



**COUNTY OF KERN  
STATE OF CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2015**

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

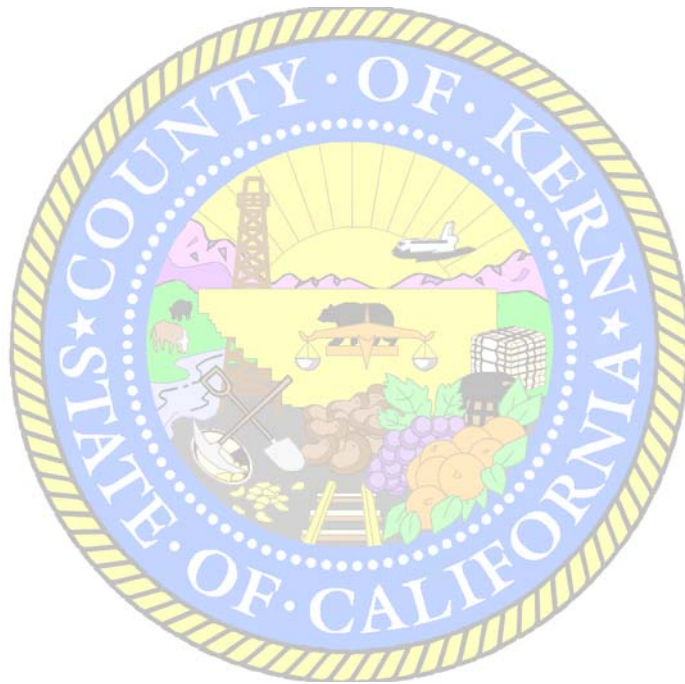
**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2015**



**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 Perez .....Fifth District**  
**John Nilon – County Administrative Officer**

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



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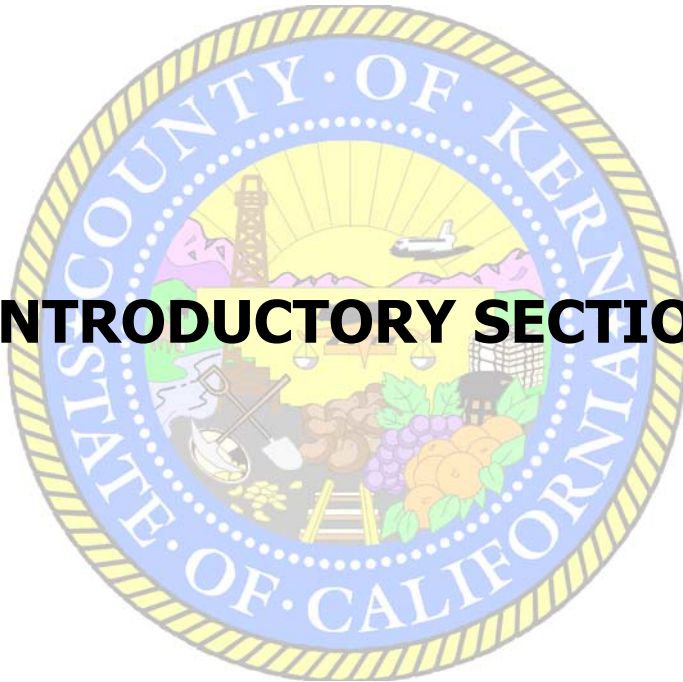
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# **INTRODUCTORY SECTION**



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



January 28, 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, 2015 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, 2015 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, 2015 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 42 percent of the County's total population of 874,264 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 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 on pages 96 – 103 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, which begin on page 153.

## **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 State's past financial crisis and the overall economic issues at a state and national level. The County can reasonably expect that the State will continue to encounter budgetary problems in this and upcoming fiscal years; and it is not clear what measures will be taken by the State to balance its budget, as required by law. 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.

### **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 71% of all the State's oil.

The County's total net assessed value increased by 5.98% as of June 30, 2015, with oil and gas representing approximately 32.2% of the total assessed value. This increase in assessed value will correspond to an increase in available property taxes to the County in fiscal year 2015-16. However subsequent to the assessment the price of oil decreased significantly.

Agriculture continues to remain steady, with the County being the second leading producer of agricultural products in the State. The unemployment rate decreased from 10.2% in 2013-14 to 9.9% in 2014-15. The population of the County increased by .13% to 874,264. 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, 2015, the County issued \$180,000,000 in Tax and Revenue Anticipation Notes that will mature on June 30, 2016.

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 an 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, 2015, the County had outstanding certificates of participation in a principal amount of \$98,575,000. 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, 2015 includes (in thousands):

Description of Issue	Date Issued	Maturity	Principal Outstanding
2009 Capital Improvements Projects	2009	2035	\$ 86,356
2011 Refunding COP - Governmental Portion	2011	2019	3,197
2011 Refunding COP - KMC Portion	2011	2019	5,177
2011 Waste Refunding COP	2011	2016	3,845
		Total	\$ 98,575

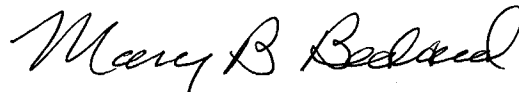
**Awards and Acknowledgments**

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, 2014. This was the eighteenth 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**

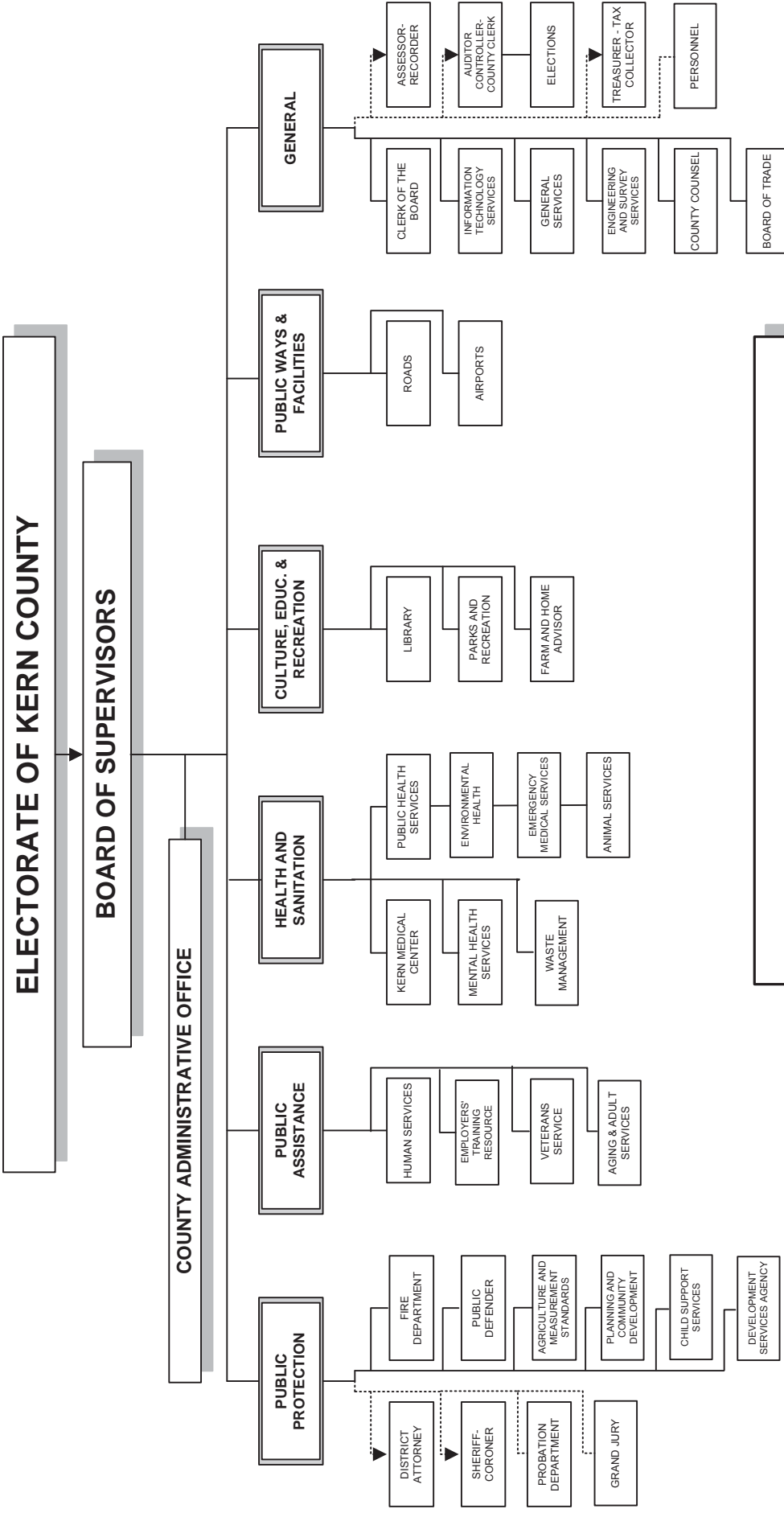
COUNTY SUPERVISOR, FIRST DISTRICT..... MICK GLEASON  
COUNTY SUPERVISOR, SECOND DISTRICT ..... ZACH SCRIVNER  
COUNTY SUPERVISOR, THIRD DISTRICT ..... MIKE MAGGARD  
COUNTY SUPERVISOR, FOURTH DISTRICT ..... DAVID COUCH  
COUNTY SUPERVISOR, FIFTH DISTRICT ..... LETICIA PEREZ  
ASSESSOR-RECORDER..... JON 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
BOARD OF TRADE .....	TERESA HITCHCOCK
CLERK OF THE BOARD .....	KATHLEEN KRAUSE
CHILD SUPPORT SERVICES .....	PHYLLIS NANCE
COMMUNITY AND ECONOMIC DEVELOPMENT .....	LORELEI OVIATT
COUNTY ADMINISTRATIVE OFFICER.....	JOHN NILON
GENERAL SERVICES	
GROUP HEALTH	
RETIREE GROUP HEALTH	
UNEMPLOYMENT	
INFORMATION TECHNOLOGY SERVICES	
COUNTY COUNSEL.....	THERESA GOLDNER
DEVELOPMENT SERVICES AGENCY .....	LORELEI OVIATT
EMERGENCY MEDICAL SERVICES.....	ED HILL
EMPLOYERS' TRAINING RESOURCE.....	TERESA HITCHCOCK
ENGINEERING & SURVEY SERVICES .....	GREG FENTON
FARM AND HOME ADVISOR.....	BRIAN MARSH
FIRE DEPARTMENT .....	BRIAN MARSHALL
HUMAN RESOURCES.....	DEVIN BROWN
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
ROADS.....	CRAIG POPE
VETERANS' SERVICES .....	RICHARD TAYLOR
WASTE MANAGEMENT .....	CRAIG POPE





**LEGEND**

—— FULL ACCOUNTABILITY TO BOARD OF SUPERVISORS

..... FISCAL ACCOUNTABILITY TO BOARD OF SUPERVISORS

▶ ELECTIVE OFFICE



Government Finance Officers Association

**Certificate of  
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Reporting**

Presented to

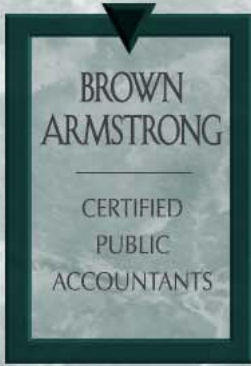
**County of Kern  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

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, 2015, 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 33% of the total assets and 77% 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)

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#### PASADENA OFFICE

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PASADENA, CA 91101  
TEL 626.204.6542  
FAX 626.204.6547

#### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 237  
STOCKTON, CA 95207  
TEL 209.451.4833

fund information of the County, as of June 30, 2015, 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. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, during the fiscal year ended June 30, 2015. 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 96-106, schedules of the County's proportionate share of the net pension liability and schedule of the County's pension contributions on page 107, and schedule of funding progress, actuarial assumptions and methodology for the County's other post-employment benefits plan on pages 108-109, 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.

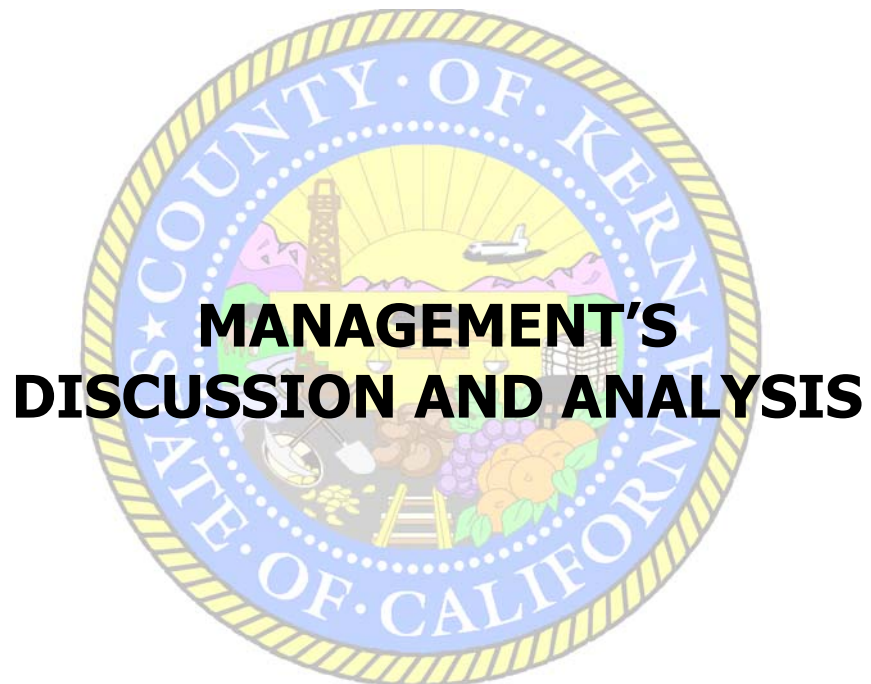
### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 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  
January 28, 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, 2015  
Unaudited**

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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, 2015. 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, 2015, the County's total net position was \$78,637. Of this total net position, \$1,949,169 is attributed to net investment in capital assets, and \$385,894 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 \$2,256,426, representing the unrestricted net position.
- The County implemented GASB 68 Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27. In doing so the County's net position was restated by \$1,514,451 for governmental and \$361,724 for business-type.
- During the current fiscal year, the County's net position increased by \$101,016. The County's net position increased by \$62,887 for governmental activities and \$38,129 for business-type activities.
- At June 30, 2015, the County's governmental funds reported total ending fund balance of \$661,793, an increase of 16.49% compared to prior year's total ending fund balance. Approximately \$640,060 or 96.81% 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, 2015, the spendable fund balance for the General Fund was \$282,745 or 49.20% 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 liabilities, with the difference between the reported assets and liabilities 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 Center), 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 (deficits) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports ten 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 (deficits) 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 Center, 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 Center, 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, 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, 2015, the County's total net position was \$78,637. 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 \$1,949,169. The investment in capital assets includes land, buildings and improvements, roads, flood control channels, machinery and equipment, intangibles and construction in progress, less 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.

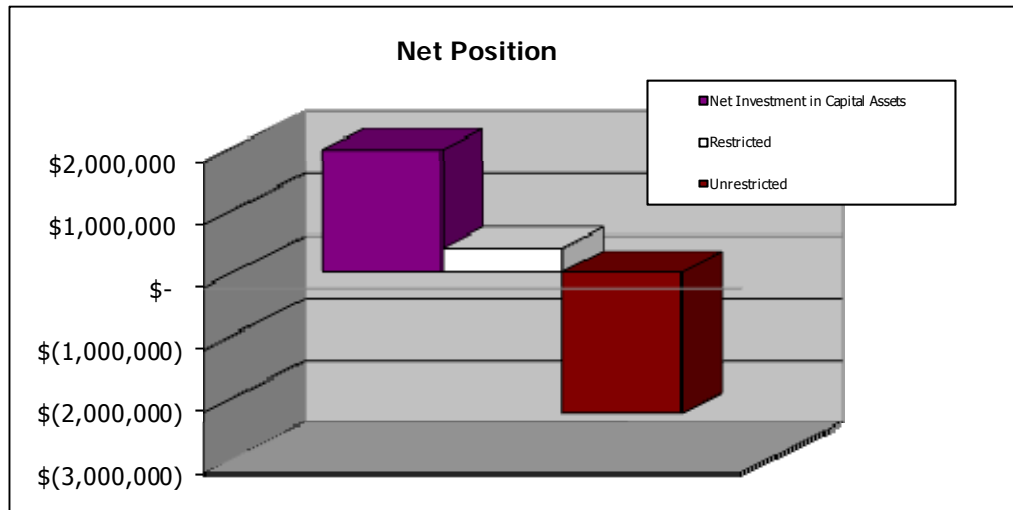
Of the County's total net position, \$385,894 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted resources is reserved for capital projects, public protection, public ways & facilities and health & sanitation. The remaining balance of net position represents the unrestricted resources, which have a deficit balance of \$2,256,426. 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, 2015, 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 \$1,805,642, 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 \$450,784. The deficit is

attributable to the negative unrestricted resources of Kern Medical Center (KMC), 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
	2015	2014	2015	2014	2015	2014	
Current and Other Assets	\$ 828,795	\$ 899,738	\$ 157,963	\$ 110,605	\$ 986,758	\$ 1,010,343	\$ (23,585)
Capital Assets	1,853,590	1,837,683	214,151	199,055	2,067,741	2,036,738	31,003
<b>Total Assets</b>	<b>2,682,385</b>	<b>2,737,421</b>	<b>372,114</b>	<b>309,660</b>	<b>3,054,499</b>	<b>3,047,081</b>	<b>7,418</b>
Total Deferred Outflows of Resources	297,929	148	61,592	242	359,521	390	359,131
Current and Other Liabilities	204,588	201,933	115,769	67,315	320,357	269,248	51,109
Long-Term Liabilities	2,268,685	756,160	522,065	161,640	2,790,750	917,800	1,872,950
<b>Total Liabilities</b>	<b>2,473,273</b>	<b>958,093</b>	<b>637,834</b>	<b>228,955</b>	<b>3,111,107</b>	<b>1,187,048</b>	<b>1,924,059</b>
Total Deferred Inflows of Resources	186,826	-	37,450	-	224,276	-	224,276
<b>Net Position</b>							
Net Investment in Capital Assets	1,750,564	1,726,834	198,605	180,025	1,949,169	1,906,859	42,310
Restricted	375,293	347,207	10,601	15,231	385,894	362,438	23,456
Unrestricted	(1,805,642)	(294,565)	(450,784)	(114,309)	(2,256,426)	(408,874)	(1,847,552)
<b>Total Net Position</b>	<b>\$ 320,215</b>	<b>\$ 1,779,476</b>	<b>\$ (241,578)</b>	<b>\$ 80,947</b>	<b>\$ 78,637</b>	<b>\$ 1,860,423</b>	<b>\$ (1,781,786)</b>



As shown in Table 2, the County's total net position increased by \$101,016, 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				
	2015	2014	2015	2014	2015	2014	
<b>Revenues</b>							
<b>Program Revenues</b>							
Charges for Services	\$ 244,095	\$ 227,361	\$ 252,816	\$ 203,398	\$ 496,911	\$ 430,759	\$ 66,152
Operating Grants & Contributions	724,439	703,323	83,151	99,819	807,590	803,142	4,448
Capital Grants & Contributions	47,657	44,419	8,120	15,267	55,777	59,686	(3,909)
<b>General Revenues</b>							
Property Taxes	270,191	270,406			270,191	270,406	(215)
Aircraft Taxes	120	113			120	113	7
Sales & Use Taxes	58,683	52,240			58,683	52,240	6,443
Transient Occupancy Tax	2,721	1,772			2,721	1,772	949
Special Assessments	2,710	2,717			2,710	2,717	(7)
Transfer Tax	3,183	2,942			3,183	2,942	241
Other Taxes	1,664	1,440			1,664	1,440	224
Vehicle License Taxes	107,308	101,645			107,308	101,645	5,663
Investment Earnings	12,785	17,307	634	907	13,419	18,214	(4,795)
Miscellaneous	11,822	3,369			11,822	3,369	8,453
<b>Total Revenues</b>	<b>1,487,378</b>	<b>1,429,054</b>	<b>344,721</b>	<b>319,391</b>	<b>1,832,099</b>	<b>1,748,445</b>	<b>83,654</b>
<b>Expenses</b>							
General Government	92,981	85,816			92,981	85,816	7,165
Public Protection	593,634	558,228			593,634	558,228	35,406
Public Ways & Facilities	63,111	122,567			63,111	122,567	(59,456)
Health & Sanitation	146,941	157,183			146,941	157,183	(10,242)
Public Assistance	425,161	411,182			425,161	411,182	13,979
Education	8,229	8,600			8,229	8,600	(371)
Culture & Recreation Services	13,604	14,565			13,604	14,565	(961)
Interest on Short & Long-Term Debt	37,914	37,679			37,914	37,679	235
Airports			8,255	7,312	8,255	7,312	943
County Sanitation Districts			3,807	4,248	3,807	4,248	(441)
Golf Courses			509	456	509	456	53
Kern Medical Center			281,624	297,570	281,624	297,570	(15,946)
Public Transportation			9,099	8,817	9,099	8,817	282
Universal Collection			12,862	12,800	12,862	12,800	62
Waste Management			33,352	30,385	33,352	30,385	2,967
<b>Total Expenses</b>	<b>1,381,575</b>	<b>1,395,820</b>	<b>349,508</b>	<b>361,588</b>	<b>1,731,083</b>	<b>1,757,408</b>	<b>(26,325)</b>
Excess (Deficit) of Revenues Over (Under) Expenses Before Transfers	105,803	33,234	(4,787)	(42,197)	101,016	(8,963)	109,979
Transfers	(42,916)	(65,949)	42,916	65,949			
Increase (Decrease) in Net Position	62,887	(32,715)	38,129	23,752	101,016	(8,963)	109,979
Net Position at Beginning of Year*	257,328	1,812,191	(279,707)	57,195	(22,379)	1,869,386	(1,891,765)
Net Position at End of Year	<u>\$ 320,215</u>	<u>\$ 1,779,476</u>	<u>\$ (241,578)</u>	<u>\$ 80,947</u>	<u>\$ 78,637</u>	<u>\$ 1,860,423</u>	<u>\$ (1,781,786)</u>

\* As restated. See Note II. A.

## Governmental Activities

The Governmental activities increased the County's net position by \$62,887 for the year ended June 30, 2015:

- Total revenues increased by 4.1%, charges for services, operating grants and sales & use made up a majority of the increase. Total expenses decreased by 1.0% from small decreases in salaries and benefits, services and supplies and other charges.
- As an arm of the State government, operating grants and contributions serve multiple programs, representing 71.29% 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 3.1% from the prior year.

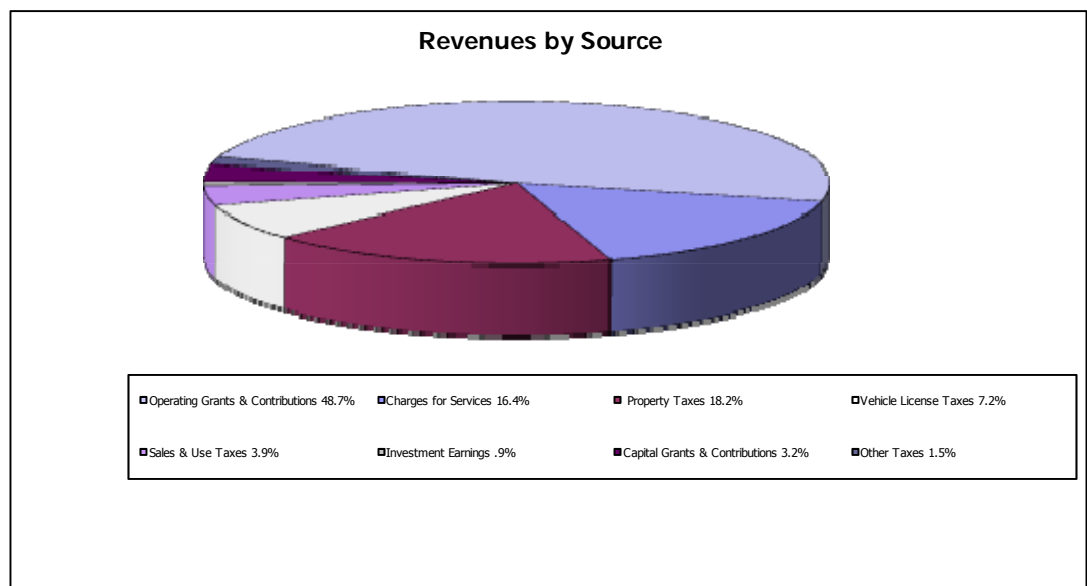
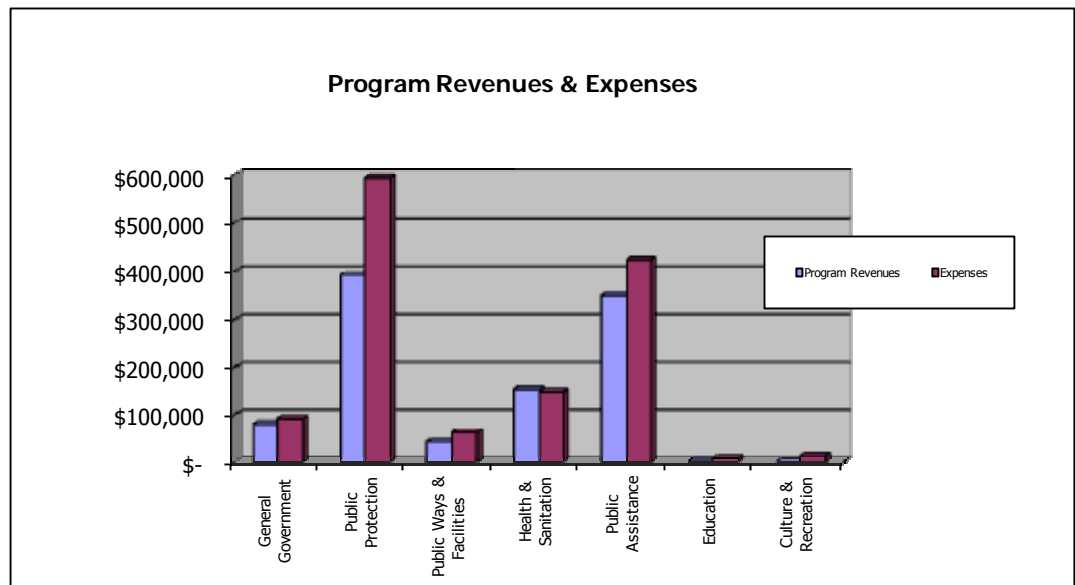
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. The increase in tax revenue is due primarily to the following:

**Sales and Use Tax** revenue increased by \$6,443 or 12.3% from prior year.

**Vehicle License Tax** revenues increased by \$5,663 or 5.6% from prior year.

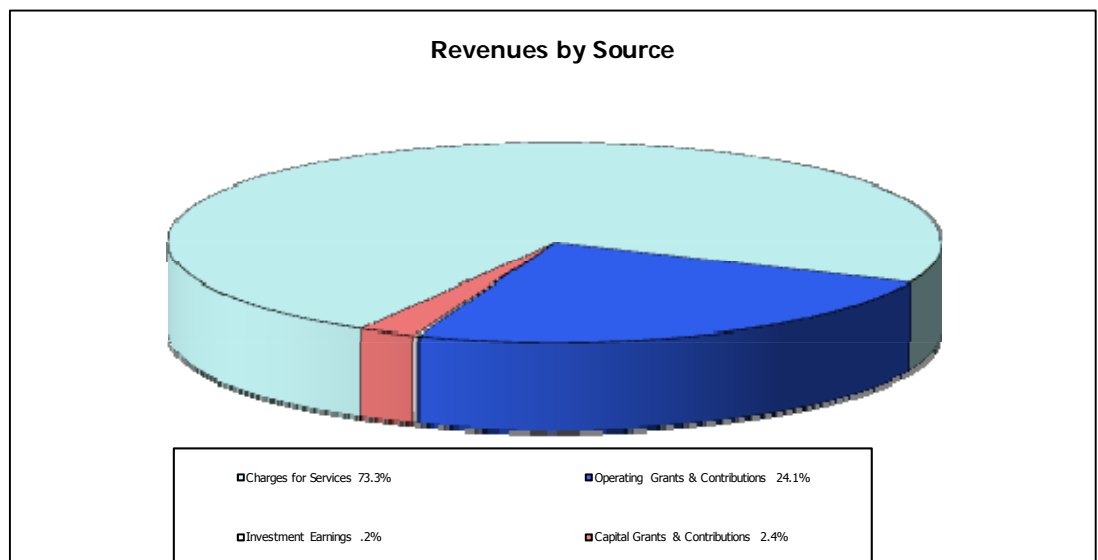
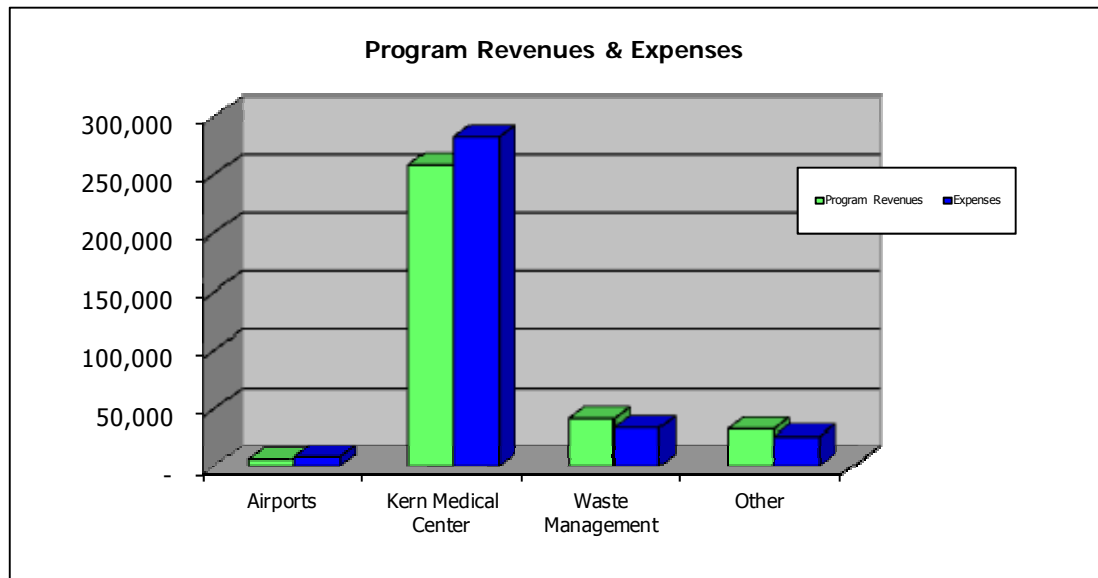
**Miscellaneous** revenues increased by \$8,453. Donations of roads into the County system from developers constitute a majority of the increase.

- Total expenses decreased by \$14,245 or 1.0% from small decreases in salaries and benefits, services and supplies and other charges. Public ways & facilities decreased from the prior year due to a one time contribution to the Thomas Roads Improvement Project and the other functions had increases due to GASB Statement No. 68 pension cost.



## Business-type Activities

Business-type activities' total net position increased the County's net position by \$38,129, which was an increase of \$14,377 as compared to the prior year's increase in net position of \$23,752. Charges for services increased by \$49,418 due primarily to KMC. Expenses in the government-wide business-type activities decreased by \$12,080, attributed to a reduction in salaries and benefits at KMC 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, 2015, the County's governmental funds reported total fund balances of \$661,793, an increase of 15.39% compared to prior year's total ending fund balance. Approximately \$640,660 or 96.81% 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, 2015, spendable fund balance of the General Fund was \$282,745. 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 49.20% of total General Fund expenditures, while total fund balance represents 52.35% of total General Fund expenditures.

The other governmental funds' fund balances increased by \$19,830 or 5.49%. The following major governmental funds **increased** in fund balance:

- Child Support – Fund balance increased by \$160 from the prior year due in part to regular operations.
- County Local Revenue – Fund balance increased by \$763 from prior year due in part to regular operations.
- Employers' Training Resource – Fund balance increased by \$291 from the prior year due to an increase in charges for current services.
- Mental Health – Fund balance increased by \$31,340 from the prior year due to an increase in charges for services and aid from other governmental agencies.
- Roads – Fund balance increased by \$2,979 from the prior year due to a decrease in expenditures.
- Structural Fire – Fund balance increased by \$2,559 from the prior year due to an increase in charges for services.
- Tobacco Securitization Proceeds – Fund balance increased by \$15,578 from the prior year due to additional proceeds from the refinancing of the Tobacco Bonds.

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

- Human Services – Fund balance decreased by \$22,057 from the prior year due to revenue not coming in as expected and expenditures not being adjusted for the revenue deficiency. In the subsequent fiscal year, the General fund has budgeted a contribution to fund the prior year deficit.
- Kern County Tobacco Funding Corporation – Fund balance decreased by \$724 due to the refinancing cost of the Tobacco Bonds.

### 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 \$40,900. The net position of Waste Management increased by \$8,595, primarily due to an increase in charges for services and a decrease in cost. The net position of Kern Medical Center increased by \$28,135 as a result of a decrease in salaries and benefit cost and increase in charges for services. The net position of Airports decreased by \$1,943

primarily due to increased service and supplies and depreciation expense. Additionally, the combined net position of the non-major enterprise funds increased by \$6,113.

The internal service funds had a decrease in net position of \$7,437 due to a decrease in charges for services.

**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. Significant variances are briefly summarized as follows:

- Increase in total General Government appropriations of \$37,988 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 \$6,595 includes prior year appropriations for capital projects and additional appropriations for salaries and benefits and service & supplies.
- 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:

- A positive variance of \$6,815 in Taxes, due to increased vehicle license fee taxes.
- Variances in appropriations for Capital Projects are the result of projects started in the fiscal year that will be completed in the subsequent years.
- General Government excess appropriations are the result of capital projects not started.
- Public Protection excess appropriations of \$12,210 are the result unspent funds in the service and supply object.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County’s total net capital assets are \$2,067,741 at June 30, 2015. 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
	2015	2014	2015	2014	2015	2014	
Land*	\$ 26,405	\$ 26,012	\$ 27,617	\$ 27,545	\$ 54,022	\$ 53,557	\$ 465
Land Acquisition in Progress			83	82	83	82	1
Construction in Progress	55,536	27,580	12,314	2,603	67,850	30,183	37,667
Works of Arts	60	60	198	198	258	258	
Infrastructure*	713,695	701,177	50,071	48,548	763,766	749,725	14,041
Structures and Improvements*	412,843	408,481	231,936	230,032	644,779	638,513	6,266
Equipment*	200,232	198,937	66,822	56,749	267,054	255,686	11,368
Intangibles*	1,119,650	1,111,156	10,831	10,337	1,130,481	1,121,493	8,988
<b>Total</b>	<b>\$ 2,528,421</b>	<b>\$ 2,473,403</b>	<b>\$ 399,872</b>	<b>\$ 376,094</b>	<b>\$ 2,928,293</b>	<b>\$ 2,849,497</b>	<b>\$ 78,796</b>

\*As restated. See Note II. A.

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

- Major construction in progress includes fire station replacements, 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 \$12,518.

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, 2015, the County's long-term debt is \$2,586,267, which is comprised of Certificates of Participation (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
	2015	2014	2015	2014	2015	2014	
Compensated Absences	\$ 54,556	\$ 54,989	\$ 11,068	\$ 12,899	\$ 65,624	\$ 67,888	\$ (2,264)
Lease Purchase Agreements	8,552	12,798	750	719	9,302	13,517	(4,215)
Certificates of Participation	89,732	93,001	9,172	11,894	98,904	104,895	(5,991)
Tobacco - Asset Backed Bonds	100,098	81,301			100,098	81,301	18,797
Bonds Payable	13,334	13,988			13,334	13,988	(654)
Loans Payable	4,922	5,266	6,930	7,709	11,852	12,975	(1,123)
Pension Obligation Bonds	247,301	280,342	37,256	43,060	284,557	323,402	(38,845)
Landfill Closure Liability			27,273	26,948	27,273	26,948	325
Post Closure Liability			35,777	35,486	35,777	35,486	291
Other Post-Employment Benefits	33,357	32,062	6,876	6,846	40,233	38,908	1,325
Net Pension Liability*	1,531,164	1,561,688	368,149	382,966	1,899,313	1,944,654	(45,341)
<b>Total</b>	<b>\$ 2,083,016</b>	<b>\$ 2,135,435</b>	<b>\$ 503,251</b>	<b>\$ 528,527</b>	<b>\$ 2,586,267</b>	<b>\$ 2,663,962</b>	<b>\$ (77,695)</b>

\*As restated. See Note II. A.

### 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 2015 – 2016. The recommended County budget for 2015 – 2016 is \$2.603 billion. The recommended budget for the General Fund for fiscal year 2015 – 2016 was recommended at \$746 million, which is 4.6% 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 by approximately \$33 million due to 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](http://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 located at P.O. Box 1000, Lebec, California 93243; and the Housing Authority of Kern County located at 601 24<sup>th</sup> Street, Bakersfield, California 93301.



