



**COUNTY OF KERN
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2014**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014**



COUNTY OF KERN

Supervisor Mick Gleason..... First District
Supervisor Zach Scrivner Second District
Supervisor Mike Maggard Third District
Supervisor David Couch..... Fourth District
Supervisor Leticia PerezFifth District
John Nilon – County Administrative Officer

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

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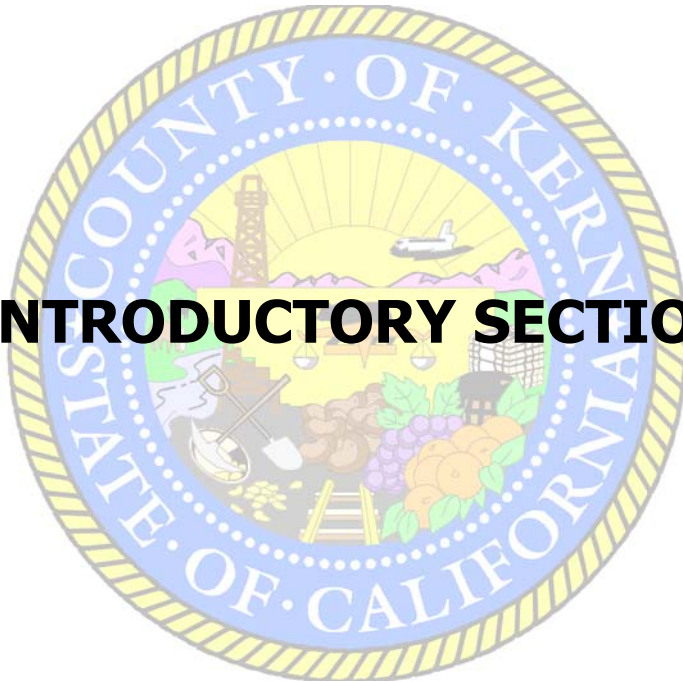
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INTRODUCTORY SECTION



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



December 23, 2014

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, 2014 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, 2014 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 unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2014 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 36 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 873,092 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 7, 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 88 – 95 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 140.

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 72% of all the State's oil.

The County's total net assessed value increased by 2.34% as of June 30, 2014, with oil and gas representing approximately 30.3% 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 2014-15.

Agriculture continues to remain steady, with the County being the second leading producer of agricultural products in the State. The unemployment rate decreased from 11.5% in 2012-13 to 10.2% in 2013-14. The population of the County increased by 1.42% to 873,092. 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 2, 2014, the County issued \$200,000,000 in Tax and Revenue Anticipation Notes that will mature on June 30, 2015.

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, 2014, the County had outstanding certificates of participation in a principal amount of \$104,525,000. 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, 2013 includes (in thousands):

Description of Issue	Date		Principal
	Issued	Maturity	Outstanding
2009 Capital Improvements Projects	2009	2035	\$ 88,725
2011 Refunding COP - Governmental Portion	2011	2019	4,061
2011 Refunding COP - KMC Portion	2011	2019	6,079
2011 Waste Refunding COP	2011	2016	5,660
		Total	<u>\$ 104,525</u>

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kern for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the seventeenth 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**

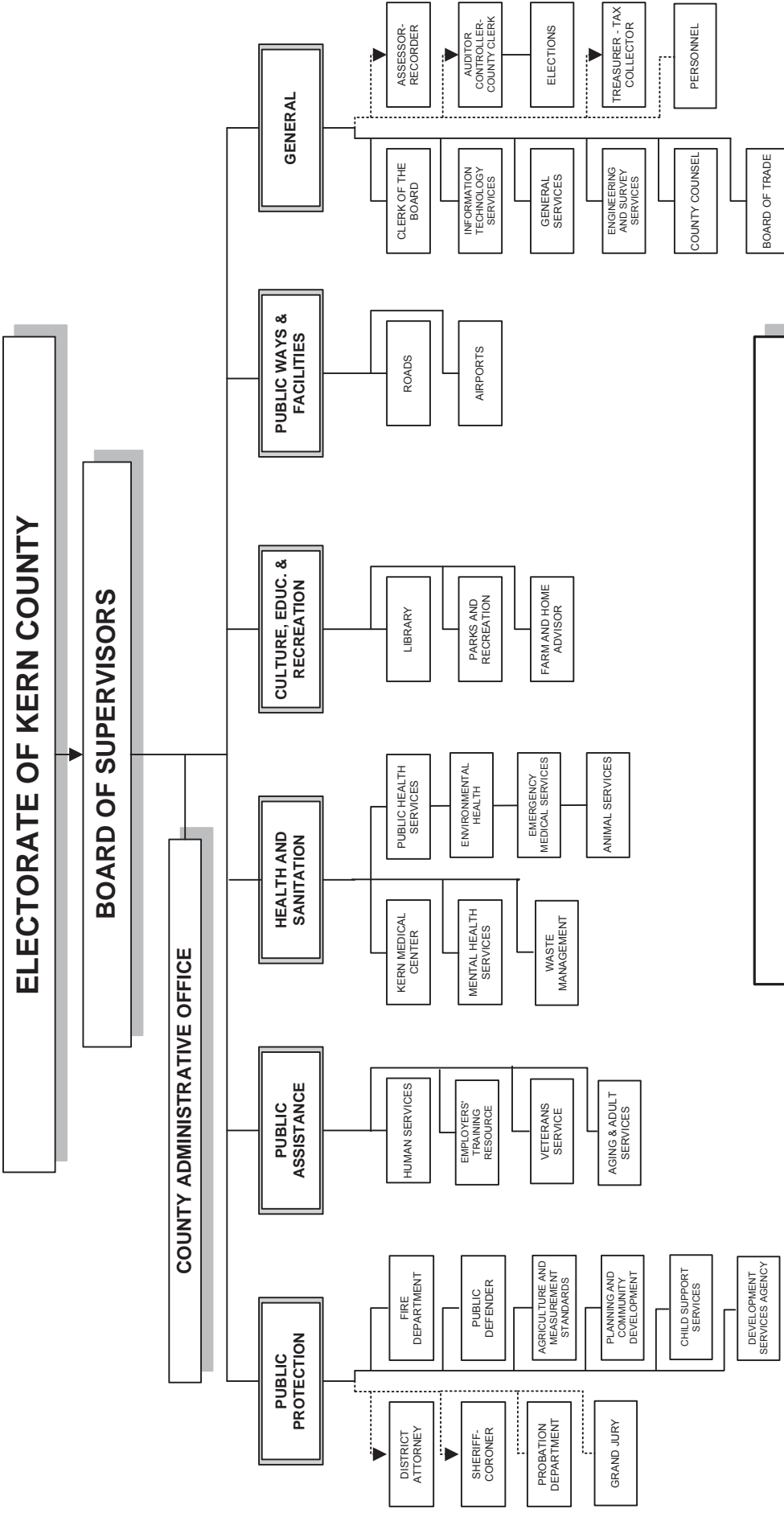
ELECTED

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..... JAMES FITCH
AUDITOR-CONTROLLER-COUNTY CLERK..... MARY B. BEDARD
DISTRICT ATTORNEY LISA GREEN
SHERIFF-CORONER-PUBLIC ADMINISTRATOR DONNY YOUNGBLOOD
TREASURER-TAX COLLECTOR JACKIE DENNEY

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	DANIEL SMITH
ENGINEERING & SURVEY SERVICES	GREG FENTON
FARM AND HOME ADVISOR.....	BRIAN MARSH
FIRE DEPARTMENT	BRIAN MARSHALL
HUMAN SERVICES	DENA MURPHY
KERN MEDICAL CENTER.....	JOHN NILON
LIBRARY.....	SHERRY GOMEZ
MENTAL HEALTH	BILL WALKER
PARKS AND RECREATION.....	ROBERT LERUDE
PERSONNEL.....	GINNY KREBS
PLANNING.....	LORELEI OVIATT
PROBATION.....	DAVID KUGE
PUBLIC DEFENDER	KONRAD MOORE
PUBLIC HEALTH.....	MATTHEW CONSTANTINE
ROADS.....	CRAIG POPE
VETERANS' SERVICES	RICHARD TAYLOR
WASTE MANAGEMENT	DOUG LANDON



LEGEND

—— FULL ACCOUNTABILITY TO BOARD OF SUPERVISORS

..... FISCAL ACCOUNTABILITY TO BOARD OF SUPERVISORS

▶ ELECTIVE OFFICE



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

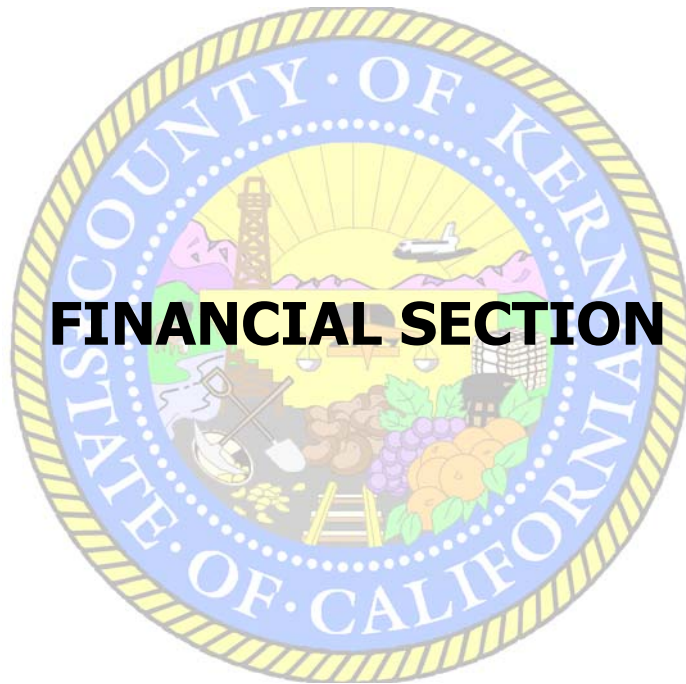
Presented to

**County of Kern
California**

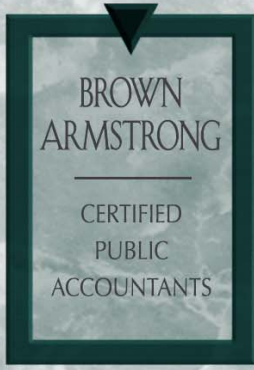
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



FINANCIAL SECTION



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, 2014, 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 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 fund information of the County, as of June 30, 2014, 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.

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FAX 626.204.6547

5250 CLAREMONT AVENUE
SUITE 237
STOCKTON, CA 95207
TEL 209.451.4833

Emphasis of Matters

As disclosed in Note I of the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 65, 67, and 70 during the fiscal year 2014. Among these new GASB Statements, GASB Statement No. 65, *Item Previously Reported as Assets and Liabilities* had a significant impact over the County's financial statements. 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, budgetary comparison information, schedules of funding progress, actuarial assumptions and methodology, and schedule of contributions for pension and other post-employment benefits, and on pages 11–21, 88–98, and 99-101, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

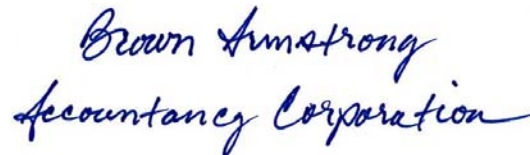
The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

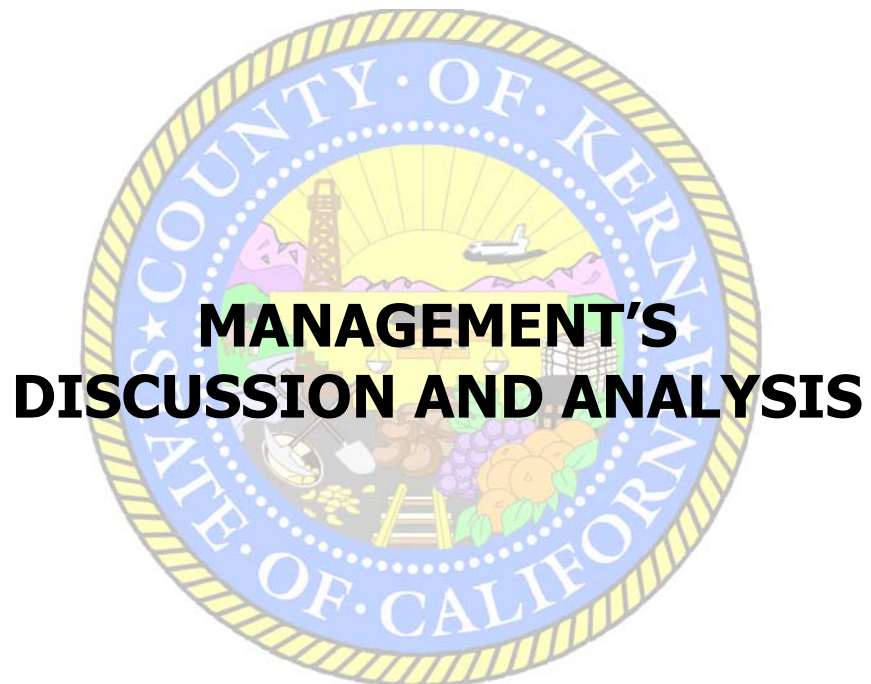
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
December 23, 2014



**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

**County of Kern
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited**

The management's discussion and analysis section of the County of Kern's (County) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. 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, 2014, the County's total net position was \$1,860,423. Of this total net position, \$1,906,859 is attributed to net investment in capital assets, and \$362,438 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 \$408,874, representing the unrestricted net position.
- During the current fiscal year, the County's net position decreased by \$8,963. The County's net position decreased by \$32,715 for governmental activities, however the County's net position increased by \$23,752 for business-type activities.
- At June 30, 2014, the County's governmental funds reported total ending fund balances of \$573,536, a decrease of 6.62% compared to prior year's total ending fund balance. Approximately \$527,236 or 91.93% 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, 2014, the spendable fund balance for the General Fund was \$183,541 or 31.36% 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 22 and 23 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 fund balance sheet and in the governmental fund 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 24 through 29 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 Course, 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 30 through 33 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 34 and 35 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 36 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, 2014, the County's total net position was \$1,860,423. See Table 1 on page 14 for details.

The County's largest portion of total net position is the net investment in capital assets of \$1,906,859. 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.

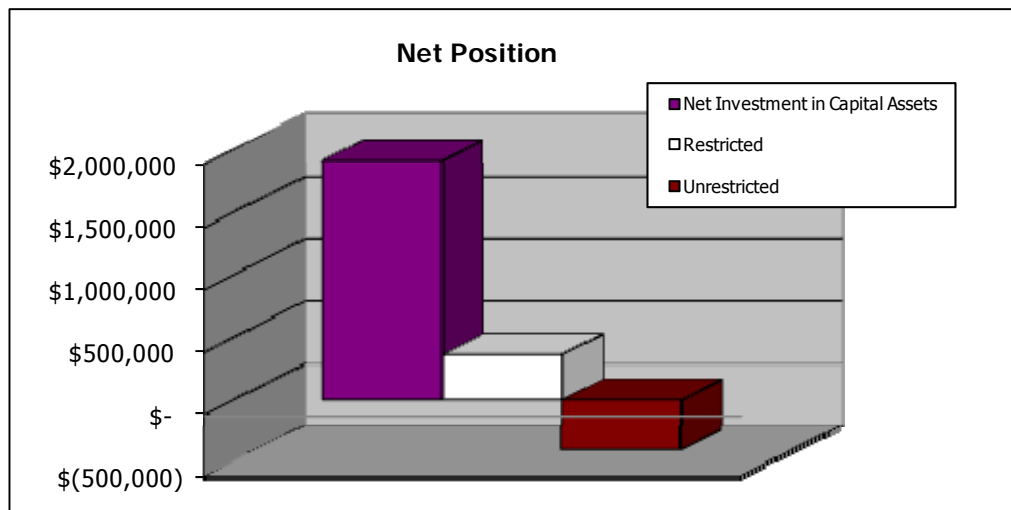
Of the County's total net position, \$362,438 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted resources is reserved for capital projects, public protection and health & sanitation. The remaining balance of net position represents the unrestricted resources, which have a deficit balance of \$408,874. 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 and the Pension Obligation Bonds used to pay the unfunded actuarial accrued liability owed to the Kern County Employees' Retirement Association.

At June 30, 2014, 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 governmental activities' unrestricted net position deficit of \$294,565, which is primarily due to the recognition of liabilities associated with the Kern County Tobacco Funding Corporation, Pension Obligation Bonds, and Certificates of Participation. The business-type activities reported a deficit in unrestricted resources of \$114,309. The deficit is attributable to the negative unrestricted resources of Kern Medical Center (KMC). 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
	2014	2013*	2014	2013*	2014	2013*	
Current and Other Assets	\$ 899,738	\$ 952,493	\$ 110,605	\$ 97,363	\$ 1,010,343	\$ 1,049,856	\$ (39,513)
Capital Assets	1,837,683	1,827,806	199,055	189,501	2,036,738	2,017,307	19,431
Total Assets	<u>2,737,421</u>	<u>2,780,299</u>	<u>309,660</u>	<u>286,864</u>	<u>3,047,081</u>	<u>3,067,163</u>	<u>(20,082)</u>
Total Deferred Outflows of Resources	148	173	242	278	390	451	(61)
Current and Other Liabilities	201,933	175,769	67,315	56,241	269,248	232,010	37,238
Long-Term Liabilities	756,160	792,512	161,640	173,706	917,800	966,218	(48,418)
Total Liabilities	958,093	968,281	228,955	229,947	1,187,048	1,198,228	(11,180)
Net Position							
Net Investment in Capital Assets	1,726,834	1,711,461	180,025	166,895	1,906,859	1,878,356	28,503
Restricted	347,207	363,662	15,231	15,671	362,438	379,333	(16,895)
Unrestricted	(294,565)	(262,932)	(114,309)	(125,371)	(408,874)	(388,303)	(20,571)
Total Net Position	<u>\$ 1,779,476</u>	<u>\$ 1,812,191</u>	<u>\$ 80,947</u>	<u>\$ 57,195</u>	<u>\$ 1,860,423</u>	<u>\$ 1,869,386</u>	<u>\$ (8,963)</u>

* As restated. See Note II. A.



As shown in Table 2, the County's total net position decreased by 8,963, 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				
	2014	2013*	2014	2013*	2014	2013*	
Revenues							
Program Revenues							
Charges for Services	\$ 227,361	\$ 205,355	\$ 203,398	\$ 177,414	\$ 430,759	\$ 382,769	\$ 47,990
Operating Grants & Contributions	703,323	741,506	99,819	112,218	803,142	853,724	(50,582)
Capital Grants & Contributions	44,419	18,936	15,267	16,316	59,686	35,252	24,434
General Revenues							
Property Taxes	270,406	271,564			270,406	271,564	(1,158)
Aircraft Taxes	113	151			113	151	(38)
Sales & Use Taxes	52,240	55,718			52,240	55,718	(3,478)
Transient Occupancy Tax	1,772	1,845			1,772	1,845	(73)
Special Assessments	2,717	2,807			2,717	2,807	(90)
Transfer Tax	2,942	2,961			2,942	2,961	(19)
Other Taxes	1,440	1,435			1,440	1,435	5
Vehicle License Taxes	101,645	99,756			101,645	99,756	1,889
Investment Earnings	17,307	16,870	907	181	18,214	17,051	1,163
Miscellaneous	3,369	22,356			3,369	22,356	(18,987)
Total Revenues	1,429,054	1,441,260	319,391	306,129	1,748,445	1,747,389	1,056
Expenses							
General Government	85,816	94,901			85,816	94,901	(9,085)
Public Protection	558,228	547,416			558,228	547,416	10,812
Public Ways & Facilities	122,567	69,153			122,567	69,153	53,414
Health & Sanitation	157,183	156,302			157,183	156,302	881
Public Assistance	411,182	391,318			411,182	391,318	19,864
Education	8,600	8,153			8,600	8,153	447
Culture & Recreation Services	14,565	14,319			14,565	14,319	246
Interest on Short & Long-Term Debt	37,679	41,161			37,679	41,161	(3,482)
Airports			7,312	8,330	7,312	8,330	(1,018)
County Sanitation Districts			4,248	3,707	4,248	3,707	541
Golf Course			456	779	456	779	(323)
Kern Medical Center			297,570	302,694	297,570	302,694	(5,124)
Public Transportation			8,817	8,367	8,817	8,367	450
Universal Collection			12,800	10,867	12,800	10,867	1,933
Waste Management			30,385	32,080	30,385	32,080	(1,695)
Total Expenses	1,395,820	1,322,723	361,588	366,824	1,757,408	1,689,547	67,861
Excess (Deficit) of Revenues Over (Under) Expenses Before Transfers	33,234	118,537	(42,197)	(60,695)	(8,963)	57,842	(66,805)
Transfers	(65,949)	(37,735)	65,949	37,735			
Increase (Decrease) in Net Position	(32,715)	80,802	23,752	(22,960)	(8,963)	57,842	(66,805)
Net Position at Beginning of Year*	1,812,191	1,731,389	57,195	80,155	1,869,386	1,811,544	57,842
Net Position at End of Year	<u>\$ 1,779,476</u>	<u>\$ 1,812,191</u>	<u>\$ 80,947</u>	<u>\$ 57,195</u>	<u>\$ 1,860,423</u>	<u>\$ 1,869,386</u>	<u>\$ (8,963)</u>

* As restated. See Note II. A

Governmental Activities

The Governmental activities decreased the County's net position by \$32,715 for the year ended June 30, 2014:

- Total revenues decreased by less than 1%, both operating grants and sales & use tax decreased slightly. Total expenses increased by 5.5% primarily related to salaries and benefits increases.
- As an arm of the State government, operating grants and contributions serve multiple programs, representing 72.1% 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 decreased by 5.2% from the prior year.

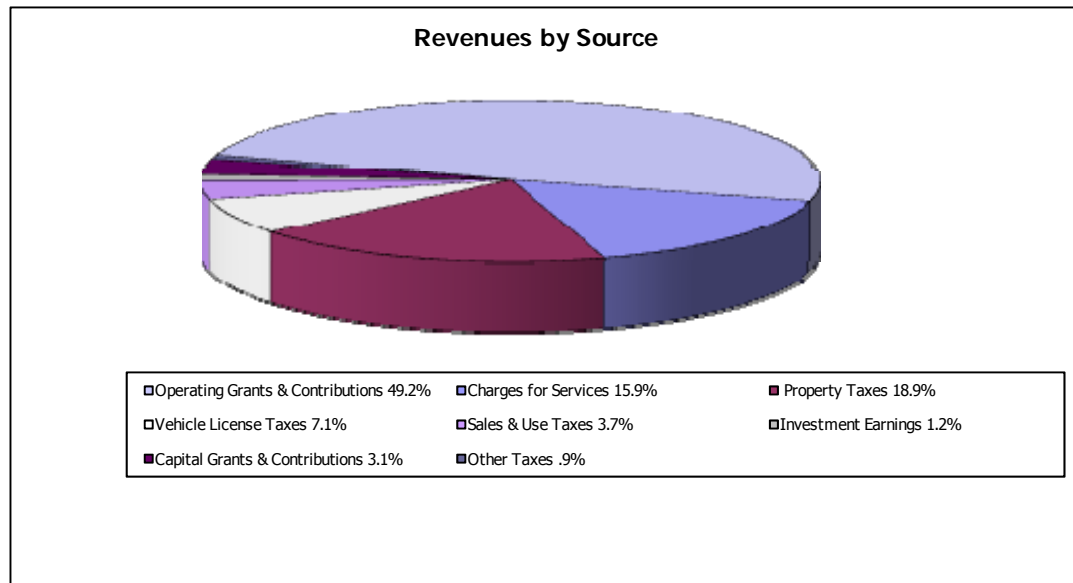
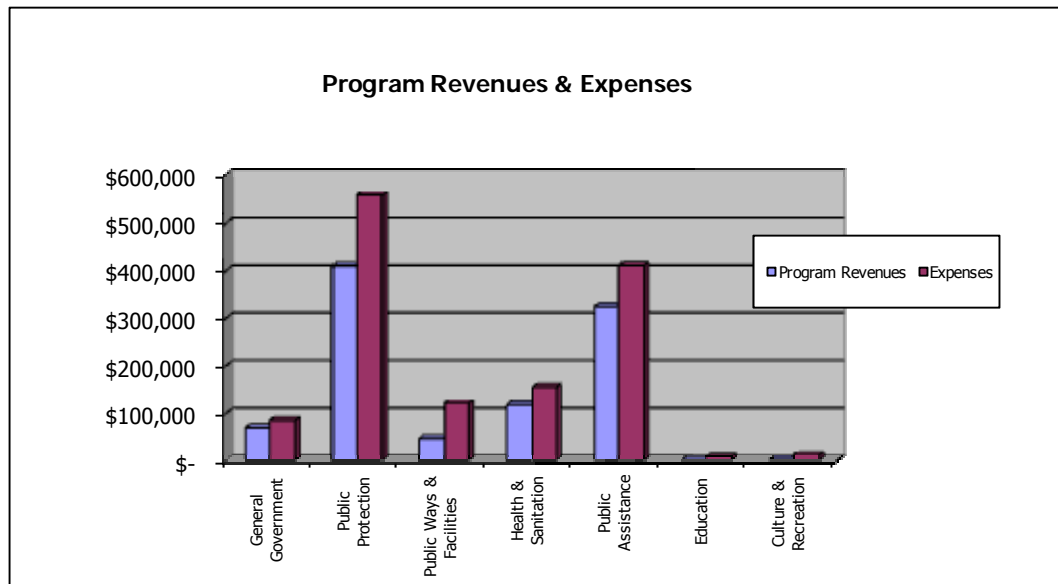
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. The decrease in tax revenue is due primarily to the following:

Sales and Use Tax revenue decreased by \$3,478 or 6.2% from prior year.

Property Tax revenues decreased by \$1,158 or less than 1% from prior year.

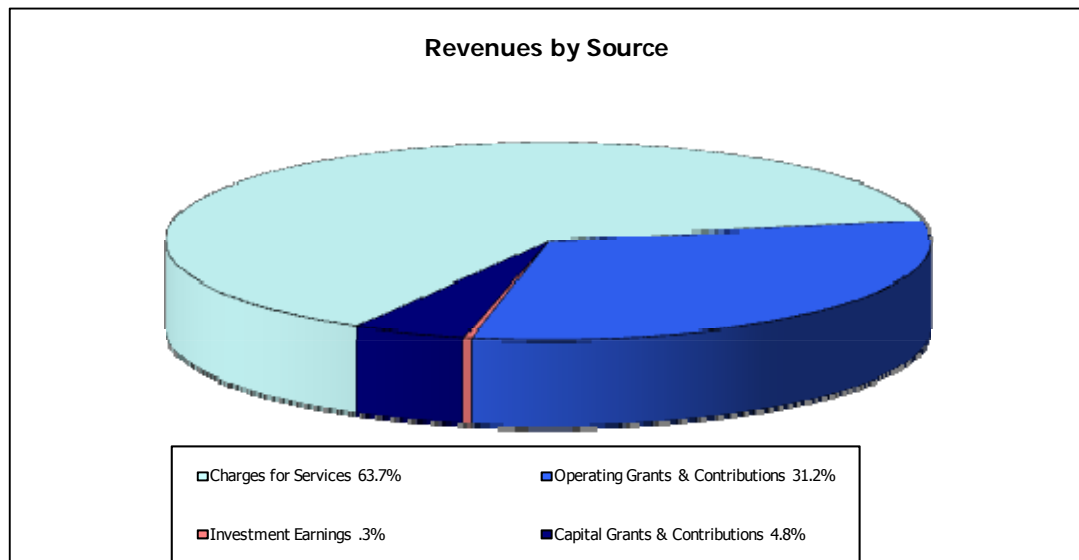
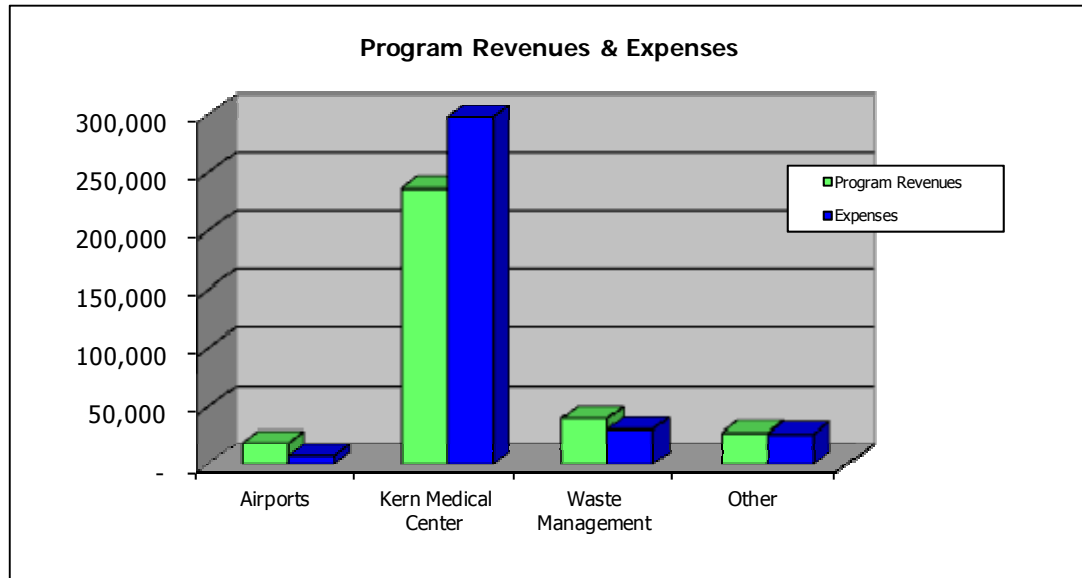
Miscellaneous revenues decreased by \$18,987. Donations of roads into the County system from developers constitute a majority of the decrease.

- Total expenses increased by \$73,097 or 5.5%. Public Protection, Health and Sanitation, and Public assistance increased due to an increase in salaries and benefits costs, some being offset by realignment revenue. Public Ways and Facilities increased due to capital projects funded by Certificate of Participation (COP) and grant funding. General Government decreased from the prior year as a result of a decrease in one time grant funding.



