County Clerk, Vital Health Statistics, Vital Health Statistics-Recorder, Wildlife Resources, 2009 Capital Projects, 7th Standard Road Widening, AB900 Jail Construction, Accumulative Capital Outlay Fire, and Accumulative Capital Outlay General.

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2016 (IN THOUSANDS)

I. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

A. BUDGETARY INFORMATION (CONTINUED)

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.

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. The County also prepares a separate Final Budget document at the object level, which is made available to the public by the Auditor-Controller-County Clerk's office.

There were no material excess expenditures over the related appropriations in any object level within any other 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 \$17,776 were added to appropriations in the General Fund during the fiscal year.

Depending upon the amount transferred, the Board or the County Administrative Office 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 for contracts were required to lapse at June 30, 2016. Outstanding encumbrances related to purchase orders were allowed to carryover 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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2016 (IN THOUSANDS)

I. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

B. RECONCILIATION OF BUDGETARY BASIS TO GAAP

The annual County budget is prepared, approved and adopted in accordance with provisions of the County Budget Act. In preparing the budget, the County utilizes a basis of accounting which is different from the basis prescribed by generally accepted accounting principles (GAAP).

	<u>Basis Differences</u>				Fund Balances (Modified Accrual Basis)
	Fund Balances (Budgetary Basis)	Capital Leases - Inception	Capital Leases - Other Financing Sources	Outstanding Encumbrances for Budgeted Funds	
General Fund	\$ 261,921	\$ (105)	\$ 105	\$ 30,853	\$ 292,774
Human Services	351			186	537
Mental Health	105,093			31,078	136,171
Roads	31,737			7,523	39,260
Structural Fire	11,888			311	12,199
Building Inspection	18,770			42	18,812
CCP Community Recidivism	5,397			502	5,899
County Service Areas	5,955			52	6,007
DIVCA LCL Franchise Fee	454			27	481
Employers' Training Resource	2,286			43	2,329
Environmental Health Services	79			23	102
Parcel Map In-Lieu Fees	197			16	213
Recorder	826			54	880
AB900 Jail Construction	(76,614)			76,614	
Total	<u>\$ 368,340</u>	<u>\$ (105)</u>	<u>\$ 105</u>	<u>\$ 147,324</u>	<u>\$ 515,664</u>

COUNTY OF KERN
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - PENSION SCHEDULES
FOR THE YEAR ENDING JUNE 30, 2016 (IN THOUSANDS)

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

Last 10 Fiscal Years*

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	County's Covered-employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	91.682%	\$ 1,947,691	\$ 465,506	418.40%	59.59%
2015	91.914%	1,901,916	482,159	394.46%	63.49%
2016	91.290%	2,011,197	477,224	421.44%	62.36%

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 Date for Employer under GASB 68 as of June 30	Actuarially Determined Contribution	County's Contribution	Contribution Deficiency (Excess)	County's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
2015	\$ 201,221	\$ 201,221	\$ -	\$ 482,159	41.73%
2016	\$ 194,907	\$ 194,907	\$ -	\$ 477,224	40.84%

Notes to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	20.5 year as of June 30, 2015
Asset Valuation Method	Market value basis, recognized over a five year-period
Inflation	3.25%
Salary Increase	General: 4.25% to 9.25% and Safety: 4.25% to 11.75%, varying by service, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation
Retirement Age	General Age: 57, Safety Age: 53
Mortality	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2023

*GASB 68 was implemented as of June 30, 2015. Additional years will be presented as they are available.

**COUNTY OF KERN
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDING JUNE 30, 2016 (IN THOUSANDS)**

SCHEDULES OF FUNDING PROGRESS

Retiree Health Premium Supplement Program (RHPSP)

Statement Date	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d)
6/30/2012	6/30/2010	\$	\$ 133,583	\$ 133,583	0.00%	\$ 481,701	27.73%
6/30/2013	6/30/2012		132,528	132,528	0.00%	490,762	27.00%
6/30/2014	6/30/2012		132,528	132,528	0.00%	490,762	27.00%
6/30/2015	6/30/2014	46,496	108,976	62,480	42.67%	501,431	12.46%
6/30/2016	6/30/2014	46,496	108,976	62,480	42.67%	501,431	12.46%

Source: Kern County Retiree Health Premium Supplement Program Actuarial Valuation, June 30, 2014

Actuarial valuations are done once every two years.

Retiree Health Stipend (RHS)

Statement Date	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d)
6/30/2012	6/30/2010	\$	\$ 16,379	\$ 16,379	0.00%	\$ 487,323	3.36%
6/30/2013	6/30/2012		36,525	36,525	0.00%	490,762	7.44%
6/30/2014	6/30/2012		36,525	36,525	0.00%	490,762	7.44%
6/30/2015	6/30/2014	221	28,885	28,664	0.77%	501,431	5.72%
6/30/2016	6/30/2014	221	28,885	28,664	0.77%	501,431	5.72%

Source: Kern County Retiree Health Stipend Actuarial Valuation, June 30, 2014.

Actuarial valuations are done once every two years.

COUNTY OF KERN
 ACTUARIAL ASSUMPTIONS AND METHODOLOGY
 OTHER POST-EMPLOYMENT BENEFITS
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**Retiree Health Premium Supplement Program (RHPSP)
 Retiree Health Stipend**

Valuation Date:	June 30, 2014
Investment Return:	6.5%
General Inflation Rate:	Not used in calculating liability
Mortality:	<i>Healthy</i> - RP 2000 Combined Healthy Mortality Table set back one year for males and females for both General and Safety. <i>Disabled</i> - RP 2000 Combined Healthy Mortality Table set forward eight years for General and four years for Safety members. 6.9% in 2014/15, grading down 0.25% per year to an ultimate rate of 5.00%
Medical Plan Premiums (Trend) Stipend:	down 0.25% per year to an ultimate rate of 5.00%
Actuarial Cost Method:	Unit credit

Retiree Health Premium Supplement Program (RHPSP) ONLY

Monthly Premium Contributions for Future Retirees: \$441.04 - \$882.07 depending on years of service

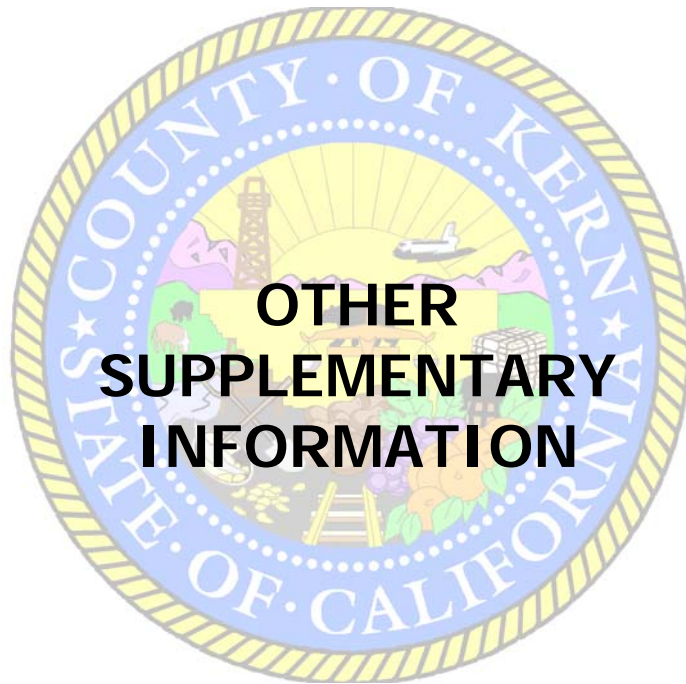
Other Factors for Monthly Premium Contributions: Above premium is for new retirees who are under age 65 and completed 20 or more years of continuous service. Employees who retire with a minimum of 20 years of continuous service only receive a benefit amount as follows:

20 years	\$ 441.04
21 years	\$ 529.24
22 years	\$ 617.45
23 years	\$ 705.66
24 years	\$ 793.86
25 years	\$ 882.07

Retiree Health Stipend ONLY

Monthly Premium Contributions for Future Retirees:

Coverage	Stipend
Single-Retiree Only	\$ 39.75
Two-Party (retiree plus dependent)	53.69
Family (retiree plus two or more dependents)	61.50



**OTHER
SUPPLEMENTARY
INFORMATION**

The seal of Kern County, California, is a circular emblem. It features a central scene with a sun rising over a landscape that includes a windmill, a ship, and various agricultural products like grapes and oranges. The text "COUNTY OF KERN" is written in a blue arc at the top, and "STATE OF CALIFORNIA" is written in a blue arc at the bottom. The entire seal is surrounded by a yellow and black striped border.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**



**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 99,333	\$ 3,446	\$ 137	\$ 102,916
Revolving Fund Cash	61			61
Cash and Investments Deposited with Trustee			9,045	9,045
Interest Receivable	99			99
Taxes Receivable	330			330
Accounts Receivable	3			3
Accrued Revenue	18,749	10,011	31	28,791
Due from Other Funds	2,414			2,414
Due from Other Agencies	741			741
Housing Loans Receivable	51,511			51,511
Housing Loans Interest Receivable	11,855			11,855
Total Assets	<u>185,096</u>	<u>13,457</u>	<u>9,213</u>	<u>207,766</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 185,096</u>	<u>\$ 13,457</u>	<u>\$ 9,213</u>	<u>\$ 207,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 5,183	\$ 7,011	\$ 22	\$ 12,216
Salaries and Employee Benefits Payable	1,745			1,745
Due to Other Funds	4,663			4,663
Due to Other Agencies	110			110
Advances from Other Funds		3,000		3,000
Advances from Grantors and Third Parties	51			51
Total Liabilities	<u>11,752</u>	<u>10,011</u>	<u>22</u>	<u>21,785</u>
Deferred Inflows of Resources:				
Deferred Housing Loan Payments	63,165			63,165
Unavailable Revenue - Property Taxes	309			309
Total Deferred Inflows of Resources	<u>63,474</u>			<u>63,474</u>
Fund Balances:				
Nonspendable	61			61
Restricted	81,695	874	9,191	91,760
Committed	27,834			27,834
Assigned	280	2,572		2,852
Total Fund Balances	<u>109,870</u>	<u>3,446</u>	<u>9,191</u>	<u>122,507</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 185,096</u>	<u>\$ 13,457</u>	<u>\$ 9,213</u>	<u>\$ 207,766</u>

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 3,024	\$	\$	\$ 3,024
Licenses, Permits and Franchises	12,862			12,862
Fines, Forfeitures and Penalties	7,844			7,844
Revenues from Use of Money and Property	856	85	117	1,058
Aid from Other Governmental Agencies	134,429	20,671		155,100
Charges for Current Services	17,079			17,079
Other Revenues	6,424		48,477	54,901
Total Revenues	182,518	20,756	48,594	251,868
EXPENDITURES:				
Current:				
General Government	258		711	969
Public Protection	32,340			32,340
Public Ways and Facilities	2,788			2,788
Health and Sanitation	9,594			9,594
Public Assistance	39,353			39,353
Culture and Recreation Services	36			36
Capital Outlay		31,160		31,160
Debt Service:				
Principal			20,405	20,405
Interest			35,435	35,435
Total Expenditures	84,369	31,160	56,551	172,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,149	(10,404)	(7,957)	79,788
OTHER FINANCING SOURCES (USES):				
Transfers In	24,642	7,864	7,994	40,500
Transfers Out	(113,825)	(2,036)		(115,861)
Total Other Financing Sources (Uses)	(89,183)	5,828	7,994	(75,361)
Net Changes in Fund Balances	8,966	(4,576)	37	4,427
Fund Balances, July 1, 2015	100,904	8,022	9,154	118,080
Fund Balances, June 30, 2016	\$ 109,870	\$ 3,446	\$ 9,191	\$ 122,507

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:

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

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.

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.

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.

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.

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.

Bio Terrorism Grant – This fund holds grant monies received for preparation of response to bio-terrorism outbreaks, infectious disease, and other public health threats.

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.

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

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

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.

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.

Community Correction Performance Incentive – This fund accounts for the County's allocation of money from the State's Corrections Performance Incentives Fund to be used for specified purposes relating to improving local probation supervision practices and capacities.

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

County Service Areas – 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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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 (DA) 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.

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.

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.

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

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

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.

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.

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.

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).

Hospital Preparedness Program – This fund accounts for the advance of federal funds from the California Department of Public Health in order to purchase equipment and training in relation to hospital disaster preparedness.

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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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

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.

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

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

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.

Micrographics – This fund accounts for the document filing fee used to defray the cost of converting the Recorder’s document storage system to micrographics.

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.

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.

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

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.

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.

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.

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

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

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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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

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.

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

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

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.

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 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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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 on permits, and is used for the purpose of promoting seismic education and awareness as part of a State mandate.

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

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.

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.

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

Other Special Revenue Funds – These funds account for revenues received for various activities and programs including: Animal Care, Animal Care Donations, County-wide Crime Prevention, Health-State Local Underground Storage Tank (LUST) Program, High Intensity Drug Trafficking Areas (HIDTA) – State Asset Forfeiture, Juvenile Justice Facility, Oil & Gas Road Maintenance, Oildale Revitalization, Probation Asset Forfeiture, Parks Timber Harvest Fund, Project Impact Mitigation, Public Improvement Districts, Rural Crimes Environmental Impact Fee, Sheriff's Electronic Monitoring Program, Tehachapi Transportation Impact Fee Core, and Tehachapi Transportation Impact Fee Non-Core.

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 9

	<u>TOTAL</u>	<u>ABATEMENT COST</u>	<u>AGING & ADULT SERVICES</u>	<u>ALCOHOL ABUSE</u>	<u>ALCOHOL PROGRAM</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 99,333	\$ 92	\$ 1	\$ 134	\$ 89
Revolving Fund Cash	61		4		
Interest Receivable	99				
Taxes Receivable	330				
Accounts Receivable	3				
Accrued Revenue	18,749		2,744		
Due from Other Funds	2,414		396		
Advances to Other Funds					
Due from Other Agencies	741			7	9
Housing Loans Receivable	51,511				
Housing Loans Interest Receivable	11,855				
Total Assets	<u>185,096</u>	<u>92</u>	<u>3,145</u>	<u>141</u>	<u>98</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 185,096</u>	<u>\$ 92</u>	<u>\$ 3,145</u>	<u>\$ 141</u>	<u>\$ 98</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 5,183	\$	151	\$	\$
Salaries and Employee Benefits Payable	1,745		554		
Due to Other Funds	4,663		627		
Due to Other Agencies	110				
Advances from Grantors and Third Parties	51		41		
Total Liabilities	<u>11,752</u>		<u>1,373</u>		
Deferred Inflows of Resources:					
Deferred Housing Loan Payments	63,165				
Unavailable Revenue - Property Taxes	309				
Total Deferred Inflows of Resources	<u>63,474</u>				
Fund Balances:					
Nonspendable	61		4		
Restricted	81,695		216	141	98
Committed	27,834	92	1,552		
Assigned	280				
Total Fund Balances	<u>109,870</u>	<u>92</u>	<u>1,772</u>	<u>141</u>	<u>98</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 185,096</u>	<u>\$ 92</u>	<u>\$ 3,145</u>	<u>\$ 141</u>	<u>\$ 98</u>

<u>ASSET FORFEITURE 15% PROBATION</u>	<u>AUTOMATED CO. WARRANT SYSTEM</u>	<u>AUTOMATED FINGERPRINT</u>	<u>BIO TERRORISM GRANT</u>	<u>BOARD OF TRADE ADVERTISING</u>	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 10	\$ 29	\$ 394	\$	\$ 280	Assets:
					Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accounts Receivable
					Accrued Revenue
					Due from Other Funds
	4	22			Advances to Other Funds
					Due from Other Agencies
					Housing Loans Receivable
					Housing Loans Interest Receivable
<u>10</u>	<u>33</u>	<u>416</u>		<u>280</u>	Total Assets
\$ <u>10</u>	\$ <u>33</u>	\$ <u>416</u>	\$	\$ <u>280</u>	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Funds
					Due to Other Agencies
					Advances from Grantors and Third Parties
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	Total Liabilities
					Deferred Inflows of Resources:
					Deferred Housing Loan Payments
					Unavailable Revenue - Property Taxes
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	Total Deferred Inflows of Resources
10	33	416		280	Fund Balances:
					Nonspendable
					Restricted
					Committed
					Assigned
<u>10</u>	<u>33</u>	<u>416</u>		<u>280</u>	Total Fund Balances
\$ <u>10</u>	\$ <u>33</u>	\$ <u>416</u>	\$	\$ <u>280</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 2 of 9

	<u>BUILDING INSPECTION</u>	<u>CCP COMMUNITY RECIDIVISM</u>	<u>CHILD RESTRAINT LOANER</u>	<u>CHILD SUPPORT SERVICES</u>	<u>COMM CORR PERFORMANCE INCENTIVE</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 18,865	\$ 5,898	\$ 67	\$ 1,438	\$ 421
Revolving Fund Cash	6			47	
Interest Receivable	41				
Taxes Receivable					
Accounts Receivable					
Accrued Revenue				119	
Due from Other Funds		173			
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>18,912</u>	<u>6,071</u>	<u>67</u>	<u>1,604</u>	<u>421</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,912</u>	<u>\$ 6,071</u>	<u>\$ 67</u>	<u>\$ 1,604</u>	<u>\$ 421</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 11	\$ 172	\$	\$ 99	\$
Salaries and Employee Benefits Payable				786	
Due to Other Funds	89				
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities	<u>100</u>	<u>172</u>	<u></u>	<u>885</u>	<u></u>
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable	6			47	
Restricted		5,899	67	672	421
Committed	18,806				
Assigned					
Total Fund Balances	<u>18,812</u>	<u>5,899</u>	<u>67</u>	<u>719</u>	<u>421</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,912</u>	<u>\$ 6,071</u>	<u>\$ 67</u>	<u>\$ 1,604</u>	<u>\$ 421</u>

COMMUNITY DEVELOPMENT	COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 590	\$ 6,273	\$ 1,463	\$ 338	\$ 1,326	Assets:
	330				Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
398					Accounts Receivable
					Accrued Revenue
					Due from Other Funds
		222			Advances to Other Funds
36,567					Due from Other Agencies
10,829					Housing Loans Receivable
48,384	6,603	1,685	338	1,326	Housing Loans Interest Receivable
\$ 48,384	\$ 6,603	\$ 1,685	\$ 338	\$ 1,326	Total Assets
					Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$ 270	\$ 177	\$	\$	\$	Liabilities:
					Accounts Payable
175					Salaries and Employee Benefits Payable
	110				Due to Other Funds
					Due to Other Agencies
					Advances from Grantors and Third Parties
445	287				Total Liabilities
					Deferred Inflows of Resources:
47,195					Deferred Housing Loan Payments
	309				Unavailable Revenue - Property Taxes
47,195	309				Total Deferred Inflows of Resources
					Fund Balances:
744	6,007	1,685	338	1,326	Nonspendable
					Restricted
					Committed
					Assigned
744	6,007	1,685	338	1,326	Total Fund Balances
\$ 48,384	\$ 6,603	\$ 1,685	\$ 338	\$ 1,326	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2016 (IN THOUSANDS)**

Page 3 of 9

	<u>DA/SHERIFF PROBATION/DNA FUND</u>	<u>DA EQUIPMENT AUTOMATION</u>	<u>DA FEDERAL FORFEITURE</u>	<u>DA LOCAL FORFEITURES</u>	<u>DHS WRAPAROUND SAVINGS</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 154	\$ 434	\$ 224	\$ 27	\$ 5,620
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accounts Receivable					
Accrued Revenue					
Due from Other Funds					
Advances to Other Funds					
Due from Other Agencies	36				
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>190</u>	<u>434</u>	<u>224</u>	<u>27</u>	<u>5,620</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 190</u>	<u>\$ 434</u>	<u>\$ 224</u>	<u>\$ 27</u>	<u>\$ 5,620</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	190	434	224	27	5,620
Committed					
Assigned					
Total Fund Balances	<u>190</u>	<u>434</u>	<u>224</u>	<u>27</u>	<u>5,620</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 190</u>	<u>\$ 434</u>	<u>\$ 224</u>	<u>\$ 27</u>	<u>\$ 5,620</u>

DIVCA LCL FRANCHISE FEE	DOMESTIC VIOLENCE	DRUG PROGRAM	EMERGENCY MEDICAL PAYMENTS	EMPLOYERS' TRAINING RESOURCE
\$ 567	\$ 112	\$ 68	\$ 2,167	\$ 3,429
<u>567</u>	<u>116</u>	<u>68</u>	<u>2,303</u>	<u>5,435</u>
<u>\$ 567</u>	<u>\$ 116</u>	<u>\$ 68</u>	<u>\$ 2,303</u>	<u>\$ 5,435</u>

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

Assets:	
Pooled Cash and Investments	
Revolving Fund Cash	
Interest Receivable	
Taxes Receivable	
Accounts Receivable	
Accrued Revenue	1,922
Due from Other Funds	84
Advances to Other Funds	
Due from Other Agencies	
Housing Loans Receivable	
Housing Loans Interest Receivable	
Total Assets	3,429
Total Assets and Deferred Outflows of Resources	5,435

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

Liabilities:	
Accounts Payable	3,014
Salaries and Employee Benefits Payable	92
Due to Other Funds	
Due to Other Agencies	
Advances from Grantors and Third Parties	
Total Liabilities	3,106
Deferred Inflows of Resources:	
Deferred Housing Loan Payments	
Unavailable Revenue - Property Taxes	
Total Deferred Inflows of Resources	
Fund Balances:	
Nonspendable	
Restricted	2,050
Committed	
Assigned	2,329
Total Fund Balances	2,329
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	5,435

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 4 of 9

	<u>ENVIRONMENTAL HEALTH SERVICES</u>	<u>HEALTH-MAA TCM</u>	<u>HOSPITAL PREPAREDNESS PROGRAM</u>	<u>IHSS PUBLIC AUTHORITY</u>	<u>JUVENILE INMATE WELFARE</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 585	\$ 150	\$	\$ 136	\$ 234
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accounts Receivable					
Accrued Revenue				123	
Due from Other Funds				1,207	
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>585</u>	<u>150</u>	<u></u>	<u>1,466</u>	<u>234</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 585</u>	<u>\$ 150</u>	<u>\$</u>	<u>\$ 1,466</u>	<u>\$ 234</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 170	\$	\$	\$ 748	\$
Salaries and Employee Benefits Payable	303				
Due to Other Funds					
Due to Other Agencies					
Advances from Grantors and Third Parties	10				
Total Liabilities	<u>483</u>	<u></u>	<u></u>	<u>748</u>	<u></u>
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Fund Balances:					
Nonspendable					
Restricted	102	150		718	234
Committed					
Assigned					
Total Fund Balances	<u>102</u>	<u>150</u>	<u></u>	<u>718</u>	<u>234</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 585</u>	<u>\$ 150</u>	<u>\$</u>	<u>\$ 1,466</u>	<u>\$ 234</u>