# **BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

**COUNTY OF KERN  
STATEMENT OF NET POSITION  
JUNE 30, 2015 (IN THOUSANDS)**

	Primary Government			First 5 Kern
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and Investments	\$ 560,288	\$ 102,173	\$ 662,461	\$ 19,392
Restricted Cash and Investments	68,246	2,023	70,269	
Revolving Fund Cash	1,491	22	1,513	
Receivables, Net	146,497	30,784	177,281	1,745
Due from Other Agencies	9,294	47,758	57,052	
Inventories and Prepaid Expenses	9,058	4,798	13,856	35
Deposits with Others	1,915		1,915	
Internal Balances	32,006	(32,006)	0	
Investment in Joint Venture		2,411	2,411	
Capital Assets:			0	
Nondepreciable	1,196,231	40,212	1,236,443	
Depreciable, Net	657,359	173,939	831,298	11
Total Assets	<u>2,682,385</u>	<u>372,114</u>	<u>3,054,499</u>	<u>21,183</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	1,330	206	1,536	
Deferred Pensions	296,599	61,386	357,985	
Total Deferred Outflows of Resources	<u>297,929</u>	<u>61,592</u>	<u>359,521</u>	
<b>LIABILITIES</b>				
Accounts Payable	23,783	24,860	48,643	2,202
Salaries and Employee Benefits Payable	35,958	8,781	44,739	40
Claims Payable				
Due to Other Agencies	316	58,786	59,102	
Accrued Interest Payable	25,859	4,427	30,286	
Advances from Grantors and Third Parties	21,262	1,603	22,865	
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Long-Term Debt	22,658	6,209	28,867	
Capital Leases	3,689	131	3,820	
Compensated Absences	37,644	7,744	45,388	87
Landfill Closure/Post Closure Costs		3,228	3,228	
Liability for Self-Insurance	33,419		33,419	
Portion Due or Payable After One Year:				
Professional Liabilities		5,433	5,433	
Certificates of Participation	86,203	6,192	92,395	
Bonds and Notes Payable	335,116	34,681	369,797	
Unamortized Bond Premium/Discount	6,842	150	6,992	
Loans Payable	4,568	6,126	10,694	
Accrued Interest	137,542	24,582	162,124	
Capital Leases	4,863	619	5,482	
Compensated Absences	16,912	3,324	20,236	34
Liability for Pollution Remediation	2,050	6,111	8,161	
Accrued Landfill Closure/Post Closure Costs		59,822	59,822	
Liability for Other Post-Employment Benefits	33,357	6,876	40,233	
Liability for Self-Insurance	110,068		110,068	
Net Pension Liability	1,531,164	368,149	1,899,313	
Total Liabilities	<u>2,473,273</u>	<u>637,834</u>	<u>3,111,107</u>	<u>2,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pensions	186,826	37,450	224,276	
Total Deferred Outflows of Resources	<u>186,826</u>	<u>37,450</u>	<u>224,276</u>	
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,750,564	198,605	1,949,169	11
Restricted (Note XI. B):				
Debt Service	19,104	2,023	21,127	
Capital Projects	57,405	7,734	65,139	
General Government	4,049		4,049	
Public Protection	114,972		114,972	
Public Ways & Facilities	53,164		53,164	
Health and Sanitation	122,568		122,568	
Public Assistance	3,198		3,198	
Education	491	844	1,335	
Culture & Recreation Services	342		342	
Other Purposes				8,107
Unrestricted (Deficits)	<u>(1,805,642)</u>	<u>(450,784)</u>	<u>(2,256,426)</u>	<u>10,702</u>
Total Net Position	<u>\$ 320,215</u>	<u>\$ (241,578)</u>	<u>\$ 78,637</u>	<u>\$ 18,820</u>

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

**COUNTY OF KERN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			First 5 Kern
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Governmental Activities:								
General Government	\$ 92,981	\$ 65,900	\$ 14,344	\$ 1,648	\$ (11,089)		\$ (11,089)	
Public Protection	593,634	93,559	292,949	5,708	(201,418)		(201,418)	
Public Ways and Facilities	63,111	10,823		32,982	(19,306)		(19,306)	
Health and Sanitation	146,941	61,195	83,987	7,319	5,560		5,560	
Public Assistance	425,161	10,354	333,120		(81,687)		(81,687)	
Education	8,229	531	37		(7,661)		(7,661)	
Culture and Recreation Services	13,604	1,733	2		(11,869)		(11,869)	
Interest on Short and Long-term Debt	37,914				(37,914)		(37,914)	
Total Governmental Activities	<u>1,381,575</u>	<u>244,095</u>	<u>724,439</u>	<u>47,657</u>	<u>(365,384)</u>		<u>(365,384)</u>	
Business-type Activities:								
Airports	8,255	4,066	679	1,246		(2,264)	(2,264)	
County Sanitation Districts	3,807	4,368	153	1,029		1,743	1,743	
Golf Courses	509	282				(227)	(227)	
Kern Medical Center	281,624	183,547	80,961	80		(17,036)	(17,036)	
Public Transportation	9,099	6,929	713	5,765		4,308	4,308	
Universal Collection	12,862	12,963				101	101	
Waste Management	33,352	40,661	645			7,954	7,954	
Total Business-type Activities	<u>349,508</u>	<u>252,816</u>	<u>83,151</u>	<u>8,120</u>		<u>(5,421)</u>	<u>(5,421)</u>	
Total Primary Government	<u>\$ 1,731,083</u>	<u>\$ 496,911</u>	<u>\$ 807,590</u>	<u>\$ 55,777</u>	<u>(365,384)</u>	<u>(5,421)</u>	<u>(370,805)</u>	
<b>Component Unit:</b>								
First 5 Kern	\$ 11,228	\$	\$ 10,015	\$				(1,213)
General Revenues:								
Taxes:								
Property Taxes					270,191		270,191	
Aircraft Taxes					120		120	
Sales and Use Taxes					58,683		58,683	
Transient Occupancy Tax					2,721		2,721	
Special Assessments					2,710		2,710	
Transfer Taxes					3,183		3,183	
Other Taxes					1,664		1,664	
Property Taxes in Lieu of Motor Vehicle License Fees					107,308		107,308	
Grants and Contributions not Restricted to Specific Programs								
Unrestricted Investment Earnings					12,785	634	13,419	92
Miscellaneous					11,822		11,822	
Transfers					(42,916)	42,916		
Total General Revenues and Transfers					<u>428,271</u>	<u>43,550</u>	<u>471,821</u>	<u>92</u>
Change in Net Position					62,887	38,129	101,016	(1,121)
Net Position--beginning (as restated, Note II. A)					257,328	(279,707)	(22,379)	19,941
Net Position--ending					<u>\$ 320,215</u>	<u>\$ (241,578)</u>	<u>\$ 78,637</u>	<u>\$ 18,820</u>

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



# **BASIC FINANCIAL STATEMENTS**

## **Fund Financial Statements**

**COUNTY OF KERN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015 (IN THOUSANDS)**

Page 1 of 1

	<u>GENERAL FUND</u>	<u>CHILD SUPPORT SERVICES</u>	<u>COUNTY LOCAL REVENUE FUND</u>	<u>EMPLOYERS' TRAINING RESOURCE</u>	<u>HUMAN SERVICES</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Assets:						
Pooled Cash and Investments	\$ 229,810	\$ 592	\$ 12,552	\$ 2,287	\$	\$ 9,950
Cash and Investments Deposited with Trustee						
Revolving Fund Cash	1,322	48			101	
Interest Receivable	560				8	
Taxes Receivable	31,926					
Accounts Receivable					5,373	
Accrued Revenue	21,437	1,133	13,815	907	31,501	
Due from Other Funds	45,598			22	1,841	
Due from Other Agencies	4,160		3,268			
Loans Receivable	699					
Deposits with Others	136					
Prepaid Items	5,457					
Inventory - Materials and Supplies						
Total Assets	<u>341,105</u>	<u>1,773</u>	<u>29,635</u>	<u>3,216</u>	<u>38,824</u>	<u>9,950</u>
Deferred Outflows of Resources						
Tobacco Settlement Revenues						147,291
Total Deferred Outflows of Resources						147,291
Total Assets and Deferred Outflows of Resources	<u>\$ 341,105</u>	<u>\$ 1,773</u>	<u>\$ 29,635</u>	<u>\$ 3,216</u>	<u>\$ 38,824</u>	<u>\$ 157,241</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 9,877	\$ 70	\$ 177	\$ 1,027	\$ 1,192	\$
Salaries and Employee Benefits Payable	18,756	890			6,092	
Due to Other Funds	6,281		9,442	440	27,118	
Due to Other Agencies						
Advances from Grantors and Third Parties	1,428				19,804	
Total Liabilities	<u>36,342</u>	<u>960</u>	<u>9,619</u>	<u>1,467</u>	<u>54,206</u>	
Deferred Inflows of Resources:						
Tobacco Settlement Revenues						147,291
Unavailable Revenue - Property Taxes	3,231					
Unavailable Revenue - Reimbursements					5,261	
Unavailable Revenue - Other	699					
Total Deferred Inflows of Resources	<u>3,930</u>				<u>5,261</u>	<u>147,291</u>
Fund Balances:						
Nonspendable	18,088	48			101	
Restricted	10,867	765	20,016	1,749		9,950
Committed						
Assigned	156,780					
Unassigned	115,098				(20,744)	
Total Fund Balances (Deficits)	<u>300,833</u>	<u>813</u>	<u>20,016</u>	<u>1,749</u>	<u>(20,643)</u>	<u>9,950</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 341,105</u>	<u>\$ 1,773</u>	<u>\$ 29,635</u>	<u>\$ 3,216</u>	<u>\$ 38,824</u>	<u>\$ 157,241</u>

MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
						<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
						Assets:
\$ 101,899	\$ 44,736	\$ 21,419	\$ 22	\$ 102,206	\$ 515,523	Pooled Cash and Investments
3		5	49,360	8,936	68,246	Cash and Investments Deposited with Trustee
129	56	20		12	1,491	Revolving Fund Cash
379	15	1,729		55	828	Interest Receivable
12,549	665	4,533		329	33,984	Taxes Receivable
9,313		723			5,767	Accounts Receivable
398		6		17,138	103,678	Accrued Revenue
				1,429	58,926	Due from Other Funds
				763	8,595	Due from Other Agencies
					699	Loans Receivable
					136	Deposits with Others
					5,457	Prepaid Items
	2,441	1,035			3,476	Inventory - Materials and Supplies
124,670	47,913	29,470	49,382	130,868	806,806	Total Assets
					147,291	Deferred Outflows of Resources
						Tobacco Settlement Revenues
					147,291	Total Deferred Outflows of Resources
\$ 124,670	\$ 47,913	\$ 29,470	\$ 49,382	\$ 130,868	\$ 954,097	Total Assets and Deferred Outflows of Resources
						<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
						Liabilities:
\$ 5,641	\$ 547	\$ 565	\$	\$ 2,540	\$ 21,636	Accounts Payable
2,190	838	6,411		700	35,877	Salaries and Employee Benefits Payable
				11,651	54,932	Due to Other Funds
195				121	316	Due to Other Agencies
				30	21,262	Advances from Grantors and Third Parties
8,026	1,385	6,976		15,042	134,023	Total Liabilities
					147,291	Deferred Inflows of Resources:
		1,491		308	5,030	Tobacco Settlement Revenues
					5,261	Unavailable Revenue - Property Taxes
					699	Unavailable Revenue - Reimbursements
						Unavailable Revenue - Other
		1,491		308	158,281	Total Deferred Inflows of Resources
3	2,441	1,040		12	21,733	Fund Balances:
116,641	44,087	6,081	49,382	84,604	344,142	Nonspendable
		2,468		23,607	26,075	Restricted
		11,414		7,295	175,489	Committed
					94,354	Assigned
116,644	46,528	21,003	49,382	115,518	661,793	Unassigned
						Total Fund Balances (Deficits)
\$ 124,670	\$ 47,913	\$ 29,470	\$ 49,382	\$ 130,868	\$ 954,097	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, 2015 (IN THOUSANDS)**

Fund Balances - Total Governmental Funds:	\$	661,793	
Capital assets used in governmental activities are not financial resources; therefore, the capital assets are not reported in the governmental funds.			1,848,385
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized when earned in governmental activities.			10,990
Deferred outflows and inflows of resources reported in the statement of net position, but not recognized in the governmental funds:			
Deferred outflows from losses on refunding of debt	\$	1,330	
Deferred pensions - outflow		295,901	
Deferred pensions - inflow		<u>(186,446)</u>	110,785
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.			(68,550)
Accrued interest expense does not require the use of current financial resources; therefore, it is not accrued as a liability in the governmental funds.			(163,029)
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	\$	(247,013)	
Bonds Payable		(106,769)	
Certificates of Participation		(89,553)	
Net Unamortized Premium/Discount on Long-term Debt		(6,842)	
Capital Leases		(8,552)	
Loan Payable		(4,922)	
Compensated Absences		(54,420)	
Net Other Post-Employment Benefits Obligation		(33,313)	
Net Pension Liability		(1,527,525)	
Pollution Remediation		<u>(2,050)</u>	<u>(2,080,959)</u>
Net Position of Governmental Activities	\$		<u><u>320,215</u></u>



COUNTY OF KERN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)

Page 1 of 1

	GENERAL FUND	CHILD SUPPORT SERVICES	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP.
<b>REVENUES:</b>						
Taxes	\$ 360,017	\$	\$	\$	\$	\$
Licenses, Permits and Franchises	13,050					
Fines, Forfeitures and Penalties	14,889					
Revenues from Use of Money and Property	10,409	7	(22)	10	27	646
Aid from Other Governmental Agencies	149,535	20,795	164,480	12,479	228,767	
Charges for Current Services	83,255	22		3,767	118	
Other Revenues	4,549	12		812	1,959	7,319
<b>Total Revenues</b>	<b>635,704</b>	<b>20,836</b>	<b>164,458</b>	<b>17,068</b>	<b>230,871</b>	<b>7,965</b>
<b>EXPENDITURES:</b>						
Current:						
General Government	107,628					26
Public Protection	391,542	20,676	3,458			
Public Ways and Facilities	237					
Health and Sanitation	41,043					
Public Assistance	12,488			7,171	388,492	
Education	7,919					
Culture and Recreation Services	11,831					
Capital Outlay	15					
Debt Service:						
Principal	618					84,870
Interest	1,364					5,167
Cost of Issuance						1,371
<b>Total Expenditures</b>	<b>574,685</b>	<b>20,676</b>	<b>3,458</b>	<b>7,171</b>	<b>388,492</b>	<b>91,434</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,019	160	161,000	9,897	(157,621)	(83,469)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	159,998			436	135,564	14
Transfers Out	(146,297)		(160,237)	(10,042)		(19,969)
Refunding Bonds Issued						95,860
Premium on Bond Issuance						6,840
Inceptions of Capital Leases	15					
<b>Total Other Financing Sources (Uses)</b>	<b>13,716</b>		<b>(160,237)</b>	<b>(9,606)</b>	<b>135,564</b>	<b>82,745</b>
Net Changes in Fund Balances	74,735	160	763	291	(22,057)	(724)
Fund Balances, July 1, 2014 (as previously reported)	226,326	653	19,253	1,458	7,722	10,674
Prior Period Adjustments	(228)				(6,308)	
<b>Fund Balances (Deficits), June 30, 2015</b>	<b>\$ 300,833</b>	<b>\$ 813</b>	<b>\$ 20,016</b>	<b>\$ 1,749</b>	<b>\$ (20,643)</b>	<b>\$ 9,950</b>

MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$	\$	\$	\$	\$	\$	REVENUES:
	2,492	108,359		2,711	473,579	Taxes
	4,210	702		7,680	25,642	Licenses, Permits and Franchises
		106		7,988	22,983	Fines, Forfeitures and Penalties
265	180	(42)	372	491	12,343	Revenues from Use of Money and Property
46,590	32,982	4,345		103,473	763,446	Aid from Other Governmental Agencies
48,217	4,653	32,911		7,506	180,449	Charges for Current Services
458	1,658	281		50,667	67,715	Other Revenues
<u>95,530</u>	<u>46,175</u>	<u>146,662</u>	<u>372</u>	<u>180,516</u>	<u>1,546,157</u>	Total Revenues
						EXPENDITURES:
				1,173	108,827	Current:
		150,552		8,931	575,159	General Government
	47,582			2,863	50,682	Public Protection
109,208				1,993	152,244	Public Ways and Facilities
				27,341	435,492	Health and Sanitation
					7,919	Public Assistance
				80	11,911	Education
				22,693	22,708	Culture and Recreation Services
						Capital Outlay
				37,978	123,466	Debt Service:
				15,081	21,612	Principal
					1,371	Interest
						Cost of Issuance
<u>109,208</u>	<u>47,582</u>	<u>150,552</u>		<u>118,133</u>	<u>1,511,391</u>	Total Expenditures
<u>(13,678)</u>	<u>(1,407)</u>	<u>(3,890)</u>	<u>372</u>	<u>62,383</u>	<u>34,766</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
						OTHER FINANCING SOURCES (USES):
49,972	4,420	7,555	19,969	38,659	416,587	Transfers In
(4,954)	(34)	(1,106)	(4,763)	(112,101)	(459,503)	Transfers Out
					95,860	Refunding Bonds Issued
					6,840	Premium on Bond Issuance
					15	Inceptions of Capital Leases
<u>45,018</u>	<u>4,386</u>	<u>6,449</u>	<u>15,206</u>	<u>(73,442)</u>	<u>59,799</u>	Total Other Financing Sources (Uses)
31,340	2,979	2,559	15,578	(11,059)	94,565	Net Changes in Fund Balances
85,304	42,925	18,444	33,804	126,973	573,536	Fund Balances, July 1, 2014 (as previously reported)
	624			(396)	(6,308)	Prior Period Adjustments
<u>\$ 116,644</u>	<u>\$ 46,528</u>	<u>\$ 21,003</u>	<u>\$ 49,382</u>	<u>\$ 115,518</u>	<u>\$ 661,793</u>	Fund Balances (Deficits), June 30, 2015

**COUNTY OF KERN  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF  
ACTIVITIES - GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Net Change in Fund Balance - Total Governmental Funds:	\$	94,565
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	\$ 54,621	
Less: current year depreciation	(45,708)	
Retirement of capital assets	<u>(715)</u>	8,198
Capital contributions of capital assets are not reported on governmental funds but recorded at fair value on the Statement of Net Position.		8,642
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:		
Inception of capital leases	\$ (15)	
Refunding of tobacco bonds	(95,860)	
Premium on refunding	<u>(6,841)</u>	(102,716)
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	\$ (26,978)	
Change in unavailable reimbursements and other revenues	<u>1,303</u>	(25,675)
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	\$ 32,969	
Certificates of Participation	3,233	
Capital Leases	4,261	
Tobacco - Asset Backed Bonds (defeasance of old debt: \$82,445)	84,870	
Bonds Payable	654	
Loans Payable	<u>344</u>	126,331
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	\$ (14,283)	
Change in compensated absences	451	
Change in Other Post-Employment Benefits obligation	(1,295)	
Change in net pension liability	<u>(26,918)</u>	(42,045)
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	\$ 214	
Amortization of losses on refunding	(56)	
Bond call premium added to deferred charge on refunding	<u>95</u>	253
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.		<u>(4,666)</u>
Change in Net Position of Governmental Activities	\$	<u><u>62,887</u></u>

**COUNTY OF KERN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
<b>ASSETS</b>						
Current Assets:						
Pooled Cash and Investments	\$ 782	\$ 8,578	\$ 78,255	\$ 14,558	\$ 102,173	\$ 44,765
Revolving Fund Cash	1	11	10		22	
Interest Receivable		11	106	14	131	60
Accounts Receivable, Net	48	23,652	1,438		25,138	
Accrued Revenue	51		522	1,487	2,060	1,380
Due from Other Funds		278		59	337	308
Due from Other Agencies		47,758			47,758	
Prepaid Items		1,898			1,898	
Inventory - Materials and Supplies		2,900			2,900	125
Total Current Assets	882	85,086	80,331	16,118	182,417	46,638
Non-current Assets:						
Cash and Investments Deposited with Trustee		896	1,127		2,023	
Taxes Receivable			1,735	1,720	3,455	
Deposits with Others						1,779
Investment in Joint Venture				2,411	2,411	
Capital Assets:						
Non-depreciable:						
Land	10,395	168	16,386	668	27,617	
Land Acquisition in Progress			83		83	
Works of Art	198				198	
Construction in Progress	3,383	1,085	7,600	246	12,314	
Depreciable:						
Structures and Improvements	58,691	82,050	74,954	16,241	231,936	
Equipment	2,340	39,062	6,165	19,255	66,822	11,148
Intangible		10,347	238	246	10,831	37
Infrastructure	39,668			10,403	50,071	
Accumulated Depreciation and Amortization	(36,804)	(84,410)	(41,775)	(22,732)	(185,721)	(5,980)
Total Non-current Assets	77,871	49,198	66,513	28,458	222,040	6,984
Total Assets	78,753	134,284	146,844	44,576	404,457	53,622
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amount on Refunding	69	137			206	
Deferred Pensions	759	54,533	5,359	735	61,386	698
Total Deferred Outflows of Resources	828	54,670	5,359	735	61,592	698
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	283	21,235	2,219	1,123	24,860	2,147
Salaries and Employee Benefits Payable	93	7,990	618	80	8,781	81
Due to Other Agencies		58,786			58,786	
Due to Other Funds		4,580	59		4,639	
Current Portion of Long-Term Debt	780	3,251	2,136	42	6,209	25
Current Portion of Capital Leases		131			131	
Interest Payable - Current	156	3,896	312	63	4,427	57
Current Portion of Compensated Absences	135	6,630	866	113	7,744	94
Current Portion of Accrued Closure/Post Closure Liability			3,228		3,228	
Current Portion of Liability for Self-Insurance						33,419
Advances from Grantors and Third Parties			33	1,570	1,603	
Total Current Liabilities	1,447	106,499	9,471	2,991	120,408	35,823
Non-current Liabilities:						
Loans Payable	5,870		256		6,126	
Estimate for Professional Liability Claims		5,433			5,433	
Compensated Absences Payable	61	2,842	371	50	3,324	42
Long-Term Debt - Self-Insurance						110,068
Long-Term Debt - Capital Leases		619			619	
Long-Term Debt - Certificates of Participation		4,237	1,955		6,192	
Unamortized Bond Premium/Discount		237	(87)		150	
Long-Term Debt - Pension Obligation Bonds	517	30,923	2,647	594	34,681	263
Long-Term - Interest Payable - Pension Obligation Bonds	408	22,266	1,537	371	24,582	315
Pollution Remediation Obligation			6,111		6,111	
Accrued Closure Liability			24,905		24,905	
Accrued Post Closure Liability			34,917		34,917	
Other Post-Employment Benefits (OPEB) Obligation	94	6,070	624	88	6,876	44
Net Pension Liability	3,847	330,493	29,610	4,199	368,149	3,639
Total Non-current Liabilities	10,797	403,120	102,846	5,302	522,065	114,371
Total Liabilities	12,244	509,619	112,317	8,293	642,473	150,194
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Pensions	422	33,504	3,089	435	37,450	380
Total Deferred Inflows of Resources	422	33,504	3,089	435	37,450	380
<b>NET POSITION</b>						
Net Investment in Capital Assets	71,260	43,125	59,893	24,327	198,605	5,205
Restricted for:						
Debt Service (Note XI. B)		896	1,127		2,023	1,779
Capital Assets		7,734			7,734	
Education		844			844	
Unrestricted	(4,345)	(406,768)	(24,223)	12,256	(423,080)	(103,238)
Total Net Position	\$ 66,915	\$ (354,169)	\$ 36,797	\$ 36,583	\$ (213,874)	\$ (96,254)
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(27,704)	
Net Position of Business-Type Activities					\$ (241,578)	

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, 2015 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Patient Services	\$	\$ 168,846	\$	\$	\$ 168,846	\$
Charges for Current Services	205	14,701	40,324	18,227	73,457	165,043
Revenues from Use of Property	3,140		24	126	3,290	
Other Operating Revenues	95				95	
Total Operating Revenues	3,440	183,547	40,348	18,353	245,688	165,043
OPERATING EXPENSES:						
Salaries and Employee Benefits	1,886	167,136	12,007	1,717	182,746	10,127
Services and Supplies	2,248	91,285	17,010	22,550	133,093	20,252
Claims Incurred						147,349
Other Charges	380	11,985	1,101	326	13,792	4,239
Depreciation and Amortization	3,412	4,994	2,555	1,553	12,514	878
Total Operating Expenses	7,926	275,400	32,673	26,146	342,145	182,845
Operating Income (Loss)	(4,486)	(91,853)	7,675	(7,793)	(96,457)	(17,802)
NON-OPERATING REVENUES (EXPENSES):						
Taxes and Assessments	616			5,902	6,518	
Fines, Forfeitures and Penalties	1		313	279	593	
Licenses, Permits and Franchises	9			8	17	
Interest on Bank Deposits and Investments	27	92	375	139	633	336
Aid from Other Governmental Agencies	635	80,961	226	713	82,535	323
Other Non-Operating Revenues	44		419	153	616	9,332
Interest Expense	(274)	(3,806)	(401)	(63)	(4,544)	(43)
(Loss) on Sale of Capital Assets		(16)	(12)	(19)	(47)	(111)
Total Non-Operating Revenues (Expenses), Net	1,058	77,231	920	7,112	86,321	9,837
Income (Loss) before Contributions and Transfers	(3,428)	(14,622)	8,595	(681)	(10,136)	(7,965)
OTHER FINANCING SOURCES						
Capital Contributions	1,246	80		6,794	8,120	528
Transfers In	239	42,677			42,916	
Total Other Financing Sources	1,485	42,757		6,794	51,036	528
Changes in Net Position	(1,943)	28,135	8,595	6,113	40,900	(7,437)
Net Position, July 1, 2014 (as previously reported)	71,891	(57,996)	57,567	34,418		(85,337)
Prior Period Adjustments	(3,033)	(324,308)	(29,365)	(3,948)		(3,480)
Net Position, June 30, 2015	\$ 66,915	\$ (354,169)	\$ 36,797	\$ 36,583		\$ (96,254)
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(2,771)	
Change in Net Position - Business-Type Activities					\$ 38,129	

**COUNTY OF KERN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received for Patient/Current Services	\$ 475	\$ 224,118	\$ 40,147	\$ 18,127	\$ 282,867	\$ 1,502
Cash Received for Use of Property	3,140		24	169	3,333	
Cash Received for Interfund Services Provided						163,379
Cash Received for Other Operations	95				95	5
Cash Paid for Salaries and Benefits	(1,966)	(172,607)	(12,752)	(1,841)	(189,166)	(10,223)
Cash Paid for Services and Supplies	(1,848)	(71,707)	(12,930)	(22,827)	(109,312)	(24,224)
Cash Paid for Reported Claims						(147,894)
Cash Paid for Interfund Services and Supplies	(329)	(22,345)	(2,389)	(310)	(25,373)	
Cash Paid for Other Charges	(380)	(11,469)	(776)	(326)	(12,951)	(4,240)
Deposits with Others						25
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(813)</b>	<b>(54,010)</b>	<b>11,324</b>	<b>(7,008)</b>	<b>(50,507)</b>	<b>(21,670)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Cash Received from Other Funds		42,695			42,695	9,247
Cash Received for Other Non-Operations	44		419		463	212
Cash Received for Taxes and Special Assessments	616			5,902	6,518	
Cash Received as Fines, Forfeitures, and Penalties	1		313	287	601	
Cash Received for Licenses, Permits & Franchises	9				9	
Cash Received from Advances		218,781			218,781	
Cash Paid for Advances		(275,518)			(275,518)	
Cash Paid to Other Funds						
Aid from Other Governmental Agencies	1,086	77,202	226		78,514	28
Payment of Long-Term Debt - Pension Obligation Bond	(95)	(5,249)	(370)	(79)	(5,793)	(72)
Interest Paid on Pension Obligation Bond	(21)	(1,241)	(119)	(20)	(1,401)	(10)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>1,640</b>	<b>56,670</b>	<b>469</b>	<b>6,090</b>	<b>64,869</b>	<b>9,405</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from Sale of Capital Assets			4		4	39
Capital Contributions	1,246			1,660	2,906	126
Acquisition or Construction of Capital Assets	(3,433)	(5,394)	(9,306)	(6,206)	(24,339)	(1,207)
Cash Paid For Capital Lease		(828)			(828)	
Principal Paid on Capital Debt	(715)	(902)	(1,879)		(3,496)	
Interest Paid on Capital Debt	(212)	(259)	(107)		(578)	
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(3,114)</b>	<b>(7,383)</b>	<b>(11,288)</b>	<b>(4,546)</b>	<b>(26,331)</b>	<b>(1,042)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest on Bank Deposits and Investments	27	91	335	130	583	330
<b>Net Cash Provided by Investing Activities</b>	<b>27</b>	<b>91</b>	<b>335</b>	<b>130</b>	<b>583</b>	<b>330</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>(2,260)</b>	<b>(4,632)</b>	<b>840</b>	<b>(5,334)</b>	<b>(11,386)</b>	<b>(12,977)</b>
Cash and Investments, July 1, 2014	3,042	14,117	78,552	19,892	115,603	57,742
<b>Cash and Investments, June 30, 2015</b>	<b>\$ 782</b>	<b>\$ 9,485</b>	<b>\$ 79,392</b>	<b>\$ 14,558</b>	<b>\$ 104,217</b>	<b>\$ 44,765</b>

**COUNTY OF KERN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL	
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (4,486)	\$ (91,853)	\$ 7,675	\$ (7,793)	\$ (96,457)	\$ (17,802)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	3,412	4,994	2,555	1,553	12,514	878
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	270	(7,223)	(335)		(7,288)	
(Increase) Decrease in Due from Other Agencies		(4,267)			(4,267)	
(Increase) Decrease in Inventory		122			122	37
(Increase) Decrease in Accrued Revenue			148	(36)	112	(257)
(Increase) Decrease in Taxes Receivable			(2)	(68)	(70)	
(Increase) Decrease in Due from Others			27	(59)	(32)	56
(Increase) Decrease in Deferred Pensions Outflow	(381)	(24,510)	(2,591)	(409)	(27,891)	(357)
(Increase) Decrease in Deposits with Others			(18)		(18)	25
(Increase) Decrease in Prepaid Items		(501)			(501)	38
Increase (Decrease) in Accounts Payable		(606)			(606)	
Increase (Decrease) in Accrued Expenses	71	324	615	(514)	496	(2,048)
Increase (Decrease) in Salaries & Benefits Payable	11	545	35	1	592	12
Increase (Decrease) in Due to Others			3	(14)	(11)	
Increase (Decrease) in Due to Other Agencies		52,060			52,060	
Increase (Decrease) in Deferred Pensions Inflow	421	33,504	3,089	435	37,449	380
Increase (Decrease) in Compensated Absences Payable	20	(1,780)	(97)	25	(1,832)	17
Increase (Decrease) in Provision for Liability Claims		(1,589)			(1,589)	(2,501)
Increase (Decrease) in Pollution Remediation			785		785	
Increase (Decrease) in Closure/Post Closure Liability			615		615	
Increase (Decrease) in Advances from Grantors and Third Parties				44	44	
Increase (Decrease) in Other Post-Employment Benefits Obligation	16	25	42	(2)	81	2
Increase (Decrease) in Net Pension Liability	(167)	(13,255)	(1,222)	(171)	(14,815)	(150)
Total Adjustments	3,673	37,843	3,649	785	45,950	(3,868)
Net Cash Provided (Used) by Operating Activities	\$ (813)	\$ (54,010)	\$ 11,324	\$ (7,008)	\$ (50,507)	\$ (21,670)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Borrowing Under Capital Lease	\$	\$ 822	\$	\$	\$ 822	\$
Capital Contributions		80		5,134	5,214	402
Total Non-cash Investing, Capital, and Financing Activities	\$	\$ 902	\$	\$ 5,134	\$ 6,036	\$ 402

**COUNTY OF KERN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015 (IN THOUSANDS)**

<b>ASSETS</b>	<b>INVESTMENT TRUST FUND</b>	<b>OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST</b>	<b>AGENCY FUNDS</b>
Cash and Cash Equivalents	\$ 1,737,683	\$ 60,187	\$ 243,460
Receivables:			
Accounts	50		
Taxes			52,786
Interest and Dividends	1,862		255
Due from Other Agencies			19,911
Capital Assets, Net of Accumulated Depreciation	20		
Total Assets	<u>1,739,615</u>	<u>60,187</u>	<u>\$ 316,412</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pensions	440		
Total Deferred Outflows of Resources	<u>440</u>		
<b>LIABILITIES</b>			
Warrants Payable	25,425		10,991
Accounts Payable	2,748		
Matured Bonds & Interest Payable	139		1,231
Due to Other Agencies	9,023		303,870
Unapportioned Installment Redemptions			320
Net Pension Liability	2,603		
Total Liabilities	<u>39,938</u>		<u>\$ 316,412</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pensions	263		
Total Deferred Inflows of Resources	<u>263</u>		
<b>NET POSITION</b>			
Net Position Held in Trust for Pool Participants	1,699,854		
Net Position Held in Trust for OPEB	<u>\$</u>	<u>\$ 60,187</u>	



**COUNTY OF KERN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>INVESTMENT TRUST FUND</u>	<u>OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST</u>
ADDITIONS:		
Contributions	\$ 7,375,972	\$ 12,082
Use of Money and Property	<u>6,081</u>	<u>1,777</u>
Total Additions	<u>7,382,053</u>	<u>13,859</u>
DEDUCTIONS:		
Distributions	7,146,896	8,411
Fiscal Agent Expense	<u>                    </u>	<u>195</u>
Total Deductions	<u>7,146,896</u>	<u>8,606</u>
Change in Net Position	235,157	5,253
Net Position, July 1, 2014 (as previously reported)	<u>1,467,168</u>	<u>54,934</u>
Prior Period Adjustment	<u>(2,471)</u>	<u>                    </u>
Net Position, June 30, 2015	<u>\$ 1,699,854</u>	<u>\$ 60,187</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, 2015 (IN THOUSANDS)**

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**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 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 Certificates of Participation 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 of California, 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  
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**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 of California'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 of California. 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. At the 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 Housing Authority's Treasurer at 601 24<sup>th</sup> 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 of California. 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, 2015 (IN THOUSANDS)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS**

**New Accounting Pronouncements**

Statement No. 68	<i>Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27</i>	This Statement has been implemented in the June 30, 2015 financial statements.
Statement No. 69	<i>Government Combinations and Disposals of Government Operations</i>	The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.
Statement No. 71	<i>Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68</i>	This Statement has been implemented in the June 30, 2015 financial statements.

**New Accounting Pronouncements Affecting Future Fiscal Years**

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. 74	<i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	The provisions in GAS 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. 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.

**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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Government-Wide Financial Statements (continued)**

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.

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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (continued)**

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 of California 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:

**Child Support Services** 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. This special revenue fund is funded primarily by Federal aid and also receives interest and other miscellaneous revenue.

**County Local Revenue Fund** accounts for sales tax revenues from the State of California's 2011 Realignment of public safety custodial responsibility of non-violent, non-sex, and non-serious offenders to local jails. Also, the State of California parole function was delegated to the County. In conjunction with the public safety realignment, the State of California 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 of California no longer participates in the share of cost. Proceeds are split between Public Protection, Health and Sanitation, and Public Assistance.

**Employers' Training Resource (ETR)** 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. This special revenue fund is funded primarily through federal aid and also receives some funding for services provided and interest revenue.

**Road** 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.

COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Fund Financial Statements (continued)**

**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.

**Tobacco Securitization Proceed** 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:

**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.

**Kern Medical Center (KMC) (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 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 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 of California 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.

**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, 2015 (IN THOUSANDS)**

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**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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Investments (continued)**

average daily balance within the pool. The unrealized increase or decrease in the fair value of the investments have been recognized.

**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. 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 of California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total 2014 - 2015 net assessed valuation of the County was \$97,780,480. 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 KMC Enterprise Fund consist of expendable supplies held for consumption. KMC 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.

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Inventory - Materials and Supplies (continued)**

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.

**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 market 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	30-60 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 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.

COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**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.

**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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. HOSPITAL AND OTHER PROGRAM REVENUES**

**Medi-Cal and Medicare Programs (continued)**

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 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 of California.

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 KMC 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 KMC to refund the overpayment.

The issues surrounding the OIG audit are serious and affect every DSH participant hospital in the State. The State of California has contended that payments made to KMC 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 KMC disagree with the preliminary findings of the OIG, and maintain that the DSH payments were properly paid. Furthermore, both the State of California and the Medical Center 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 Centers for Medicare and Medicaid Services (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 County 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) Medi-Cal Disproportionate Share Hospital (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 FY 2013-2014. The non-federal share of these

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)**

**Other Program Revenues (CONTINUED)**

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).