Business-type Activities

Business-type activities' total net position increased the County's net position by \$23,752, which was an increase of \$46,712 as compared to prior year's decrease in net position of \$22,960. Charges for services increased by \$25,984 due primarily to KMC, however all business-type activities saw increases in service revenue. Expenses in the government-wide business-type activities decreased by \$5,236, attributed to the allocation of internal service fund losses in the prior year.



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, 2014, the County's governmental funds reported total fund balances of \$573,536, a decrease of 6.62% compared to prior year's total ending fund balance. Approximately \$527,236 or 91.93% 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, 2014, spendable fund balance of the General Fund was \$183,541. 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 31.36% of total General Fund expenditures, while total fund balance represents 38.67% of total General Fund expenditures.

The other governmental funds' fund balances decreased by \$17,094 or 4.92%. The following major governmental funds **increased** in fund balance:

- County Local Revenue – Fund balance increased by \$13,403 from prior year due to an increase in aid from other governmental agencies.
- Employers' Training Resource – Fund balance increased by \$1,581 from the prior year due to an increase in charges for current services.

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

- Child Support – Fund balance decreased by \$102 from the prior year due in part to regular operations.
- Human Services – Fund balance decreased by \$550 from the prior year due to an increase in expenditures.
- Kern Asset Leasing – Fund balance decreased by \$6,094 due to the use of COP proceeds for capital projects.
- Mental Health – Fund balance decreased by \$401 from the prior year due to an increase in expenditures.
- Roads – Fund balance decreased by \$8,461 from the prior year due to an increase in expenditures.
- Structural Fire – Fund balance decreased by \$3,364 from the prior year due to an increase in expenditures.
- Tobacco Securitization Proceeds – Fund balance decreased by \$3,047 from the prior year due to use of capital projects proceeds.

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 \$23,418. The net position of Waste Management increased by \$10,917, primarily due to an increase in charges for services. The net position of Kern Medical Center decreased by \$4,561 as a result of a decrease in aid from other governmental agencies. The net position of Airports increased by \$15,743 primarily due to the receipt of a capital contribution from an International Flight School on one of the Airport properties. Additionally, the combined net position of the non-major enterprise funds increased by \$1,319.

The internal service funds had an increase in net position of \$5,146 due to an increase 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 \$20,482 includes prior year appropriations of \$16,182 that consisted of major maintenance and capital projects as well as \$4,300 of appropriations transferred from appropriations for contingencies.
- Increase in total Public Protection appropriations of \$9,654 includes prior year appropriations of \$2,964 for capital projects and \$6,690 of additional appropriations for salaries and benefits and service & supplies attributable to unanticipated resources of state realignment tax sources.
- 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 negative variance of \$6,562 in Aid from Other Governmental, due to decrease in Federal Aid- Other and Federal Aid Title IV-E.
- 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 of \$10,238 are the result of capital projects not started and the County Administrative Office special services budget unit unused appropriations.
- Public Protections excess appropriations of \$16,167 are the result of increased realignment funding for salaries and benefits for staff that are in the process of being hired.
- Debt Service excess appropriations of \$10,829 are the result of reclassing debt service expenditures for reporting purposes to debt service funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's total net capital assets are \$2,036,738 at June 30, 2014. 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 Capital Assets (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Total Change
	2014	2013*	2014	2013*	2014	2013*	
Land	\$ 26,012	\$ 26,016	\$ 27,966	\$ 27,940	\$ 53,978	\$ 53,956	\$ 22
Land Acquisition in Progress			82	80	82	80	2
Construction in Progress	27,580	17,368	2,603	18,954	30,183	36,322	(6,139)
Works of Arts	60	60	198	198	258	258	
Infrastructure	701,177	678,889	9,024	8,753	710,201	687,642	22,559
Structures and Improvements	408,481	400,626	267,792	235,053	676,273	635,679	40,594
Equipment	198,265	189,881	56,749	55,489	255,014	245,370	9,644
Intangibles	1,109,869	1,108,573	10,337	10,337	1,120,206	1,118,910	1,296
Total	\$ 2,471,444	\$ 2,421,413	\$ 374,751	\$ 356,804	\$ 2,846,195	\$ 2,778,217	\$ 67,978

*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, Animal Services shelter relocation and an Information Technology Services/Emergency Medical Services facility replacement.
- The Roads Department had several infrastructure improvements and additions for the current fiscal year. The total for reconstructed roads was \$22,288.

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, 2014, the County’s long-term debt is \$719,308, which is comprised of COP (secured by the County’s lease rental payments) 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 AA- 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
	2014	2013*	2014	2013*	2014	2013*	
Compensated Absences	\$ 54,989	\$ 54,982	\$ 12,899	\$ 14,065	\$ 67,888	\$ 69,047	\$ (1,159)
Lease Purchase Agreements	12,798	14,704	719	1,525	13,517	16,229	(2,712)
Certificates of Participation	93,001	96,168	11,894	14,512	104,895	110,680	(5,785)
Tobacco - Asset Backed Bonds	81,301	84,062			81,301	84,062	(2,761)
Bonds Payable	13,988	14,625			13,988	14,625	(637)
Loans Payable	5,266	5,266	7,709	8,468	12,975	13,734	(759)
Pension Obligation Bonds	280,342	308,871	43,060	48,075	323,402	356,946	(33,544)
Landfill Closure Liability			26,948	31,765	26,948	31,765	(4,817)
Post Closure Liability			35,486	35,322	35,486	35,322	164
Other Post-Employment Benefits	32,062	30,277	6,846	7,046	38,908	37,323	1,585
Total	\$ 573,747	\$ 608,955	\$ 145,561	\$ 160,778	\$ 719,308	\$ 769,733	\$ (50,425)

*As restated. See Note II. A.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The State’s budget remains a major determining factor in determining the County’s budget for fiscal year 2014 – 2015 and beyond. The recommended County budget for governmental funds for fiscal year 2014 – 2015 totals \$2.046 billion, which is 5.8% higher than appropriations adopted last year. Included in that amount is a significant capital project increase for the new jail facility.

Discretionary revenues for the General Fund will increase for the 2014 – 2015 fiscal year by 3.2% above last year’s adopted revenue estimates. Salaries and benefits costs are estimated to be \$1.027 billion and will decrease by \$9 million from the 2013 – 2014 fiscal year. In the coming years the following factors will have a significant impact on the County budget: Retirement cost, staffing the new jail facility, loss of public safety funding (Title IV-E, COPS, federal prisoner funding, SAFER grant) and sales tax volatility.

REQUESTS FOR INFORMATION

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

The County presents three discrete component units in the government-wide financial statements, First 5 Kern, Tejon Ranch Public Facilities Financing Authority, and the Housing Authority of Kern County. The operations of these component units are not considered to be significant in relation to the overall operations of the primary government and have not been included in this Management's Discussion & Analysis. Complete financial statements of the individual component units can be obtained from First 5 Kern located at 2724 L Street, Bakersfield, California 93301; Tejon Ranch Public Facilities Financing Authority located at P.O. Box 1000, Lebec, California 93243; and the Housing Authority of Kern County located at 601 24th Street, Bakersfield, California 93301.



BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

COUNTY OF KERN
STATEMENT OF NET POSITION
JUNE 30, 2014 (IN THOUSANDS)

	Primary Government			First 5 Kern
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and Investments	\$ 402,783	\$ 113,567	\$ 516,350	\$ 20,570
Restricted Cash and Investments	65,758	2,014	67,772	
Revolving Fund Cash	1,388	22	1,410	
Receivables, Net	208,142	22,278	230,420	1,886
Due from Other Agencies	10,329	39,733	50,062	
Inventories and Prepaid Expenses	3,547	4,418	7,965	
Deposits with Others	1,940		1,940	
Internal Balances	86,000	(86,000)		
Investment in Joint Venture			2,258	
Net Pension Asset	119,851	12,315	132,166	
Capital Assets:				
Nondepreciable	1,160,104	30,849	1,190,953	
Depreciable, Net	677,579	168,206	845,785	17
Total Assets	<u>2,737,421</u>	<u>309,660</u>	<u>3,047,081</u>	<u>22,473</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	148	242	390	
Total Deferred Outflows of Resources	<u>148</u>	<u>242</u>	<u>390</u>	
LIABILITIES				
Accounts Payable	27,669	24,685	52,354	2,380
Salaries and Employee Benefits Payable	33,824	8,191	42,015	49
Due to Other Agencies	352	6,726	7,078	
Accrued Interest Payable	5,827	716	6,543	
Advances from Grantors and Third Parties	25,379	4,962	30,341	
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Long-Term Debt	37,272	9,299	46,571	
Capital Leases	4,257	719	4,976	
Compensated Absences	36,156	8,482	44,638	103
Landfill Closure/Post Closure Costs		3,535	3,535	
Liability for Self-Insurance	31,197		31,197	
Portion Due or Payable After One Year:				
Professional Liabilities		7,023	7,023	
Certificates of Participation	89,553	9,022	98,575	
Unamortized Bond Premium/Discount	(929)	155	(774)	
Bonds and Notes Payable	343,080	37,257	380,337	
Loans Payable	4,922	6,930	11,852	
Accrued Interest	143,256	25,765	169,021	
Capital Leases	8,541		8,541	
Compensated Absences	18,833	4,417	23,250	
Liability for Pollution Remediation	2,050	5,326	7,376	
Accrued Landfill Closure/Post Closure Costs		58,899	58,899	
Liability for Other Post-Employment Benefits	32,062	6,846	38,908	
Liability for Self-Insurance	114,792		114,792	
Total Liabilities	<u>958,093</u>	<u>228,955</u>	<u>1,187,048</u>	<u>2,532</u>
NET POSITION				
Net Investment in Capital Assets	1,726,834	180,025	1,906,859	17
Restricted (Note XI. B):				
Debt Service	20,762	2,014	22,776	
Capital Projects	55,619	12,373	67,992	
General Government	4,137		4,137	
Public Protection	105,670		105,670	
Public Ways & Facilities	50,018		50,018	
Health and Sanitation	91,902		91,902	
Public Assistance	18,217		18,217	
Education	508	844	1,352	
Culture & Recreation Services	374		374	
Other Purposes				10,313
Unrestricted (Deficits)	<u>(294,565)</u>	<u>(114,309)</u>	<u>(408,874)</u>	<u>9,611</u>
Total Net Position	<u>\$ 1,779,476</u>	<u>\$ 80,947</u>	<u>\$ 1,860,423</u>	<u>\$ 19,941</u>

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

COUNTY OF KERN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014 (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	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Governmental Activities:								
General Government	\$ 85,816	\$ 58,908	\$ 11,802	\$ 317	\$ (14,789)		\$ (14,789)	
Public Protection	558,228	106,151	304,297		(147,780)		(147,780)	
Public Ways and Facilities	122,567	12,350		36,709	(73,508)		(73,508)	
Health and Sanitation	157,183	39,080	71,795	7,393	(38,915)		(38,915)	
Public Assistance	411,182	8,680	315,304		(87,198)		(87,198)	
Education	8,600	565	44		(7,991)		(7,991)	
Culture and Recreation Services	14,565	1,627	81		(12,857)		(12,857)	
Interest on Short and Long-term Debt	37,679				(37,679)		(37,679)	
Total Governmental Activities	<u>1,395,820</u>	<u>227,361</u>	<u>703,323</u>	<u>44,419</u>	<u>(420,717)</u>		<u>(420,717)</u>	
Business-type Activities:								
Airports	7,312	4,395	721	13,575		11,379	11,379	
County Sanitation Districts	4,248	4,162	60			(26)	(26)	
Golf Course	456	462				6	6	
Kern Medical Center	297,570	134,888	96,638			(66,044)	(66,044)	
Public Transportation	8,817	6,677	1,553	1,692		1,105	1,105	
Universal Collection	12,800	12,922				122	122	
Waste Management	30,385	39,892	847			10,354	10,354	
Total Business-type Activities	<u>361,588</u>	<u>203,398</u>	<u>99,819</u>	<u>15,267</u>		<u>(43,104)</u>	<u>(43,104)</u>	
Total Primary Government	<u>\$ 1,757,408</u>	<u>\$ 430,759</u>	<u>\$ 803,142</u>	<u>\$ 59,686</u>	<u>(420,717)</u>	<u>(43,104)</u>	<u>(463,821)</u>	
Component Unit:								
First 5 Kern	\$ <u>11,778</u>	\$ <u></u>	\$ <u>10,036</u>	\$ <u></u>				<u>(1,742)</u>
General Revenues:								
Taxes:								
Property Taxes					270,406		270,406	
Aircraft Taxes					113		113	
Sales and Use Taxes					52,240		52,240	
Transient Occupancy Tax					1,772		1,772	
Special Assessments					2,717		2,717	
Transfer Taxes					2,942		2,942	
Other Taxes					1,440		1,440	
Property Taxes in Lieu of Motor Vehicle License Fees					101,645		101,645	
Grants and Contributions not Restricted to Specific Programs								
Unrestricted Investment Earnings					17,307	907	18,214	85
Miscellaneous					3,369		3,369	
Transfers					(65,949)	65,949		
Total General Revenues and Transfers					<u>388,002</u>	<u>66,856</u>	<u>454,858</u>	<u>85</u>
Change in Net Position					<u>(32,715)</u>	<u>23,752</u>	<u>(8,963)</u>	<u>(1,657)</u>
Net Position--beginning (as restated, Note II. A)					<u>1,812,191</u>	<u>57,195</u>	<u>1,869,386</u>	<u>21,598</u>
Net Position--ending					<u>\$ 1,779,476</u>	<u>\$ 80,947</u>	<u>\$ 1,860,423</u>	<u>\$ 19,941</u>



BASIC FINANCIAL STATEMENTS

Fund Financial Statements

**COUNTY OF KERN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014 (IN THOUSANDS)**

Page 1 of 1

	GENERAL FUND	CHILD SUPPORT SERVICES	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN ASSET LEASING
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Pooled Cash and Investments	\$ 110,882	\$ 453	\$ 7,737	\$ 2,523	\$ 101	\$
Revolving Fund Cash	1,220	48				
Cash and Investments Deposited with Trustee						19,818
Interest Receivable	283				5	
Taxes Receivable	55,042					
Accounts Receivable					4,059	
Accrued Revenue	21,779	1,019	22,478	1,531	48,782	
Due from Other Funds	66,053			181	4,022	
Due from Other Agencies	1,342		3,776		3,823	
Advances to Other Funds	23,286					
Deposits with Others	136					
Inventory - Materials and Supplies						
Total Assets	280,023	1,520	33,991	4,235	60,792	19,818
Total Assets and Deferred Outflows of Resources	\$ <u>280,023</u>	\$ <u>1,520</u>	\$ <u>33,991</u>	\$ <u>4,235</u>	\$ <u>60,792</u>	\$ <u>19,818</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 8,700	\$ 129	\$ 351	\$ 2,262	\$ 1,022	\$
Salaries and Employee Benefits Payable	17,834	738			5,473	
Due to Other Funds	521		14,387	515	18,897	
Due to Other Agencies						
Advances from Other Funds						
Advances from Grantors and Third Parties	1,632				23,747	
Total Liabilities	28,687	867	14,738	2,777	49,139	
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	25,010					
Unavailable Revenue - Reimbursements					3,931	
Total Deferred Inflows of Resources	25,010				3,931	
Fund Balances:						
Nonspendable	42,785	48			101	
Restricted	9,718	605	19,253	1,458	7,621	19,818
Committed	16					
Assigned	100,909					
Unassigned	72,898					
Total Fund Balances	226,326	653	19,253	1,458	7,722	19,818
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>280,023</u>	\$ <u>1,520</u>	\$ <u>33,991</u>	\$ <u>4,235</u>	\$ <u>60,792</u>	\$ <u>19,818</u>

MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
						ASSETS AND DEFERRED
						OUTFLOWS OF RESOURCES
						Assets:
\$ 73,035	\$ 39,374	\$ 12,922	\$ 21	\$ 98,094	\$ 345,041	Pooled Cash and Investments
2		5		12	1,388	Revolving Fund Cash
			34,027	11,913	65,758	Cash and Investments Deposited with Trustee
62	23	12		44	429	Interest Receivable
		7,384		310	62,736	Taxes Receivable
254	21				4,334	Accounts Receivable
11,230	2,100	10,556		19,163	138,638	Accrued Revenue
7,866	59	478		329	78,988	Due from Other Funds
602				786	10,329	Due from Other Agencies
	2,000				25,286	Advances to Other Funds
					136	Deposits with Others
	2,285	1,062			3,347	Inventory - Materials and Supplies
93,051	45,862	32,419	34,048	130,651	736,410	Total Assets
\$ 93,051	\$ 45,862	\$ 32,419	\$ 34,048	\$ 130,651	\$ 736,410	Total Assets and Deferred Outflows of Resources
						LIABILITIES, DEFERRED INFLOWS OF
						RESOURCES, AND FUND BALANCES
						Liabilities:
\$ 5,275	\$ 2,086	\$ 442	\$	\$ 3,208	\$ 23,475	Accounts Payable
2,115	851	6,123		621	33,755	Salaries and Employee Benefits Payable
5			244	6,669	41,238	Due to Other Funds
352				2,037	352	Due to Other Agencies
					2,037	Advances from Other Funds
					25,379	Advances from Grantors and Third Parties
7,747	2,937	6,565	244	12,535	126,236	Total Liabilities
		7,410		287	32,707	Deferred Inflows of Resources:
					3,931	Unavailable Revenue - Property Taxes
		7,410		287	36,638	Unavailable Revenue - Reimbursements
						Total Deferred Inflows of Resources
2	2,285	1,067		12	46,300	Fund Balances:
85,302	40,640	3,652	33,804	86,734	308,605	Nonspendable
		1,574		20,028	21,618	Restricted
		12,151		11,055	124,115	Committed
					72,898	Assigned
85,304	42,925	18,444	33,804	117,829	573,536	Unassigned
\$ 93,051	\$ 45,862	\$ 32,419	\$ 34,048	\$ 130,651	\$ 736,410	Total Fund Balances
						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, 2014 (IN THOUSANDS)**

Fund Balances - Total Governmental Funds:	\$	573,536
Deferred charges in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		36,638
Capital assets used in governmental activities are not financial resources; therefore, the capital assets are not reported in the governmental funds.		1,832,933
Accrued interest revenue is recognized as soon as earned, regardless of its availability.		26
Pollution remediation recoveries are recognized when realized, regardless of availability.		800
Negative Net Pension Obligation - Offset of Pension Obligation Bonds for Unfunded Actuarial Accrued Liability that does not represent a current financial resource.		119,820
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.		(60,404)
Accrued interest expense does not require the use of current financial resources; therefore, it is not accrued as a liability in the governmental funds.		(148,744)
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position:		
Pension Obligation Bonds	\$	(279,982)
Bonds Payable		(95,289)
Certificates of Participation		(92,786)
Net Unamortized Premium/Discount on Refunding Long-term Debt		(67)
Capital Leases		(12,798)
Loan Payable		(5,266)
Compensated Absences		(54,871)
Net Other Post-Employment Benefits Obligation		(32,020)
Pollution Remediation		(2,050)
Net Position of Governmental Activities	\$	<u>1,779,476</u>

COUNTY OF KERN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

Page 1 of 1

	GENERAL FUND	CHILD SUPPORT SERVICES	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN ASSET LEASING
REVENUES:						
Taxes	\$ 337,457	\$	\$	\$	\$	\$
Licenses, Permits and Franchises	12,126					
Fines, Forfeitures and Penalties	16,181					
Revenues from Use of Money and Property	12,985	13	(8)	(4)	46	185
Aid from Other Governmental Agencies	102,069	21,207	174,856	14,821	275,999	
Charges for Current Services	77,145	20		3,317	187	
Other Revenues	3,690			216	1,885	
Total Revenues	561,653	21,240	174,848	18,350	278,117	185
EXPENDITURES:						
Current:						
General Government	108,891					
Public Protection	393,466	21,342	3,393			
Public Ways and Facilities						
Health and Sanitation	44,787					
Public Assistance	12,391			7,895	367,270	
Education	8,038					
Culture and Recreation Services	12,560					
Capital Outlay	2,150					
Debt Service:						
Principal	268					3,131
Interest	2,718					4,860
Total Expenditures	585,269	21,342	3,393	7,895	367,270	7,991
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,616)	(102)	171,455	10,455	(89,153)	(7,806)
OTHER FINANCING SOURCES (USES):						
Transfers In	153,133			1,101	90,505	7,991
Transfers Out	(155,254)		(158,052)	(9,975)	(1,902)	(6,279)
Inceptions of Capital Leases	2,150					
Total Other Financing Sources (Uses)	29		(158,052)	(8,874)	88,603	1,712
Net Changes in Fund Balances (Deficits)	(23,587)	(102)	13,403	1,581	(550)	(6,094)
Fund Balances, July 1, 2013 (as previously reported)	250,085	755	5,850	309	8,272	25,168
Prior Period Adjustments	(172)			(432)		744
Fund Balances, June 30, 2014	\$ 226,326	\$ 653	\$ 19,253	\$ 1,458	\$ 7,722	\$ 19,818

MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$	\$	\$	\$	\$	\$	REVENUES:
	3,022	81,928		2,717	425,124	Taxes
	2,938	641		22,252	37,957	Licenses, Permits and Franchises
		123		7,270	23,574	Fines, Forfeitures and Penalties
577	180	162	1,085	1,556	16,777	Revenues from Use of Money and Property
32,890	35,412	6,770		104,145	768,169	Aid from Other Governmental Agencies
26,026	8,955	30,461		6,435	152,546	Charges for Current Services
568	90	191		49,162	55,802	Other Revenues
<u>60,061</u>	<u>50,597</u>	<u>120,276</u>	<u>1,085</u>	<u>193,537</u>	<u>1,479,949</u>	Total Revenues
						EXPENDITURES:
				931	109,822	Current:
		147,342		9,465	575,008	General Government
	54,241			2,621	56,862	Public Protection
112,663				1,825	159,275	Public Ways and Facilities
				26,353	413,909	Health and Sanitation
				74	8,038	Public Assistance
			62	57,675	12,634	Education
				32,842	59,887	Culture and Recreation Services
				16,577	36,241	Capital Outlay
<u>112,663</u>	<u>54,241</u>	<u>147,342</u>	<u>62</u>	<u>148,363</u>	<u>1,455,831</u>	Debt Service:
<u>(52,602)</u>	<u>(3,644)</u>	<u>(27,066)</u>	<u>1,023</u>	<u>45,174</u>	<u>24,155</u>	Principal
						Interest
						Total Expenditures
						Excess (Deficiency) of Revenues Over (Under) Expenditures
52,201	6,183	26,306		71,438	408,858	OTHER FINANCING SOURCES (USES):
	(11,000)	(2,604)	(4,070)	(126,671)	(475,807)	Transfers In
					2,150	Transfers Out
						Inceptions of Capital Leases
<u>52,201</u>	<u>(4,817)</u>	<u>23,702</u>	<u>(4,070)</u>	<u>(55,233)</u>	<u>(64,799)</u>	Total Other Financing Sources (Uses)
(401)	(8,461)	(3,364)	(3,047)	(10,059)	(40,681)	Net Changes in Fund Balances (Deficits)
85,700	51,386	21,808	36,851	127,562	613,746	Fund Balances, July 1, 2013 (as previously reported)
5				326	471	Prior Period Adjustments
<u>\$ 85,304</u>	<u>\$ 42,925</u>	<u>\$ 18,444</u>	<u>\$ 33,804</u>	<u>\$ 117,829</u>	<u>\$ 573,536</u>	Fund Balances, June 30, 2014

**COUNTY OF KERN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

Net Change in Fund Balance - Total Governmental Funds: \$ (40,681)

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	\$	56,151	
Current year depreciation		(45,669)	
Retirement of capital assets net of depreciation		<u>(556)</u>	9,926

Issuance of long-term debt provides current resources to governmental funds, but issuing debt increases 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 (2,150)

Governmental fund unavailable property taxes revenue were booked in the Statement of Activities. 8,135

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. Revenues have been booked that were unavailable to fund the beginning of the year. (20,420)

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

Principal repayments:

Pension Obligation Bonds	\$	28,466	
Certificates of Participation		3,131	
Capital Leases		4,056	
Tobacco - Asset Backed Bonds		2,800	
Bonds Payable		<u>637</u>	39,090

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	\$	(13,224)	
Change in compensated absences		<u>(7)</u>	(13,231)

Adjustment to the Negative Net Pension Obligation is not reported in the governmental funds, but the adjustment reduces the Net Pension Obligation in the Statement of Net Position. (16,383)

Adjustment to the Other Post-Employment Benefits Liability is not reported in governmental funds, but the adjustment increases the Liability for Other Post-Employment Benefits in the Statement of Net Position. (1,785)

Premiums and discounts associated with the issuance of long-term debt are included in governmental funds, but deferred and amortized in the Statement of Activities. (28)

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. 4,812

Change in Net Position of Governmental Activities \$ (32,715)

COUNTY OF KERN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 3,041	\$ 13,217	\$ 77,417	\$ 19,892	\$ 113,567	\$ 57,742
Revolving Fund Cash	1	11	10		22	
Interest Receivable		11	66	6	83	55
Accounts Receivable, Net	318	16,429	1,103		17,850	
Accrued Revenue	265		671	23	959	1,124
Due from Other Funds		296	27		323	68
Due from Other Agencies		39,733			39,733	
Prepaid Items		1,397			1,397	38
Net Pension Asset	230	10,582	1,209	294	12,315	31
Inventory - Materials and Supplies		3,021			3,021	162
Total Current Assets	3,855	84,697	80,503	20,215	189,270	59,220
Non-current Assets:						
Cash and Investments Deposited with Trustee		889	1,125		2,014	
Taxes Receivable			1,733	1,653	3,386	
Deposits with Others						1,804
Investment in Joint Venture				2,258	2,258	
Capital Assets:						
Non-depreciable:						
Land	10,395	168	16,735	668	27,966	
Land Acquisition in Progress			82		82	
Works of Art	198				198	
Construction in Progress	107	428	1,785	283	2,603	
Depreciable:						
Structures and Improvements	97,287	81,965	73,198	15,342	267,792	
Equipment	2,515	36,164	4,400	13,670	56,749	10,526
Intangible		10,051	238	48	10,337	37
Subsurface Lines				9,024	9,024	
Accumulated Depreciation and Amortization	(33,486)	(81,746)	(39,235)	(21,229)	(175,696)	(5,813)
Total Non-current Assets	77,016	47,919	60,061	21,717	206,713	6,554
Total Assets	\$ 80,871	\$ 132,616	\$ 140,564	\$ 41,932	\$ 395,983	\$ 65,774
Deferred Outflows of Resources:						
Deferred Amount on Refunding	77	165			242	
Total Deferred Outflows of Resources	77	165			242	
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities:						
Accounts Payable	\$ 212	\$ 21,516	\$ 1,798	\$ 1,159	\$ 24,685	\$ 4,194
Salaries and Employee Benefits Payable	83	7,445	584	79	8,191	69
Due to Other Agencies		6,726			6,726	
Due to Other Funds		38,069	56	16	38,141	
Current Portion of Long-Term Debt	810	6,151	2,249	89	9,299	72
Current Portion of Capital Leases		719			719	
Interest Payable - Current	101	488	119	8	716	4
Current Portion of Compensated Absences	116	7,398	877	91	8,482	78
Current Portion of Accrued Closure/Post Closure Liability			3,535		3,535	
Current Portion of Liability for Self-Insurance						31,197
Advances from Grantors and Third Parties			51	4,911	4,962	
Total Current Liabilities	1,322	88,512	9,269	6,353	105,456	35,614
Non-current Liabilities:						
Loans Payable	6,610		320		6,930	
Advances to Other Funds		23,249			23,249	
Estimate for Professional Liability Claims		7,023			7,023	
Compensated Absences Payable	60	3,853	457	47	4,417	40
Long-Term Debt - Self-Insurance						114,792
Long-Term Debt - Certificates of Participation		5,177	3,845		9,022	
Unamortized Bond Premium/Discount		285	(130)		155	
Long-Term Debt - Pension Obligation Bonds	558	33,233	2,829	637	37,257	288
Long-Term - Interest Payable - Pension Obligation Bonds	429	23,349	1,600	387	25,765	335
Pollution Remediation Obligation			5,326		5,326	
Accrued Closure Liability			24,244		24,244	
Accrued Post Closure Liability			34,655		34,655	
Other Post-Employment Benefits (OPEB) Obligation	78	6,096	582	90	6,846	42
Total Non-current Liabilities	7,735	102,265	73,728	1,161	184,889	115,497
Total Liabilities	9,057	190,777	82,997	7,514	290,345	151,111
NET POSITION						
Net Investment in Capital Assets	69,596	40,950	51,673	17,806	180,025	4,750
Restricted for:						
Debt Service (Note XI. B)		889	1,125		2,014	1,804
Capital Assets		12,373			12,373	
Education		844			844	
Unrestricted	2,295	(113,052)	4,769	16,612	(89,376)	(91,891)
Total Net Position (Deficits)	\$ 71,891	\$ (57,996)	\$ 57,567	\$ 34,418	\$ 105,880	\$ (85,337)
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(24,933)	
Net Position of Business-Type Activities:					\$ 80,947	