KERN COUNTY CHILDREN'S FUND	KNET ASSET FORFEITURE	LIBRARY BOOKS	LOCAL PUBLIC SAFETY	MICROGRAPHICS						
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
\$	873	\$	269	\$	481	\$	2,794	\$	55	Assets:
										Pooled Cash and Investments
										Revolving Fund Cash
										Interest Receivable
										Taxes Receivable
										Accounts Receivable
							13,312			Accrued Revenue
										Due from Other Funds
										Advances to Other Funds
										Due from Other Agencies
										Housing Loans Receivable
										Housing Loans Interest Receivable
	<u>873</u>		<u>269</u>		<u>481</u>		<u>16,106</u>		<u>55</u>	Total Assets
\$	<u>873</u>	\$	<u>269</u>	\$	<u>481</u>	\$	<u>16,106</u>	\$	<u>55</u>	Total Assets and Deferred Outflows of Resources
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
\$		\$		\$		\$		\$		Liabilities:
										Accounts Payable
										Salaries and Employee Benefits Payable
							3,619			Due to Other Funds
										Due to Other Agencies
										Advances from Grantors and Third Parties
							<u>3,619</u>			Total Liabilities
										Deferred Inflows of Resources:
										Deferred Housing Loan Payments
										Unavailable Revenue - Property Taxes
										Total Deferred Inflows of Resources
	873		269		481		12,487		55	Fund Balances:
										Nonspendable
										Restricted
										Committed
										Assigned
	<u>873</u>		<u>269</u>		<u>481</u>		<u>12,487</u>		<u>55</u>	Total Fund Balances
\$	<u>873</u>	\$	<u>269</u>	\$	<u>481</u>	\$	<u>16,106</u>	\$	<u>55</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 5 of 9

	<u>NSP GRANT</u>	<u>OFF HWY MOTOR VEH LICENSE</u>	<u>PARCEL MAP IN-LIEU FEES</u>	<u>PARKS & RECREATION DONATION FUND</u>	<u>PLANNED LOCAL DRAINAGE</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 62	\$ 553	\$ 213	\$ 42	\$ 1,212
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accounts Receivable					
Accrued Revenue	5				
Due from Other Funds					
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable	14,944				
Housing Loans Interest Receivable	1,026				
Total Assets	<u>16,037</u>	<u>553</u>	<u>213</u>	<u>42</u>	<u>1,212</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 16,037</u>	<u>\$ 553</u>	<u>\$ 213</u>	<u>\$ 42</u>	<u>\$ 1,212</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds	5	37			
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities	<u>5</u>	<u>37</u>			
Deferred Inflows of Resources:					
Deferred Housing Loan Payments	15,970				
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources	<u>15,970</u>				
Fund Balances:					
Nonspendable					
Restricted	62	516	213	42	
Committed					1,212
Assigned					
Total Fund Balances	<u>62</u>	<u>516</u>	<u>213</u>	<u>42</u>	<u>1,212</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,037</u>	<u>\$ 553</u>	<u>\$ 213</u>	<u>\$ 42</u>	<u>\$ 1,212</u>

PLANNED SEWER	PLANNING ADMIN SURCHARGE	PROBATION DJJ REALIGNMENT	PROBATION FEDERAL ASSET FORFEITURE	PROBATION TRAINING	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 4,018	\$ 2,149	\$ 1,036	\$ 63	\$ 2	Assets:
5		8			Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accounts Receivable
				17	Accrued Revenue
		554			Due from Other Funds
					Advances to Other Funds
					Due from Other Agencies
					Housing Loans Receivable
					Housing Loans Interest Receivable
<u>4,023</u>	<u>2,149</u>	<u>1,598</u>	<u>63</u>	<u>19</u>	Total Assets
<u>\$ 4,023</u>	<u>\$ 2,149</u>	<u>\$ 1,598</u>	<u>\$ 63</u>	<u>\$ 19</u>	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
				19	Salaries and Employee Benefits Payable
					Due to Other Funds
					Due to Other Agencies
					Advances from Grantors and Third Parties
				19	Total Liabilities
					Deferred Inflows of Resources:
					Deferred Housing Loan Payments
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
		1,598	63		Nonspendable
4,023	2,149				Restricted
					Committed
					Assigned
<u>4,023</u>	<u>2,149</u>	<u>1,598</u>	<u>63</u>		Total Fund Balances
<u>\$ 4,023</u>	<u>\$ 2,149</u>	<u>\$ 1,598</u>	<u>\$ 63</u>	<u>\$ 19</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 6 of 9

	<u>PUBLIC HEALTH MISC</u>	<u>RANGE IMPROVEMENT</u>	<u>REAL ESTATE FRAUD</u>	<u>RECORDER</u>	<u>RECORDER'S ELECTRONIC RECORDING</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 21	\$ 93	\$ 674	\$ 986	\$ 121
Revolving Fund Cash				4	
Interest Receivable					
Taxes Receivable					
Accounts Receivable				2	
Accrued Revenue					
Due from Other Funds					
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>21</u>	<u>93</u>	<u>674</u>	<u>992</u>	<u>121</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 21</u>	<u>\$ 93</u>	<u>\$ 674</u>	<u>\$ 992</u>	<u>\$ 121</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$ 10	\$ 22
Salaries and Employee Benefits Payable				102	
Due to Other Funds					
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities				<u>112</u>	<u>22</u>
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable				4	
Restricted	21	93	674	876	99
Committed					
Assigned					
Total Fund Balances	<u>21</u>	<u>93</u>	<u>674</u>	<u>880</u>	<u>99</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21</u>	<u>\$ 93</u>	<u>\$ 674</u>	<u>\$ 992</u>	<u>\$ 121</u>

RECORDER MODERNIZATION	RECORDER SSN-TRUNCATION	REDEMPTION SYSTEMS	RMA-HAZARDOUS WASTE SETTLEMENTS	SHELTER CARE
\$ 1,970	\$ 335	\$ 1,635	\$ 862	\$ 191
1				
300				
<u>2,271</u>	<u>335</u>	<u>1,635</u>	<u>862</u>	<u>191</u>
<u>\$ 2,271</u>	<u>\$ 335</u>	<u>\$ 1,635</u>	<u>\$ 862</u>	<u>\$ 191</u>

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

Assets:
Pooled Cash and Investments
Revolving Fund Cash
Interest Receivable
Taxes Receivable
Accounts Receivable
Accrued Revenue
Due from Other Funds
Advances to Other Funds
Due from Other Agencies
Housing Loans Receivable
Housing Loans Interest Receivable
Total Assets
Total Assets and Deferred Outflows of Resources

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

\$	\$	\$	\$	\$
2,271	335	1,635	862	191
<u>2,271</u>	<u>335</u>	<u>1,635</u>	<u>862</u>	<u>191</u>
<u>\$ 2,271</u>	<u>\$ 335</u>	<u>\$ 1,635</u>	<u>\$ 862</u>	<u>\$ 191</u>

Liabilities:
Accounts Payable
Salaries and Employee Benefits Payable
Due to Other Funds
Due to Other Agencies
Advances from Grantors and Third Parties
Total Liabilities
Deferred Inflows of Resources:
Deferred Housing Loan Payments
Unavailable Revenue - Property Taxes
Total Deferred Inflows of Resources
Fund Balances:
Nonspendable
Restricted
Committed
Assigned
Total Fund Balances
Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2016 (IN THOUSANDS)**

Page 7 of 9

	SHERIFF CAL-I.D.	SHERIFF CIVIL AUTOMATED	SHERIFF CIVIL SUBPOENA	SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 2,483	\$ 884	\$ 10	\$ 537	\$ 191
Revolving Fund Cash					
Interest Receivable	6				
Taxes Receivable					
Accounts Receivable					
Accrued Revenue					
Due from Other Funds					
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>2,489</u>	<u>884</u>	<u>10</u>	<u>537</u>	<u>191</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,489</u>	<u>\$ 884</u>	<u>\$ 10</u>	<u>\$ 537</u>	<u>\$ 191</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	2,489	884	10	537	191
Committed					
Assigned					
Total Fund Balances	<u>2,489</u>	<u>884</u>	<u>10</u>	<u>537</u>	<u>191</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,489</u>	<u>\$ 884</u>	<u>\$ 10</u>	<u>\$ 537</u>	<u>\$ 191</u>

SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	SHERIFF JUDGMENT DEBTOR FEE	SHERIFF RURAL CRIME
\$ 767	\$	\$ 3,069	\$ 730	\$ 14
		9		
	86			
<u>767</u>	<u>86</u>	<u>3,078</u>	<u>730</u>	<u>14</u>
<u>\$ 767</u>	<u>\$ 86</u>	<u>\$ 3,078</u>	<u>\$ 730</u>	<u>\$ 14</u>

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

Assets:
Pooled Cash and Investments
Revolving Fund Cash
Interest Receivable
Taxes Receivable
Accounts Receivable
Accrued Revenue
Due from Other Funds
Advances to Other Funds
Due from Other Agencies
Housing Loans Receivable
Housing Loans Interest Receivable
Total Assets
Total Assets and Deferred Outflows of Resources

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

Liabilities:
Accounts Payable
Salaries and Employee Benefits Payable
Due to Other Funds
Due to Other Agencies
Advances from Grantors and Third Parties
Total Liabilities
Deferred Inflows of Resources:
Deferred Housing Loan Payments
Unavailable Revenue - Property Taxes
Total Deferred Inflows of Resources
Fund Balances:
Nonspendable
Restricted
Committed
Assigned
Total Fund Balances
Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2016 (IN THOUSANDS)**

Page 8 of 9

	<u>SHERIFF SIDEARM CONVERSION</u>	<u>SHERIFF STATE ASSET FORFEITURE</u>	<u>SHERIFF TRAINING FUND</u>	<u>SHERIFF'S VOLUNTEER SERVICE GROUP</u>	<u>SHERIFF WORK RELEASE</u>
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 43	\$ 420	\$ 21	\$ 111	\$ 17
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accounts Receivable					
Accrued Revenue					23
Due from Other Funds					
Advances to Other Funds					
Due from Other Agencies					
Housing Loans Receivable					
Housing Loans Interest Receivable					
Total Assets	<u>43</u>	<u>420</u>	<u>21</u>	<u>111</u>	<u>40</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 43</u>	<u>\$ 420</u>	<u>\$ 21</u>	<u>\$ 111</u>	<u>\$ 40</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Due to Other Agencies					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Deferred Housing Loan Payments					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	43	420	21	111	40
Committed					
Assigned					
Total Fund Balances	<u>43</u>	<u>420</u>	<u>21</u>	<u>111</u>	<u>40</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43</u>	<u>\$ 420</u>	<u>\$ 21</u>	<u>\$ 111</u>	<u>\$ 40</u>

STERILIZATION	STRONG MOTION INSTRUMENTATION	TOBACCO EDUCATION CONTROL	VITAL HEALTH STATISTICS COUNTY CLERK	VITAL HEALTH STATISTICS						
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
\$	29	\$	73	\$	47	\$	2	\$	91	Assets:
										Pooled Cash and Investments
										Revolving Fund Cash
										Interest Receivable
										Taxes Receivable
										Accounts Receivable
										Accrued Revenue
										Due from Other Funds
										Advances to Other Funds
										Due from Other Agencies
										Housing Loans Receivable
										Housing Loans Interest Receivable
										Total Assets
	29		73		47		2		91	Total Assets and Deferred Outflows of Resources
\$	29	\$	73	\$	47	\$	2	\$	91	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
\$		\$		\$		\$		\$		Liabilities:
										Accounts Payable
										Salaries and Employee Benefits Payable
										Due to Other Funds
										Due to Other Agencies
										Advances from Grantors and Third Parties
										Total Liabilities
										Deferred Inflows of Resources:
										Deferred Housing Loan Payments
										Unavailable Revenue - Property Taxes
										Total Deferred Inflows of Resources
	29		73		47		2		91	Fund Balances:
										Nonspendable
										Restricted
										Committed
										Assigned
	29		73		47		2		91	Total Fund Balances
\$	29	\$	73	\$	47	\$	2	\$	91	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2016 (IN THOUSANDS)**

Page 9 of 9

	<u>VITAL HEALTH STATISTICS RECORDER</u>	<u>WILDLIFE RESOURCES</u>	<u>OTHER SPECIAL REVENUE</u>
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
Assets:			
Pooled Cash and Investments	\$ 489	\$ 14	\$ 16,966
Revolving Fund Cash			
Interest Receivable			30
Taxes Receivable			
Accounts Receivable			
Accrued Revenue			
Due from Other Funds			
Advances to Other Funds			
Due from Other Agencies		1	
Housing Loans Receivable			
Housing Loans Interest Receivable			
Total Assets	<u>489</u>	<u>15</u>	<u>16,996</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 489</u>	<u>\$ 15</u>	<u>\$ 16,996</u>
LIABILITIES, DEFERRED INFLOWS OF			
RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$	\$	\$
Salaries and Employee Benefits Payable			
Due to Other Funds			
Due to Other Agencies			
Advances from Grantors and Third Parties			
Total Liabilities			
Deferred Inflows of Resources:			
Deferred Housing Loan Payments			
Unavailable Revenue - Property Taxes			
Total Deferred Inflows of Resources			
Fund Balances:			
Nonspendable			
Restricted	489	15	16,996
Committed			
Assigned			
Total Fund Balances	<u>489</u>	<u>15</u>	<u>16,996</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 489</u>	<u>\$ 15</u>	<u>\$ 16,996</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, 2016 (IN THOUSANDS)**

Page 1 of 9

	TOTAL	ABATEMENT COST	AGING & ADULT SERVICES	ALCOHOL ABUSE	ALCOHOL PROGRAM
REVENUES:					
Taxes	\$ 3,024	\$ 59	\$	\$	\$
Licenses, Permits and Franchises	12,862				
Fines, Forfeitures and Penalties	7,844	15		82	105
Revenues from Use of Money and Property	856		32	1	
Aid from Other Governmental Agencies	134,429		10,616		
Charges for Current Services	17,079		1,716		
Other Revenues	6,424		283		
Total Revenues	<u>182,518</u>	<u>74</u>	<u>12,647</u>	<u>83</u>	<u>105</u>
EXPENDITURES:					
General Government	258				
Public Protection	32,340				
Public Ways and Facilities	2,788				
Health and Sanitation	9,594				
Public Assistance	39,353		15,722		
Culture and Recreation Services	36				
Total Expenditures	<u>84,369</u>		<u>15,722</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98,149</u>	<u>74</u>	<u>(3,075)</u>	<u>83</u>	<u>105</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	24,642		3,085		
Transfers Out	(113,825)	(90)		(62)	(72)
Total Other Financing Sources (Uses)	<u>(89,183)</u>	<u>(90)</u>	<u>3,085</u>	<u>(62)</u>	<u>(72)</u>
Net Changes in Fund Balances	8,966	(16)	10	21	33
Fund Balances, July 1, 2015	<u>100,904</u>	<u>108</u>	<u>1,762</u>	<u>120</u>	<u>65</u>
Fund Balances, June 30, 2016	<u>\$ 109,870</u>	<u>\$ 92</u>	<u>\$ 1,772</u>	<u>\$ 141</u>	<u>\$ 98</u>

ASSET FORFEITURE 15% PROBATION	AUTOMATED CO. WARRANT SYSTEM	AUTOMATED FINGERPRINT	BIO TERRORISM GRANT	BOARD OF TRADE ADVERTISING	
\$	\$	\$	\$	\$	REVENUES:
	42	234			Taxes
		2			Licenses, Permits and Franchises
			2	1	Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
				73	Other Revenues
	42	236	2	74	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
	42	236	2	74	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
	(44)		(11)	(10)	Transfers In
	(44)		(11)	(10)	Transfers Out
					Total Other Financing Sources (Uses)
	(2)	236	(9)	64	Net Changes in Fund Balances
10	35	180	9	216	Fund Balances, July 1, 2015
\$ 10	\$ 33	\$ 416	\$	\$ 280	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 2 of 9

	BUILDING INSPECTION	CCP COMMUNITY RECIDIVISM	CHILD RESTRAINT LOANER	CHILD SUPPORT SERVICES	COMM CORR PERFORMANCE INCENTIVE
REVENUES:					
Taxes	\$ 8,599	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property	189			11	3
Aid from Other Governmental Agencies		325		20,764	
Charges for Current Services	13		34	17	
Other Revenues				12	
Total Revenues	<u>8,801</u>	<u>325</u>	<u>34</u>	<u>20,804</u>	<u>3</u>
EXPENDITURES:					
General Government					
Public Protection	6,251	1,586		20,898	
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services					
Total Expenditures	<u>6,251</u>	<u>1,586</u>		<u>20,898</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,550</u>	<u>(1,261)</u>	<u>34</u>	<u>(94)</u>	<u>3</u>
OTHER FINANCING SOURCES (USES):					
Transfers In		7,160			
Transfers Out			(73)		
Total Other Financing Sources (Uses)		<u>7,160</u>	<u>(73)</u>		
Net Changes in Fund Balances	2,550	5,899	(39)	(94)	3
Fund Balances, July 1, 2015	<u>16,262</u>		<u>106</u>	<u>813</u>	<u>418</u>
Fund Balances, June 30, 2016	<u>\$ 18,812</u>	<u>\$ 5,899</u>	<u>\$ 67</u>	<u>\$ 719</u>	<u>\$ 421</u>

COMMUNITY DEVELOPMENT	COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	
\$	\$ 2,965	\$	\$	\$	REVENUES:
	46	2,418	165	416	Taxes
6,371	44	7		7	Licenses, Permits and Franchises
					Fines, Forfeitures and Penalties
625	9				Revenues from Use of Money and Property
6,996	3,064	2,425	165	423	Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
					Total Revenues
	139				EXPENDITURES:
4,616	2,788				General Government
	902				Public Protection
4,616	3,829				Public Ways and Facilities
					Health and Sanitation
4,616	3,829				Public Assistance
					Culture and Recreation Services
4,616	3,829				Total Expenditures
2,380	(765)	2,425	165	423	Excess (Deficiency) of Revenues Over (Under) Expenditures
	71				OTHER FINANCING SOURCES (USES):
(2,260)	(125)	(2,202)		(500)	Transfers In
					Transfers Out
(2,260)	(54)	(2,202)		(500)	Total Other Financing Sources (Uses)
120	(819)	223	165	(77)	Net Changes in Fund Balances
624	6,826	1,462	173	1,403	Fund Balances, July 1, 2015
\$ 744	\$ 6,007	\$ 1,685	\$ 338	\$ 1,326	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 3 of 9

	DA/SHERIFF PROBATION/DNA FUND	DA EQUIPMENT AUTOMATION	DA FEDERAL FORFEITURE	DA LOCAL FORFEITURES	DHS WRAPAROUND SAVINGS
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	393			90	
Revenues from Use of Money and Property		3	1	2	13
Aid from Other Governmental Agencies			12		
Charges for Current Services					
Other Revenues					1,968
Total Revenues	<u>393</u>	<u>3</u>	<u>13</u>	<u>92</u>	<u>1,981</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					68
Culture and Recreation Services					
Total Expenditures					<u>68</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>393</u>	<u>3</u>	<u>13</u>	<u>92</u>	<u>1,913</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(450)	(73)		(300)	(245)
Total Other Financing Sources (Uses)	<u>(450)</u>	<u>(73)</u>		<u>(300)</u>	<u>(245)</u>
Net Changes in Fund Balances	(57)	(70)	13	(208)	1,668
Fund Balances, July 1, 2015	<u>247</u>	<u>504</u>	<u>211</u>	<u>235</u>	<u>3,952</u>
Fund Balances, June 30, 2016	<u>\$ 190</u>	<u>\$ 434</u>	<u>\$ 224</u>	<u>\$ 27</u>	<u>\$ 5,620</u>

DIVCA LCL FRANCHISE FEE	DOMESTIC VIOLENCE	DRUG PROGRAM	EMERGENCY MEDICAL PAYMENTS	EMPLOYERS' TRAINING RESOURCE	
\$ 360	\$ 111	\$	\$	\$	REVENUES:
4	58	19	2,408	16	Taxes
				19	Licenses, Permits and Franchises
				14,902	Fines, Forfeitures and Penalties
				5,519	Revenues from Use of Money and Property
			10		Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>364</u>	<u>169</u>	<u>19</u>	<u>2,434</u>	<u>20,440</u>	Total Revenues
258					EXPENDITURES:
			1,283	10,191	General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
<u>258</u>			<u>1,283</u>	<u>10,191</u>	Total Expenditures
<u>106</u>	<u>169</u>	<u>19</u>	<u>1,151</u>	<u>10,249</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
				844	OTHER FINANCING SOURCES (USES):
<u>(124)</u>	<u>(150)</u>	<u>(25)</u>	<u>(449)</u>	<u>(10,513)</u>	Transfers In
<u>(124)</u>	<u>(150)</u>	<u>(25)</u>	<u>(449)</u>	<u>(9,669)</u>	Transfers Out
(18)	19	(6)	702	580	Total Other Financing Sources (Uses)
499	97	74	1,348	1,749	Net Changes in Fund Balances
<u>\$ 481</u>	<u>\$ 116</u>	<u>\$ 68</u>	<u>\$ 2,050</u>	<u>\$ 2,329</u>	Fund Balances, July 1, 2015
					Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 4 of 9