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 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. KMC 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 KMC 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 AB 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. Kern 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 FY 13-14) of the savings realized by the County back to the State.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**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, 2014. The impacts of these restatements in the government-wide and fund financial statements are as follows:

Fund Balances – Governmental Activities	
Fund Balances – Governmental Funds at June 30, 2014, as previously reported	\$ 573,536
Prior Period Adjustments:	
Correction of revenue accrual amounts - General Fund	(228)
Correction of revenue accrual amounts - DHS	(6,308)
Correction of prior year transfer - Roads	624
Correction of prior year transfer - Hageman Road SOG Fund	(624)
Correction of revenue accrual amounts - Sheriff Judgement Debtors Fee Fund	228
Fund Balances – Governmental Activities at June 30, 2014, as restated	<u>\$ 567,228</u>
Net Position – Business-type Activities	
Net Position – Business-type Activities at June 30, 2014, as previously reported	\$ 105,880
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 68 - KMC	(324,308)
To record change in accounting per GASB Statement No. 68 - Airports	(3,867)
To record Capital Asset and Accumulated Depreciation adjustment - Airports	834
Corrections to Depreciation Expense - Waste Management	(92)
To record change in accounting per GASB Statement No. 68 - Waste Management	(29,273)
To record change in accounting per GASB Statement No. 68 - Kern Sanitation	(3,634)
To record change in accounting per GASB Statement No. 68 - Transit	(642)
To record Capital Asset - Transit	328
Net Position – Business-type Activities at June 30, 2014, as restated	<u>\$ (254,774)</u>
Net Position – Internal Service Funds	
Net Position – Internal Service Funds at June 30, 2014, as previously reported	\$ (85,337)
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 68 - Garage	(3,480)
Net Position – Internal Service Funds at June 30, 2014, as restated	<u>\$ (88,817)</u>
Net Position – Governmental Activities - Government-Wide	
Net Position – Governmental Activities at June 30, 2014, as previously reported	\$ 1,779,476
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 68	(1,514,451)
Correction to Capital Assets	(1,389)
Net change change from Governmental Activities noted above	(6,308)
Net Position – Governmental Activities at June 30, 2014, as restated	<u>\$ 257,328</u>
Net Position – Business-type Activities - Government-Wide	
Net Position – Business-type Activities at June 30, 2014, as previously reported	\$ 80,947
Prior Period Adjustments:	
Net change change from Business-type Activities noted above	(360,654)
Net Position – Business-type Activities at June 30, 2014, as restated	<u>\$ (279,707)</u>
Net Position – Investment Trust Funds	
Net Position – Investment Trust Activities at June 30, 2014, as previously reported	\$ 1,467,168
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 68	(2,471)
Net Position – Investment Trust Activities at June 30, 2014, as restated	<u>\$ 1,464,697</u>

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. DEFICIT FUND BALANCES/DEFICIT NET POSITION**

The following funds have deficit net position at June 30, 2015:

Governmental Funds		Proprietary Funds	
Human Services	\$ (20,643)	KMC	\$ (354,169)
		General Liability	(22,679)
		Group Health	(2,687)
		Workers'	<u>(79,787)</u>
			<u>\$ (459,322)</u>

Human Services deficit is a result of revenue not coming in as expected and expenditures not adjusted for the revenue change. General Liability and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance. KMC'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 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 and the Authority, discretely presented component units, maintain their cash accounts with the County.

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

At June 30, 2015, the balance for Cash and Investments Deposited with Trustee consists of the following:

Money Market Accounts	\$ 3,557
Federal Agency	66,712
Total Cash and Investments Deposited with Trustee	<u>\$ 70,269</u>

Of the \$70,269 total cash and investments deposited with trustee, \$9,826 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, KMC, and Waste Management Enterprise Funds. \$49,360 is recorded in the Tobacco Securitization Fund and will be utilized for capital projects. \$9,950 is recorded on the Corporation and is held in trust for debt service reserves. \$913 also resides in



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**IV. CASH AND INVESTMENTS (CONTINUED)**

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

the Kern Public Services Financing Authority reserved for debt service. The funds are currently held by Wells Fargo Bank and U.S. Bank.

Of the \$70,269 on deposit with the Trustee, \$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.

**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).

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, 2015 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.

**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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**IV. CASH AND INVESTMENTS (CONTINUED)**

**C. INVESTMENTS (CONTINUED)**

**Custodial Credit Risk – Investments (continued)**

The County's investment in the Local Agency Investment Fund (LAIF) is \$49,054. The Local Investment Advisory Board has oversight responsibility for LAIF. The Local Investment Advisory Board consists of five members designated by State statute. The Chairman is the State Treasurer or his designated representative. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's position in the Pool.

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

Investment	Rating		Weighted Average Maturity
	Moody's	Standard & Poor's (S&P)	
Commercial Paper	P-1	A-1	0.23
Federal Agency Issues (Coupon)	Aaa	AA	3.56
Medium-Term Notes	A, Aa, Aaa, Baa	A, AA, AAA	2.98
Negotiable Certificates of Deposits	P-1	A-1	0.3
Treasury Securities	Aaa	AA	2.64
Municipal Bonds	Aaa	AAA	4.4
Supranational	Aaa	AAA	3.8
Portfolio Weighted Average Maturity			<u>2.56</u>

Investment	Fair Value	Principal	Maturity Range
State Treasury's Pool (LAIF)	\$ 49,003	\$ 49,054	
Commercial Paper	904,451	904,434	07/01/2015-12/30/2015
Federal Agency Issues (Coupon)	691,613	692,717	07/21/2015-04/29/2020
Medium-Term Notes	498,912	511,042	07/24/2015-02/07/2020
Negotiable Certificates of Deposits	284,926	285,003	07/01/2015-12/22/2015
Bank Accounts & Accruals	114,986	114,986	
Money Market (Coupon)	19,318	19,323	
Treasury Securities (Coupon)	39,850	39,947	04/15/17-4/30/2018
Municipal Bonds (Coupon)	9,912	10,055	9/1/2019
Supranational (Coupon)	49,818	50,000	01/17/2017-04/15/2020
	<u>\$ 2,662,789</u>	<u>\$ 2,676,561</u>	

The following represents a condensed statement of net position and changes in net position for the Pool as of June 30, 2015:

Statement of Net Position:

Total Assets Held for Pool Participants	\$ 2,662,789
Less: Warrants Payable	<u>36,416</u>
Pool Equity, Net	<u>\$ 2,626,373</u>

Equity of Internal Pool Participants	\$ 570,346
Equity of External Pool Participants (Voluntary & Involuntary)	<u>2,056,027</u>
Total Equity	<u>\$ 2,626,373</u>

Statement of Changes in Net Position:

Net Position at July 1, 2014	\$ 2,210,564
Net Changes in Investments by Pool Participant	<u>415,809</u>
Net Position at June 30, 2015	<u>\$ 2,626,373</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**IV. CASH AND INVESTMENTS (CONTINUED)**

**C. INVESTMENTS (CONTINUED)**

**Custodial Credit Risk – Investments (continued)**

Bank deposits are reported based upon balances at June 30, 2015, 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, \$66,712 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.

**V. RECEIVABLES**

**A. RECEIVABLES**

The County's net receivables for the year ended June 30, 2015 for the individual funds, non-major funds, and internal service funds are as follows:

Governmental Activities:	Interest	Taxes	Accounts	Other	Total Receivables
General Fund	\$ 560	\$ 31,926	\$	\$ 21,437	\$ 53,923
Child Support				1,133	1,133
County Local Revenue Fund				13,815	13,815
Employers' Training Resource				907	907
Human Services	8		5,373	31,501	36,882
Mental Health	129		379	12,549	13,057
Roads	56		15	665	736
Structural Fire	20	1,729		4,533	6,282
Other Non-major Governmental Funds	55	329		17,138	17,522
Internal Service Funds	60			1,380	1,440
Total Governmental Activities	<u>\$ 888</u>	<u>\$ 33,984</u>	<u>\$ 5,767</u>	<u>\$ 105,058</u>	<u>\$ 145,697</u>

The receivables category classified as Other is composed of receivables from State and other sources. The total amount of taxes receivable not expected to be collected within one-year totals \$33,984. Of this amount, \$31,926 is recorded in the General Fund, \$1,729 in the Structural Fire Fund and \$329 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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**V. RECEIVABLES (CONTINUED)**

**A. RECEIVABLES (CONTINUED)**

Business-type Activities:	Interest	Taxes	Accounts	Other	Gross Receivables	Allowance for Uncollectibles	Total Receivables
Airports	\$	\$	\$ 49	\$ 51	\$ 100	\$ 1	\$ 99
Kern Medical Center			140,119		140,119	116,467	23,652
Waste Management	106	1,735	1,447	522	3,810	9	3,801
Non-major Enterprise Funds	14	1,720		1,487	3,221		3,221
Total Business-type Activities	\$ 120	\$ 3,455	\$ 141,615	\$ 2,060	\$ 147,250	\$ 116,477	\$ 30,773

KMC's accounts receivable balance is \$140,119. Of the accounts receivable balance, KMC estimates not to collect \$116,467.

The \$3,455 taxes receivable is allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$1,735, \$539 and \$1,181, respectively.

**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, 2015 are as the follows:

Due From Other Funds	Due To Other Funds	Amount	Purpose
General Fund	County Local Revenue Fund	\$ 2,520	Realignment
	Employers' Training Resource	440	Expenditure Reimbursement
	Human Services	27,118	Cash Flow
	Kern Medical Center	4,580	Cash Flow
	Non-major Governmental Funds	10,940	Expenditure Reimbursement, Prop 172 Revenue, Cash Flow
		<u>45,598</u>	
Employers' Training Resource	County Local Revenue Fund	22	Realignment
Human Services	General Fund	941	Realignment
	County Local Revenue Fund	900	Realignment
		<u>1,841</u>	
Mental Health	General Fund	3,477	Realignment
	County Local Revenue Fund	5,836	Realignment
		<u>9,313</u>	
Structural Fire	General Fund	12	
	Non-major Governmental Funds	711	Prop 172 Revenue
		<u>723</u>	
Kern Medical Center	General Fund	278	Realignment
Non-major Governmental Funds	General Fund	1,265	Realignment
	County Local Revenue Fund	164	Realignment
		<u>1,429</u>	
Non-major Enterprise Funds	Solid Waste	59	Expenditure Reimbursement
Internal Service Funds	General Fund	308	Services Provided
Total		<u>\$ 59,571</u>	

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**VI. INTERFUND TRANSACTIONS (CONTINUED)**

**B. 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 \$1,326 in capital contributions in the major enterprise funds are capital grants received in Airports and Kern Medical Center. The \$6,794 of capital contribution in the Non-major Enterprise Funds is composed of a capital grant received in the Public Transportation Fund and capital asset received in the County Sanitation Districts.

Transfers Out	Transfers In	Amount
General Fund	Airports	\$ 239
	Human Services	80,590
	Kern Medical Center	42,677
	Mental Health	1,481
	Roads	4,072
	Non-Major Governmental Funds	<u>17,238</u>
		146,297
County Local Revenue Fund	General Fund	52,223
	Employers' Training Resource	436
	Human Services	54,236
	Mental Health	48,049
	Non-Major Governmental Funds	<u>5,293</u>
		160,237
Employers' Training Resource	General Fund	10,042
Kern County Tobacco Funding Corporation	Tobacco Securitization Proceeds	19,969
Mental Health	General Fund	4,954
Roads	General Fund	34
Structural Fire	General Fund	533
	Non-Major Governmental Funds	<u>573</u>
		1,106
Tobacco Securitization Proceeds	General Fund	1,875
	Kern County Tobacco Funding Corporation	14
	Non-Major Governmental Funds	<u>2,874</u>
		4,763
Non-Major Governmental Funds	General Fund	90,337
	Human Services	738
	Mental Health	442
	Roads	348
	Structural Fire	7,555
	Non-Major Governmental Funds	<u>12,681</u>
		112,101
Total		<u><u>\$ 459,503</u></u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**VII. CAPITAL ASSETS**

**A. CAPITAL ASSETS**

Capital asset governmental activity for the year ended June 30, 2015 is as follows:

	Beginning Balance Restated*	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land & Easement	\$ 26,012	\$ 393	\$	\$ 26,405
Construction in Progress	27,580	46,075	18,119	55,536
Intangibles	1,106,452	7,778		1,114,230
Works of Art	60			60
Total Capital Assets, not being depreciated	<u>1,160,104</u>	<u>54,246</u>	<u>18,119</u>	<u>1,196,231</u>
Capital Assets, being depreciated and amortized:				
Infrastructure	701,177	12,518		713,695
Structures & Improvements	408,481	4,362		412,843
Equipment*	198,937	11,243	9,948	200,232
Intangibles*	4,704	716		5,420
Total Capital Assets, being depreciated and amortized	<u>1,313,299</u>	<u>28,839</u>	<u>9,948</u>	<u>1,332,190</u>
Less: Accumulated Depreciation and Amortization for:				
Infrastructure*	315,145	26,118		341,263
Structures & Improvements*	182,100	7,584		189,684
Equipment*	138,116	12,767	9,061	141,822
Intangibles*	1,742	320		2,062
Total Accumulated Depreciation and Amortization	<u>637,103</u>	<u>46,789</u>	<u>9,061</u>	<u>674,831</u>
Total Capital Assets, being depreciated and amortized, net	<u>676,196</u>	<u>(17,950)</u>	<u>887</u>	<u>657,359</u>
Capital Assets, net	<u>\$ 1,836,300</u>	<u>\$ 36,296</u>	<u>\$ 19,006</u>	<u>\$ 1,853,590</u>

\*As restated see Note II. A

Accumulated depreciation and amortization additions include \$203 for equipment transferred from business-type activities to Governmental Activities.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**VII. CAPITAL ASSETS (CONTINUED)**

**A. CAPITAL ASSETS (CONTINUED)**

Capital asset business-type and component unit activity for the year ended June 30, 2015 is as follows:

	Beginning Balance Restated*	Additions	Deletions	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated:				
Land*	\$ 27,545	\$ 78	\$ 6	\$ 27,617
Land Acquisition in Progress	82	5	4	83
Construction in Progress	2,603	12,346	2,635	12,314
Works of Art	198			198
Total Capital Assets, not being depreciated	30,428	12,429	2,645	40,212
Capital Assets, being depreciated and amortized:				
Structures & Improvements*	230,032	1,969	65	231,936
Equipment	56,749	12,909	2,836	66,822
Intangibles	10,337	494		10,831
Infrastructure*	48,548	1,523		50,071
Total Capital Assets, being depreciated and amortized	345,666	16,895	2,901	359,660
Less: Accumulated Depreciation and Amortization for:				
Structures & Improvements*	95,984	7,125	46	103,063
Equipment*	43,500	3,346	2,774	44,072
Intangibles	9,223	570		9,793
Infrastructure*	27,261	1,532		28,793
Total Accumulated Depreciation and Amortization	175,968	12,573	2,820	185,721
Total Capital Assets, being depreciated and amortized, net	169,698	4,322	81	173,939
Capital Assets, net	\$ 200,126	\$ 16,751	\$ 2,726	\$ 214,151

\*As restated see note II. A

Accumulative depreciation and amortization additions include \$59 for equipment transferred from governmental funds to business-type activities.

The Tejon Ranch Public Facilities Financing Authority and the Housing Authority of the County of Kern component units do not have capital assets.

	Beginning Balance Restated	Additions	Deletions	Ending Balance
<b>First 5 Kern Component Unit Activities:</b>				
Capital Assets, being depreciated:				
Vehicles	\$ 25	\$	\$	\$ 25
Equipment	57		14	43
Less: Accumulated Depreciation	65	6	14	57
Capital Assets, net	\$ 17	\$ (6)	\$	\$ 11

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**VII. CAPITAL ASSETS (CONTINUED)**

**B. DEPRECIATION**

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

<b>Governmental Activities:</b>	
General	\$ 3,857
Public Protection	11,705
Public Ways and Facilities	27,213
Health and Sanitation	577
Public Assistance	683
Education	761
Culture and Recreation Services	912
Depreciation on Capital Assets Held by the County's Internal Service Funds are charged to various functions based on usage of the assets	878
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 46,586</u>
<b>Business-type Activities:</b>	
Airports	\$ 3,412
Kern Medical Center	4,994
Waste Management	2,555
County Sanitation Districts	381
Golf Course	148
Public Transportation	1,024
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 12,514</u>

**C. CONSTRUCTION IN PROGRESS**

Construction in progress for governmental funds represents work that is being performed on two new Fire Department fire stations, Information Technology Services (ITS) Replacement Facility, Animal Services shelter relocation, roads and a number of smaller projects. There are additional construction projects in progress for the business-type 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, 2015, amounted to \$12,818. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds:

Year Ending June 30,	Amount
2016	\$ 12,265
2017	10,240
2018	8,017
2019	6,855
2020	6,509
2021 - 2025	29,930
2026 - 2030	19,473
2031 - 2035	31
2036 - 2040	30
2041 - 2042	11
Total	<u>\$ 93,361</u>



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (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, 2015. 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
2016	\$ 3,871	\$ 143
2017	2,770	143
2018	1,637	143
2019	623	143
2020		143
2021		72
Total Minimum Lease Payments	8,901	787
Less: Amount Representing Interest	(349)	(37)
Present Value of Minimum Lease Payments	\$ 8,552	\$ 750

Interest expense for the capital leases for Governmental Activities and for Business-Type Activities for the current fiscal year was \$351 and \$33, 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, 2015:

Year Ending June 30, 2014	Governmental Activities	Business-Type Activities
Equipment	\$ 25,471	\$ 4,591
Total Capital Lease Assets, Gross	\$ 25,471	\$ 4,591

**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 \$1,230,342. 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, 2015 (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 Restated*	Additions	Deletions	June 30, 2015	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 54,989	\$ 36,898	\$ 37,331	\$ 54,556	\$ 37,644
Lease Purchase Agreements	12,798	15	4,261	8,552	3,689
Certificates of Participation	92,786		3,233	89,553	3,350
Unamortized Discount/Premium on Certificates of Participation	215		36	179	
Tobacco - Asset Backed Bonds	82,445	95,860	84,870	93,435	2,245
Tobacco - Unamortized Bond Premium	(1,144)	6,841	(966)	6,663	
Bonds Payable - Qualified Energy Conservation Bonds	3,703		274	3,429	279
Bonds Payable - Kern Public Services	10,285		380	9,905	395
Loans Payable - I Bank	5,266		344	4,922	354
Pension Obligation Bonds (1995)	65,101		24,694	40,407	6,317
Pension Obligation Bonds (2003)	172,956		8,347	164,609	9,718
Pension Obligation Bonds (2008)	42,285			42,285	
Other Post-Employment Benefit Obligation	32,062	1,295		33,357	
Net Pension Liability*	1,562,017		30,853	1,531,164	
Total Governmental Activities	2,135,764	140,909	193,657	2,083,016	63,991
<b>Business-type Activities:</b>					
Compensated Absences	12,899	10,268	12,099	11,068	7,744
Lease Purchase Agreements	719	822	791	750	131
Certificates of Participation	11,739		2,717	9,022	2,830
Unamortized Discount on Certificates of Participation	155		5	150	
Loans Payable - California Waste Management Board	384		64	320	64
Loan Payable - Airport	7,325		715	6,610	740
Pension Obligation Bonds (1995)	12,138		4,604	7,534	1,179
Pension Obligation Bonds (2003)	24,847		1,200	23,647	1,396
Pension Obligation Bonds (2008)	6,075			6,075	
Closure Liability	26,948	325		27,273	2,366
Post-Closure Liability	35,486	291		35,777	860
Other Post-Employment Benefit Obligation	6,846	30		6,876	
Net Pension Liability*	382,966		14,817	368,149	
Total Business-type Activities	528,527	11,736	37,012	503,251	17,310
 Total Government-wide Long-Term Liabilities	 \$ 2,664,291	 \$ 152,645	 \$ 230,669	 \$ 2,586,267	 \$ 81,301

\*As restated see Note II. A

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 \$98,575 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, \$89,553 is included in the governmental activities, \$5,177 is included as current and long-term debt of the KMC Fund and \$3,845 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 KMC 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
2016	\$ 905	\$ 153	\$ 1,058
2017	948	98	1,046
2018	427	52	479
2019	449	30	479
2020	468	9	477
Total	\$ 3,197	\$ 342	\$ 3,539

**2011 Refunding COP, Series A – KMC Portion**

The original issue amount of the 2011 Refunding COP, Series A – KMC, 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 – KMC Portion debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 940	\$ 204	\$ 1,144
2017	987	164	1,151
2018	1,033	125	1,158
2019	1,086	72	1,158
2020	1,131	23	1,154
Total	\$ 5,177	\$ 588	\$ 5,765

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (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
2016	\$ 2,445	\$ 4,492	\$ 6,937
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 - 2025	16,545	18,153	34,698
2026 - 2030	21,450	13,259	34,709
2031 - 2035	28,390	6,314	34,704
2036	6,741	198	6,939
Total	<u>\$ 86,356</u>	<u>\$ 59,384</u>	<u>\$ 145,740</u>

**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
2016	\$ 1,890	\$ 94	\$ 1,984
2017	1,955	32	1,987
Total	<u>\$ 3,845</u>	<u>\$ 126</u>	<u>\$ 3,971</u>

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  
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**IX. LONG-TERM DEBT (CONTINUED)**

**B. CERTIFICATES OF PARTICIPATION (CONTINUED)**

**Refunding COP, Series 2011 – Solid Waste (continued)**

	2015	2014	2013	2012	2011
Operating Revenues					
Land Use Fee	\$ 22,463	\$ 22,309	\$ 22,070	\$ 20,624	\$ 19,908
Gate Fee	11,830	11,470	10,512	9,331	9,059
Bin Fee	4,791	5,066	5,034	4,523	4,437
Other (includes interest income)	2,344	2,225	4,426	2,937	2,353
Total Operating Revenues	41,428	41,070	42,042	37,415	35,757
Operating Expenses					
Salaries	13,799	13,613	13,265	12,573	11,916
Services & Supplies	15,788	15,360	14,156	14,798	14,897
Transfer to Closure	914	1,237	1,537	235	
Other (excluding depreciation)	143	464	241	435	865
Total Operating Expenses	30,644	30,674	29,199	28,041	27,678
Net Operating Revenue	\$ 10,784	\$ 10,396	\$ 12,843	\$ 9,374	\$ 8,079
2002 Debt Service	\$ 1,973	\$ 1,961	\$ 1,982	\$ 1,958	\$ 2,037
Total Debt Service	\$ 1,973	\$ 1,961	\$ 1,982	\$ 1,958	\$ 2,037
Debt Service Coverage Ratio	5.47	5.30	6.48	4.79	3.97

**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
2016	\$ 740	\$ 198	\$ 938
2017	760	175	935
2018	785	151	936
2019	810	127	937
2020	835	102	937
2021-2023	2,680	139	2,819
Total	\$ 6,610	\$ 892	\$ 7,502

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (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
2016	\$ 354	\$ 141	\$ 495
2017	363	130	493
2018	373	120	493
2019	382	108	490
2020	393	97	490
2021 - 2025	2,126	302	2,428
2026 - 2027	931	29	960
Total	\$ 4,922	\$ 927	\$ 5,849

**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
2016	\$ 64	\$	\$ 64
2017	64		64
2018	64		64
2019	64		64
2020	64		64
Total	\$ 320	\$	\$ 320

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**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
2016	\$ 2,245	\$ 4,393	\$ 6,638
2017	2,290	4,304	6,594
2018	2,790	4,212	7,002
2019	2,860	4,100	6,960
2020	2,950	3,957	6,907
2021 - 2025	14,055	17,353	31,408
2026 - 2030	20,505	14,716	35,221
2031 - 2035	20,590	10,406	30,996
2036 - 2040	25,150	6,288	31,438
Total	<u>\$ 93,435</u>	<u>\$ 69,729</u>	<u>\$ 163,164</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**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
2016	\$ 395	\$ 509	\$ 904
2017	410	495	905
2018	425	479	904
2019	440	461	901
2020	460	441	901
2021 - 2025	2,660	1,854	4,514
2026 - 2030	3,455	1,064	4,519
2031 - 2032	1,660	145	1,805
Total	<u>\$ 9,905</u>	<u>\$ 5,448</u>	<u>\$ 15,353</u>

**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
2016	\$ 279	\$ 200	\$ 479
2017	285	183	468
2018	292	166	458
2019	298	148	446
2020	304	131	435
2021 - 2025	1,624	372	1,996
2026	347	15	362
Total	<u>\$ 3,429</u>	<u>\$ 1,215</u>	<u>\$ 4,644</u>



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 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, 2015, the amount of bonds included, as a component of the County's pension liability, was \$47,941. Of this amount, \$40,407 has been recorded in the governmental activities, and \$7,534 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, 2015, interest payments related to the bonds were \$1,064. Of this amount, \$896 was paid out of governmental funds and \$167 was paid out of business-type funds. The following is a summary of the County's total funding requirements of the bonds:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 7,496	\$ 24,875	\$ 32,371
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 - 2023	11,279	62,108	73,387
Total	<u>\$ 47,941</u>	<u>\$ 211,300</u>	<u>\$ 259,241</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 Series 2003A Bonds and \$50,000 was issued as Series 2003B 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 Series 2003A Bonds were issued as Current Interest Bonds and Capital Appreciation Bonds; the Series 2003B 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. Series 2003A 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  
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**IX. LONG-TERM DEBT (CONTINUED)**

**E. PENSION OBLIGATION BONDS (CONTINUED)**

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

At June 30, 2015, the amount of bonds included as a component of the County's pension liability was \$236,616. The following is a summary of the County's total funding requirements of the Series 2003A bonds:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 11,114	\$ 7,297	\$ 18,411
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 - 2025	98,531	38,935	137,466
2026 - 2027	15,762	38,650	54,412
Total	<u>\$ 188,256</u>	<u>\$ 107,743</u>	<u>\$ 295,999</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
2016	\$	\$ 2,024	\$ 2,024
2017		2,024	2,024
2018		2,024	2,024
2019		2,024	2,024
2020		2,024	2,024
2021 - 2025		10,119	10,119
2026 - 2028	48,360	3,904	52,264
Total	<u>\$ 48,360</u>	<u>\$ 24,143</u>	<u>\$ 72,503</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, 2015.

Beginning Balance	Additions	Deletions	Ending Balance
\$	\$ 200,000	\$ 200,000	\$

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015, were distributed as follows:

	GENERAL FUND	DEPT OF CHILD SUPPORT	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
<b>Nonspendable:</b>											
Receivables/Advances	\$ 16,630	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Prepaid/Deposits/Revolving Cash Inventory	1,458	48			101		3		5		12
<b>Total Nonspendable Fund Balance</b>	<b>18,088</b>	<b>48</b>			<b>101</b>		<b>3</b>	<b>2,441</b>	<b>1,035</b>		<b>12</b>
<b>Restricted for:</b>											
Aging and Adult Services											34
Animal Control Programs											245
Apparatus Replacement									240		
Assessor/Recorder Programs											4,970
Automated Fingerprint											180
Automated Warrant System											35
Bakersfield Mitigation								1,864			
Capital Improvement - Fire Stations									2,526		
Capital Projects	11										2,828
Child Support Enforcement		765								49,382	
Children Services	145										
Comm Corr. Performance Incentive											418
Community Development											679
CSAs - Health & Sanitation											1,486
CSAs - Public Protection											513
CSAs - Public Ways											4,827
Criminal Justice Facility											1,462
Criminalistics Lab											173
DA Court Ordered Penalties											1,403
Debt Service						9,950					9,122
DHS-Wraparound											3,952
District Attorney Equipment											504
DIVCA Franchise Fee											499
DNA Fund											247
Domestic Violence											97
Donations											
Emergency Medical Services											1,348
Engineering and Survey Services											72
Environmental Health											31
Fire Activity									2,805		
Fire Hazard Reduction									457		
Fire Prevention Activities									49		
Fire Truck Replacement									4		
Forfeitures											894
IHSS Public Authority											805
Juvenile Inmate Welfare											236
Kern County Childrens Fund											742

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**XI. FUND BALANCES/NET POSITION (CONTINUED)**

**A. FUND BALANCE (CONTINUED)**

	GENERAL FUND	DEPT OF CHILD SUPPORT	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITI-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Library Books											487
Local Public Safety											11,914
Mental Health - Alcohol Abuse											185
Mental Health - Drug Program											74
Mental Health - Prudent Reserve							12,373				
Mental Health Programs	332						104,268				
Micrographics											110
Off Highway Motor Vehcile License											453
Oildale Revitalization											8
Parks Services	2										342
Probation Programs											88
Probation Realignment											1,609
Project Impact Mitigation											14,315
Public Health Programs											297
Public Improvement Districts											
Range Improvement											94
Realignment			20,016								
Recorder	10										
Redemption Systems											2,047
Resource Management Agency											760
Roads - Construction Projects								31,521			
Roads - Maintenance								888			
Roads - Metro Bakersfield Impact								9,221			
Roads - Rosamond Impact								593			
Roads - Tehachapi Impact											1,808
Sheriff Programs											11,687
Teeter 1%	10,029										
Vital Health											503
Veterans Services	338										
Welfare Assistance Programs											
Wildlife Resources											21
Workforce Investment Act				1,749							
<b>Total Restricted Fund Balance</b>	<b>10,867</b>	<b>765</b>	<b>20,016</b>	<b>1,749</b>	<b>-</b>	<b>9,950</b>	<b>116,641</b>	<b>44,087</b>	<b>6,081</b>	<b>49,382</b>	<b>84,604</b>
<b>Committed to:</b>											
Mental Health Services											
Aging and Adult Services											1,726
Building Inspection											16,256
Engineering and Survery Services											5,265
Firework Safety & Enforcement									129		
Capital Projects									2,339		
IHSS Public Authority											360
<b>Total Committed Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,468</b>	<b>-</b>	<b>23,607</b>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XI. FUND BALANCES/NET POSITION (CONTINUED)**

**A. FUND BALANCE (CONTINUED)**

	GENERAL FUND	DEPT OF CHILD SUPPORT	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN COUNTY TOBACCO FUNDING CORP	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-TAZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
<b>Assigned to:</b>											
Encumbrances											
General Gov't - Major Maint	4,049										
General Gov't - Capital Proj	20,809										
General Gov't - Other	622										
Public Protection - Sheriff	2,122										
Public Protection - Probation	120										
Public Protection - Other	755										
Health	24										
Recreation and Culture	153										
Aging and Adult Services											
Animal Control Programs											
Assessor/Recorder Programs											
Board of Trade											216
Capital Projects											5,229
County Clerk											
Environmental Health	92										
Fire Department Capital									1,343		
Fire Protection Programs									10,071		
Fire Station Replacement	625										
Graffiti Abatement											
Human Services	16,453										
Information Technology Services											
Infrastructure Replacement	13,923										
Jail Operations	1,500										
Kern County Museum Foundation	750										
KMC Working Capital	30,206										
Library Books											3
Parks Services											
Planning Department											1,786
Retirement	18,869										
Safety Retirement	352										
Salary & Benefits Adjustment	872										
Sheriff Equipment	1,193										
Sheriff Programs											61
Tax Litigation	5,580										
Tax Reserve	37,665										
WESTARZ	46										
Total Assigned Fund Balance	156,780								11,414		7,295
<b>Unassigned Fund Balance:</b>	115,098				(20,744)						
Total Fund Balances	300,833	813	20,016	1,749	(20,643)	9,950	116,644	46,528	21,003	49,382	115,518

**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, 2015 (IN THOUSANDS)**

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**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 \$2,000.

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. Airports 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, 2015.

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, 2015 are as follows:

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**A. RISK MANAGEMENT (CONTINUED)**

	July 1, 2014	Claims & Changes in Estimates	Claims Payments	June 30, 2015	Due Within One Year
General Liability	\$ 35,588	\$ 594	\$ 425	\$ 35,757	\$ 3,767
Group Health	10,284	134,719	129,551	15,452	15,452
Unemployment Compensation	1,324	2,638	2,820	1,142	1,142
Workers' Compensation	98,793	3,051	10,708	91,136	13,058
Total	\$ 145,989	\$ 141,002	\$ 143,504	\$ 143,487	\$ 33,419

	July 1, 2013	Claims & Changes in Estimates	Claims Payments	June 30, 2014
General Liability	\$ 42,586	\$ 112	\$ 7,110	\$ 35,588
Group Health	10,278	108,024	108,018	10,284
Unemployment Compensation	1,206	3,063	2,945	1,324
Workers' Compensation	96,437	14,199	11,843	98,793
Total	\$ 150,507	\$ 125,398	\$ 129,916	\$ 145,989

KMC 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. KMC 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 \$5,433 at June 30, 2015. KMC had a \$2,500 self-insured retention per occurrence for medical malpractice as of June 30, 2015. 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 ended are as follows:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims & Changes in Estimates	Claims Payments	Claims Payable June 30,
2015	\$ 7,023	\$ (874)	\$ 716	\$ 5,433
2014	\$ 7,023			\$ 7,023

**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 is reported as a major enterprise fund on the fund financial statements.

**Kern Medical Center** is a hospital offering emergency care and inpatient and outpatient services to all classes of patients, including Medicare and Medi-Cal eligibles, medically indigent persons, and inmates of County institution and juvenile facilities. KMC 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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**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 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, 2015, there were approximately 1,183 retirees receiving the supplement. The supplement amount is permanently fixed once determined and is, depending on years of service, equal to 50 -100% of the active employee monthly health premium for a single individual at the time of retirement.

The Retiree Health Stipend (RHS) is available to employees who choose continuous County health coverage upon retirement. At June 30, 2015, there were approximately 2,922 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 single-employer benefit plans. Both the RHPSP and RHS are included as an internal service fund within these audited financial statements.

**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 ARC basis. During the fiscal year ended June 30, 2013, the County entered into a postemployment health benefit (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 1.78% 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 annual required contribution (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*.

	<u>RHPSP</u>	<u>RHS</u>
Annual Required Contribution	\$ 10,273	\$ 3,164
Interest on net OPEB obligation	1,595	161
Adjustment to annual required contribution	<u>(1,611)</u>	<u>(163)</u>
Annual OPEB cost (expense)	10,257	3,162
Contributions made	<u>(10,675)</u>	<u>(1,407)</u>
Increase (decrease) in net OPEB obligation	(418)	1,755
Net OPEB obligation - beginning of year	35,449	3,584
Net OPEB obligation - end of year	<u>\$ 35,031</u>	<u>\$ 5,339</u>

**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.



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**Funded Status and Funding Progress (continued)**

In fiscal year 2014/2015, contributions for the RHPSP were \$10,675, \$3,797 of which was from the County and \$6,878 was from employee contributions. The RHS is funded by County contributions of approximately \$168 (not in thousands) per active employee per year, which totaled \$1,407 for the year ended June 30, 2015.

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 Plan for the fiscal year ended June 30, 2015 was \$10,675. The County's contribution to the RHS Plan for the fiscal year ended June 30, 2015 was \$1,407.

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.

**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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**D. CONTINGENT LIABILITIES (CONTINUED)**

**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, 2015, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$206,045 plus interest of \$13,910.

The following is a summary of the estimated contingent tax liability as of June 30, 2015:

	Principal	Interest	Total
Contingent Tax Liability:	\$ 206,045	\$ 13,910	\$ 219,955
Total Pending AAB Matters	\$ 206,045	\$ 13,910	\$ 219,955

The County's share of the estimated contingent tax liability is \$67,995. The County and other agencies accumulate and maintain tax impound reserves for disputed property taxes. As of June 30, 2015, 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 \$38,214 for the General Fund and \$21,356 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 \$59,570 liability through a combination of future reserves and the abatement of property tax revenue. The affect 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.

**E. OUTSTANDING ENCUMBRANCES**

Outstanding encumbrances were allowed to carryover. As of June 30, 2015, the County reported significant encumbrances of \$230,060. These encumbrances included \$210,425 of funds that are already restricted and \$19,635 of funds that are assigned. The following is a list of significant encumbrances by fund:

	GENERAL FUND	EMPLOYERS TRAINING RESOURCE	DEPARTMENT OF HUMAN SERVICES	MENTAL HEALTH	ROADS	OTHER GOVERN- MENTAL FUNDS
Assigned	\$ 19,635					
Restricted		4,246	20,305	49,481	18,946	117,447

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**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, 2014, there was \$423,796 in the Deferred Compensation Plan, 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 KMC 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 KMC 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 KMC 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, 2013, there was \$52,025 in the Kern County Physician Employee Retirement Plan, 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.

**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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**PLAN DESCRIPTION (CONTINUED)**

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 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	6,639	1,886	8,525
Terminated Employees	726	97	823
Retirees and Beneficiaries			
Currently Receiving Benefits	5,570	1,792	7,362
	<u>12,935</u>	<u>3,775</u>	<u>16,710</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.

General member benefits for Tier I and Tier II are calculated pursuant to California Gov. 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 Section 7522.20(a).

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**PLAN DESCRIPTION (CONTINUED)**

Safety member benefits for Tier I and Tier II are calculated pursuant to California Gov. 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 2014 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$260,000. 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 2014 is \$115,064 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 General Tier I, General Tier IIA, Safety Tier I and Safety Tier IIA members. FAC consists of the highest 36 consecutive months of pensionable compensation for General Tier IIB, General Tier III and Safety Tier IIB members.

The amount of such monthly benefit is determined as a percentage of their final monthly compensation and is based on age at retirement and the number of years of service. The final monthly compensation is the monthly average of the final 12 months compensation, or, if the member so elects, any other continuous 12-month period in the member's work history. If hired on or after January 1, 2013 the final compensation is measured over a period of 36 months.

An annual 2% cost-of-living adjustment (COLA) for all retirees and continuance beneficiaries was adopted as of April 1, 1973. The liability for this annual retirement benefit increase was funded entirely from the unreserved fund balance 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% COLA was included in the employers' contribution. COLA for all retirees and continuance beneficiaries was increased to 2.5% effective April 1, 2002.

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. 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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**PLAN DESCRIPTION (CONTINUED)**

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 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, 2014 and 2013.
Short-term investments and bonds OTC securities	Institutional evaluations or priced at par. 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 2014 ranged from 4.25% to 17.50% and were applied to the member's base pay plus pensionable 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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**CONTRIBUTIONS (CONTINUED)**

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 actuarial accrued liability. Contribution rates

**ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2014 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.

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)
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 total pension liability as of June 30, 2014, was determined by an actuarial valuation as of June 30, 2013. 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.