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 (DEFICITS)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Patient Services	\$	\$ 120,500	\$	\$	\$ 120,500	\$
Charges for Current Services	168	4,488	39,481	18,140	62,277	172,499
Revenues from Use of Property	3,333		35	129	3,497	
Other Operating Revenues	234	9,896			10,130	
Total Operating Revenues	3,735	134,884	39,516	18,269	196,404	172,499
OPERATING EXPENSES:						
Salaries and Employee Benefits	1,924	186,722	12,864	1,901	203,411	9,929
Services and Supplies	1,992	98,474	14,003	22,763	137,232	20,939
Claims Incurred						127,041
Other Charges	128	4,370	672	161	5,331	2,376
Depreciation and Amortization	2,977	4,524	2,382	1,437	11,320	1,011
Contribution to OPEB						16,967
Total Operating Expenses	7,021	294,090	29,921	26,262	357,294	178,263
Operating Income (Loss)	(3,286)	(159,206)	9,595	(7,993)	(160,890)	(5,764)
NON-OPERATING REVENUES (EXPENSES):						
Taxes and Assessments	643		68	5,673	6,384	
Fines, Forfeitures and Penalties		4	308	281	593	
Licenses, Permits and Franchises	17				17	
Interest on Bank Deposits and Investments	23	188	579	124	914	530
Aid from Other Governmental Agencies	681	96,638	222	1,553	99,094	27
Other Non-Operating Revenues	40	108	625	60	833	8,934
Interest Expense	(290)	(3,902)	(473)	(71)	(4,736)	(44)
Gain (Loss) on Sale of Capital Assets			(7)		(7)	35
Total Non-Operating Revenues	1,114	93,036	1,322	7,620	103,092	9,482
Income (Loss) before Contributions and Transfers	(2,172)	(66,170)	10,917	(373)	(57,798)	3,718
OTHER FINANCING SOURCES (USES)						
Capital Contributions	13,575			1,692	15,267	428
Transfers In	4,340	61,609			65,949	1,000
Total Other Financing Sources (Uses)	17,915	61,609		1,692	81,216	1,428
Changes in Net Position (Deficits)	15,743	(4,561)	10,917	1,319	23,418	5,146
Net Position (Deficits), July 1, 2013 (as previously reported)	56,527	(57,814)	46,895	32,827		(90,457)
Prior Period Adjustments	(379)	4,379	(245)	272		(26)
Net Position (Deficits), June 30, 2014	\$ 71,891	\$ (57,996)	\$ 57,567	\$ 34,418		\$ (85,337)
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					334	
Change in Net Position - Business-Type Activities					\$ 23,752	

**COUNTY OF KERN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014 (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
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Patient/Current Services	\$ 137	\$ 141,220	\$ 39,716	\$ 18,086	\$ 199,159	\$ 172,197
Cash Received for Use of Property	3,333		35	129	3,497	
Cash Received for Other Operations	234	9,896			10,130	
Cash Paid for Salaries and Benefits	(1,871)	(185,427)	(12,583)	(1,861)	(201,742)	(9,890)
Cash Paid for Services and Supplies	(1,507)	(70,257)	(11,966)	(22,287)	(106,017)	(19,452)
Cash Paid for Reported Claims						(132,031)
Cash Paid for Interfund Services and Supplies	(305)	(24,394)	(2,226)	(324)	(27,249)	
Cash Paid for Other Charges	(129)	(4,371)	(5,488)	(162)	(10,150)	(19,342)
Deposits with Others						(1,449)
Net Cash Provided (Used) by Operating Activities	(108)	(133,333)	7,488	(6,419)	(132,372)	(9,967)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Cash Received from Other Funds		62,724			62,724	9,943
Cash Received for Other Non-Operations	40	109	595		744	
Cash Received for Taxes and Special Assessments	643		67	5,675	6,385	
Cash Received as Fines, Forfeitures, and Penalties		3	308	281	592	
Cash Received for Licenses, Permits & Franchises	17				17	
Cash Received from Advances		276,514			276,514	
Cash Paid for Advances		(300,596)			(300,596)	
Cash Paid to Other Funds						
Aid from Other Governmental Agencies	724	101,382	312	6,505	108,923	27
Payment of Long-Term Debt - Pension Obligation Bond	(82)	(4,537)	(320)	(76)	(5,015)	(62)
Interest Paid on Pension Obligation Bond	(37)	(1,436)	(119)	(34)	(1,626)	(13)
Net Cash Provided by Non-Capital Financing Activities	1,305	134,163	843	12,351	148,662	9,895
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from Sale of Capital Assets						123
Capital Contributions	130				130	
Acquisition or Construction of Capital Assets	(164)	(3,226)	(1,491)	(2,382)	(7,263)	(624)
Cash Paid For Capital Lease		(806)			(806)	
Cash Paid to Defease Refunded Debt						
Principal Paid on Capital Debt	(695)	(874)	(1,804)		(3,373)	
Interest Paid on Capital Debt	(242)	(317)	(189)		(748)	
Net Cash Used by Capital and Related Financing Activities	(971)	(5,223)	(3,484)	(2,382)	(12,060)	(501)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on Bank Deposits and Investments	24	191	594	124	933	542
Net Cash Provided by Investing Activities	24	191	594	124	933	542
Net Increase (Decrease) in Cash and Investments	250	(4,202)	5,441	3,674	5,163	(31)
Cash and Investments, July 1, 2013	2,792	18,319	73,111	16,218	110,440	57,773
Cash and Investments, June 30, 2014	\$ 3,042	\$ 14,117	\$ 78,552	\$ 19,892	\$ 115,603	\$ 57,742

**COUNTY OF KERN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES	
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (3,286)	\$ (159,206)	\$ 9,595	\$ (7,993)	\$ (160,890)	\$ (5,764)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	2,977	4,524	2,382	1,437	11,320	1,011
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(31)	55,496	47	1	55,513	
(Increase) Decrease in Due from Other Agencies		(44,478)			(44,478)	
(Increase) Decrease in Inventory		(364)			(364)	(54)
(Increase) Decrease in Accrued Revenue			145	(13)	132	(334)
(Increase) Decrease in Taxes Receivable			19	(56)	(37)	
(Increase) Decrease in Due from Others			(14)	49	35	(63)
(Increase) Decrease in Deposits with Others						(1,449)
(Increase) Decrease in Net Pension Asset	37	2,944	232	45	3,258	33
(Increase) Decrease in Prepaid Items		162			162	
Increase (Decrease) in Accrued Expenses	180	4,024	(335)	104	3,973	1,563
Increase (Decrease) in Due to Others			8	13	21	(20)
Increase (Decrease) in Due to Other Agencies		5,214	46		5,260	
Increase (Decrease) in Salaries & Benefits Payable	9	(282)	(33)	3	(303)	3
Increase (Decrease) in Compensated Absences Payable	10	(1,126)		(17)	(1,133)	2
Increase (Decrease) in Provision for Liability Claims						(4,896)
Increase (Decrease) in Pollution Remediation			(13)		(13)	
Increase (Decrease) in Closure/Post Closure Liability			(4,653)		(4,653)	
Increase (Decrease) in Advances from Grantors and Third Parties			25		25	
Increase (Decrease) in Other Post-Employment Benefits Obligation	(4)	(241)	37	8	(200)	1
Total Adjustments	3,178	25,873	(2,107)	1,574	28,518	(4,203)
Net Cash Provided (Used) by Operating Activities	\$ (108)	\$ (133,333)	\$ 7,488	\$ (6,419)	\$ (132,372)	\$ (9,967)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Capital Contributions	\$ 13,445	\$	\$	\$	\$ 13,445	\$ 428
Total Non-cash Investing, Capital, and Financing Activities	\$ 13,445	\$	\$	\$	\$ 13,445	\$ 428

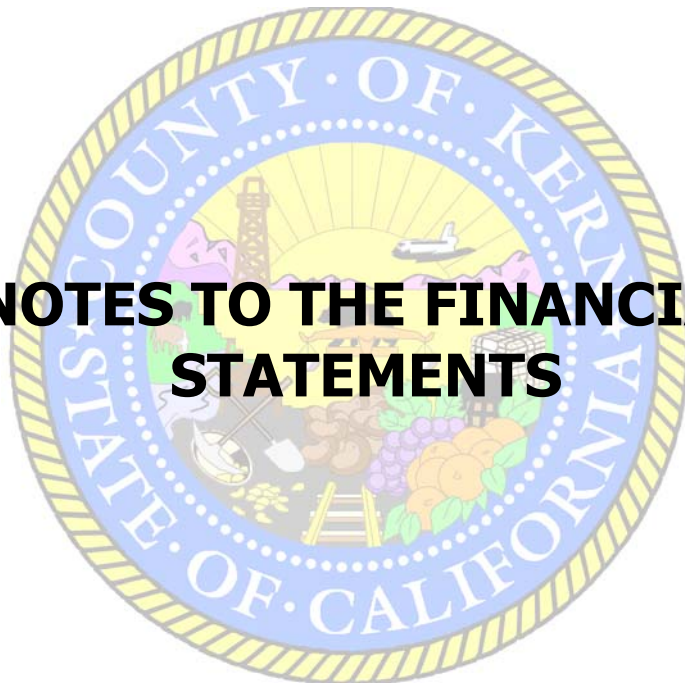
**COUNTY OF KERN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014 (IN THOUSANDS)**

ASSETS	INVESTMENT TRUST FUND	OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST	AGENCY FUNDS
Cash and Cash Equivalents	\$ 1,502,130	\$ 46,717	\$ 206,413
Total Cash and Cash Equivalents	<u>1,502,130</u>	<u>46,717</u>	<u>206,413</u>
Receivables:			
Accounts	137		
Taxes			49,555
Interest and Dividends	922		126
Total Receivables	<u>1,059</u>		<u>49,681</u>
Due from Other Agencies		8,217	13,024
Total Due from Other Agencies		<u>8,217</u>	<u>13,024</u>
Capital Assets, Net of Accumulated Depreciation	11		
Total Assets	<u>\$ 1,503,200</u>	<u>\$ 54,934</u>	<u>\$ 269,118</u>
LIABILITIES			
Warrants Payable	\$ 25,574	\$	\$ 9,051
Accounts Payable	1,750		11
Matured Bonds & Interest Payable	855		986
Due to Other Agencies	7,744		258,750
Unapportioned Installment Redemptions			320
Total Liabilities	<u>35,923</u>		<u>\$ 269,118</u>
NET POSITION			
Net Position Held in Trust for Pool Participants	\$ 1,467,277		
Net Position Held in Trust for OPEB		<u>\$ 54,934</u>	

**COUNTY OF KERN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	<u>INVESTMENT TRUST FUND</u>	<u>OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST</u>
ADDITIONS:		
Contributions	\$ 6,218,924	\$ 16,967
Use of Money and Property	<u>19,204</u>	<u>5,529</u>
Total Additions	<u>6,238,128</u>	<u>22,496</u>
DEDUCTIONS:		
Distributions	6,250,665	8,220
Fiscal Agent Expense	<u> </u>	<u>158</u>
Net Increase (Decrease) in Net Position	(12,537)	14,118
Net Position, July 1, 2013	<u>1,479,814</u>	<u>40,816</u>
Net Position, June 30, 2014	<u>\$ 1,467,277</u>	<u>\$ 54,934</u>

**NOTES TO THE FINANCIAL
STATEMENTS**



**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The County of Kern (the County) was established April 2, 1866, as a legal subdivision of the State of California 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) Statement 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 major governmental fund in these statements. This nonprofit entity is used to finance 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. 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
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BLENDED COMPONENT UNITS (CONTINUED)

Kern Public Services Financing Authority (continued)

management of the property. The fund was blended due to the Kern Public Services Financing Authority providing services directly to the County and it would be misleading to exclude the fund because of the County's use of the building.

C. DISCRETELY PRESENTED COMPONENT UNITS

Using the criteria of GASB Statement 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

The Housing Authority of the County of Kern (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 24th Street, Bakersfield, CA 93301.

Tejon Ranch Public Facilities Financing Authority

The Tejon Ranch Public Facilities Financing Authority (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 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, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GASB STATEMENTS

New Accounting Pronouncements

Statement No. 65	<i>Item Previously Reported as Assets and Liabilities</i>	This Statement has been implemented in the June 30, 2014 financial statements.
Statement No. 67	<i>Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25</i>	The requirements for this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.
Statement No. 68	<i>Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27</i>	The requirements for this Statement are effective for financial statements for reporting periods beginning after June 15, 2014.
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. 70	<i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>	The requirements for this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.
Statement No. 71	<i>Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68</i>	The requirements of this statement are effective for fiscal years beginning after June 15, 2014.

Government-Wide Financial Statements

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

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

A comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities are presented in the statement of activities. Direct expenses are clearly identifiable to a particular function and are specifically associated with a program or function. Indirect expenses are allocated based on the County-wide Cost Allocation Plan, which allocates the cost of central service departments to service user departments. Program revenues include: 1) charges paid by

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (continued)

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. Primary expenditures are for general government; public protection; health and sanitation; public assistance; education; cultural and recreation services; and capital leases.

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

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.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

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

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

Child Support Services 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.

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.

Kern Asset Leasing is a nonprofit entity used to finance 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.

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

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

Tobacco Securitization Proceeds accounts for the sale of rights to future tobacco settlement payments. For additional information regarding the sale by the County to the Kern County Tobacco Funding 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:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

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.

The **Investment Trust Funds** are made up of funds for school districts, self-governed special districts, State trial court and other investment trusts. The County schools' operating and debt service funds are grouped 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.

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.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BASIS OF ACCOUNTING (continued)

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

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

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

F. ASSETS, LIABILITIES, AND NET POSITION

Cash and Cash Equivalents

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

Investments

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

Receivables and Payables

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

Property Tax

All jurisdictions within 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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Tax (continued)

Article XIII of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total 2013 - 2014 net assessed valuation of the County was \$92,264,018. 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 (5) 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 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.

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

**COUNTY OF KERN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

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 Statement 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.

Long-Term Obligations

In the government-wide financial statements, and in the 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 net 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.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Gross patient services revenue for fiscal year 2013–2014 was \$650,556, and the estimated adjustment was \$521,167, for net patient service revenue of \$129,389. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Outpatient Medicare beneficiaries are reimbursed based on prospective determined rates on an Ambulatory Payment Classifications System, subject to certain limitations. Revenues from the Medi-Cal and Medicare programs represent approximately 58% and 8%, respectively, of the net patient care revenue for the year ended June 30, 2014.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)

Medi-Cal and Medicare Programs (continued)

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 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 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 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

KMC receives significant revenues from the Medical Waiver Program, California Senate Bill 1100 (SB1100). Beginning in fiscal year 2006, SB1100 provides additional funding to hospitals that provide a significant portion of their services to Medi-Cal and medically indigent recipients. SB1100 provides additional funds through a reimbursement rate increase for each Medi-Cal patient day provided, up to a maximum number of days. The amount received by the Hospital through this program is dependent upon the number of Medi-Cal inpatient days provided by the Hospital. Because the revenues generated are based on services provided to patients, the revenues have been classified as net patient service revenues. The matching is netted against revenue received from the State in the KMC Enterprise Fund.

Revenues related to the aforementioned programs are included in the accompanying financial statements as hospital operating revenues. The non-operating revenues consist of taxes and assessments; fines, forfeitures and penalties; licenses, permits and franchises; interest on bank

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)

Other Program Revenues (CONTINUED)

deposits and investments; aid from other governmental agencies; interest expense; and gain on sale of capital assets. Unpaid revenue amounts are reported as other receivables. Claims for these programs are subject to audit by State and/or Federal agencies.

In fiscal year 1991 – 1992, the State implemented the Health and Welfare Realignment Act (Realignment), which transferred a significant portion of the financial and administrative responsibilities for local health and welfare programs from the State to Counties. The State utilizes a one-half (1/2) cent sales tax increase and an increase in vehicle license fees as the sources for funding allocations to the counties in lieu of previous State General Fund financing.

The amount to be received by Counties is dependent upon the actual increased sales tax and vehicle license fees. The County's realignment revenues were recorded as State revenues in the General Fund and recorded as operating transfers in Mental Health, Department of Human Services, KMC Funds, and Aging and Adult Services, a Non-major special revenue fund.

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, 2013. 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, 2013, as previously reported	\$ 613,746
Prior Period Adjustments:	
Correction of revenue accrual amounts - General Fund	(172)
Correction of revenue accrual amounts - ETR	(432)
Correction of prior year operating transfer accrual - Kern Asset Leasing	744
Correction of prior year advances to clients - Mental Health	5
Correction of revenue accrual - Non-major Gov.- IHSS, Redeption Systems	326
Fund Balances – Governmental Activities at June 30, 2013, as restated	<u>\$ 614,217</u>
Net Position – Business-type Activities	
Net Position – Business-type Activities at June 30, 2013, as previously reported	\$ 78,435
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 65 - KMC	(164)
Correction of expense accrual and prepaid expense - KMC	4,543
To record change in accounting per GASB Statement No. 65 - Airports	(151)
Corrections to Capital Assets - Airports	(228)
To record correction of Investment in Joint Venture Sanitation Districts	27
To reclass Net Pension Asset from Waste to Sanitation Districts	(245)
To reclass Net Pension Asset to Sanitation Districts from Waste	245
Net Position – Business-type Activities at June 30, 2013, as restated	<u>\$ 82,462</u>
Net Position – Internal Service Funds	
Net Position – Internal Service Funds at June 30, 2013, as previously reported	\$ 90,457
Prior Period Adjustments:	
Correction to Equipment and Accumulated Depreciation - Garage	(26)
Net Position – Internal Service Funds at June 30, 2013, as restated	<u>\$ 90,431</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

II. RESTATEMENTS OF NET POSITION (CONTINUED)

A. RESTATEMENT OF EQUITY (CONTINUED)

Net Position – Governmental Activities - Government-Wide	
Net Position – Governmental Activities at June 30, 2013, as previously reported	\$ 1,822,279
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 65	(121)
Correction of Amortization of Premium on Debt	1,519
Correction to Equipment and Accumulated Depreciation - Garage	(26)
Correction to Capital Assets	(11,931)
Correction of revenue accrual amounts - General Fund	(172)
Correction of revenue accrual amounts - ETR	(432)
Correction of prior year operating transfer accrual - Kern Asset Leasing	744
Correction of prior year advances to clients - Mental Health	5
Correction of revenue accrual - Non-major Gov.- IHSS, Redeption Systems	326
Net Position – Governmental Activities at June 30, 2013, as restated	<u>\$ 1,812,191</u>
Net Position – Business-type Activities - Government-Wide	
Net Position – Business-type Activities at June 30, 2013, as previously reported	\$ 53,168
Prior Period Adjustments:	
To record change in accounting per GASB Statement No. 65 - KMC	(164)
Correction of expense accrual and prepaid expense - KMC	4,543
To record change in accounting per GASB Statement No. 65 - Airports	(151)
Corrections to Capital Assets - Airports	(228)
To record correction of Investment in Joint Venture Sanitation Districts	27
To reclass Net Pension Asset from Waste to Sanitation Districts	(245)
To reclass Net Pension Asset to Sanitation Districts from Waste	245
Net Position – Business-type Activities at June 30, 2013, as restated	<u>\$ 57,195</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES/DEFICIT NET POSITION

The following funds have deficit net position at June 30, 2014:

Proprietary Funds	
Kern Medical Center	\$ (57,996)
General Liability	(28,479)
Workers' Compensation	<u>(90,268)</u>
	<u>\$ (176,743)</u>

General Liability and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance. KMC's deficit is a result of under-funding for indigent programs and liabilities related to 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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

A. DEPOSITS (CONTINUED)

Cash and Deposits (continued)

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 pool. The market value of the pledged securities in the collateral 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 Tejon Ranch Public Facilities Financing Authority, discretely presented component units, maintain their cash accounts with the County.

B. CASH AND INVESTMENTS DEPOSITED WITH TRUSTEE

At June 30, 2014, the balance for Cash and Investments Deposited with Trustee consists of the following:

Money Market Accounts	\$	16,053
Federal Agency		51,719
Total Cash and Investments Deposited with Trustee	<u>\$</u>	<u>67,772</u>

Of the \$67,772 total cash and investments deposited with trustee, \$21,832 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. \$34,027 is recorded in the Tobacco Securitization Fund and will be utilized for capital projects. \$10,674 is recorded on the Kern County Tobacco Proceeds Funding Corporation and is held in trust for debt service reserves. \$915 also resides in 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 \$67,772 on deposit with Trustee, \$324 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 year.

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).

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

Credit Risk, Concentration and Rating (CONTINUED)

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, 2014 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 six percent (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 93% and 7%, 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.

The County's investment in the Local Agency Investment Fund (LAIF) is \$41,382. 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	0.19
Federal Agency Issues (Coupon)	Aaa	AA	3.73
Medium-Term Notes	Aa, Aaa	AA, AAA	3.18
Negotiable Certificates of Deposits	P-1	A-1	0.47
Portfolio Weighted Average Maturity			1.89

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments (continued)

Investment	Fair Value	Principal	Maturity Range
State Treasury's Pool (LAIF)	\$ 41,382	\$ 41,445	
Commercial Paper	503,819	503,806	07/07/2014-09/02/2014
Federal Agency Issues (Coupon)	717,154	719,465	11/12/2015-06/26/2019
Medium-Term Notes	409,938	419,061	01/09/2015-12/15/2018
Negotiable Certificates of Deposits	494,639	495,000	07/21/2014-12/22/2014
Bank Accounts & Accruals	67,869	67,869	
Asset Backed Securities (Coupon)	10,388	11,119	6/20/2017
	<u>\$ 2,245,189</u>	<u>\$ 2,257,765</u>	

The following represents a condensed statement of net position and changes in net position for the Pool as of June 30, 2014:

Statement of Net Position:

Total Assets Held for Pool Participants	\$ 2,245,189
Less: Warrants Payable	34,625
Pool Equity, Net	<u>\$ 2,210,564</u>

Equity of Internal Pool Participants	\$ 437,517
Equity of External Pool Participants (Voluntary & Involuntary)	1,773,047
Total Equity	<u>\$ 2,210,564</u>

Statement of Changes in Net Position:

Net Position at July 1, 2013	\$ 2,204,792
Net Changes in Investments by Pool Participant	5,772
Net Position at June 30, 2014	<u>\$ 2,210,564</u>

Bank deposits are reported based upon balances at June 30, 2014 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, \$51,469, 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 \$1,940. The General Fund has deposited \$136 with the City of Bakersfield for the construction of an overpass on Bakersfield Union Avenue pursuant to the joint agency agreement between the County, the City of Bakersfield, and the Greater Bakersfield Separation of Grade District. The remaining balance of \$1,804 represents deposits by the Group Health Self-Insurance Program Internal Service Fund with its designated claim administrators. This amount has been determined by claim administrators to be representative of one month's billings.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

V. RECEIVABLES

A. RECEIVABLES

The County's net receivables for the year ended June 30, 2014 for the individual funds, non-major funds, and internal service funds are as follows:

<u>Governmental Activities:</u>	<u>Interest</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Other</u>	<u>Total Receivables</u>
General Fund	\$ 283	\$ 55,042	\$	\$ 21,779	\$ 77,104
Child Support				1,019	1,019
County Local Revenue Fund				22,478	22,478
Employers' Training Resource				1,531	1,531
Human Services	5		4,059	48,782	52,846
Mental Health	62		254	11,230	11,546
Roads	23		21	2,100	2,144
Structural Fire	12	7,384		10,556	17,952
Other Non-major Governmental Funds	44	310		19,163	19,517
Internal Service Funds	55			1,124	1,179
Total Governmental Activities	<u>\$ 484</u>	<u>\$ 62,736</u>	<u>\$ 4,334</u>	<u>\$ 139,762</u>	<u>\$ 207,316</u>

The receivables category classified as Other is composed of receivables from various State and other sources. The total amount of taxes receivable not expected to be collected within one-year totals \$62,736. Of this amount, \$55,042 is recorded in the General Fund, \$7,384 in the Structural Fire Fund and \$310 in the County Service Areas Non-major Governmental Fund – Special Revenue Fund. The Government-Wide receivables include an additional \$826 as detailed in the Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities.

<u>Business-type Activities:</u>	<u>Interest</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Other</u>	<u>Gross Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Total Receivables</u>
Airports	\$	\$	\$ 334	\$ 265	\$ 599	\$ 16	\$ 583
Kern Medical Center	11		134,073		134,084	117,644	16,440
Waste Management	66	1,733	1,114	671	3,584	11	3,573
Non-major Enterprise Funds	6	1,653		23	1,682		1,682
Total Business-type Activities	<u>\$ 83</u>	<u>\$ 3,386</u>	<u>\$ 135,521</u>	<u>\$ 959</u>	<u>\$ 139,949</u>	<u>\$ 117,671</u>	<u>\$ 22,278</u>

KMC's accounts receivable balance is \$134,073. Of the accounts receivable balance, KMC estimates not to collect \$117,644.

The \$3,386 taxes receivable is allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$1,733, \$513 and \$1,140, respectively.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

V. RECEIVABLES (CONTINUED)

B. UNAVAILABLE INFLOWS/ADVANCES FROM OTHERS

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Of the \$25,379 Advances from Grantors and Third Parties for the Governmental Activities, \$1,632 is within General Fund and comprised of Advances to the Public Health Department, the Environmental Health Department, and the Department of Probation. The various components of Unavailable Inflows and Advances from Others reported at June 30, 2014 are as follows:

	Unavailable Inflows	Advances From Grantors and Third Parties
Governmental Activities:		
Delinquent Property Taxes Receivable		
General Fund	\$ 25,010	\$
Structural Fire	7,410	
Non-major Governmental Fund	287	
Advance Funds		
General Fund		1,632
Aging and Adult Services		
Human Services	3,931	23,747
Total Governmental Activities	<u>\$ 36,638</u>	<u>25,379</u>
Business-Type Activities		
Unearned Revenue		
Waste		51
Non-major Enterprise Funds		4,911
Total Unavailable or Unearned Revenue		<u>\$ 30,341</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VI. INTERFUND TRANSACTIONS

A. DUE FROM/TO OTHER FUNDS

Due From and Due To Other Funds amounts will be repaid in the following fiscal year. Due From and Due To Other Funds at June 30, 2014 are as follows:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	County Local Revenue Fund	\$ 2,306	Realignment
	Employers Training Resource	515	Expenditure Reimbursement
	Human Services	18,897	Cash Flow
	Tobacco Securitization Proceeds	244	Expenditure Reimbursement
	Kern Medical Center	38,069	Cash Flow
	Solid Waste	36	Services Provided
	Non-major Governmental Funds	5,986	Expenditure Reimbursement, Proposition 172 Revenue, Cash Flow
		<u>66,053</u>	
Employers' Training Resource	County Local Revenue Fund	35	Realignment
	Non-major Governmental Funds	<u>146</u>	Expenditure Reimbursement
		181	
Human Services	General Fund	21	Realignment
	County Local Revenue Fund	<u>4,001</u>	Realignment
		4,022	
Mental Health	County Local Revenue Fund	7,866	Realignment
Roads	Non-major Governmental Funds	59	Expenditure Reimbursement
Structural Fire	Non-major Governmental Funds	478	Proposition 172 Revenue
Kern Medical Center	General Fund	296	Realignment
Solid Waste	General Fund	11	Expenditure Reimbursement
	Non-major Enterprise Funds	<u>16</u>	Expenditure Reimbursement
		27	
Non-major Governmental Funds	General Fund	136	Realignment
	County Local Revenue Fund	179	Realignment
	Waste	<u>14</u>	Expenditure Reimbursement
		329	
Internal Service Funds	General Fund	57	Services Provided
	Mental Health	5	Services Provided
	Solid Waste	<u>6</u>	Services Provided
		<u>68</u>	
Total		<u>\$ 79,379</u>	

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VI. INTERFUND TRANSACTIONS (CONTINUED)

B. ADVANCES TO/FROM OTHER FUNDS

Advances to or from Other Funds at June 30, 2014 are as follows:

Advances From	Advances To	Amount	Purpose
General Fund	Kern Medical Center	\$ 23,249	To cover cash flow
	Non-major Governmental Funds	<u>37</u>	To cover cash flow
		23,286	
Roads	Non-major Governmental Funds	<u>2,000</u>	To cover cash flow
Total		<u><u>\$ 25,286</u></u>	

C. TRANSFERS

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

The \$13,575 of capital contributions reported in the Airports Enterprise Fund comes from a land lease that vacated the land and donated the buildings to Airports. The \$1,692 of capital contribution in the Non-major Enterprise Funds is a capital grant received in the Public Transportation Fund.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VI. INTERFUND TRANSACTIONS (CONTINUED)

C. TRANSFERS (CONTINUED)

A reconciliation of transfers is detailed below:

Transfers Out	Transfers In	Amount
General Fund	Airports	\$ 99
	Human Services	38,710
	Kern Asset Leasing	7,425
	Kern Medical Center	61,609
	Mental Health	1,492
	Roads	5,558
	Structural Fire	18,994
	Non-major Governmental	20,367
	Internal Service Funds	<u>1,000</u>
		155,254
County Local Revenue Fund	General Fund	49,564
	Employers' Training Resource	1,101
	Human Services	51,736
	Mental Health	50,417
	Non-major Governmental	<u>5,234</u>
		158,052
Employers' Training Resource	General Fund	9,975
Human Services	General Fund	1,902
Kern Asset Leasing	Non-major Governmental	6,279
Roads	Non-major Governmental	11,000
Structural Fire	General Fund	630
	Kern Asset Leasing	566
	Non-major Governmental	<u>1,408</u>
		2,604
Tobacco Securitization Proceeds	General Fund	2,470
	Non-major Governmental	<u>1,600</u>
		4,070
Non-Major Governmental Funds	General Fund	88,592
	Airports	4,241
	Human Services	59
	Mental Health	292
	Roads	625
	Structural Fire	7,312
	Non-major Governmental	<u>25,550</u>
		<u>126,671</u>
Total		<u><u>\$ 475,807</u></u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VII. CAPITAL ASSETS

A. CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2014 is as follows:

	Beginning Balance Restated*	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land & Easement	\$ 26,016	\$	\$ 4	\$ 26,012
Construction in Progress	17,368	41,228	31,016	27,580
Intangibles*	1,105,354	1,098		1,106,452
Works of Art*	60			60
Total Capital Assets, not being depreciated	<u>1,148,798</u>	<u>42,326</u>	<u>31,020</u>	<u>1,160,104</u>
Capital Assets, being depreciated and amortized:				
Infrastructure	678,889	22,288		701,177
Structures & Improvements*	400,626	8,655	800	408,481
Equipment*	189,881	14,737	6,353	198,265
Intangibles	3,219	198		3,417
Total Capital Assets, being depreciated and amortized	<u>1,272,615</u>	<u>45,878</u>	<u>7,153</u>	<u>1,311,340</u>
Less: Accumulated Depreciation and Amortization for:				
Infrastructure*	287,808	26,452		314,260
Structures & Improvements*	174,787	8,025	800	182,012
Equipment*	129,558	12,058	5,761	135,855
Intangibles	1,454	180		1,634
Total Accumulated Depreciation and Amortization	<u>593,607</u>	<u>46,715</u>	<u>6,561</u>	<u>633,761</u>
Total Capital Assets, being depreciated and amortized, net	<u>679,008</u>	<u>(837)</u>	<u>592</u>	<u>677,579</u>
Capital Assets, net	<u>\$ 1,827,806</u>	<u>\$ 41,489</u>	<u>\$ 31,612</u>	<u>\$ 1,837,683</u>