	ENVIRONMENTAL HEALTH SERVICES	HEALTH-MAA TCM	HOSPITAL PREPAREDNESS PROGRAM	IHSS PUBLIC AUTHORITY	JUVENILE INMATE WELFARE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises	3,507				
Fines, Forfeitures and Penalties	26				
Revenues from Use of Money and Property				3	17
Aid from Other Governmental Agencies	338			512	
Charges for Current Services	3,577				
Other Revenues	31				
Total Revenues	<u>7,479</u>			<u>515</u>	<u>17</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation	7,409				
Public Assistance				8,678	
Culture and Recreation Services					
Total Expenditures	<u>7,409</u>			<u>8,678</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70</u>			<u>(8,163)</u>	<u>17</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	32			7,716	
Transfers Out			(1)		(19)
Total Other Financing Sources (Uses)	<u>32</u>		<u>(1)</u>	<u>7,716</u>	<u>(19)</u>
Net Changes in Fund Balances	102		(1)	(447)	(2)
Fund Balances, July 1, 2015		150	1	1,165	236
Fund Balances, June 30, 2016	<u>\$ 102</u>	<u>\$ 150</u>	<u>\$ 1</u>	<u>\$ 718</u>	<u>234</u>

<u>KERN COUNTY</u> <u>CHILDREN'S FUND</u>	<u>KNET ASSET</u> <u>FORFEITURE</u>	<u>LIBRARY</u> <u>BOOKS</u>	<u>LOCAL PUBLIC</u> <u>SAFETY</u>	<u>MICROGRAPHICS</u>	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
		7			Licenses, Permits and Franchises
5	2	3	32		Fines, Forfeitures and Penalties
40			80,070		Revenues from Use of Money and Property
154					Aid from Other Governmental Agencies
		95			Charges for Current Services
					Other Revenues
<u>199</u>	<u>9</u>	<u>98</u>	<u>80,102</u>		Total Revenues
					EXPENDITURES:
					General Government
68					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
<u>68</u>					Total Expenditures
<u>131</u>	<u>9</u>	<u>98</u>	<u>80,102</u>		Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
					Transfers In
		(108)	(79,529)	(55)	Transfers Out
		(108)	(79,529)	(55)	Total Other Financing Sources (Uses)
131	9	(10)	573	(55)	Net Changes in Fund Balances
<u>742</u>	<u>260</u>	<u>491</u>	<u>11,914</u>	<u>110</u>	Fund Balances, July 1, 2015
<u>\$ 873</u>	<u>\$ 269</u>	<u>\$ 481</u>	<u>\$ 12,487</u>	<u>\$ 55</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 5 of 9

	NSP GRANT	OFF HWY MOTOR VEH LICENSE	PARCEL MAP IN-LIEU FEES	PARKS & RECREATION DONATION FUND	PLANNED LOCAL DRAINAGE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property			2		7
Aid from Other Governmental Agencies	5	135			
Charges for Current Services			6		
Other Revenues	<u>8</u>			<u>5</u>	
Total Revenues	<u>13</u>	<u>135</u>	<u>8</u>	<u>5</u>	<u>7</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services			<u>35</u>	<u>1</u>	
Total Expenditures			<u>35</u>	<u>1</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13</u>	<u>135</u>	<u>(27)</u>	<u>4</u>	<u>7</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	<u>(5)</u>	<u>(72)</u>	<u>(27)</u>		
Total Other Financing Sources (Uses)	<u>(5)</u>	<u>(72)</u>	<u>(27)</u>		
Net Changes in Fund Balances	8	63	(54)	4	7
Fund Balances, July 1, 2015	<u>54</u>	<u>453</u>	<u>267</u>	<u>38</u>	<u>1,205</u>
Fund Balances, June 30, 2016	<u>\$ 62</u>	<u>\$ 516</u>	<u>\$ 213</u>	<u>\$ 42</u>	<u>\$ 1,212</u>

PLANNED SEWER	PLANNING ADMIN SURCHARGE	PROBATION DJJ REALIGNMENT	PROBATION FEDERAL ASSET FORFEITURE	PROBATION TRAINING	
\$	\$	\$	\$	\$	REVENUES:
			22		Taxes
48	22	32			Licenses, Permits and Franchises
				180	Fines, Forfeitures and Penalties
22	516				Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>70</u>	<u>538</u>	<u>32</u>	<u>22</u>	<u>180</u>	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
<u>70</u>	<u>538</u>	<u>32</u>	<u>22</u>	<u>180</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
		4,655			OTHER FINANCING SOURCES (USES):
	(175)	(4,698)	(20)	(259)	Transfers In
					Transfers Out
	<u>(175)</u>	<u>(43)</u>	<u>(20)</u>	<u>(259)</u>	Total Other Financing Sources (Uses)
70	363	(11)	2	(79)	Net Changes in Fund Balances
<u>3,953</u>	<u>1,786</u>	<u>1,609</u>	<u>61</u>	<u>79</u>	Fund Balances, July 1, 2015
<u>\$ 4,023</u>	<u>\$ 2,149</u>	<u>\$ 1,598</u>	<u>\$ 63</u>	<u>\$</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 6 of 9

	PUBLIC HEALTH MISC	RANGE IMPROVEMENT	REAL ESTATE FRAUD	RECORDER	RECORDER'S ELECTRONIC RECORDING
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises				4	
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property			5	6	1
Aid from Other Governmental Agencies		7			
Charges for Current Services	1		1,027	2,385	172
Other Revenues				3	
Total Revenues	<u>1</u>	<u>7</u>	<u>1,032</u>	<u>2,398</u>	<u>173</u>
EXPENDITURES:					
General Government					
Public Protection		8	20	3,291	122
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services					
Total Expenditures		<u>8</u>	<u>20</u>	<u>3,291</u>	<u>122</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1</u>	<u>(1)</u>	<u>1,012</u>	<u>(893)</u>	<u>51</u>
OTHER FINANCING SOURCES (USES):					
Transfers In				1,057	
Transfers Out	(11)		(1,084)		(152)
Total Other Financing Sources (Uses)	<u>(11)</u>		<u>(1,084)</u>	<u>1,057</u>	<u>(152)</u>
Net Changes in Fund Balances	(10)	(1)	(72)	164	(101)
Fund Balances, July 1, 2015	<u>31</u>	<u>94</u>	<u>746</u>	<u>716</u>	<u>200</u>
Fund Balances, June 30, 2016	<u>\$ 21</u>	<u>\$ 93</u>	<u>\$ 674</u>	<u>\$ 880</u>	<u>\$ 99</u>

RECORDER MODERNIZATION	RECORDER SSN-TRUNCATION	REDEMPTION SYSTEMS	RMA-HAZARDOUS WASTE SETTLEMENTS	SHELTER CARE	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
		204	102		Licenses, Permits and Franchises
14		11			Fines, Forfeitures and Penalties
811					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>825</u>		<u>215</u>	<u>102</u>		Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
				10	Health and Sanitation
					Public Assistance
					Culture and Recreation Services
				<u>10</u>	Total Expenditures
<u>825</u>		<u>215</u>	<u>102</u>	<u>(10)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
<u>(1,522)</u>	<u>(9)</u>	<u>(627)</u>			Transfers In
					Transfers Out
<u>(1,522)</u>	<u>(9)</u>	<u>(627)</u>			Total Other Financing Sources (Uses)
(697)	(9)	(412)	102	(10)	Net Changes in Fund Balances
<u>2,968</u>	<u>344</u>	<u>2,047</u>	<u>760</u>	<u>201</u>	Fund Balances, July 1, 2015
<u>\$ 2,271</u>	<u>\$ 335</u>	<u>\$ 1,635</u>	<u>\$ 862</u>	<u>\$ 191</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 7 of 9

	SHERIFF CAL-I.D.	SHERIFF CIVIL AUTOMATED	SHERIFF CIVIL SUBPOENA	SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	710			81	
Revenues from Use of Money and Property	42	6		6	1
Aid from Other Governmental Agencies					
Charges for Current Services		208			
Other Revenues			10		
Total Revenues	<u>752</u>	<u>214</u>	<u>10</u>	<u>87</u>	<u>1</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services					
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>752</u>	<u>214</u>	<u>10</u>	<u>87</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					22
Transfers Out	(1,474)	(202)	(24)	(438)	
Total Other Financing Sources (Uses)	<u>(1,474)</u>	<u>(202)</u>	<u>(24)</u>	<u>(438)</u>	<u>22</u>
Net Changes in Fund Balances	(722)	12	(14)	(351)	23
Fund Balances, July 1, 2015	<u>3,211</u>	<u>872</u>	<u>24</u>	<u>888</u>	<u>168</u>
Fund Balances, June 30, 2016	<u>\$ 2,489</u>	<u>\$ 884</u>	<u>\$ 10</u>	<u>\$ 537</u>	<u>\$ 191</u>

SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	SHERIFF JUDGMENT DEBTOR FEE	SHERIFF RURAL CRIME	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
55					Licenses, Permits and Franchises
5		54			Fines, Forfeitures and Penalties
	231		229		Revenues from Use of Money and Property
8		2,722		9	Aid from Other Governmental Agencies
68	231	2,776	229	9	Charges for Current Services
					Other Revenues
					Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
68	231	2,776	229	9	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
(10)	(230)	(4,180)	(179)		Transfers In
(10)	(230)	(4,180)	(179)		Transfers Out
					Total Other Financing Sources (Uses)
58	1	(1,404)	50	9	Net Changes in Fund Balances
709	85	4,482	680	5	Fund Balances, July 1, 2015
\$ 767	\$ 86	\$ 3,078	\$ 730	\$ 14	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 8 of 9

	SHERIFF SIDEARM CONVERSION	SHERIFF STATE ASSET FORFEITURE	SHERIFF TRAINING FUND	SHERIFF'S VOLUNTEER SERVICE GROUP	SHERIFF WORK RELEASE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties		135			
Revenues from Use of Money and Property					
Aid from Other Governmental Agencies					
Charges for Current Services					
Other Revenues	<u>6</u>		<u>81</u>	<u>9</u>	<u>457</u>
Total Revenues	<u>6</u>	<u>135</u>	<u>81</u>	<u>9</u>	<u>457</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services					
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6</u>	<u>135</u>	<u>81</u>	<u>9</u>	<u>457</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	<u>(5)</u>	<u>(139)</u>	<u>(75)</u>	<u>(10)</u>	<u>(440)</u>
Total Other Financing Sources (Uses)	<u>(5)</u>	<u>(139)</u>	<u>(75)</u>	<u>(10)</u>	<u>(440)</u>
Net Changes in Fund Balances	1	(4)	6	(1)	17
Fund Balances, July 1, 2015	<u>42</u>	<u>424</u>	<u>15</u>	<u>112</u>	<u>23</u>
Fund Balances, June 30, 2016	<u>\$ 43</u>	<u>\$ 420</u>	<u>\$ 21</u>	<u>\$ 111</u>	<u>\$ 40</u>

STERILIZATION	STRONG MOTION INSTRUMENTATION	TOBACCO EDUCATION CONTROL	VITAL HEALTH STATISTICS COUNTY CLERK	VITAL HEALTH STATISTICS	
\$	\$	\$	\$	\$	REVENUES:
33	19				Taxes
		1			Licenses, Permits and Franchises
		150			Fines, Forfeitures and Penalties
			3	69	Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>33</u>	<u>19</u>	<u>151</u>	<u>3</u>	<u>69</u>	Total Revenues
	18				EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
	<u>18</u>				Total Expenditures
<u>33</u>	<u>1</u>	<u>151</u>	<u>3</u>	<u>69</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
<u>(48)</u>		<u>(135)</u>	<u>(3)</u>	<u>(57)</u>	Transfers In
<u>(48)</u>		<u>(135)</u>	<u>(3)</u>	<u>(57)</u>	Transfers Out
					Total Other Financing Sources (Uses)
(15)	1	16		12	Net Changes in Fund Balances
<u>44</u>	<u>72</u>	<u>31</u>	<u>2</u>	<u>79</u>	Fund Balances, July 1, 2015
<u>\$ 29</u>	<u>\$ 73</u>	<u>\$ 47</u>	<u>\$ 2</u>	<u>\$ 91</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 9 of 9

	VITAL HEALTH STATISTICS RECORDER	WILDLIFE RESOURCES	OTHER SPECIAL REVENUE
REVENUES:			
Taxes	\$	\$	\$
Licenses, Permits and Franchises			229
Fines, Forfeitures and Penalties		7	4
Revenues from Use of Money and Property			176
Aid from Other Governmental Agencies			
Charges for Current Services	86		283
Other Revenues			
Total Revenues	<u>86</u>	<u>7</u>	<u>692</u>
EXPENDITURES:			
General Government			
Public Protection		7	
Public Ways and Facilities			
Health and Sanitation			
Public Assistance			
Culture and Recreation Services			
Total Expenditures		<u>7</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>86</u>		<u>692</u>
OTHER FINANCING SOURCES (USES):			
Transfers In			
Transfers Out	<u>(19)</u>	<u>(6)</u>	
Total Other Financing Sources (Uses)	<u>(19)</u>	<u>(6)</u>	
Net Changes in Fund Balances	67	(6)	692
Fund Balances, July 1, 2015	<u>422</u>	<u>21</u>	<u>16,304</u>
Fund Balances, June 30, 2016	<u>\$ 489</u>	<u>\$ 15</u>	<u>\$ 16,996</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	ABATEMENT COST			AGING AND ADULT SERVICES			ALCOHOL ABUSE			ALCOHOL PROGRAM		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	20	59	39									
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties		15										
Revenues from Use of Money and Property				10	32	22	61	82	21	72	105	33
Aid from Other Governmental Agencies				10,368	10,616	248		1	1			
Charges for Current Services				1,807	1,716	(91)						
Other Revenues				270	283	13						
Total Revenues	20	74	39	12,455	12,647	192	61	83	22	72	105	33
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities				16,276	15,722	554						
Health and Sanitation												
Public Assistance				16,276	15,722	554						
Culture and Recreation Services												
Total Expenditures	20	74	54	(3,821)	(3,075)	746	61	83	22	72	105	33
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In	(90)	(90)		3,123	3,085	(38)	(62)	(62)		(73)	(72)	1
Transfers Out	(90)	(90)		3,123	3,085	(38)	(62)	(62)		(73)	(72)	1
Total Other Financing Sources (Uses)	(70)	(16)	54	(698)	10	708	(1)	21	22	(1)	33	34
Net Changes in Fund Balances	108	108		1,762	1,762		141	141		65	65	
Fund Balances, July 1, 2015	38	92	54	1,064	1,772	708	140	162	22	64	98	34
Fund Balances, June 30, 2016												

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	ASSET FORFEITURE 15% PROBATION			AUTOMATED CO. WARRANT SYSTEM			AUTOMATED FINGERPRINT			BIO TERRORISM GRANT		
	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget
REVENUES:												
Taxes	\$	\$		\$	\$		\$	\$		\$	\$	
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties				44	42	(2)	240	234	(6)			
Revenues from Use of Money and Property							5	2	(3)	2	2	
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues				44	42	(2)	245	236	(9)	2	2	
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures				44	42	(2)	245	236	(9)	2	2	
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(5)		5	(44)	(44)		(245)		245	(11)	(11)	
Total Other Financing Sources (Uses)	(5)		5	(44)	(44)		(245)		245	(11)	(11)	
Net Changes in Fund Balances	(5)		5	(2)	(2)			236	236	(9)	(9)	
Fund Balances, July 1, 2015	10	10		35	35		180	180		9	9	
Fund Balances, June 30, 2016	5	10	5	35	33	(2)	180	416	236			

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	BOARD OF TRADE ADVERTISING			BUILDING INSPECTION			CCP COMMUNITY RECIDIVISM			CHILD RESTRAINT LOANER		
	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget
REVENUES:												
Taxes		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises				5,404	8,599	3,195						
Fines, Forfeitures and Penalties				48	189	141						
Revenues from Use of Money and Property	1	1										
Aid from Other Governmental Agencies				1	13	12				44	34	(10)
Charges for Current Services	91	73	(18)	18		(18)						
Other Revenues												
Total Revenues	92	74	(18)	5,471	8,801	3,330		325	325	44	34	(10)
EXPENDITURES:												
General Government												
Public Protection				8,339	6,293	2,046	6,683	2,088	2,046			
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures				8,339	6,293	2,046	6,683	2,088	2,046			
Excess (Deficiency) of Revenues Over (Under) Expenditures	92	74	(18)	(2,868)	2,508	5,376	(6,683)	(1,763)	4,920	44	34	(10)
OTHER FINANCING SOURCES (USES):												
Transfers In	(81)	(10)	71				6,933	7,160	227			
Transfers Out	(81)	(10)	71	1		(1)				(73)	(73)	
Total Other Financing Sources (Uses)				1		(1)	6,933	7,160	227	(73)	(73)	
Net Changes in Fund Balances	11	64	53	(2,867)	2,508	5,375	250	5,397	5,147	(29)	(39)	(10)
Fund Balances, July 1, 2015	216	216		16,262	16,262					106	106	
Fund Balances, June 30, 2016	227	280	53	13,395	18,770	5,375	250	5,397	5,147	77	67	(10)

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	CHILD SUPPORT SERVICES			COMMUNITY CORR PERFORMANCE INCENTIVE			COMMUNITY DEVELOPMENT			COUNTY SERVICE AREAS		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes		\$	\$		\$	\$		\$	\$		\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties		11	5									
Revenues from Use of Money and Property	6	20,764	(1,457)	1	3	2	18,925	6,371	(12,594)	111	44	(67)
Aid from Other Governmental Agencies	21	17	(4)				510	625	115			
Charges for Current Services		12	12				19,435	6,996	(12,439)			
Other Revenues												
Total Revenues	22,248	20,804	(1,444)	1	3	2				3,149	3,064	(85)
EXPENDITURES:												
General Government												
Public Protection		20,898	1,355									
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures	22,253	20,898	1,355				17,480	4,616	12,864	4,801	3,881	(920)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5)	(94)	(89)	1	3	2	1,955	2,380	425	(1,652)	(817)	835
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out				(402)		402	5	(2,260)	(5)	71	(125)	118
Total Other Financing Sources (Uses)				(402)		402	(2,500)	(2,260)	240	(172)	(54)	118
Net Changes in Fund Balances	(5)	(94)	(89)	(401)	3	404	(545)	120	665	(1,824)	(871)	953
Fund Balances, July 1, 2015	813	813		418	418		624	624		6,826	6,826	
Fund Balances, June 30, 2016	808	719	(89)	17	421	404	79	744	665	5,002	5,955	953

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	CRIMINAL JUSTICE FACILITY			CRIMINALISTICS LABORATORIES			DA COURT ORDERED PENALTIES			DA/SHERIFF/PROBATION DNA FUND		
	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	2,549	2,418	(131)	100	165	65	1,000	416	(584)	360	393	33
Revenues from Use of Money and Property		7	7					7	7			
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues	2,549	2,425	(124)	100	165	65	1,000	423	(577)	360	393	33
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,549	2,425	(124)	100	165	65	1,000	423	(577)	360	393	33
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(2,885)	(2,202)	683	(100)		100	(500)	(500)		(450)	(450)	
Total Other Financing Sources (Uses)	(2,885)	(2,202)	683	(100)		100	(500)	(500)		(450)	(450)	
Net Changes in Fund Balances	(336)	223	559		165	165	500	(77)	(577)	(90)	(57)	33
Fund Balances, July 1, 2015	1,462	1,462		173	173		1,403	1,403		247	247	
Fund Balances, June 30, 2016	1,126	1,685	559	173	338	165	1,903	1,326	(577)	157	190	33

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	DA EQUIPMENT AUTOMATION		DA FEDERAL FORFEITURES		DA LOCAL FORFEITURES		DHS WRAPAROUND SAVINGS	
	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis
REVENUES:								
Taxes		\$		\$		\$		\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					180	90		
Revenues from Use of Money and Property	1	3	2	1	2	2	13	13
Aid from Other Governmental Agencies				12				
Charges for Current Services								
Other Revenues								
Total Revenues	1	3	2	13	180	92	300	1,968
							300	1,668
								1,681
EXPENDITURES:								
General Government								
Public Protection								
Public Ways and Facilities							201	68
Health and Sanitation								
Public Assistance							201	68
Culture and Recreation Services								
Total Expenditures	1	3	2	13	180	92	99	1,913
Excess (Deficiency) of Revenues Over (Under) Expenditures								
OTHER FINANCING SOURCES (USES):								
Transfers In	(73)	(73)			(300)	(300)	(833)	(245)
Transfers Out	(73)	(73)			(300)	(300)	(833)	(245)
Total Other Financing Sources (Uses)	(72)	(70)	2	13	(120)	(208)	(734)	1,668
Net Changes in Fund Balances								
Fund Balances, July 1, 2015	504	504	211	211	235	235	3,952	3,952
Fund Balances, June 30, 2016	432	434	213	224	115	27	3,218	5,620
								2,402

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	DIVCA LCL FRANCHISE FEE			DOMESTIC VIOLENCE			DRUG PROGRAM			EMERGENCY MEDICAL PAYMENTS		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes												
Licenses, Permits and Franchises		360	8		111	6						
Fines, Forfeitures and Penalties				45	58	13	25	19	(6)	3,358	2,408	(950)
Revenues from Use of Money and Property	3	4	1				1		(1)	4	16	12
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues	355	364	9	150	169	19	26	19	(7)	3,362	2,434	(928)
Total Revenues												
EXPENDITURES:												
General Government	570	285	285									
Public Protection												
Public Ways and Facilities										2,415	1,283	1,132
Health and Sanitation												
Public Assistance	570	285	285							2,415	1,283	1,132
Culture and Recreation Services												
Total Expenditures	(215)	79	294	150	169	19	26	19	(7)	947	1,151	204
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In	(124)	(124)		(150)	(150)		(25)	(25)		(1,098)	(449)	649
Transfers Out	(124)	(124)		(150)	(150)		(25)	(25)		(1,098)	(449)	649
Total Other Financing Sources (Uses)	(339)	(45)	294				1	(6)	(7)	(151)	702	853
Net Changes in Fund Balances	499	499		97	97		74	74		1,348	1,348	
Fund Balances, July 1, 2015	160	454	294	97	116	19	75	68	(7)	1,197	2,050	853
Fund Balances, June 30, 2016												