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

The long-term expected rate of return on pension plan investments (7.5 percent) was determined using a building-block method in which expected future real rates of return (expected returns net

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**ACTUARIAL ASSUMPTIONS (CONTINUED)**

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 Small/Mid-Cap	19%	5.92%
U.S. Equity Developed International	4%	6.49%
Equity Emerging Markets Equity	18%	6.90%
Core Bonds	4%	8.34%
High Yield Bonds	18%	0.73%
Emerging Market Debt	4%	2.67%
TIPS	4%	4.00%
Real Estate	3%	0.35%
Commodities	5%	4.96%
Hedge Funds	6%	4.35%
Private Equity	10%	4.30%
	<u>5%</u>	8.10%
	<u>100%</u>	

**DISCOUNT RATE**

The discount rates used to measure the total pension liability was 7.50% as of June 30, 2014. The projection of cash flows used to determine the discount rates assumed member contributions would be made at the current contribution rate and that employer contributions would be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the 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, 2014.

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 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:

	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
County's Proportionate Share of the Net Pension Liability	2,583,166	1,901,916	1,338,933



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**H. PENSION PLAN (CONTINUED)**

**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, 2015, the County reported a liability of \$1,901,916 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2014, 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, 2014, the County's proportion was 91.914%, which was a decrease of 0.232% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$270,168. 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, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 152,698	\$
Changes in proportion and differences between County contributions and proportionate share of contributions	2,884	
County contributions subsequent to the measurement date	202,843	
Net difference between projected and actual earnings on retirement plan investments		182,064
Differences between expected and actual experience		42,475
	<u>\$ 358,425</u>	<u>\$ 224,539</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (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 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. \$202,843 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,		
2016	\$	(19,027)
2017		(19,027)
2018		(19,027)
2019		(19,027)
2020		7,152
Thereafter		-
	<u>\$</u>	<u>(68,956)</u>

**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, 2015, the Solid Waste Management Enterprise Fund had a designated cash reserve of \$26,450 for closure expenses. Estimated closure and post closure maintenance costs are based on the most recent preliminary closure and post closure plans approved by the State of California. 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.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**I. LANDFILLS (CONTINUED)**

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, 2015, are \$65,164 and \$51,450, 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 <sup>2</sup>	0	N/A	100%
Bena I <sup>1</sup>	0	N/A	100%
Bena II A	29	38,939,952	19%
Boron	26	1,002,819	84%
Buttonwillow <sup>2</sup>	0	N/A	100%
China Grade <sup>2</sup>	0	N/A	100%
Glennville <sup>2</sup>	0	N/A	100%
Kern Valley <sup>2</sup>	0	N/A	100%
Lebec <sup>2</sup>	0	N/A	100%
Lost Hills (Phase 1) <sup>2</sup>	0	N/A	100%
McFarland/Delano <sup>2</sup>	0	N/A	100%
Mojave/Rosamond	17	2,515,491	69%
Ridgecrest	15	10,129,557	58%
Shafter/Wasco	44	21,895,179	35%
Taft	61	10,044,765	30%
Tehachapi	5	3,712,022	86%
Total		<u>88,239,785</u>	

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

<sup>2</sup> Site is closed.

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

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

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**I. LANDFILLS (CONTINUED)**

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, 2015, the landfill closure liability is \$27,273 and the post closure liability is \$35,777 as recorded in the liabilities of the Solid Waste Management Enterprise Fund. These represent the cumulative liabilities to date. The remaining \$37,891 and \$15,673 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 has increased by \$153 from \$2,258 at June 30, 2013, to \$2,411 at June 30, 2014.

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 of California 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, 2015 (IN THOUSANDS)**

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**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, 2015, \$7,319 of tobacco settlement payments was recorded as Other Revenues in the Kern County Tobacco Funding Corporation Non-major 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 Department 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 Department has previously remediated. The Solid Waste Management Department does not anticipate any recoveries regarding these burn dumps. In addition to the burn dumps, the Solid Waste Management Department is also remediating a stockpile of contaminated soil adjacent to one of the County's landfills. That site is in progress and a liability was also recorded for the remediation of the site. Cost is based on the remediation plan for the site and on the various contracts entered into with outside firms. 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, 2015 was \$8,161.

**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 \$14,955 advances from grantors and third parties for the governmental activities, \$1,428 is within General Fund and comprised of advances to the Public Health Department, the Environmental Health Department, the Department of Animal Services, and the Department of Probation.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (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, 2015 are as follows:

<b>Governmental Activities:</b>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Advances From Grantors and Third Parties</u>
Delinquent Property Taxes Receivable			
General Fund	\$	\$ 3,231	\$
Structural Fire		1,491	
Non-major Governmental Fund		308	
Other Long-term Receivables			
General Fund		699	
Human Services		5,261	
Deferred Tobacco Revenues			
Kern County Tobacco Funding Corp.	147,291	147,291	
Advance Funds			
General Fund			1,428
Human Services			19,804
Non-major Governmental Fund			30
Total Governmental Activities	<u>\$ 147,291</u>	<u>\$ 158,281</u>	<u>21,262</u>
<b>Business-Type Activities:</b>			
Unearned Revenue			
Waste	\$		33
Non-major Enterprise Funds			1,570
Deferred Charge on Refunding			
Airports	69		
Kern Medical Center	137		
Total Business-Type Activities	<u>206</u>		<u>1,603</u>
<b>Government-Wide Activities:</b>			
Governmental:			
Deferred Charge on Refunding			
2011 Refunding COP	123		
2014 Tobacco Refunding	1,207		
Total Government-Wide Activities	<u>\$ 1,536</u>		<u>\$ 22,865</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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**XIII. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 28, 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 1, 2015, the County issued TRAN totaling \$180,000 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, 2016. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2015-16 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 KMC, 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 KMC. 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 KMC'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 KMC 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. The County is currently completing the necessary documents and agreements for the transfer; it is anticipated that the County will transfer ownership of KMC and its employees to the Hospital Authority July 1, 2016.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 345,702	\$ 353,202	\$ 360,017	\$ 6,815
Licenses, Permits, and Franchises	12,108	12,108	13,050	942
Fines, Forfeitures and Penalties	13,525	13,549	14,889	1,340
Revenues from Use of Money and Property	12,490	12,508	10,409	(2,099)
Aid from Other Governmental Agencies	106,358	148,522	149,535	1,013
Charges for Current Services	81,394	82,012	83,255	1,243
Other Revenues	3,904	5,376	4,549	(827)
<b>Total Revenues</b>	<u>575,481</u>	<u>627,277</u>	<u>635,704</u>	<u>8,427</u>
<b>EXPENDITURES:</b>				
General Government	115,287	153,275	134,354	18,921
Public Protection	400,506	407,101	394,891	12,210
Public Ways and Facilities	1,293	1,293	237	1,056
Health and Sanitation	44,439	45,307	41,067	4,240
Public Assistance	13,781	14,250	12,488	1,762
Education	8,141	8,266	7,919	347
Culture and Recreation Services	12,803	12,911	11,985	926
Debt Service - General Fund	12,914	12,914	1,982	10,932
Contingencies and Reserves	8,341	9,519		9,519
<b>Total Expenditures</b>	<u>616,212</u>	<u>664,836</u>	<u>604,923</u>	<u>59,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,731)</u>	<u>(37,559)</u>	<u>30,781</u>	<u>68,340</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	173,872	184,223	159,998	(24,225)
Transfers Out	<u>(135,709)</u>	<u>(155,206)</u>	<u>(146,297)</u>	<u>8,909</u>
<b>Total Other Financing Sources (Uses)</b>	<u>38,163</u>	<u>29,017</u>	<u>13,701</u>	<u>(15,316)</u>
<b>Net Change in Fund Balance</b>	<u>(2,568)</u>	<u>(8,542)</u>	<u>44,482</u>	<u>53,024</u>
Fund Balance, July 1, 2014 (as previously reported)	226,324	226,324	226,324	
Prior Period Adjustments (Modified Accrual Basis of Accounting, p. 27)			(228)	(228)
<b>Fund Balance, June 30, 2015</b>	<u>\$ 223,756</u>	<u>\$ 217,782</u>	<u>\$ 270,578</u>	<u>\$ 52,796</u>

Note: The Fund Balance at July 1, 2015 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 \$ 635,704

**Expenditures**

Actual amount budgetary basis from the budgetary comparison schedule \$ 604,923  
Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (30,253)  
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources 15  
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 574,685

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CHILD SUPPORT SERVICES  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 27	\$ 6	\$ 7	\$ 1
Aid from Other Governmental Agencies	22,328	22,328	20,795	(1,533)
Charges for Current Services		21	22	1
Other Revenues			12	12
<b>Total Revenues</b>	<u>22,355</u>	<u>22,355</u>	<u>20,836</u>	<u>(1,519)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection	<u>22,355</u>	<u>22,355</u>	<u>20,680</u>	<u>1,675</u>
<b>Total Expenditures</b>	<u>22,355</u>	<u>22,355</u>	<u>20,680</u>	<u>1,675</u>
Excess of Revenues Over Expenditures			<u>156</u>	<u>156</u>
Net Change in Fund Balance			156	156
Fund Balance, July 1, 2014	<u>653</u>	<u>653</u>	<u>653</u>	
Fund Balance, June 30, 2015	<u>\$ 653</u>	<u>\$ 653</u>	<u>\$ 809</u>	<u>\$ 156</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>20,836</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 20,680
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(4)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>20,676</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 COUNTY LOCAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2015 (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	\$	\$	\$ (22)	\$ (22)
Aid from Other Governmental Agencies	153,221	160,830	164,480	3,650
Total Revenues	<u>153,221</u>	<u>160,830</u>	<u>164,458</u>	<u>3,628</u>
EXPENDITURES:				
Current:				
Public Protection	2,503	5,800	3,458	2,342
Total Expenditures	<u>2,503</u>	<u>5,800</u>	<u>3,458</u>	<u>2,342</u>
Excess of Revenues Over Expenditures	<u>150,718</u>	<u>155,030</u>	<u>161,000</u>	<u>5,970</u>
OTHER FINANCING USES:				
Transfers Out	<u>(157,262)</u>	<u>(164,988)</u>	<u>(160,237)</u>	<u>4,751</u>
Total Other Financing Uses	<u>(157,262)</u>	<u>(164,988)</u>	<u>(160,237)</u>	<u>4,751</u>
Net Change in Fund Balance	(6,544)	(9,958)	763	10,721
Fund Balance, July 1, 2014	<u>19,253</u>	<u>19,253</u>	<u>19,253</u>	
Fund Balance, June 30, 2015	<u>\$ 12,709</u>	<u>\$ 9,295</u>	<u>\$ 20,016</u>	<u>\$ 10,721</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 EMPLOYERS' TRAINING RESOURCE  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 7	\$ 7	10	\$ 3
Aid from Other Governmental Agencies	16,422	16,422	12,479	(3,943)
Charges for Current Services	3,965	3,965	3,767	(198)
Other Revenues	<u>479</u>	<u>863</u>	<u>812</u>	<u>(51)</u>
<b>Total Revenues</b>	<u>20,873</u>	<u>21,257</u>	<u>17,068</u>	<u>(4,189)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance	<u>10,555</u>	<u>12,173</u>	<u>7,219</u>	<u>4,954</u>
<b>Total Expenditures</b>	<u>10,555</u>	<u>12,173</u>	<u>7,219</u>	<u>4,954</u>
Excess of Revenues Over Expenditures	<u>10,318</u>	<u>9,084</u>	<u>9,849</u>	<u>765</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	359	436	436	
Transfers Out	<u>(11,234)</u>	<u>(11,451)</u>	<u>(10,042)</u>	<u>1,409</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(10,875)</u>	<u>(11,015)</u>	<u>(9,606)</u>	<u>1,409</u>
<b>Net Change in Fund Balance</b>	(557)	(1,931)	243	2,174
Fund Balance, July 1, 2014	<u>1,458</u>	<u>1,458</u>	<u>1,458</u>	
<b>Fund Balance, June 30, 2015</b>	<u>\$ 901</u>	<u>\$ (473)</u>	<u>\$ 1,701</u>	<u>\$ 2,174</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 \$ 17,068

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 7,219  
 Differences - Budget to GAAP  
 Encumbrances for goods and/or services ordered but not received within the recognition period (48)  
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 7,171

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 28	\$ 28	\$ 27	\$ (1)
Aid from Other Governmental Agencies	298,952	299,753	228,767	(70,986)
Charges for Current Services	130	130	118	(12)
Other Revenues	<u>2,584</u>	<u>2,584</u>	<u>1,959</u>	<u>(625)</u>
Total Revenues	<u>301,694</u>	<u>302,495</u>	<u>230,871</u>	<u>(71,624)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance	<u>400,792</u>	<u>403,501</u>	<u>389,112</u>	<u>14,389</u>
Total Expenditures	<u>400,792</u>	<u>403,501</u>	<u>389,112</u>	<u>14,389</u>
Deficiency of Revenues Under Expenditures	<u>(99,098)</u>	<u>(101,006)</u>	<u>(158,241)</u>	<u>(57,235)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	<u>93,031</u>	<u>93,031</u>	<u>135,564</u>	<u>42,533</u>
Total Other Financing Sources	<u>93,031</u>	<u>93,031</u>	<u>135,564</u>	<u>42,533</u>
Net Change in Fund Balance	(6,067)	(7,975)	(22,677)	(14,702)
Fund Balance, July 1, 2014	7,722	7,722	7,722	
Prior Period Adjustments			(6,308)	(6,307)
Fund Balance (Deficit), June 30, 2015	<u>\$ 1,655</u>	<u>\$ (253)</u>	<u>\$ (21,263)</u>	<u>\$ (21,009)</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>230,871</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 389,112
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(620)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>388,492</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 183	\$ 183	\$ 265	\$ 82
Aid from Other Governmental Agencies	35,354	35,354	46,590	11,236
Charges for Current Services	32,923	35,824	48,217	12,393
Other Revenues	457	457	458	1
<b>Total Revenues</b>	<u>68,917</u>	<u>71,818</u>	<u>95,530</u>	<u>23,712</u>
<b>EXPENDITURES:</b>				
Current:				
Health and Sanitation	<u>125,341</u>	<u>159,478</u>	<u>137,964</u>	<u>21,514</u>
<b>Total Expenditures</b>	<u>125,341</u>	<u>159,478</u>	<u>137,964</u>	<u>21,514</u>
Deficiency of Revenues Under Expenditures	<u>(56,424)</u>	<u>(87,660)</u>	<u>(42,434)</u>	<u>45,226</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	79,314	80,326	49,972	(30,354)
Transfers Out	<u>(36,519)</u>	<u>(38,769)</u>	<u>(4,954)</u>	<u>33,815</u>
<b>Total Other Financing Sources (Uses)</b>	<u>42,795</u>	<u>41,557</u>	<u>45,018</u>	<u>3,461</u>
<b>Net Change in Fund Balance</b>	<u>(13,629)</u>	<u>(46,103)</u>	<u>2,584</u>	<u>48,687</u>
Fund Balance, July 1, 2014	<u>85,304</u>	<u>85,304</u>	<u>85,304</u>	
Fund Balance, June 30, 2015	<u>\$ 71,675</u>	<u>\$ 39,201</u>	<u>\$ 87,888</u>	<u>\$ 48,687</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 \$ 95,530

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 137,964  
Differences - Budget to GAAP  
    Encumbrances for goods and/or services ordered but not received within the recognition period (28,756)  
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 109,208

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
ROADS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 2,261	\$ 2,261	\$ 2,492	\$ 231
Licenses, Permits and Franchises	2,295	2,295	4,210	1,915
Revenues from Use of Money and Property	137	137	180	43
Aid from Other Governmental Agencies	33,346	33,346	32,982	(364)
Charges for Current Services	5,929	5,929	4,653	(1,276)
Other Revenues	<u>540</u>	<u>540</u>	<u>1,658</u>	<u>1,118</u>
Total Revenues	<u>44,508</u>	<u>44,508</u>	<u>46,175</u>	<u>1,667</u>
<b>EXPENDITURES:</b>				
Current:				
Public Ways and Facilities	<u>65,635</u>	<u>72,503</u>	<u>57,786</u>	<u>14,717</u>
Total Expenditures	<u>65,635</u>	<u>72,503</u>	<u>57,786</u>	<u>14,717</u>
Deficiency of Revenues Under Expenditures	<u>(21,127)</u>	<u>(27,995)</u>	<u>(11,611)</u>	<u>16,384</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	7,771	7,771	4,420	(3,351)
Transfers Out	<u>(2,093)</u>	<u>(2,094)</u>	<u>(34)</u>	<u>2,060</u>
Total Other Financing Sources (Uses)	<u>5,678</u>	<u>5,677</u>	<u>4,386</u>	<u>(1,291)</u>
Net Change in Fund Balance	(15,449)	(22,318)	(7,225)	15,093
Fund Balance, July 1, 2014	42,925	42,925	42,925	
Prior Period Adjustments			<u>624</u>	<u>624</u>
Fund Balance, June 30, 2015	<u>\$ 27,476</u>	<u>\$ 20,607</u>	<u>\$ 36,324</u>	<u>\$ 15,717</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 \$ 46,175

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 57,786  
Differences - Budget to GAAP  
Encumbrances for goods and/or services ordered but not received within the recognition period (10,204)  
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 47,582

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
STRUCTURAL FIRE  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 88,057	\$ 106,302	\$ 108,359	\$ 2,057
Licenses, Permits and Franchises	350	350	702	352
Fines, Forfeitures and Penalties	105	105	106	1
Revenues from Use of Money and Property	42	39	(42)	(81)
Aid from Other Governmental Agencies	2,524	4,495	4,345	(150)
Charges for Current Services	22,842	29,843	32,911	3,068
Other Revenues	406	405	281	(124)
<b>Total Revenues</b>	<u>114,326</u>	<u>141,539</u>	<u>146,662</u>	<u>5,123</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection	147,163	158,287	151,557	6,730
<b>Total Expenditures</b>	<u>147,163</u>	<u>158,287</u>	<u>151,557</u>	<u>6,730</u>
Deficiency of Revenues Under Expenditures	<u>(32,837)</u>	<u>(16,748)</u>	<u>(4,895)</u>	<u>11,853</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	9,009	9,134	7,555	(1,579)
Transfers Out	(2,669)	(2,919)	(1,106)	1,813
<b>Total Other Financing Sources (Uses)</b>	<u>6,340</u>	<u>6,215</u>	<u>6,449</u>	<u>234</u>
Net Change in Fund Balance	(26,497)	(10,533)	1,554	12,087
Fund Balance, July 1, 2014	18,444	18,444	18,444	
Fund Balance, June 30, 2015	<u>\$ (8,053)</u>	<u>\$ 7,911</u>	<u>\$ 19,998</u>	<u>\$ 12,087</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>146,662</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 151,557
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	<u>(1,005)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>150,552</u>



**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2015 (IN THOUSANDS)**

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**I. BUDGETARY BASIS OF ACCOUNTING**

**A. BUDGETARY INFORMATION**

In accordance with the provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a budget for the next fiscal year. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except that such budgets integrate the County's encumbrance system, and, accordingly, they differ from budgets prepared in 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, Child Support Services, County Local Revenue Fund, Employers' Training Resource, Human Services, 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, Animal Care Donations, Asset Forfeiture 15% Probation, Automated Co. Warrant System, Automated Fingerprint, Bio Terrorism Grant, Board of Trade Advertising, Building Inspection, Child Restraint Loaner, 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, EMS Week-Donations, Graffiti Abatement, 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, Parks-Timber Harvest, Planned Local Drainage Facility, Planned Sewer, Planning Admin. Surcharge, Probation DJJ Realignment, Probation Federal Asset Forfeiture, Probation Training, Public Health Misc., Public Improvement Districts, 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 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, 7<sup>th</sup> Standard Road Widening, AB900 Jail Construction, Accumulative Capital Outlay Fire, Accumulative Capital Outlay General, Hageman Road, and Separation of Grade.

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2015 (IN THOUSANDS)**

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**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 \$62,147 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, 2015. 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, 2015 (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).

	Fund Balances (Budgetary Basis)	Basis Differences			Fund Balances (Modified Accrual Basis)
		Capital Leases - Inception	Capital Leases - Other Financing Sources	Outstanding Encumbrances for Budgeted Funds	
General Fund	\$ 270,580	\$ (15)	\$ 15	\$ 30,253	\$ 300,833
County Local Revenue Fund	20,016				20,016
Employers' Training Resource	1,701			48	1,749
Human Services	(8,647)			620	(8,027)
Mental Health	87,888			27,756	115,644
Roads	35,700			10,204	45,904
Structural Fire	19,998				19,998
Building Inspection	16,080			182	16,262
County Service Areas	6,722			104	6,826
Parks & Recreation Donation	38				38
Recorders	572			144	716
<b>Total</b>	<b>\$ 450,648</b>	<b>\$ (15)</b>	<b>\$ 15</b>	<b>\$ 69,311</b>	<b>\$ 519,959</b>

COUNTY OF KERN  
 KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - PENSION SCHEDULES  
 FOR THE YEAR ENDING JUNE 30, 2015 (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%

Notes to Schedule:

Change in Assumptions:

1. The investment rate of return decreased from the prior valuation by .25%
2. The Real-Across-the-Board Salary Increase assumption decreased by .25% from the prior valuation.
3. The Projected Salary Increases assumption for General employees moved from (4.50%-10.0%) to (4.25%-9.25%), Safety employees moved from (4.50%-11.0%) to (4.25%-11.75%).
4. Administrative Expenses changed from an offset to investment return to .90% of payroll allocated between the employer and member rates based on the components of the total contribution rate (before expenses) for the employer and member.

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	\$ -	\$ 465,506	43.23%

Notes to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	21.5 year as of June 30, 2014
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, 2015 (IN THOUSANDS)**

**SCHEDULES OF FUNDING PROGRESS**

**Retiree Health Premium Supplement Program (RHPSP)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b) (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d) (c/d)
6/30/2010	\$	\$ 133,583	\$ 133,583	0.00%	\$ 481,701	27.73%
6/30/2012		132,528	132,528	0.00%	490,762	27.00%
6/30/2012		132,528	132,528	0.00%	512,702	25.85%
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)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b) (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d) (c/d)
6/30/2010	\$	\$ 16,379	\$ 16,379	0.00%	\$ 487,323	3.36%
6/30/2010		16,379	16,379	0.00%	481,701	3.40%
6/30/2012		36,525	36,525	0.00%	490,762	7.44%
6/30/2012		36,525	36,525	0.00%	512,702	7.12%
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.

**SCHEDULES OF CONTRIBUTIONS**

**Retiree Health Premium Supplement Program (RHPSP)**

Year Ended June 30,	Annual RHPSP Cost	Percentage of Cost Contributed	Net OPEB Obligation
2013	\$ 13,385	100%	\$ 35,012
2014	15,187	97%	35,449
2015	10,257	104%	35,031

**Retiree Health Stipend (RHS)**

Year Ended June 30,	Annual RHS Cost	Percentage of Cost Contributed	Net OPEB Obligation
2013	\$ 3,486	34%	\$ 2,311
2014	3,490	64%	3,584
2015	3,162	44%	5,339

**COUNTY OF KERN  
 ACTUARIAL ASSUMPTIONS AND METHODOLOGY  
 OTHER POST-EMPLOYMENT BENEFITS  
 FOR THE YEAR ENDING JUNE 30, 2015 (IN THOUSANDS)**

**Retiree Health Premium Supplement Program (RHPSP)  
 Retiree Health Stipend**

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<b>Valuation Date:</b>	June 30, 2014
<b>Investment Return:</b>	6.5%
<b>General Inflation Rate:</b>	Not used in calculating liability
<b>Mortality:</b>	<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.
<b>Medical Plan Premiums (Trend) Stipend:</b>	6.9% in 2014/15, grading down 0.25% per year to an ultimate rate of 5.00%
<b>Actuarial Cost Method:</b>	Unit credit

**Retiree Health Premium Supplement Program (RHPSP) ONLY**

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**Monthly Premium Contributions for Future Retirees:** \$368.83 - \$737.66 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	\$ 368.83
21 years	\$ 442.60
22 years	\$ 516.36
23 years	\$ 590.13
24 years	\$ 663.89
25 years	\$ 737.66

**Retiree Health Stipend ONLY**

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**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

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 words "COUNTY OF KERN" are inscribed in the upper half of the seal, and "STATE OF CALIFORNIA" is in the lower half. The seal is surrounded by a decorative border.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**





**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled Cash and Investments	\$ 90,358	\$ 11,630	\$ 218	\$ 102,206
Revolving Fund Cash	12			12
Cash and Investments Deposited with Trustee			8,936	8,936
Interest Receivable	55			55
Taxes Receivable	329			329
Accrued Revenue	17,138			17,138
Due from Other Funds	1,429			1,429
Due from Other Agencies	763			763
Total Assets	<u>110,084</u>	<u>11,630</u>	<u>9,154</u>	<u>130,868</u>
Total Assets and Deferred Outflows of Resources	\$ <u>110,084</u>	\$ <u>11,630</u>	\$ <u>9,154</u>	\$ <u>130,868</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 1,932	\$ 608	\$	\$ 2,540
Salaries and Employee Benefits Payable	700			700
Due to Other Funds	8,651	3,000		11,651
Due to Other Agencies	121			121
Advances from Grantors and Third Parties	30			30
Total Liabilities	<u>11,434</u>	<u>3,608</u>		<u>15,042</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	<u>308</u>			<u>308</u>
Total Deferred Inflows of Resources	<u>308</u>			<u>308</u>
Fund Balances:				
Nonspendable	12			12
Restricted	72,656	2,794	9,154	84,604
Committed	23,607			23,607
Assigned	<u>2,067</u>	<u>5,228</u>		<u>7,295</u>
Total Fund Balances	<u>98,342</u>	<u>8,022</u>	<u>9,154</u>	<u>115,518</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>110,084</u>	\$ <u>11,630</u>	\$ <u>9,154</u>	\$ <u>130,868</u>

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES:</b>				
Taxes	\$ 2,711	\$	\$	\$ 2,711
Licenses, Permits and Franchises	7,680			7,680
Fines, Forfeitures and Penalties	7,988			7,988
Revenues from Use of Money and Property	343	66	82	491
Aid from Other Governmental Agencies	97,765	5,708		103,473
Charges for Current Services	7,506			7,506
Other Revenues	5,183		45,484	50,667
<b>Total Revenues</b>	<b>129,176</b>	<b>5,774</b>	<b>45,566</b>	<b>180,516</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	618		555	1,173
Public Protection	8,931			8,931
Public Ways and Facilities	2,863			2,863
Health and Sanitation	1,993			1,993
Public Assistance	27,341			27,341
Culture and Recreation Services	80			80
Capital Outlay		22,693		22,693
Debt Service:				
Principal			37,978	37,978
Interest			15,081	15,081
<b>Total Expenditures</b>	<b>41,826</b>	<b>22,693</b>	<b>53,614</b>	<b>118,133</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,350	(16,919)	(8,048)	62,383
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	15,704	14,964	7,991	38,659
Transfers Out	(100,011)		(12,090)	(112,101)
<b>Total Other Financing Sources (Uses)</b>	<b>(84,307)</b>	<b>14,964</b>	<b>(4,099)</b>	<b>(73,442)</b>
Net Changes in Fund Balances	3,043	(1,955)	(12,147)	(11,059)
Fund Balances, July 1, 2014 (as previously reported)	95,071	10,601	21,301	126,973
Prior Period Adjustment	228	(624)		(396)
<b>Fund Balances, June 30, 2015</b>	<b>\$ 98,342</b>	<b>\$ 8,022</b>	<b>\$ 9,154</b>	<b>\$ 115,518</b>

## 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.

**Animal Care Donations** – This fund holds donations received for the use of providing services to benefit the animals in the County.

**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.

**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.

**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.

**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.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

**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.

**Emergency Medical Services (EMS) Week Donations** – This fund accounts for the deposit and disbursement of donated funds for EMS Week Activities.

**Graffiti Abatement** – This fund accounts for revenues derived from the administrative penalty on those defacing property with graffiti.

**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.

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

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

**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.).

**Litter Cleanup** – This fund accounts for fees from littering fines used to support litter cleanup.

**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.

**Parks-Timber Harvest** – This fund holds excess revenues generated through the removal and thinning of trees in overcrowded forest locations. The money will be utilized for park improvement projects specific to the location the funds were generated.

**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.

**Public Improvement Districts** – These funds account for monies derived from assessment districts for the construction of public improvements.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

- 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.
- 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 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, County-wide Crime Prevention, Health-State Local Underground Storage Tank (LUST) Program, High Intensity Drug Trafficking Areas (HIDTA) – State Asset Forfeiture, Juvenile Justice Facility, Oildale Revitalization, Probation Asset Forfeiture, Project Impact Mitigation, Sheriff Rural Crime, 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, 2015 (IN THOUSANDS)**

Page 1 of 9

	<u>TOTAL</u>	<u>ABATEMENT COST</u>	<u>AGING &amp; ADULT SERVICES</u>	<u>ALCOHOL ABUSE</u>	<u>ALCOHOL PROGRAM</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 90,358	\$ 108	\$	\$ 113	\$ 57
Revolving Fund Cash	12		2		
Interest Receivable	55				
Taxes Receivable	329				
Accrued Revenue	17,138		3,316		
Due from Other Funds	1,429		264		
Due from Other Agencies	763			7	8
Total Assets	<u>110,084</u>	<u>108</u>	<u>3,582</u>	<u>120</u>	<u>65</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 110,084</u>	<u>\$ 108</u>	<u>\$ 3,582</u>	<u>\$ 120</u>	<u>\$ 65</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 1,932	\$	242	\$	
Salaries and Employee Benefits Payable	700		453		
Due to Other Agencies	121				
Due to Other Funds	8,651		1,095		
Advances from Grantors and Third Parties	30		30		
Total Liabilities	<u>11,434</u>		<u>1,820</u>		
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	308				
Total Deferred Inflows of Resources	<u>308</u>				
Fund Balances:					
Nonspendable	12		2		
Restricted	72,656		34	120	65
Committed	23,607	108	1,726		
Assigned	2,067				
Total Fund Balances	<u>98,342</u>	<u>108</u>	<u>1,762</u>	<u>120</u>	<u>65</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 110,084</u>	<u>\$ 108</u>	<u>\$ 3,582</u>	<u>\$ 120</u>	<u>\$ 65</u>



ANIMAL CARE DONATIONS	ASSET FORFEITURE 15% PROBATION	AUTOMATED CO. WARRANT SYSTEM	AUTOMATED FINGERPRINT	BIO TERRORISM GRANT	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
\$	\$ 10	\$ 31	\$ 158	\$ 9	Assets:
					Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
		4	22		Total Assets
	10	35	180	9	
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
\$	\$ 10	\$ 35	\$ 180	\$ 9	Total Assets and Deferred Outflows of Resources
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
					Nonspendable
					Restricted
					Committed
					Assigned
					Total Fund Balances
	10	35	180	9	
	10	35	180	9	
\$	\$ 10	\$ 35	\$ 180	\$ 9	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
JUNE 30, 2015 (IN THOUSANDS)**

Page 2 of 9

	BOARD OF TRADE ADVERTISING	BUILDING INSPECTION	CHILD RESTRAINT LOANER	COMM CORR PERFORMANCE INCENTIVE	COMMUNITY DEVELOPMENT
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 216	\$ 16,456	\$ 106	\$ 418	\$ 659
Revolving Fund Cash		6			
Interest Receivable		23			
Taxes Receivable					
Accrued Revenue					461
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>216</u>	<u>16,485</u>	<u>106</u>	<u>418</u>	<u>1,120</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 216</u>	<u>\$ 16,485</u>	<u>\$ 106</u>	<u>\$ 418</u>	<u>\$ 1,120</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$ 62	\$	\$	\$ 342
Salaries and Employee Benefits Payable		161			
Due to Other Agencies					
Due to Other Funds					154
Advances from Grantors and Third Parties					
Total Liabilities		<u>223</u>			<u>496</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable		6			
Restricted			106	418	624
Committed		16,256			
Assigned	216				
Total Fund Balances	<u>216</u>	<u>16,262</u>	<u>106</u>	<u>418</u>	<u>624</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 216</u>	<u>\$ 16,485</u>	<u>\$ 106</u>	<u>\$ 418</u>	<u>\$ 1,120</u>

COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	DA/SHERIFF PROBATION/DNA FUND	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
\$ 7,309	\$ 1,241	\$ 173	\$ 1,403	\$ 211	Assets:
329					Pooled Cash and Investments
	221			36	Revolving Fund Cash
<u>7,638</u>	<u>1,462</u>	<u>173</u>	<u>1,403</u>	<u>247</u>	Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
					Total Assets
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
<u>\$ 7,638</u>	<u>\$ 1,462</u>	<u>\$ 173</u>	<u>\$ 1,403</u>	<u>\$ 247</u>	Total Assets and Deferred Outflows of Resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$ 383	\$	\$	\$	\$	Liabilities:
121					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
<u>504</u>					Total Liabilities
					Deferred Inflows of Resources:
308					Unavailable Revenue - Property Taxes
<u>308</u>					Total Deferred Inflows of Resources
					Fund Balances:
6,826	1,462	173	1,403	247	Nonspendable
					Restricted
					Committed
					Assigned
<u>6,826</u>	<u>1,462</u>	<u>173</u>	<u>1,403</u>	<u>247</u>	Total Fund Balances
<u>\$ 7,638</u>	<u>\$ 1,462</u>	<u>\$ 173</u>	<u>\$ 1,403</u>	<u>\$ 247</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, 2015 (IN THOUSANDS)**

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	DA EQUIPMENT AUTOMATION	DA FEDERAL FORFEITURES	DA LOCAL FORFEITURES	DHS WRAPAROUND SAVINGS	DIVCA LCL FRANCHISE FEE
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 504	\$ 211	\$ 235	\$ 3,952	\$ 499
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>504</u>	<u>211</u>	<u>235</u>	<u>3,952</u>	<u>499</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 504</u>	<u>\$ 211</u>	<u>\$ 235</u>	<u>\$ 3,952</u>	<u>\$ 499</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	504	211	235	3,952	499
Committed					
Assigned					
Total Fund Balances	<u>504</u>	<u>211</u>	<u>235</u>	<u>3,952</u>	<u>499</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 504</u>	<u>\$ 211</u>	<u>\$ 235</u>	<u>\$ 3,952</u>	<u>\$ 499</u>

DOMESTIC VIOLENCE	DRUG PROGRAM	EMERGENCY MEDICAL PAYMENTS	EMS WEEK DONATIONS	GRAFFITI ABATEMENT
\$ 93	\$ 74	\$ 1,373	\$	\$
<u>4</u>		<u>136</u>		
<u>97</u>	<u>74</u>	<u>1,509</u>		
<u>\$ 97</u>	<u>\$ 74</u>	<u>\$ 1,509</u>	<u>\$</u>	<u>\$</u>

**ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

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

\$	\$	\$ 161	\$	\$
		<u>161</u>		
<u>97</u>	<u>74</u>	<u>1,348</u>		
<u>97</u>	<u>74</u>	<u>1,348</u>		
<u>\$ 97</u>	<u>\$ 74</u>	<u>\$ 1,509</u>	<u>\$</u>	<u>\$</u>

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

Liabilities:
Accounts Payable
Salaries and Employee Benefits Payable
Due to Other Agencies
Due to Other Funds
Advances from Grantors and Third Parties
Total Liabilities
Deferred Inflows of Resources:
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, 2015 (IN THOUSANDS)**

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	HEALTH-MAA TCM	HOSPITAL PREPAREDNESS PROGRAM	IHSS PUBLIC AUTHORITY	JUVENILE INMATE WELFARE	KERN COUNTY CHILDREN'S FUND
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 13	\$ 1	\$ 640	\$ 236	\$ 742
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue	137		107		
Due from Other Funds			1,155		
Due from Other Agencies					
Total Assets	<u>150</u>	<u>1</u>	<u>1,902</u>	<u>236</u>	<u>742</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 150</u>	<u>\$ 1</u>	<u>\$ 1,902</u>	<u>\$ 236</u>	<u>\$ 742</u>
<b>LIABILITIES, DEFERRED INFLOWS OF</b>					
<b>RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$ 737	\$	
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds					
Advances from Grantors and Third Parties					
Total Liabilities			<u>737</u>		
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	150	1	805	236	742
Committed			360		
Assigned					
Total Fund Balances	<u>150</u>	<u>1</u>	<u>1,165</u>	<u>236</u>	<u>742</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 150</u>	<u>\$ 1</u>	<u>\$ 1,902</u>	<u>\$ 236</u>	<u>\$ 742</u>

KNET ASSET FORFEITURES	LIBRARY BOOKS	LITTER CLEANUP	LOCAL PUBLIC SAFETY	MICROGRAPHICS	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
\$ 260	\$ 491	\$	\$ 6,197	\$ 110	Assets:
			13,112		Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
<u>260</u>	<u>491</u>		<u>19,309</u>	<u>110</u>	Total Assets
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
<u>\$ 260</u>	<u>\$ 491</u>	<u>\$</u>	<u>\$ 19,309</u>	<u>\$ 110</u>	Total Assets and Deferred Outflows of Resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
			7,395		Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
			<u>7,395</u>		Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
260	488		11,914	110	Nonspendable
	3				Restricted
					Committed
					Assigned
<u>260</u>	<u>491</u>		<u>11,914</u>	<u>110</u>	Total Fund Balances
<u>\$ 260</u>	<u>\$ 491</u>	<u>\$</u>	<u>\$ 19,309</u>	<u>\$ 110</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, 2015 (IN THOUSANDS)**