*As restated see Note II. A

Accumulated depreciation and amortization additions include \$35 for equipment transferred from business-type activities to Governmental Activities.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

A. CAPITAL ASSETS (CONTINUED)

Capital asset business-type and component unit activity for the year ended June 30, 2014 is as follows:

	Beginning Balance Restated*	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land*	\$ 27,940	\$ 26	\$	\$ 27,966
Land Acquisition in Progress	80	28	26	82
Construction in Progress	18,954	3,949	20,300	2,603
Works of Art	198			198
Total Capital Assets, not being depreciated	<u>47,172</u>	<u>4,003</u>	<u>20,326</u>	<u>30,849</u>
Capital Assets, being depreciated and amortized:				
Structures & Improvements	235,053	32,739		267,792
Equipment*	55,489	4,244	2,984	56,749
Intangibles	10,337			10,337
Infrastructure	8,753	271		9,024
Total Capital Assets, being depreciated and amortized	<u>309,632</u>	<u>37,254</u>	<u>2,984</u>	<u>343,902</u>
Less: Accumulated Depreciation and Amortization for:				
Structures & Improvements*	109,850	7,297		117,147
Equipment*	42,915	3,479	2,949	43,445
Intangibles	8,748	475		9,223
Infrastructure	5,790	91		5,881
Total Accumulated Depreciation and Amortization	<u>167,303</u>	<u>11,342</u>	<u>2,949</u>	<u>175,696</u>
Total Capital Assets, being depreciated and amortized, net	<u>142,329</u>	<u>25,912</u>	<u>35</u>	<u>168,206</u>
Capital Assets, net	<u>\$ 189,501</u>	<u>\$ 29,915</u>	<u>\$ 20,361</u>	<u>\$ 199,055</u>

*As restated see note II. A

Accumulative depreciation and amortization additions include \$22 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
First 5 Kern Component Unit Activities:				
Capital Assets, being depreciated:				
Vehicles	\$ 25	\$	\$	\$ 25
Equipment	65		8	57
Less: Accumulated Depreciation	<u>63</u>	<u>10</u>	<u>8</u>	<u>65</u>
Capital Assets, net	<u>\$ 27</u>	<u>\$ (10)</u>	<u>\$</u>	<u>\$ 17</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

B. DEPRECIATION

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

Governmental Activities:	
General	\$ 3,735
Public Protection	11,585
Public Ways and Facilities	27,487
Health and Sanitation	563
Public Assistance	576
Education	773
Culture and Recreation Services	950
Depreciation on Capital Assets Held by the County's Internal Service Funds are charged to various functions based on usage of the assets	1,011
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 46,680</u>
Business-type Activities:	
Airports	\$ 2,977
Kern Medical Center	4,524
Waste Management	2,382
County Sanitation Districts	384
Golf Course	148
Public Transportation	905
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 11,320</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, 2014 amounted to \$12,196. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds:

Year Ending June 30,	Amount
2015	\$ 10,893
2016	9,591
2017	9,223
2018	7,839
2019	6,803
2020 - 2024	30,539
2025 - 2029	25,280
2030 - 2034	32
2035 - 2039	32
2040 - 2042	16
Total	<u>\$ 100,248</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (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, 2014. 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
2015	\$ 4,535	\$ 733
2016	3,866	
2017	2,764	
2018	1,636	
2019	624	
Total Minimum Lease Payments	13,425	733
Less: Amount Representing Interest	(627)	(14)
Present Value of Minimum Lease Payments	<u>\$ 12,798</u>	<u>\$ 719</u>

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, 2014:

Year Ending June 30, 2014	Governmental Activities	Business-Type Activities
Equipment	\$ 25,496	\$ 3,732
Total Capital Lease Assets, Gross	<u>\$ 25,496</u>	<u>\$ 3,732</u>

IX. LONG-TERM DEBT

A. LONG-TERM LIABILITIES

The County is not obligated in any manner for outstanding special assessment debt. However, the County acts in an agency capacity for property owners in collecting overlapping tax and assessment debt, which totals \$1,220,725. 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, 2014 (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, 2014	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 54,982	\$ 37,087	\$ 37,080	\$ 54,989	\$ 36,156
Lease Purchase Agreements	14,704	2,150	4,056	12,798	4,257
Certificates of Participation	95,917		3,131	92,786	3,233
Unamortized Discount/Premium on Certificates of Participation*	251		36	215	
Tobacco - Asset Backed Bonds	85,245		2,800	82,445	
Tobacco - Unamortized Bond Premium/Discount*	(1,183)		(39)	(1,144)	
Bonds Payable - Qualified Energy Conservation Bonds	3,970		267	3,703	274
Bonds Payable - Kern Public Services	10,655		370	10,285	380
Loans Payable - I Bank*	5,266			5,266	344
Pension Obligation Bonds (1995)	86,547		21,446	65,101	24,694
Pension Obligation Bonds (2003)	180,039		7,083	172,956	8,347
Pension Obligation Bonds (2008) ⁽¹⁾	42,285			42,285	
Other Post-Employment Benefit Obligation	30,277	1,785		32,062	
Total Governmental Activities	<u>608,955</u>	<u>41,022</u>	<u>76,230</u>	<u>573,747</u>	<u>77,685</u>
Business-type Activities:					
Compensated Absences*	14,065	10,878	12,044	12,899	8,482
Lease Purchase Agreements	1,525		806	719	719
Certificates of Participation	14,353		2,614	11,739	2,717
Unamortized Discount on Certificates of Participation*	159		4	155	
Loans Payable - California Waste Management Board	448		64	384	64
Loan Payable - Airport	8,020		695	7,325	715
Pension Obligation Bonds (1995)	16,135		3,997	12,138	4,604
Pension Obligation Bonds (2003)	25,865		1,018	24,847	1,199
Pension Obligation Bonds (2008) ⁽¹⁾	6,075			6,075	
Closure Liability	31,765		4,817	26,948	2,704
Post-Closure Liability	35,322	164		35,486	831
Other Post-Employment Benefit Obligation	7,046		200	6,846	
Total Business-type Activities	<u>160,778</u>	<u>11,042</u>	<u>26,259</u>	<u>145,561</u>	<u>22,035</u>
Total Government-wide Long-Term Liabilities	<u>\$ 769,733</u>	<u>\$ 52,064</u>	<u>\$ 102,489</u>	<u>\$ 719,308</u>	<u>\$ 99,720</u>

*As restated see Note II. A

⁽¹⁾ Refinance of 2003 B Pension Obligation Bonds

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION

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 \$104,525 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, \$92,786 is included in the governmental activities, \$6,079 is included as current and long-term debt of the KMC Fund and \$5,660 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
2015	\$ 864	\$ 184	\$ 1,048
2016	904	153	1,057
2017	948	98	1,046
2018	427	52	479
2019	449	30	479
2020	468	9	477
Total	\$ 4,060	\$ 526	\$ 4,586

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
2015	\$ 902	\$ 245	\$ 1,147
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	22	1,153
Total	\$ 6,079	\$ 832	\$ 6,911

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,369	\$ 4,573	\$ 6,942
2016	2,446	4,492	6,938
2017	2,535	4,402	6,937
2018	2,635	4,301	6,936
2019	2,745	4,192	6,937
2020 - 2024	15,770	18,934	34,704
2025 - 2029	20,330	14,375	34,705
2030 - 2034	26,800	7,907	34,707
2035 - 2036	13,096	781	13,877
Total	<u>\$ 88,726</u>	<u>\$ 63,957</u>	<u>\$ 152,683</u>

Rosamond Library

The original issue amount of the Rosamond Library COP was \$1,940 and the expected maturity dates were from October 1, 1994 - 2014. The Rosamond Library COP was defeased a year prior to its maturity date.

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,815	\$ 161	\$ 1,976
2016	1,890	94	1,984
2017	1,955	32	1,987
Total	<u>\$ 5,660</u>	<u>\$ 287</u>	<u>\$ 5,947</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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

Refunding COP, Series 2011 – Solid Waste (continued)

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:

	2014	2013	2012	2011	2010
Operating Revenues					
Land Use Fee	\$ 22,309	\$ 22,070	\$ 20,624	\$ 19,908	\$ 19,583
Gate Fee	11,470	10,512	9,331	9,059	8,487
Bin Fee	5,066	5,034	4,523	4,437	4,718
Other (includes interest income)	2,225	4,426	2,937	2,353	3,186
Total Operating Revenues	<u>41,070</u>	<u>42,042</u>	<u>37,415</u>	<u>35,757</u>	<u>35,974</u>
Operating Expenses					
Salaries	13,613	13,265	12,573	11,916	11,428
Services & Supplies	15,360	14,156	14,798	14,897	14,047
Transfer to Closure	1,237	1,537	235		3,211
Other (excluding depreciation)	464	241	435	865	546
Total Operating Expenses	<u>30,674</u>	<u>29,199</u>	<u>28,041</u>	<u>27,678</u>	<u>29,232</u>
Net Operating Revenue	<u>\$ 10,396</u>	<u>\$ 12,843</u>	<u>\$ 9,374</u>	<u>\$ 8,079</u>	<u>\$ 6,742</u>
2002 Debt Service	\$ 1,961	\$ 1,982	\$ 1,958	\$ 2,037	\$ 2,165
Total Debt Service	<u>\$ 1,961</u>	<u>\$ 1,982</u>	<u>\$ 1,958</u>	<u>\$ 2,037</u>	<u>\$ 2,165</u>
Debt Service Coverage Ratio	5.30	6.48	4.79	3.97	3.11

2003 COP (Airports – Capital Improvement)

The original issue amount for the 2003 COP was \$13,225 and the expected maturity date was June 30, 2023. The 2003 COP (Airports – Capital Improvement) has fixed interest rates that range from 1.75% to 4.80%.

On December 12, 2011, the County refunded the 2003 COP Airports and obtained a privately placed loan in the principal amount of \$8,660. The maturity date of the loan is August 1, 2022. The 2003 Capital Improvement Project COP – Airports has been redeemed with the proceeds of the 2011 refunding loan. The aggregate difference between the Airport 2011 refunding loan and the Airport Capital Improvement Project COP Debt Service is \$936. Using the Effective Interest Rate Method, the refunding resulted in an economic gain of \$34. The Bonds have a fixed interest rate of 3.080%.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

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
2015	\$ 715	\$ 220	\$ 935
2016	740	198	938
2017	760	175	935
2018	785	151	936
2019	810	127	937
2020-2023	3,515	241	3,756
Total	<u>\$ 7,325</u>	<u>\$ 1,112</u>	<u>\$ 8,437</u>

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
2015	\$ 344	\$ 151	\$ 495
2016	354	141	495
2017	363	130	493
2018	373	120	493
2019	383	108	491
2020 - 2024	2,070	364	2,434
2025 - 2027	1,379	64	1,443
Total	<u>\$ 5,266</u>	<u>\$ 1,078</u>	<u>\$ 6,344</u>

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
2015	\$ 64	\$	\$ 64
2016	64		64
2017	64		64
2018	64		64
2019	64		64
2020	64		64
Total	<u>\$ 384</u>	<u>\$</u>	<u>\$ 384</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

D. BONDS PAYABLE

Tobacco Settlement Asset-Backed Bonds

In April 2002, the California County Tobacco Securitization Agency issued the Tobacco Settlement Asset-Backed Bonds. The original issue amount of the bonds was \$105,245 and the expected maturity dates are from June 1, 2015 – 2043. The bonds' interest rates range from 6.0% to 6.83%.

The legal structure to issue these bonds included the sale by the County of the Tobacco Settlement Revenue (TSR) to a nonprofit corporation formed by the County called the Kern County Tobacco Funding Corporation, a blended component unit of the County.

The Agency issued bonds and loaned the proceeds to the Kern County Tobacco Funding 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 Kern County Tobacco Funding 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. The Tobacco Settlement Asset-Backed Bonds debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$	\$ 5,070	\$ 5,070
2016		5,070	5,070
2017		5,071	5,071
2018		5,071	5,071
2019		5,071	5,071
2020 - 2024		25,352	25,352
2025 - 2029	12,475	24,000	36,475
2030 - 2034	18,135	19,529	37,664
2035 - 2039	24,960	13,024	37,984
2040 - 2043	26,875	4,269	31,144
Total	\$ 82,445	\$ 111,527	\$ 193,972

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

D. BONDS PAYABLE (CONTINUED)

2010 Lease Revenue Refunding

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

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

Year Ending June 30,	Principal	Interest	Total
2015	\$ 380	\$ 523	\$ 903
2016	395	509	904
2017	410	495	905
2018	425	479	904
2019	440	461	901
2020 - 2024	2,530	1,982	4,512
2025 - 2029	3,280	1,238	4,518
2030 - 2032	2,425	283	2,708
Total	\$ 10,285	\$ 5,970	\$ 16,255

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
2015	\$ 274	\$ 216	\$ 490
2016	278	200	478
2017	285	183	468
2018	292	166	458
2019	298	148	446
2020 - 2024	1,590	467	2,057
2025 - 2026	686	51	737
Total	\$ 3,703	\$ 1,431	\$ 5,134

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

E. PENSION OBLIGATION BONDS

1995 Pension Obligation Bond

The County's Board adopted a resolution to authorize the issuance of a County pension obligation debenture, a trust agreement, and 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, 2014, the amount of bonds included, as a component of the County's pension liability, was \$77,239. Of this amount, \$65,101 has been recorded in the governmental activities, and \$12,138 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, 2014, interest payments related to the bonds were \$3,051. Of this amount, \$2,571 was paid out of governmental funds and \$480 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
2015	\$ 29,298	\$ 1,063	\$ 30,361
2016	7,496	24,875	32,371
2017	7,382	27,159	34,541
2018	7,306	29,603	36,909
2019	7,248	32,282	39,530
2020 - 2023	18,509	97,381	115,890
Total	<u>\$ 77,239</u>	<u>\$ 212,363</u>	<u>\$ 289,602</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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

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 maturity date of the bonds is August 15, 2027. The Series 2003B Bonds have been redeemed with the proceeds of the Series 2008A Refunding bonds. The aggregate difference between the Series 2003B and Series 2008A Bonds Debt Service is \$4,132. Using the Effective Interest Rate Method, the refunding resulted in an economic gain of \$57. Starting in April 2014 the 2008A Bonds have a fixed interest rate of 4.185%.

At June 30, 2014, the amount of bonds included as a component of the County's pension liability was \$246,163. The net pension asset was reduced using the amortization methodology used in determining the annual required contribution for the year. The net pension asset at June 30, 2014 is \$132,166. The amount liquidated is reported in the statement of activities as direct expense in each function. The following is a summary of the County's total funding requirements of the Series 2003A bonds:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 9,546	\$ 7,747	\$ 17,293
2016	11,113	7,297	18,410
2017	12,801	6,764	19,565
2018	14,629	6,145	20,774
2019	16,621	5,408	22,029
2020 - 2024	107,803	22,703	130,506
2025 - 2028	25,290	59,426	84,716
Total	\$ 197,803	\$ 115,490	\$ 313,293

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

Year Ending June 30,	Principal	Interest	Total
2015	\$	\$ 2,024	\$ 2,024
2016		2,024	2,024
2017		2,024	2,024
2018		2,024	2,024
2019		2,023	2,023
2020 - 2024		10,119	10,119
2025 - 2028	48,360	5,928	54,288
Total	\$ 48,360	\$ 26,166	\$ 74,526

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, 2014.

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XI. FUND BALANCES/NET POSITION

A. FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note I. F for a description of these categories). Fund balances for all the major and non-major governmental funds as of June 30, 2014, were distributed as follows:

	GENERAL FUND	DEPT OF CHILD SUPPORT	COUNTY LOCAL REVENUE FUND	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	KERN ASSET LEASING	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Nonspendable:											
Receivables/Advances	\$ 41,430	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Prepaid/Deposits/Revolving Cash Inventory	1,355	48			101		2		5		12
Total Nonspendable Fund Balance	42,785	48			101		2	2,285	1,067		12
Restricted for:											
Aging and Adult Services											138
Animal Control Programs											254
Apparatus Replacement								144			
Assessor/Recorder Programs											4,193
Automated Fingerprint											764
Automated Warrant System											9
Bakersfield Mitigation							1,231				
Capital Improvement - Fire Stations								3,032			
Capital Projects										33,804	3,901
Child Support Enforcement		605									
Comm Corr. Performance Incentive											217
Community Development											926
CSAs - Health & Sanitation											1,867
CSAs - Public Protection											624
CSAs - Public Ways											5,453
Criminal Justice Facility											1,808
Criminalistics Lab											86
DA Court Ordered Penalties											1,505
Debt Service						19,818					12,157
District Attorney Equipment											502
DNA Fund											141
Domestic Violence											82
Donations											24
Emergency Medical Services											1,270
Engineering and Survey Services											80
Environmental Health											16
Fire Hazard Reduction								398			
Fire Prevention Activities								74			
Fire Truck Replacement								4			
Forfeitures											964
DIVCA Franchise Fee											737
DHS-Wraparound											4,705
IHSS Public Authority											415
Juvenile Inmate Welfare											216
Kern County Childrens Fund											635

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (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 ASSET LEASING	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Library	15										
Library Books											507
Local Public Safety											7,779
Mental Health - Alcohol Abuse											133
Mental Health - Drug Program											209
Mental Health - Prudent Reserve							12,313				
Mental Helath Programs							72,989				
Micrographics											155
Off Highway Motor Vehcile License											362
Oildale Revitalization											8
Parks Services											375
Probation Programs											88
Probation Realignment											1,446
Project Impact Mitigation											14,260
Public Health Programs											281
Public Improvement Districts											103
Range Improvement											94
Realignment			19,253								
Recorder	15										
Redemption Systems											2,297
Resource Management Agency											983
Roads - Construction Projects								30,453			
Roads - Maintenance								1,326			
Roads - Metro Bakersfield Impact								7,110			
Roads - Rosamond Impact								520			
Roads - Tehachapi Impact											1,537
Sheriff Programs											11,961
Teeter 1%	9,667										
Vital Health											440
Veterans Services	21										
Welfare Assistance Programs					7,621						
Wildlife Resources											27
Workforce Investment Act				1,458							
Total Restricted Fund Balance	9,718	605	19,253	1,458	7,621	19,818	85,302	40,640	3,652	33,804	86,734
Committed to:											
Building Inspection											14,701
Emergency Medical Services	16										
Engineering and Survery Services											5,021
Firework Safety & Enforcement									107		
Capital Projects									1,467		
IHSS Public Authority											306
Total Committed Fund Balance	16								1,574		20,028

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (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 ASSET LEASING	MENTAL HEALTH	ROADS	STRUCTURAL FIRE	TOBACCO SECURITY-ZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS
Assigned to:											
Encumbrances											
General Gov't - Major Maint	8,288										
General Gov't - Capital Proj	18,123										
General Gov't - Other	394										
Public Protection - Sheriff	852										
Public Protection - Probation	466										
Public Protection - Other	776										
Health	273										
Recreation and Culture	60										
Aging and Adult Services											2,333
Animal Control Programs											2
Assessor/Recorder Programs											3
Board of Trade											173
Capital Projects											6,700
County Clerk	38										
Environmental Health	261										
Fire Department Capital								1,145			
Fire Protection Programs								11,006			
Graffiti Abatement											2
Human Services	15,454										
Information Technology Services	366										
Infrastructure Replacement	4,977										
Kern County Museum Foundation	750										
KMC Working Capital	696										
Parks Services											3
Planning Department											1,668
Retirement	8,087										
Safety Retirement	751										
Sheriff Equipment	837										
Sheriff Programs											171
Tax Litigation	5,580										
Tax Reserve	33,880										
Total Assigned Fund Balance	100,909							12,151			11,055
Unassigned Fund Balance:	72,898										
Total Fund Balances	226,326	653	19,253	1,458	7,722	19,818	85,304	42,925	18,444	33,804	117,829

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XI. FUND BALANCES/NET POSITION (CONTINUED)

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.

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, 2014.

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, 2014 are as follows:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

A. RISK MANAGEMENT (CONTINUED)

	July 1, 2013	Claims & Changes in Estimates	Claims Payments	June 30, 2014	Due Within One Year
General Liability	\$ 42,586	\$ 112	\$ 7,110	\$ 35,588	\$ 6,327
Group Health	10,278	108,024	108,018	10,284	10,284
Unemployment Compensation	1,206	3,063	2,945	1,324	1,324
Workers' Compensation	96,437	14,199	11,843	98,793	13,262
Total	\$ 150,507	\$ 125,398	\$ 129,916	\$ 145,989	\$ 31,197

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 \$7,023 at June 30, 2014. The actuarial report as of June 30, 2014 was not available at the time of publication. KMC had a \$2,500 self-insured retention per occurrence for medical malpractice as of June 30, 2014. 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,
2014	\$ 7,023	\$	\$	\$ 7,023
2013	\$ 5,881	\$ 1,157	\$ 15	\$ 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, 2014 (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, 2014, 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, 2014, there were approximately 2,915 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, 2012 actuary report, the RHPSP was paid on the pay-as-you-go method and monies were earmarked in the County's pooled cash. During the fiscal year ended June 30, 2013, the County entered into an other 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. As of the June 30, 2012 actuary report, the County paid the RHS on the pay-as-you-go basis and had not established a funding reserve. 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 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*.

	RHPSP	RHS
Annual Required Contribution	\$ 15,134	\$ 3,486
Interest on net OPEB obligation	1,575	104
Adjustment to annual required contribution	<u>(1,522)</u>	<u>(100)</u>
Annual OPEB cost (expense)	15,187	3,490
Contributions made	<u>(14,750)</u>	<u>(2,217)</u>
Increase (decrease) in net OPEB obligation	437	1,273
Net OPEB obligation - beginning of year	35,012	2,311
Net OPEB obligation - end of year	<u>\$ 35,449</u>	<u>\$ 3,584</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the RHPSP and RHS were 0% funded. The actuarial accrued liability for RHPSP benefits was \$132,528, and the actuarial value of the assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$132,528. The actuarial accrued liability for RHS benefits was \$36,525, and the actuarial value of the assets was zero, resulting in an UAAL of \$36,525. The covered payroll (annual payroll of active employees covered by the plan) was \$490,762 for both plans, and the ratio of the UAAL to the covered payroll was 27.00% for RHPSP and 7.44% for RHS.

In fiscal year 2013/2014, contributions for the RHPSP were \$14,750, \$7,896 of which was from the County and \$6,854 was from employee contributions. The RHS is funded by County contributions of approximately \$168 (not in thousands) per active employee per year, which totaled \$1,320 for the year ended June 30, 2014; \$897 was also contributed from retirees that are paying their portion of health benefits.

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, 2012 actuarial valuations for RHPSP and the RHS, the projected unit credit actuarial cost method was used. The amortization period is 24 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 8.5% in 2012/2013, grading down 0.5% per year to an ultimate rate of 5.00% and 0.00% for the stipend.

Per the June 30, 2012 actuary report the RHPSP ARC was \$15,134, or 2.73% of the County's estimated annual covered payroll, the RHS was \$3,486, or 0.71% of estimated annual covered payroll. This included the normal cost for the year for current active employees of \$5,734, and \$8,749 for UAAL amortization. The County's contribution to the RHPSP Plan for the fiscal year ended June 30, 2014 was \$14,750. The County's contribution to the RHS Plan for the fiscal year ended June 30, 2014 was \$2,217.

COUNTY OF KERN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

XII. OTHER INFORMATION (CONTINUED)

C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Retiree Health Premium Supplement Program (RHPSP)			
<u>Year Ended June 30,</u>	<u>Annual RHPSP Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 24,822	14%	\$ 72,902
2013	13,385	100%	35,012
2014	15,187	97%	35,449

Retiree Health Stipend (RHS)			
<u>Year Ended June 30,</u>	<u>Annual RHS Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 1,383	100%	\$
2013	3,486	34%	2,311
2014	3,490	64%	3,584

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.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

D. CONTINGENT LIABILITIES (CONTINUED)

Contingent Property Tax Liability

At June 30, 2014, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$267,224 plus interest of \$15,048.

The following is a summary of the estimated contingent tax liability as of June 30, 2014:

	Principal	Interest	Total
Contingent Tax Liability:	\$ 267,224	\$ 15,048	\$ 282,272
Total Pending AAB Matters	\$ 267,224	\$ 15,048	\$ 282,272

The County's share of the estimated contingent tax liability is \$97,259. The County and other agencies accumulate and maintain tax impound reserves for disputed property taxes. As of June 30, 2014, the County had a total of \$7,380 accumulated in its tax reserve, of which \$5,580 was reserved in the General Fund and \$1,800 was reserved in the Structural Fire fund. The result is a net liability of \$60,668 for the General Fund and \$29,212 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 \$89,879 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, 2014 the County reported significant encumbrances of \$44,049. These encumbrances included \$39,572 of funds that are already restricted and \$4,477 of funds that are assigned. The following is a list of significant encumbrances by fund:

	GENERAL FUND	MENTAL HEALTH	ROADS	OTHER GOVERN- MENTAL FUNDS
Assigned	\$ 4,477	\$	\$	\$
Restricted		19,636	3,119	16,817

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

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, 2013 there was \$385,679 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 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 of Supervisors 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, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Plan Description (continued)

Separate audited financial statements can be obtained from the Kern County Employees' Retirement Association 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. As of June 30, 2013, employee membership data related to the pension plan was as follows:

	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 eligible employees must participate in the KCERA. A member may retire after reaching the age of 50 with 10 years of service; or general members may retire with 30 years of service and safety members may retire with 20 years of service, regardless of age. Members who retire at or after age 50 with 10 or more years of service are entitled to pension benefits for the remainder of their lives. 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. Retiring members may choose from four optional beneficiary retirement allowances. Pension provisions include deferred allowances whereby a member may terminate his or her employment with the County after five or more years of County service. If the member does not withdraw his or her accumulated contributions, the member is entitled to all pension benefits after being vested five years, and upon reaching the age of 50 with 10 or more years of participation in the retirement system. An active member's beneficiary is entitled to receive death benefits which consist of accumulated contributions plus interest, and one month's salary for each full year of service up to a maximum of six months' salary. A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty will be eligible for a non-service connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty, as a result of injury or disease arising out of and in the course of employment, is eligible for a service connected disability regardless of length of service or age.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Basis of Accounting

KCERA follows the accounting principles and reporting guidelines as set forth in GASB Statement No. 25. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of KCERA. Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable in accordance with the terms of the plan.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are reported at the remaining principal balance and are collateralized by deeds of trust on real property. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

Concentrations

The KCERA's investment policy limits exposure to any single manager or product. The maximum allocation to a single active manager is up to 30% of the aggregate market value of the fund. The maximum allocation to a single active management product is 12%. This limitation applies to any non-index investment vehicle. With the exception of U.S. Government bonds, portfolios may not invest more than 5% per investment grade issuer. Securities of a single non-investment grade issuer should not represent more than 2% of the market value of the portfolio. The KCERA's investment portfolio contained no investments in any one single issuer greater than 5% of plan net position as of June 30, 2014 (other than U.S. Government securities).

Funding Policy

The County, Special Districts, and certain covered employees make contributions to the plan at rates calculated by an actuary to cover both normal cost and the prior service costs such that any unfunded liability will be funded over an initial 30-year period. Effective June 30, 2012 any actuarial gains or losses or due to changes in assumptions or methods will be amortized over a 18-year close period effective with each valuation. Change in liability that arises due to plan amendments are amortized over its own declining 15-year-period. In accordance with the County Employees' Retirement Law of 1937, covered employees are required to pay a percentage of their salaries, depending upon their age at date of entry into the system. The County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by State statutes. For fiscal year 2014, the employer contribution rates were actuarially determined by using the Entry Age Funding method.

The employer contribution rates are made up of two parts:

- The Normal Cost, or the cost of the portion of the benefit that is allocated to the current year.
- The payment to amortize the UAAL. The UAAL is the excess of the plan's accrued liability over its assets. Most of the UAAL currently is being amortized over the remaining 21.5 years as of June 30, 2014, except for the additional liabilities due to granting Golden Handshake benefits, which are amortized over five years from the year in which they were granted.

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Funding Policy (continued)

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 will have a lower retirement tier of 2% at age 50.

The County Administrative Office negotiated an agreement to the MOU 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.

For the year ended June 30, 2014, the County's total payroll for all employees amounted to \$580,486. The County's total covered payroll for the same period amounted to \$512,702. Covered payroll refers to all compensation paid by the County to active employees covered by the pension plan on which contributions to the pension are based.

The County's contribution rates for the year ended June 30, 2014, were determined in accordance with an actuarial valuation performed June 30, 2013. The contribution rate is determined using the entry age actuarial cost method.

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. In fiscal year 2012, the plan had no excess earnings and the current funding for the cost-of living reserve is included in the employers' contributions. At June 30, 2014, contributions to KCERA were \$246,203, of which \$220,393 were employer contributions, and \$25,810 were regular employee contributions (40% and 4% of covered payroll, respectively). As of the issuance date of this Comprehensive Annual Financial Report (CAFR) the actuarial report was not available to disclose the June 30, 2014 actuarial liability and other disclosures.

The County's contribution represented 91% of total contributions required of all participating employers. Employer contribution rates are applied to total member compensation defined for retirement purposes. There have been no differences between the contributions required and the contributions actually made. Pension expenditures were calculated to include contributions made based on the ARC plus payments for debt service on the pension obligation bonds described

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Funding Policy (continued)

below. Payments for the pension obligation bonds are not included as part of the ARC or the net pension obligation. Special Districts did not participate in the funding provided by the pension obligation bonds issued by the plan sponsor in November 1995 and May 2003.