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	EMPLOYERS' TRAINING RESOURCE			ENVIRONMENTAL HEALTH SERVICES			HEALTH-MAA TCM			HOSPITAL PREPAREDNESS PROGRAM		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises				3,551	3,507	(44)						
Fines, Forfeitures and Penalties				50	26	(24)						
Revenues from Use of Money and Property	8	19	11									
Aid from Other Governmental Agencies	16,121	14,902	(1,219)	449	338	(111)	30		(30)			
Charges for Current Services	6,141	5,519	(622)	3,673	3,577	(96)						
Other Revenues	3		(3)	26	31	5						
Total Revenues	22,273	20,440	(1,833)	7,749	7,479	(270)	30		(30)			
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities				8,369	7,432	937						
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures	11,773	10,234	1,539	8,369	7,432	937						
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,500	10,206	(294)	(620)	47	667	30		(30)			
OTHER FINANCING SOURCES (USES):												
Transfers In	853	844	(9)	634	32	(602)						
Transfers Out	(13,023)	(10,513)	2,510				(13)		13			
Total Other Financing Sources (Uses)	(12,170)	(9,669)	2,501	634	32	(602)	(13)		13			
Net Changes in Fund Balances	(1,670)	537	2,207	14	79	65	17		(17)			
Fund Balances, July 1, 2015	1,749	1,749					150					
Fund Balances, June 30, 2016	79	2,286	2,207	14	79	65	167		150			

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	IHSS PUBLIC AUTHORITY		JUVENILE INMATE WELFARE		KERN COUNTY CHILDREN'S FUND		KNET ASSET FORFEITURES	
	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	3	3	18	17	2	5	20	7
Revenues from Use of Money and Property	509	512			41	40	1	2
Aid from Other Governmental Agencies					149	154		
Charges for Current Services								
Other Revenues								
Total Revenues	512	515	18	17	192	199	21	9
EXPENDITURES:								
General Government								
Public Protection								
Public Ways and Facilities	8,723	8,678			510	68		
Health and Sanitation								
Public Assistance	8,723	8,678			510	68		
Culture and Recreation Services								
Total Expenditures	(8,211)	(8,163)	18	17	(318)	131	21	9
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,079	7,716	(50)	(19)				
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	8,079	7,716	(50)	(19)				
Total Other Financing Sources (Uses)	(132)	(447)	(32)	(2)	(318)	131	21	9
Net Changes in Fund Balances	1,165	1,165	236	236	742	742	260	260
Fund Balances, July 1, 2015			204	234	424	873	281	269
Fund Balances, June 30, 2016	1,033	718	204	234	424	873	281	269

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	LIBRARY BOOKS			LOCAL PUBLIC SAFETY			MICROGRAPHICS			NSP GRANT		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties												
Revenues from Use of Money and Property	2	3	1		32	32					5	5
Aid from Other Governmental Agencies				76,094	80,070	3,976						
Charges for Current Services												
Other Revenues	85	95	10								8	8
Total Revenues	87	98	11	76,094	80,102	4,008					13	13
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance											49	
Culture and Recreation Services												
Total Expenditures	87	98	11	76,094	80,102	4,008				(49)	13	62
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(158)	(108)	50	(79,529)	(79,529)		(63)	(55)	8	(5)	(5)	
Total Other Financing Sources (Uses)	(158)	(108)	50	(79,529)	(79,529)		(63)	(55)	8	(5)	(5)	
Net Changes in Fund Balances	(71)	(10)	61	(3,435)	573	4,008	(63)	(55)	8	(54)	8	62
Fund Balances, July 1, 2015	491	491		11,914	11,914		110	110		54	54	
Fund Balances, June 30, 2016	420	481	61	8,479	12,487	4,008	47	55	8	62	62	62

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	OFF HWY MOTOR VEHICLE LICENSE		PARCEL MAP IN-LIQU FEES		PARKS & RECREATION DONATION FUND		PLANNED LOCAL DRAINAGE		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises									
Fines, Forfeitures and Penalties									
Revenues from Use of Money and Property	135	135	1	2			4	7	3
Aid from Other Governmental Agencies				6					
Charges for Current Services									
Other Revenues	135	135		8			4	7	3
Total Revenues									
EXPENDITURES:									
General Government								3	3
Public Protection									
Public Ways and Facilities									
Health and Sanitation									
Public Assistance									
Culture and Recreation Services									
Total Expenditures									
Excess (Deficiency) of Revenues Over (Under) Expenditures									
OTHER FINANCING SOURCES (USES):									
Transfers In	(85)	(72)	13	(27)					
Transfers Out	(85)	(72)	13	(27)					
Total Other Financing Sources (Uses)									
Net Changes in Fund Balances	50	63	13	(70)	(18)	4	1	7	6
Fund Balances, July 1, 2015	453	453		267	38	38	1,205	1,205	
Fund Balances, June 30, 2016	<u>503</u>	<u>516</u>	<u>13</u>	<u>197</u>	<u>20</u>	<u>42</u>	<u>1,206</u>	<u>1,212</u>	<u>6</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	PLANNED SEWER			PLANNING ADMIN. SURCHARGE			PROBATION DJJ REALIGNMENT			PROBATION FEDERAL ASSET FORFEITURE		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	12	48	36	6	22	16	7	32	25	22	22	22
Revenues from Use of Money and Property												
Aid from Other Governmental Agencies	168	22	(146)	550	516	(34)						
Charges for Current Services												
Other Revenues	180	70	1,074	556	538	(18)	7	32	25	22	22	22
Total Revenues												
EXPENDITURES:												
General Government	47		47									
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures	47		47									
Excess (Deficiency) of Revenues Over (Under) Expenditures	133	70	(63)	556	538	(18)	7	32	25	22	22	22
OTHER FINANCING SOURCES (USES):												
Transfers In							5,107	4,655	(452)			
Transfers Out				(1,507)	(175)	1,332	(5,107)	(4,698)	409	(20)	(20)	(20)
Total Other Financing Sources (Uses)				(1,507)	(175)	1,332		(43)	(43)	(20)	(20)	(20)
Net Changes in Fund Balances	133	70	(63)	(951)	363	1,314	7	(11)	(18)	(20)	2	22
Fund Balances, July 1, 2015	3,953	3,953		1,786	1,786		1,609	1,609		61	61	
Fund Balances, June 30, 2016	\$ 4,086	\$ 4,023	\$ (63)	\$ 835	\$ 2,149	\$ 1,314	\$ 1,616	\$ 1,598	\$ (19)	\$ 41	\$ 63	\$ 22

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	PROBATION TRAINING			PUBLIC HEALTH MISC.			RANGE IMPROVEMENT			REAL ESTATE FRAUD		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes												
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties												
Revenues from Use of Money and Property	264	180	(84)				7	7				
Aid from Other Governmental Agencies				10		(10)				938	1,027	89
Charges for Current Services				2	1	(1)						
Other Revenues												
Total Revenues	264	180	(84)	12	1	(11)	7	7		938	1,032	94
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities							8	8		180	20	
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures												
	264	180	(84)	12	1	(11)	(1)	(1)		758	1,012	254
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(264)	(259)	5	(12)	(11)	1				(1,089)	(1,084)	5
Total Other Financing Sources (Uses)	(264)	(259)	5	(12)	(11)	1				(1,089)	(1,084)	5
Net Changes in Fund Balances												
	(79)	(79)	(79)		(10)	(10)	(1)	(1)		(331)	(72)	259
Fund Balances, July 1, 2015	79	79		31	31		94	94		746	746	
Fund Balances, June 30, 2016	79	79	(79)	31	21	(10)	93	93		415	674	259

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	RECORDER		RECORDER'S ELECTRONIC RECORDING		RECORDER MODERNIZATION		RECORDER'S SSN TRUNCATION	
	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis	Final Budget	Actual on Budgetary Basis
REVENUES:								
Taxes	\$ 4	\$ 4	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	3	6	1	1	14	14		
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies	2,158	2,385	174	172	760	811		
Charges for Current Services	3	3						
Other Revenues								
Total Revenues	2,168	2,398	175	173	760	825		
EXPENDITURES:								
General Government								
Public Protection	4,301	3,345	123	122				
Public Ways and Facilities								
Health and Sanitation								
Public Assistance								
Culture and Recreation Services								
Total Expenditures	4,301	3,345	123	122				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,133)	(947)	52	51	760	825		
OTHER FINANCING SOURCES (USES):								
Transfers In	1,423	1,057	(163)	(152)	(2,097)	(1,522)	(13)	(9)
Transfers Out								
Total Other Financing Sources (Uses)	1,423	1,057	(163)	(152)	(2,097)	(1,522)	(13)	(9)
Net Changes in Fund Balances	(710)	110	(111)	(101)	(1,337)	(697)	(13)	(9)
Fund Balances, July 1, 2015	716	716	200	200	2,968	2,968	344	344
Fund Balances, June 30, 2016	6	826	89	99	1,631	2,271	331	335
	\$	\$	\$	\$	\$	\$	\$	\$

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	REDEMPTION SYSTEMS			RMA-HAZARDOUS WASTE SETTLEMENTS			SHELTER CARE			SHERIFF CAL I.D.		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes												
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	663	204	(459)		102	102				690	710	20
Revenues from Use of Money and Property		11	11							15	42	27
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues	663	215	(448)		102	102				705	752	47
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities							100	10	90			
Health and Sanitation												
Public Assistance							100	10	90			
Culture and Recreation Services							(100)	(10)	90			
Total Expenditures	663	215	(448)		102	102				705	752	47
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(663)	(627)	36			484				(2,029)	(1,474)	555
Total Other Financing Sources (Uses)	(663)	(627)	36			484				(2,029)	(1,474)	555
Net Changes in Fund Balances												
Fund Balances, July 1, 2015	2,047	2,047			760	760		(100)	90		(722)	602
Fund Balances, June 30, 2016	2,047	1,635	(412)		276	862		101	191		3,211	602
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	SHERIFF CIVIL AUTOMATED			SHERIFF CIVIL SUBPOENA			SHERIFF CONTROLLED SUBSTANCE			SHERIFF DRUG ABUSE GANG DIVERSTION		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	4	6	2				300	81	(219)	1	1	
Revenues from Use of Money and Property							2	6	4			
Aid from Other Governmental Agencies	155	208	53									
Charges for Current Services				6	10	4						
Other Revenues	159	214	55	6	10	4	302	87	(215)	1	1	
Total Revenues												
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures	159	214	55	6	10	4	302	87	(215)	1	1	
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(225)	(202)	23		(24)	(24)	(438)	(438)		8	22	14
Total Other Financing Sources (Uses)	(225)	(202)	23		(24)	(24)	(438)	(438)		(32)	22	54
Net Changes in Fund Balances	(66)	12	78	6	(14)	(20)	(136)	(351)	(215)	(31)	23	54
Fund Balances, July 1, 2015	872	872		24	24		888	888		168	168	
Fund Balances, June 30, 2016	806	884	78	30	10	(20)	752	537	(215)	137	191	54

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	SHERIFF DRUG AWARENESS PROGRAM			SHERIFF FACILITY TRAINING			SHERIFF INMATE WELFARE			SHERIFF JUDGMENT DEBTOR FEE		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	20	55	35				20	54	34			
Revenues from Use of Money and Property	3	5	2									
Aid from Other Governmental Agencies				240	231	(9)	3,000	2,722	(278)	160	229	69
Charges for Current Services		8	8				3,020	2,776	(244)			
Other Revenues	23	68	45	240	231	(9)				160	229	69
Total Revenues												
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	23	68	45	240	231	(9)	3,020	2,776	(244)	160	229	69
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(11)	(10)	1	(240)	(230)	10	(4,437)	(4,180)	257	(185)	(179)	6
Total Other Financing Sources (Uses)	(11)	(10)	1	(240)	(230)	10	(4,437)	(4,180)	257	(185)	(179)	6
Net Changes in Fund Balances	12	58	46		1	1	(1,417)	(1,404)	13	(25)	50	75
Fund Balances, July 1, 2015	709	709		85	85		4,482	4,482		680	680	
Fund Balances, June 30, 2016	721	767	46	85	86	1	3,065	3,078	13	655	730	75

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	SHERIFF RURAL CRIME			SHERIFF SIDEARM CONVERSION			SHERIFF STATE ASSET FORFEITURES			SHERIFF TRAINING FUND		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties							25	135	110			
Revenues from Use of Money and Property												
Aid from Other Governmental Agencies												
Charges for Current Services	2	9	7	4	6	2				115	81	(34)
Other Revenues	2	9	7	4	6	434	25	135	110	115	81	(34)
Total Revenues												
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	9	7	4	6	2	25	135	110	115	81	(34)
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out				(5)	(5)		(185)	(139)	46	(75)	(75)	
Total Other Financing Sources (Uses)				(5)	(5)		(185)	(139)	46	(75)	(75)	
Net Changes in Fund Balances	2	9	7	(1)	1	2	(160)	(4)	156	40	6	(34)
Fund Balances, July 1, 2015	5	5		42	42		424	424		15	15	
Fund Balances, June 30, 2016	7	14	7	41	43	2	264	420	156	55	21	(34)

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	SHERIFF'S VOLUNTEER SERVICE GROUP			SHERIFF WORK RELEASE			STERILIZATION			STRONG MOTION INSTRUMENTATION		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:												
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties												
Revenues from Use of Money and Property												
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues	9	9	7	450	457	7	29	33	4	19	19	19
Total Revenues	<u>9</u>	<u>9</u>	<u>7</u>	<u>450</u>	<u>457</u>	<u>7</u>	<u>29</u>	<u>33</u>	<u>4</u>	<u>19</u>	<u>19</u>	<u>19</u>
EXPENDITURES:												
General Government												
Public Protection												
Public Ways and Facilities												
Health and Sanitation												
Public Assistance												
Culture and Recreation Services												
Total Expenditures	<u>9</u>	<u>9</u>	<u>7</u>	<u>450</u>	<u>457</u>	<u>7</u>	<u>29</u>	<u>33</u>	<u>4</u>	<u>(63)</u>	<u>1</u>	<u>64</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(15)	(10)	5	(450)	(440)	10	(48)	(48)				
Total Other Financing Sources (Uses)	<u>(15)</u>	<u>(10)</u>	<u>5</u>	<u>(450)</u>	<u>(440)</u>	<u>10</u>	<u>(48)</u>	<u>(48)</u>				
Net Changes in Fund Balances	(6)	(1)	5	17	17	17	(19)	(15)	4	(63)	1	64
Fund Balances, July 1, 2015	112	112		23	23		44	44		72	72	
Fund Balances, June 30, 2016	<u>\$ 106</u>	<u>\$ 111</u>	<u>\$ 5</u>	<u>\$ 23</u>	<u>\$ 40</u>	<u>\$ 17</u>	<u>\$ 25</u>	<u>\$ 29</u>	<u>\$ 4</u>	<u>\$ 9</u>	<u>\$ 73</u>	<u>\$ 64</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	TOBACCO EDUCATION CONTROL			VITAL HEALTH STATISTICS COUNTY CLERK			VITAL HEALTH STATISTICS RECORDER		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises									
Fines, Forfeitures and Penalties		1	1						
Revenues from Use of Money and Property	150	150		2	3	1	94	86	(8)
Aid from Other Governmental Agencies									
Charges for Current Services									
Other Revenues	150	151	1	2	3	1	94	86	(8)
Total Revenues									
EXPENDITURES:									
General Government									
Public Protection									
Public Ways and Facilities									
Health and Sanitation									
Public Assistance									
Culture and Recreation Services									
Total Expenditures	150	151	1	2	3	1	94	86	(8)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150)	(135)	15	(3)	(3)		(81)	(19)	62
OTHER FINANCING SOURCES (USES):									
Transfers In									
Transfers Out	(150)	(135)	15	(3)	(3)		(81)	(19)	62
Total Other Financing Sources (Uses)									
Net Changes in Fund Balances	31	16	16	(1)	1		13	67	54
Fund Balances, July 1, 2015		31		2	2		422	422	
Fund Balances, June 30, 2016	\$ 31	\$ 47	\$ 16	\$ 1	\$ 2	\$ 1	\$ 435	\$ 489	\$ 54

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULES
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	WILDLIFE RESOURCES			OTHER SPECIAL REVENUE		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					229	229
Fines, Forfeitures and Penalties	8	7	(1)		4	4
Revenues from Use of Money and Property					176	176
Aid from Other Governmental Agencies					283	283
Charges for Current Services						
Other Revenues	8	7	(1)		692	692
Total Revenues						
EXPENDITURES:						
General Government						
Public Protection	8	7	1			
Public Ways and Facilities						
Health and Sanitation						
Public Assistance						
Culture and Recreation Services						
Total Expenditures	8	7	1			
Excess (Deficiency) of Revenues Over (Under) Expenditures					692	692
OTHER FINANCING SOURCES (USES):						
Transfers In	(6)	(6)				
Transfers Out	(6)	(6)				
Total Other Financing Sources (Uses)	(6)	(6)				
Net Changes in Fund Balances		(6)			692	692
Fund Balances, July 1, 2015	21	21		16,304	16,304	
Fund Balances, June 30, 2016	\$ 15	\$ 15	\$	\$ 16,304	\$ 16,996	\$ 692

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.

2009 Capital Projects – This fund accounts for the proceeds of the 2009 Certificates of Participation B Series for the completion of various transportation and facility projects. Local transportation projects include, but are not limited to, reconstructions, curbs, gutters and sidewalks, overlays, and widening. Facility projects include two replacement fire stations as well as a replacement Information Technology Systems/Emergency Medical Services facility.

7th Standard Road Widening – This fund accounts for the proceeds from the State of California, the Federal government, and the 2009 Certificates of Participation for the widening of 7th Standard Road from Coffee Road to Santa Fe Way and for an over crossing of the railroad tracks at Santa Fe Way.

AB900 Jail Construction – This fund accounts for the grant proceeds from the State of California as well as the required matching funds for the construction of a new jail facility.

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.

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 1

	<u>TOTAL</u>	<u>2009 CAPITAL PROJECTS</u>	<u>7TH STANDARD ROAD WIDENING</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Pooled Cash and Investments	\$ 3,446	\$	\$ 874
Accrued Revenue	<u>10,011</u>	<u> </u>	<u> </u>
Total Assets	<u>13,457</u>	<u> </u>	<u>874</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 13,457</u>	<u>\$</u>	<u>\$ 874</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 7,011	\$	\$
Advances from Other Funds	<u>3,000</u>	<u> </u>	<u> </u>
Total Liabilities	<u>10,011</u>	<u> </u>	<u> </u>
Fund Balances:			
Restricted	874	<u> </u>	874
Assigned	<u>2,572</u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,446</u>	<u> </u>	<u>874</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,457</u>	<u>\$</u>	<u>\$ 874</u>

<u>AB900 JAIL CONSTRUCTION</u>	<u>ACCUMULATED CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATED CAPITAL OUTLAY GENERAL</u>
\$ 10,011	\$ 277	\$ 2,295
<u>10,011</u>	<u>277</u>	<u>2,295</u>
\$ 10,011	\$ 277	\$ 2,295
<u><u>10,011</u></u>	<u><u>277</u></u>	<u><u>2,295</u></u>
\$ 7,011	\$	\$
<u>3,000</u>	<u></u>	<u></u>
<u>10,011</u>	<u></u>	<u></u>
<u></u>	<u>277</u>	<u>2,295</u>
<u></u>	<u>277</u>	<u>2,295</u>
\$ <u><u>10,011</u></u>	\$ <u><u>277</u></u>	\$ <u><u>2,295</u></u>

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

Assets:

Pooled Cash and Investments

Accrued Revenue

Total Assets

Total Assets and Deferred Outflows of Resources

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

Liabilities:

Accounts Payable

Advances from Other Funds

Total Liabilities

Fund Balances:

Restricted

Assigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources,
and Fund Balances

**COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

Page 1 of 1

	<u>TOTAL</u>	<u>2009 CAPITAL PROJECTS</u>	<u>7TH STANDARD ROAD WIDENING</u>
REVENUES:			
Revenues From Use of Money and Property	\$ 85	\$ 18	\$ 6
Aid From Other Governmental Agencies	<u>20,671</u>		
Total Revenues	<u>20,756</u>	<u>18</u>	<u>6</u>
EXPENDITURES:			
Capital Outlay	<u>31,160</u>	<u>1,332</u>	
Total Expenditures	<u>31,160</u>	<u>1,332</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,404)</u>	<u>(1,314)</u>	<u>6</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	7,864	1,424	
Transfers Out	<u>(2,036)</u>	<u>(2,036)</u>	
Total Other Financing Sources (Uses)	<u>5,828</u>	<u>(612)</u>	
Net Change in Fund Balances	(4,576)	(1,926)	6
Fund Balances, July 1, 2015	8,022	1,926	868
Fund Balances, June 30, 2016	<u>\$ 3,446</u>	<u>\$</u>	<u>\$ 874</u>

<u>AB900 JAIL CONSTRUCTION</u>	<u>ACCUMULATED CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATED CAPITAL OUTLAY GENERAL</u>	
\$ 33	\$ 2	\$ 26	REVENUES:
<u>20,671</u>			Revenues From Use of Money and Property
			Aid From Other Governmental Agencies
<u>20,704</u>	<u>2</u>	<u>26</u>	Total Revenues
			EXPENDITURES:
<u>29,828</u>			Capital Outlay
<u>29,828</u>			Total Expenditures
<u>(9,124)</u>	<u>2</u>	<u>26</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
			OTHER FINANCING SOURCES (USES):
6,440			Transfers In
			Transfers Out
<u>6,440</u>			Total Other Financing Sources (Uses)
(2,684)	2	26	Net Change in Fund Balances
2,684	275	2,269	Fund Balances, July 1, 2015
<u>\$</u>	<u>\$ 277</u>	<u>\$ 2,295</u>	Fund Balances, June 30, 2016