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	<u>NSP GRANT</u>	<u>OFF HWY MOTOR VEH LICENSE</u>	<u>PARCEL MAP IN-LIEU FEES</u>	<u>PARKS &amp; RECREATION DONATION FUND</u>	<u>PARKS-TIMBER HARVEST</u>
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 54	\$ 460	\$ 267	\$ 38	\$ 37
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>54</u>	<u>460</u>	<u>267</u>	<u>38</u>	<u>37</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 54</u>	<u>\$ 460</u>	<u>\$ 267</u>	<u>\$ 38</u>	<u>\$ 37</u>
<b>LIABILITIES, DEFERRED INFLOWS OF</b>					
<b>RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds		7			
Advances from Grantors and Third Parties					
Total Liabilities		<u>7</u>			
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	54	453	267	38	37
Committed					
Assigned					
Total Fund Balances	<u>54</u>	<u>453</u>	<u>267</u>	<u>38</u>	<u>37</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 54</u>	<u>\$ 460</u>	<u>\$ 267</u>	<u>\$ 38</u>	<u>\$ 37</u>



PLANNED LOCAL DRAINAGE	PLANNED SEWER	PLANNING ADMIN SURCHARGE	PROBATION DJJ REALIGNMENT	PROBATION FEDERAL ASSET FORFEITURE	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
\$ 1,205	\$ 3,953	\$ 1,786	\$ 1,604	\$ 61	Assets:
			5		Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
<u>1,205</u>	<u>3,953</u>	<u>1,786</u>	<u>1,609</u>	<u>61</u>	Total Assets
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
<u>\$ 1,205</u>	<u>\$ 3,953</u>	<u>\$ 1,786</u>	<u>\$ 1,609</u>	<u>\$ 61</u>	Total Assets and Deferred Outflows of Resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
			1,609	61	Nonspendable
1,205	3,952				Restricted
	1	1,786			Committed
					Assigned
<u>1,205</u>	<u>3,953</u>	<u>1,786</u>	<u>1,609</u>	<u>61</u>	Total Fund Balances
<u>\$ 1,205</u>	<u>\$ 3,953</u>	<u>\$ 1,786</u>	<u>\$ 1,609</u>	<u>\$ 61</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, 2015 (IN THOUSANDS)**

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	<u>PROBATION TRAINING</u>	<u>PUBLIC HEALTH MISC</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>	<u>RANGE IMPROVEMENT</u>	<u>REAL ESTATE FRAUD</u>
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 79	\$ 26	\$	\$ 94	\$ 746
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue		5			
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>79</u>	<u>31</u>	<u></u>	<u>94</u>	<u>746</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 79</u>	<u>\$ 31</u>	<u>\$</u>	<u>\$ 94</u>	<u>\$ 746</u>
<b>LIABILITIES, DEFERRED INFLOWS OF</b>					
<b>RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	79	31		94	746
Committed					
Assigned					
Total Fund Balances	<u>79</u>	<u>31</u>	<u></u>	<u>94</u>	<u>746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 79</u>	<u>\$ 31</u>	<u>\$</u>	<u>\$ 94</u>	<u>\$ 746</u>

RECORDER	RECORDER'S ELECTRONIC RECORDING	RECORDER MODERNIZATION	RECORDER SSN TRUNCATION	REDEMPTION SYSTEMS	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
\$ 793	\$ 200	\$ 2,643	\$ 344	\$ 2,047	Assets:
4					Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
10					Accrued Revenue
		325			Due from Other Funds
					Due from Other Agencies
<u>807</u>	<u>200</u>	<u>2,968</u>	<u>344</u>	<u>2,047</u>	Total Assets
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
<u>\$ 807</u>	<u>\$ 200</u>	<u>\$ 2,968</u>	<u>\$ 344</u>	<u>\$ 2,047</u>	Total Assets and Deferred Outflows of Resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$ 5	\$	\$	\$	\$	Liabilities:
86					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
<u>91</u>					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
4					Fund Balances:
712	200	2,968	344	2,047	Nonspendable
					Restricted
					Committed
					Assigned
<u>716</u>	<u>200</u>	<u>2,968</u>	<u>344</u>	<u>2,047</u>	Total Fund Balances
<u>\$ 807</u>	<u>\$ 200</u>	<u>\$ 2,968</u>	<u>\$ 344</u>	<u>\$ 2,047</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, 2015 (IN THOUSANDS)**

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	<u>RMA-HAZARDOUS WASTE SETTLEMENTS</u>	<u>SHELTER CARE</u>	<u>SHERIFF CAL I.D.</u>	<u>SHERIFF CIVIL AUTOMATED</u>	<u>SHERIFF CIVIL SUBPOENA</u>
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 760	\$ 201	\$ 3,211	\$ 872	\$ 24
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>760</u>	<u>201</u>	<u>3,211</u>	<u>872</u>	<u>24</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 760</u>	<u>\$ 201</u>	<u>\$ 3,211</u>	<u>\$ 872</u>	<u>\$ 24</u>
<b>LIABILITIES, DEFERRED INFLOWS OF</b>					
<b>RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	760	201	3,211	872	24
Committed					
Assigned					
Total Fund Balances	<u>760</u>	<u>201</u>	<u>3,211</u>	<u>872</u>	<u>24</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 760</u>	<u>\$ 201</u>	<u>\$ 3,211</u>	<u>\$ 872</u>	<u>\$ 24</u>

SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION	SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
\$ 888	\$ 168	\$ 709	\$ 85	\$ 4,475	Assets:
					Pooled Cash and Investments
					Revolving Fund Cash
				7	Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
<u>888</u>	<u>168</u>	<u>709</u>	<u>85</u>	<u>4,482</u>	Total Assets
					Deferred Outflows of Resources:
					Total Deferred Outflows of Resources
<u>\$ 888</u>	<u>\$ 168</u>	<u>\$ 709</u>	<u>\$ 85</u>	<u>\$ 4,482</u>	Total Assets and Deferred Outflows of Resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Agencies
					Due to Other Funds
					Advances from Grantors and Third Parties
					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
888	168	690	85	4,482	Nonspendable
		19			Restricted
					Committed
					Assigned
<u>888</u>	<u>168</u>	<u>709</u>	<u>85</u>	<u>4,482</u>	Total Fund Balances
<u>\$ 888</u>	<u>\$ 168</u>	<u>\$ 709</u>	<u>\$ 85</u>	<u>\$ 4,482</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, 2015 (IN THOUSANDS)**

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	SHERIFF JUDGMENT DEBTOR FEE	SHERIFF SIDEARM CONVERSION	SHERIFF STATE ASSET FORFEITURES	SHERIFF TRAINING FUND	SHERIFF'S VOLUNTEER SERVICE GROUP
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
Assets:					
Pooled Cash and Investments	\$ 680	\$ 42	\$ 424	\$ 15	\$ 112
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>680</u>	<u>42</u>	<u>424</u>	<u>15</u>	<u>112</u>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>\$ 680</u>	<u>\$ 42</u>	<u>\$ 424</u>	<u>\$ 15</u>	<u>\$ 112</u>
<b>LIABILITIES, DEFERRED INFLOWS OF</b>					
<b>RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Agencies					
Due to Other Funds					
Advances from Grantors and Third Parties					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	680		424	15	112
Committed					
Assigned		42			
Total Fund Balances	<u>680</u>	<u>42</u>	<u>424</u>	<u>15</u>	<u>112</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 680</u>	<u>\$ 42</u>	<u>\$ 424</u>	<u>\$ 15</u>	<u>\$ 112</u>

SHERIFF WORK RELEASE	STERILIZATION	STRONG MOTION INSTRUMENTATION	TOBACCO EDUCATION CONTROL	VITAL HEALTH STATISTICS COUNTY CLERK
\$ 23	\$ 44	\$ 72	\$ 31	\$ 2
<u>23</u>	<u>44</u>	<u>72</u>	<u>31</u>	<u>2</u>
<u>\$ 23</u>	<u>\$ 44</u>	<u>\$ 72</u>	<u>\$ 31</u>	<u>\$ 2</u>

**ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

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

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

\$	\$	\$	\$	\$
<u>23</u>	<u>44</u>	<u>72</u>	<u>31</u>	<u>2</u>
<u>\$ 23</u>	<u>\$ 44</u>	<u>\$ 72</u>	<u>\$ 31</u>	<u>\$ 2</u>

Liabilities:
Accounts Payable
Salaries and Employee Benefits Payable
Due to Other Agencies
Due to Other Funds
Advances from Grantors and Third Parties
Total Liabilities
Deferred Inflows of Resources:
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

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 JUNE 30, 2015 (IN THOUSANDS)**

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	<u>VITAL HEALTH STATISTICS</u>	<u>VITAL HEALTH STATISTICS RECORDER</u>	<u>WILDLIFE RESOURCES</u>	<u>OTHER SPECIAL REVENUE</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled Cash and Investments	\$ 79	\$ 422	\$ 21	\$ 16,252
Revolving Fund Cash				
Interest Receivable				20
Taxes Receivable				
Accrued Revenue				
Due from Other Funds				
Due from Other Agencies				
Total Assets	<u>79</u>	<u>422</u>	<u>21</u>	<u>16,272</u>
Deferred Outflows of Resources:				
Total Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>\$ 79</u>	<u>\$ 422</u>	<u>\$ 21</u>	<u>\$ 16,272</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Due to Other Agencies				
Due to Other Funds				
Advances from Grantors and Third Parties				
Total Liabilities				
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes				
Total Deferred Inflows of Resources				
Fund Balances:				
Nonspendable				
Restricted	79	422	21	16,272
Committed				
Assigned				
Total Fund Balances	<u>79</u>	<u>422</u>	<u>21</u>	<u>16,272</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 79</u>	<u>\$ 422</u>	<u>\$ 21</u>	<u>\$ 16,272</u>



**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	TOTAL	ABATEMENT COST	AGING & ADULT SERVICES	ALCOHOL ABUSE	ALCOHOL PROGRAM
<b>REVENUES:</b>					
Taxes	\$ 2,711	\$ 100	\$	\$	\$
Licenses, Permits and Franchises	7,680				
Fines, Forfeitures and Penalties	7,988	8		85	100
Revenues from Use of Money and Property	343		18		
Aid from Other Governmental Agencies	97,765		9,785		
Charges for Current Services	7,506		1,739		
Other Revenues	5,183		258		
<b>Total Revenues</b>	<b>129,176</b>	<b>108</b>	<b>11,800</b>	<b>85</b>	<b>100</b>
<b>EXPENDITURES:</b>					
General Government	618				
Public Protection	8,931				
Public Ways and Facilities	2,863				
Health and Sanitation	1,993				
Public Assistance	27,341		14,948		
Culture and Recreation Services	80				
<b>Total Expenditures</b>	<b>41,826</b>		<b>14,948</b>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,350	108	(3,148)	85	100
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	15,704		2,587		
Transfers Out	(100,011)	(42)	(150)	(61)	(72)
<b>Total Other Financing Sources (Uses)</b>	<b>(84,307)</b>	<b>(42)</b>	<b>2,437</b>	<b>(61)</b>	<b>(72)</b>
Net Changes in Fund Balances	3,043	66	(711)	24	28
Fund Balances, July 1, 2014 (as previously reported)	95,071	42	2,473	96	37
Prior Period Adjustment	228				
<b>Fund Balances, June 30, 2015</b>	<b>\$ 98,342</b>	<b>\$ 108</b>	<b>\$ 1,762</b>	<b>\$ 120</b>	<b>\$ 65</b>

ANIMAL CARE DONATIONS	ASSET FORFEITURE 15% PROBATION	AUTOMATED CO. WARRANT SYSTEM	AUTOMATED FINGERPRINT	BIO TERRORISM GRANT	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
		55	260		Licenses, Permits and Franchises
			3		Fines, Forfeitures and Penalties
				1	Revenues from Use of Money and Property
				182	Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
		55	263	183	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
		55	263	183	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
					Transfers In
(2)		(29)	(847)	(211)	Transfers Out
(2)		(29)	(847)	(211)	Total Other Financing Sources (Uses)
(2)		26	(584)	(28)	Net Changes in Fund Balances
2	10	9	764	37	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
\$	\$ 10	\$ 35	\$ 180	\$ 9	Fund Balances, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	BOARD OF TRADE ADVERTISING	BUILDING INSPECTION	CHILD RESTRAINT LOANER	COMM CORR PERFORMANCE INCENTIVE	COMMUNITY DEVELOPMENT
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises		6,889			
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property	1	72		1	
Aid from Other Governmental Agencies				200	4,739
Charges for Current Services		4	40		
Other Revenues	77	47			1,197
Total Revenues	78	7,012	40	201	5,936
EXPENDITURES:					
General Government					
Public Protection		5,459			
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					3,790
Culture and Recreation Services					
Total Expenditures		5,459			3,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	78	1,553	40	201	2,146
OTHER FINANCING SOURCES (USES):					
Transfers In		2			
Transfers Out	(35)		(60)		(2,448)
Total Other Financing Sources (Uses)	(35)	2	(60)		(2,448)
Net Changes in Fund Balances	43	1,555	(20)	201	(302)
Fund Balances, July 1, 2014 (as previously reported)	173	14,707	126	217	926
Prior Period Adjustment					
Fund Balances, June 30, 2015	\$ 216	\$ 16,262	\$ 106	\$ 418	\$ 624

COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	DA/SHERIFF PROBATION/DNA FUND	
\$ 2,611	\$	\$	\$	\$	REVENUES:
56	2,684	87	147	436	Taxes
32	2		1		Licenses, Permits and Franchises
					Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
3					Other Revenues
2,702	2,686	87	148	436	Total Revenues
					EXPENDITURES:
133					General Government
2,760					Public Protection
821					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
3,714					Total Expenditures
(1,012)	2,686	87	148	436	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
94					Transfers In
(200)	(3,032)		(250)	(330)	Transfers Out
(106)	(3,032)		(250)	(330)	Total Other Financing Sources (Uses)
(1,118)	(346)	87	(102)	106	Net Changes in Fund Balances
7,944	1,808	86	1,505	141	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
\$ 6,826	\$ 1,462	\$ 173	\$ 1,403	\$ 247	Fund Balances, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	DA EQUIPMENT AUTOMATION	DA FEDERAL FORFEITURE	DA LOCAL FORFEITURES	DHS WRAPAROUND SAVINGS	DIVCA LCL FRANCHISE FEE
<b>REVENUES:</b>					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					376
Fines, Forfeitures and Penalties		99	34		
Revenues from Use of Money and Property	2	1	2	6	4
Aid from Other Governmental Agencies					
Charges for Current Services					
Other Revenues				102	
Total Revenues	<u>2</u>	<u>100</u>	<u>36</u>	<u>108</u>	<u>380</u>
<b>EXPENDITURES:</b>					
General Government					618
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance				123	
Culture and Recreation Services					
Total Expenditures				<u>123</u>	<u>618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>100</u>	<u>36</u>	<u>(15)</u>	<u>(238)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In					
Transfers Out			(200)	(738)	
Total Other Financing Sources (Uses)			<u>(200)</u>	<u>(738)</u>	
Net Changes in Fund Balances	2	100	(164)	(753)	(238)
Fund Balances, July 1, 2014 (as previously reported)	502	111	399	4,705	737
Prior Period Adjustment					
Fund Balances, June 30, 2015	<u>\$ 504</u>	<u>\$ 211</u>	<u>\$ 235</u>	<u>\$ 3,952</u>	<u>\$ 499</u>

DOMESTIC VIOLENCE	DRUG PROGRAM	EMERGENCY MEDICAL PAYMENTS	EMS WEEK DONATIONS	GRAFFITI ABATEMENT	
\$	\$	\$	\$	\$	REVENUES:
108					Taxes
57	21	1,702			Licenses, Permits and Franchises
	1	5			Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>165</u>	<u>22</u>	<u>1,707</u>			Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
		1,172			Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
		<u>1,172</u>			Total Expenditures
<u>165</u>	<u>22</u>	<u>535</u>			Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
<u>(150)</u>	<u>(157)</u>	<u>(457)</u>	<u>(24)</u>	<u>(2)</u>	Transfers In
					Transfers Out
<u>(150)</u>	<u>(157)</u>	<u>(457)</u>	<u>(24)</u>	<u>(2)</u>	Total Other Financing Sources (Uses)
15	(135)	78	(24)	(2)	Net Changes in Fund Balances
82	209	1,270	24	2	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
<u>\$ 97</u>	<u>\$ 74</u>	<u>\$ 1,348</u>	<u>\$</u>	<u>\$</u>	Fund Balances, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	HEALTH-MAA TCM	HOSPITAL PREPAREDNESS PROGRAM	IHSS PUBLIC AUTHORITY	JUVENILE INMATE WELFARE	KERN COUNTY CHILDREN'S FUND
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property			10	20	3
Aid from Other Governmental Agencies	137	79	725		41
Charges for Current Services					151
Other Revenues					
Total Revenues	137	79	735	20	195
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance			8,380		88
Culture and Recreation Services					
Total Expenditures			8,380		88
Excess (Deficiency) of Revenues Over (Under) Expenditures	137	79	(7,645)	20	107
OTHER FINANCING SOURCES (USES):					
Transfers In			8,089		
Transfers Out	(80)	(79)			
Total Other Financing Sources (Uses)	(80)	(79)	8,089		
Net Changes in Fund Balances	57		444	20	107
Fund Balances, July 1, 2014 (as previously reported)	93	1	721	216	635
Prior Period Adjustment					
Fund Balances, June 30, 2015	\$ 150	\$ 1	\$ 1,165	\$ 236	\$ 742

KNET ASSET FORFEITURES	LIBRARY BOOKS	LITTER CLEANUP	LOCAL PUBLIC SAFETY	MICROGRAPHICS	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
15			(32)		Licenses, Permits and Franchises
	3		81,318		Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
	<u>152</u>				Total Revenues
<u>15</u>	<u>155</u>		<u>81,286</u>		
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
<u>15</u>	<u>155</u>		<u>81,286</u>		Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
					Transfers In
	(171)	(3)	(77,151)	(45)	Transfers Out
	<u>(171)</u>	<u>(3)</u>	<u>(77,151)</u>	<u>(45)</u>	Total Other Financing Sources (Uses)
15	(16)	(3)	4,135	(45)	Net Changes in Fund Balances
245	507	3	7,779	155	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
<u>\$ 260</u>	<u>\$ 491</u>	<u>\$</u>	<u>\$ 11,914</u>	<u>\$ 110</u>	Fund Balances, June 30, 2015



**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	NSP GRANT	OFF HWY MOTOR VEH LICENSE	PARCEL MAP IN-LIEU FEES	PARKS & RECREATION DONATION FUND	PARKS-TIMBER HARVEST
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property			1		
Aid from Other Governmental Agencies		135			
Charges for Current Services			5		
Other Revenues	54			51	
Total Revenues	54	135	6	51	
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Culture and Recreation Services			52	28	
Total Expenditures			52	28	
Excess (Deficiency) of Revenues Over (Under) Expenditures	54	135	(46)	23	
OTHER FINANCING SOURCES (USES):					
Transfers In			3		
Transfers Out		(44)	(3)	(10)	
Total Other Financing Sources (Uses)		(44)		(10)	
Net Changes in Fund Balances	54	91	(46)	13	
Fund Balances, July 1, 2014 (as previously reported)		362	313	25	37
Prior Period Adjustment					
Fund Balances, June 30, 2015	\$ 54	\$ 453	\$ 267	\$ 38	\$ 37

PLANNED LOCAL DRAINAGE	PLANNED SEWER	PLANNING ADMIN SURCHARGE	PROBATION DJJ REALIGNMENT	PROBATION FEDERAL ASSET FORFEITURE	
\$	\$	\$	\$	\$	REVENUES:
8					Taxes
				12	Licenses, Permits and Franchises
5	15	7	17		Fines, Forfeitures and Penalties
	150	543			Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>13</u>	<u>165</u>	<u>550</u>	<u>17</u>	<u>12</u>	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
<u>13</u>	<u>165</u>	<u>550</u>	<u>17</u>	<u>12</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
			3,892		OTHER FINANCING SOURCES (USES):
		(431)	(3,746)	(35)	Transfers In
					Transfers Out
		<u>(431)</u>	<u>146</u>	<u>(35)</u>	Total Other Financing Sources (Uses)
13	165	119	163	(23)	Net Changes in Fund Balances
1,192	3,788	1,667	1,446	84	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
<u>\$ 1,205</u>	<u>\$ 3,953</u>	<u>\$ 1,786</u>	<u>\$ 1,609</u>	<u>\$ 61</u>	Fund Balances, June 30, 2015

**COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	PROBATION TRAINING	PUBLIC HEALTH MISC	PUBLIC IMPROVEMENT DISTRICTS	RANGE IMPROVEMENT	REAL ESTATE FRAUD
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property					3
Aid from Other Governmental Agencies	262	5		7	
Charges for Current Services		2			966
Other Revenues					
Total Revenues	<u>262</u>	<u>7</u>		<u>7</u>	<u>969</u>
EXPENDITURES:					
General Government					
Public Protection				7	
Public Ways and Facilities			103		
Health and Sanitation					
Public Assistance					
Culture and Recreation Services					
Total Expenditures			<u>103</u>	<u>7</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>262</u>	<u>7</u>	<u>(103)</u>		<u>969</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	<u>(262)</u>	<u>(1)</u>			<u>(503)</u>
Total Other Financing Sources (Uses)	<u>(262)</u>	<u>(1)</u>			<u>(503)</u>
Net Changes in Fund Balances		6	(103)		466
Fund Balances, July 1, 2014 (as previously reported)	79	25	103	94	280
Prior Period Adjustment					
Fund Balances, June 30, 2015	<u>\$ 79</u>	<u>\$ 31</u>	<u>\$</u>	<u>\$ 94</u>	<u>\$ 746</u>

RECORDER	RECORDER'S ELECTRONIC RECORDING	RECORDER MODERNIZATION	RECORDER SSN-TRUNCATION	REDEMPTION SYSTEMS	
\$	\$	\$	\$	\$	REVENUES:
4					Taxes
				204	Licenses, Permits and Franchises
3	1			2	Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
2,273	161	712			Aid from Other Governmental Agencies
1					Charges for Current Services
					Other Revenues
<u>2,281</u>	<u>162</u>	<u>712</u>		<u>206</u>	Total Revenues
					EXPENDITURES:
3,210	85				General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
<u>3,210</u>	<u>85</u>				Total Expenditures
<u>(929)</u>	<u>77</u>	<u>712</u>		<u>206</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
1,031					Transfers In
	(162)	(408)	(12)	(456)	Transfers Out
<u>1,031</u>	<u>(162)</u>	<u>(408)</u>	<u>(12)</u>	<u>(456)</u>	Total Other Financing Sources (Uses)
102	(85)	304	(12)	(250)	Net Changes in Fund Balances
614	285	2,664	356	2,297	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
<u>\$ 716</u>	<u>\$ 200</u>	<u>\$ 2,968</u>	<u>\$ 344</u>	<u>\$ 2,047</u>	Fund Balances, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	RMA-HAZARDOUS WASTE SETTLEMENTS	SHELTER CARE	SHERIFF CAL I.D.	SHERIFF CIVIL AUTOMATED	SHERIFF CIVIL SUBPOENA
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	188		705		
Revenues from Use of Money and Property			13	4	
Aid from Other Governmental Agencies					
Charges for Current Services				192	
Other Revenues					6
Total Revenues	<u>188</u>		<u>718</u>	<u>196</u>	<u>6</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance		12			
Culture and Recreation Services					
Total Expenditures		<u>12</u>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>188</u>	<u>(12)</u>	<u>718</u>	<u>196</u>	<u>6</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(411)		(535)	(169)	
Total Other Financing Sources (Uses)	<u>(411)</u>		<u>(535)</u>	<u>(169)</u>	
Net Changes in Fund Balances	(223)	(12)	183	27	6
Fund Balances, July 1, 2014 (as previously reported)	983	213	3,028	845	18
Prior Period Adjustment					
Fund Balances, June 30, 2015	<u>\$ 760</u>	<u>\$ 201</u>	<u>\$ 3,211</u>	<u>\$ 872</u>	<u>\$ 24</u>

SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION	SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
957		49			Licenses, Permits and Franchises
2	1	3		33	Fines, Forfeitures and Penalties
			227		Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
				2,705	Other Revenues
959	1	52	227	2,738	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
959	1	52	227	2,738	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
	6				Transfers In
(437)	(40)	(188)	(250)	(3,862)	Transfers Out
(437)	(34)	(188)	(250)	(3,862)	Total Other Financing Sources (Uses)
522	(33)	(136)	(23)	(1,124)	Net Changes in Fund Balances
366	201	845	108	5,606	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
\$ 888	\$ 168	\$ 709	\$ 85	\$ 4,482	Fund Balances, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

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	SHERIFF JUDGEMENT DEBTOR FEE	SHERIFF SIDEARM CONVERSION	SHERIFF STATE ASSET FORFEITURES	SHERIFF TRAINING FUND	SHERIFF'S VOLUNTEER SERVICE GROUP
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties			18		
Revenues from Use of Money and Property					
Aid from Other Governmental Agencies					
Charges for Current Services	186				
Other Revenues		4		86	9
Total Revenues	<u>186</u>	<u>4</u>	<u>18</u>	<u>86</u>	<u>9</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>186</u>	<u>4</u>	<u>18</u>	<u>86</u>	<u>9</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(173)	(25)	(34)	(105)	(5)
Total Other Financing Sources (Uses)	<u>(173)</u>	<u>(25)</u>	<u>(34)</u>	<u>(105)</u>	<u>(5)</u>
Net Changes in Fund Balances	13	(21)	(16)	(19)	4
Fund Balances, July 1, 2014 (as previously reported)	439	63	440	34	108
Prior Period Adjustment	<u>228</u>				
Fund Balances, June 30, 2015	<u>\$ 680</u>	<u>\$ 42</u>	<u>\$ 424</u>	<u>\$ 15</u>	<u>\$ 112</u>

SHERIFF WORK RELEASE	STERILIZATION	STRONG MOTION INSTRUMENTATION	TOBACCO EDUCATION CONTROL	VITAL HEALTH STATISTICS COUNTY CLERK	
\$	\$	\$	\$	\$	REVENUES:
	26	18			Taxes
			150		Licenses, Permits and Franchises
				2	Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>426</u>					Total Revenues
<u>426</u>	<u>26</u>	<u>18</u>	<u>150</u>	<u>2</u>	
					EXPENDITURES:
		26			General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
		26			
<u>426</u>	<u>26</u>	<u>(8)</u>	<u>150</u>	<u>2</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
<u>(425)</u>	<u>(23)</u>		<u>(135)</u>	<u>(1)</u>	Transfers In
					Transfers Out
<u>(425)</u>	<u>(23)</u>		<u>(135)</u>	<u>(1)</u>	Total Other Financing Sources (Uses)
1	3	(8)	15	1	Net Changes in Fund Balances
22	41	80	16	1	Fund Balances, July 1, 2014 (as previously reported)
					Prior Period Adjustment
<u>\$ 23</u>	<u>\$ 44</u>	<u>\$ 72</u>	<u>\$ 31</u>	<u>\$ 2</u>	Fund Balances, June 30, 2015



**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Page 9 of 9

	VITAL HEALTH STATISTICS	VITAL HEALTH STATISTICS RECORDER	WILDLIFE RESOURCES	OTHER SPECIAL REVENUE
<b>REVENUES:</b>				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises				251
Fines, Forfeitures and Penalties			8	1
Revenues from Use of Money and Property				77
Aid from Other Governmental Agencies				
Charges for Current Services	69	84		
Other Revenues				5
Total Revenues	<u>69</u>	<u>84</u>	<u>8</u>	<u>334</u>
<b>EXPENDITURES:</b>				
General Government				
Public Protection			11	
Public Ways and Facilities				
Health and Sanitation				
Public Assistance				
Culture and Recreation Services				
Total Expenditures			<u>11</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69</u>	<u>84</u>	<u>(3)</u>	<u>334</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In				
Transfers Out	<u>(67)</u>	<u>(24)</u>	<u>(3)</u>	
Total Other Financing Sources (Uses)	<u>(67)</u>	<u>(24)</u>	<u>(3)</u>	
Net Changes in Fund Balances	2	60	(6)	334
Fund Balances, July 1, 2014 (as previously reported)	77	362	27	15,938
Prior Period Adjustment				
Fund Balances, June 30, 2015	<u>\$ 79</u>	<u>\$ 422</u>	<u>\$ 21</u>	<u>\$ 16,272</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (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	\$ 10	\$ 100	\$ 90	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties		8	8									
Revenues from Use of Money and Property				14	18	4						
Aid from Other Governmental Agencies				9,468	9,785	317						
Charges for Current Services				1,844	1,739	(105)						
Other Revenues				248	258	10						
Total Revenues	10	108	98	11,574	11,800	226	61	85	24	72	100	28
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation				15,241	14,950	291						
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
	10	108	98	(3,667)	(3,150)	517	61	85	24	72	100	28
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In				2,597	2,587	(10)						
Transfers Out	(42)	(42)		(150)	(150)		(62)	(61)	1	(73)	(72)	1
Total Other Financing Sources (Uses)	(42)	(42)		2,447	2,437	(10)	(62)	(61)	1	(73)	(72)	1
Net Changes in Fund Balances	(32)	66	98	(1,220)	(713)	507	(1)	24	25	(1)	28	29
Fund Balances, July 1, 2014 (as previously reported)	42	42		2,473	2,473		96	96		37	37	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	10	108	98	1,253	1,760	507	95	120	25	36	65	29

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	ANIMAL CARE DONATIONS			ASSET FORFEITURE 15% PROBATION			AUTOMATED CO. WARRANT SYSTEM			AUTOMATED FINGERPRINT		
	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	10		(10)									
Total Revenues	10		(10)									
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	10		(10)									
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In	(11)	(2)	9	(10)		10	(54)	(29)	25	(847)	(847)	
Transfers Out	(11)	(2)	9	(10)		10	(54)	(29)	25	(847)	(847)	
Total Other Financing Sources (Uses)	(1)	(2)	(1)	(10)		10	(9)	26	35	(591)	(594)	7
Net Changes in Fund Balances	2	2		10	10		9	9		764	764	
Fund Balances, July 1, 2014 (as previously reported)												
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	1		(1)		10			35		173	180	7

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	BIO TERRORISM GRANT			BOARD OF TRADE ADVERTISING			BUILDING INSPECTION			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												
Fines, Forfeitures and Penalties		1	(381)	1	1		48	72	24			
Revenues from Use of Money and Property	563	182					1	4	3			
Aid from Other Governmental Agencies				65	77	12	18	47	29			
Charges for Current Services				66	78	12	5,471	7,012	1,541			
Other Revenues	563	183	(380)									
Total Revenues												
EXPENDITURES:												
Current:												
General Government							7,891	5,641	2,250			
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	563	183	(380)	66	78	12	7,891	5,641	2,250	43	40	(3)
OTHER FINANCING SOURCES (USES):												
Transfers In	(583)	(211)	372	(65)	(35)	30	3	2	(1)	(60)	(60)	
Transfers Out	(583)	(211)	372	(65)	(35)	30	3	2	(1)	(60)	(60)	
Total Other Financing Sources (Uses)	(20)	(28)	(8)	1	43	42	(2,417)	1,373	3,790	(17)	(20)	(3)
Net Changes in Fund Balances	37	37		173	173		14,707	14,707		126	126	
Fund Balances, July 1, 2014 (as previously reported)												
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	\$ 17	\$ 9	\$ (8)	\$ 174	\$ 216	\$ 42	\$ 12,290	\$ 16,080	\$ 3,790	\$ 109	\$ 106	\$ (3)

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	COMMUNITY CORR PERFORMANCE INCENTIVE			COMMUNITY DEVELOPMENT			COUNTY SERVICE AREAS			CRIMINAL JUSTICE FACILITY		
	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	1	1										
Aid from Other Governmental Agencies		200	200	17,820	4,739	(13,081)		56	56	2,616	2,684	68
Charges for Current Services				1,010	1,197	187		3	3		2	2
Other Revenues				18,830	5,936	(12,894)						
Total Revenues	1	201	200					2,759	2,702	2,616	2,686	70
EXPENDITURES:												
Current:												
General Government												
Public Protection								247	133			
Health and Sanitation								1,607	925			
Public Assistance				17,109	3,790	13,319						
Education												
Culture and Recreation Services								3,401	2,760			
Public Ways and Facilities								5,255	3,818			
Total Expenditures				17,109	3,790	13,319						
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	201	200	1,721	2,146	425		(2,496)	(1,116)	2,616	2,686	70
OTHER FINANCING SOURCES (USES):												
Transfers In								94	94			
Transfers Out	(201)		201	(2,571)	(2,448)	123		(257)	(200)	(3,300)	(3,032)	268
Total Other Financing Sources (Uses)	(201)		201	(2,566)	(2,448)	118		(163)	(106)	(3,300)	(3,032)	268
Net Changes in Fund Balances	(200)	201	401	(845)	(302)	543		(2,659)	(1,222)	(684)	(346)	338
Fund Balances, July 1, 2014 (as previously reported)	217	217		926	926			7,944	7,944	1,808	1,808	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	17	418	401	81	624	543		5,285	6,722	1,124	1,462	388

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	CRIMINALISTICS LABORATORIES			DA COURT ORDERED PENALTIES			DA/SHERIFF/PROBATION DNA FUND			DA EQUIPMENT AUTOMATION		
	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	18	87	69	50	147	97	330	436	106	2	2	
Revenues from Use of Money and Property					1	1						
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues	18	87	69	50	148	98	330	436	106	2	2	
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	18	87	69	50	148	98	330	436	106	2	2	
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(76)		76	(250)	(250)		(330)	(330)		(73)		73
Total Other Financing Sources (Uses)	(76)		76	(250)	(250)		(330)	(330)		(73)		73
Net Changes in Fund Balances	(58)	87	145	(200)	(102)	98		106	106	(71)	2	73
Fund Balances, July 1, 2014 (as previously reported)	86	86		1,505	1,505		141	141		502	502	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	28	173	145	1,305	1,403	98	141	247	106	431	504	73

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	DA FEDERAL FORFEITURES			DA LOCAL FORFEITURES			DHS WRAPAROUND SAVINGS			DIVCA LCL FRANCHISE 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	2	99	97	50	34	(16)				352	376	24
Revenues from Use of Money and Property		1	1	2	2	2		6	6	3	4	1
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues	2	100	98	50	36	(14)	800	102	(698)			
Total Revenues							800	108	(692)	355	380	25
EXPENDITURES:												
Current:												
General Government										1,090	802	288
Public Protection												
Health and Sanitation							169	123	46			
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	100	98	50	36	(14)	631	(15)	(646)	(735)	(422)	313
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out				(300)	(200)	100	(741)	(738)	3			
Total Other Financing Sources (Uses)				(300)	(200)	100	(741)	(738)	3			
Net Changes in Fund Balances	2	100	98	(250)	(164)	86	(110)	(753)	(643)	(735)	(422)	313
Fund Balances, July 1, 2014 (as previously reported)	111	111		399	399		4,705	4,705		737	737	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	<u>113</u>	<u>\$ 211</u>	<u>\$ 98</u>	<u>\$ 149</u>	<u>\$ 235</u>	<u>\$ 86</u>	<u>\$ 4,595</u>	<u>\$ 3,952</u>	<u>\$ (643)</u>	<u>\$ 2</u>	<u>\$ 315</u>	<u>\$ 313</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	DOMESTIC VIOLENCE			DRUG PROGRAM			EMERGENCY MEDICAL PAYMENTS			EMS WEEK DONATIONS		
	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		108	3									
Fines, Forfeitures and Penalties	37	57	20	26	21	(5)	1,900	1,702	(198)			
Revenues from Use of Money and Property				1	1		5	5				
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues	142	165	23	27	22	(5)	1,905	1,707	(198)			
EXPENDITURES:												
Current:												
General Government												
Public Protection							1,342	1,172	170			
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	142	165	23	27	22	(5)	563	535	(28)			
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(150)	(150)		(158)	(157)	1	(689)	(457)	232	(24)	(24)	
Total Other Financing Sources (Uses)	(150)	(150)		(158)	(157)	1	(689)	(457)	232	(24)	(24)	
Net Changes in Fund Balances	(8)	15	23	(131)	(135)	(4)	(126)	78	204	(24)	(24)	
Fund Balances, July 1, 2014 (as previously reported)	82	82		209	209		1,270	1,270		24	24	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	74	97	23	78	74	(4)	1,144	1,348	204			



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	GRAFFITI ABATEMENT			HEALTH-MAA TCM			HOSPITAL PREPAREDNESS PROGRAM			IHSS PUBLIC AUTHORITY		
	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				100	137	37	81	79	(2)	3	10	7
Charges for Current Services										372	725	353
Other Revenues												
Total Revenues				100	137	37	81	79	(2)	375	735	360
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation										8,387	8,380	7
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures										8,387	8,380	7
Excess (Deficiency) of Revenues Over (Under) Expenditures				100	137	37	81	79	(2)	(8,012)	(7,645)	367
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(2)	(2)		(100)	(80)	20	(79)	(79)		8,089	8,089	
Total Other Financing Sources (Uses)	(2)	(2)		(100)	(80)	20	(79)	(79)		8,089	8,089	
Net Changes in Fund Balances	(2)	(2)			57	57	2	2	(2)	77	444	367
Fund Balances, July 1, 2014 (as previously reported)	2	2		93	93		1	1		721	721	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015				93	150	57	3	1	(2)	798	1,165	367