The following summarizes the required contribution rates in effect on June 30, 2014. Member (i.e., "employee") contribution rates range from youngest to oldest at date of entry. Employer contribution rates are expressed as a percentage of covered payroll. Member rates ranged from 4.25% to 17.50%. Employer rates ranged from 30.68% to 57.89% of covered payroll.

As of the issuance date of this CAFR the actuarial report was not available to disclose the June 30, 2014 actuarial liability and other disclosures. For fiscal year ended June 30, 2013 separate employer contribution rates are required to fund the unfunded liabilities for each class of participation as follows Employer Contributions as a Percentage of Estimated Total Compensation:

	Special Districts (MOU)	Special Districts (Non-MOU)	General Members	Safety Members
June 30, 2013:				
Normal Cost	20.41%	18.73%	15.28%	25.05%
Amortization of UAAL	20.01%	20.01%	21.37%	31.23%
Total	40.42%	38.74%	36.65%	56.28%

Annual Pension Cost

Fiscal Year Ended June 30,	Annual Pension Percentage of APC		Net Pension Obligation
	Annual Required Contribution	Percentage Contributed	
2014	\$ 220,393	100.00%	\$
2013	211,677	100.00%	
2012	189,837	100.00%	

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

I. LANDFILLS (CONTINUED)

account to fund closure expense and a pledge of future revenue to fund post closure maintenance. As of June 30, 2014, the Solid Waste Management Enterprise Fund had a designated cash reserve of \$25,536 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.

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, 2014 are \$64,204 and \$48,565, 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 ²	0	N/A	100%
Bena I ¹	0	7,299,653	100%
Bena II A	30	38,939,952	18%
Boron	27	1,002,819	84%
Buttonwillow ²	0	N/A	100%
China Grade ²	0	N/A	100%
Glennville ²	0	N/A	100%
Kern Valley ²	0	N/A	100%
Lebec ²	0	N/A	100%
Lost Hills (Phase 1) ²	0	N/A	100%
Lost Hills (Phase 2) ¹	Unknown	(Site is Inactive)	0%
McFarland/Delano ²	0	N/A	100%
Mojave/Rosamond	11	2,262,243	76%
Ridgecrest	35	10,129,636	57%
Shafter/Wasco	45	21,895,179	34%
Taft	62	10,044,765	29%
Tehachapi	3	3,388,723	91%
Total		<u>94,962,970</u>	

¹ Site is inactive.

² Site is closed.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

I. LANDFILLS (CONTINUED)

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 17 landfill sites.

Each year a portion of the landfill's estimated closure and post closure liabilities are recognized as an expense and liability based on the capacity used to date. As of June 30, 2014, the landfill closure liability is \$26,948 and the post closure liability is \$35,486 as recorded in the liabilities of the Solid Waste Management Enterprise Fund. These represent the cumulative liabilities to date. The remaining \$37,256 and \$13,079 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 County's investment in the Wastewater Treatment Plant has increased by \$62 from \$2,196 at June 30, 2012, to \$2,258 at June 30, 2013. The June 30, 2014 financial report was not available at time of this report.

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 OPMs) entered into a Master Settlement Agreement (the MSAs) 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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

K. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES (CONTINUED)

15, 2000, by and among the County of Stanislaus, the County of Merced, and the County of Sonoma to form the Agency. Since then, the County of Marin, the County of Placer, and the County of Fresno were added on May 31, 2002, and the County of Alameda and the County of Los Angeles were added on August 15, 2002 and January 24, 2006, respectively. The Agency is an entity that is separate from each of the member Counties. The debts, liabilities, and obligations of the Agency, including any bonds, do not constitute debts, liabilities or obligation of any of the member Counties.

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

In furtherance of its objective to ensure and otherwise protect against the risk of a substantial decline in Tobacco Revenue and to assure a source of funds for County programs, the County formed a non-profit public benefit corporation named the "Kern County Tobacco Revenue Funding Corporation" (the NPC). The Agency loaned the NPC proceeds from bonds it had issued on behalf of the County. The County sold the NPC 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 NPC. The NPC 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 NPC. The NPC funds the loan payments with the tobacco settlement payment purchased from the County. For the year ended June 30, 2014, \$7,393 of tobacco settlement payments was recorded as aid from other governments in the Kern County Tobacco 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 NPC) 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 we have previously remediated. We do 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 our experience with similar sites, which we have previously remediated. We do not anticipate any recoveries regarding these sites. The amount accrued at June 30, 2014 was \$7,376.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

XIII. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 23, 2014, 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 2, 2014, the County issued TRAN totaling \$200,000 due on June 30, 2015. 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, 2015. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2014-15 are legally available to secure the TRAN.

B. ASSEMBLY BILL 2546 – KERN COUNTY HOSPITAL AUTHORITY

On September 26, 2014 Governor Edmund Gerald Brown approved Assembly Bill 2546 – Salas (AB 2546) which gave the County Board the authority to establish, by ordinance, the Kern County 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. Until such time that an enabling ordinance is adopted by the County Board, KMC will remain a County owned and operated hospital under the control of the County Board of Supervisors. The County is currently performing a feasibility analysis to determine if the Hospital Authority is the best operational model for the hospital.

C. TOBACCO SETTLEMENT ASSET- BACKED BONDS REFUNDING

On October 21, 2014, the Agency issued \$95,860,000 principal amount of the Tobacco Settlement Asset-Backed Refunding Bonds (Kern County Tobacco Funding Corporation) Series 2014 (the Series 2014 Bonds) for the purpose, among others, of refunding the \$84,978,721 outstanding Tobacco Settlement Asset-Backed Bonds (Kern County Tobacco Funding Corporation) Series 2002 A (Tax Exempt) and Series 2002 B (Tax Exempt), (the Series 2002 Bonds). The Agency also amended and rested the indenture in order to issue its Series 2014 Bonds and the loan agreement between the Agency and the Corporation for the purpose, among other things, of refunding the Series 2002 Bonds and providing excess proceeds to the Corporation for deposit to the Residual Trust established under the Series 2002 Bonds. The County and the Corporation also amended and restated the Sale Agreement, the Declaration and Agreement of Trust, and the Residual Certificate in order to facilitate the transfer of \$19,968,928 in excess proceeds to the County for financing of public capital projects.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Taxes	\$ 327,353	\$ 337,353	\$ 337,457	\$ 104
Licenses and Permits	11,584	11,584	12,126	542
Fines, Forfeitures and Penalties	14,224	14,224	16,181	1,957
Revenue from use of Money and Property	12,593	12,593	12,985	392
Aid from Other Governmental Agencies	108,286	108,631	102,069	(6,562)
Charges for Current Services	78,223	78,481	77,145	(1,336)
Other Revenues	2,970	2,994	3,690	696
Total Revenue	555,233	565,860	561,653	(4,207)
EXPENDITURES:				
General Government	125,862	146,344	136,106	10,238
Public Protection	402,230	411,884	395,717	16,167
Health and Sanitation	49,137	49,574	45,175	4,399
Public Assistance	13,792	14,245	12,391	1,854
Education	8,497	8,685	8,038	647
Culture and Recreation Services	13,183	13,233	12,620	613
Debt Service - General Fund	14,600	14,605	3,776	10,829
Contingencies and Reserves	10,420	6,120		6,120
Total Expenditures	637,721	664,690	613,823	50,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,488)	(98,830)	(52,170)	46,660
OTHER FINANCING SOURCES (USES):				
Transfers In	158,988	172,592	153,133	(19,459)
Transfers Out	(136,382)	(160,934)	(155,254)	5,680
Total Other Financing Sources (Uses)	22,606	11,658	(2,121)	(13,779)
Net Change in Fund Balance (Deficit)	\$ (59,882)	\$ (87,172)	\$ (54,291)	\$ 32,881
Fund Balance, July 1, 2013 (as previously reported)			250,085	
Prior Period Adjustments (Modified Accrual Basis of Accounting, p. 27)			(172)	
Fund Balance, June 30, 2014			\$ 195,622	

Note: The Fund Balance at July 1, 2013 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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 561,653

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 613,823
 Differences - Budget to GAAP
 Encumbrances for supplies and services ordered but not received within the recognition period (30,704)
 Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources 2,150
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances **\$ 585,269**

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 KERN COUNTY DEPARTMENT OF CHILD SUPPORT
 YEAR ENDED JUNE 30, 2014 (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	\$ 23	\$ 13	\$ 13	\$
Aid from Other Governmental Agencies	22,387	22,387	21,207	(1,180)
Charges for Current Services	<u>10</u>	<u>10</u>	<u>20</u>	<u>10</u>
Total Revenues	<u>22,410</u>	<u>22,410</u>	<u>21,240</u>	<u>(1,170)</u>
EXPENDITURES:				
Current:				
Public Protection	<u>22,412</u>	<u>22,412</u>	<u>21,342</u>	<u>1,070</u>
Total Expenditures	<u>22,412</u>	<u>22,412</u>	<u>21,342</u>	<u>1,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2)</u>	<u>(2)</u>	<u>(102)</u>	<u>(100)</u>
Net Change in Fund Balance (Deficit)	(2)	(2)	(102)	(100)
Fund Balance, July 1, 2013	<u>755</u>	<u>755</u>	<u>755</u>	<u></u>
Fund Balance, June 30, 2014	<u>\$ 753</u>	<u>\$ 753</u>	<u>\$ 653</u>	<u>\$ (100)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 COUNTY LOCAL REVENUE FUND
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$	\$	\$ (8)	\$ (8)
Aid from Other Governmental Agencies	153,925	165,650	174,856	9,206
Total Revenues	<u>153,925</u>	<u>165,650</u>	<u>174,848</u>	<u>9,198</u>
EXPENDITURES:				
Current:				
Public Protection	<u>2,311</u>	<u>5,403</u>	<u>5,372</u>	<u>31</u>
Total Expenditures	<u>2,311</u>	<u>5,403</u>	<u>5,372</u>	<u>31</u>
Excess of Revenues Over Expenditures	<u>151,614</u>	<u>160,247</u>	<u>169,476</u>	<u>9,229</u>
OTHER FINANCING USES:				
Transfers Out	<u>(155,936)</u>	<u>(158,756)</u>	<u>(158,052)</u>	<u>704</u>
Total Other Financing Uses	<u>(155,936)</u>	<u>(158,756)</u>	<u>(158,052)</u>	<u>704</u>
Net Change in Fund Balance (Deficit)	(4,322)	1,491	11,424	9,933
Fund Balance, July 1, 2013	<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	
Fund Balance, June 30, 2014	<u>\$ 1,528</u>	<u>\$ 7,341</u>	<u>\$ 17,274</u>	<u>\$ 9,933</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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 174,848

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 5,372
 Differences - Budget to GAAP
 Encumbrances for goods and/or services ordered but not received within the recognition period (1,979)
 Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,393

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 EMPLOYERS' TRAINING RESOURCE
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$ 9	\$ 9	\$ (4)	\$ (13)
Aid from Other Governmental Agencies	15,949	16,177	14,821	(1,356)
Charges for Current Services	2,175	3,340	3,317	(23)
Other Revenues	154	154	216	62
Total Revenues	18,287	19,680	18,350	(1,330)
EXPENDITURES:				
Current:				
Public Assistance	7,751	9,498	9,308	190
Total Expenditures	7,751	9,498	9,308	190
Excess of Revenues Over Expenditures	10,536	10,182	9,042	(1,140)
OTHER FINANCING SOURCES (USES):				
Transfers In	512	1,241	1,101	(140)
Transfers Out	(11,152)	(11,534)	(9,975)	1,559
Total Other Financing Uses	(10,640)	(10,293)	(8,874)	1,419
Net Change in Fund Balance (Deficit)	(104)	(111)	168	279
Fund Balance, July 1, 2013 (as previously reported)	309	309	309	
Prior Period Adjustments			(432)	
Fund Balance, June 30, 2014	\$ 205	\$ 198	\$ 45	\$ 279

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 18,350

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 9,308
 Differences - Budget to GAAP
 Encumbrances for goods and/or services ordered but not received within the recognition period (1,413)
 Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 7,895

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 HUMAN SERVICES
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$ 95	\$ 95	\$ 46	\$ (49)
Aid from Other Governmental Agencies	287,702	287,702	275,999	(11,703)
Charges for Current Services	139	139	187	48
Other Revenues	<u>1,816</u>	<u>1,816</u>	<u>1,885</u>	<u>69</u>
Total Revenues	<u>289,752</u>	<u>289,752</u>	<u>278,117</u>	<u>(11,635)</u>
EXPENDITURES:				
Current:				
Public Assistance	<u>386,314</u>	<u>388,759</u>	<u>369,156</u>	<u>19,603</u>
Total Expenditures	<u>386,314</u>	<u>388,759</u>	<u>369,156</u>	<u>19,603</u>
Deficiency of Revenues Under Expenditures	<u>(96,562)</u>	<u>(99,007)</u>	<u>(91,039)</u>	<u>7,968</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	90,470	90,470	90,505	35
Transfers Out	<u>(1,902)</u>	<u>(1,902)</u>	<u>(1,902)</u>	<u></u>
Total Other Financing Sources	<u>88,568</u>	<u>88,568</u>	<u>88,603</u>	<u>35</u>
Net Change in Fund Balance (Deficit)	(7,994)	(10,439)	(2,436)	8,003
Fund Balance, July 1, 2013	<u>8,272</u>	<u>8,272</u>	<u>8,272</u>	<u></u>
Fund Balance (Deficit), June 30, 2014	<u>\$ 278</u>	<u>\$ (2,167)</u>	<u>\$ 5,836</u>	<u>\$</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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>278,117</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 369,156
Differences - Budget to GAAP	
Encumbrances for goods and/or services ordered but not received within the recognition period	(1,355)
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	<u>(531)</u>
Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>367,270</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 MENTAL HEALTH
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$ 202	\$ 202	\$ 577	\$ 375
Aid from Other Governmental Agencies	35,809	35,809	32,890	(2,919)
Charges for Current Services	32,819	32,819	26,026	(6,793)
Other Revenues	<u>1,051</u>	<u>1,051</u>	<u>568</u>	<u>(483)</u>
Total Revenues	<u>69,881</u>	<u>69,881</u>	<u>60,061</u>	<u>(9,820)</u>
EXPENDITURES:				
Current:				
Health and Sanitation	<u>131,581</u>	<u>157,806</u>	<u>145,147</u>	<u>12,659</u>
Total Expenditures	<u>131,581</u>	<u>157,806</u>	<u>145,147</u>	<u>12,659</u>
Deficiency of Revenues Under Expenditures	<u>(61,700)</u>	<u>(87,925)</u>	<u>(85,086)</u>	<u>2,839</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	80,045	81,091	52,201	(28,890)
Transfers Out	<u>(28,650)</u>	<u>(28,650)</u>	<u>52,201</u>	<u>28,650</u>
Total Other Financing Sources	<u>51,395</u>	<u>52,441</u>	<u>52,201</u>	<u>(240)</u>
Net Change in Fund Balance (Deficit)	(10,305)	(35,484)	(32,885)	2,599
Fund Balance, July 1, 2013	85,700	85,700	85,700	
Prior Period Adjustments			5	
Fund Balance, June 30, 2014	<u>\$ 75,395</u>	<u>\$ 50,216</u>	<u>\$ 52,820</u>	<u>\$ 2,599</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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 60,061

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 145,147

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period (32,452)

Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (32)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 112,663

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 ROADS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Taxes	\$ 2,620	\$ 2,620	\$ 3,022	\$ 402
Licenses, Permits and Franchises	4,010	4,010	2,938	(1,072)
Revenues from Use of Money and Property	366	366	180	(186)
Aid from Other Governmental Agencies	25,835	25,835	35,412	9,577
Charges for Current Services	7,264	7,264	8,955	1,691
Other Revenues	61	61	90	29
Total Revenues	<u>40,156</u>	<u>40,156</u>	<u>50,597</u>	<u>10,441</u>
EXPENDITURES:				
Current:				
Public Ways and Facilities	65,883	77,438	61,095	16,343
Total Expenditures	<u>65,883</u>	<u>77,438</u>	<u>61,095</u>	<u>16,343</u>
Deficiency of Revenues Under Expenditures	<u>(25,727)</u>	<u>(37,282)</u>	<u>(10,498)</u>	<u>26,784</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	10,851	10,737	6,183	(4,554)
Transfers Out	(4,980)	(15,980)	(11,000)	4,980
Total Other Financing Sources (Uses)	<u>5,871</u>	<u>(5,243)</u>	<u>(4,817)</u>	<u>426</u>
Net Change in Fund Balance (Deficit)	(19,856)	(42,525)	(15,315)	27,210
Fund Balance, July 1, 2013	51,386	51,386	51,386	
Fund Balance, June 30, 2014	<u>\$ 31,530</u>	<u>\$ 8,861</u>	<u>\$ 36,071</u>	<u>\$ 27,210</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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 50,597

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 61,095

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period (5,890)

Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (964)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 54,241

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 STRUCTURAL FIRE
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Taxes	\$ 82,091	\$ 82,091	\$ 81,928	\$ (163)
Licenses, Permits and Franchises	350	350	641	291
Fines, Forfeitures and Penalties	105	105	123	18
Revenues from Use of Money and Property	39	39	162	123
Aid from Other Governmental Agencies	4,734	6,776	6,770	(6)
Charges for Current Services	22,041	24,739	30,461	5,722
Other Revenues	402	402	191	(211)
Total Revenues	<u>109,762</u>	<u>114,502</u>	<u>120,276</u>	<u>5,774</u>
EXPENDITURES:				
Current:				
Public Protection	142,578	152,866	149,079	3,787
Total Expenditures	<u>142,578</u>	<u>152,866</u>	<u>149,079</u>	<u>3,787</u>
Deficiency of Revenues Under Expenditures	<u>(32,816)</u>	<u>(38,364)</u>	<u>(28,803)</u>	<u>9,561</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	28,065	28,063	26,306	(1,757)
Transfers Out	(4,060)	(4,820)	(2,604)	2,216
Total Other Financing Sources	<u>24,005</u>	<u>23,243</u>	<u>23,702</u>	<u>459</u>
Net Change in Fund Balance (Deficit)	<u>(8,811)</u>	<u>(15,121)</u>	<u>(5,101)</u>	<u>10,020</u>
Fund Balance, July 1, 2013	21,808	21,808	21,808	
Fund Balance, June 30, 2014	<u>\$ 12,997</u>	<u>\$ 6,687</u>	<u>\$ 16,707</u>	<u>\$ 10,020</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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 120,276

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 149,079

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period (648)

Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (1,089)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 147,342

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2014 (IN THOUSANDS)

I. BUDGETARY BASIS OF ACCOUNTING

A. BUDGETARY INFORMATION

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

The major funds for which annual budgets are adopted are presented in the budgetary comparison schedules and include the General Fund, Kern County Department of Child Support, 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, Adoption Prepayment Animal Services, Aging & Adult Services, Alcohol Abuse, Alcohol Program, Animal Care, Animal Care Donations, Animal Control Feline Carcasses, ARRA CD-NSP 3 Grant, ARRA Energy Grant, Automated Co. Warrant System, Automated Fingerprint, Bio Terrorism Grant, Board of Trade Advertising, Building Inspection, Child Restraint Loaner, 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 Forfeiture, DHS Wraparound Savings, DIVCA LCL Franchise Fee, Domestic Violence, Drug Program, Emergency Medical Payments, EMS Week-Donations, Health-MAA TCM, Health State Lust Program, HIDTA-State Asset Forfeiture, 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 Training, Public Health Misc., Public Improvement Districts, Range Improvement, Real Estate Fraud, Recorders, Recorder's Electronic Recording, Recorder Modernization, Recorder SSN Truncation, Redemption Systems, RMA-Hazardous Waste, 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, Solid Waste LEA Grant, Sterilization, Strong Motion Instrumentation, Tobacco Education Control, Vital Health Statistics-County Clerk, Vital Health Statistics, Vital Health Statistics-Recorder, Wildlife Resources, 2009 Capital Projects, 7th Standard Road Widening, AB900 Jail Construction, Accumulative Capital Outlay Fire, Accumulative Capital Outlay General, Hageman Road and Separation of Grade.

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2014 (IN THOUSANDS)

I. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

A. BUDGETARY INFORMATION (CONTINUED)

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

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

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund, department, 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 \$10,627 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, 2013. 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, 2014 (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	\$ 195,622	\$ (2,150)	\$ 2,150	\$ 30,704	\$ 226,326
County Local Revenue Fund	17,274			1,979	19,253
Employers' Training Resource	45			1,413	1,458
Human Services	5,836		531	1,355	7,722
Mental Health	52,820		32	32,452	85,304
Roads	36,071		964	5,890	42,925
Structural Fire	16,707		1,089	648	18,444
Building Inspection	14,562			145	14,707
County Service Areas	7,940			4	7,944
Parks & Recreation Donation				25	25
Recorders	558			56	614
Total	\$ 347,435	\$ (2,150)	\$ 4,766	\$ 74,671	\$ 424,722

**COUNTY OF KERN
SCHEDULES OF FUNDING PROGRESS
PENSION AND OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDING JUNE 30, 2014 (IN THOUSANDS)**

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)	Covered Payroll (d)	UAAL as a Percentage of Annual Covered Payroll (c/d)
6/30/2008	\$	\$ 114,972	\$ 114,972	0.00%	\$ 499,274	23.03%
6/30/2008		114,972	114,972	0.00%	502,420	22.88%
6/30/2010		133,583	133,583	0.00%	487,323	27.41%
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%

Source: Kern County Retiree Health Premium Supplement Program Actuarial Valuation, June 30, 2012.

Actuarial valuations are done once every two years.

Retiree Health Stipend

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (c)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Annual Covered Payroll (c/d)
6/30/2008	\$	\$ 14,031	\$ 14,031	0.00%	\$ 499,274	2.81%
6/30/2008		14,031	14,031	0.00%	502,420	2.79%
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%

Source: Kern County Retiree Health Stipend Actuarial Valuation, June 30, 2012.

Actuarial valuations are done once every two years.

Kern County Employees' Retirement Association

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Annual Covered Payroll (c/d)
12/31/2006	\$ 2,352,028	\$ 3,109,038	\$ 757,010	75.65%	\$ 417,351	181.38%
12/31/2007	2,589,817	3,355,755	765,938	77.18%	453,412	168.93%
6/30/2008	2,654,305	3,671,460	1,017,155	72.30%	482,879	210.64%
6/30/2009	2,780,215	4,205,200	1,424,985	66.11%	559,872	254.52%
6/30/2010	2,794,644	4,457,038	1,662,394	62.70%	559,380	297.19%
6/30/2011	2,839,747	4,672,348	1,832,601	60.78%	539,836	339.47%
6/30/2012	2,960,507	4,894,990	1,934,483	60.48%	543,558	355.89%
6/30/2013	3,120,632	5,108,619	1,987,987	61.09%	555,752	357.71%

Source: Kern County Employees' Retirement Association Actuarial Valuation, June 30, 2013.

COUNTY OF KERN
 ACTUARIAL ASSUMPTIONS AND METHODOLOGY
 OTHER POST-EMPLOYMENT BENEFITS
 FOR THE YEAR ENDING JUNE 30, 2014 (IN THOUSANDS)

Retiree Health Premium Supplement Program (RHPS)
Retiree Health Stipend

Valuation Date:	June 30, 2012	
Investment Return:	4.5%	
General Inflation Rate:	4%	
Mortality:	<i>Healthy</i> - RP 2000 Combined Healthy Mortality Table set back two years for males and one for females for both General and Safety. <i>Disabled</i> - RP 2000 Combined Healthy Mortality Table set forward six years for General and one year for Safety members.	
Salary Increases:	4.0%	
Medical Plan Premiums (Trend) Supplement:	8.5%	in 2012/2013, grading down 0.5% per year to an ultimate rate of 5.00%
Medical Plan Premiums (Trend) Stipend:	0.0%	
Actuarial Cost Method:	Unit credit	

Retiree Health Premium Supplement Program (RHPS) ONLY

Monthly Premium Contributions for Future Retirees: \$ 592.32

Other Factors for Monthly Premium Contributions: Above premium is for new retirees who are under age 65 and completed 25 or more years of continuous service. Employees who retire with a minimum of 20 years of continuous service only receive a percentage as follows:

20 years	50%
21 years	60%
22 years	70%
23 years	80%
24 years	90%
25 years	100%

Retiree Health Stipend ONLY

Monthly Premium Contributions for Future Retirees:	Coverage	Stipend
	Single-Retiree Only	\$ 39.75
	Two-Party (retiree plus dependent)	53.69
	Family (retiree plus two or more dependents)	61.50

**COUNTY OF KERN
SCHEDULE OF CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDING JUNE 30, 2014 (IN THOUSANDS)**

Retiree Health Premium Supplement Program (RHPSP)

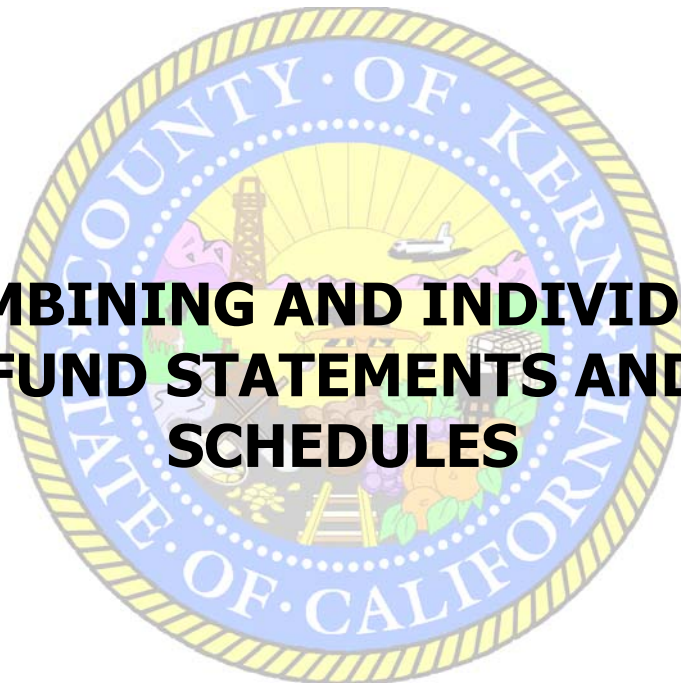
<u>Year Ended June 30,</u>	<u>Annual RHPSP Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 24,822	14%	\$ 72,902
2013	13,385	100%	35,012
2014	15,187	97%	35,449

Retiree Health Stipend (RHS)

<u>Year Ended June 30,</u>	<u>Annual RHS Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 1,383	100%	\$
2013	3,486	34%	2,311
2014	3,490	64%	3,584

* As of the June 30, 2012 actuarial report, the plan was funded by pay-as-you-go.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**





**NON-MAJOR
GOVERNMENTAL FUNDS**

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 85,436	\$ 12,408	\$ 250	\$ 98,094
Revolving Fund Cash	12			12
Cash and Investments Deposited with Trustee			11,913	11,913
Interest Receivable	24	20		44
Taxes Receivable	310			310
Accrued Revenue	17,619	1,538	6	19,163
Due from Other Funds	329			329
Due from Other Agencies	786			786
Total Assets	<u>104,516</u>	<u>13,966</u>	<u>12,169</u>	<u>130,651</u>
Total Assets and Deferred Outflows of Resources	\$ <u>104,516</u>	\$ <u>13,966</u>	\$ <u>12,169</u>	\$ <u>130,651</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,831	\$ 1,365	\$ 12	\$ 3,208
Salaries and Employee Benefits Payable	621			621
Due to Other Funds	6,669			6,669
Advances from Other Funds	37	2,000		2,037
Total Liabilities	<u>9,158</u>	<u>3,365</u>	<u>12</u>	<u>12,535</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	287			287
Total Deferred Inflows of Resources	<u>287</u>			<u>287</u>
Fund Balances:				
Nonspendable	12			12
Restricted	70,676	3,901	12,157	86,734
Committed	20,028			20,028
Assigned	4,355	6,700		11,055
Total Fund Balances	<u>95,071</u>	<u>10,601</u>	<u>12,157</u>	<u>117,829</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>104,516</u>	\$ <u>13,966</u>	\$ <u>12,169</u>	\$ <u>130,651</u>

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 2,717	\$	\$	\$ 2,717
Licenses, Permits and Franchises	22,252			22,252
Fines, Forfeitures and Penalties	7,270			7,270
Revenues from Use of Money and Property	459	601	496	1,556
Aid from Other Governmental Agencies	95,456	1,296	7,393	104,145
Charges for Current Services	6,435			6,435
Other Revenues	6,661	825	41,676	49,162
Total Revenues	141,250	2,722	49,565	193,537
EXPENDITURES:				
Current:				
General Government	440		491	931
Public Protection	9,465			9,465
Public Ways and Facilities	2,621			2,621
Health and Sanitation	1,825			1,825
Public Assistance	26,353			26,353
Culture and Recreation Services	74			74
Capital Outlay		57,675		57,675
Debt Service:				
Principal			32,842	32,842
Interest			16,577	16,577
Total Expenditures	40,778	57,675	49,910	148,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,472	(54,953)	(345)	45,174
OTHER FINANCING SOURCES (USES):				
Transfers In	15,977	55,461		71,438
Transfers Out	(104,821)	(21,850)		(126,671)
Total Other Financing Sources (Uses)	(88,844)	33,611		(55,233)
Net Changes in Fund Balances (Deficits)	11,628	(21,342)	(345)	(10,059)
Fund Balances, July 1, 2013 (as previously reported)	83,117	31,943	12,502	127,562
Prior Period Adjustment	326			326
Fund Balances, June 30, 2014	\$ 95,071	\$ 10,601	\$ 12,157	\$ 117,829

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.

Adoption Prepayment Animal Services – This fund accounts for monies received during the adoption process prior to the animal being released to the adopter.

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 – This fund holds funds collected from horse adoption proceeds.