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 TOBACCO SECURITIZATION PROCEEDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:			
Revenues From Use of Money and Property	\$ 400	\$ 1,838	\$ 1,438
Aid From Other Governmental Agencies	<u>25,981</u>	<u> </u>	<u>(25,981)</u>
Total Revenues	<u>26,381</u>	<u>1,838</u>	<u>(24,543)</u>
Excess of Revenues Over Expenditures	<u>26,381</u>	<u>1,838</u>	<u>(24,543)</u>
OTHER FINANCING USES:			
Transfers Out	<u>(27,981)</u>	<u>(8,265)</u>	<u>19,716</u>
Total Other Financing Uses	<u>(27,981)</u>	<u>(8,265)</u>	<u>19,716</u>
Net Change in Fund Balance	(1,600)	(6,427)	(4,827)
Fund Balance, July 1, 2015	<u>49,382</u>	<u>49,382</u>	<u> </u>
Fund Balance, June 30, 2016	<u>\$ 47,782</u>	<u>\$ 42,956</u>	<u>\$ (4,827)</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	2009 CAPITAL PROJECTS		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:			
Revenues From Use of Money and Property	\$	\$	\$
Other Revenues	77,963	18	18 (77,963)
Total Revenues	<u>77,963</u>	<u>18</u>	<u>(77,945)</u>
EXPENDITURES:			
Capital Outlay	52,140	1,332	50,808
Total Expenditures	<u>52,140</u>	<u>1,332</u>	<u>50,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,823</u>	<u>(1,314)</u>	<u>(27,137)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	11,876	1,424	(10,452)
Transfers Out	(37,800)	(2,036)	35,764
Total Other Financing Sources (Uses)	<u>(25,924)</u>	<u>(612)</u>	<u>25,312</u>
Net Change in Fund Balance	(101)	(1,926)	(1,825)
Fund Balance, July 1, 2015	<u>1,926</u>	<u>1,926</u>	
Fund Balance, June 30, 2016	<u>\$ 1,825</u>	<u>\$</u>	<u>\$ (1,825)</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

7TH STANDARD ROAD WIDENING

	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:			
Revenues From Use of Money and Property	\$	\$ 6	\$ 6
Aid From Other Governmental Agencies	25,029		(25,029)
Other Revenues	2,262		(2,262)
Total Revenues	<u>27,291</u>	<u>6</u>	<u>(27,285)</u>
EXPENDITURES:			
Capital Outlay	<u>42,312</u>		<u>42,312</u>
Total Expenditures	<u>42,312</u>		<u>42,312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,021)</u>	<u>6</u>	<u>15,027</u>
OTHER FINANCING SOURCES			
Transfers In	<u>14,826</u>		<u>(14,826)</u>
Total Other Financing Sources	<u>14,826</u>	<u>0</u>	<u>(14,826)</u>
Net Change in Fund Balance	(195)	6	201
Fund Balance, July 1, 2015	<u>868</u>	<u>868</u>	
Fund Balance, June 30, 2016	<u>\$ 673</u>	<u>\$ 874</u>	<u>\$ 201</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	AB900 JAIL CONSTRUCTION		
	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:			
Revenues From Use of Money and Property	\$ 100,000	\$ 33	\$ 33
Aid From Other Governmental Agencies	100,000	20,671	(79,329)
Total Revenues	<u>100,000</u>	<u>20,704</u>	<u>(79,296)</u>
EXPENDITURES:			
Capital Outlay	127,031	106,442	20,589
Total Expenditures	<u>127,031</u>	<u>106,442</u>	<u>20,589</u>
Deficiency of Revenues Under Expenditures	<u>(27,031)</u>	<u>(85,738)</u>	<u>(58,707)</u>
OTHER FINANCING SOURCES			
Transfers In	27,031	6,440	(20,591)
Total Other Financing Sources	<u>27,031</u>	<u>6,440</u>	<u>(20,591)</u>
Net Change in Fund Balance		(79,298)	(79,298)
Fund Balance, July 1, 2015	<u>2,684</u>	<u>2,684</u>	
Fund Balance (Deficit), June 30, 2016	<u>\$ 2,684</u>	<u>\$ (76,614)</u>	<u>\$ (79,298)</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

ACCUMULATED CAPITAL OUTLAY FIRE

	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:			
Revenues From Use of Money and Property	\$ 2	\$ 2	\$
Total Revenues	<u>2</u>	<u>2</u>	
Excess of Revenues Over Expenditures	<u>2</u>	<u>2</u>	
Net Change in Fund Balance	2	2	
Fund Balance, July 1, 2015	<u>275</u>	<u>275</u>	
Fund Balance, June 30, 2016	<u>\$ 277</u>	<u>\$ 277</u>	<u>\$</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

ACCUMULATED CAPITAL OUTLAY GENERAL

	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:			
Revenues From Use of Money and Property	\$ 14	\$ 26	\$ 12
Total Revenues	<u>14</u>	<u>26</u>	<u>12</u>
Excess of Revenues Over Expenditures	<u>14</u>	<u>26</u>	<u>12</u>
Net Change in Fund Balance	14	26	12
Fund Balance, July 1, 2015	<u>2,269</u>	<u>2,269</u>	
Fund Balance, June 30, 2016	<u>\$ 2,283</u>	<u>\$ 2,295</u>	<u>\$ 12</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 Bond.

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

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 JUNE 30, 2016 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>KERN ASSET LEASING CORPORATION</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 137	\$	\$	\$ 137
Cash and Investments Deposited with Trustee	9,045	7,908	220	917
Accrued Revenue	<u>31</u>	<u></u>	<u></u>	<u>31</u>
Total Assets	<u>9,213</u>	<u>7,908</u>	<u>220</u>	<u>1,085</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,213</u>	<u>\$ 7,908</u>	<u>\$ 220</u>	<u>\$ 1,085</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	<u>\$ 22</u>	<u>\$</u>	<u>\$</u>	<u>\$ 22</u>
Total Liabilities	<u>22</u>	<u></u>	<u></u>	<u>22</u>
Fund Balances:				
Restricted	<u>9,191</u>	<u>7,908</u>	<u>220</u>	<u>1,063</u>
Total Fund Balances	<u>9,191</u>	<u>7,908</u>	<u>220</u>	<u>1,063</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,213</u>	<u>\$ 7,908</u>	<u>\$ 220</u>	<u>\$ 1,085</u>

COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	<u>TOTAL</u>	<u>KERN ASSET LEASING CORPORATION</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 117	\$ 105	\$	\$ 12
Other Revenues	<u>48,477</u>	<u></u>	<u>46,942</u>	<u>1,535</u>
Total Revenues	<u>48,594</u>	<u>105</u>	<u>46,942</u>	<u>1,547</u>
EXPENDITURES:				
General Government	711			711
Debt Service:				
Principal	20,405	3,349	16,661	395
Interest	<u>35,435</u>	<u>4,645</u>	<u>30,281</u>	<u>509</u>
Total Expenditures	<u>56,551</u>	<u>7,994</u>	<u>46,942</u>	<u>1,615</u>
Deficiency of Revenues Under Expenditures	<u>(7,957)</u>	<u>(7,889)</u>	<u></u>	<u>(68)</u>
OTHER FINANCING SOURCES:				
Transfer In	<u>7,994</u>	<u>7,994</u>	<u></u>	<u></u>
Total Other Financing Sources	<u>7,994</u>	<u>7,994</u>	<u></u>	<u></u>
Net Changes in Fund Balances	37	105		(68)
Fund Balances, July 1, 2015	<u>9,154</u>	<u>7,803</u>	<u>220</u>	<u>1,131</u>
Fund Balances, June 30, 2016	<u>\$ 9,191</u>	<u>\$ 7,908</u>	<u>\$ 220</u>	<u>\$ 1,063</u>



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 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, 2016 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSES</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 17,019	\$ 11,527	\$ 1,341	\$ 2,689	\$ 1,462
Interest Receivable	25	20		5	
Accounts Receivable - Net	3	3			
Accrued Revenue	1,137	87		1,050	
Total Current Assets	<u>18,184</u>	<u>11,637</u>	<u>1,341</u>	<u>3,744</u>	<u>1,462</u>
Non-Current Assets:					
Taxes Receivable	1,722	551			1,171
Investment in Joint Venture	2,397	2,397			
Capital Assets:					
Non-Depreciable:					
Land	668	603	65		
Construction in Progress	428	328		100	
Depreciable:					
Structures and Improvements	16,241	8,899	6,483	859	
Equipment	17,555	1,522		16,033	
Intangible Assets	246	48		198	
Infrastructure	10,553	10,553			
Accumulated Depreciation and Amortization	(22,800)	(11,827)	(3,223)	(7,750)	
Total Non-Current Assets	<u>27,010</u>	<u>13,074</u>	<u>3,325</u>	<u>9,440</u>	<u>1,171</u>
Total Assets	<u>45,194</u>	<u>24,711</u>	<u>4,666</u>	<u>13,184</u>	<u>2,633</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pensions	940	616		324	
Total Deferred Outflows of Resources	<u>940</u>	<u>616</u>		<u>324</u>	
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,122	638		484	
Salaries and Employee Benefits Payable	91	91			
Due to Other Funds	29	8		21	
Current Portion of Long-Term Debt	46	35		11	
Interest Payable - Current	68	52		16	
Compensated Absences - Current	194	108		86	
Advances from Grantors and Third Parties	2,195	147		2,048	
Total Current Liabilities	<u>3,745</u>	<u>1,079</u>		<u>2,666</u>	
Non-Current Liabilities:					
Compensated Absences Payable	64	36		28	
Long-Term Debt - Pension Obligation Bonds	549	422		127	
Interest Payable - Pension Obligation Bonds	391	309		82	
Other Post-Employment Benefits (OPEB) Obligation	101	55		46	
Net Pension Liability	4,404	3,784		620	
Total Non-Current Liabilities	<u>5,509</u>	<u>4,606</u>		<u>903</u>	
Total Liabilities	<u>9,254</u>	<u>5,685</u>		<u>3,569</u>	
DEFERRED INFLOWS OF RESOURCES					
Deferred Pensions	212	180		32	
Total Deferred Inflows of Resources	<u>212</u>	<u>180</u>		<u>32</u>	
NET POSITION					
Net Investment in Capital Assets	22,891	10,126	3,325	9,440	
Unrestricted	13,777	9,336	1,341	467	2,633
Total Net Position	<u>\$ 36,668</u>	<u>\$ 19,462</u>	<u>\$ 4,666</u>	<u>\$ 9,907</u>	<u>\$ 2,633</u>

COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSES</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
OPERATING REVENUES:					
Charges for Current Services	\$ 18,912	\$ 4,652	\$ 199	\$ 988	\$ 13,073
Revenues from Use of Property	138	88		46	4
Total Operating Revenues	<u>19,050</u>	<u>4,740</u>	<u>199</u>	<u>1,034</u>	<u>13,077</u>
OPERATING EXPENSES:					
Salaries and Employee Benefits	1,749	1,749			
Services and Supplies	23,828	2,212	68	8,435	13,113
Other Charges	100	71		12	17
Depreciation and Amortization	2,031	410	148	1,473	
Total Operating Expenses	<u>27,708</u>	<u>4,442</u>	<u>216</u>	<u>9,920</u>	<u>13,130</u>
Operating Income (Loss)	<u>(8,658)</u>	<u>298</u>	<u>(17)</u>	<u>(8,886)</u>	<u>(53)</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes and Assessments	5,745			5,745	
Fines, Forfeitures and Penalties	299	85			214
Licenses, Permits and Franchises	2	2			
Interest on Bank Deposits and Investments	161	117	13	23	8
Aid from Other Governmental Agencies	2,514			2,514	
Other Non-Operating Revenues					
Interest Expense	(103)	(89)		(14)	
Gain on Sale of Capital Assets	10			10	
Total Non-Operating Revenues, Net	<u>8,628</u>	<u>115</u>	<u>13</u>	<u>8,278</u>	<u>222</u>
Income (Loss) before Contributions	<u>(30)</u>	<u>413</u>	<u>(4)</u>	<u>(608)</u>	<u>169</u>
OTHER FINANCING SOURCES					
Capital Contributions	115			115	
Total Other Financing Sources	<u>115</u>			<u>115</u>	
Changes in Net Position	85	413	(4)	(493)	169
Net Position, July 1, 2015	<u>36,583</u>	<u>19,049</u>	<u>4,670</u>	<u>10,400</u>	<u>2,464</u>
Net Position, June 30, 2016	<u>\$ 36,668</u>	<u>\$ 19,462</u>	<u>\$ 4,666</u>	<u>\$ 9,907</u>	<u>\$ 2,633</u>

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	TOTAL	COUNTY SANITATION DISTRICTS	GOLF COURSES	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received for Current Services	\$ 17,998	\$ 4,728	\$ 199	\$ (12)	\$ 13,083
Cash Received for Use of Property	138	88		46	4
Cash Paid for Salaries and Benefits	(1,852)	(1,748)		(104)	
Cash Paid for Services and Supplies	(19,789)	(969)	(68)	(5,660)	(13,092)
Cash Paid for Interfund Services and Supplies	(4,139)	(1,006)		(3,112)	(21)
Cash Paid for Other Charges	(100)	(71)		(12)	(17)
Net Cash Provided (Used) by Operating Activities	<u>(7,744)</u>	<u>1,022</u>	<u>131</u>	<u>(8,854)</u>	<u>(43)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Cash Received for Other Non-Operations					
Cash Received for Taxes and Special Assessments	5,746			5,746	
Cash Received as Fines, Forfeitures, and Penalties	300	86			214
Cash Received for Licenses, Permits & Franchises	2	2			
Aid from Other Governmental Agencies	4,583			4,583	
Payment of Long-Term Debt - Pension Obligation Bond	(42)	(32)		(10)	
Interest Paid on Pension Obligation Bond	(78)	(60)		(18)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>10,511</u>	<u>(4)</u>		<u>10,301</u>	<u>214</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Sale of Capital Assets	10			10	
Acquisition or Construction of Capital Assets	(466)	(456)		(10)	
Net Cash Used by Capital and Related Financing Activities	<u>(456)</u>	<u>(456)</u>			
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Bank Deposits and Investments	150	106	14	22	8
Net Cash Provided by Investing Activities	<u>150</u>	<u>106</u>	<u>14</u>	<u>22</u>	<u>8</u>
Net Increase in Cash and Investments	2,461	668	145	1,469	179
Cash and Investments, July 1, 2015	14,558	10,859	1,196	1,220	1,283
Cash and Investments, June 30, 2016	<u>\$ 17,019</u>	<u>\$ 11,527</u>	<u>\$ 1,341</u>	<u>\$ 2,689</u>	<u>\$ 1,462</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (8,658)	\$ 298	\$ (17)	\$ (8,886)	\$ (53)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	2,031	410	148	1,473	
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(3)	(3)			
(Increase) Decrease in Accrued Revenue	(1,082)	(83)		(999)	
(Increase) Decrease in Taxes Receivable	10				10
(Increase) Decrease in Due from Others	59	59			
(Increase) Decrease in Deferred Pensions Outflow	(205)	4		(209)	
Increase (Decrease) in Accrued Expenses	(130)	229		(359)	
Increase (Decrease) in Salaries & Benefits Payable	11	23		(12)	
Increase (Decrease) in Due to Others	28	7		21	
Increase (Decrease) in Deferred Pensions Inflow	(223)	(183)		(40)	
Increase (Decrease) in Compensated Absences Payable	96	(3)		99	
Increase (Decrease) in Advances from Grantors and Third Parties	103	103			
Increase (Decrease) in Other Post-Employment Benefits (OPEB) Obligation	14	(13)		27	
Increase (Decrease) in Net Pension Liability	205	174		31	
Total Adjustments	<u>914</u>	<u>724</u>	<u>148</u>	<u>32</u>	<u>10</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,744)</u>	<u>\$ 1,022</u>	<u>\$ 131</u>	<u>\$ (8,854)</u>	<u>\$ (43)</u>

The seal of Kern County, California, is a circular emblem. It features a central scene with a sun rising over mountains, a windmill, a ship, and various agricultural products like grapes and oranges. The text "KERN COUNTY OF CALIFORNIA" is written around the inner border of the seal.

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 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, 2016 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 57,973	\$ 17,917	\$ 4,636	\$ 14,977
Interest Receivable	123	39	9	32
Accrued Revenue	2,412			2,042
Due from Other Funds	730			
Inventory- Materials and Supplies	331		110	
Total Current Assets	<u>61,569</u>	<u>17,956</u>	<u>4,755</u>	<u>17,051</u>
Non-Current Assets:				
Deposits with Others	1,779			1,779
Equipment	11,343		11,310	
Intangible Assets	37		37	
Accumulated Depreciation and Amortization	(6,248)		(6,246)	
Total Non-Current Assets	<u>6,911</u>		<u>5,101</u>	<u>1,779</u>
Total Assets	<u>68,480</u>	<u>17,956</u>	<u>9,856</u>	<u>18,830</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pensions	617		617	
Total Deferred Outflows of Resources	<u>617</u>		<u>617</u>	
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,626		54	2,394
Salaries and Employee Benefits Payable	2,241		146	
Due to Other Funds	48			
Long-Term Debt -Current	26		26	
Interest Payable - Current	62		62	
Compensated Absences - Current	41		41	
Liability for Self-Insurance - Current	27,934	360		13,486
Total Current Liabilities	<u>32,978</u>	<u>360</u>	<u>329</u>	<u>15,880</u>
Non-Current Liabilities				
Compensated Absences Payable	23		23	
Liability for Self-Insurance - Long-Term	114,046	43,557		
Long-Term Debt - Pension Obligation Bonds	237		237	
Interest Payable - Long-Term - Pension Obligation Bonds	253		253	
OPEB Obligation	9		9	
Net Pension Liability	3,844		3,844	
Total Non-Current Liabilities	<u>118,412</u>	<u>43,557</u>	<u>4,366</u>	
Total Liabilities	<u>151,390</u>	<u>43,917</u>	<u>4,695</u>	<u>15,880</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pensions	212		212	
Total Deferred Inflows of Resources	<u>212</u>		<u>212</u>	
NET POSITION				
Net Investment in Capital Assets	5,132		5,101	
Restricted	1,779			1,779
Unrestricted (Deficit)	(89,416)	(25,961)	465	1,171
Total Net Position	<u>\$ (82,505)</u>	<u>\$ (25,961)</u>	<u>\$ 5,566</u>	<u>\$ 2,950</u>

<u>PUBLIC WORKS</u>	<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
\$ 4,275	\$ 3,202	\$ 1,807	\$ 11,159	ASSETS
10	5		28	Current Assets:
6			364	Pooled Cash and Investments
730				Interest Receivable
221				Accrued Revenue
				Due from Other Funds
				Inventory- Materials and Supplies
<u>5,242</u>	<u>3,207</u>	<u>1,807</u>	<u>11,551</u>	Total Current Assets
				Non-Current Assets:
33				Deposits with Others
(2)				Equipment
31				Intangible Assets
				Accumulated Depreciation and Amortization
<u>5,273</u>	<u>3,207</u>	<u>1,807</u>	<u>11,551</u>	Total Non-Current Assets
				Total Assets
				DEFERRED OUTFLOWS OF RESOURCES
				Deferred Pensions
				Total Deferred Outflows of Resources
				LIABILITIES
				Current Liabilities:
145			33	Accounts Payable
2,095				Salaries and Employee Benefits Payable
	48			Due to Other Funds
				Long-Term Debt -Current
		1,229	12,859	Interest Payable - Current
				Compensated Absences - Current
				Liability for Self-Insurance - Current
<u>2,240</u>	<u>48</u>	<u>1,229</u>	<u>12,892</u>	Total Current Liabilities
				Non-Current Liabilities
			70,489	Compensated Absences Payable
				Liability for Self-Insurance - Long-Term
				Long-Term Debt - Pension Obligation Bonds
				Interest Payable - Long-Term - Pension Obligation Bonds
				OPEB Obligation
				Net Pension Liability
			<u>70,489</u>	Total Non-Current Liabilities
<u>2,240</u>	<u>48</u>	<u>1,229</u>	<u>83,381</u>	Total Liabilities
				DEFERRED INFLOWS OF RESOURCES
				Deferred Pensions
				Total Deferred Inflows of Resources
				NET POSITION
31				Net Investment in Capital Assets
3,002	3,159	578	(71,830)	Restricted
				Unrestricted (Deficit)
<u>\$ 3,033</u>	<u>\$ 3,159</u>	<u>\$ 578</u>	<u>\$ (71,830)</u>	Total Net Position

COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

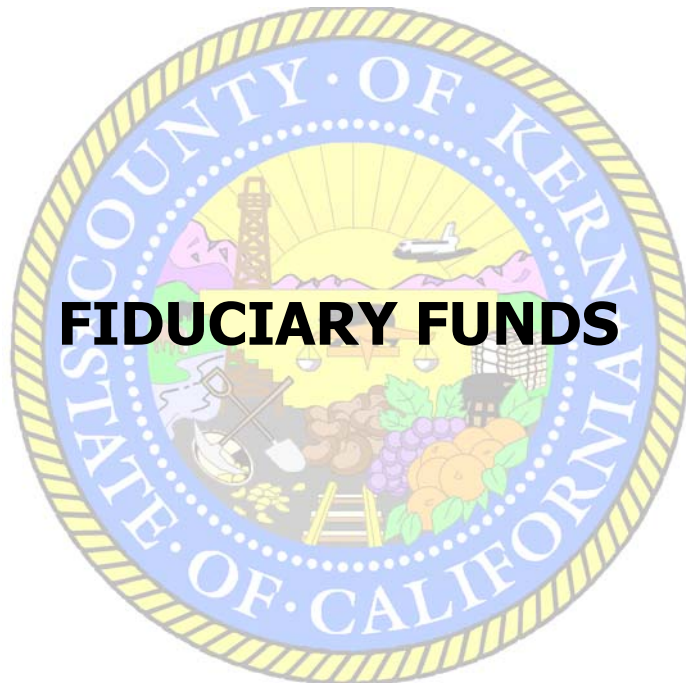
	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
OPERATING REVENUES:				
Charges for Current Services	\$ 233,461	\$ 13,190	\$ 3,994	\$ 139,880
Total Operating Revenues	<u>233,461</u>	<u>13,190</u>	<u>3,994</u>	<u>139,880</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	52,114		1,753	
Services and Supplies	30,348	6,274	1,148	8,219
Claims Incurred	139,496	8,454		124,137
Other Charges	7,983	4,999	212	2,109
Depreciation and Amortization Expense	891		889	
Total Operating Expenses	<u>230,832</u>	<u>19,727</u>	<u>4,002</u>	<u>134,465</u>
Operating Income (Loss)	<u>2,629</u>	<u>(6,537)</u>	<u>(8)</u>	<u>5,415</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	564	164	45	142
Aid from Other Governmental Agencies	142			80
Other Revenues	3,836	3,091	292	
Interest Expense	(5)		(5)	
Loss on Sale of Capital Assets	(136)		(136)	
Total Non-Operating Revenues, Net	<u>4,401</u>	<u>3,255</u>	<u>196</u>	<u>222</u>
Income (Loss) before Contributions and Transfers	<u>7,030</u>	<u>(3,282)</u>	<u>188</u>	<u>5,637</u>
OTHER FINANCING SOURCES:				
Capital Contributions	302		302	
Transfers In	6,417			
Total Other Financing Sources	<u>6,719</u>		<u>302</u>	
Change in Net Position	13,749	(3,282)	490	5,637
Net Position, July 1, 2015	<u>(96,254)</u>	<u>(22,679)</u>	<u>5,076</u>	<u>(2,687)</u>
Net Position, June 30, 2016	<u>\$ (82,505)</u>	<u>\$ (25,961)</u>	<u>\$ 5,566</u>	<u>\$ 2,950</u>