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	JUVENILE INMATE WELFARE			KERN COUNTY CHILDREN'S FUND			KNET ASSET FORFEITURES			LIBRARY BOOKS		
	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	15	20	5	3	3	(4)	60	15	(45)	2	3	1
Revenues from Use of Money and Property				45	41	(4)	1		(1)			
Aid from Other Governmental Agencies				162	151	(11)				155	152	(3)
Charges for Current Services												
Other Revenues	15	20	5	210	195	(15)	61	15	(46)	157	155	(2)
Total Revenues												
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation				544	88	456						
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	15	20	5	(334)	107	441	61	15	(46)	157	155	(2)
OTHER FINANCING SOURCES (USES):												
Transfers In	(50)									(171)		
Transfers Out	(50)		50							(171)		
Total Other Financing Sources (Uses)	(35)	20	55	(334)	107	441	61	15	(46)	(14)	(16)	(2)
Net Changes in Fund Balances	216	216		635	635		245	245		507	507	
Fund Balances, July 1, 2014 (as previously reported)												
Prior Period Adjustment	181	236	55	301	742	441	306	260	(46)	493	491	(2)
Fund Balances (Deficits), June 30, 2015												

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	LITTER CLEANUP			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			(32)		(32)	(32)						
Aid from Other Governmental Agencies			8,358		81,318	8,358						
Charges for Current Services												
Other Revenues												
Total Revenues				72,960	81,286	8,326				54	54	
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures				72,960	81,286	8,326				54	54	
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(3)	(3)		(77,150)	(77,151)	(1)	(80)	(45)	35	(54)		54
Total Other Financing Sources (Uses)	(3)	(3)		(77,150)	(77,151)	(1)	(80)	(45)	35	(54)		54
Net Changes in Fund Balances	(3)	(3)		(4,190)	4,135	8,325	(80)	(45)	35		54	54
Fund Balances, July 1, 2014 (as previously reported)	3	3		7,779	7,779		155	155				
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	\$	\$	\$	\$ 3,589	\$ 11,914	\$ 8,325	\$ 75	\$ 110	\$ 35	\$	\$ 54	\$ 54

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	OFF HWY MOTOR VEHICLE LICENSE			PARCEL MAP IN-LIEU FEES			PARKS & RECREATION DONATION FUND			PARKS-TIMBER HARVEST		
	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
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties												
Revenues from Use of Money and Property	140	135	(5)	2	1	(1)						
Aid from Other Governmental Agencies					5	5						
Charges for Current Services							9	51	42			
Other Revenues							9	51	42			
Total Revenues	140	135	(5)	2	6	4						
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services				80	52	28	28	28				
Public Ways and Facilities				80	52	28	28	28				
Total Expenditures	140	135	(5)	(78)	(46)	32	(19)	23	42			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109)	(44)	65	2	3	1	(9)	(10)	(1)			
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(109)	(44)	65	(18)	(3)	15	(9)	(10)	(1)			
Total Other Financing Sources (Uses)	(109)	(44)	65	(16)		16	(9)	(10)	(1)			
Net Changes in Fund Balances	31	91	60	(94)	(46)	48	(28)	13	41			
Fund Balances, July 1, 2014 (as previously reported)	362	362		313	313		25	25		37	37	
Prior Period Adjustment							(3)					
Fund Balances (Deficits), June 30, 2015	393	453	60	219	267	48		38		37	37	

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	PLANNED LOCAL DRAINAGE			PLANNED SEWER			PLANNING ADMIN. SURCHARGE			PROBATION DJJ REALIGNMENT		
	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	\$ 107	\$ 8	(99)									
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties	5	5		22	15	(7)	6	7	1	7	17	10
Revenues from Use of Money and Property												
Aid from Other Governmental Agencies				60	150	90	460	543	83			
Charges for Current Services												
Other Revenues	112	13	(99)	82	165	1,217	466	550	84	7	17	10
Total Revenues												
EXPENDITURES:												
Current:												
General Government	3			4								
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	3			4								
Excess (Deficiency) of Revenues Over (Under) Expenditures	109	13	(96)	78	165	87	466	550	84	7	17	10
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out							(1,149)	(431)	718	3,892	3,892	228
Total Other Financing Sources (Uses)							(1,149)	(431)	718	(82)	146	228
Net Changes in Fund Balances	109	13	(96)	78	165	87	(683)	119	802	(75)	163	238
Fund Balances, July 1, 2014 (as previously reported)	1,192	1,192		3,788	3,788		1,667	1,667		1,446	1,446	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	\$ 1,301	\$ 1,205	\$ 14,600	\$ 3,866	\$ 3,953	\$ 6,877	\$ 984	\$ 1,786	\$ 802	\$ 1,371	\$ 1,609	\$ 238

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULES  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)

	PROBATION FEDERAL ASSET FORFEITURE			PROBATION TRAINING			PUBLIC HEALTH MISC.			PUBLIC IMPROVEMENT DISTRICTS		
	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	12									
Revenues from Use of Money and Property				290	262	(28)						
Aid from Other Governmental Agencies												
Charges for Current Services							1	2	5			(3,112)
Other Revenues								7				
Total Revenues		12	12	290	262	(28)	1	7	6	3,112		(3,112)
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures		12	12	290	262	(28)	1	7	6	3,010	103	(3,113)
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(84)	(35)	49	(290)	(262)	28	(10)	(1)				
Total Other Financing Sources (Uses)	(84)	(35)	49	(290)	(262)	28	(10)	(1)	9			
Net Changes in Fund Balances	(84)	(23)	61				(9)	6	15	3,010	(103)	(3,113)
Fund Balances, July 1, 2014 (as previously reported)	84	84		79	79		25	25		103	103	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	\$	\$	61	\$	\$	79	\$	\$	15	\$	\$	\$

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	RANGE IMPROVEMENT			REAL ESTATE FRAUD			RECORDER			RECORDER'S ELECTRONIC RECORDING		
	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	9	7	(2)	2	3	1		3	3		1	(2)
Charges for Current Services				480	966	486		2,279	2,273	(6)	164	(3)
Other Revenues								3	1	(2)		
Total Revenues	9	7	(2)	482	969	487		2,280	2,281	(6)	167	(5)
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation	8	7	(1)					4,595	3,354	1,241	85	85
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	8	7	(1)					4,595	3,354	1,241	85	85
Excess (Deficiency) of Revenues Over (Under) Expenditures	1		(1)	482	969	487		(2,306)	(1,073)	1,233	82	(77)
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out				(503)	(503)			1,697	1,031	(666)	(167)	5
Total Other Financing Sources (Uses)				(503)	(503)			1,697	1,031	(666)	(167)	5
Net Changes in Fund Balances	1		(1)	(21)	466	487		(609)	(42)	567	(85)	(85)
Fund Balances, July 1, 2014 (as previously reported)	94	94		280	280			614	614		285	285
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	95	94	(1)	259	746	487		5	572	567	200	200

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	RECORDER MODERNIZATION			RECORDER SSN TRUNCATION			REDEMPTION SYSTEMS			RMA-HAZARDOUS WASTE SETTLEMENTS		
	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	644	712	68				661	204	(457)		188	188
Other Revenues								2				
Total Revenues	644	712	68				661	206	(455)		188	188
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	644	712	68				661	206	(455)		188	188
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(1,129)	(408)	721	(42)	(12)	30	(661)	(456)	205	(412)	(411)	1
Total Other Financing Sources (Uses)	(1,129)	(408)	721	(42)	(12)	30	(661)	(456)	205	(412)	(411)	1
Net Changes in Fund Balances	(485)	304	789	(42)	(12)	30		(250)	(250)	(412)	(223)	189
Fund Balances, July 1, 2014 (as previously reported)	2,664	2,664		356	356		2,297	2,297		983	983	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	2,179	2,968	789	314	344	30	2,297	2,047	(250)	571	760	189



**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	SHELTER CARE			SHERIFF CAL I.D.			SHERIFF CIVIL AUTOMATED			SHERIFF CIVIL SUBPOENA		
	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
<b>REVENUES:</b>												
Taxes		\$	\$									
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties				675	705	30						
Revenues from Use of Money and Property				15	13	(2)	5	4	(1)			
Aid from Other Governmental Agencies							170	192	22			
Charges for Current Services										7	6	(1)
Other Revenues				690	718	28	175	196	21	7	6	(1)
<b>Total Revenues</b>												
<b>EXPENDITURES:</b>												
<b>Current:</b>												
General Government												
Public Protection	100	12	88									
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
<b>Total Expenditures</b>	100	12	88									
	(100)	(12)	88	690	718	28	175	196	21	7	6	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures												
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers In												
Transfers Out				(1,403)	(535)	868	(198)	(169)	29			
<b>Total Other Financing Sources (Uses)</b>				(1,403)	(535)	868	(198)	(169)	29			
Net Changes in Fund Balances	(100)	(12)	88	(713)	183	896	(23)	27	50	7	6	(1)
Fund Balances, July 1, 2014 (as previously reported)	213	213		3,028	3,028		845	845		18	18	
Prior Period Adjustment												
<b>Fund Balances (Deficits), June 30, 2015</b>	<b>113</b>	<b>201</b>	<b>88</b>	<b>2,315</b>	<b>3,211</b>	<b>896</b>	<b>822</b>	<b>872</b>	<b>50</b>	<b>25</b>	<b>24</b>	<b>(1)</b>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	SHERIFF CONTROLLED SUBSTANCE			SHERIFF DRUG ABUSE GANG DIVERSION			SHERIFF DRUG AWARENESS PROGRAM			SHERIFF FACILITY TRAINING		
	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	300	957	657 (2)	1	1		40	49	9			
Revenues from Use of Money and Property	4	2					4	3	(1)			
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues												
Total Revenues	304	959	655	1	1		44	52	8	250	227	(23)
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures												
Excess (Deficiency) of Revenues Over (Under) Expenditures	304	959	655	1	1		44	52	8	250	227	(23)
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(438)	(437)	1	16	(40)	(10)	(306)	(188)	118	(250)	(250)	
Total Other Financing Sources (Uses)	(438)	(437)	1	(24)	(34)	(10)	(306)	(188)	118	(250)	(250)	
Net Changes in Fund Balances	(134)	522	656	(23)	(33)	(10)	(262)	(136)	126	(23)	(23)	
Fund Balances, July 1, 2014 (as previously reported)	366	366		201	201		845	845		108	108	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	232	888	656	178	168	(10)	583	709	126	108	85	(23)

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	SHERIFF INMATE WELFARE			SHERIFF JUDGMENT DEBTOR FEE			SHERIFF SIDEARM CONVERSION			SHERIFF STATE ASSET FORFEITURES		
	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	33	13							60	18	(42)
Revenues from Use of Money and Property												
Aid from Other Governmental Agencies				200	186	(14)						
Charges for Current Services	4,000	2,705	(1,295)				6	4	(2)			
Other Revenues	4,020	2,738	(1,282)	200	186	(14)	6	4	34	60	18	(42)
Total Revenues												
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	4,020	2,738	(1,282)	200	186	(14)	6	4	(2)	60	18	(42)
Excess (Deficiency) of Revenues Over (Under) Expenditures												
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out	(6,062)	(3,862)	2,200	(173)	(173)		(50)	(25)	25	(59)	(34)	25
Total Other Financing Sources (Uses)	(6,062)	(3,862)	2,200	(173)	(173)		(50)	(25)	25	(59)	(34)	25
Net Changes in Fund Balances	(2,042)	(1,124)	918	27	13	(14)	(44)	(21)	23	1	(16)	(17)
Fund Balances, July 1, 2014 (as previously reported)	5,606	5,606		439	439		63	63		440	440	
Prior Period Adjustment					228							
Fund Balances (Deficits), June 30, 2015	\$ 3,564	\$ 4,482	\$ 918	\$ 466	\$ 680	\$ (14)	\$ 19	\$ 42	\$ 871	\$ 441	\$ 424	\$ (17)

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	SHERIFF TRAINING FUND			SHERIFF'S VOLUNTEER SERVICE GROUP			SHERIFF WORK RELEASE			STERILIZATION		
	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	75	86	11	11	9	(2)	470	426	(44)	37	26	(11)
Total Revenues	75	86	11	11	9	(2)	470	426	(44)	37	26	(11)
EXPENDITURES:												
Current:												
General Government												
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	75	86	11	11	9	(2)	470	426	(44)	37	26	(11)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105)	(105)		(10)	(5)	5	(475)	(425)	50	(48)	(23)	25
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out												
Total Other Financing Sources (Uses)	(30)	(19)	11	1	4	3	(5)	1	6	(11)	3	14
Net Changes in Fund Balances	34	34		108	108		22	22		41	41	
Fund Balances, July 1, 2014 (as previously reported)												
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	\$ 4	\$ 15	\$ 11	\$ 109	\$ 112	\$ 3	\$ 17	\$ 23	\$ 6	\$ 30	\$ 44	\$ 14

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	STRONG MOTION INSTRUMENTATION			TOBACCO EDUCATION CONTROL			VITAL HEALTH STATISTICS COUNTY CLERK			VITAL HEALTH STATISTICS		
	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	\$ 92	\$ 18	(74)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises												
Fines, Forfeitures and Penalties												
Revenues from Use of Money and Property				150	150		2	2				
Aid from Other Governmental Agencies												
Charges for Current Services												
Other Revenues	92	18	(74)	150	150		2	2		55	69	14
Total Revenues										55	69	14
EXPENDITURES:												
Current:												
General Government	165	26	139									
Public Protection												
Health and Sanitation												
Public Assistance												
Education												
Culture and Recreation Services												
Public Ways and Facilities												
Total Expenditures	165	26	139									
	(73)	(8)	65	150	150		2	2		55	69	14
Excess (Deficiency) of Revenues Over (Under) Expenditures				(150)	(135)	15	(3)	(1)	2	(74)	(67)	7
OTHER FINANCING SOURCES (USES):				(150)	(135)	15	(3)	(1)	2	(74)	(67)	7
Transfers In												
Transfers Out												
Total Other Financing Sources (Uses)												
Net Changes in Fund Balances	(73)	(8)	65	15	15		(1)	1	2	(19)	2	21
Fund Balances, July 1, 2014 (as previously reported)	80	80		16	16		1	1		77	77	
Prior Period Adjustment												
Fund Balances (Deficits), June 30, 2015	7	72	65	16	31	15		2		58	79	21

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULES  
CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	VITAL HEALTH STATISTICS RECORDER			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	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises									
Fines, Forfeitures and Penalties				8	8			1	1
Revenues from Use of Money and Property								77	77
Aid from Other Governmental Agencies									
Charges for Current Services	77	84	7					5	5
Other Revenues									
Total Revenues	<u>77</u>	<u>84</u>	<u>7</u>	<u>8</u>	<u>8</u>			<u>334</u>	<u>334</u>
EXPENDITURES:									
Current:									
General Government									
Public Protection				15	11	4			
Health and Sanitation									
Public Assistance									
Education									
Culture and Recreation Services									
Public Ways and Facilities									
Total Expenditures	<u>77</u>	<u>84</u>	<u>7</u>	<u>(7)</u>	<u>(3)</u>	<u>4</u>		<u>334</u>	<u>334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures									
OTHER FINANCING SOURCES (USES):									
Transfers In	(80)	(24)	56	(3)	(3)				
Transfers Out									
Total Other Financing Sources (Uses)	<u>(80)</u>	<u>(24)</u>	<u>56</u>	<u>(3)</u>	<u>(3)</u>				
Net Changes in Fund Balances	(3)	60	63	(10)	(6)	4		334	334
Fund Balances, July 1, 2014 (as previously reported)	362	362		27	27		15,938	15,938	
Prior Period Adjustment									
Fund Balances (Deficits), June 30, 2015	<u>\$ 359</u>	<u>\$ 422</u>	<u>\$ 63</u>	<u>\$ 17</u>	<u>\$ 21</u>	<u>\$ 4</u>	<u>\$ 15,938</u>	<u>\$ 16,272</u>	<u>\$ 334</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### CAPITAL PROJECTS FUNDS DESCRIPTIONS

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

**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.

**7<sup>th</sup> 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.

**Hageman Road** – This fund accounts for the proceeds of Proposition 1B funds, transportation impact fees, County Certificates of Participation bond funds, and various other contributions, for the construction of the Hageman Road/BNSF separation of grade project.

**Separation of Grade** – This fund accounts for the proceeds from various participating entities such as the State of California, City of Bakersfield, City of Shafter, and Union Pacific Railroad for the 7th Standard Road interchange modification and Separation of Grade construction projects.

**COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2015 (IN THOUSANDS)**

Page 1 of 1

	<u>TOTAL</u>	<u>2009 CAPITAL PROJECTS</u>	<u>7TH STANDARD ROAD WIDENING</u>	<u>AB900 JAIL CONSTRUCTION</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled Cash and Investments	\$ 11,630	\$ 1,940	\$ 879	\$ 6,267
Total Assets	<u>11,630</u>	<u>1,940</u>	<u>879</u>	<u>6,267</u>
Total Assets and Deferred Outflows of Resources	\$ <u>11,630</u>	\$ <u>1,940</u>	\$ <u>879</u>	\$ <u>6,267</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accrued Expenditures	\$ 608	\$ 14	\$ 11	\$ 583
Due To Other Funds	<u>3,000</u>			<u>3,000</u>
Total Liabilities	<u>3,608</u>	<u>14</u>	<u>11</u>	<u>3,583</u>
Fund Balances:				
Restricted	2,794	1,926	868	
Assigned	<u>5,228</u>			<u>2,684</u>
Total Fund Balances	<u>8,022</u>	<u>1,926</u>	<u>868</u>	<u>2,684</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>11,630</u>	\$ <u>1,940</u>	\$ <u>879</u>	\$ <u>6,267</u>



<u>ACCUMULATED CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATED CAPITAL OUTLAY GENERAL</u>	<u>HAGEMAN ROAD</u>	<u>SEPARATION OF GRADE</u>	
\$ 275	\$ 2,269	\$	\$	<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>
<u>275</u>	<u>2,269</u>	<u></u>	<u></u>	
\$ 275	\$ 2,269	\$	\$	Assets:
				Pooled Cash and Investments
				Total Assets
				Total Assets and Deferred Outflows of Resources
				<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>
\$	\$	\$	\$	Liabilities:
<u></u>	<u></u>	<u></u>	<u></u>	Accrued Expenditures
				Due To Other Funds
				Total Liabilities
				Fund Balances:
<u>275</u>	<u>2,269</u>	<u></u>	<u></u>	Restricted
<u>275</u>	<u>2,269</u>	<u></u>	<u></u>	Assigned
				Total Fund Balances
<u>\$ 275</u>	<u>\$ 2,269</u>	<u>\$</u>	<u>\$</u>	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, 2015 (IN THOUSANDS)**

Page 1 of 1

	<u>TOTAL</u>	<u>2009 CAPITAL PROJECTS</u>	<u>7TH STANDARD ROAD WIDENING</u>	<u>AB900 JAIL CONSTRUCTION</u>
REVENUES:				
Revenues From Use of Money and Property	\$ 66	\$ 29	\$ 16	\$ (11)
Aid From Other Governmental Agencies	<u>5,708</u>			<u>5,708</u>
Total Revenues	<u>5,774</u>	<u>29</u>	<u>16</u>	<u>5,697</u>
EXPENDITURES:				
Capital Outlay	<u>22,693</u>	<u>14,775</u>	<u>40</u>	<u>7,059</u>
Total Expenditures	<u>22,693</u>	<u>14,775</u>	<u>40</u>	<u>7,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,919)</u>	<u>(14,746)</u>	<u>(24)</u>	<u>(1,362)</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>14,964</u>	<u>14,466</u>		<u>498</u>
Total Other Financing Sources	<u>14,964</u>	<u>14,466</u>		<u>498</u>
Net Change in Fund Balances	(1,955)	(280)	(24)	(864)
Fund Balances, July 1, 2014 (as previously reported)	10,601	2,206	892	3,548
Prior Period Adjustment	(624)			
Fund Balances, June 30, 2015	<u>\$ 8,022</u>	<u>\$ 1,926</u>	<u>\$ 868</u>	<u>\$ 2,684</u>

<u>ACCUMULATED CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATED CAPITAL OUTLAY GENERAL</u>	<u>HAGEMAN ROAD</u>	<u>SEPARATION OF GRADE</u>	
\$ 1	\$ 8	\$ 22	\$ 1	REVENUES:
				Revenues From Use of Money and Property
				Aid From Other Governmental Agencies
<u>1</u>	<u>8</u>	<u>22</u>	<u>1</u>	Total Revenues
		<u>15</u>	<u>804</u>	EXPENDITURES:
				Capital Outlay
		<u>15</u>	<u>804</u>	Total Expenditures
<u>1</u>	<u>8</u>	<u>7</u>	<u>(803)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
				OTHER FINANCING SOURCES:
				Transfers In
				Total Other Financing Sources
1	8	7	(803)	Net Change in Fund Balances
274	2,261	617	803	Fund Balances, July 1, 2014 (as previously reported)
		(624)		Prior Period Adjustment
<u>\$ 275</u>	<u>\$ 2,269</u>	<u>\$</u>	<u>\$</u>	Fund Balances, June 30, 2015

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 TOBACCO SECURITIZATION PROCEEDS  
 YEAR ENDED JUNE 30, 2015 (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	\$ 372	\$ (28)
Aid From Other Governmental Agencies	<u>25,981</u>		<u>(25,981)</u>
Total Revenues	<u>26,381</u>	<u>372</u>	<u>(26,009)</u>
Excess of Revenues Over Expenditures	<u>26,381</u>	<u>372</u>	<u>(26,009)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In		19,969	19,970
Transfers Out	<u>(27,981)</u>	<u>(4,763)</u>	<u>23,218</u>
Total Other Financing Sources (Uses)	<u>(27,981)</u>	<u>15,206</u>	<u>43,188</u>
Net Change in Fund Balance	(1,600)	15,578	17,178
Fund Balance, July 1, 2014	<u>33,804</u>	<u>33,804</u>	
Fund Balance, June 30, 2015	<u>\$ 32,204</u>	<u>\$ 49,383</u>	<u>\$ 17,178</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<b>2009 CAPITAL PROJECTS</b>		
	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
REVENUES:			
Revenues From Use of Money and Property	\$	\$ 29	\$ 29
Other Revenues	<u>77,963</u>		<u>(77,963)</u>
Total Revenues	<u>77,963</u>	<u>29</u>	<u>(77,934)</u>
EXPENDITURES:			
Capital Outlay	<u>52,140</u>	<u>17,265</u>	<u>34,875</u>
Total Expenditures	<u>52,140</u>	<u>17,265</u>	<u>34,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,823</u>	<u>(17,236)</u>	<u>(43,059)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	11,876	14,466	2,590
Transfers Out	<u>(37,800)</u>		<u>37,800</u>
Total Other Financing Sources (Uses)	<u>(25,924)</u>	<u>14,466</u>	<u>40,390</u>
Net Change in Fund Balance	(101)	(2,770)	(2,669)
Fund Balance, July 1, 2014	<u>2,206</u>	<u>2,206</u>	
Fund Balance (Deficit), June 30, 2015	\$ <u><u>2,105</u></u>	\$ <u><u>(564)</u></u>	\$ <u><u>(2,669)</u></u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

**7TH STANDARD ROAD WIDENING**

	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
REVENUES:			
Revenues From Use of Money and Property	\$	\$	\$
Aid From Other Governmental Agencies	25,146	16	(25,146)
Other Revenues	500		(500)
Total Revenues	<u>25,646</u>	<u>16</u>	<u>(25,630)</u>
EXPENDITURES:			
Capital Outlay	<u>42,646</u>	<u>40</u>	<u>42,606</u>
Total Expenditures	<u>42,646</u>	<u>40</u>	<u>42,606</u>
Excess of Revenues Over Expenditures	<u>(17,000)</u>	<u>(24)</u>	<u>16,976</u>
OTHER FINANCING SOURCES			
Transfers In	<u>17,000</u>		<u>(17,000)</u>
Total Other Financing Sources	<u>17,000</u>	<u>0</u>	<u>(17,000)</u>
Net Change in Fund Balance		(24)	(24)
Fund Balance, July 1, 2014	<u>892</u>	<u>892</u>	
Fund Balance, June 30, 2015	<u>\$ 892</u>	<u>\$ 868</u>	<u>\$ (24)</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<b>AB900 JAIL CONSTRUCTION</b>		
	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
REVENUES:			
Revenues From Use of Money and Property	\$ 100,000	\$ (11)	\$ (11)
Aid From Other Governmental Agencies	<u>100,000</u>	<u>5,708</u>	<u>(94,292)</u>
Total Revenues	<u>100,000</u>	<u>5,697</u>	<u>(94,303)</u>
EXPENDITURES:			
Capital Outlay	<u>127,031</u>	<u>208,731</u>	<u>(81,700)</u>
Total Expenditures	<u>127,031</u>	<u>208,731</u>	<u>(81,700)</u>
Deficiency of Revenues Under Expenditures	<u>(27,031)</u>	<u>(203,034)</u>	<u>(176,003)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>27,031</u>	<u>498</u>	<u>(26,533)</u>
Total Other Financing Sources	<u>27,031</u>	<u>498</u>	<u>(26,533)</u>
Net Change in Fund Balance		(202,536)	(202,536)
Fund Balance, July 1, 2014	<u>3,548</u>	<u>3,548</u>	
Fund Balance (Deficit), June 30, 2015	<u>\$ 3,548</u>	<u>\$ (198,988)</u>	<u>\$ (202,536)</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (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	\$ 1	\$ (1)
Total Revenues	<u>2</u>	<u>1</u>	<u>(1)</u>
Excess of Revenues Over Expenditures	<u>2</u>	<u>1</u>	<u>(1)</u>
Net Change in Fund Balance	2	1	(1)
Fund Balance, July 1, 2014	<u>274</u>	<u>274</u>	
Fund Balance, June 30, 2015	<u>\$ 276</u>	<u>\$ 275</u>	<u>\$ (1)</u>



**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (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	\$ 10	\$ 8	\$ (2)
Total Revenues	<u>10</u>	<u>8</u>	<u>(2)</u>
Excess of Revenues Over Expenditures	<u>10</u>	<u>8</u>	<u>(2)</u>
Net Change in Fund Balance	10	8	(2)
Fund Balance, July 1, 2014	<u>2,261</u>	<u>2,261</u>	
Fund Balance, June 30, 2015	<u>\$ 2,271</u>	<u>\$ 2,269</u>	<u>\$ (2)</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<b>HAGEMAN ROAD</b>		
	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
REVENUES:			
Revenues From Use of Money and Property	\$	\$ 22	\$ 22
Aid From Other Governmental Agencies	17,650		(17,650)
Other Revenues	3,000		(3,000)
Total Revenues	<u>20,650</u>	<u>22</u>	<u>(20,628)</u>
EXPENDITURES:			
Capital Outlay	<u>39,000</u>	<u>15</u>	<u>38,985</u>
Total Expenditures	<u>39,000</u>	<u>15</u>	<u>38,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,350)</u>	<u>7</u>	<u>18,357</u>
OTHER FINANCING SOURCES			
Transfers In	<u>18,350</u>		<u>(18,350)</u>
Total Other Financing Sources	<u>18,350</u>		<u>(18,350)</u>
Net Change in Fund Balance		7	7
Fund Balance, July 1, 2014	<u>617</u>	<u>617</u>	
Prior Period Adjustments		(624)	(624)
Fund Balance, June 30, 2015	<u>\$ 617</u>	<u>\$</u>	<u>\$ (617)</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<b>SEPARATION OF GRADE</b>		
	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget</b>
REVENUES:			
Revenues From Use of Money and Property	\$ 155	\$ 1	\$ (154)
Aid From Other Governmental Agencies	19,300		(19,300)
Other Revenues	9,506		(9,506)
Total Revenues	<u>28,961</u>	<u>1</u>	<u>(28,960)</u>
EXPENDITURES:			
Capital Outlay	<u>29,764</u>	<u>804</u>	<u>28,960</u>
Total Expenditures	<u>29,764</u>	<u>804</u>	<u>28,960</u>
Deficiency of Revenues Under Expenditures	<u>(803)</u>	<u>(803)</u>	
Net Change in Fund Balance	(803)	(803)	
Fund Balance, July 1, 2014	<u>803</u>	<u>803</u>	
Fund Balance, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>\$</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, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>KERN ASSET LEASING CORPORATION</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Pooled Cash and Investments	\$ 218	\$	\$	\$ 218
Cash and Investments Deposited with Trustee	8,936	7,803	220	913
Total Assets	<u>9,154</u>	<u>7,803</u>	<u>220</u>	<u>1,131</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,154</u>	<u>\$ 7,803</u>	<u>\$ 220</u>	<u>\$ 1,131</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Fund Balances:				
Restricted	<u>9,154</u>	<u>7,803</u>	<u>220</u>	<u>1,131</u>
Total Fund Balances	<u>9,154</u>	<u>7,803</u>	<u>220</u>	<u>1,131</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,154</u>	<u>\$ 7,803</u>	<u>\$ 220</u>	<u>\$ 1,131</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>KERN ASSET LEASING CORPORATION</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 82	\$ 75	\$	\$ 7
Other Revenues	45,484		44,061	1,423
Total Revenues	<u>45,566</u>	<u>75</u>	<u>44,061</u>	<u>1,430</u>
<b>EXPENDITURES:</b>				
General Government	555			555
Debt Service:				
Principal	37,978	3,233	34,365	380
Interest	15,081	4,758	9,800	523
Total Expenditures	<u>53,614</u>	<u>7,991</u>	<u>44,165</u>	<u>1,458</u>
Deficiency of Revenues Under Expenditures	<u>(8,048)</u>	<u>(7,916)</u>	<u>(104)</u>	<u>(28)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In	7,991	7,991		
Transfer Out	<u>(12,090)</u>	<u>(12,090)</u>		
Total Other Financing Uses	<u>(4,099)</u>	<u>(4,099)</u>		
Net Changes in Fund Balances	(12,147)	(12,015)	(104)	(28)
Fund Balances, July 1, 2014	<u>21,301</u>	<u>19,818</u>	<u>324</u>	<u>1,159</u>
Fund Balances, June 30, 2015	<u>\$ 9,154</u>	<u>\$ 7,803</u>	<u>\$ 220</u>	<u>\$ 1,131</u>



**NON-MAJOR  
ENTERPRISE FUNDS**

## NON-MAJOR ENTERPRISE FUNDS

### FUNDS DESCRIPTIONS

Enterprise funds are used to account for operations: (a) that are financed and operated in a similar manner to 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 Waste Management 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 Roads 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 Waste Management 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, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSES</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
<b>ASSETS</b>					
Current Assets:					
Pooled Cash and Investments	\$ 14,558	\$ 10,859	\$ 1,196	\$ 1,220	1,283
Interest Receivable	14	9		5	
Accrued Revenue	1,487	4		1,483	
Due from Other Funds	59	59			
Total Current Assets	<u>16,118</u>	<u>10,931</u>	<u>1,196</u>	<u>2,708</u>	<u>1,283</u>
Non-Current Assets:					
Taxes Receivable - Net	1,720	539			1,181
Investment in Joint Venture	2,411	2,411			
Capital Assets:					
Non-Depreciable:					
Land	668	603	65		
Construction in Progress	246	151		95	
Depreciable:					
Structures and Improvements	16,241	8,899	6,483	859	
Equipment	19,255	1,316		17,939	
Intangible Assets	246	48		198	
Infrastructure	10,403	10,403			
Accumulated Depreciation and Amortization	<u>(22,732)</u>	<u>(11,470)</u>	<u>(3,074)</u>	<u>(8,188)</u>	
Total Non-Current Assets	<u>28,458</u>	<u>12,900</u>	<u>3,474</u>	<u>10,903</u>	<u>1,181</u>
Total Assets	<u>44,576</u>	<u>23,831</u>	<u>4,670</u>	<u>13,611</u>	<u>2,464</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pensions	735	620		115	
Total Deferred Outflows of Resources	<u>735</u>	<u>620</u>		<u>115</u>	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,123	281		842	
Salaries and Employee Benefits Payable	80	68		12	
Current Portion of Long-Term Debt	42	32		10	
Interest Payable - Current	63	48		15	
Compensated Absences - Current	113	102		11	
Advances from Grantors and Third Parties	1,570	44		1,526	
Total Current Liabilities	<u>2,991</u>	<u>575</u>		<u>2,416</u>	
Non-Current Liabilities:					
Compensated Absences Payable	50	45		5	
Long-Term Debt - Pension Obligation Bonds	594	456		138	
Interest Payable - Pension Obligation Bonds	371	284		87	
Other Post-Employment Benefits (OPEB) Obligations	88	69		19	
Net Pension Liability	4,199	3,610		589	
Total Non-Current Liabilities	<u>5,302</u>	<u>4,464</u>		<u>838</u>	
Total Liabilities	<u>8,293</u>	<u>5,039</u>		<u>3,254</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pensions	435	363		72	
Total Deferred Inflows of Resources	<u>435</u>	<u>363</u>		<u>72</u>	
<b>NET POSITION</b>					
Net Investment in Capital Assets	24,327	9,950	3,474	10,903	
Unrestricted	12,256	9,099	1,196	(503)	2,464
Total Net Position	<u>\$ 36,583</u>	<u>\$ 19,049</u>	<u>\$ 4,670</u>	<u>\$ 10,400</u>	<u>\$ 2,464</u>

**COUNTY OF KERN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSES</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
<b>OPERATING REVENUES:</b>					
Charges for Current Services	\$ 18,227	\$ 4,198	\$ 282	\$ 982	\$ 12,765
Revenues from Use of Property	126	81		45	
Total Operating Revenues	<u>18,353</u>	<u>4,279</u>	<u>282</u>	<u>1,027</u>	<u>12,765</u>
<b>OPERATING EXPENSES:</b>					
Salaries and Employee Benefits	1,717	1,455		262	
Services and Supplies	22,550	1,785	254	7,663	12,848
Other Charges	326	79	107	126	14
Depreciation and Amortization	1,553	381	148	1,024	
Total Operating Expenses	<u>26,146</u>	<u>3,700</u>	<u>509</u>	<u>9,075</u>	<u>12,862</u>
Operating Income (Loss)	<u>(7,793)</u>	<u>579</u>	<u>(227)</u>	<u>(8,048)</u>	<u>(97)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Taxes and Assessments	5,902			5,902	
Fines, Forfeitures and Penalties	279	81			198
Licenses, Permits and Franchises	8	8			
Interest on Bank Deposits and Investments	139	62	7	67	3
Aid from Other Governmental Agencies	713			713	
Other Non-Operating Revenues	153	153			
Interest Expense	(63)	(48)		(15)	
Gain (Loss) on Sale of Capital Assets	(19)	(19)			
Total Non-Operating Revenues	<u>7,112</u>	<u>237</u>	<u>7</u>	<u>6,667</u>	<u>201</u>
Income (Loss) before Contributions	<u>(681)</u>	<u>816</u>	<u>(220)</u>	<u>(1,381)</u>	<u>104</u>
<b>OTHER FINANCING SOURCES</b>					
Capital Contributions	6,794	1,029		5,765	
Total Other Financing Sources	<u>6,794</u>	<u>1,029</u>		<u>5,765</u>	
Changes in Net Position	6,113	1,845	(220)	4,384	104
Net Position, July 1, 2014 (as previously reported)	34,418	20,838	4,890	6,330	2,360
Prior Period Adjustment	<u>(3,948)</u>	<u>(3,634)</u>		<u>(314)</u>	
Net Position, June 30, 2015	<u>\$ 36,583</u>	<u>\$ 19,049</u>	<u>\$ 4,670</u>	<u>\$ 10,400</u>	<u>\$ 2,464</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	TOTAL	COUNTY SANITATION DISTRICTS	GOLF COURSES	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received for Current Services	\$ 18,127	\$ 4,178	\$ 282	\$ 944	\$ 12,723
Cash Received for Use of Property	169	124		45	
Cash Paid for Salaries and Benefits	(1,841)	(1,515)		(326)	
Cash Paid for Services and Supplies	(22,827)	(1,938)	(422)	(7,615)	(12,852)
Cash Paid for Interfund Services and Supplies	(310)	(262)		(48)	
Cash Paid for Other Charges	(326)	(79)	(107)	(126)	(14)
Net Cash Provided (Used) by Operating Activities	<u>(7,008)</u>	<u>508</u>	<u>(247)</u>	<u>(7,126)</u>	<u>(143)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Taxes and Special Assessments	5,902			5,902	
Cash Received as Fines, Forfeitures, and Penalties	287	89			198
Aid from Other Governmental Agencies					
Payment of Long-Term Debt - Pension Obligation Bond	(79)	(68)		(11)	
Interest Paid	(20)	(18)		(2)	
Net Cash Provided by Non-Capital Financing Activities	<u>6,090</u>	<u>3</u>		<u>5,889</u>	<u>198</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Contribution	1,660			1,660	
Acquisition or Construction of Capital Assets	(6,206)	(824)		(5,382)	
Net Cash Used by Capital and Related Financing Activities	<u>(4,546)</u>	<u>(824)</u>		<u>(3,722)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on Bank Deposits and Investments	130	59	7	61	3
Net Cash Provided by Investing Activities	<u>130</u>	<u>59</u>	<u>7</u>	<u>61</u>	<u>3</u>
Net Increase (Decrease) in Cash and Investments	(5,334)	(254)	(240)	(4,898)	58
Cash and Investments, July 1, 2014	19,892	11,113	1,436	6,118	1,225
Cash and Investments, June 30, 2015	<u>\$ 14,558</u>	<u>\$ 10,859</u>	<u>\$ 1,196</u>	<u>\$ 1,220</u>	<u>\$ 1,283</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (7,793)	\$ 579	\$ (227)	\$ (8,048)	\$ (97)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	1,553	381	148	1,024	
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable					
(Increase) Decrease in Accrued Revenue	(36)	3		(39)	
(Increase) Decrease in Taxes Receivable	(68)	(27)			(41)
(Increase) Decrease in Due from Others	(59)	(59)			
(Increase) Decrease in Deferred Pensions Outflow	(409)	(294)		(115)	
Increase (Decrease) in Accrued Expenses	(514)	(346)	(168)		
Increase (Decrease) in Salaries & Benefits Payable	1			1	
Increase (Decrease) in Due to Others	(14)	(9)			(5)
Increase (Decrease) in Deferred Pensions Inflow	435	363		72	
Increase (Decrease) in Compensated Absences Payable	25	19		6	
Increase (Decrease) in Advances from Grantors and Third Parties	44	44			
Increase (Decrease) in Other Post-Employment Benefits (OPEB) Obligations	(2)	(3)		1	
Increase (Decrease) in Net Pension Liability	(171)	(143)		(28)	
Total Adjustments	<u>785</u>	<u>(71)</u>	<u>(20)</u>	<u>922</u>	<u>(46)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,008)</u>	<u>\$ 508</u>	<u>\$ (247)</u>	<u>\$ (7,126)</u>	<u>\$ (143)</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Capital Contributions	\$ 5,134	\$ 1,029		\$ 4,105	
Total Non-cash Investing, Capital, and Financing Activities	<u>\$ 5,134</u>	<u>\$ 1,029</u>		<u>\$ 4,105</u>	

The seal of Kern County, California, is a circular emblem. It features a central scene with a sun rising over mountains, a plane flying in the sky, 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.