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

Animal Services Feline Carcasses – This fund accounts for deposits of monies related to the sale of feline carcasses.

ARRA CD-NSP 3 Grant – This fund accounts for ARRA grant funds which are restricted for use in addressing the effects of abandoned and foreclosed properties in Kern County.

ARRA Energy Grant – This fund accounts for funds awarded to Kern County under the American Recovery and Reinvestment Act.

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 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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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.

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

Health State Leaking Underground Storage Tank (LUST) Program – This fund holds grant money to be used to help prevent, detect, and clean up releases from USTs.

HIDTA – State Asset Forfeitures – This fund accounts for the proceeds resulting from asset seizures, forfeitures, and equitable sharing with participating agencies that results from drug related cases.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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.

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 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 Admin Surcharge – This fund collects specified building permit fees applied to new development 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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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 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 proceeding 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 California Penal Code.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

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.

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.

Solid Waste LEA Grant – This fund accounts for funds received from the Local Enforcement Agency Grant to supplement costs incurred from the solid waste facilities permit and inspection program.

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: Adoption Prepayment Animal Control, ARRA Aging & Adult, County-wide Crime Prevention, Asset Forfeiture 15% Probation, Graffiti Abatement, Juvenile Justice Facility, Oildale Revitalization, Parks Tehachapi Mtn. Forest, Sheriff Rural Crime, Tehachapi Trans Impact Fee Core, and Tehachapi Trans Impact Fee Non-Core.

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2014 (IN THOUSANDS)**

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	<u>TOTAL</u>	<u>ABATEMENT COST</u>	<u>ADOPTION PREPAYMENT ANIMAL SERVICES</u>	<u>AGING & ADULT SERVICES</u>	<u>ALCOHOL ABUSE</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 85,436	\$ 42		\$ 42	\$ 90
Revolving Fund Cash	12			2	
Interest Receivable	24				
Taxes Receivable	310				
Accrued Revenue	17,619			3,835	
Due from Other Funds	329			129	
Due from Other Agencies	786				6
Total Assets	<u>104,516</u>	<u>42</u>		<u>4,008</u>	<u>96</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 104,516</u>	<u>\$ 42</u>		<u>\$ 4,008</u>	<u>\$ 96</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,831			\$ 347	\$
Salaries and Employee Benefits Payable	621			391	
Due to Other Funds	6,669			797	
Advances from Other Funds	37				
Total Liabilities	<u>9,158</u>			<u>1,535</u>	
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	287				
Total Deferred Inflows of Resources	<u>287</u>				
Fund Balances:					
Nonspendable	12			2	
Restricted	70,676			138	96
Committed	20,028	42			
Assigned	4,355			2,333	
Unassigned					
Total Fund Balances	<u>95,071</u>	<u>42</u>		<u>2,473</u>	<u>96</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 104,516</u>	<u>\$ 42</u>		<u>\$ 4,008</u>	<u>\$ 96</u>

**COUNTY OF KERN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
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	ARRA ENERGY GRANT	AUTOMATED CO. WARRANT SYSTEM	AUTOMATED FINGERPRINT	BIO TERRORISM GRANT	BOARD OF TRADE ADVERTISING
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$	\$ 5	\$ 742	\$ 37	\$ 173
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue				394	
Due from Other Funds					
Due from Other Agencies		4	22		
Total Assets		9	764	431	173
Total Assets and Deferred Outflows of Resources	\$	\$ 9	\$ 764	\$ 431	\$ 173
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds				394	
Advances from Other Funds					
Total Liabilities				394	
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted		9	764	37	
Committed					
Assigned					173
Unassigned					
Total Fund Balances		9	764	37	173
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	\$ 9	\$ 764	\$ 431	\$ 173

BUILDING INSPECTION	CHILD RESTRAINT LOANER	COMMUNITY DEVELOPMENT	COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 14,884	\$ 126	\$ 959	\$ 8,164	\$ 1,582	Assets:
6					Pooled Cash and Investments
12			310		Revolving Fund Cash
		429			Interest Receivable
					Taxes Receivable
					Accrued Revenue
				226	Due from Other Funds
					Due from Other Agencies
<u>14,902</u>	<u>126</u>	<u>1,388</u>	<u>8,474</u>	<u>1,808</u>	Total Assets
<u>\$ 14,902</u>	<u>\$ 126</u>	<u>\$ 1,388</u>	<u>\$ 8,474</u>	<u>\$ 1,808</u>	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$ 50	\$	\$ 261	\$ 206	\$	Liabilities:
145					Accounts Payable
		201			Salaries and Employee Benefits Payable
			37		Due to Other Funds
					Advances from Other Funds
<u>195</u>		<u>462</u>	<u>243</u>		Total Liabilities
			287		Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
			287		Total Deferred Inflows of Resources
6					Fund Balances:
14,701	126	926	7,944	1,808	Nonspendable
					Restricted
					Committed
					Assigned
					Unassigned
<u>14,707</u>	<u>126</u>	<u>926</u>	<u>7,944</u>	<u>1,808</u>	Total Fund Balances
<u>\$ 14,902</u>	<u>\$ 126</u>	<u>\$ 1,388</u>	<u>\$ 8,474</u>	<u>\$ 1,808</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, 2014 (IN THOUSANDS)**

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	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	DA/SHERIFF PROBATION/DNA FUND	DA EQUIPMENT AUTOMATION	DA FEDERAL FORFEITURE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 86	\$ 1,505	\$ 104	\$ 502	\$ 111
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies			37		
Total Assets	<u>86</u>	<u>1,505</u>	<u>141</u>	<u>502</u>	<u>111</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 86</u>	<u>\$ 1,505</u>	<u>\$ 141</u>	<u>\$ 502</u>	<u>\$ 111</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Advances from Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	86	1,505	141	502	111
Committed					
Assigned					
Unassigned					
Total Fund Balances	<u>86</u>	<u>1,505</u>	<u>141</u>	<u>502</u>	<u>111</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 86</u>	<u>\$ 1,505</u>	<u>\$ 141</u>	<u>\$ 502</u>	<u>\$ 111</u>

<u>DA LOCAL FORFEITURES</u>	<u>DHS WRAPAROUND SAVINGS</u>	<u>DIVCA LCL FRANCHISE FEE</u>	<u>DOMESTIC VIOLENCE</u>	<u>DRUG PROGRAM</u>
\$ 399	\$ 4,708	\$ 891	\$ 78	\$ 209
<u>399</u>	<u>4,708</u>	<u>891</u>	<u>4</u>	<u>209</u>
<u>\$ 399</u>	<u>\$ 4,708</u>	<u>\$ 891</u>	<u>\$ 82</u>	<u>\$ 209</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
 Total Assets and Deferred Outflows of Resources

\$	\$ 3	\$ 154	\$	\$
<u>399</u>	<u>4,705</u>	<u>737</u>	<u>82</u>	<u>209</u>
<u>\$ 399</u>	<u>\$ 4,708</u>	<u>\$ 891</u>	<u>\$ 82</u>	<u>\$ 209</u>

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

Liabilities:
 Accounts Payable
 Salaries and Employee Benefits Payable
 Due to Other Funds
 Advances from Other Funds
 Total Liabilities
 Deferred Inflows of Resources:
 Unavailable Revenue - Property Taxes
 Total Deferred Inflows of Resources
 Fund Balances:
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned
 Total Fund Balances
 Total Liabilities, Deferred Inflows of Resources, and
 Fund Balances

**COUNTY OF KERN
 COMBINING BALANCE SHEET
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 JUNE 30, 2014 (IN THOUSANDS)**

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	EMERGENCY MEDICAL PAYMENTS	EMS WEEK DONATIONS	HEALTH-MAA TCM	HEALTH STATE LUST PROGRAM	HIDTA-STATE ASSET FORFEITURE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 1,246	\$ 24	\$	\$	\$ 46
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue			93		
Due from Other Funds					
Due from Other Agencies	129				
Total Assets	<u>1,375</u>	<u>24</u>	<u>93</u>		<u>46</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,375</u>	<u>\$ 24</u>	<u>\$ 93</u>	<u>\$</u>	<u>\$ 46</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 72	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds	33				
Advances from Other Funds					
Total Liabilities	<u>105</u>				
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	1,270	24	93		46
Committed					
Assigned					
Unassigned					
Total Fund Balances	<u>1,270</u>	<u>24</u>	<u>93</u>		<u>46</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,375</u>	<u>\$ 24</u>	<u>\$ 93</u>	<u>\$</u>	<u>\$ 46</u>

HOSPITAL PREPAREDNESS PROGRAM	IHSS PUBLIC AUTHORITY	JUVENILE INMATE WELFARE	KERN COUNTY CHILDREN'S FUND	KNET ASSET FORFEITURE	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$	1	\$ 1,230	\$ 216	\$ 635	\$ 245
					Assets:
					Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
					Total Assets
					Total Assets and Deferred Outflows of Resources
<u>\$</u>	<u>1</u>	<u>\$ 1,454</u>	<u>\$ 216</u>	<u>\$ 635</u>	<u>\$ 245</u>
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$		\$ 733	\$	\$	
					Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Funds
					Advances from Other Funds
					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
					Fund Balances:
					Nonspendable
					Restricted
					Committed
					Assigned
					Unassigned
					Total Fund Balances
					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
<u>\$</u>	<u>1</u>	<u>\$ 1,454</u>	<u>\$ 216</u>	<u>\$ 635</u>	<u>\$ 245</u>

**COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2014 (IN THOUSANDS)**

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	LIBRARY BOOKS	LITTER CLEANUP	LOCAL PUBLIC SAFETY	MICROGRAPHICS	NSP GRANT
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 507	\$ 3	\$	\$ 155	\$
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue			12,748		
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>507</u>	<u>3</u>	<u>12,748</u>	<u>155</u>	<u></u>
Total Assets and Deferred Outflows of Resources	<u>\$ 507</u>	<u>\$ 3</u>	<u>\$ 12,748</u>	<u>\$ 155</u>	<u>\$</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds			4,969		
Advances from Other Funds					
Total Liabilities			<u>4,969</u>		
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	507		7,779	155	
Committed					
Assigned		3			
Unassigned					
Total Fund Balances	<u>507</u>	<u>3</u>	<u>7,779</u>	<u>155</u>	<u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 507</u>	<u>\$ 3</u>	<u>\$ 12,748</u>	<u>\$ 155</u>	<u>\$</u>

OFF HWY MOTOR VEH LICENSE	PARCEL MAP IN-LIEU FEES	PARKS & RECREATION DONATION FUND	PARKS-TIMBER HARVEST	PLANNED LOCAL DRAINAGE
\$ 362	\$ 313	\$ 25	\$ 37	\$ 1,192
<u>362</u>	<u>313</u>	<u>25</u>	<u>37</u>	<u>1,192</u>
<u>\$ 362</u>	<u>\$ 313</u>	<u>\$ 25</u>	<u>\$ 37</u>	<u>\$ 1,192</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
 Total Assets and Deferred Outflows of Resources

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

Liabilities:
 Accounts Payable
 Salaries and Employee Benefits Payable
 Due to Other Funds
 Advances from Other Funds
 Total Liabilities
 Deferred Inflows of Resources:
 Unavailable Revenue - Property Taxes
 Total Deferred Inflows of Resources
 Fund Balances:
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned
 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, 2014 (IN THOUSANDS)**

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	<u>PLANNED SEWER</u>	<u>PLANNING ADMIN. SURCHARGE</u>	<u>PROBATION DJJ REALIGNMENT</u>	<u>PROBATION TRAINING</u>	<u>PUBLIC HEALTH MISC</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 3,788	\$ 1,667	\$ 1,390	\$ 79	\$ 15
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					10
Due from Other Funds			56		
Due from Other Agencies					
Total Assets	<u>3,788</u>	<u>1,667</u>	<u>1,446</u>	<u>79</u>	<u>25</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,788</u>	<u>\$ 1,667</u>	<u>\$ 1,446</u>	<u>\$ 79</u>	<u>\$ 25</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Advances from Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted			1,446	79	25
Committed	3,787				
Assigned	1	1,667			
Unassigned					
Total Fund Balances	<u>3,788</u>	<u>1,667</u>	<u>1,446</u>	<u>79</u>	<u>25</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,788</u>	<u>\$ 1,667</u>	<u>\$ 1,446</u>	<u>\$ 79</u>	<u>\$ 25</u>

PUBLIC IMPROVEMENT DISTRICTS	RANGE IMPROVEMENT	REAL ESTATE FRAUD	RECORDER	RECORDER'S ELECTRONIC RECORDING	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 103	\$ 94	\$ 280	\$ 684	\$ 285	Assets:
			4		Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
			16		Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
<u>103</u>	<u>94</u>	<u>280</u>	<u>704</u>	<u>285</u>	Total Assets
<u>\$ 103</u>	<u>\$ 94</u>	<u>\$ 280</u>	<u>\$ 704</u>	<u>\$ 285</u>	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$	\$ 5	\$	Liabilities:
			85		Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Funds
					Advances from Other Funds
			<u>90</u>		Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
			4		Fund Balances:
103	94	280	607	285	Nonspendable
					Restricted
					Committed
			3		Assigned
					Unassigned
<u>103</u>	<u>94</u>	<u>280</u>	<u>614</u>	<u>285</u>	Total Fund Balances
<u>\$ 103</u>	<u>\$ 94</u>	<u>\$ 280</u>	<u>\$ 704</u>	<u>\$ 285</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**COUNTY OF KERN
 COMBINING BALANCE SHEET
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 JUNE 30, 2014 (IN THOUSANDS)**

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	<u>RECORDER MODERNIZATION</u>	<u>RECORDER SSN-TRUNCATION</u>	<u>REDEMPTION SYSTEMS</u>	<u>RMA-HAZARDOUS WASTE SETTLEMENTS</u>	<u>SHELTER CARE</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 2,314	\$ 356	\$ 2,297	\$ 983	\$ 213
Revolving Fund Cash					
Interest Receivable					
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies	350				
Total Assets	<u>2,664</u>	<u>356</u>	<u>2,297</u>	<u>983</u>	<u>213</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,664</u>	<u>\$ 356</u>	<u>\$ 2,297</u>	<u>\$ 983</u>	<u>\$ 213</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds					
Advances from Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	2,664	356	2,297	983	213
Committed					
Assigned					
Unassigned					
Total Fund Balances	<u>2,664</u>	<u>356</u>	<u>2,297</u>	<u>983</u>	<u>213</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,664</u>	<u>\$ 356</u>	<u>\$ 2,297</u>	<u>\$ 983</u>	<u>\$ 213</u>

SHERIFF CAL-I.D.	SHERIFF CIVIL AUTOMATED	SHERIFF CIVIL SUBPOENA	SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 3,028	\$ 845	\$ 18	\$ 366	\$ 201	Assets:
					Pooled Cash and Investments
					Revolving Fund Cash
					Interest Receivable
					Taxes Receivable
					Accrued Revenue
					Due from Other Funds
					Due from Other Agencies
<u>3,028</u>	<u>845</u>	<u>18</u>	<u>366</u>	<u>201</u>	Total Assets
<u>\$ 3,028</u>	<u>\$ 845</u>	<u>\$ 18</u>	<u>\$ 366</u>	<u>\$ 201</u>	Total Assets and Deferred Outflows of Resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$	\$	\$	Liabilities:
					Accounts Payable
					Salaries and Employee Benefits Payable
					Due to Other Funds
					Advances from Other Funds
					Total Liabilities
					Deferred Inflows of Resources:
					Unavailable Revenue - Property Taxes
					Total Deferred Inflows of Resources
3,028	845	18	366	201	Fund Balances:
					Nonspendable
					Restricted
					Committed
					Assigned
					Unassigned
<u>3,028</u>	<u>845</u>	<u>18</u>	<u>366</u>	<u>201</u>	Total Fund Balances
<u>\$ 3,028</u>	<u>\$ 845</u>	<u>\$ 18</u>	<u>\$ 366</u>	<u>\$ 201</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, 2014 (IN THOUSANDS)**

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	SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	SHERIFF JUDGMENT DEBTOR FEE	SHERIFF SIDEARM CONVERSION
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Pooled Cash and Investments	\$ 845	\$ 108	\$ 5,600	\$ 667	\$ 63
Revolving Fund Cash					
Interest Receivable			6		
Taxes Receivable					
Accrued Revenue					
Due from Other Funds					
Due from Other Agencies					
Total Assets	<u>845</u>	<u>108</u>	<u>5,606</u>	<u>667</u>	<u>63</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 845</u>	<u>\$ 108</u>	<u>\$ 5,606</u>	<u>\$ 667</u>	<u>\$ 63</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$
Salaries and Employee Benefits Payable					
Due to Other Funds				228	
Advances from Other Funds					
Total Liabilities				<u>228</u>	
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable					
Restricted	845	108	5,606	439	
Committed					
Assigned					63
Unassigned					
Total Fund Balances	<u>845</u>	<u>108</u>	<u>5,606</u>	<u>439</u>	<u>63</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 845</u>	<u>\$ 108</u>	<u>\$ 5,606</u>	<u>\$ 667</u>	<u>\$ 63</u>

SHERIFF STATE ASSET FORFEITURE	SHERIFF TRAINING FUND	SHERIFF'S VOLUNTEER SERVICE GROUP	SHERIFF WORK RELEASE	SOLID WASTE LEA GRANT
\$ 440	\$ 34	\$ 108	\$ 8	\$
<u>440</u>	<u>34</u>	<u>108</u>	<u>22</u>	<u>14</u>
<u>\$ 440</u>	<u>\$ 34</u>	<u>\$ 108</u>	<u>\$ 22</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
 Total Assets and Deferred Outflows of Resources

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

Liabilities:
 Accounts Payable
 Salaries and Employee Benefits Payable
 Due to Other Funds
 Advances from Other Funds
 Total Liabilities
 Deferred Inflows of Resources:
 Unavailable Revenue - Property Taxes
 Total Deferred Inflows of Resources
 Fund Balances:
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned
 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, 2014 (IN THOUSANDS)**

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	<u>STERILIZATION</u>	<u>STRONG MOTION INSTRUMENTATION</u>	<u>TOBACCO EDUCATION CONTROL</u>	<u>VITAL HEALTH STATISTICS COUNTY CLERK</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 41	\$ 80	\$ 63	\$ 1
Revolving Fund Cash				
Interest Receivable				
Taxes Receivable				
Accrued Revenue				
Due from Other Funds				
Due from Other Agencies				
Total Assets	<u>41</u>	<u>80</u>	<u>63</u>	<u>1</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 41</u>	<u>\$ 80</u>	<u>\$ 63</u>	<u>\$ 1</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Due to Other Funds			47	
Advances from Other Funds				
Total Liabilities			<u>47</u>	
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes				
Total Deferred Inflows of Resources				
Fund Balances:				
Nonspendable				
Restricted	41	80	16	1
Committed				
Assigned				
Unassigned				
Total Fund Balances	<u>41</u>	<u>80</u>	<u>16</u>	<u>1</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 41</u>	<u>\$ 80</u>	<u>\$ 63</u>	<u>\$ 1</u>

VITAL HEALTH STATISTICS	VITAL HEALTH STATISTICS RECORDER	WILDLIFE RESOURCES	OTHER SPECIAL REVENUE	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
\$ 77	\$ 362	\$ 26	\$ 16,199	Assets:
				Pooled Cash and Investments
				Revolving Fund Cash
			6	Interest Receivable
				Taxes Receivable
				Accrued Revenue
				Due from Other Funds
		1		Due from Other Agencies
<u>77</u>	<u>362</u>	<u>27</u>	<u>16,205</u>	Total Assets
\$ <u>77</u>	\$ <u>362</u>	\$ <u>27</u>	\$ <u>16,205</u>	Total Assets and Deferred Outflows of Resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Due to Other Funds
				Advances from Other Funds
				Total Liabilities
				Deferred Inflows of Resources:
				Unavailable Revenue - Property Taxes
				Total Deferred Inflows of Resources
				Fund Balances:
77	362	27	16,203	Nonspendable
				Restricted
				Committed
			2	Assigned
				Unassigned
<u>77</u>	<u>362</u>	<u>27</u>	<u>16,205</u>	Total Fund Balances
\$ <u>77</u>	\$ <u>362</u>	\$ <u>27</u>	\$ <u>16,205</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

**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, 2014 (IN THOUSANDS)**

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	TOTAL	ABATEMENT COST	ADOPTION PREPAYMENT ANIMAL SERVICES	AGING & ADULT SERVICES	ALCOHOL ABUSE
REVENUES:					
Taxes	\$ 2,717	\$ 62	\$	\$	\$
Licenses, Permits and Franchises	22,252				
Fines, Forfeitures and Penalties	7,270	18			78
Revenues from Use of Money and Property	459			23	
Aid from Other Governmental Agencies	95,456			9,671	
Charges for Current Services	6,435			1,357	
Other Revenues	6,661			288	
Total Revenues	<u>141,250</u>	<u>80</u>		<u>11,339</u>	<u>78</u>
EXPENDITURES:					
General Government	440				
Public Protection	9,465				
Public Ways and Facilities	2,621				
Health and Sanitation	1,825				
Public Assistance	26,353			13,860	
Culture and Recreation Services	74				
Total Expenditures	<u>40,778</u>			<u>13,860</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,472</u>	<u>80</u>		<u>(2,521)</u>	<u>78</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	15,977			3,065	
Transfers Out	<u>(104,821)</u>	<u>(100)</u>	<u>(20)</u>		<u>(62)</u>
Total Other Financing Sources (Uses)	<u>(88,844)</u>	<u>(100)</u>	<u>(20)</u>	<u>3,065</u>	<u>(62)</u>
Net Changes in Fund Balances (Deficits)	11,628	(20)	(20)	544	16
Fund Balances (Deficits), July 1, 2013	83,117	62	20	1,929	80
Prior Period Adjustment	326				
Fund Balances, June 30, 2014	<u>\$ 95,071</u>	<u>\$ 42</u>	<u>\$</u>	<u>\$ 2,473</u>	<u>\$ 96</u>

ALCOHOL PROGRAM	ANIMAL CARE	ANIMAL CARE DONATIONS	ANIMAL SERVICES FELINE CARCASSES	ARRA CD-NSP 3 GRANT	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
89					Licenses, Permits and Franchises
					Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
				6	Aid from Other Governmental Agencies
					Charges for Current Services
		11			Other Revenues
89		11		6	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
89		11		6	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
					Transfers In
(72)	(20)	(64)	(12)	(6)	Transfers Out
(72)	(20)	(64)	(12)	(6)	Total Other Financing Sources (Uses)
17	(20)	(53)	(12)		Net Changes in Fund Balances (Deficits)
20	20	55	12		Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
\$ 37	\$	\$ 2	\$	\$	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	ARRA ENERGY GRANT	AUTOMATED CO. WARRANT SYSTEM	AUTOMATED FINGERPRINT	BIO TERRORISM GRANT	BOARD OF TRADE ADVERTISING
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties		51	267		
Revenues from Use of Money and Property			18		1
Aid from Other Governmental Agencies				486	
Charges for Current Services					
Other Revenues					36
Total Revenues		51	285	486	37
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		51	285	486	37
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(10)	(54)	(825)	(457)	(26)
Total Other Financing Sources (Uses)	(10)	(54)	(825)	(457)	(26)
Net Changes in Fund Balances (Deficits)	(10)	(3)	(540)	29	11
Fund Balances (Deficits), July 1, 2013	10	12	1,304	8	162
Prior Period Adjustment					
Fund Balances, June 30, 2014	\$	\$ 9	\$ 764	\$ 37	\$ 173

BUILDING INSPECTION	CHILD RESTRAINT LOANER	COMMUNITY DEVELOPMENT	COUNTY SERVICE AREAS	CRIMINAL JUSTICE FACILITY	
\$ 7,048	\$	\$	\$ 2,655	\$	REVENUES:
111			166	2,755	Taxes
		5,371	61	8	Licenses, Permits and Franchises
	42				Fines, Forfeitures and Penalties
22		427	2		Revenues from Use of Money and Property
7,181	42	5,798	2,884	2,763	Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
					Total Revenues
6,036			22		EXPENDITURES:
			2,621		General Government
		3,019	880		Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
6,036		3,019	3,523		Total Expenditures
1,145	42	2,779	(639)	2,763	Excess (Deficiency) of Revenues Over (Under) Expenditures
			116		OTHER FINANCING SOURCES (USES):
	(71)	(2,392)	(166)	(2,900)	Transfers In
	(71)	(2,392)	(50)	(2,900)	Transfers Out
1,145	(29)	387	(689)	(137)	Total Other Financing Sources (Uses)
13,562	155	539	8,633	1,945	Net Changes in Fund Balances (Deficits)
					Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
\$ 14,707	\$ 126	\$ 926	\$ 7,944	\$ 1,808	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	CRIMINALISTICS LABORATORIES	DA COURT ORDERED PENALTIES	DA/SHERIFF PROBATION/DNA FUND	DA EQUIPMENT AUTOMATION	DA FEDERAL FORFEITURE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	24	172	433		6
Revenues from Use of Money and Property		8		2	
Aid from Other Governmental Agencies					
Charges for Current Services					
Other Revenues					
Total Revenues	<u>24</u>	<u>180</u>	<u>433</u>	<u>2</u>	<u>6</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>24</u>	<u>180</u>	<u>433</u>	<u>2</u>	<u>6</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	<u>(130)</u>	<u>(300)</u>	<u>(600)</u>		
Total Other Financing Sources (Uses)	<u>(130)</u>	<u>(300)</u>	<u>(600)</u>		
Net Changes in Fund Balances (Deficits)	(106)	(120)	(167)	2	6
Fund Balances (Deficits), July 1, 2013	192	1,625	308	500	105
Prior Period Adjustment					
Fund Balances, June 30, 2014	<u>\$ 86</u>	<u>\$ 1,505</u>	<u>\$ 141</u>	<u>\$ 502</u>	<u>\$ 111</u>

DA LOCAL FORFEITURES	DHS WRAPAROUND SAVINGS	DIVCA LCL FRANCHISE FEE	DOMESTIC VIOLENCE	DRUG PROGRAM	
\$	\$	\$	\$	\$	REVENUES:
		349	110		Taxes
54			48	28	Licenses, Permits and Franchises
9	13	12		1	Fines, Forfeitures and Penalties
	1,005				Revenues from Use of Money and Property
					Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
63	1,018	361	158	29	Total Revenues
		440			EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
	123				Health and Sanitation
					Public Assistance
					Culture and Recreation Services
	123	440			Total Expenditures
63	895	(79)	158	29	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
(300)	(60)		(140)	(158)	Transfers In
					Transfers Out
(300)	(60)		(140)	(158)	Total Other Financing Sources (Uses)
(237)	835	(79)	18	(129)	Net Changes in Fund Balances (Deficits)
636	3,870	816	64	338	Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
\$ 399	\$ 4,705	\$ 737	\$ 82	\$ 209	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	EMERGENCY MEDICAL PAYMENTS	EMS WEEK DONATIONS	HEALTH-MAA TCM	HEALTH STATE LUST PROGRAM	HIDTA-STATE ASSET FORFEITURE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	1,556				
Revenues from Use of Money and Property	7				
Aid from Other Governmental Agencies			94		1
Charges for Current Services					
Other Revenues					
Total Revenues	<u>1,563</u>		<u>94</u>		<u>1</u>
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation	945				
Public Assistance					
Culture and Recreation Services					
Total Expenditures	<u>945</u>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>618</u>		<u>94</u>		<u>1</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(370)		(95)	(4)	(45)
Total Other Financing Sources (Uses)	<u>(370)</u>		<u>(95)</u>	<u>(4)</u>	<u>(45)</u>
Net Changes in Fund Balances (Deficits)	248		(1)	(4)	(44)
Fund Balances (Deficits), July 1, 2013	1,022	24	94	4	90
Prior Period Adjustment					
Fund Balances, June 30, 2014	<u>\$ 1,270</u>	<u>\$ 24</u>	<u>\$ 93</u>	<u>\$</u>	<u>46</u>

HOSPITAL PREPAREDNESS PROGRAM	IHSS PUBLIC AUTHORITY	JUVENILE INMATE WELFARE	KERN COUNTY CHILDREN'S FUND	KNET ASSET FORFEITURE	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
				109	Licenses, Permits and Franchises
	(4)	15	9	1	Fines, Forfeitures and Penalties
91	1,285		45		Revenues from Use of Money and Property
			160		Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>91</u>	<u>1,281</u>	<u>15</u>	<u>214</u>	<u>110</u>	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
	9,163		183		Health and Sanitation
					Public Assistance
					Culture and Recreation Services
	<u>9,163</u>		<u>183</u>		Total Expenditures
<u>91</u>	<u>(7,882)</u>	<u>15</u>	<u>31</u>	<u>110</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
	7,725				OTHER FINANCING SOURCES (USES):
(91)				(20)	Transfers In
					Transfers Out
<u>(91)</u>	<u>7,725</u>			<u>(20)</u>	Total Other Financing Sources (Uses)
	(157)	15	31	90	Net Changes in Fund Balances (Deficits)
1	308	201	604	155	Fund Balances (Deficits), July 1, 2013
	570				Prior Period Adjustment
<u>\$ 1</u>	<u>\$ 721</u>	<u>\$ 216</u>	<u>\$ 635</u>	<u>\$ 245</u>	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	LIBRARY BOOKS	LITTER CLEANUP	LOCAL PUBLIC SAFETY	MICROGRAPHICS	NSP GRANT
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties		3			
Revenues from Use of Money and Property	8				
Aid from Other Governmental Agencies			77,587		7
Charges for Current Services					
Other Revenues	177				
Total Revenues	<u>185</u>	<u>3</u>	<u>77,587</u>		<u>7</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>185</u>	<u>3</u>	<u>77,587</u>		<u>7</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(203)	(3)	(81,639)	(60)	(7)
Total Other Financing Sources (Uses)	<u>(203)</u>	<u>(3)</u>	<u>(81,639)</u>	<u>(60)</u>	<u>(7)</u>
Net Changes in Fund Balances (Deficits)	(18)		(4,052)	(60)	
Fund Balances (Deficits), July 1, 2013	525	3	11,831	215	
Prior Period Adjustment					
Fund Balances, June 30, 2014	<u>\$ 507</u>	<u>\$ 3</u>	<u>\$ 7,779</u>	<u>\$ 155</u>	<u>\$</u>