PUBLIC WORKS	RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	
\$ 47,643	\$ 8,746	\$ 2,848	\$ 17,160	OPERATING REVENUES:
				Charges for Current Services
<u>47,643</u>	<u>8,746</u>	<u>2,848</u>	<u>17,160</u>	Total Operating Revenues
				OPERATING EXPENSES:
41,722	8,639			Salaries and Employee Benefits
9,287	244	15	5,161	Services and Supplies
		2,820	4,085	Claims Incurred
28	25		610	Other Charges
<u>2</u>				Depreciation and Amortization Expense
<u>51,039</u>	<u>8,908</u>	<u>2,835</u>	<u>9,856</u>	Total Operating Expenses
<u>(3,396)</u>	<u>(162)</u>	<u>13</u>	<u>7,304</u>	Operating Income (Loss)
				NON-OPERATING REVENUES (EXPENSES):
12	39	24	138	Interest on Bank Deposits and Investments
			62	Aid from Other Governmental Agencies
			453	Other Revenues
				Interest Expense
				Loss on Sale of Capital Assets
<u>12</u>	<u>39</u>	<u>24</u>	<u>653</u>	Total Non-Operating Revenues, Net
<u>(3,384)</u>	<u>(123)</u>	<u>37</u>	<u>7,957</u>	Income (Loss) before Contributions and Transfers
				OTHER FINANCING SOURCES:
6,417				Capital Contributions
<u>6,417</u>				Transfers In
				Total Other Financing Sources
3,033	(123)	37	7,957	Change in Net Position
	3,282	541	(79,787)	Net Position, July 1, 2015
<u>\$ 3,033</u>	<u>\$ 3,159</u>	<u>\$ 578</u>	<u>\$ (71,830)</u>	Net Position, June 30, 2016

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Current Services	\$ 231,248	\$ 13,176	\$ 3,984	\$ 138,482
Cash Received for Interfund Services Provided	595	14	22	505
Cash Received for Other Operations	1			
Cash Paid for Salaries and Benefits	(49,943)		(1,676)	
Cash Paid for Services and Supplies	(30,028)	(6,274)	(1,174)	(7,877)
Cash Paid for Reported Claims	(141,133)	(295)		(126,103)
Cash Paid for Other Charges	(7,986)	(4,999)	(212)	(2,112)
Net Cash Provided (Used) by Operating Activities	<u>2,754</u>	<u>1,622</u>	<u>944</u>	<u>2,895</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Cash Received from Other Funds	6,871			
Cash Received for Other Non-Operations	3,384	3,092	292	
Aid from Other Governmental Agencies	437			80
Payment of Long-Term Debt - Pension Obligation Bond	(25)		(25)	
Interest Paid on Pension Obligation Bond	(62)		(62)	
Net Cash Provided by Non-Capital Financing Activities	<u>10,605</u>	<u>3,092</u>	<u>205</u>	<u>80</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Sale of Capital Assets	67		67	
Capital Contributions	25		25	
Acquisition or Construction of Capital Assets	(744)		(711)	
Net Cash Used by Capital and Related Financing Activities	<u>(652)</u>		<u>(619)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Bank Deposits and Investments	501	144	41	128
Net Increase (Decrease) in Cash and Investments	13,208	4,858	571	3,103
Beginning Cash and Investments at July 1, 2015	44,765	13,059	4,065	11,874
Ending Cash and Investments at June 30, 2016	<u>\$ 57,973</u>	<u>\$ 17,917</u>	<u>\$ 4,636</u>	<u>\$ 14,977</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 2,629	\$ (6,537)	\$ (8)	\$ 5,415
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	891		889	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	(206)		15	
(Increase) Decrease in Accrued Revenue	(1,032)			(896)
(Increase) Decrease in Due from Others	(718)		12	
(Increase) Decrease in Deferred Pensions Outflow	81		81	
Increase (Decrease) in Accrued Expenses	479		(41)	342
Increase (Decrease) in Due to Others	48			
Increase (Decrease) in Salaries & Benefits Payable	2,160		65	
Increase (Decrease) in Deferred Pensions Inflow	(168)		(168)	
Increase (Decrease) in Compensated Absences Payable	(72)		(72)	
Increase (Decrease) in Provision for Liability Claims	(1,509)	8,159		(1,966)
Increase (Decrease) in Other Post-Employment Benefits Obligation	(34)		(34)	
Increase (Decrease) in Net Pension Liability	205		205	
Total Adjustments	<u>125</u>	<u>8,159</u>	<u>952</u>	<u>(2,520)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,754</u>	<u>\$ 1,622</u>	<u>\$ 944</u>	<u>\$ 2,895</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital Contributions	\$ 277		\$ 277	
Total Non-cash Investing, Capital, and Financing Activities	<u>\$ 277</u>		<u>\$ 277</u>	

	PUBLIC WORKS	RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	
					CASH FLOWS FROM OPERATING ACTIVITIES:
\$	46,906	\$ 8,699	\$ 2,848	\$ 17,153	Cash Received for Current Services
	1	47		7	Cash Received for Interfund Services Provided
	(39,628)	(8,639)			Cash Received for Other Operations
	(9,363)	(196)	(16)	(5,128)	Cash Paid for Salaries and Benefits
			(2,732)	(12,003)	Cash Paid for Services and Supplies
	(28)	(25)		(610)	Cash Paid for Reported Claims
					Cash Paid for Other Charges
	<u>(2,112)</u>	<u>(114)</u>	<u>100</u>	<u>(581)</u>	Net Cash Provided (Used) by Operating Activities
					CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
	6,417			454	Cash Received from Other Funds
				357	Cash Received for Other Non-Operations
					Aid from Other Governmental Agencies
					Payment of Long-Term Debt - Pension Obligation Bond
					Interest Paid on Pension Obligation Bond
	<u>6,417</u>			<u>811</u>	Net Cash Provided by Non-Capital Financing Activities
					CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
	(33)				Proceeds from Sale of Capital Assets
					Capital Contributions
					Acquisition or Construction of Capital Assets
	<u>(33)</u>				Net Cash Used by Capital and Related Financing Activities
					CASH FLOWS FROM INVESTING ACTIVITIES:
	3	34	24	127	Interest on Bank Deposits and Investments
	4,275	(80)	124	357	Net Increase (Decrease) in Cash and Investments
		3,282	1,683	10,802	Beginning Cash and Investments at July 1, 2015
\$	<u>4,275</u>	<u>3,202</u>	<u>1,807</u>	<u>11,159</u>	Ending Cash and Investments at June 30, 2016
					RECONCILIATION OF OPERATING INCOME (LOSS) TO
					NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$	<u>(3,396)</u>	<u>(162)</u>	<u>13</u>	<u>7,304</u>	Operating Income (Loss)
					Adjustments to Reconcile Operating Income (Loss) to
					Net Cash Provided (Used) by Operating Activities:
	2				Depreciation
	(221)				Changes in Assets and Liabilities:
	(7)			(129)	(Increase) Decrease in Inventory
	(730)				(Increase) Decrease in Accrued Revenue
					(Increase) Decrease in Due from Others
	145			33	(Increase) Decrease in Deferred Pensions Outflow
		48			Increase (Decrease) in Accrued Expenses
	2,095				Increase (Decrease) in Due to Others
					Increase (Decrease) in Salaries & Benefits Payable
					Increase (Decrease) in Deferred Pensions Inflow
			87	(7,789)	Increase (Decrease) in Compensated Absences Payable
					Increase (Decrease) in Provision for Liability Claims
					Increase (Decrease) in Other Post-Employment Benefits Obligation
					Increase (Decrease) in Net Pension Liability
	<u>1,284</u>	<u>48</u>	<u>87</u>	<u>(7,885)</u>	Total Adjustments
\$	<u>(2,112)</u>	<u>(114)</u>	<u>100</u>	<u>(581)</u>	Net Cash Provided (Used) by Operating Activities
\$					NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
\$					Capital Contributions
\$					Total Non-cash Investing, Capital, and Financing Activities



FIDUCIARY FUNDS

FIDICIARY FUNDS DESCRIPTIONS

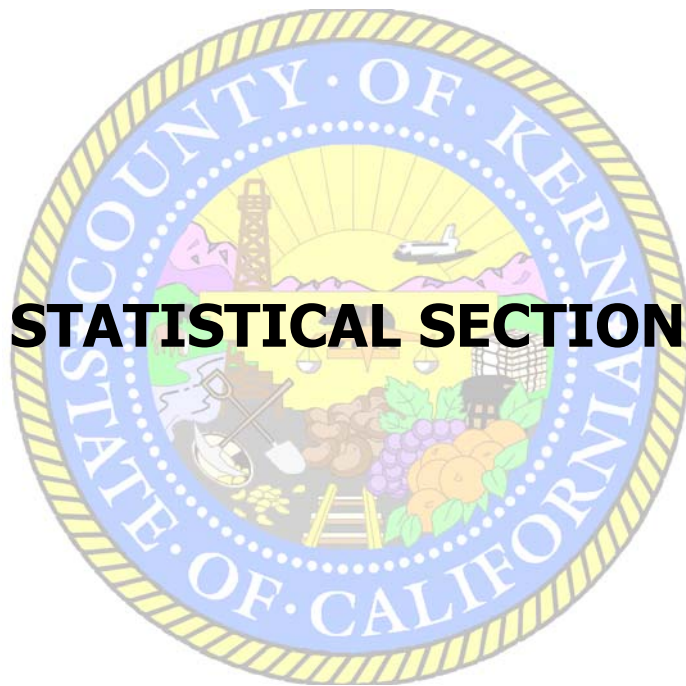
Agency Funds – Agency funds are funds under the control of individual County officers who use them for the deposit of various types of receipts and to accumulate resources for specific purposes. Unapportioned funds are used for recording the collection and distribution of property taxes and interest on bank deposits. Disbursements are made from these funds by warrants issued by the Auditor-Controller-County Clerk upon the requisition of the responsible officer.

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	BALANCE JUNE 30, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
TOTAL AGENCY FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 243,459	\$ 6,116,533	\$ 6,110,427	\$ 249,565
Investments	1	24	25	
Interest Receivable	255	367	199	423
Taxes Receivable	52,786	1,282,640	1,277,806	57,620
Due from Other Agencies	19,911	15,673	20,421	15,163
Total Assets	<u>\$ 316,412</u>	<u>\$ 7,415,237</u>	<u>\$ 7,408,878</u>	<u>\$ 322,771</u>
LIABILITIES				
Accounts Payable	\$	\$ 11,406	\$ 11,406	\$
Warrants Payable	10,991	3,076,935	3,079,888	8,038
Interest Payable	1,231	1,752	1,609	1,374
Due to Other Agencies	303,870	2,924,955	2,915,786	313,039
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 316,412</u>	<u>\$ 6,015,048</u>	<u>\$ 6,008,689</u>	<u>\$ 322,771</u>
CLEARING FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 975	\$ 1,041,950	\$ 1,039,620	\$ 3,305
Investments	1	24	25	
Due from Other Agencies	6	91	69	28
Total Assets	<u>\$ 982</u>	<u>\$ 1,042,065</u>	<u>\$ 1,039,714</u>	<u>\$ 3,333</u>
LIABILITIES				
Warrants Payable	\$	\$ 11,346	\$ 11,346	\$
Due to Other Agencies	982	1,025,093	1,022,742	3,333
Total Liabilities	<u>\$ 982</u>	<u>\$ 1,036,439</u>	<u>\$ 1,034,088</u>	<u>\$ 3,333</u>
WARRANT CLEARANCE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 10,991	\$ 3,076,935	\$ 3,079,888	\$ 8,038
Total Assets	<u>\$ 10,991</u>	<u>\$ 3,076,935</u>	<u>\$ 3,079,888</u>	<u>\$ 8,038</u>
LIABILITIES				
Warrants Payable	\$ 10,991	\$ 3,076,935	\$ 3,079,888	\$ 8,038
Total Liabilities	<u>\$ 10,991</u>	<u>\$ 3,076,935</u>	<u>\$ 3,079,888</u>	<u>\$ 8,038</u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016 (IN THOUSANDS)

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
STATE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 5,683	\$ 41,539	\$ 41,929	\$ 5,293
Total Assets	<u>\$ 5,683</u>	<u>\$ 41,539</u>	<u>\$ 41,929</u>	<u>\$ 5,293</u>
LIABILITIES				
Due to Other Agencies	\$ 5,683	\$ 37,280	\$ 37,670	\$ 5,293
Total Liabilities	<u>\$ 5,683</u>	<u>\$ 37,280</u>	<u>\$ 37,670</u>	<u>\$ 5,293</u>
OTHER FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 211,741	\$ 655,994	\$ 653,578	\$ 214,157
Interest Receivable	128	180	84	224
Due from Other Agencies	19,902	15,582	20,352	15,132
Total Assets	<u>\$ 231,771</u>	<u>\$ 671,756</u>	<u>\$ 674,014</u>	<u>\$ 229,513</u>
LIABILITIES				
Accounts Payable	\$	\$ 60	\$ 60	\$
Due to Other Agencies	231,771	554,203	556,461	229,513
Total Liabilities	<u>\$ 231,771</u>	<u>\$ 554,263</u>	<u>\$ 556,521</u>	<u>\$ 229,513</u>
UNAPPORTIONED FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 14,069	\$ 1,300,115	\$ 1,295,412	\$ 18,772
Interest Receivable	127	187	115	199
Taxes Receivable	52,786	1,282,640	1,277,806	57,620
Due from Other Agencies	3			3
Total Assets	<u>\$ 66,985</u>	<u>\$ 2,582,942</u>	<u>\$ 2,573,333</u>	<u>\$ 76,594</u>
LIABILITIES				
Interest Payable	\$ 1,231	\$ 1,752	\$ 1,609	\$ 1,374
Due to Other Agencies	65,434	1,308,379	1,298,913	74,900
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 66,985</u>	<u>\$ 1,310,131</u>	<u>\$ 1,300,522</u>	<u>\$ 76,594</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.

Sources: Unless otherwise noted, the information in the statistical schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant years.

COUNTY OF KERN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities:					
Net Investment in Capital Assets	\$ 494,591	\$ 508,638	\$ 473,897	\$ 1,542,559	\$ 1,646,543
Restricted	15,352	13,975	230,225	229,285	319,828
Unrestricted (deficit)	(74,478)	(62,710)	(198,015)	(122,364)	(267,332)
Total Governmental Activities Net Position	<u>\$ 435,465</u>	<u>\$ 459,903</u>	<u>\$ 506,107</u>	<u>\$ 1,649,480</u>	<u>\$ 1,699,039</u>
Business-type Activities:					
Net Investment in Capital Assets	\$ 140,235	\$ 146,013	\$ 154,030	\$ 160,640	\$ 172,883
Restricted	12,060	5,646	4,904	4,240	3,037
Unrestricted (deficit)	(79,592)	(85,454)	(70,079)	(44,226)	(54,506)
Total Business-type Activities Net Position	<u>\$ 72,703</u>	<u>\$ 66,205</u>	<u>\$ 88,855</u>	<u>\$ 120,654</u>	<u>\$ 121,414</u>
Primary Government:					
Net Investment in Capital Assets	\$ 634,826	\$ 654,651	\$ 627,927	\$ 1,703,199	\$ 1,819,426
Restricted	27,412	19,621	235,129	233,525	322,865
Unrestricted (deficit)	(154,070)	(148,164)	(268,094)	(166,590)	(321,838)
Total Primary Government Net Position	<u>\$ 508,168</u>	<u>\$ 526,108</u>	<u>\$ 594,962</u>	<u>\$ 1,770,134</u>	<u>\$ 1,820,453</u>

Fiscal Year					
2012	2013	2014	2015	2016	
\$ 1,672,915	\$ 1,711,461	\$ 1,726,834	\$ 1,750,564	\$ 1,770,797	Governmental Activities:
335,190	363,662	347,207	375,293	381,142	Net Investment in Capital Assets
(266,157)	(262,932)	(294,565)	(1,805,642)	(1,708,445)	Restricted
\$ 1,741,948	\$ 1,812,191	\$ 1,779,476	\$ 320,215	\$ 443,494	Unrestricted (deficit)
					Total Governmental Activities Net Position
					Business-type Activities:
\$ 170,984	\$ 166,895	\$ 180,025	\$ 198,605	\$ 204,567	Net Investment in Capital Assets
2,022	15,671	15,231	10,601	8,567	Restricted
(96,878)	(125,371)	(114,309)	(450,784)	(405,360)	Unrestricted (deficit)
\$ 76,128	\$ 57,195	\$ 80,947	\$ (241,578)	\$ (192,226)	Total Business-type Activities Net Position
					Primary Government:
\$ 1,843,899	\$ 1,878,356	\$ 1,906,859	\$ 1,949,169	\$ 1,975,364	Net Investment in Capital Assets
337,212	379,333	362,438	385,894	389,709	Restricted
(363,035)	(388,303)	(408,874)	(2,256,426)	(2,113,805)	Unrestricted (deficit)
\$ 1,818,076	\$ 1,869,386	\$ 1,860,423	\$ 78,637	\$ 251,268	Total Primary Government Net Position

COUNTY OF KERN
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 (ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities:					
Expenses:					
General Government	\$ 76,033	\$ 95,918	\$ 52,916	\$ 92,049	\$ 110,846
Public Protection	377,961	480,002	487,167	449,054	491,209
Public Ways and Facilities	55,913	50,878	44,648	60,510	10,594
Health and Sanitation	127,676	149,023	151,741	143,156	144,971
Public Assistance	363,655	400,263	411,388	421,154	422,059
Education	10,143	10,159	9,372	8,436	9,093
Culture and Recreation Services	13,459	15,256	14,440	12,747	13,521
Interest on Short and Long-term Debt	42,788	42,412	44,354	42,013	40,717
Total Expenses	<u>1,067,628</u>	<u>1,243,911</u>	<u>1,216,026</u>	<u>1,229,119</u>	<u>1,243,010</u>
Program Revenues:					
Charges for Services:					
General Government	42,294	59,209	62,485	65,670	64,151
Public Protection	74,051	97,856	97,993	93,839	99,898
Health and Sanitation	29,760	54,205	53,702	40,064	41,944
Other	21,230	18,340	17,095	13,451	16,034
Operating Grants and Contributions	617,358	679,220	656,815	724,772	683,830
Capital Grants and Contributions	15,149	9,478	22,800	19,123	31,685
Total Program Revenues	<u>799,842</u>	<u>918,308</u>	<u>910,890</u>	<u>956,919</u>	<u>937,542</u>
Total Governmental Activities, Net Program Expenses	<u>(267,786)</u>	<u>(325,603)</u>	<u>(305,136)</u>	<u>(272,200)</u>	<u>(305,468)</u>
General Revenues:					
Taxes:					
Property Taxes	213,535	244,636	227,163	226,528	241,326
Vehicle License Taxes ^a	77,620	86,828	91,737	85,897	90,382
Aircraft Taxes	170	227	232	201	142
Sales and Use Taxes	35,602	39,618	40,502	33,414	36,997
Transient Occupancy Tax	1,688	1,506	1,676	1,346	1,658
Special Assessments		3,141	3,093	3,375	3,484
Transfer Taxes	5,334	3,166	2,407	2,423	3,817
Other Taxes	864	1,385	856	711	1,189
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	28,310	28,043	25,681	18,976	13,980
Miscellaneous	69,578	6,428	9,802	14,260	3,668
Special Items		3,112			(2,406)
Transfers	(40,607)	(49,304)	(51,809)	(32,591)	(33,921)
Total General Revenues and Transfers	<u>392,094</u>	<u>368,786</u>	<u>351,340</u>	<u>354,540</u>	<u>360,316</u>
Total Governmental Activities Change in Net Position	<u>\$ 124,308</u>	<u>\$ 43,183</u>	<u>\$ 46,204</u>	<u>\$ 82,340</u>	<u>\$ 54,848</u>

Notes:

^a Due to a change in the State's method of distribution, beginning in fiscal year 04-05, vehicle license fees are reported separately as vehicle license taxes. In prior years, they were reported under operating grants and contributions.