**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, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 44,765	\$ 13,059	\$ 4,065	\$ 11,874
Interest Receivable	60	19	5	18
Accrued Revenue	1,380			1,146
Due from Other Funds	308		13	
Inventory- Materials and Supplies	125		125	
Total Current Assets	<u>46,638</u>	<u>13,078</u>	<u>4,208</u>	<u>13,038</u>
Non-Current Assets:				
Deposits with Others	1,779			1,779
Equipment	11,148		11,148	
Intangible Assets	37		37	
Accumulated Depreciation	(5,980)		(5,980)	
Total Non-Current Assets	<u>6,984</u>		<u>5,205</u>	<u>1,779</u>
Total Assets	<u>53,622</u>	<u>13,078</u>	<u>9,413</u>	<u>14,817</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pensions	698		698	
Total Deferred Outflows of Resources	<u>698</u>		<u>698</u>	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	2,147		95	2,052
Salaries and Employee Benefits Payable	81		81	
Long-Term Debt - Current	25		25	
Interest Payable - Current	57		57	
Compensated Absences - Current	94		94	
Liability for Self-Insurance - Current	33,419	3,767		15,452
Total Current Liabilities	<u>35,823</u>	<u>3,767</u>	<u>352</u>	<u>17,504</u>
Non-Current Liabilities				
Compensated Absences Payable	42		42	
Liability for Self-Insurance - Long-Term	110,068	31,990		
Long-Term Debt - Pension Obligation Bonds	263		263	
Interest Payable - Long-term - Pension Obligation Bonds	315		315	
OPEB Obligation	44		44	
Net Pension Liability	3,639		3,639	
Total Non-Current Liabilities	<u>114,371</u>	<u>31,990</u>	<u>4,303</u>	
Total Liabilities	<u>150,194</u>	<u>35,757</u>	<u>4,655</u>	<u>17,504</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pensions	380		380	
Total Deferred Inflows of Resources	<u>380</u>		<u>380</u>	
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,205		5,205	
Restricted	1,779			1,779
Unrestricted (Deficit)	(103,238)	(22,679)	(129)	(4,466)
Total Net Position	<u>\$ (96,254)</u>	<u>\$ (22,679)</u>	<u>\$ 5,076</u>	<u>\$ (2,687)</u>

<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS' COMPENSATION</b>	
\$ 3,282	\$ 1,683	\$ 10,802	<b>ASSETS</b>
		18	Current Assets:
		234	Pooled Cash and Investments
		295	Interest Receivable
			Accrued Revenue
			Due from Other Funds
			Inventory- Materials and Supplies
<u>3,282</u>	<u>1,683</u>	<u>11,349</u>	Total Current Assets
			Non-Current Assets:
			Deposits with Others
			Equipment
			Intangible Assets
			Accumulated Depreciation
			Total Non-Current Assets
<u>3,282</u>	<u>1,683</u>	<u>11,349</u>	Total Assets
			<b>DEFERRED OUTFLOWS OF RESOURCES</b>
			Deferred Pensions
			Total Deferred Outflows of Resources
			<b>LIABILITIES</b>
			Current Liabilities:
			Accounts Payable
			Salaries and Employee Benefits Payable
			Long-Term Debt - Current
			Interest Payable - Current
			Compensated Absences - Current
	1,142	13,058	Liability for Self-Insurance - Current
	<u>1,142</u>	<u>13,058</u>	Total Current Liabilities
			Non-Current Liabilities
		78,078	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>78,078</u>	Total Non-Current Liabilities
	<u>1,142</u>	<u>91,136</u>	Total Liabilities
			<b>DEFERRED INFLOWS OF RESOURCES</b>
			Deferred Pensions
			Total Deferred Inflows of Resources
			<b>NET POSITION</b>
			Net Investment in Capital Assets
			Restricted
		(79,787)	Unrestricted (Deficit)
<u>3,282</u>	<u>541</u>	<u>(79,787)</u>	Total Net Position
\$ <u>3,282</u>	\$ <u>541</u>	\$ <u>(79,787)</u>	

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
OPERATING REVENUES:				
Charges for Current Services	\$ 165,043	\$ 18,478	\$ 4,535	\$ 121,716
Total Operating Revenues	<u>165,043</u>	<u>18,478</u>	<u>4,535</u>	<u>121,716</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	10,127		1,716	
Services and Supplies	20,252	5,520	1,742	7,917
Claims Incurred	147,349	6,937		134,719
Other Charges	4,239	260	176	3,261
Depreciation Expense	878		878	
Total Operating Expenses	<u>182,845</u>	<u>12,717</u>	<u>4,512</u>	<u>145,897</u>
Operating Income (Loss)	<u>(17,802)</u>	<u>5,761</u>	<u>23</u>	<u>(24,181)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	336	37	22	204
Aid from Other Governmental Agencies	323			28
Other Revenues	9,332	2	211	
Interest Expense	(43)		(43)	
Loss on Sale of Capital Assets	(111)		(111)	
Total Non-Operating Revenues (Expenses)	<u>9,837</u>	<u>39</u>	<u>79</u>	<u>232</u>
Income (Loss) before Contributions	<u>(7,965)</u>	<u>5,800</u>	<u>102</u>	<u>(23,949)</u>
OTHER FINANCING SOURCES				
Capital Contributions	528		528	
Total Other Financing Sources	<u>528</u>		<u>528</u>	
Change in Net Position	(7,437)	5,800	630	(23,949)
Net Position, July 1, 2014 (as previously reported)	<u>(85,337)</u>	<u>(28,479)</u>	<u>7,926</u>	<u>21,262</u>
Prior Period Adjustments	(3,480)		(3,480)	
Net Position, June 30, 2015	<u>\$ (96,254)</u>	<u>\$ (22,679)</u>	<u>\$ 5,076</u>	<u>\$ (2,687)</u>

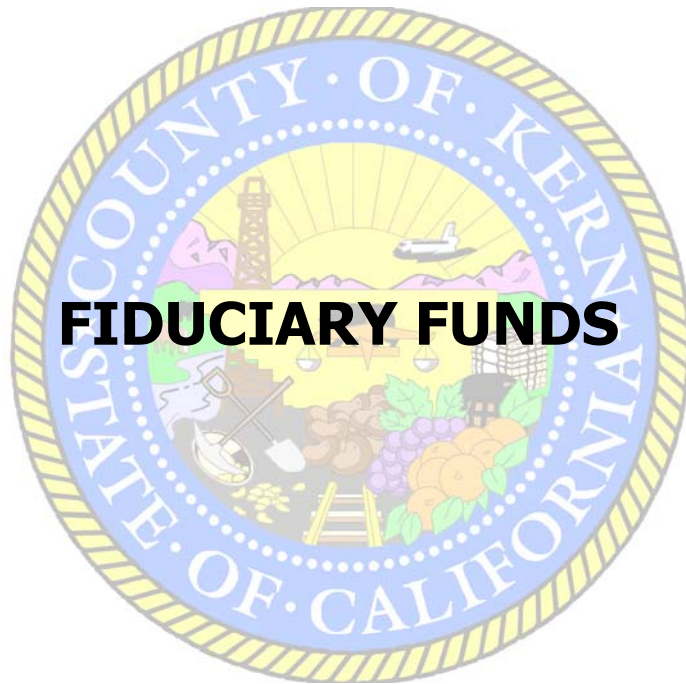


<b>RETIREE GROUP HEALTH</b>	<b>UNEMPLOYMENT COMPENSATION</b>	<b>WORKERS' COMPENSATION</b>	
\$ 69	\$ 2,469	\$ 17,776	OPERATING REVENUES:
			Charges for Current Services
<u>69</u>	<u>2,469</u>	<u>17,776</u>	Total Operating Revenues
			OPERATING EXPENSES:
8,411			Salaries and Employee Benefits
169	42	4,862	Services and Supplies
	2,639	3,054	Claims Incurred
109		433	Other Charges
			Depreciation Expense
<u>8,689</u>	<u>2,681</u>	<u>8,349</u>	Total Operating Expenses
<u>(8,620)</u>	<u>(212)</u>	<u>9,427</u>	Operating Income (Loss)
			NON-OPERATING REVENUES (EXPENSES):
11	11	51	Interest on Bank Deposits and Investments
		295	Aid from Other Governmental Agencies
8,411		708	Other Revenues
			Interest Expense
			Loss on Sale of Capital Assets
<u>8,422</u>	<u>11</u>	<u>1,054</u>	Total Non-Operating Revenues (Expenses)
<u>(198)</u>	<u>(201)</u>	<u>10,481</u>	Income (Loss) before Contributions
			OTHER FINANCING SOURCES
			Capital Contributions
			Total Other Financing Sources
(198)	(201)	10,481	Change in Net Position
<u>3,480</u>	<u>742</u>	<u>(90,268)</u>	Net Position, July 1, 2014 (as previously reported)
			Prior Period Adjustments
<u>\$ 3,282</u>	<u>\$ 541</u>	<u>\$ (79,787)</u>	Net Position, June 30, 2015

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received for Interfund Charges for Services	\$ 163,379	\$ 18,455	\$ 4,589	\$ 120,179
Cash Received for Charges for Services	1,502	23	1	1,245
Cash Received for Other Operations	5			5
Cash Paid for Salaries and Benefits	(10,223)		(1,812)	
Cash Paid for Services and Supplies	(24,224)	(7,281)	(1,674)	(10,166)
Cash Paid for Reported Claims	(147,894)	(6,768)		(127,551)
Cash Paid for Other Charges	(4,240)	(260)	(176)	(3,262)
Deposits with Others	25			25
Net Cash Provided (Used) by Operating Activities	<u>(21,670)</u>	<u>4,169</u>	<u>928</u>	<u>(19,525)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Cash Received from Other Funds	9,247	2	126	
Cash Received for Other Operations	212		212	
Aid from Other Governmental Agencies	28			28
Pension Obligation Bond Principal Paid	(72)		(72)	
Interest Paid on Pension Obligation Bond	(10)		(10)	
Net Cash Provided by Non-Capital Financing Activities	<u>9,405</u>	<u>2</u>	<u>256</u>	<u>28</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from Sale of Capital Assets	39		39	
Capital Contributions	126		126	
Acquisition or Construction of Capital Assets	(1,207)		(1,207)	
Net Cash Used by Capital and Related Financing Activities	<u>(1,042)</u>		<u>(1,042)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on Bank Deposits and Investments	330	28	16	216
Net Increase (Decrease) in Cash and Investments	(12,977)	4,199	158	(19,281)
Beginning Cash and Investments at July 1, 2014	57,742	8,860	3,907	31,155
Ending Cash and Investments at June 30, 2015	<u>\$ 44,765</u>	<u>\$ 13,059</u>	<u>\$ 4,065</u>	<u>\$ 11,874</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (17,802)	\$ 5,761	\$ 23	\$ (24,181)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	878		878	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	37		37	
(Increase) Decrease in Accrued Revenue	(257)			(288)
(Increase) Decrease in Due from Others	56	1	55	
(Increase) Decrease in Deferred Pensions Outflow	(357)		(357)	
(Increase) Decrease in Deposits with Others	25			25
(Increase) Decrease in Prepaid Items	38	38		
Increase (Decrease) in Accrued Expenses	(2,048)	(1,800)	31	(249)
Increase (Decrease) in Salaries & Benefits Payable	12		12	
Increase (Decrease) in Deferred Pensions Inflow	380		380	
Increase (Decrease) in Compensated Absences Payable	17		17	
Increase (Decrease) in Provision for Liability Claims	(2,501)	169		5,168
Increase (Decrease) in Other Post-Employment Benefits Obligation	2		2	
Increase (Decrease) in Net Pension Liability	(150)		(150)	
Total Adjustments	<u>(3,868)</u>	<u>(1,592)</u>	<u>905</u>	<u>4,656</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (21,670)</u>	<u>\$ 4,169</u>	<u>\$ 928</u>	<u>\$ (19,525)</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Capital Contributions	\$ 402		\$ 402	
Total Non-cash Investing, Capital, and Financing Activities	<u>\$ 402</u>		<u>\$ 402</u>	

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
\$ 100	\$ 2,297	\$ 17,759	CASH FLOWS FROM OPERATING ACTIVITIES:
45	172	16	Cash Received for Interfund Charges for Services
(8,411)			Cash Received for Charges for Services
(169)	(42)	(4,892)	Cash Received for Other Operations
(109)	(2,821)	(10,754)	Cash Paid for Salaries and Benefits
		(433)	Cash Paid for Services and Supplies
			Cash Paid for Reported Claims
			Cash Paid for Other Charges
			Deposits with Others
<u>(8,544)</u>	<u>(394)</u>	<u>1,696</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
8,411		708	Cash Received from Other Funds
			Cash Received for Other Operations
			Aid from Other Governmental Agencies
			Pension Obligation Bond Principal Paid
			Interest Paid on Pension Obligation Bond
<u>8,411</u>		<u>708</u>	Net Cash Provided by Non-Capital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
			Proceeds from Sale of Capital Assets
			Capital Contributions
			Acquisition or Construction of Capital Assets
			Net Cash Used by Capital and Related Financing Activities
<u>17</u>	<u>11</u>	<u>42</u>	CASH FLOWS FROM INVESTING ACTIVITIES:
			Interest on Bank Deposits and Investments
(116)	(383)	2,446	Net Increase (Decrease) in Cash and Investments
3,398	2,066	8,356	Beginning Cash and Investments at July 1, 2014
<u>\$ 3,282</u>	<u>\$ 1,683</u>	<u>\$ 10,802</u>	Ending Cash and Investments at June 30, 2015
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$ (8,620)	\$ (212)	\$ 9,427	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
			Depreciation
			Changes in Assets and Liabilities:
76		(45)	(Increase) Decrease in Inventory
			(Increase) Decrease in Accrued Revenue
			(Increase) Decrease in Due from Others
			(Increase) Decrease in Deferred Pensions Outflow
			(Increase) Decrease in Deposits with Others
			(Increase) Decrease in Prepaid Items
		(30)	Increase (Decrease) in Accrued Expenses
			Increase (Decrease) in Salaries & Benefits Payable
			Increase (Decrease) in Deferred Pensions Inflow
	(182)	(7,656)	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>76</u>	<u>(182)</u>	<u>(7,731)</u>	Total Adjustments
<u>\$ (8,544)</u>	<u>\$ (394)</u>	<u>\$ 1,696</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.

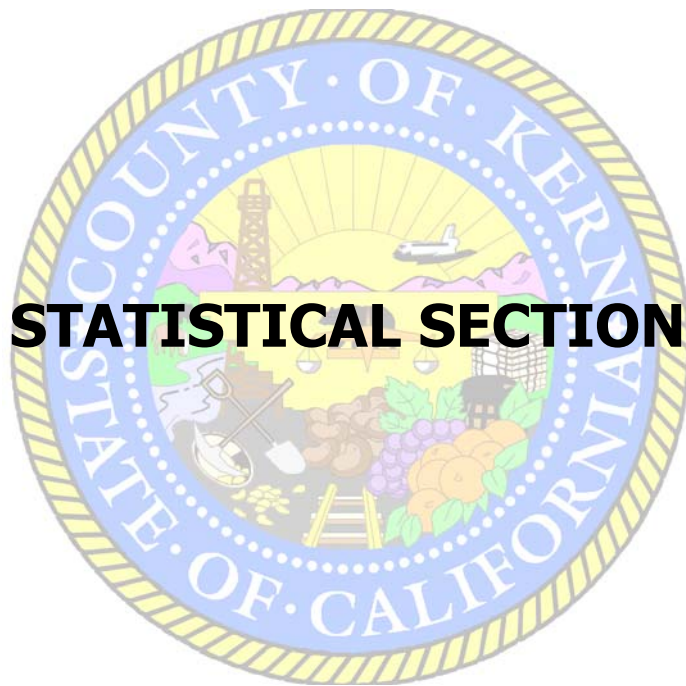
**COUNTY OF KERN  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

Page 1 of 2

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 206,412	\$ 5,998,220	\$ 5,961,173	\$ 243,459
Investments	1	1,160	1,160	1
Interest Receivable	126	218	89	255
Taxes Receivable	49,555	1,358,665	1,355,434	52,786
Due from Other Agencies	13,024	20,513	13,626	19,911
Total Assets	<u>\$ 269,118</u>	<u>\$ 7,378,776</u>	<u>\$ 7,331,482</u>	<u>\$ 316,412</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 11	\$ 1,539	\$ 1,550	\$ 10,991
Warrants Payable	9,051	2,921,960	2,920,020	10,991
Interest Payable	986	1,569	1,324	1,231
Due to Other Agencies	258,750	3,101,141	3,056,021	303,870
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 269,118</u>	<u>\$ 6,026,209</u>	<u>\$ 5,978,915</u>	<u>\$ 316,412</u>
<b>CLEARING FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 570	\$ 943,556	\$ 943,151	\$ 975
Investments	1	1,160	1,160	1
Due from Other Agencies	1	55	50	6
Total Assets	<u>\$ 572</u>	<u>\$ 944,771</u>	<u>\$ 944,361</u>	<u>\$ 982</u>
<b>LIABILITIES</b>				
Warrants Payable	\$ 572	\$ 1,290	\$ 1,290	\$ 982
Due to Other Agencies	572	1,041,327	1,040,917	982
Total Liabilities	<u>\$ 572</u>	<u>\$ 1,042,617</u>	<u>\$ 1,042,207</u>	<u>\$ 982</u>
<b>WARRANT CLEARANCE FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 9,054	\$ 2,921,960	\$ 2,920,023	\$ 10,991
Total Assets	<u>\$ 9,054</u>	<u>\$ 2,921,960</u>	<u>\$ 2,920,023</u>	<u>\$ 10,991</u>
<b>LIABILITIES</b>				
Warrants Payable	\$ 9,051	\$ 2,921,960	\$ 2,920,020	\$ 10,991
Due to Other Agencies	3		3	
Total Liabilities	<u>\$ 9,054</u>	<u>\$ 2,921,960</u>	<u>\$ 2,920,023</u>	<u>\$ 10,991</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2015 (IN THOUSANDS)**

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>STATE FUNDS</b>				
ASSETS				
Pooled Cash and Investments	\$ 6,174	\$ 42,299	\$ 42,790	\$ 5,683
Total Assets	<u>\$ 6,174</u>	<u>\$ 42,299</u>	<u>\$ 42,790</u>	<u>\$ 5,683</u>
LIABILITIES				
Due to Other Agencies	\$ 6,174	\$ 40,116	\$ 40,607	\$ 5,683
Total Liabilities	<u>\$ 6,174</u>	<u>\$ 40,116</u>	<u>\$ 40,607</u>	<u>\$ 5,683</u>
<b>OTHER FUNDS</b>				
ASSETS				
Pooled Cash and Investments	\$ 172,191	\$ 730,634	\$ 691,084	\$ 211,741
Interest Receivable	61	103	36	128
Due from Other Agencies	13,020	20,458	13,576	19,902
Total Assets	<u>\$ 185,272</u>	<u>\$ 751,195</u>	<u>\$ 704,696</u>	<u>\$ 231,771</u>
LIABILITIES				
Accounts Payable	\$ 11	\$ 249	\$ 260	\$
Due to Other Agencies	185,261	629,695	583,185	231,771
Total Liabilities	<u>\$ 185,272</u>	<u>\$ 629,944</u>	<u>\$ 583,445</u>	<u>\$ 231,771</u>
<b>UNAPPORTIONED FUNDS</b>				
ASSETS				
Pooled Cash and Investments	\$ 18,423	\$ 1,359,771	\$ 1,364,125	\$ 14,069
Interest Receivable	65	115	53	127
Taxes Receivable	49,555	1,358,665	1,355,434	52,786
Due from Other Agencies	3			3
Total Assets	<u>\$ 68,046</u>	<u>\$ 2,718,551</u>	<u>\$ 2,719,612</u>	<u>\$ 66,985</u>
LIABILITIES				
Interest Payable	\$ 986	\$ 1,569	\$ 1,324	\$ 1,231
Due to Other Agencies	66,740	1,390,003	1,391,309	65,434
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 68,046</u>	<u>\$ 1,391,572</u>	<u>\$ 1,392,633</u>	<u>\$ 66,985</u>



**STATISTICAL SECTION**



# 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				
	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 417,677	\$ 494,591	\$ 508,638	\$ 473,897	\$ 1,542,559
Restricted	15,349	15,352	13,975	230,225	229,285
Unrestricted (deficit)	(122,898)	(74,478)	(62,710)	(198,015)	(122,364)
Total Governmental Activities Net Position	<u>\$ 310,128</u>	<u>\$ 435,465</u>	<u>\$ 459,903</u>	<u>\$ 506,107</u>	<u>\$ 1,649,480</u>
<b>Business-type Activities:</b>					
Net Investment in Capital Assets	\$ 124,631	\$ 140,235	\$ 146,013	\$ 154,030	\$ 160,640
Restricted	8,428	12,060	5,646	4,904	4,240
Unrestricted (deficit)	(52,275)	(79,592)	(85,454)	(70,079)	(44,226)
Total Business-type Activities Net Position	<u>\$ 80,784</u>	<u>\$ 72,703</u>	<u>\$ 66,205</u>	<u>\$ 88,855</u>	<u>\$ 120,654</u>
<b>Primary Government:</b>					
Net Investment in Capital Assets	\$ 542,308	\$ 634,826	\$ 654,651	\$ 627,927	\$ 1,703,199
Restricted	23,777	27,412	19,621	235,129	233,525
Unrestricted (deficit)	(175,173)	(154,070)	(148,164)	(268,094)	(166,590)
Total Primary Government Net Position	<u>\$ 390,912</u>	<u>\$ 508,168</u>	<u>\$ 526,108</u>	<u>\$ 594,962</u>	<u>\$ 1,770,134</u>

Fiscal Year					
2011	2012	2013	2014	2015	
\$ 1,646,543	\$ 1,672,915	\$ 1,711,461	\$ 1,726,834	\$ 1,750,564	<b>Governmental Activities:</b>
319,828	335,190	363,662	347,207	375,293	Net Investment in Capital Assets
(267,332)	(266,157)	(262,932)	(294,565)	(1,805,642)	Restricted
<u>\$ 1,699,039</u>	<u>\$ 1,741,948</u>	<u>\$ 1,812,191</u>	<u>\$ 1,779,476</u>	<u>\$ 320,215</u>	Unrestricted (deficit)
					Total Governmental Activities Net Position
					<b>Business-type Activities:</b>
\$ 172,883	\$ 170,984	\$ 166,895	\$ 180,025	\$ 198,605	Net Investment in Capital Assets
3,037	2,022	15,671	15,231	10,601	Restricted
(54,506)	(96,878)	(125,371)	(114,309)	(450,784)	Unrestricted (deficit)
<u>\$ 121,414</u>	<u>\$ 76,128</u>	<u>\$ 57,195</u>	<u>\$ 80,947</u>	<u>\$ (241,578)</u>	Total Business-type Activities Net Position
					<b>Primary Government:</b>
\$ 1,819,426	\$ 1,843,899	\$ 1,878,356	\$ 1,906,859	\$ 1,949,169	Net Investment in Capital Assets
322,865	337,212	379,333	362,438	385,894	Restricted
(321,838)	(363,035)	(388,303)	(408,874)	(2,256,426)	Unrestricted (deficit)
<u>\$ 1,820,453</u>	<u>\$ 1,818,076</u>	<u>\$ 1,869,386</u>	<u>\$ 1,860,423</u>	<u>\$ 78,637</u>	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				
	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>					
<b>Expenses:</b>					
General Government	\$ 82,788	\$ 76,033	\$ 95,918	\$ 52,916	\$ 92,049
Public Protection	374,303	377,961	480,002	487,167	449,054
Public Ways and Facilities	38,348	55,913	50,878	44,648	60,510
Health and Sanitation	126,815	127,676	149,023	151,741	143,156
Public Assistance	381,836	363,655	400,263	411,388	421,154
Education	9,002	10,143	10,159	9,372	8,436
Culture and Recreation Services	10,556	13,459	15,256	14,440	12,747
Interest on Short and Long-term Debt	41,864	42,788	42,412	44,354	42,013
Total Expenses	<u>1,065,512</u>	<u>1,067,628</u>	<u>1,243,911</u>	<u>1,216,026</u>	<u>1,229,119</u>
<b>Program Revenues:</b>					
Charges for Services:					
General Government	53,668	42,294	59,209	62,485	65,670
Public Protection	87,368	74,051	97,856	97,993	93,839
Health and Sanitation	48,041	29,760	54,205	53,702	40,064
Other	18,310	21,230	18,340	17,095	13,451
Operating Grants and Contributions	606,855	617,358	679,220	656,815	724,772
Capital Grants and Contributions	6,564	15,149	9,478	22,800	19,123
Total Program Revenues	<u>820,806</u>	<u>799,842</u>	<u>918,308</u>	<u>910,890</u>	<u>956,919</u>
Total Governmental Activities, Net Program Expenses	<u>(244,706)</u>	<u>(267,786)</u>	<u>(325,603)</u>	<u>(305,136)</u>	<u>(272,200)</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes	181,729	213,535	244,636	227,163	226,528
Vehicle License Taxes <sup>a</sup>	61,061	77,620	86,828	91,737	85,897
Aircraft Taxes	156	170	227	232	201
Sales and Use Taxes	33,182	35,602	39,618	40,502	33,414
Transient Occupancy Tax	1,414	1,688	1,506	1,676	1,346
Special Assessments			3,141	3,093	3,375
Transfer Taxes	7,402	5,334	3,166	2,407	2,423
Other Taxes	795	864	1,385	856	711
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	14,682	28,310	28,043	25,681	18,976
Miscellaneous	20,488	69,578	6,428	9,802	14,260
Special Items			3,112		
Transfers	(36,337)	(40,607)	(49,304)	(51,809)	(32,591)
Total General Revenues and Transfers	<u>284,572</u>	<u>392,094</u>	<u>368,786</u>	<u>351,340</u>	<u>354,540</u>
Total Governmental Activities Change in Net Position	<u>\$ 39,866</u>	<u>\$ 124,308</u>	<u>\$ 43,183</u>	<u>\$ 46,204</u>	<u>\$ 82,340</u>

Notes:

<sup>a</sup> 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					
		2011	2012	2013	2014	2015	
							<b>Governmental Activities:</b>
							<b>Expenses:</b>
\$	110,846	\$ 93,530	\$ 94,901	\$ 85,816	\$ 92,981		General Government
	491,209	516,877	547,416	558,228	593,634		Public Protection
	10,594	63,955	69,153	122,567	63,111		Public Ways and Facilities
	144,971	154,322	156,302	157,183	146,941		Health and Sanitation
	422,059	396,670	391,318	411,182	425,161		Public Assistance
	9,093	1,984	8,153	8,600	8,229		Education
	13,521	14,690	14,319	14,565	13,604		Culture and Recreation Services
	40,717	42,670	41,161	37,679	37,914		Interest on Short and Long-term Debt
	<u>1,243,010</u>	<u>1,284,698</u>	<u>1,322,723</u>	<u>1,395,820</u>	<u>1,381,575</u>		Total Expenses
							<b>Program Revenues:</b>
							Charges for Services:
	64,151	58,153	58,620	58,908	65,900		General Government
	99,898	90,771	84,355	106,151	93,559		Public Protection
	41,944	46,539	45,590	39,080	61,195		Health and Sanitation
	16,034	13,472	16,790	23,222	23,441		Other
	683,830	688,523	741,506	703,323	724,439		Operating Grants and Contributions
	31,685	20,560	18,936	44,419	47,657		Capital Grants and Contributions
	<u>937,542</u>	<u>918,018</u>	<u>965,797</u>	<u>975,103</u>	<u>1,016,191</u>		Total Program Revenues
	<u>(305,468)</u>	<u>(366,680)</u>	<u>(356,926)</u>	<u>(420,717)</u>	<u>(365,384)</u>		Total Governmental Activities, Net Program Expenses
							<b>General Revenues:</b>
							Taxes:
	241,326	256,744	271,564	270,406	270,191		Property Taxes
	90,382	92,660	99,756	101,645	107,308		Vehicle License Taxes <sup>a</sup>
	142	85	151	113	120		Aircraft Taxes
	36,997	57,915	55,718	52,240	58,683		Sales and Use Taxes
	1,658	1,732	1,845	1,772	2,721		Transient Occupancy Tax
	3,484	2,888	2,807	2,717	2,710		Special Assessments
	3,817	2,556	2,961	2,942	3,183		Transfer Taxes
	1,189	1,318	1,435	1,440	1,664		Other Taxes
							Grants and Contributions not Restricted to Specific Programs:
	13,980	18,338	16,870	17,307	12,785		Unrestricted Investment Earnings
	3,668	7,591	22,356	3,369	11,822		Miscellaneous
	(2,406)						Special Items
	<u>(33,921)</u>	<u>(37,681)</u>	<u>(37,735)</u>	<u>(65,949)</u>	<u>(42,916)</u>		Transfers
	<u>360,316</u>	<u>404,146</u>	<u>437,728</u>	<u>388,002</u>	<u>428,271</u>		Total General Revenues and Transfers
\$	<u>54,848</u>	<u>\$ 37,466</u>	<u>\$ 80,802</u>	<u>\$ (32,715)</u>	<u>\$ 62,887</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				
	2006	2007	2008	2009	2010
<b>Business-type Activities:</b>					
<b>Expenses:</b>					
Airports	\$ 6,223	\$ 5,962	\$ 8,408	\$ 7,626	\$ 7,301
County Sanitation Districts	3,429	3,199	3,378	3,319	3,593
Golf Courses	4,725	5,011	4,083	412	302
Kern Medical Center	240,742	246,210		259,558	255,248
Public Transportation	5,652	6,014	6,759	6,787	6,892
Universal Collection	7,930	8,594	9,314	9,797	10,203
Waste Management	36,237	40,305	35,119	35,115	31,869
Total Expenses	<u>304,938</u>	<u>315,295</u>	<u>67,061</u>	<u>322,614</u>	<u>315,408</u>
<b>Revenues:</b>					
Charges for Services:					
Airports	3,396	3,705	4,140	3,785	3,610
County Sanitation Districts	3,580	3,381	4,301	3,696	4,008
Golf Courses	4,937	5,274	4,863	421	468
Kern Medical Center	205,985	192,987	199,666	222,054	206,106
Public Transportation	4,567	4,350	5,236	5,134	5,211
Universal Collection	8,390	8,970	9,644	9,610	10,815
Waste Management	32,960	32,603	34,212	32,885	34,635
Operating Grants and Contributions	1,853	7,324	15,666	6,109	34,579
Capital Grants and Contributions	9,674			2,131	4,300
Total Revenues	<u>275,342</u>	<u>258,594</u>	<u>277,728</u>	<u>285,825</u>	<u>303,732</u>
Total Business-type Activities, Net Program Expenses	<u>(29,596)</u>	<u>(56,701)</u>	<u>210,667</u>	<u>(36,789)</u>	<u>(11,676)</u>
<b>General Revenues:</b>					
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	1,404	8,432	3,556	3,062	1,386
Miscellaneous	3,593	2,470	3,570	4,568	426
Gain (Loss) on Sale of Capital Assets	(4)		374		
Transfers	36,337	40,607	49,304	51,809	32,591
Total General Revenues and Transfers	<u>41,330</u>	<u>51,509</u>	<u>56,804</u>	<u>59,439</u>	<u>34,403</u>
Total Business-type Activities Change in Net Position	<u>\$ 11,734</u>	<u>\$ (5,192)</u>	<u>\$ 267,471</u>	<u>\$ 22,650</u>	<u>\$ 22,727</u>
Total Primary Government Change in Net Position	<u>\$ 51,600</u>	<u>\$ 119,116</u>	<u>\$ 310,654</u>	<u>\$ 68,854</u>	<u>\$ 105,067</u>

Fiscal Year					
2011	2012	2013	2014	2015	
					<b>Business-type Activities:</b>
					<b>Expenses:</b>
\$ 7,111	\$ 7,089	\$ 8,330	\$ 7,312	\$ 8,255	Airports
3,820	3,620	3,707	4,248	3,807	County Sanitation Districts
231	391	779	456	509	Golf Courses
279,515	287,972	302,694	297,570	281,624	Kern Medical Center
7,109	8,319	8,367	8,817	9,099	Public Transportation
10,418	10,573	10,867	12,800	12,862	Universal Collection
32,208	31,404	32,080	30,385	33,352	Waste Management
<u>340,412</u>	<u>349,368</u>	<u>366,824</u>	<u>361,588</u>	<u>349,508</u>	Total Expenses
					<b>Revenues:</b>
					Charges for Services:
3,789	4,136	4,095	4,395	4,066	Airports
4,011	4,007	4,081	4,162	4,368	County Sanitation Districts
458	492	474	462	282	Golf Courses
182,959	118,038	114,264	134,888	183,547	Kern Medical Center
5,719	6,634	5,896	6,677	6,929	Public Transportation
10,656	10,806	9,817	12,922	12,963	Universal Collection
34,123	36,137	38,787	39,892	40,661	Waste Management
63,175	78,973	112,218	99,819	83,151	Operating Grants and Contributions
3,490	3,811	16,316	15,267	8,120	Capital Grants and Contributions
<u>308,380</u>	<u>263,034</u>	<u>305,948</u>	<u>318,484</u>	<u>344,087</u>	Total Revenues
<u>(32,032)</u>	<u>(86,334)</u>	<u>(60,876)</u>	<u>(43,104)</u>	<u>(5,421)</u>	Total Business-type Activities, Net Program Expenses
					<b>General Revenues:</b>
					Grants and Contributions not Restricted to Specific Programs:
865	598	181	907	634	Unrestricted Investment Earnings
6,844	2,770				Miscellaneous
(38)					Gain (Loss) on Sale of Capital Assets
33,921	37,681	37,735	65,949	42,916	Transfers
<u>41,592</u>	<u>41,049</u>	<u>37,916</u>	<u>66,856</u>	<u>43,550</u>	Total General Revenues and Transfers
\$ 9,560	\$ (45,285)	\$ (22,960)	\$ 23,752	\$ 38,129	Total Business-type Activities Change in Net Position
\$ 64,408	\$ (7,819)	\$ 57,842	\$ (8,963)	\$ 101,016	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				
	2006	2007	2008	2009	2010
General Fund Balances:					
Reserved	\$ 45,409	\$ 85,976	\$ 87,876	\$ 64,283	\$ 27,536
Unreserved	80,986	89,163	63,759	80,008	112,674
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total General Fund Balances	<u>\$ 126,395</u>	<u>\$ 175,139</u>	<u>\$ 151,635</u>	<u>\$ 144,291</u>	<u>\$ 140,210</u>
All Other Governmental Fund Balances:					
Reserved	\$ 45,301	\$ 50,273	\$ 74,362	\$ 207,722	\$ 184,907
Unreserved, reported in:					
Special Revenue Funds	69,210	64,416	50,494	71,212	148,114
Capital Projects Funds	57,068	62,562	98,835	24,129	2,721
Debt Service					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total All Other Governmental Fund Balances	<u>\$ 171,579</u>	<u>\$ 177,251</u>	<u>\$ 223,691</u>	<u>\$ 303,063</u>	<u>\$ 335,742</u>

<sup>1</sup> GASB Statement No. 54 was implemented as of June 30, 2011.