OFF HWY MOTOR VEH LICENSE	PARCEL MAP IN-LIEU FEES	PARKS & RECREATION DONATION FUND	PARKS-TIMBER HARVEST	PLANNED LOCAL DRAINAGE	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
				81	Licenses, Permits and Franchises
	2		1	13	Fines, Forfeitures and Penalties
141					Revenues from Use of Money and Property
		25			Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
141	2	25	1	94	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
	74				Culture and Recreation Services
	74				Total Expenditures
141	(72)	25	1	94	Excess (Deficiency) of Revenues Over (Under) Expenditure
					OTHER FINANCING SOURCES (USES):
					Transfers In
(206)	(43)		(48)		Transfers Out
(206)	(43)		(48)		Total Other Financing Sources (Uses)
(65)	(115)	25	(47)	94	Net Changes in Fund Balances (Deficits)
427	428		84	1,098	Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
\$ 362	\$ 313	\$ 25	\$ 37	\$ 1,192	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	PLANNED SEWER	PLANNING ADMIN. SURCHARGE	PROBATION DJJ REALIGNMENT	PROBATION TRAINING	PUBLIC HEALTH MISC
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties					
Revenues from Use of Money and Property	29	9	11		10
Aid from Other Governmental Agencies				280	
Charges for Current Services	71	658			1
Other Revenues					
Total Revenues	<u>100</u>	<u>667</u>	<u>11</u>	<u>280</u>	<u>11</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>100</u>	<u>667</u>	<u>11</u>	<u>280</u>	<u>11</u>
OTHER FINANCING SOURCES (USES):					
Transfers In			3,967		
Transfers Out		(254)	(3,200)	(273)	(2)
Total Other Financing Sources (Uses)		<u>(254)</u>	<u>767</u>	<u>(273)</u>	<u>(2)</u>
Net Changes in Fund Balances (Deficits)	100	413	778	7	9
Fund Balances (Deficits), July 1, 2013	3,688	1,254	668	72	16
Prior Period Adjustment					
Fund Balances, June 30, 2014	<u>\$ 3,788</u>	<u>\$ 1,667</u>	<u>\$ 1,446</u>	<u>\$ 79</u>	<u>\$ 25</u>

<u>PUBLIC IMPROVEMENT DISTRICTS</u>	<u>RANGE IMPROVEMENT</u>	<u>REAL ESTATE FRAUD</u>	<u>RECORDER</u>	<u>RECORDER'S ELECTRONIC RECORDING</u>	
\$	\$	\$	\$	\$	REVENUES:
				5	Taxes
		1	2	2	Licenses, Permits and Franchises
	8				Fines, Forfeitures and Penalties
		345	2,261	159	Revenues from Use of Money and Property
			3		Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
	<u>8</u>	<u>346</u>	<u>2,271</u>	<u>161</u>	Total Revenues
					EXPENDITURES:
	8	100	3,100	83	General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
	<u>8</u>	<u>100</u>	<u>3,100</u>	<u>83</u>	Total Expenditures
		<u>246</u>	<u>(829)</u>	<u>78</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
			1,093		OTHER FINANCING SOURCES (USES):
		(344)		(134)	Transfers In
					Transfers Out
		<u>(344)</u>	<u>1,093</u>	<u>(134)</u>	Total Other Financing Sources (Uses)
		(98)	264	(56)	Net Changes in Fund Balances (Deficits)
103	94	378	350	341	Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
<u>\$ 103</u>	<u>\$ 94</u>	<u>\$ 280</u>	<u>\$ 614</u>	<u>\$ 285</u>	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	RECORDER MODERNIZATION	RECORDER SSN-TRUNCATION	REDEMPTION SYSTEMS	RMA-HAZARDOUS WASTE SETTLEMENTS	SHELTER CARE
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties			225	162	
Revenues from Use of Money and Property	9		15		
Aid from Other Governmental Agencies					
Charges for Current Services	634	1			
Other Revenues					
Total Revenues	<u>643</u>	<u>1</u>	<u>240</u>	<u>162</u>	
EXPENDITURES:					
General Government					
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					5
Culture and Recreation Services					
Total Expenditures					<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>643</u>	<u>1</u>	<u>240</u>	<u>162</u>	<u>(5)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	<u>(553)</u>	<u>(41)</u>	<u>(446)</u>	<u>(65)</u>	
Total Other Financing Sources (Uses)	<u>(553)</u>	<u>(41)</u>	<u>(446)</u>	<u>(65)</u>	
Net Changes in Fund Balances (Deficits)	90	(40)	(206)	97	(5)
Fund Balances (Deficits), July 1, 2013	2,574	396	2,747	886	218
Prior Period Adjustment			<u>(244)</u>		
Fund Balances, June 30, 2014	<u>\$ 2,664</u>	<u>\$ 356</u>	<u>\$ 2,297</u>	<u>\$ 983</u>	<u>\$ 213</u>

SHERIFF CAL-I.D.	SHERIFF CIVIL AUTOMATED	SHERIFF CIVIL SUBPOENA	SHERIFF CONTROLLED SUBSTANCE	SHERIFF DRUG ABUSE GANG DIVERSION	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
691			95		Licenses, Permits and Franchises
30	14		10	1	Fines, Forfeitures and Penalties
	155				Revenues from Use of Money and Property
		(15)			Aid from Other Governmental Agencies
					Charges for Current Services
					Other Revenues
<u>721</u>	<u>169</u>	<u>(15)</u>	<u>105</u>	<u>1</u>	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
<u>721</u>	<u>169</u>	<u>(15)</u>	<u>105</u>	<u>1</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
				11	OTHER FINANCING SOURCES (USES):
(1,020)	(291)		(441)	(40)	Transfers In
					Transfers Out
<u>(1,020)</u>	<u>(291)</u>		<u>(441)</u>	<u>(29)</u>	Total Other Financing Sources (Uses)
(299)	(122)	(15)	(336)	(28)	Net Changes in Fund Balances (Deficits)
3,327	967	33	702	229	Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
<u>\$ 3,028</u>	<u>\$ 845</u>	<u>\$ 18</u>	<u>\$ 366</u>	<u>\$ 201</u>	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	SHERIFF DRUG AWARENESS PROGRAM	SHERIFF FACILITY TRAINING	SHERIFF INMATE WELFARE	SHERIFF JUDGEMENT DEBTOR FEE	SHERIFF SIDEARM CONVERSION
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	51				
Revenues from Use of Money and Property	11		50	8	
Aid from Other Governmental Agencies					
Charges for Current Services		256		192	
Other Revenues			4,058		4
Total Revenues	62	256	4,108	200	4
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	62	256	4,108	200	4
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers Out	(72)	(200)	(4,110)	(570)	(5)
Total Other Financing Sources (Uses)	(72)	(200)	(4,110)	(570)	(5)
Net Changes in Fund Balances (Deficits)	(10)	56	(2)	(370)	(1)
Fund Balances (Deficits), July 1, 2013	855	52	5,608	809	64
Prior Period Adjustment					
Fund Balances, June 30, 2014	\$ 845	\$ 108	\$ 5,606	\$ 439	\$ 63

SHERIFF STATE ASSET FORFEITURE	SHERIFF TRAINING FUND	SHERIFF'S VOLUNTEER SERVICE GROUP	SHERIFF WORK RELEASE	SOLID WASTE LEA GRANT	
\$	\$	\$	\$	\$	REVENUES:
					Taxes
94					Licenses, Permits and Franchises
					Fines, Forfeitures and Penalties
					Revenues from Use of Money and Property
				4	Aid from Other Governmental Agencies
					Charges for Current Services
	125	9	484		Other Revenues
94	125	9	484	4	Total Revenues
					EXPENDITURES:
					General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Culture and Recreation Services
					Total Expenditures
94	125	9	484	4	Excess (Deficiency) of Revenues Over (Under) Expenditures
					OTHER FINANCING SOURCES (USES):
(61)	(91)	(6)	(486)	(39)	Transfers In
(61)	(91)	(6)	(486)	(39)	Transfers Out
33	34	3	(2)	(35)	Total Other Financing Sources (Uses)
407		105	24	35	Net Changes in Fund Balances (Deficits)
					Fund Balances (Deficits), July 1, 2013
					Prior Period Adjustment
\$ 440	\$ 34	\$ 108	\$ 22	\$	Fund Balances, June 30, 2014

**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, 2014 (IN THOUSANDS)**

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	STERILIZATION	STRONG MOTION INSTRUMENTATION	TOBACCO EDUCATION CONTROL	VITAL HEALTH STATISTICS COUNTY CLERK
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises	29	82		
Fines, Forfeitures and Penalties				
Revenues from Use of Money and Property				
Aid from Other Governmental Agencies			170	
Charges for Current Services				2
Other Revenues				
Total Revenues	<u>29</u>	<u>82</u>	<u>170</u>	<u>2</u>
EXPENDITURES:				
General Government				
Public Protection		110		
Public Ways and Facilities				
Health and Sanitation				
Public Assistance				
Culture and Recreation Services				
Total Expenditures		<u>110</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29</u>	<u>(28)</u>	<u>170</u>	<u>2</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out	<u>(29)</u>		<u>(138)</u>	<u>(2)</u>
Total Other Financing Sources (Uses)	<u>(29)</u>		<u>(138)</u>	<u>(2)</u>
Net Changes in Fund Balances (Deficits)		(28)	32	
Fund Balances (Deficits), July 1, 2013	41	108	(16)	1
Prior Period Adjustment				
Fund Balances, June 30, 2014	<u>\$ 41</u>	<u>\$ 80</u>	<u>\$ 16</u>	<u>\$ 1</u>

<u>VITAL HEALTH STATISTICS</u>	<u>VITAL HEALTH STATISTICS RECORDER</u>	<u>WILDLIFE RESOURCES</u>	<u>OTHER SPECIAL REVENUE</u>	
\$	\$	\$	\$	REVENUES:
			14,548	Taxes
		9	86	Licenses, Permits and Franchises
			(63)	Fines, Forfeitures and Penalties
			200	Revenues from Use of Money and Property
60	81			Aid from Other Governmental Agencies
				Charges for Current Services
				Other Revenues
<u>60</u>	<u>81</u>	<u>9</u>	<u>14,771</u>	Total Revenues
				EXPENDITURES:
		6		General Government
				Public Protection
				Public Ways and Facilities
				Health and Sanitation
				Public Assistance
				Culture and Recreation Services
		<u>6</u>		Total Expenditures
<u>60</u>	<u>81</u>	<u>3</u>	<u>14,771</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
				OTHER FINANCING SOURCES (USES):
(67)	(62)			Transfers In
				Transfers Out
<u>(67)</u>	<u>(62)</u>			Total Other Financing Sources (Uses)
(7)	19	3	14,771	Net Changes in Fund Balances (Deficits)
84	343	24	1,434	Fund Balances (Deficits), July 1, 2013
				Prior Period Adjustment
<u>\$ 77</u>	<u>\$ 362</u>	<u>\$ 27</u>	<u>\$ 16,205</u>	Fund Balances, June 30, 2014

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	ABATEMENT COST				ADOPTION PREPAYMENT ANIMAL SERVICES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$ 42	\$ 42	\$ 62	\$ 20	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties			18	18				
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>42</u>	<u>42</u>	<u>80</u>	<u>38</u>				
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42</u>	<u>42</u>	<u>80</u>	<u>38</u>				
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(90)	(104)	(100)	4	(20)	(20)	(20)	
Total Other Financing Sources (Uses)	<u>(90)</u>	<u>(104)</u>	<u>(100)</u>	<u>4</u>	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	
Net Changes in Fund Balances (Deficits)	(48)	(62)	(20)	42	(20)	(20)	(20)	
Fund Balances, July 1, 2013 (as previously reported)	62	62	62		20	20	20	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 14</u>	<u>\$</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	AGING AND ADULT SERVICES				ALCOHOL ABUSE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					61	61	78	17
Revenues from Use of Money and Property	27	27	23	(4)				
Aid from Other Governmental Agencies	9,393	9,479	9,671	192				
Charges for Current Services	1,237	1,237	1,357	120				
Other Revenues	281	258	288	30				
Total Revenues	10,938	11,001	11,339	338	61	61	78	17
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance	14,244	14,344	13,860	484				
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	14,244	14,344	13,860	484				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,306)	(3,343)	(2,521)	822	61	61	78	17
OTHER FINANCING SOURCES (USES):								
Transfers In	3,065	3,065	3,065					
Transfers Out					(62)	(62)	(62)	
Total Other Financing Sources (Uses)	3,065	3,065	3,065		(62)	(62)	(62)	
Net Changes in Fund Balances (Deficits)	(241)	(278)	544	822	(1)	(1)	16	17
Fund Balances, July 1, 2013 (as previously reported)	1,929	1,929	1,929		80	80	80	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 1,688	\$ 1,651	\$ 2,473	\$ 822	\$ 79	\$ 79	\$ 96	\$ 17

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	ALCOHOL PROGRAM				ANIMAL CARE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	72	72	89	17				
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>72</u>	<u>72</u>	<u>89</u>	<u>17</u>				
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72</u>	<u>72</u>	<u>89</u>	<u>17</u>				
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(73)	(73)	(72)	1	(20)	(20)	(20)	
Total Other Financing Sources (Uses)	<u>(73)</u>	<u>(73)</u>	<u>(72)</u>	<u>1</u>	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	
Net Changes in Fund Balances (Deficits)	(1)	(1)	17	18	(20)	(20)	(20)	
Fund Balances, July 1, 2013 (as previously reported)	20	20	20		20	20	20	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 37</u>	<u>\$ 18</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	ANIMAL CARE DONATIONS				ANIMAL CONTROL FELINE CARCASSES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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								
	<u>9</u>	<u>9</u>	<u>11</u>	<u>2</u>				
Total Revenues	<u>9</u>	<u>9</u>	<u>11</u>	<u>2</u>				
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9</u>	<u>9</u>	<u>11</u>	<u>2</u>				
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	<u>(64)</u>	<u>(64)</u>	<u>(64)</u>		<u>(12)</u>	<u>(12)</u>	<u>(12)</u>	
Total Other Financing Sources (Uses)	<u>(64)</u>	<u>(64)</u>	<u>(64)</u>		<u>(12)</u>	<u>(12)</u>	<u>(12)</u>	
Net Changes in Fund Balances (Deficits)	(55)	(55)	(53)	2	(12)	(12)	(12)	
Fund Balances, July 1, 2013 (as previously reported)	55	55	55		12	12	12	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	ARRA CD-NSP 3 GRANT				ARRA ENERGY GRANT			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	529	529	6	(523)	1	1		(1)
Other Revenues								
Total Revenues	<u>529</u>	<u>529</u>	<u>6</u>	<u>(523)</u>	<u>1</u>	<u>1</u>		<u>(1)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance	440	440		440				
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	<u>440</u>	<u>440</u>		<u>440</u>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>89</u>	<u>89</u>	<u>6</u>	<u>83</u>	<u>1</u>	<u>1</u>		<u>(1)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out		(89)	(6)	83	(11)	(11)	(10)	1
Total Other Financing Sources (Uses)		<u>(89)</u>	<u>(6)</u>	<u>83</u>	<u>(11)</u>	<u>(11)</u>	<u>(10)</u>	<u>1</u>
Net Changes in Fund Balances (Deficits)					(10)	(10)	(10)	
Fund Balances, July 1, 2013 (as previously reported)					10	10	10	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	AUTOMATED CO. WARRANT SYSTEM				AUTOMATED FINGERPRINT			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	54	54	51	(3)	250	250	267	17
Revenues from Use of Money and Property					15	15	18	3
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>54</u>	<u>54</u>	<u>51</u>	<u>(3)</u>	<u>265</u>	<u>265</u>	<u>285</u>	<u>20</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>54</u>	<u>54</u>	<u>51</u>	<u>(3)</u>	<u>265</u>	<u>265</u>	<u>285</u>	<u>20</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(54)	(54)	(54)		(837)	(837)	(825)	12
Total Other Financing Sources (Uses)	<u>(54)</u>	<u>(54)</u>	<u>(54)</u>		<u>(837)</u>	<u>(837)</u>	<u>(825)</u>	<u>12</u>
Net Changes in Fund Balances (Deficits)			(3)	(3)	(572)	(572)	(540)	32
Fund Balances, July 1, 2013 (as previously reported)	12	12	12		1,304	1,304	1,304	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ (3)</u>	<u>\$ 732</u>	<u>\$ 732</u>	<u>\$ 764</u>	<u>\$ 32</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	BIO TERRORISM GRANT				BOARD OF TRADE ADVERTISING			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	1	1	
Aid from Other Governmental Agencies	598	599	486	(113)				
Charges for Current Services								
Other Revenues					45	45	36	(9)
Total Revenues	599	599	486	(113)	46	46	37	(9)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	599	599	486	(113)	46	46	37	(9)
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(598)	(598)	(457)	141	(46)	(46)	(26)	20
Total Other Financing Sources (Uses)	(598)	(598)	(457)	141	(46)	(46)	(26)	20
Net Changes in Fund Balances (Deficits)	1	1	29	28			11	11
Fund Balances, July 1, 2013 (as previously reported)	8	8	8		162	162	162	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 9	\$ 9	\$ 37	\$ 28	\$ 162	\$ 162	\$ 173	\$ 11

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	BUILDING INSPECTION				CHILD RESTRAINT LOANER			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises	4,204	4,204	7,048	2,844				
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property	72	72	111	39				
Aid from Other Governmental Agencies								
Charges for Current Services					44	44	42	(2)
Other Revenues	13	13	22	9				
Total Revenues	4,289	4,289	7,181	2,892	44	44	42	(2)
EXPENDITURES:								
Current:								
General Government								
Public Protection	8,102	8,788	6,181	2,607				
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	8,102	8,788	6,181	2,607				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,813)	(4,499)	1,000	5,499	44	44	42	(2)
OTHER FINANCING SOURCES (USES):								
Transfers In	8	8		(8)				
Transfers Out					(109)	(109)	(71)	38
Total Other Financing Sources (Uses)	8	8		(8)	(109)	(109)	(71)	38
Net Changes in Fund Balances (Deficits)	(3,805)	(4,491)	1,000	5,491	(65)	(65)	(29)	36
Fund Balances, July 1, 2013 (as previously reported)	13,562	13,562	13,562		155	155	155	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 9,757	\$ 9,071	\$ 14,562	\$ 5,491	\$ 90	\$ 90	\$ 126	\$ 36

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

\$ 7,181

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule

\$ 6,181

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period

(145)

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

\$ 6,036

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	COMMUNITY DEVELOPMENT				COUNTY SERVICE AREAS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	2,339	2,655	316
Licenses, Permits and Franchises							166	166
Fines, Forfeitures and Penalties						281	61	(220)
Revenues from Use of Money and Property						6		(6)
Aid from Other Governmental Agencies	16,995	16,995	5,371	(11,624)				
Charges for Current Services								
Other Revenues	510	510	427	(83)		57	2	(55)
Total Revenues	17,505	17,505	5,798	(11,707)		2,683	2,884	201
EXPENDITURES:								
Current:								
General Government								
Public Protection						227	22	205
Health and Sanitation						1,441	884	557
Public Assistance	15,835	15,536	3,019	12,517				
Education								
Culture and Recreation								
Public Ways and Facilities						3,340	2,621	719
Total Expenditures	15,835	15,536	3,019	12,517		5,008	3,527	1,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,670	1,969	2,779	810		(2,325)	(643)	1,682
OTHER FINANCING SOURCES (USES):								
Transfers In	5	5		(5)			116	116
Transfers Out	(1,146)	(2,438)	(2,392)	46		(235)	(166)	69
Total Other Financing Sources (Uses)	(1,141)	(2,433)	(2,392)	41		(235)	(50)	185
Net Changes in Fund Balances (Deficits)	529	(464)	387	851		(2,560)	(693)	1,867
Fund Balances, July 1, 2013 (as previously reported)	539	539	539		8,633	8,633	8,633	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 1,068	\$ 75	\$ 926	\$ 851	\$ 8,633	\$ 6,073	\$ 7,940	\$ 1,867

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

\$ 2,884

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule

\$ 3,527

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period

(4)

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

\$ 3,523

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	CRIMINAL JUSTICE FACILITY				CRIMINALISTICS LABORATORIES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	2,578	2,578	2,755	177	52	52	24	(28)
Revenues from Use of Money and Property			8	8				
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>2,578</u>	<u>2,578</u>	<u>2,763</u>	<u>185</u>	<u>52</u>	<u>52</u>	<u>24</u>	<u>(28)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,578</u>	<u>2,578</u>	<u>2,763</u>	<u>185</u>	<u>52</u>	<u>52</u>	<u>24</u>	<u>(28)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(3,300)	(3,300)	(2,900)	400	(130)	(130)	(130)	
Total Other Financing Sources (Uses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>(2,900)</u>	<u>400</u>	<u>(130)</u>	<u>(130)</u>	<u>(130)</u>	
Net Changes in Fund Balances (Deficits)	(722)	(722)	(137)	585	(78)	(78)	(106)	(28)
Fund Balances, July 1, 2013 (as previously reported)	1,945	1,945	1,945		192	192	192	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 1,223</u>	<u>\$ 1,223</u>	<u>\$ 1,808</u>	<u>\$ 585</u>	<u>\$ 114</u>	<u>\$ 114</u>	<u>\$ 86</u>	<u>\$ (28)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	DA COURT ORDERED PENALTIES				DA/SHERIFF/PROBATION DNA FUND			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	50	50	172	122	450	450	433	(17)
Revenues from Use of Money and Property			8	8				
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	50	50	180	130	450	450	433	(17)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	50	180	130	450	450	433	(17)
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(315)	(315)	(300)	15	(600)	(600)	(600)	
Total Other Financing Sources (Uses)	(315)	(315)	(300)	15	(600)	(600)	(600)	
Net Changes in Fund Balances (Deficits)	(265)	(265)	(120)	145	(150)	(150)	(167)	(17)
Fund Balances, July 1, 2013 (as previously reported)	1,625	1,625	1,625		308	308	308	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 1,360	\$ 1,360	\$ 1,505	\$ 145	\$ 158	\$ 158	\$ 141	\$ (17)

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	DA EQUIPMENT AUTOMATION				DA FEDERAL FORFEITURES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$		\$	\$	\$		\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	1	1		(1)	2	2	6	4
Revenues from Use of Money and Property			2	2				
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>6</u>	<u>4</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>6</u>	<u>4</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(315)	(82)		82				
Total Other Financing Sources (Uses)	<u>(315)</u>	<u>(82)</u>		<u>82</u>				
Net Changes in Fund Balances (Deficits)	(314)	(81)	2	83	2	2	6	4
Fund Balances, July 1, 2013 (as previously reported)	500	500	500		105	105	105	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 186</u>	<u>\$ 419</u>	<u>\$ 502</u>	<u>\$ 83</u>	<u>\$ 107</u>	<u>\$ 107</u>	<u>\$ 111</u>	<u>\$ 4</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	DA LOCAL FORFEITURES				DHS WRAPAROUND SAVINGS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	50	50	54	4				
Revenues from Use of Money and Property			9	9			13	13
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues					1,060	1,060	1,005	(55)
Total Revenues	50	50	63	13	1,060	1,060	1,018	(42)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance					3,000	2,800	123	2,677
Public Ways and Facilities								
Total Expenditures					3,000	2,800	123	2,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	50	63	13	(1,940)	(1,740)	895	2,635
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(300)	(300)	(300)			(200)	(60)	140
Total Other Financing Sources (Uses)	(300)	(300)	(300)			(200)	(60)	140
Net Changes in Fund Balances (Deficits)	(250)	(250)	(237)	13	(1,940)	(1,940)	835	2,775
Fund Balances, July 1, 2013 (as previously reported)	636	636	636		3,870	3,870	3,870	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 386	\$ 386	\$ 399	\$ 13	\$ 1,930	\$ 1,930	\$ 4,705	\$ 2,775

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	DIVCA LCL FRANCHISE FEE				DOMESTIC VIOLENCE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$ 350	\$ 350	\$ 349	\$ (1)	\$ 95	\$ 95	\$ 110	\$ 15
Licenses, Permits and Franchises					36	36	48	12
Fines, Forfeitures and Penalties	4	4	12	8				
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>354</u>	<u>354</u>	<u>361</u>	<u>7</u>	<u>131</u>	<u>131</u>	<u>158</u>	<u>27</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection	530	530	440	90				
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures	<u>530</u>	<u>530</u>	<u>440</u>	<u>90</u>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(176)</u>	<u>(176)</u>	<u>(79)</u>	<u>97</u>	<u>131</u>	<u>131</u>	<u>158</u>	<u>27</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out					(140)	(140)	(140)	
Total Other Financing Sources (Uses)					<u>(140)</u>	<u>(140)</u>	<u>(140)</u>	
Net Changes in Fund Balances (Deficits)	(176)	(176)	(79)	97	(9)	(9)	18	27
Fund Balances, July 1, 2013 (as previously reported)	816	816	816		64	64	64	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 640</u>	<u>\$ 640</u>	<u>\$ 737</u>	<u>\$ 97</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 82</u>	<u>\$ 27</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	DRUG PROGRAM				EMERGENCY MEDICAL PAYMENTS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	22	22	28	6	1,748	1,748	1,556	(192)
Revenues from Use of Money and Property	2	2	1	(1)	6	6	7	1
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>24</u>	<u>24</u>	<u>29</u>	<u>5</u>	<u>1,754</u>	<u>1,754</u>	<u>1,563</u>	<u>(191)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation					1,310	1,310	945	365
Public Assistance								
Public Ways and Facilities								
Total Expenditures					<u>1,310</u>	<u>1,310</u>	<u>945</u>	<u>365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24</u>	<u>24</u>	<u>29</u>	<u>5</u>	<u>444</u>	<u>444</u>	<u>618</u>	<u>174</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(158)	(158)	(158)		(444)	(444)	(370)	74
Total Other Financing Sources (Uses)	<u>(158)</u>	<u>(158)</u>	<u>(158)</u>		<u>(444)</u>	<u>(444)</u>	<u>(370)</u>	<u>74</u>
Net Changes in Fund Balances (Deficits)	(134)	(134)	(129)	5			248	248
Fund Balances, July 1, 2013 (as previously reported)	338	338	338		1,022	1,022	1,022	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 204</u>	<u>\$ 204</u>	<u>\$ 209</u>	<u>\$ 5</u>	<u>\$ 1,022</u>	<u>\$ 1,022</u>	<u>\$ 1,270</u>	<u>\$ 248</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	EMS WEEK-DONATIONS				HEALTH-MAA TCM			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	100	94	(6)
Charges for Current Services								
Other Revenues								
Total Revenues					100	100	94	(6)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures					100	100	94	(6)
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(1)	(1)		1	(100)	(100)	(95)	5
Total Other Financing Sources (Uses)	(1)	(1)		1	(100)	(100)	(95)	5
Net Changes in Fund Balances (Deficits)	(1)	(1)		1			(1)	(1)
Fund Balances, July 1, 2013 (as previously reported)	24	24	24		94	94	94	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 23	\$ 23	\$ 24	\$ 1	\$ 94	\$ 94	\$ 93	\$ (1)

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	HEALTH STATE LUST PROGRAM				HIDTA-STATE ASSET FORFEITURES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	1	
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues					1	1	1	
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures					1	1	1	
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(4)	(4)	(4)		(45)	(45)	(45)	
Total Other Financing Sources (Uses)	(4)	(4)	(4)		(45)	(45)	(45)	
Net Changes in Fund Balances (Deficits)	(4)	(4)	(4)		(44)	(44)	(44)	
Fund Balances, July 1, 2013 (as previously reported)	4	4	4		90	90	90	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$	\$	\$	\$	\$ 46	\$ 46	\$ 46	\$

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	HOSPITAL PREPAREDNESS PROGRAM				IHSS PUBLIC AUTHORITY			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	(4)	(5)
Aid from Other Governmental Agencies								
Charges for Current Services	98	98	91	(7)	2,664	2,664	1,285	(1,379)
Other Revenues								
Total Revenues	98	98	91	(7)	2,665	2,665	1,281	(1,384)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance					10,523	10,523	9,163	1,360
Public Ways and Facilities								
Total Expenditures					10,523	10,523	9,163	1,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	98	98	91	(7)	(7,858)	(7,858)	(7,882)	(24)
OTHER FINANCING SOURCES (USES):								
Transfers In					7,856	7,859	7,725	(134)
Transfers Out	(98)	(98)	(91)	7				
Total Other Financing Sources (Uses)	(98)	(98)	(91)	7	7,856	7,859	7,725	(134)
Net Changes in Fund Balances (Deficits)					(2)	1	(157)	(158)
Fund Balances, July 1, 2013 (as previously reported)	1	1	1		308	308	308	
Prior Period Adjustment							570	
Fund Balances (Deficits), June 30, 2014	\$ 1	\$ 1	\$ 1	\$	\$ 306	\$ 309	\$ 721	\$ (158)

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	JUVENILE INMATE WELFARE				KERN COUNTY CHILDREN'S FUND			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	15	15	15		4	4	9	5
Aid from Other Governmental Agencies					46	46	45	(1)
Charges for Current Services					159	159	160	1
Other Revenues								
Total Revenues	15	15	15		209	209	214	5
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance					499	485	183	302
Public Ways and Facilities								
Total Expenditures					499	485	183	302
Excess (Deficiency) of Revenues Over (Under) Expenditures	15	15	15		(290)	(276)	31	307
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(25)	(25)						
Total Other Financing Sources (Uses)	(25)	(25)		25				
Net Changes in Fund Balances (Deficits)	(10)	(10)	15	25	(290)	(276)	31	307
Fund Balances, July 1, 2013 (as previously reported)	201	201	201		604	604	604	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 191	\$ 191	\$ 216	\$ 25	\$ 314	\$ 328	\$ 635	\$ 307