		Fiscal Year					
		2012	2013	2014	2015	2016	
							Governmental Activities:
							Expenses:
\$	93,530	\$ 94,901	\$ 85,816	\$ 92,981	\$ 83,977		General Government
	516,877	547,416	558,228	593,634	608,251		Public Protection
	63,955	69,153	122,567	63,111	50,178		Public Ways and Facilities
	154,322	156,302	157,183	146,941	160,958		Health and Sanitation
	396,670	391,318	411,182	425,161	460,329		Public Assistance
	1,984	8,153	8,600	8,229	8,639		Education
	14,690	14,319	14,565	13,604	13,161		Culture and Recreation Services
	42,670	41,161	37,679	37,914	46,805		Interest on Short and Long-term Debt
	<u>1,284,698</u>	<u>1,322,723</u>	<u>1,395,820</u>	<u>1,381,575</u>	<u>1,432,298</u>		Total Expenses
							Program Revenues:
							Charges for Services:
	58,153	58,620	58,908	65,900	63,550		General Government
	90,771	84,355	106,151	93,559	99,788		Public Protection
	46,539	45,590	39,080	61,195	67,699		Health and Sanitation
	13,472	16,790	23,222	23,441	22,382		Other
	688,523	741,506	703,323	724,439	761,250		Operating Grants and Contributions
	20,560	18,936	44,419	47,657	53,269		Capital Grants and Contributions
	<u>918,018</u>	<u>965,797</u>	<u>975,103</u>	<u>1,016,191</u>	<u>1,067,938</u>		Total Program Revenues
	<u>(366,680)</u>	<u>(356,926)</u>	<u>(420,717)</u>	<u>(365,384)</u>	<u>(364,360)</u>		Total Governmental Activities, Net Program Expenses
							General Revenues:
							Taxes:
	256,744	271,564	270,406	270,191	265,638		Property Taxes
	92,660	99,756	101,645	107,308	96,965		Vehicle License Taxes ^a
	85	151	113	120	256		Aircraft Taxes
	57,915	55,718	52,240	58,683	45,554		Sales and Use Taxes
	1,732	1,845	1,772	2,721	2,437		Transient Occupancy Tax
	2,888	2,807	2,717	2,710	3,022		Special Assessments
	2,556	2,961	2,942	3,183	3,888		Transfer Taxes
	1,318	1,435	1,440	1,664	1,444		Other Taxes
							Grants and Contributions not Restricted to Specific Programs:
	18,338	16,870	17,307	12,785	29,511		Unrestricted Investment Earnings
	7,591	22,356	3,369	11,822	4,555		Miscellaneous
							Special Items
	<u>(37,681)</u>	<u>(37,735)</u>	<u>(65,949)</u>	<u>(42,916)</u>	<u>(33,407)</u>		Transfers
	<u>404,146</u>	<u>437,728</u>	<u>388,002</u>	<u>428,271</u>	<u>419,863</u>		Total General Revenues and Transfers
\$	<u>37,466</u>	<u>\$ 80,802</u>	<u>\$ (32,715)</u>	<u>\$ 62,887</u>	<u>\$ 55,503</u>		Total Governmental Activities Change in Net Position

COUNTY OF KERN
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 (ACCRUAL BASIS OF ACCOUNTING)

Page 2 of 2

	Fiscal Year				
	2007	2008	2009	2010	2011
Business-type Activities:					
Expenses:					
Airports	\$ 5,962	\$ 8,408	\$ 7,626	\$ 7,301	\$ 7,111
County Sanitation Districts	3,199	3,378	3,319	3,593	3,820
Golf Courses	5,011	4,083	412	302	231
Kern Medical	246,210	266,490	259,558	255,248	279,515
Public Transportation	6,014	6,759	6,787	6,892	7,109
Universal Collection	8,594	9,314	9,797	10,203	10,418
Waste Management	40,305	35,119	35,115	31,869	32,208
Total Expenses	<u>315,295</u>	<u>333,551</u>	<u>322,614</u>	<u>315,408</u>	<u>340,412</u>
Revenues:					
Charges for Services:					
Airports	3,705	4,140	3,785	3,610	3,789
County Sanitation Districts	3,381	4,301	3,696	4,008	4,011
Golf Courses	5,274	4,863	421	468	458
Kern Medical	192,987	199,666	222,054	206,106	182,959
Public Transportation	4,350	5,236	5,134	5,211	5,719
Universal Collection	8,970	9,644	9,610	10,815	10,656
Waste Management	32,603	34,212	32,885	34,635	34,123
Operating Grants and Contributions	7,324	15,666	6,109	34,579	63,175
Capital Grants and Contributions			2,131	4,300	3,490
Total Revenues	<u>258,594</u>	<u>277,728</u>	<u>285,825</u>	<u>303,732</u>	<u>308,380</u>
Total Business-type Activities, Net Program Expenses	<u>(56,701)</u>	<u>(55,823)</u>	<u>(36,789)</u>	<u>(11,676)</u>	<u>(32,032)</u>
General Revenues:					
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	8,432	3,556	3,062	1,386	865
Miscellaneous	2,470	3,570	4,568	426	6,844
Gain (Loss) on Sale of Capital Assets		374			(38)
Transfers	40,607	49,304	51,809	32,591	33,921
Total General Revenues and Transfers	<u>51,509</u>	<u>56,804</u>	<u>59,439</u>	<u>34,403</u>	<u>41,592</u>
Total Business-type Activities Change in Net Position	<u>\$ (5,192)</u>	<u>\$ 981</u>	<u>\$ 22,650</u>	<u>\$ 22,727</u>	<u>\$ 9,560</u>
Total Primary Government Change in Net Position	<u>\$ 119,116</u>	<u>\$ 44,164</u>	<u>\$ 68,854</u>	<u>\$ 105,067</u>	<u>\$ 64,408</u>

Fiscal Year					
2012	2013	2014	2015	2016	
					Business-type Activities:
					Expenses:
\$ 7,089	\$ 8,330	\$ 7,312	\$ 8,255	\$ 7,424	Airports
3,620	3,707	4,248	3,807	4,565	County Sanitation Districts
391	779	456	509	216	Golf Courses
287,972	302,694	297,570	281,624	311,695	Kern Medical
8,319	8,367	8,817	9,099	10,134	Public Transportation
10,573	10,867	12,800	12,862	13,132	Universal Collection
31,404	32,080	30,385	33,352	35,205	Waste Management
<u>349,368</u>	<u>366,824</u>	<u>361,588</u>	<u>349,508</u>	<u>382,371</u>	Total Expenses
					Revenues:
					Charges for Services:
4,136	4,095	4,395	4,066	4,027	Airports
4,007	4,081	4,162	4,368	4,827	County Sanitation Districts
492	474	462	282	199	Golf Courses
118,038	114,264	134,888	183,547	185,544	Kern Medical
6,634	5,896	6,677	6,929	6,779	Public Transportation
10,806	9,817	12,922	12,963	13,291	Universal Collection
36,137	38,787	39,892	40,661	40,568	Waste Management
78,973	112,218	99,819	83,151	135,960	Operating Grants and Contributions
3,811	16,316	15,267	8,120	5,720	Capital Grants and Contributions
<u>263,034</u>	<u>305,948</u>	<u>318,484</u>	<u>344,087</u>	<u>396,915</u>	Total Revenues
<u>(86,334)</u>	<u>(60,876)</u>	<u>(43,104)</u>	<u>(5,421)</u>	<u>14,544</u>	Total Business-type Activities, Net Program Expenses
					General Revenues:
					Grants and Contributions not Restricted to Specific Programs:
598	181	907	634	1,401	Unrestricted Investment Earnings
2,770					Miscellaneous
					Gain (Loss) on Sale of Capital Assets
37,681	37,735	65,949	42,916	33,407	Transfers
<u>41,049</u>	<u>37,916</u>	<u>66,856</u>	<u>43,550</u>	<u>34,808</u>	Total General Revenues and Transfers
<u>\$ (45,285)</u>	<u>\$ (22,960)</u>	<u>\$ 23,752</u>	<u>\$ 38,129</u>	<u>\$ 49,352</u>	Total Business-type Activities Change in Net Position
<u>\$ (7,819)</u>	<u>\$ 57,842</u>	<u>\$ (8,963)</u>	<u>\$ 101,016</u>	<u>\$ 104,855</u>	Total Primary Government Change in Net Position

COUNTY OF KERN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN THOUSANDS)
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2007	2008	2009	2010	2011 ¹
General Fund Balances:					
Reserved	\$ 85,976	\$ 87,876	\$ 64,283	\$ 27,536	\$
Unreserved	89,163	63,759	80,008	112,674	
Nonspendable					37,768
Restricted					2,553
Committed					56
Assigned					34,838
Unassigned					76,778
Total General Fund Balances	\$ 175,139	\$ 151,635	\$ 144,291	\$ 140,210	\$ 151,993
All Other Governmental Fund Balances:					
Reserved	\$ 50,273	\$ 74,362	\$ 207,722	\$ 184,907	\$
Unreserved, reported in:					
Special Revenue Funds	64,416	50,494	71,212	148,114	
Capital Projects Funds	62,562	98,835	24,129	2,721	
Debt Service					
Nonspendable					7,969
Restricted					304,849
Committed					22,381
Assigned					5,113
Unassigned					
Total All Other Governmental Fund Balances	\$ 177,251	\$ 223,691	\$ 303,063	\$ 335,742	\$ 340,312

¹ GASB Statement No. 54 was implemented as of June 30, 2011.

Fiscal Year					
2012	2013	2014	2015	2016	
\$	\$	\$	\$	\$	General Fund Balances:
					Reserved
					Unreserved
21,357	34,005	42,785	18,088	22,035	Nonspendable
7,806	9,557	9,718	10,867	11,471	Restricted
	130	16		37,301	Committed
75,828	106,528	100,909	156,780	147,459	Assigned
100,220	99,865	72,898	115,098	74,508	Unassigned
<u>\$ 205,211</u>	<u>\$ 250,085</u>	<u>\$ 226,326</u>	<u>\$ 300,833</u>	<u>\$ 292,774</u>	Total General Fund Balances
\$	\$	\$	\$	\$	All Other Governmental Fund Balances:
					Reserved
					Unreserved, reported in:
					Special Revenue Funds
					Capital Projects Funds
					Debt Service
9,349	7,415	3,515	3,645	2,511	Nonspendable
291,862	307,781	298,854	333,275	339,633	Restricted
17,000	18,474	21,602	26,075	27,981	Committed
19,970	30,039	23,239	18,709	11,020	Assigned
(169)	(48)		(20,744)		Unassigned
<u>\$ 338,012</u>	<u>\$ 363,661</u>	<u>\$ 347,210</u>	<u>\$ 360,960</u>	<u>\$ 381,145</u>	Total All Other Governmental Fund Balances

COUNTY OF KERN
CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS (IN THOUSANDS)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2007	2008	2009	2010	2011
REVENUES:					
Taxes	\$ 340,224	\$ 377,096	\$ 378,753	\$ 345,287	\$ 378,742
Licenses, Permits and Franchises	15,052	15,598	15,438	15,937	19,857
Fines, Forfeitures and Penalties	20,387	25,662	26,859	25,653	25,466
Revenues from Use of Money and Property	31,470	26,283	23,562	17,506	13,159
Aid from Other Governmental Agencies	646,381	687,017	676,572	741,615	714,023
Charges for Current Services	148,274	172,837	175,442	161,995	165,271
Other Revenues	54,386	48,235	49,309	50,344	49,423
Total Revenues	1,256,174	1,352,728	1,345,935	1,358,337	1,365,941
EXPENDITURES:					
General Government	93,611	106,020	106,683	95,160	93,808
Public Protection	418,472	490,835	494,087	471,037	483,341
Health and Sanitation	136,085	150,612	154,796	146,496	144,240
Public Assistance	386,087	401,952	416,377	426,193	420,716
Education	10,151	10,224	9,945	9,185	8,625
Culture and Recreation Services	13,720	15,558	14,051	13,184	11,858
Public Ways and Facilities	50,344	63,124	51,609	53,974	53,841
Capital Outlay	4,598	4,650	42,755	34,921	45,088
Debt Service:					
Principal	11,790	13,613	16,674	18,684	21,177
Interest	35,700	33,824	30,533	30,794	29,024
Cost of Issuance			3,020	7	406
Total Expenditures	1,160,558	1,290,412	1,337,510	1,299,635	1,312,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,616	62,316	8,425	58,702	53,817
Other Financing Sources (Uses):					
Transfers In	127,530	159,309	219,293	232,934	240,134
Transfers Out	(168,137)	(208,355)	(270,997)	(265,526)	(273,465)
Bonds Issued					4,337
Refunding Bonds Issued			50,000		17,840
Premium on Bond Issuance					(103)
Payment to Refunded Bonds Escrow Agent			(50,000)		(19,038)
Proceeds from Long-term Debt					
Inception of Capital Leases	2,326	3,337	22,823	2,882	627
Proceeds from Issuance of Certificates of Participation			95,410		
Discount on Certificates of Participation			(1,195)		
Total Other Financing Sources (Uses)	(38,281)	(45,709)	66,529	(29,710)	(29,668)
SPECIAL ITEMS					
Return Excess Contribution					(2,710)
Residual Equity Transfer					304
Total Special Items					(2,406)
Net Changes in Fund Balances (Deficits)	\$ 57,335	\$ 16,607	\$ 74,954	\$ 28,992	\$ 24,149
Debt Service as a Percentage of Non-Capital Expenditures	4.45%	3.86%	3.76%	3.94%	4.11%

Fiscal Year					
2012	2013	2014	2015	2016	
\$ 415,273	\$ 443,342	\$ 425,124	\$ 473,579	\$ 418,682	REVENUES:
24,706	23,363	37,957	25,642	26,807	Taxes
23,255	24,865	23,574	22,983	21,211	Licenses, Permits and Franchises
17,774	16,130	16,777	12,343	28,876	Fines, Forfeitures and Penalties
711,018	739,574	768,169	763,446	807,542	Revenues from Use of Money and Property
150,515	145,223	152,546	180,449	188,698	Aid from Other Governmental Agencies
48,614	51,301	55,802	67,715	69,955	Charges for Current Services
1,391,155	1,443,798	1,479,949	1,546,157	1,561,771	Other Revenues
					Total Revenues
					EXPENDITURES:
96,661	98,654	109,822	108,827	119,021	General Government
497,464	538,082	575,008	575,159	597,620	Public Protection
153,265	156,409	114,488	152,244	164,076	Health and Sanitation
393,863	396,036	437,019	435,492	466,352	Public Assistance
7,740	7,744	12,391	7,919	8,034	Education
11,813	12,379	17,324	11,911	11,852	Culture and Recreation Services
53,615	54,147	69,496	50,682	45,376	Public Ways and Facilities
29,331	16,010	59,887	22,708	31,266	Capital Outlay
					Debt Service:
27,094	35,731	36,241	123,466	24,546	Principal
31,359	28,458	24,155	21,612	52,725	Interest
			1,371		Cost of Issuance
1,302,205	1,343,650	1,455,831	1,511,391	1,520,868	Total Expenditures
88,950	100,148	24,118	34,766	40,903	Excess (Deficiency) of Revenues Over (Under) Expenditures
					Other Financing Sources (Uses):
292,399	357,551	408,858	416,587	448,059	Transfers In
(329,495)	(394,551)	(475,807)	(459,503)	(487,883)	Transfers Out
			95,860		Bonds Issued
			6,840		Refunding Bonds Issued
					Premium on Bond Issuance
					Payment to Refunded Bonds Escrow Agent
					Proceeds from Long-term Debt
3,920	7,375	2,150	15	106	Inception of Capital Leases
					Proceeds from Issuance of Certificates of Participation
					Discount on Certificates of Participation
(33,176)	(29,625)	(64,799)	59,799	(39,718)	Total Other Financing Sources (Uses)
					SPECIAL ITEMS
					Return Excess Contribution
					Residual Equity Transfer
					Total Special Items
\$ 55,774	\$ 70,523	\$ (40,681)	\$ 94,565	\$ 1,185	Net Changes in Fund Balances
4.72%	4.86%	4.31%	9.96%	5.32%	Debt Service as a Percentage of Non-Capital Expenditures

COUNTY OF KERN
 ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)
 LAST TEN FISCAL YEARS (IN THOUSANDS)

Fiscal Year	Secured ^a	Unsecured ^b	Unitary ^c	Exempt ^d	Total Taxable	
					Assessed Value ^e	Total Direct Tax Rate
2006 - 07	\$ 65,301,400	\$ 2,443,549	\$ 1,709,410	\$ (722,336)	\$ 68,732,023	1.00000%
2007 - 08	75,364,238	2,691,326	1,601,891	(733,495)	78,923,960	1.00000%
2008 - 09	79,874,728	2,750,161	1,727,191	(750,448)	83,601,632	1.00000%
2009 - 10	77,907,802	2,972,208	1,709,625	(766,760)	81,822,876	1.00000%
2010 - 11	77,939,499	3,097,293	1,750,730	(773,994)	82,013,529	1.00000%
2011 - 12	79,892,194	3,023,565	1,880,462	(769,539)	84,026,683	1.00000%
2012 - 13	85,881,074	3,155,489	1,880,462	(759,161)	90,157,864	1.00000%
2013 - 14	87,753,748	3,252,933	1,997,051	(739,715)	92,264,018	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%

Notes:

- ^a Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.
- ^b Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
- ^c Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization.
- ^d Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- ^e 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 increase limited to the lesser of 2% or the Consumer Price Index on properties not involved in a 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
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (RATE PER \$1,000 OF ASSESSED VALUE)

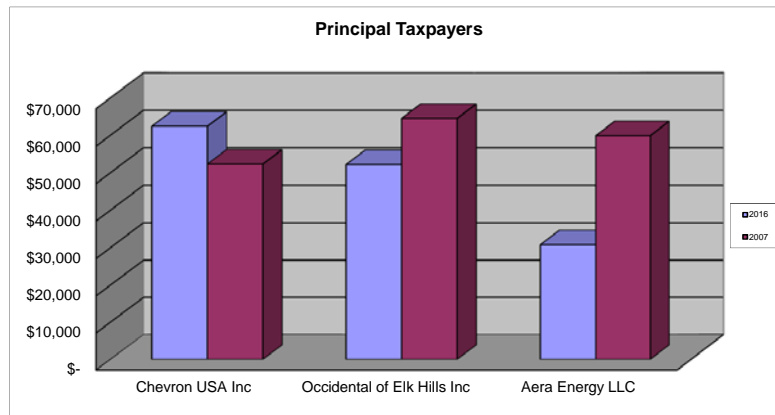
	Fiscal Year				
	2007	2008	2009	2010	2011
County of Kern					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Range of Overlapping Rates					
Total City Rate					
City of Bakersfield	N/A	N/A	N/A	N/A	N/A
Total School District Rate	.00497% to .09654%	.00064% to .09683%	0% to .10913%	0% to .05657%	0% to .08854%
Total Special District Rate	.00585% to .31250%	.00279% to .31250%	0% to .15321%	.00304% to .31250%	.00290% to .07049%

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

Fiscal Year					
2012	2013	2014	2015	2016	
1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	County of Kern Total County Rate
					Range of Overlapping Rates
N/A	N/A	N/A	N/A	N/A	Total City Rate
0% to .084810%	0% to .151517%	.01067% to .004545%	0% to .063958%	0% to .065744%	City of Bakersfield
.004433% to .121990%	.003285% to .070490%	.011248% to .016354%	0% to .070490%	0% to .070490%	Total School District Rate
					Total Special District Rate

COUNTY OF KERN
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO (IN THOUSANDS)

TAXPAYER	2016				2007			
	TAXABLE ASSESSED VALUE	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Chevron USA Inc	\$ 5,749,864	1	\$ 62,419	6.44%	\$ 4,929,679	3	\$ 52,337	7.17%
Occidental of Elk Hills Inc	4,771,385	2	52,206	5.35%	6,090,433	1	64,517	8.86%
Aera Energy LLC	2,939,429	3	30,800	3.29%	5,831,697	2	59,898	8.48%
Berry Petroleum Company LLC	1,401,992	4	15,231	1.57%	395,774	7	4,258	0.58%
Pacific Gas & Electric Co	901,925	5	12,610	1.01%	479,273	6	5,978	0.70%
Freeport Mcomoran Oil & Gas LLC	1,184,726	6	12,300	1.33%				
Southern California Edison Co	757,923	7	10,596	0.85%				
Vintage Petroleum LLC	950,341	8	10,556	1.06%				
Linn Energy Holdings LLC	565,317	9	5,847	0.63%				
Paramount Farms International LLC	505,317	10	5,406	0.57%				
Plains Exploration & Product Co					934,796	4	9,699	1.36%
La Paloma Generating Trust LTD					588,700	5	6,073	0.86%
Sunrise Power Company LLC					395,900	8	4,144	0.58%
Pastoria Energy Facility LLC					370,800	9	4,111	0.54%
US Borax Inc					354,726	10	3,817	0.52%
Total	\$ 19,728,219		\$ 217,971	22.11%	\$ 20,371,778		\$ 214,832	29.64%



Source: The principal property taxpayers for June 30, 2007 were obtained from the "2006-2007 Tax Rates and Assessed Valuations Report." The 2016 information was obtained from the "2015-2016 Tax Rates and Assessed Valuations Report."

**COUNTY OF KERN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (IN THOUSANDS)**

	Fiscal Year				
	2007 ^a	2008 ^a	2009 ^a	2010 ^a	2011 ^a
Original Levy	\$ 979,872	\$ 1,067,044	\$ 1,091,610	\$ 1,039,467	\$ 1,095,026
Adjustments to Original Levy	(2,564)	4,812	(4,995)	(28)	6,250
Taxes Levied	977,308	1,071,856	1,086,615	1,039,439	1,101,276
Collected within the Fiscal Year of the Levy: ^b					
Amount	\$ 915,429	\$ 1,008,928	\$ 1,038,395	\$ 994,181	\$ 1,066,441
Percentage of Adjusted Levy	93.67%	94.13%	95.56%	95.65%	96.84%
Collections in subsequent years	20,545	29,238	42,409	34,057	29,153
Total Collections to Date:					
Amount	\$ 935,974	\$ 1,038,165	\$ 1,080,803	\$ 1,028,238	\$ 1,095,593
Percentage of Adjusted Levy	95.77%	96.86%	99.47%	98.92%	99.48%

Notes:

^a Denotes Secured, Unsecured and Supplemental Property Taxes.

^b The above amounts do not include any penalties collected or any penalties due with delinquency amount.

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

Fiscal Year						
	2012 ^a	2013 ^a	2014 ^a	2015 ^a	2016 ^a	
\$	1,109,525	\$ 1,181,437	\$ 1,228,246	\$ 1,300,154	\$ 1,232,638	Original Levy
	17,931	7,100	9,424	(7,384)	1,695	Adjustments to Original Levy
	1,127,456	1,188,537	1,237,670	1,292,770	1,234,333	Taxes Levied
Collected within the Fiscal Year of the Levy: ^b						
\$	1,099,267	\$ 1,163,336	\$ 1,211,804	\$ 1,265,444	\$ 1,206,061	Amount
	97.50%	97.88%	97.91%	97.89%	97.71%	Percentage of Adjusted Levy
	23,278	22,263	22,917	19,671	19,418	Collections in subsequent years
Total Collections to Date:						
\$	1,122,544	\$ 1,185,599	\$ 1,234,721	\$ 1,285,115	\$ 1,225,478	Amount
	99.56%	99.75%	99.76%	99.41%	99.28%	Percentage of Adjusted Levy

**COUNTY OF KERN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)**

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities:					
Capital Leases	\$ 5,419	\$ 3,820	\$ 20,192	\$ 17,516	\$ 12,921
Certificates of Participation	14,105	11,520	106,000	105,020	102,387
Bonds Payable	101,490	101,056	98,632	96,258	110,041
Loans Payable	6,001	7,608	12,887	10,876	10,120
Pension Obligation Bonds	407,365	398,117	386,402	371,959	354,510
Total Governmental Activities	<u>534,380</u>	<u>522,121</u>	<u>624,113</u>	<u>601,629</u>	<u>589,979</u>
Business-type Activities:					
Capital Leases			2,495	4,996	4,231
Loans Payable				640	576
Certificates of Participation	46,465	40,760	36,230	33,305	29,166
Pension Obligation Bonds	64,813	63,179	61,125	58,608	55,580
Total Business-type Activities	<u>111,278</u>	<u>103,939</u>	<u>99,850</u>	<u>97,549</u>	<u>89,553</u>
Total Primary Government	<u>\$ 645,658</u>	<u>\$ 626,060</u>	<u>\$ 723,963</u>	<u>\$ 699,178</u>	<u>\$ 679,532</u>
Percentage of Personal Income ^a	2.76%	2.57%	3.00%	2.71%	2.46%
Per Capita Outstanding Debt ^c	\$ 804	\$ 765	\$ 872	\$ 831	\$ 799
General Bonded Debt	\$	\$	\$	\$	\$
General Bonded Debt Ratio ^b	0.00%	0.00%	0.00%	0.00%	0.00%
Per Capita General Bonded Debt ^c	\$	\$	\$	\$	\$

Notes:

^a Refer to the "Demographic and Economic Statistics" for the personal income figures.