<b>Fiscal Year</b>					
<b>2011 <sup>1</sup></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
\$	\$	\$	\$	\$	General Fund Balances:
					Reserved
					Unreserved
37,768	21,357	34,005	42,785	18,088	Nonspendable
2,553	7,806	9,557	9,718	10,867	Restricted
56		130	16		Committed
34,838	75,828	106,528	100,909	156,780	Assigned
76,778	100,220	99,865	72,898	115,098	Unassigned
<u>\$ 151,993</u>	<u>\$ 205,211</u>	<u>\$ 250,085</u>	<u>\$ 226,326</u>	<u>\$ 300,833</u>	Total General Fund Balances
\$	\$	\$	\$	\$	All Other Governmental Fund Balances:
					Reserved
					Unreserved, reported in:
					Special Revenue Funds
					Capital Projects Funds
					Debt Service
7,969	9,349	7,415	3,515	3,645	Nonspendable
304,849	291,862	307,781	298,854	333,275	Restricted
22,381	17,000	18,474	21,602	26,075	Committed
5,113	19,970	30,039	23,239	18,709	Assigned
	(169)	(48)		(20,744)	Unassigned
<u>\$ 340,312</u>	<u>\$ 338,012</u>	<u>\$ 363,661</u>	<u>\$ 347,210</u>	<u>\$ 360,960</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				
	2006	2007	2008	2009	2010
<b>REVENUES:</b>					
Taxes	\$ 282,594	\$ 340,224	\$ 377,096	\$ 378,753	\$ 345,287
Licenses, Permits and Franchises	14,786	15,052	15,598	15,438	15,937
Fines, Forfeitures and Penalties	22,058	20,387	25,662	26,859	25,653
Revenues from Use of Money and Property	15,403	31,470	26,283	23,562	17,506
Aid from Other Governmental Agencies	613,417	646,381	687,017	676,572	741,615
Charges for Current Services	151,193	148,274	172,837	175,442	161,995
Other Revenues	42,073	54,386	48,235	49,309	50,344
<b>Total Revenues</b>	<b>1,141,524</b>	<b>1,256,174</b>	<b>1,352,728</b>	<b>1,345,935</b>	<b>1,358,337</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	82,454	93,611	106,020	106,683	95,160
Public Protection	378,004	418,472	490,835	494,087	471,037
Health and Sanitation	127,005	136,085	150,612	154,796	146,496
Public Assistance	381,301	386,087	401,952	416,377	426,193
Education	8,610	10,151	10,224	9,945	9,185
Culture and Recreation Services	12,168	13,720	15,558	14,051	13,184
Public Ways and Facilities	43,419	50,344	63,124	51,609	53,974
Capital Outlay	9,878	4,598	4,650	42,755	34,921
Debt Service:					
Principal	20,563	11,790	13,613	16,674	18,684
Interest	33,646	35,700	33,824	30,533	30,794
Cost of Issuance				3,020	7
<b>Total Expenditures</b>	<b>1,097,048</b>	<b>1,160,558</b>	<b>1,290,412</b>	<b>1,337,510</b>	<b>1,299,635</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,476	95,616	62,316	8,425	58,702
<b>Other Financing Sources (Uses):</b>					
Transfers In	124,528	127,530	159,309	219,293	232,934
Transfers Out	(161,174)	(168,137)	(208,355)	(270,997)	(265,526)
Bonds Issued					
Refunding Bonds Issued				50,000	
Premium on Bond Issuance					
Payment to Refunded Bonds Escrow Agent				(50,000)	
Proceeds from Long-term Debt					
Inception of Capital Leases	6,110	2,326	3,337	22,823	2,882
Proceeds from Issuance of Certificates of Participation				95,410	
Discount on Certificates of Participation				(1,195)	
<b>Total Other Financing Sources (Uses)</b>	<b>(30,536)</b>	<b>(38,281)</b>	<b>(45,709)</b>	<b>66,529</b>	<b>(29,710)</b>
<b>SPECIAL ITEMS</b>					
Return Excess Contribution					
Residual Equity Transfer					
<b>Total Special Items</b>					
<b>Net Changes in Fund Balances (Deficits)</b>	<b>\$ 13,940</b>	<b>\$ 57,335</b>	<b>\$ 16,607</b>	<b>\$ 74,954</b>	<b>\$ 28,992</b>
Debt Service as a Percentage of Non-Capital Expenditures	5.31%	4.45%	3.86%	3.76%	3.94%

Fiscal Year					
2011	2012	2013	2014	2015	
\$ 378,742	\$ 415,273	\$ 443,342	\$ 425,124	\$ 473,579	REVENUES:
19,857	24,706	23,363	37,957	25,642	Taxes
25,466	23,255	24,865	23,574	22,983	Licenses, Permits and Franchises
13,159	17,774	16,130	16,777	12,343	Fines, Forfeitures and Penalties
714,023	711,018	739,574	768,169	763,446	Revenues from Use of Money and Property
165,271	150,515	145,223	152,546	180,449	Aid from Other Governmental Agencies
49,423	48,614	51,301	55,802	67,715	Charges for Current Services
1,365,941	1,391,155	1,443,798	1,479,949	1,546,157	Other Revenues
					Total Revenues
					EXPENDITURES:
					Current:
93,808	96,661	98,654	109,822	108,827	General Government
483,341	497,464	538,082	575,008	575,159	Public Protection
144,240	153,265	156,409	114,488	152,244	Health and Sanitation
420,716	393,863	396,036	437,019	435,492	Public Assistance
8,625	7,740	7,744	12,391	7,919	Education
11,858	11,813	12,379	17,324	11,911	Culture and Recreation Services
53,841	53,615	54,147	69,496	50,682	Public Ways and Facilities
45,088	29,331	16,010	59,887	22,708	Capital Outlay
					Debt Service:
21,177	27,094	35,731	36,241	123,466	Principal
29,024	31,359	28,458	24,155	21,612	Interest
406				1,371	Cost of Issuance
1,312,124	1,302,205	1,343,650	1,455,831	1,511,391	Total Expenditures
53,817	88,950	100,148	24,118	34,766	Excess (Deficiency) of Revenues Over (Under) Expenditures
					Other Financing Sources (Uses):
240,134	292,399	357,551	408,858	416,587	Transfers In
(273,465)	(329,495)	(394,551)	(475,807)	(459,503)	Transfers Out
4,337					Bonds Issued
17,840				95,860	Refunding Bonds Issued
(103)				6,840	Premium on Bond Issuance
(19,038)					Payment to Refunded Bonds Escrow Agent
					Proceeds from Long-term Debt
627	3,920	7,375	2,150	15	Inception of Capital Leases
					Proceeds from Issuance of Certificates of Participation
					Discount on Certificates of Participation
(29,668)	(33,176)	(29,625)	(64,799)	59,799	Total Other Financing Sources (Uses)
(2,710)					SPECIAL ITEMS
304					Return Excess Contribution
(2,406)					Residual Equity Transfer
\$ 24,149	\$ 55,774	\$ 70,523	\$ (40,681)	\$ 94,565	Total Special Items
					Net Changes in Fund Balances
4.11%	4.72%	4.86%	4.31%	9.96%	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)**

<b>Fiscal Year</b>	<b>Secured <sup>a</sup></b>	<b>Unsecured <sup>b</sup></b>	<b>Unitary <sup>c</sup></b>	<b>Exempt <sup>d</sup></b>	<b>Total Taxable Assessed Value <sup>e</sup></b>	<b>Total Direct Tax Rate</b>
2005 - 06	\$ 53,029,946	\$ 2,196,607	\$ 1,614,145	\$ (731,138)	\$ 56,109,560	1.00000%
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%

Notes:

<sup>a</sup> Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.

<sup>b</sup> Unsecured property is generally personal property including machinery, equipment, office tools and supplies.

<sup>c</sup> Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization.

<sup>d</sup> Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

<sup>e</sup> Due to 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual 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)**

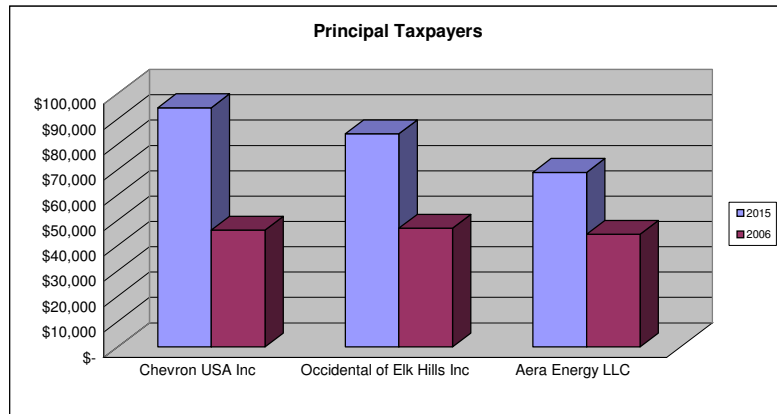
	Fiscal Year				
	2006	2007	2008	2009	2010
<b>County of Kern</b>					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
<b>Range of Overlapping Rates</b>					
Total City Rate					
City of Bakersfield	N/A	N/A	N/A	N/A	N/A
Total School District Rate	.00618% to .18853%	.00497% to .09654%	.00064% to .09683%	0% to .10913%	0% to .05657%
Total Special District Rate	.00609% to .31250%	.00585% to .31250%	.00279% to .31250%	0% to .15321%	.00304% to .31250%

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

Fiscal Year					
2011	2012	2013	2014	2015	
1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	<b>County of Kern</b> Total County Rate
					<b>Range of Overlapping Rates</b> Total City Rate
N/A	N/A	N/A	N/A	N/A	City of Bakersfield
0% to .08854%	0% to .084810%	0% to .151517%	.01067% to .004545%	0% to .063958%	Total School District Rate
.00290% to .07049%	.004433% to .121990%	.003285% to .070490%	.011248% to .016354%	0% to .070490%	Total Special District Rate

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

TAXPAYER	2015				2006			
	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	\$ 8,413,035	1	\$ 94,500	8.60%	\$ 4,362,223	2	\$ 46,159	7.77%
Occidental of Elk Hills Inc	7,802,593	2	84,166	7.98%	4,415,370	1	46,882	7.87%
Aera Energy LLC	6,643,209	3	68,940	6.79%	4,304,032	3	44,479	7.67%
Freeport Mcmoran Oil & Gas LLC	2,180,792	4	22,627	2.23%				
Berry Petroleum Company LLC	1,990,742	5	21,290	2.04%				
Vintage Production Cal LLC	1,410,208	6	15,522	2.04%				
Seneca Resources Corp	800,546	7	8,411	0.82%				
Southern California Edison Co	794,134	8	11,178	0.81%				
Pacific Gas & Electric Co	790,267	9	11,124	0.81%	444,986	5	5,500	1%
Paramount Farms International LLC	497,308	10	5,293	0.51%				
La Paloma Generating Trust LTD					543,025	4	5,611	0.97%
Plains Exploration & Product Co					527,919	6	5,468	0.94%
Sunrise Power Company LLC					366,800	7	3,848	0.65%
US Borax Inc					332,455	8	3,591	0.59%
Pastoria Energy Facility LLC					312,000	9	3,566	0.56%
Elk Hills Power LLC					324,500	10	3,459	0.58%
<b>Total</b>	<b>\$ 31,322,834</b>		<b>\$ 343,051</b>	<b>32.63%</b>	<b>\$ 15,933,310</b>		<b>\$ 168,563</b>	<b>28.40%</b>



Source: The principal property taxpayers for June 30, 2006 were obtained from the "2005-2006 Tax Rates and Assessed Valuations Report." The 2015 information was obtained from the "2014-2015 Tax Rates and Assessed Valuations Report."

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

	<b>Fiscal Year</b>				
	<b>2006<sup>a</sup></b>	<b>2007<sup>a</sup></b>	<b>2008<sup>a</sup></b>	<b>2009<sup>a</sup></b>	<b>2010<sup>a</sup></b>
Original Levy	\$ 808,644	\$ 979,872	\$ 1,067,044	\$ 1,091,610	\$ 1,039,467
Adjustments to Original Levy	(1,372)	(2,564)	4,812	(4,995)	(28)
Taxes Levied	807,272	977,308	1,071,856	1,086,615	1,039,439
Collected within the Fiscal Year of the Levy: <sup>b</sup>					
Amount	\$ 763,771	\$ 915,429	\$ 1,008,928	\$ 1,038,395	\$ 994,181
Percentage of Adjusted Levy	94.61%	93.67%	94.13%	95.56%	95.65%
Collections in subsequent years	17,938	20,545	29,238	42,409	34,057
Total Collections to Date:					
Amount	\$ 781,709	\$ 935,974	\$ 1,038,165	\$ 1,080,803	\$ 1,028,238
Percentage of Adjusted Levy	96.83%	95.77%	96.86%	99.47%	98.92%

Notes:

<sup>a</sup> Denotes Secured, Unsecured and Supplemental Property Taxes.

<sup>b</sup> The above amounts do not include any penalties collected or any penalties due with delinquency amount.

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



<b>Fiscal Year</b>										
	<b>2011<sup>a</sup></b>	<b>2012<sup>a</sup></b>	<b>2013<sup>a</sup></b>	<b>2014<sup>a</sup></b>	<b>2015<sup>a</sup></b>					
\$	1,095,026	\$	1,109,525	\$	1,181,437	\$	1,228,246	\$	1,300,154	Original Levy
	6,250		17,931		7,100		9,424		(7,384)	Adjustments to Original Levy
	1,101,276		1,127,456		1,188,537		1,237,670		1,292,770	Taxes Levied
Collected within the Fiscal Year of the Levy: <sup>b</sup>										
\$	1,066,441	\$	1,099,267	\$	1,163,336	\$	1,211,804	\$	1,265,444	Amount
	96.84%		97.50%		97.88%		97.91%		97.89%	Percentage of Adjusted Levy
	29,153		23,278		22,263		22,917		19,671	Collections in subsequent years
Total Collections to Date:										
\$	1,095,593	\$	1,122,544	\$	1,185,599	\$	1,234,721	\$	1,285,115	Amount
	99.48%		99.56%		99.75%		99.76%		99.41%	Percentage of Adjusted Levy

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

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>					
Capital Leases	\$ 7,103	\$ 5,419	\$ 3,820	\$ 20,192	\$ 17,516
Certificates of Participation	16,565	14,105	11,520	106,000	105,020
Bonds Payable	102,640	101,490	101,056	98,632	96,258
Loans Payable	8,380	6,001	7,608	12,887	10,876
Pension Obligation Bonds	458,849	407,365	398,117	386,402	371,959
Total Governmental Activities	<u>593,537</u>	<u>534,380</u>	<u>522,121</u>	<u>624,113</u>	<u>601,629</u>
<b>Business-type Activities:</b>					
Capital Leases	2			2,495	4,996
Loans Payable					640
Certificates of Participation	50,580	46,465	40,760	36,230	33,305
Pension Obligation Bonds	31,056	64,813	63,179	61,125	58,608
Total Business-type Activities	<u>81,638</u>	<u>111,278</u>	<u>103,939</u>	<u>99,850</u>	<u>97,549</u>
Total Primary Government	<u>\$ 675,175</u>	<u>\$ 645,658</u>	<u>\$ 626,060</u>	<u>\$ 723,963</u>	<u>\$ 699,178</u>
Percentage of Personal Income <sup>a</sup>	3.57%	2.93%	2.68%	3.01%	2.72%
Per Capita Outstanding Debt <sup>c</sup>	\$ 876	\$ 788	\$ 745	\$ 865	\$ 833
General Bonded Debt	\$	\$	\$	\$	\$
General Bonded Debt Ratio <sup>b</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Per Capita General Bonded Debt <sup>c</sup>	\$	\$	\$	\$	\$

Notes:

<sup>a</sup> Refer to the "Demographic and Economic Statistics" for the personal income figures.

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

<sup>c</sup> Refer to the "Demographic and Economic Statistics" for the population figures. This ratio is calculated using the population for the latest calendar year for each corresponding fiscal year.

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

<b>Fiscal Year</b>						
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>		
\$ 12,921	\$ 12,669	\$ 14,704	\$ 12,798	\$ 8,552		<b>Governmental Activities:</b>
102,387	99,354	96,168	93,001	89,732		Capital Leases
110,041	107,041	98,687	95,289	105,562		Certificates of Participation
10,120	6,345	5,266	5,266	4,922		Bonds Payable
354,510	333,314	308,871	280,342	247,302		Loans Payable
589,979	558,723	523,696	486,696	456,070		Pension Obligation Bonds
						Total Governmental Activities
						<b>Business-type Activities:</b>
4,231	11,582	9,545	8,044	802		Capital Leases
576	512	448	384	6,930		Loans Payable
29,166	16,402	14,512	11,894	9,173		Certificates of Participation
55,580	52,379	48,075	43,060	37,256		Pension Obligation Bonds
89,553	80,875	72,580	63,382	54,161		Total Business-type Activities
<u>\$ 679,532</u>	<u>\$ 639,598</u>	<u>\$ 596,276</u>	<u>\$ 550,078</u>	<u>\$ 510,231</u>		Total Primary Government
2.44%	2.17%	1.86%	1.80%	1.67%		Percentage of Personal Income <sup>a</sup>
\$ 802	\$ 752	\$ 692	\$ 633	\$ 584		Per Capita Outstanding Debt <sup>c</sup>
\$	\$	\$	\$	\$		General Bonded Debt
0.00%	0.00%	0.00%	0.00%	0.00%		General Bonded Debt Ratio <sup>b</sup>
\$	\$	\$	\$	\$		Per Capita General Bonded Debt <sup>c</sup>

**COUNTY OF KERN  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2015 (IN THOUSANDS)**

2014 - 2015 Assessed Value (includes unitary utility valuation)

	<u>\$ 98,347,554</u>	
	<u>Debt 05/01/15</u>	<u>Percentage Applicable<sup>d</sup></u>
<b>Overlapping Tax and Assessment Debt</b>		
Kern Community College Safety, Repair and Improvement District	\$ 137,544	93.117%
Antelope Valley Joint Community College District and West Kern Community College District	46,745	6.196 & 100.
Mojave Unified School District School Facilities Improvement Districts No. 1 and No. 2	31,341	100.
Southern Kern Unified School District	26,658	100.
Other Unified School Districts	75,588	91.670-100.
Kern High School District	180,991	100.
Other Union High School Districts	58,447	0.011-100.
Bakersfield School District	63,622	100.
Delano Union School District	37,139	100.
Fruitvale School District	20,197	100.
Norris School District	27,255	100.
Panama -Buena Vista School District	49,545	100.
Taft School District	29,778	100.
Other School Districts	160,349	70.017-100.
Water Districts	920	100.
Water Storage Districts	955	100.
Tehachapi Valley Healthcare District	62,026	100.
Bear Valley Community Services District, I.D. No. 2	1,435	100.
Buttonwillow Recreation and Park District	4,495	100.
Community Facilities Districts	142,790	100.
1915 Act Bonds (Estimated)	73,477	100.
Total Gross Overlapping Tax and Assessment Debt	<u>1,231,297</u>	
Less: Water Storage Districts (100% self-supporting)	955	
Total Net Overlapping Tax and Assessment Debt	<u>1,230,342</u>	
<b>Overlapping General Fund Debt</b>		
Kern County Board of Education Certificates of Participation	41,050	100.
Community College District Certificates of Participation and Other Post-Employment Benefit Bonds	129,015	Various
Unified School District General Fund Obligations	35,707	Various
School District General Fund Obligations	64,141	100.
City of Bakersfield General Fund Obligations	18,460	100.
City of Delano Certificates of Participation	23,030	100.
City of Ridgecrest General Fund Obligations	6,395	100.
Total Direct and Overlapping General Fund Debt	<u>317,798</u>	
Total Net Overlapping Debt	<u>1,548,140</u>	
<b>Direct General Fund Debt<sup>e</sup></b>		
Kern County General Fund Obligations	208,768	a,c
Kern County Pension Obligations	247,302	
Total Direct General Fund Debt	<u>456,070</u>	
<b>Overlapping Tax Increment Debt</b>	96,985	
<b>Total Gross Direct and Overlapping Debt</b>	<u>\$ 2,102,150</u>	b
<b>Total Net Direct and Overlapping Debt</b>	<u>\$ 2,101,195</u>	
Ratios to 2014 - 2015 Assessed Valuation:		
Total Gross Overlapping Tax and Assessment Debt	1.25%	
Total Net Overlapping Tax and Assessment Debt	1.25%	
Ratios to Adjusted Assessed Valuation:		
<b>Combined Direct Debt (\$456,070)</b>	<b>0.46%</b>	
Gross Combined Total Debt	2.14%	
Net Combined Total Debt	2.14%	

Notes:

<sup>a</sup> Excludes issue to be sold.

<sup>b</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bounded capital lease obligations.

<sup>c</sup> Includes Kern Public Services Financing Authority Lease Revenue Bonds Refunding Series 2010.

<sup>d</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the County.

<sup>e</sup> Direct General Fund Debt values have been updated for activity between the completion date of the TRAN and fiscal year end.

Source: 2014 - 2015 TRAN

**COUNTY OF KERN  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2015**

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Population <sup>a</sup>	770,424	819,157	840,904	837,131	839,631
Personal Income (in Thousands) <sup>b</sup>	\$ 21,550,850	\$ 23,251,603	\$ 24,266,468	\$ 24,016,734	\$ 25,742,304
Per Capita Personal Income <sup>b</sup>	\$ 27,973	\$ 28,385	\$ 28,858	\$ 28,689	\$ 30,659
Unemployment Rate County of Kern <sup>c</sup>	7.6%	7.6%	9.50%	14%	16%
School Enrollment <sup>d</sup>	170,362	171,585	174,289	174,135	174,106

Notes:

<sup>a</sup> Population for 2010, source U.S. Census Bureau. Population as of January 1, source U.S. Census Bureau; all others estimated by California Department of Finance.  
For years 2006, 2007, 2008, 2009, 2011 estimated by the California Department of Transportation for Kern County Economic Forecast.

<sup>b</sup> U.S. Department of Commerce, Bureau of Economic Analysis. 2014 & 2015 Personal Income and Per Capita Personal Income are estimates due to the information not being available at the time of this report.

<sup>c</sup> U.S. Department of Labor Statistics, Local Area Unemployment Statistics Information and Analysis.

<sup>d</sup> Educational Demographics Unit, California Department of Education

**Fiscal Year**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
846,883	850,006	861,164	868,610	874,264	Population <sup>a</sup>
\$ 27,836,058	\$ 29,497,443	\$ 31,976,581	\$ 30,500,000	\$ 30,530,000	Personal Income (in Thousands) <sup>b</sup>
\$ 32,869	\$ 34,703	\$ 37,132	\$ 30,386	\$ 34,921	Per Capita Personal Income <sup>b</sup>
15%	14%	12%	10%	10%	Unemployment Rate County of Kern <sup>c</sup>
173,740	175,480	178,671	179,680	180,304	School Enrollment <sup>d</sup>

**COUNTY OF KERN  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**June 30, 2015**

<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</b>	<b>INDUSTRY</b>
China Lake Naval Air Weapons Station	9,700+	1	2.80%	Federal Government - National Security
County of Kern	8872	2	2.49%	County Government
Grimmway Farms	5,000-9,999	3	1.40%	Agriculture
Naval Air Warfare Center	5,000-9,999	4	1.40%	Federal Government - National Security
US Navy Public Affairs Office	5,000-9,999	5	1.40%	Federal Government - National Security
WM Bolthouse Farms	1,700-4999	6	0.48%	Agriculture
Chevron	1,000-4,999	7	0.28%	Oil Refiners
Kern County Superintendent of Schools	1,000-4,999	8	0.28%	Schools
State Farm	1,000-4,999	9	0.28%	Insurance
Dignity Health	1,000-4,999	10	0.28%	Health Care
Edwards Air Force Base	1,000-4,999	10	0.28%	Federal Government - National Security
			<b>14.86%</b>	
Total				

**June 30, 2006**

<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</b>	<b>INDUSTRY</b>
Edwards Air Force Base	18,000	1	6.55%	Federal Government - National Security
Kern County Public Schools	17,775	2	6.47%	Schools
County of Kern	7,500	3	2.73%	County Government
China Lake Naval Air Weapons Station	5,390	4	1.96%	Federal Government - National Security
Grimmway Enterprises	5,000	5	1.82%	Agriculture
Giumarra Vineyards	4,000	6	1.46%	Agriculture
Esparza Enterprises	3,600	7	1.31%	Agriculture
Catholic Healthcare West	2,650	8	0.96%	Health Care
William Bolthouse Farms, Inc.	2,350	9	0.86%	Agriculture
Sunview Vineyards	2,000	10	0.73%	Agriculture
Total	<b>68,265</b>		<b>24.84%</b>	

Note: Actual number of employees was not available from sources. Ranges of employees will only be available in the near future. Data for 2006 was obtained from 2005-2006 CAFR.  
Sources:

State of California - Employment Development Department, Labor Market Information



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

<b>FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30</b>											
<b>Function / Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Function / Program</b>
General Government:											General Government:
Assessor	86	85	90	97	104	102	95	97	98	93	Assessor
Information Technology	56	59	56	55	59	50	49	49	46	41	Information Technology
County Counsel	73	48	48	47	49	45	44	43	45	47	County Counsel
Other	362	432	456	418	415	337	350	343	366	354	Other
Public Protection:											Public Protection:
District Attorney	423	210	200	235	250	214	214	214	236	240	District Attorney
Public Defender	81	82	96	92	92	86	84	87	94	87	Public Defender
Sheriff - Coroner	1,084	1,100	1,154	1,212	1,283	1,102	1,136	1,210	1,199	1,182	Sheriff - Coroner
Probation	456	490	534	531	518	478	483	514	532	521	Probation
Fire Department	552	574	603	567	634	544	558	597	622	605	Fire Department
Other	200	443	458	397	429	381	380	385	380	381	Other
Public Ways & Facilities:											Public Ways & Facilities:
Roads	156	164	187	178	204	176	173	180	188	181	Roads
Health and Sanitation:											Health and Sanitation:
Public Health	298	260	288	283	272	229	233	228	195	183	Public Health
Mental Health Services	453	482	469	457	433	395	400	444	440	450	Mental Health Services
Other	123	181	181	178	175	146	142	111	112	99	Other
Public Assistance:											Public Assistance:
Human Services	1,375	1,375	1,451	1,418	1,431	1,196	1,201	1,358	1,457	1,518	Human Services
Other	242	228	235	231	211	186	173	173	183	183	Other
Education:											Education:
Library	131	137	140	138	66	56	54	50	52	47	Library
Other	6	6	6	6	6	4	3	4	4	4	Other
Culture & Recreation Services	106	117	119	109	94	86	83	78	74	69	Culture & Recreation Services
Airports	22	22	19	20	20	15	17	17	19	21	Airports
Kern Medical Center	1,398	1,516	1,554	1,582	1,603	1,382	1,393	1,326	1,274	1,198	Kern Medical Center
Public Transportation	3	3	3	3	4	4	3	3	4	4	Public Transportation
Waste Management	110	115	133	121	116	109	106	110	112	114	Waste Management
<b>Total Full-Time Employees</b>	<b>7,796</b>	<b>8,129</b>	<b>8,480</b>	<b>8,375</b>	<b>8,468</b>	<b>7,323</b>	<b>7,374</b>	<b>7,621</b>	<b>7,732</b>	<b>7,622</b>	<b>Total Full - Time Employees</b>

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				
	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>					
<b>General Government</b>					
<b>Assessor - Recorder</b>					
Recorded documents	410,684	339,822	260,106	202,396	195,597
<b>County Counsel</b>					
Litigated & administrative hearings	2,325	2,254	8,308	8,347	9,092
Attorneys	28	29	30	30	28
Attorneys per capita	0.000037	0.000037	0.000370	0.000036	0.000033
<b>Personnel</b>					
Applications received	19,531	27,955	32,244	17,332	8,150
<b>County Clerk - Elections</b>					
Marriage licenses	4,484	4,745	4,620	3,732	4,084
Fictitious business names	6,993	7,460	7,046	5,844	6,411
<b>Public Protection</b>					
<b>District Attorney</b>					
Misdemeanors cases filed	34,158	35,947	36,771	36,910	33,504
Felony cases filed	6,992	7,294	6,592	6,955	6,555
Felony information filed	1,661	1,788	1,762	1,601	1,502
Felony cases with juries	170	141	176	151	142
<b>Public Defender</b>					
Public defense cases accepted/received	34,153	36,084	38,352	39,235	34,296
Public defense cases opened	21,262	22,188	21,480	21,532	19,903
Public defense cases closed	29,990	31,115	33,280	34,193	31,627
Public defense cases closed within 12 months	29,990	31,115	33,280	34,193	31,627
<b>Sheriff - Coroner</b>					
Dispatched calls for service	125,803	266,988	277,073	279,544	295,374
Violent crimes:	N/A	3,930	4,007	4,620	4,871
Homicide	N/A	31	22	34	40
Forcible rape	N/A	108	104	117	100
Robbery	398 <sup>a</sup>	342	391	482	498
Aggravated assault	N/A	3,449	3,490	3,987	4,233
Property crimes	5,389 <sup>a</sup>	4,402	4,056	5,097	5,117
Total larceny - theft	6,705	6,053	5,321	5,690	5,146
Bookings	48,127	22,631	22,864	21,930	20,596
Fingerprints	2,850	4,710	7,906	6,672	5,944
<b>Fire Department</b>					
Total incident calls	30,510	38,421	39,151	39,166	38,001
Fire calls	3,239	4,153	3,509	3,167	2,845
Overpressure, Ruptures, Explosion	22	N/A	N/A	167	360
Other type of incidents	596	N/A	N/A	395	491
EMS / rescue calls	17,786	21,729	23,305	23,405	22,672
Hazardous condition calls	1,465	1,816	1,961	1,884	1,717
Public service calls	1,435 <sup>a</sup>	1,823	1,643	1,803	1,820
False calls	1,365	1,898	1,771	1,681	1,604

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

<sup>a</sup> Information was updated from prior year report.

Fiscal Year					Function / Program
2011	2012	2013	2014	2015	
<b>Governmental Activities:</b>					
<b>General Government</b>					
<b>Assessor - Recorder</b>					Recorded documents
194,072	191,495	235,424	188,908	191,660	
<b>County Counsel</b>					Litigated & administrative hearings
9,660	10,444	9,804	6,667	9,241	
27	27	29	28	29	Attorneys
0.000032	0.000032	0.000034	0.000032	0.000033	Attorneys per capita
<b>Personnel</b>					Applications received
18,386	16,199	21,977	22,688	26,520	
<b>County Clerk - Elections</b>					Marriage licenses
4,268	4,501	4,716	4,805	4,700	
6,339	6,343	7,149	5,937	5,873	Fictitious business names
<b>Public Protection</b>					
<b>District Attorney</b>					Misdemeanors cases filed
32,320	29,636	28,275	31,604	22,671	
6,891	7,285	8,916	8,938	17,923	Felony cases filed
1,533	1,789	2,016	2,373	1,966	Felony information filed
143	167	149	160	210	Felony cases with juries
<b>Public Defender</b>					Public defense cases accepted/received
36,984	34,893	40,827	44,880	46,166	
20,236	19,636	21,994	21,725	20,984	Public defense cases opened
32,073	31,180	36,721	35,830	37,937	Public defense cases closed
32,073	31,180	36,721	35,830	37,937	Public defense cases closed within 12 months
<b>Sheriff - Coroner</b>					Dispatched calls for service
272,247	203,914	224,588	317,487	293,448	
4,722	4,538	2,273	1,626	2,005	Violent crimes:
28	25	21	28	35	Homicide
107	98	88	102	116	Forcible rape
378	415	495	335	354	Robbery
4,209	1,389	1,669	1,161	1,500	Aggravated assault
10,065	10,907	11,472	9,806	4,783	Property crimes
5,246	5,534	5,305	3,411	4,521	Total larceny - theft
19,814	16,806	19,486	18,430	14,730	Bookings
5,671	5,957	4,983	5,949	6,315	Fingerprints
<b>Fire Department</b>					Total incident calls
38,001	40,640	42,281	42,770	45,363	
3,087	3,333	2,918	2,711	2,596	Fire calls
194	236	186	173	126	Overpressure, Ruptures, Explosion
448	635	736	543	499	Other type of incidents
22,650	23,079	24,356	24,371	25,882	EMS / rescue calls
1,834	1,711	1,726	1,776	1,772	Hazardous condition calls
1,786	1,859	2,004	2,089	2,129	Public service calls
1,465	1,606	1,646	1,739	1,982	False calls

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

Page 2 of 2

Function / Program	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Building Inspection</b>					
Building permits issued	12,515	6,808	8,375	7,047	N/A
<b>Animal Control</b>					
Received calls for response	21,251	21,668	21,724	25,445	24,519
Animals impounded	N/A	N/A	N/A	N/A	31,660
Animals redeemed	1,417	1,596	1,621	1,474	1,452
Animals adopted	3,054	3,147	3,485	3,681	3,160
Animals euthanized	16,904	16,743	18,984	20,067	18,594
<b>Public Ways &amp; Facilities</b>					
<b>Roads</b>					
Maintained road lanes (in miles)	6,600	6,654	6,656	6,660	6,802
<b>Health and Sanitation</b>					
<b>Mental Health Services</b>					
Unique clients served	18,392	20,563	22,547	25,765	19,575
Unique clients served with outpatient services	18,211	16,380	18,471	17,591	18,521
Unique clients served with intensive services	1,539	4,183	4,076	8,174	1,054
<b>Public Assistance</b>					
<b>Ageing &amp; Adult Services</b>					
Senior Nutrition participation:					
Congregate senior participants	4,398	4,239	4,500	4,096	3,740
Congregate meals	177,675	180,754	187,208	180,285	165,437
Home delivered senior participants	2,122	2,185	2,065	1,897	1,763
Home delivered meals	245,042	258,222	263,405	256,517	235,505
<b>Human Services</b>					
Children Admitted to the Jamison Center:					
Protective Custody/New Intakes	2,341	2,399	2,358	2,501	2,257
Change of Placement	452	238	179	162	211
Children released from the Jamison Center	N/A	2,633	2,549	2,498	2,263
Average day stay in the Jamison Center	N/A	4	3	3	4
Admissions - Breakdown by Age:					
Newborn - 5 years	1,115	1,028	997	1,054	978
6 - 12 years	734	741	688	646	560
13 - 18 years	873	847	835	799	709
Over 18		5	1	2	10
<b>Culture and Recreation Services &amp; Education</b>					
<b>Parks &amp; Recreation</b>					
Annual Boat Permits	4,623	4,170	5,645	N/A	2,233
Day Use Boat Fees	20,530	40,318	19,177	N/A	16,354
<b>Business-type Activities:</b>					
<b>Waste Management</b>					
Landfill capacity in cubic yards	110,042,325	98,576,606	99,371,429	98,996,451	109,631,108

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

<b>Fiscal Year</b>					<b>Function / Program</b>
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
3,839	6,018	7,134	7,758	9,005	<b>Building Inspection</b> Building permits issued
29,781	21,766	22,219	19,529	20,258	<b>Animal Control</b> Received calls for response
30,350	31,433	29,200	18,406	16,521	Animals impounded
1,267	1,276	1,217	717	742	Animals redeemed
2,683	2,695	3,691	3,774	3,228	Animals adopted
19,103	20,062	20,428	8,302	7,211	Animals euthanized
					<b>Public Ways &amp; Facilities</b>
					<b>Roads</b> Maintained road lanes (in miles)
6,647	6,647	6,663	6,664	6,673	
					<b>Health and Sanitation</b>
					<b>Mental Health Services</b> Unique clients served
20,225	24,030	24,551	24,207	26,113	Unique clients served with outpatient services
20,167	23,979	24,482	24,099	26,036	Unique clients served with intensive services
1,323	660	1,443	1,349	1,398	
					<b>Public Assistance</b>
					<b>Aging &amp; Adult Services</b> Senior Nutrition participation:
3,637	3,267	3,351	3,218	3,228	Congregate senior participants
163,373	156,213	150,076	144,274	145,762	Congregate meals
1,652	1,624	1,695	1,715	1,614	Home delivered senior participants
228,407	223,608	233,272	231,831	232,157	Home delivered meals
					<b>Human Services</b> Children Admitted to the Jamison Center:
2,308	2,202	1,445	1,538	1,579	Protective Custody/New Intakes
2,127	1,981	1,320	1,418	1,463	Change of Placement
181	221	125	120	116	Children released from the Jamison Center
2,155	1,968	1,303	629	724	Average day stay in the Jamison Center
4	4	4	4	4	Admissions - Breakdown by Age:
943	847	585	685	689	Newborn - 5 years
519	507	296	358	417	6 - 12 years
661	627	438	377	357	13 - 18 years
4					Over 18
					<b>Culture and Recreation Services &amp; Education</b>
					<b>Parks &amp; Recreation</b> Annual Boat Permits
3,305	4,375	3,080	1,680	1,618	Day Use Boat Fees
9,570	17,092	14,579	11,742	10,895	
					<b>Business-type Activities:</b>
					<b>Waste Management</b> Landfill capacity in cubic yards
95,027,021	95,375,858	95,375,858	94,962,970	88,239,785	

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

Function / Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Education</b>										
Public Library										
Main Library	1	1	1	1	1	1	1	1	1	1
Branches	25	25	25	25	25	25	25	25	25	23
Law Library	1	1	1	1	1	1	1	1	1	1
<b>Parks and Land Use</b>										
Number of Neighborhood Parks	40	40	40	40	40	40	40	40	40	40
Number of Regional Parks	8	8	8	7	8	8	8	8	8	8
County Golf Courses	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Miles of County Roads	6,600	6,654	6,656	6,660	6,802	6,648	6,647	6,663	6,664	6,673
<b>Public Safety</b>										
Number of Sheriff Stations	16	14	14	16	15	15	15	15	15	15
Number of Fire Stations	46	46	46	46	46	46	46	46	46	47
<b>Airports</b>										
Number of Runways	8	8	8	8	8	8	8	8	8	8

Source: Departments of the County of Kern