^b Refer to the "Assessed Value of Taxable Property and Actual Value of Property" for taxable property used in this ratio.

^c 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.

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

Fiscal Year						
2012	2013	2014	2015	2016		
\$ 12,669	\$ 14,704	\$ 12,798	\$ 8,552	\$ 5,005		Governmental Activities:
99,354	96,168	93,001	89,732	86,346		Capital Leases
107,041	98,687	95,289	113,432	108,986		Certificates of Participation
6,345	5,266	5,266	4,922	4,568		Bonds Payable
333,314	308,871	280,342	247,301	231,266		Loans Payable
558,723	523,696	486,696	463,939	436,171		Pension Obligation Bonds
						Total Governmental Activities
						Business-type Activities:
11,582	9,545	8,044	750	2,453		Capital Leases
512	448	384	6,930	6,126		Loans Payable
16,402	14,512	11,894	9,172	6,339		Certificates of Participation
52,379	48,075	43,060	37,256	34,682		Pension Obligation Bonds
80,875	72,580	63,382	54,108	49,600		Total Business-type Activities
<u>\$ 639,598</u>	<u>\$ 596,276</u>	<u>\$ 550,078</u>	<u>\$ 518,047</u>	<u>\$ 485,771</u>		Total Primary Government
2.17%	1.97%	1.72%	1.57%	1.42%		Percentage of Personal Income ^a
\$ 747	\$ 689	\$ 629	\$ 587	\$ 548		Per Capita Outstanding Debt ^c
\$	\$	\$	\$	\$		General Bonded Debt
0.00%	0.00%	0.00%	0.00%	0.00%		General Bonded Debt Ratio ^b
\$	\$	\$	\$	\$		Per Capita General Bonded Debt ^c

COUNTY OF KERN
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2016 (IN THOUSANDS)

2015 - 2016 Assessed Value (includes unitary utility valuation)

	<u>\$ 89,814,154</u>	
	<u>Debt 05/01/16</u>	<u>Percentage Applicable^d</u>
Overlapping Tax and Assessment Debt		
Kern Community College Safety, Repair and Improvement District	\$ 133,351	92.35700
Antelope Valley Joint Community College District and West Kern Community College District	50,895	5.932 & 100.
Mojave Unified School District School Facilities Improvement Districts No. 1 and No. 2	37,681	100.
Southern Kern Unified School District	35,713	100.
Other Unified School Districts	72,957	91.753-100.
Kern High School District	167,671	100.
Other Union High School Districts	56,454	0.011-100.
Bakersfield School District	75,447	100.
Delano Union School District	35,235	100.
Fruitvale School District	19,723	100.
Norris School District	27,018	100.
Panama -Buena Vista School District	48,010	100.
Taft School District	28,709	100.
Other School Districts	161,470	68.562-100.
Water Districts	750	100.
Tehachapi Valley Healthcare District	61,445	100.
Bear Valley Community Services District, I.D. No. 2	795	100.
Buttonwillow Recreation and Park District	4,395	100.
Community Facilities Districts	179,785	100.
1915 Act Bonds (Estimated)	<u>71,541</u>	100.
Total Gross Overlapping Tax and Assessment Debt	1,269,045	
Less: Water Storage Districts (100% self-supporting)		
Total Net Overlapping Tax and Assessment Debt	<u>1,269,045</u>	
Overlapping General Fund Debt		
Kern County Board of Education Certificates of Participation	40,145	100.
Community College District Certificates of Participation and Other Post-Employment Benefit Bonds	121,304	Various
Unified School District General Fund Obligations	28,043	Various
Kern High School District Lease Revenue Notes	151,875	100.
School District General Fund Obligations	67,790	100.
City of Arvin General Fund Obligations	4,995	100.
City of Bakersfield General Fund Obligations	16,175	100.
City of Delano Certificates of Participation	22,030	100.
City of Ridgecrest General Fund Obligations	<u>5,925</u>	100.
Total Direct and Overlapping General Fund Debt	458,282	
Total Net Overlapping Debt	<u>1,727,327</u>	
Direct General Fund Debt^e		
Kern County General Fund Obligations	204,905	a,c
Kern County Pension Obligations	<u>231,266</u>	
Total Direct General Fund Debt	436,171	
Overlapping Tax Increment Debt	93,135	
Total Gross Direct and Overlapping Debt	<u>\$ 2,256,633</u>	b
Total Net Direct and Overlapping Debt	<u>\$ 2,256,633</u>	
Ratios to 2015 - 2016 Assessed Valuation:		
Total Gross Overlapping Tax and Assessment Debt	1.41%	
Total Net Overlapping Tax and Assessment Debt	1.41%	
Ratios to Adjusted Assessed Valuation:		
Combined Direct Debt (\$436,171)	0.49%	
Gross Combined Total Debt	2.51%	
Net Combined Total Debt	2.51%	

Notes:

^a Excludes issue to be sold.

^b Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

^c Includes Kern Public Services Financing Authority Lease Revenue Bonds Refunding Series 2010.

^d Percentage of overlapping agency's assessed valuation located within the boundaries of the County.

^e Direct General Fund Debt values have been updated for activity between the completion date of the TRAN and fiscal year-end.

Source: 2016 - 2017 TRAN

COUNTY OF KERN
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2016

Legislation does not mandate a debt limit for County of Kern.

**COUNTY OF KERN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2007	2008	2009	2010	2011
Population ^a	803,281	818,327	830,137	841,682	849,949
Personal Income (in Thousands) ^b	\$ 23,388,190	\$ 24,341,047	\$ 24,119,047	\$ 25,843,995	\$ 27,622,917
Per Capita Personal Income ^b	\$ 29,116	\$ 29,745	\$ 29,054	\$ 30,705	\$ 32,499
Unemployment Rate County of Kern ^c	8.0%	9.3%	14.0%	15.2%	14.9%
School Enrollment ^d	171,585	174,289	174,135	174,106	173,740

Notes:

^a 2016 estimate from the California Department of Finance as of January 1. All other year's data from the U.S. Census Bureau midyear population estimates.

^b U.S. Department of Commerce, Bureau of Economic Analysis. 2016 information not available at time of issuance; estimate based on average change of previous three years.

^c State of California - Employment Development Department, Labor Market Information

^d Educational Demographics Unit, California Department of Education

Fiscal Year					
2012	2013	2014	2015	2016	
856,576	865,787	874,190	882,176	886,507	Population ^a
\$ 29,480,121	\$ 30,336,210	\$ 32,059,138	\$ 32,953,453	\$ 34,111,000	Personal Income (in Thousands) ^b
\$ 34,416	\$ 35,039	\$ 36,673	\$ 37,355	\$ 38,478	Per Capita Personal Income ^b
13.3%	11.9%	10.3%	10.4%	10.8%	Unemployment Rate County of Kern ^c
175,480	178,671	179,680	180,304	181,393	School Enrollment ^d

COUNTY OF KERN
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

June 30, 2016

EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Edwards Air Force Base	9,774	1	2.75%	Federal Government - National Security
County of Kern	7,815	2	2.20%	County Government
China Lake Naval Air Weapons Center	7,000	3	1.97%	Federal Government - National Security
Grimmway	4,130	4	1.16%	Agriculture
Dignity Health	3,200	5	0.90%	Health Care
WM Bolthouse Farms	2,800	6	0.79%	Agriculture
San Joaquin Community Hospital	2,100	7	0.59%	Health Care
Sun World	1,600	8	0.45%	Agriculture
Chevron	1,600	9	0.45%	Oil & Gas
City of Bakersfield	1,474	10	0.42%	Local Government
	41,493		14.86%	
Total				

June 30, 2007

EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Kern County Public Schools	27,000	1	8.49%	Education
Edwards Air Force Base	11,285	2	3.55%	Federal Government - National Security
San Joaquin Community Hospital	11,000	3	3.46%	Hospital
County of Kern	8,129	4	2.56%	County Government
Grimmway	6,300	5	1.98%	Agriculture
China Lake Naval Air Weapons Center	6,192	6	1.95%	Federal Government - National Security
Giumarra Vineyards	4,000	7	1.26%	Agriculture
Esparza Enterprises	3,600	8	1.13%	Agriculture Labor
Catholic Healthcare West	2,952	9	0.93%	Health Care
William Bolthouse Farms, Inc.	2,350	10	0.74%	Agriculture
Total	82,808		26.03%	

Sources:

2016 Kern County Market Overview & Investor Directory - Kern Economic Development Corporation
 State of California - Employment Development Department, Labor Market Information
 Data for 2007 was obtained from the June 30, 2007 CAFR.

COUNTY OF KERN
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30											
Function / Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Function / Program
General Government:											General Government:
Assessor	85	90	97	104	102	95	97	98	93	98	Assessor
Information Technology	59	56	55	59	50	49	49	46	41	45	Information Technology
County Counsel	48	48	47	49	45	44	43	45	47	47	County Counsel
Other ^a	432	456	418	415	337	350	343	366	354	337	Other ^a
Public Protection:											Public Protection:
District Attorney	210	200	235	250	214	214	214	236	240	244	District Attorney
Public Defender	82	96	92	92	86	84	87	94	87	92	Public Defender
Sheriff - Coroner	1,100	1,154	1,212	1,283	1,102	1,136	1,210	1,199	1,182	1,173	Sheriff - Coroner
Probation	490	534	531	518	478	483	514	532	521	559	Probation
Fire Department	574	603	567	634	544	558	597	622	605	599	Fire Department
Other ^a	443	458	397	429	381	380	385	380	381	329	Other ^a
Public Ways & Facilities:											Public Ways & Facilities:
Roads	164	187	178	204	176	173	180	188	181		Roads
Health and Sanitation:											Health and Sanitation:
Public Health	260	288	283	272	229	233	228	195	183	175	Public Health
Mental Health Services	482	469	457	433	395	400	444	440	450	517	Mental Health Services
Other	181	181	178	175	146	142	111	112	99	126	Other
Public Assistance:											Public Assistance:
Human Services	1,375	1,451	1,418	1,431	1,196	1,201	1,358	1,457	1,518	1,515	Human Services
Other	228	235	231	211	186	173	173	183	183	190	Other
Education:											Education:
Library	137	140	138	66	56	54	50	52	47	50	Library
Other	6	6	6	6	4	3	4	4	4	4	Other
Culture & Recreation Services	117	119	109	94	86	83	78	74	69	69	Culture & Recreation Services
Airports	22	19	20	20	15	17	17	19	21	22	Airports
Kern Medical	1,516	1,554	1,582	1,603	1,382	1,393	1,326	1,274	1,273	1,276	Kern Medical
Public Transportation ^a	3	3	3	4	4	3	3	4	4		Public Transportation ^a
Public Works ^a										348	Public Works ^a
Waste Management ^a	115	133	121	116	109	106	110	112	114		Waste Management ^a
Total Full-Time Employees	8,129	8,480	8,375	8,468	7,323	7,374	7,621	7,732	7,697	7,815	Total Full - Time Employees

Note:
^a 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.

Source: County Administrative Office - Human Resources Department

COUNTY OF KERN
 OPERATING INDICATORS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

Page 1 of 2

Function / Program	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities:					
General Government					
Assessor - Recorder					
Recorded documents	339,822	260,106	202,396	195,597	194,072
County Counsel					
Litigated & administrative hearings	2,254	8,308	8,347	9,092	9,660
Attorneys	29	30	30	28	27
Attorneys per capita	0.000037	0.000370	0.000036	0.000033	0.000032
Human Resources					
Applications received	27,955	32,244	17,332	8,150	18,386
County Clerk - Elections					
Marriage licenses	4,745	4,620	3,732	4,084	4,268
Fictitious business names	7,460	7,046	5,844	6,411	6,339
Public Protection					
District Attorney					
Misdemeanors cases filed	35,947	36,771	36,910	33,504	32,320
Felony cases filed	7,294	6,592	6,955	6,555	6,891
Felony information filed	1,788	1,762	1,601	1,502	1,533
Felony cases with juries	141	176	151	142	143
Public Defender					
Public defense cases accepted/received	36,084	38,352	39,235	34,296	36,984
Public defense cases opened	22,188	21,480	21,532	19,903	20,236
Public defense cases closed	31,115	33,280	34,193	31,627	32,073
Public defense cases closed within 12 months	31,115	33,280	34,193	31,627	32,073
Sheriff - Coroner					
Dispatched calls for service	266,988	277,073	279,544	295,374	272,247
Violent crimes:	3,930	4,007	4,620	4,871	4,722
Homicide	31	22	34	40	28
Forcible rape	108	104	117	100	107
Robbery	342	391	482	498	378
Aggravated assault	3,449	3,490	3,987	4,233	4,209
Property crimes	4,402	4,056	5,097	5,117	10,065
Total larceny - theft	6,053	5,321	5,690	5,146	5,246
Bookings	22,631	22,864	21,930	20,596	19,814
Fingerprints	4,710	7,906	6,672	5,944	5,671
Fire Department					
Total incident calls	38,421	39,151	39,166	38,001	38,001
Fire calls	4,153	3,509	3,167	2,845	3,087
Overpressure, Ruptures, Explosion	N/A	N/A	167	360	194
Other type of incidents	N/A	N/A	395	491	448
EMS / rescue calls	21,729	23,305	23,405	22,672	22,650
Hazardous condition calls	1,816	1,961	1,884	1,717	1,834
Public service calls	1,823	1,643	1,803	1,820	1,786
False calls	1,898	1,771	1,681	1,604	1,465

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

^a Information was updated from prior year report.

Fiscal Year					Function / Program
2012	2013	2014	2015	2016	
					Governmental Activities:
					<u>General Government</u>
					Assessor - Recorder
191,495	235,424	188,908	191,660	199,972	Recorded documents
					County Counsel
10,444	9,804	6,667	9,241	7,882	Litigated & administrative hearings
27	29	28	29	30	Attorneys
0.000032	0.000034	0.000032	0.000033	0.000034	Attorneys per capita
					Human Resources
16,199	21,977	22,688	26,520	38,118	Applications received
					County Clerk - Elections
4,501	4,716	4,805	4,700	4,792	Marriage licenses
6,343	7,149	5,937	5,873	6,511	Fictitious business names
					<u>Public Protection</u>
					District Attorney
29,636	28,275	31,604	22,671	27,361	Misdemeanors cases filed
7,285	8,916	8,938	17,923	5,795	Felony cases filed
1,789	2,016	2,373	1,966	14,537	Felony information filed
167	149	160	210	189	Felony cases with juries
					Public Defender
34,893	40,827	44,880	46,166	46,853	Public defense cases accepted/received
19,636	21,994	21,725	20,984	20,530	Public defense cases opened
31,180	36,721	35,830	37,937	41,978	Public defense cases closed
31,180	36,721	35,830	37,937	41,978	Public defense cases closed within 12 months
					Sheriff - Coroner
203,914	224,588	317,487	293,448	257,425	Dispatched calls for service
4,538	2,273	1,626	2,005	1,858	Violent crimes:
25	21	28	35	42	Homicide
98	88	102	116	174	Forcible rape
415	495	335	354	405	Robbery
1,389	1,669	1,161	1,500	1,237	Aggravated assault
10,907	11,472	9,806	4,783	6,628	Property crimes
5,534	5,305	3,411	4,521	3,484	Total larceny - theft
16,806	19,486	18,430	14,730	14,749	Bookings
5,957	4,983	5,949	6,315	7,426	Fingerprints
					Fire Department
40,640	42,281	42,770	45,363	48,585	Total incident calls
3,333	2,918	2,711	2,596	3,000	Fire calls
236	186	173	126	119	Overpressure, Ruptures, Explosion
635	736	543	499	751	Other type of incidents
23,079	24,356	24,371	25,882	26,317	EMS / rescue calls
1,711	1,726	1,776	1,772	1,678	Hazardous condition calls
1,859	2,004	2,089	2,129	2,692	Public service calls
1,606	1,646	1,739	1,982	2,082	False calls

COUNTY OF KERN
 OPERATING INDICATORS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

Page 2 of 2

Function / Program	Fiscal Year				
	2007	2008	2009	2010	2011
Building Inspection					
Building permits issued	6,808	8,375	7,047	N/A	3,839
Animal Services					
Received calls for response	21,668	21,724	25,445	24,519	29,781
Animals impounded	N/A	N/A	N/A	31,660	30,350
Animals redeemed	1,596	1,621	1,474	1,452	1,267
Animals adopted	3,147	3,485	3,681	3,160	2,683
Animals euthanized	16,743	18,984	20,067	18,594	19,103
Public Ways & Facilities					
Roads					
Maintained road lanes (in miles)	6,654	6,656	6,660	6,802	6,647
Health and Sanitation					
Mental Health Services					
Unique clients served	20,563	22,547	25,765	19,575	20,225
Unique clients served with outpatient services	16,380	18,471	17,591	18,521	20,167
Unique clients served with intensive services	4,183	4,076	8,174	1,054	1,323
Public Assistance					
Ageing & Adult Services					
Senior Nutrition participation:					
Congregate senior participants	4,239	4,500	4,096	3,740	3,637
Congregate meals	180,754	187,208	180,285	165,437	163,373
Home delivered senior participants	2,185	2,065	1,897	1,763	1,652
Home delivered meals	258,222	263,405	256,517	235,505	228,407
Human Services					
Children Admitted to the Jamison Center:					
Protective Custody/New Intakes	2,637	2,537	2,663	2,468	2,308
Change of Placement	2,399	2,358	2,501	2,257	2,127
	238	179	162	211	181
Children released from the Jamison Center	2,633	2,549	2,498	2,263	2,155
Average day stay in the Jamison Center	4	3	3	4	4
Admissions - Breakdown by Age:					
Newborn - 5 years	1,028	997	1,054	978	943
6 - 12 years	741	688	646	560	519
13 - 18 years	847	835	799	709	661
Over 18	5	1	2	10	4
Culture and Recreation Services & Education					
Parks & Recreation					
Annual Boat Permits	4,170	5,645	N/A	2,233	3,305
Day Use Boat Fees	40,318	19,177	N/A	16,354	9,570
Business-type Activities:					
Waste Management					
Landfill capacity in cubic yards	98,576,606	99,371,429	98,996,451	109,631,108	95,027,021

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

Fiscal Year					Function / Program
2012	2013	2014	2015	2016	
6,018	7,134	7,758	9,005	9,172	Building Inspection Building permits issued
21,766	22,219	19,529	20,258	19,443	Animal Services Received calls for response
31,433	29,200	18,406	16,521	17,551	Animals impounded
1,276	1,217	717	742	796	Animals redeemed
2,695	3,691	3,774	3,228	5,097	Animals adopted
20,062	20,428	8,302	7,211	5,893	Animals euthanized
					Public Ways & Facilities
					Roads Maintained road lanes (in miles)
6,647	6,663	6,664	6,673	6,663	
					Health and Sanitation
					Mental Health Services Unique clients served
24,030	24,551	24,207	26,113	27,729	Unique clients served with outpatient services
23,979	24,482	24,099	26,036	27,652	Unique clients served with intensive services
660	1,443	1,349	1,398	1,537	
					Public Assistance
					Aging & Adult Services Senior Nutrition participation:
3,267	3,351	3,218	3,228	3,010	Congregate senior participants
156,213	150,076	144,274	145,762	141,851	Congregate meals
1,624	1,695	1,715	1,614	1,572	Home delivered senior participants
223,608	233,272	231,831	232,157	212,853	Home delivered meals
2,202	1,445	1,538	1,579	1,839	Human Services Children Admitted to the Jamison Center:
1,981	1,320	1,418	1,463	1,634	Protective Custody/New Intakes
221	125	120	116	205	Change of Placement
1,968	1,303	629	724	807	Children released from the Jamison Center
4	4	4	4	5	Average day stay in the Jamison Center
847	585	685	689	719	Admissions - Breakdown by Age:
507	296	358	417	475	Newborn - 5 years
627	438	377	357	440	6 - 12 years
				-	13 - 18 years
					Over 18
					Culture and Recreation Services & Education
					Parks & Recreation Annual Boat Permits
4,375	3,080	1,680	1,618	1,591	Day Use Boat Fees
17,092	14,579	11,742	10,895	10,409	
					Business-type Activities:
					Waste Management Landfill capacity in cubic yards
95,375,858	95,375,858	94,962,970	88,239,785	88,288,861	

COUNTY OF KERN
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function / Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Education										
Public Library										
Main Library	1	1	1	1	1	1	1	1	1	1
Branches	25	25	25	25	25	25	25	25	23	23
Law Library	1	1	1	1	1	1	1	1	1	1
Parks and Land Use										
Number of Neighborhood Parks	40	40	40	40	40	40	40	40	40	40
Number of Regional Parks	8	8	7	8	8	8	8	8	8	8
County Golf Courses	3	3	3	3	3	3	3	3	3	3
Public Works										
Miles of County Roads	6,654	6,656	6,660	6,802	6,648	6,647	6,663	6,664	6,673	6,663
Public Safety										
Number of Sheriff Stations	14	14	16	15	15	15	15	15	15	15
Number of Fire Stations	46	46	46	46	46	46	46	46	47	47
Airports										
Number of Runways	8	8	8	8	8	8	8	8	8	8

Source: Departments of the County of Kern