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	KNET ASSET FORFEITURES				LIBRARY BOOKS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	20	20	109	89				
Revenues from Use of Money and Property	1	1	1		5	5	8	3
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>21</u>	<u>21</u>	<u>110</u>	<u>89</u>	<u>91</u>	<u>91</u>	<u>177</u>	<u>86</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21</u>	<u>21</u>	<u>110</u>	<u>89</u>	<u>96</u>	<u>96</u>	<u>185</u>	<u>89</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(20)	(20)	(20)		(25)	(205)	(203)	2
Total Other Financing Sources (Uses)	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>		<u>(25)</u>	<u>(205)</u>	<u>(203)</u>	<u>2</u>
Net Changes in Fund Balances (Deficits)	1	1	90	89	71	(109)	(18)	91
Fund Balances, July 1, 2013 (as previously reported)	155	155	155		525	525	525	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 156</u>	<u>\$ 156</u>	<u>\$ 245</u>	<u>\$ 89</u>	<u>\$ 596</u>	<u>\$ 416</u>	<u>\$ 507</u>	<u>\$ 91</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	LITTER CLEANUP				LOCAL PUBLIC SAFETY			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	3	3	3					
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies					68,508	69,808	77,587	7,779
Charges for Current Services								
Other Revenues								
Total Revenues	<u>3</u>	<u>3</u>	<u>3</u>		<u>68,508</u>	<u>69,808</u>	<u>77,587</u>	<u>7,779</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3</u>	<u>3</u>	<u>3</u>		<u>68,508</u>	<u>69,808</u>	<u>77,587</u>	<u>7,779</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(3)	(3)	(3)		(80,339)	(81,639)	(81,639)	
Total Other Financing Sources (Uses)	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>		<u>(80,339)</u>	<u>(81,639)</u>	<u>(81,639)</u>	
Net Changes in Fund Balances (Deficits)					(11,831)	(11,831)	(4,052)	7,779
Fund Balances, July 1, 2013 (as previously reported)	3	3	3		11,831	11,831	11,831	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>		<u>\$</u>	<u>\$</u>	<u>\$ 7,779</u>	<u>\$ 7,779</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	MICROGRAPHICS				NSP GRANT			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	2	2		(2)	115	115	7	(108)
Other Revenues								
Total Revenues	<u>2</u>	<u>2</u>		<u>(2)</u>	<u>115</u>	<u>115</u>	<u>7</u>	<u>(108)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance					108	108		
Public Ways and Facilities								
Total Expenditures					<u>108</u>	<u>108</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>		<u>(2)</u>	<u>7</u>	<u>7</u>	<u>7</u>	
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(118)	(118)	(60)	58	(7)	(7)	(7)	
Total Other Financing Sources (Uses)	<u>(118)</u>	<u>(118)</u>	<u>(60)</u>	<u>58</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	
Net Changes in Fund Balances (Deficits)	(116)	(116)	(60)	56				
Fund Balances, July 1, 2013 (as previously reported)	215	215	215					
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ 155</u>	<u>\$ 56</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	OFF HWY MOTOR VEHICLE LICENSE				PARCEL MAP IN-LIEU FEES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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					3	3	2	(1)
Aid from Other Governmental Agencies	140	140	141	1				
Charges for Current Services					3	3		(3)
Other Revenues								
Total Revenues	<u>140</u>	<u>140</u>	<u>141</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>2</u>	<u>(4)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures					<u>100</u>	<u>125</u>	<u>74</u>	<u>51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>140</u>	<u>140</u>	<u>141</u>	<u>1</u>	<u>(94)</u>	<u>(119)</u>	<u>(72)</u>	<u>47</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	<u>(260)</u>	<u>(260)</u>	<u>(206)</u>	<u>54</u>		<u>(43)</u>	<u>(43)</u>	
Total Other Financing Sources (Uses)	<u>(260)</u>	<u>(260)</u>	<u>(206)</u>	<u>54</u>		<u>(43)</u>	<u>(43)</u>	
Net Changes in Fund Balances (Deficits)	(120)	(120)	(65)	55	(94)	(162)	(115)	47
Fund Balances, July 1, 2013 (as previously reported)	427	427	427		428	428	428	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 307</u>	<u>\$ 307</u>	<u>\$ 362</u>	<u>\$ 55</u>	<u>\$ 334</u>	<u>\$ 266</u>	<u>\$ 313</u>	<u>\$ 47</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	PARKS & RECREATION DONATION FUND				PARKS-TIMBER HARVEST			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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								
Charges for Current Services								
Other Revenues								
Total Revenues		28	25	(3)			1	1
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures		28	25	3				
Excess (Deficiency) of Revenues Over (Under) Expenditures							1	1
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out						(65)	(48)	17
Total Other Financing Sources (Uses)						(65)	(48)	17
Net Changes in Fund Balances (Deficits)						(65)	(47)	18
Fund Balances, July 1, 2013 (as previously reported)					84	84	84	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$	\$	\$	\$	\$ 84	\$ 19	\$ 37	\$ 18

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 25

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 25

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period (25)

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

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	PLANNED LOCAL DRAINAGE FACILITY				PLANNED SEWER			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises			81	81				
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property	6	6	13	7	21	21	29	8
Aid from Other Governmental Agencies								
Charges for Current Services					47	47	71	24
Other Revenues								
Total Revenues	<u>6</u>	<u>6</u>	<u>94</u>	<u>88</u>	<u>68</u>	<u>68</u>	<u>100</u>	<u>32</u>
EXPENDITURES:								
Current:								
General Government	2	2		2	4	4		4
Public Protection								
Health and Sanitation								
Public Assistance								
Public Ways and Facilities								
Total Expenditures	<u>2</u>	<u>2</u>		<u>2</u>	<u>4</u>	<u>4</u>		<u>4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4</u>	<u>4</u>	<u>94</u>	<u>90</u>	<u>64</u>	<u>64</u>	<u>100</u>	<u>36</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out								
Total Other Financing Sources (Uses)								
Net Changes in Fund Balances (Deficits)	4	4	94	90	64	64	100	36
Fund Balances, July 1, 2013 (as previously reported)	1,098	1,098	1,098		3,688	3,688	3,688	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 1,102</u>	<u>\$ 1,102</u>	<u>\$ 1,192</u>	<u>\$ 11,418</u>	<u>\$ 3,752</u>	<u>\$ 3,752</u>	<u>\$ 3,788</u>	<u>\$ 36</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	PLANNING ADMIN. SURCHARGE				PROBATION DJJ REALIGNMENT			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	6	6	9	3	8	8	11	3
Aid from Other Governmental Agencies								
Charges for Current Services	460	460	658	198				
Other Revenues								
Total Revenues	<u>466</u>	<u>466</u>	<u>667</u>	<u>201</u>	<u>8</u>	<u>8</u>	<u>11</u>	<u>3</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>466</u>	<u>466</u>	<u>667</u>	<u>201</u>	<u>8</u>	<u>8</u>	<u>11</u>	<u>3</u>
OTHER FINANCING SOURCES (USES):								
Transfers In					3,192	3,967	3,967	
Transfers Out	<u>(1,150)</u>	<u>(1,150)</u>	<u>(254)</u>	<u>896</u>	<u>(3,200)</u>	<u>(3,975)</u>	<u>(3,200)</u>	<u>775</u>
Total Other Financing Sources (Uses)	<u>(1,150)</u>	<u>(1,150)</u>	<u>(254)</u>	<u>896</u>	<u>(8)</u>	<u>(8)</u>	<u>767</u>	<u>775</u>
Net Changes in Fund Balances (Deficits)	(684)	(684)	413	1,097			778	778
Fund Balances, July 1, 2013 (as previously reported)	1,254	1,254	1,254		668	668	668	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 570</u>	<u>\$ 570</u>	<u>\$ 1,667</u>	<u>\$ 1,097</u>	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 1,446</u>	<u>\$ 778</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	PROBATION TRAINING				PUBLIC HEALTH MISC.			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	273	273	280	7	5	5	10	5
Charges for Current Services					2	2	1	(1)
Other Revenues								
Total Revenues	<u>273</u>	<u>273</u>	<u>280</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>11</u>	<u>4</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>273</u>	<u>273</u>	<u>280</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>11</u>	<u>4</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(273)	(273)	(273)		(7)	(7)	(2)	
Total Other Financing Sources (Uses)	<u>(273)</u>	<u>(273)</u>	<u>(273)</u>		<u>(7)</u>	<u>(7)</u>	<u>(2)</u>	<u>5</u>
Net Changes in Fund Balances (Deficits)			7	7			9	9
Fund Balances, July 1, 2013 (as previously reported)	72	72	72		16	16	16	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 72</u>	<u>\$ 72</u>	<u>\$ 79</u>	<u>\$ 7</u>	<u>\$ 16</u>	<u>\$ 16</u>	<u>\$ 25</u>	<u>\$ 9</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	PUBLIC IMPROVEMENT DISTRICTS				RANGE IMPROVEMENT			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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		5,907		(5,907)	1	1	9	8
Charges for Current Services								
Other Revenues								
Total Revenues		<u>5,907</u>		<u>(5,907)</u>	<u>1</u>	<u>10</u>	<u>8</u>	<u>(2)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection		9,322		9,322	6	8	8	
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures		<u>9,322</u>		<u>9,322</u>	<u>12</u>	<u>8</u>	<u>8</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>(3,415)</u>		<u>3,415</u>	<u>(11)</u>	<u>2</u>		<u>(2)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In		3,312		(3,312)				
Transfers Out								
Total Other Financing Sources (Uses)		<u>3,312</u>		<u>(3,312)</u>				
Net Changes in Fund Balances (Deficits)		(103)		103	(11)	2		(2)
Fund Balances, July 1, 2013 (as previously reported)		103		103	94	94		94
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$	<u>\$</u>	\$	<u>\$</u>	\$	<u>\$</u>	\$	<u>\$</u>
			103	103	83	96	94	(2)

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	REAL ESTATE FRAUD				RECORDERS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					4	4	5	1
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property	1	1	1		3	3	2	(1)
Aid from Other Governmental Agencies								
Charges for Current Services	240	240	345	105	2,632	2,632	2,261	(371)
Other Revenues					2	2	3	1
Total Revenues	241	241	346	105	2,641	2,641	2,271	(370)
EXPENDITURES:								
Current:								
General Government								
Public Protection	100	100	100		4,633	4,979	3,156	1,823
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	100	100	100		4,633	4,979	3,156	1,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	141	141	246	105	(1,992)	(2,338)	(885)	1,453
OTHER FINANCING SOURCES (USES):								
Transfers In					1,993	1,993	1,093	(900)
Transfers Out	(344)	(344)	(344)					
Total Other Financing Sources (Uses)	(344)	(344)	(344)		1,993	1,993	1,093	(900)
Net Changes in Fund Balances (Deficits)	(203)	(203)	(98)	105	1	(345)	208	553
Fund Balances, July 1, 2013 (as previously reported)	378	378	378		350	350	350	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 175	\$ 175	\$ 280	\$ 105	\$ 351	\$ 5	\$ 558	\$ 553

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

\$ 2,271

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule

\$ 3,156

Differences - Budget to GAAP

Encumbrances for goods and/or services ordered but not received within the recognition period

\$ (56)

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

\$ 3,100

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	RECORDER'S ELECTRONIC RECORDING				RECORDER MODERNIZATION			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	3	3	2	(1)			9	9
Aid from Other Governmental Agencies								
Charges for Current Services	190	190	159	(31)	850	850	634	(216)
Other Revenues								
Total Revenues	<u>193</u>	<u>193</u>	<u>161</u>	<u>(32)</u>	<u>850</u>	<u>850</u>	<u>643</u>	<u>(207)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection	100	100	83	17				
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	<u>100</u>	<u>100</u>	<u>83</u>	<u>17</u>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>93</u>	<u>93</u>	<u>78</u>	<u>(15)</u>	<u>850</u>	<u>850</u>	<u>643</u>	<u>(207)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In					25	25		(25)
Transfers Out	(157)	(157)	(134)	23	(1,299)	(1,299)	(553)	746
Total Other Financing Sources (Uses)	<u>(157)</u>	<u>(157)</u>	<u>(134)</u>	<u>23</u>	<u>(1,274)</u>	<u>(1,274)</u>	<u>(553)</u>	<u>721</u>
Net Changes in Fund Balances (Deficits)	(64)	(64)	(56)	8	(424)	(424)	90	514
Fund Balances, July 1, 2013 (as previously reported)	341	341	341		2,574	2,574	2,574	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 277</u>	<u>\$ 277</u>	<u>\$ 285</u>	<u>\$ 8</u>	<u>\$ 2,150</u>	<u>\$ 2,150</u>	<u>\$ 2,664</u>	<u>\$ 514</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	RECORDER SSN TRUNCATION				REDEMPTION SYSTEMS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					602	602	225	(377)
Revenues from Use of Money and Property							15	15
Aid from Other Governmental Agencies								
Charges for Current Services	2	2	1	(1)				
Other Revenues								
Total Revenues	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>	<u>602</u>	<u>602</u>	<u>240</u>	<u>(362)</u>
EXPENDITURES:								
Current:								
General Government					244			
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures					<u>244</u>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>	<u>358</u>	<u>602</u>	<u>240</u>	<u>(362)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(59)	(59)	(41)	18	(772)	(1,016)	(446)	570
Total Other Financing Sources (Uses)	<u>(59)</u>	<u>(59)</u>	<u>(41)</u>	<u>18</u>	<u>(772)</u>	<u>(1,016)</u>	<u>(446)</u>	<u>570</u>
Net Changes in Fund Balances (Deficits)	(57)	(57)	(40)	17	(414)	(414)	(206)	208
Fund Balances, July 1, 2013 (as previously reported)	396	396	396		2,747	2,747	2,747	
Prior Period Adjustment							(244)	
Fund Balances (Deficits), June 30, 2014	<u>\$ 339</u>	<u>\$ 339</u>	<u>\$ 356</u>	<u>\$ 17</u>	<u>\$ 2,333</u>	<u>\$ 2,333</u>	<u>\$ 2,297</u>	<u>\$ 208</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	RMA-HAZARDOUS WASTE SETTLEMENTS				SHELTER CARE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	20	20	162	142				
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues					16	16		(16)
Total Revenues	20	20	162	142	16	16		(16)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance					100	100	5	95
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures					100	100	5	95
Excess (Deficiency) of Revenues Over (Under) Expenditures	20	20	162	142	(84)	(84)	(5)	79
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(25)	(324)	(65)	259				
Total Other Financing Sources (Uses)	(25)	(324)	(65)	259				
Net Changes in Fund Balances (Deficits)	(5)	(304)	97	401	(84)	(84)	(5)	79
Fund Balances, July 1, 2013 (as previously reported)	886	886	886		218	218	218	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 881	\$ 582	\$ 983	\$ 401	\$ 134	\$ 134	\$ 213	\$ 79

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF CAL I.D.				SHERIFF CIVIL AUTOMATED			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	800	800	691	(109)				
Revenues from Use of Money and Property	20	20	30	10	6	6	14	8
Aid from Other Governmental Agencies								
Charges for Current Services					200	200	155	(45)
Other Revenues								
Total Revenues	<u>820</u>	<u>820</u>	<u>721</u>	<u>(99)</u>	<u>206</u>	<u>206</u>	<u>169</u>	<u>(37)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>820</u>	<u>820</u>	<u>721</u>	<u>(99)</u>	<u>206</u>	<u>206</u>	<u>169</u>	<u>(37)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(1,147)	(1,147)	(1,020)	127	(43)	(343)	(291)	52
Total Other Financing Sources (Uses)	<u>(1,147)</u>	<u>(1,147)</u>	<u>(1,020)</u>	<u>127</u>	<u>(43)</u>	<u>(343)</u>	<u>(291)</u>	<u>52</u>
Net Changes in Fund Balances (Deficits)	(327)	(327)	(299)	28	163	(137)	(122)	15
Fund Balances, July 1, 2013 (as previously reported)	3,327	3,327	3,327		967	967	967	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,028</u>	<u>\$ 28</u>	<u>\$ 1,130</u>	<u>\$ 830</u>	<u>\$ 845</u>	<u>\$ 15</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF CIVIL SUBPOENA				SHERIFF CONTROLLED SUBSTANCE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					20	20	95	75
Revenues from Use of Money and Property					6	6	10	4
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
	<u>9</u>	<u>9</u>	<u>(15)</u>	<u>(24)</u>				
Total Revenues	<u>9</u>	<u>9</u>	<u>(15)</u>	<u>(24)</u>	<u>26</u>	<u>26</u>	<u>105</u>	<u>79</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9</u>	<u>9</u>	<u>(15)</u>	<u>(24)</u>	<u>26</u>	<u>26</u>	<u>105</u>	<u>79</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out					(450)	(450)	(441)	9
Total Other Financing Sources (Uses)					<u>(450)</u>	<u>(450)</u>	<u>(441)</u>	<u>9</u>
Net Changes in Fund Balances (Deficits)	9	9	(15)	(24)	(424)	(424)	(336)	88
Fund Balances, July 1, 2013 (as previously reported)	33	33	33		702	702	702	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 18</u>	<u>\$ (24)</u>	<u>\$ 278</u>	<u>\$ 278</u>	<u>\$ 366</u>	<u>\$ 88</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF DRUG ABUSE GANG DIVERSION				SHERIFF DRUG AWARENESS PROGRAM			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					100	100	51	(49)
Revenues from Use of Money and Property	2	2	1	(1)	6	6	11	5
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues								
Total Revenues	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>	<u>106</u>	<u>106</u>	<u>62</u>	<u>(44)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>	<u>106</u>	<u>106</u>	<u>62</u>	<u>(44)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In	6	18	11	(7)				
Transfers Out	(40)	(52)	(40)	12	(314)	(327)	(72)	255
Total Other Financing Sources (Uses)	<u>(34)</u>	<u>(34)</u>	<u>(29)</u>	<u>5</u>	<u>(314)</u>	<u>(327)</u>	<u>(72)</u>	<u>255</u>
Net Changes in Fund Balances (Deficits)	(32)	(32)	(28)	4	(208)	(221)	(10)	211
Fund Balances, July 1, 2013 (as previously reported)	229	229	229		855	855	855	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 197</u>	<u>\$ 197</u>	<u>\$ 201</u>	<u>\$ 4</u>	<u>\$ 647</u>	<u>\$ 634</u>	<u>\$ 845</u>	<u>\$ 211</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF FACILITY TRAINING				SHERIFF INMATE WELFARE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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					30	30	50	20
Aid from Other Governmental Agencies								
Charges for Current Services	200	200	256	56				
Other Revenues					3,300	3,300	4,058	758
Total Revenues	<u>200</u>	<u>200</u>	<u>256</u>	<u>56</u>	<u>3,330</u>	<u>3,330</u>	<u>4,108</u>	<u>778</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200</u>	<u>200</u>	<u>256</u>	<u>56</u>	<u>3,330</u>	<u>3,330</u>	<u>4,108</u>	<u>778</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(200)	(200)	(200)		(4,103)	(4,220)	(4,110)	110
Total Other Financing Sources (Uses)	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>		<u>(4,103)</u>	<u>(4,220)</u>	<u>(4,110)</u>	<u>110</u>
Net Changes in Fund Balances (Deficits)			56	56	(773)	(890)	(2)	888
Fund Balances, July 1, 2013 (as previously reported)	52	52	52		5,608	5,608	5,608	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 108</u>	<u>\$ 56</u>	<u>\$ 4,835</u>	<u>\$ 4,718</u>	<u>\$ 5,606</u>	<u>\$ 888</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF JUDGEMENT DEBTOR FEE				SHERIFF SIDEARM CONVERSION			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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			8	8	1	1		(1)
Aid from Other Governmental Agencies								
Charges for Current Services	200	200	192	(8)				
Other Revenues					9	9	4	(5)
Total Revenues	<u>200</u>	<u>200</u>	<u>200</u>		<u>10</u>	<u>10</u>	<u>4</u>	<u>(6)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200</u>	<u>200</u>	<u>200</u>		<u>10</u>	<u>10</u>	<u>4</u>	<u>(6)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(711)	(711)	(570)	141		(5)	(5)	
Total Other Financing Sources (Uses)	<u>(711)</u>	<u>(711)</u>	<u>(570)</u>	<u>141</u>	<u></u>	<u>(5)</u>	<u>(5)</u>	<u></u>
Net Changes in Fund Balances (Deficits)	(511)	(511)	(370)	141	10	5	(1)	(6)
Fund Balances, July 1, 2013 (as previously reported)	809	809	809		64	64	64	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 298</u>	<u>\$ 298</u>	<u>\$ 439</u>	<u>\$ 141</u>	<u>\$ 74</u>	<u>\$ 69</u>	<u>\$ 63</u>	<u>\$ (6)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF STATE ASSET FORFEITURES				SHERIFF TRAINING FUND			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties	40	40	94	54				
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues					140	140	125	(15)
Total Revenues	40	40	94	54	140	140	125	(15)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	40	40	94	54	140	140	125	(15)
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(6)	(68)	(61)	7	(100)	(100)	(91)	9
Total Other Financing Sources (Uses)	(6)	(68)	(61)	7	(100)	(100)	(91)	9
Net Changes in Fund Balances (Deficits)	34	(28)	33	61	40	40	34	(6)
Fund Balances, July 1, 2013 (as previously reported)	407	407	407					
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 441	\$ 379	\$ 440	\$ 61	\$ 40	\$ 40	\$ 34	\$ (6)

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SHERIFF'S VOLUNTEER SERVICE GROUP				SHERIFF WORK RELEASE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property					2	2		(2)
Aid from Other Governmental Agencies								
Charges for Current Services								
Other Revenues	8	8	9	1	498	498	484	(14)
Total Revenues	8	8	9	1	500	500	484	(16)
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	8	8	9	1	500	500	484	(16)
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(10)	(10)	(6)	4	(524)	(524)	(486)	38
Total Other Financing Sources (Uses)	(10)	(10)	(6)	4	(524)	(524)	(486)	38
Net Changes in Fund Balances (Deficits)	(2)	(2)	3		(24)	(24)	(2)	22
Fund Balances, July 1, 2013 (as previously reported)	105	105	105		24	24	24	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	\$ 103	\$ 103	\$ 108	\$	\$	\$	\$ 22	\$ 22

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	SOLID WASTE LEA GRANT				STERILIZATION			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					37	37	29	(8)
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies	33	33	4	(29)				
Charges for Current Services								
Other Revenues								
Total Revenues	<u>33</u>	<u>33</u>	<u>4</u>	<u>(29)</u>	<u>37</u>	<u>37</u>	<u>29</u>	<u>(8)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33</u>	<u>33</u>	<u>4</u>	<u>(29)</u>	<u>37</u>	<u>37</u>	<u>29</u>	<u>(8)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(65)	(69)	(39)	30	(37)	(37)	(29)	8
Total Other Financing Sources (Uses)	<u>(65)</u>	<u>(69)</u>	<u>(39)</u>	<u>30</u>	<u>(37)</u>	<u>(37)</u>	<u>(29)</u>	<u>8</u>
Net Changes in Fund Balances (Deficits)	(32)	(36)	(35)	1				
Fund Balances, July 1, 2013 (as previously reported)	35	35	35		41	41	41	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 3</u>	<u>\$ (1)</u>	<u>\$</u>	<u>\$ 1</u>	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	STRONG MOTION INSTRUMENTATION				TOBACCO EDUCATION CONTROL			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$ 73	\$ 173	\$ 82	\$ (91)	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties								
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies					188	188	170	(18)
Charges for Current Services								
Other Revenues								
Total Revenues	<u>73</u>	<u>173</u>	<u>82</u>	<u>(91)</u>	<u>188</u>	<u>188</u>	<u>170</u>	<u>(18)</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection	67	167	110	57				
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures	<u>67</u>	<u>167</u>	<u>110</u>	<u>57</u>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6</u>	<u>6</u>	<u>(28)</u>	<u>(34)</u>	<u>188</u>	<u>188</u>	<u>170</u>	<u>(18)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out					(150)	(150)	(138)	12
Total Other Financing Sources (Uses)					<u>(150)</u>	<u>(150)</u>	<u>(138)</u>	<u>12</u>
Net Changes in Fund Balances (Deficits)	6	6	(28)	(34)	38	38	32	(6)
Fund Balances, July 1, 2013 (as previously reported)	108	108	108		(16)	(16)	(16)	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 114</u>	<u>\$ 114</u>	<u>\$ 80</u>	<u>\$ (34)</u>	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ 16</u>	<u>\$ (6)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	VITAL HEALTH STATISTICS-COUNTY CLERK				VITAL HEALTH STATISTICS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original 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	2	2	2		60	60	60	
Other Revenues								
Total Revenues	<u>2</u>	<u>2</u>	<u>2</u>		<u>60</u>	<u>60</u>	<u>60</u>	
EXPENDITURES:								
Current:								
General Government								
Public Protection								
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>	<u>2</u>		<u>60</u>	<u>60</u>	<u>60</u>	
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(2)	(2)	(2)		(67)	(67)	(67)	
Total Other Financing Sources (Uses)	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>		<u>(67)</u>	<u>(67)</u>	<u>(67)</u>	
Net Changes in Fund Balances (Deficits)					(7)	(7)	(7)	
Fund Balances, July 1, 2013 (as previously reported)	1	1	1		84	84	84	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	VITAL HEALTH STATISTICS-RECORDER				WILDLIFE RESOURCES			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses, Permits and Franchises								
Fines, Forfeitures and Penalties					8	8	9	1
Revenues from Use of Money and Property								
Aid from Other Governmental Agencies								
Charges for Current Services	60	60	81	21				
Other Revenues								
Total Revenues	<u>60</u>	<u>60</u>	<u>81</u>	<u>21</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>1</u>
EXPENDITURES:								
Current:								
General Government								
Public Protection					18	18	6	12
Health and Sanitation								
Public Assistance								
Education								
Culture and Recreation								
Public Ways and Facilities								
Total Expenditures					<u>18</u>	<u>18</u>	<u>6</u>	<u>12</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>60</u>	<u>60</u>	<u>81</u>	<u>21</u>	<u>(10)</u>	<u>(10)</u>	<u>3</u>	<u>13</u>
OTHER FINANCING SOURCES (USES):								
Transfers In								
Transfers Out	(62)	(62)	(62)					
Total Other Financing Sources (Uses)	<u>(62)</u>	<u>(62)</u>	<u>(62)</u>					
Net Changes in Fund Balances (Deficits)	(2)	(2)	19	21	(10)	(10)	3	13
Fund Balances, July 1, 2013 (as previously reported)	343	343	343		24	24	24	
Prior Period Adjustment								
Fund Balances (Deficits), June 30, 2014	<u>\$ 341</u>	<u>\$ 341</u>	<u>\$ 362</u>	<u>\$ 21</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 27</u>	<u>\$ 13</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULES
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	<u>OTHER SPECIAL REVENUE</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises			14,548	14,548
Fines, Forfeitures and Penalties			86	86
Revenues from Use of Money and Property			(63)	(63)
Aid from Other Governmental Agencies			200	200
Charges for Current Services				
Other Revenues				
Total Revenues	<u> </u>	<u> </u>	<u>14,771</u>	<u>14,771</u>
EXPENDITURES:				
Current:				
General Government				
Public Protection				
Health and Sanitation				
Public Assistance				
Education				
Culture and Recreation				
Public Ways and Facilities				
Total Expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> </u>	<u> </u>	<u>14,771</u>	<u>14,771</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Changes in Fund Balances (Deficits)			14,771	14,771
Fund Balances, July 1, 2013 (as previously reported)	1,434	1,434	1,434	
Prior Period Adjustment				
Fund Balances (Deficits), June 30, 2014	<u>\$ 1,434</u>	<u>\$ 1,434</u>	<u>\$ 16,205</u>	<u>\$ 14,771</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.

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

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

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

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, 2014 (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>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 12,408	\$ 3,353	\$ 892	\$ 3,766
Interest Receivable	20			
Accrued Revenue	<u>1,538</u>			
Total Assets	<u>13,966</u>	<u>3,353</u>	<u>892</u>	<u>3,766</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 13,966</u>	<u>\$ 3,353</u>	<u>\$ 892</u>	<u>\$ 3,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ 1,365	\$ 1,147		\$ 218
Advances from Other Funds	<u>2,000</u>			
Total Liabilities	<u>3,365</u>	<u>1,147</u>		<u>218</u>
Fund Balances:				
Restricted	3,901	2,206	892	
Assigned	<u>6,700</u>			<u>3,548</u>
Total Fund Balances	<u>10,601</u>	<u>2,206</u>	<u>892</u>	<u>3,548</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,966</u>	<u>\$ 3,353</u>	<u>\$ 892</u>	<u>\$ 3,766</u>

<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>HAGEMAN ROAD</u>	<u>SEPARATION OF GRADE</u>	
\$ 274	\$ 2,250 11	\$ 1,070 9 1,538	\$ 803	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
<u>274</u>	<u>2,261</u>	<u>2,617</u>	<u>803</u>	Assets: Pooled Cash and Investments Interest Receivable Accrued Revenue Total Assets
<u>\$ 274</u>	<u>\$ 2,261</u>	<u>\$ 2,617</u>	<u>\$ 803</u>	Total Assets and Deferred Outflows of Resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES
\$	\$	\$ 2,000	\$	Liabilities: Accrued Expenditures Advances from Other Funds Total Liabilities
		<u>2,000</u>		
<u>274</u>	<u>2,261</u>	<u>617</u>	<u>803</u>	Fund Balances: Restricted Assigned Total Fund Balances
<u>274</u>	<u>2,261</u>	<u>617</u>	<u>803</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances
<u>\$ 274</u>	<u>\$ 2,261</u>	<u>\$ 2,617</u>	<u>\$ 803</u>	

**COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
 NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (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	\$ 601	\$ 22	\$ 134	\$ 97
Aid From Other Governments	1,296			
Other Revenues	825		825	
Total Revenues	<u>2,722</u>	<u>22</u>	<u>959</u>	<u>97</u>
EXPENDITURES:				
Capital Outlay	<u>57,675</u>	<u>10,035</u>	<u>300</u>	<u>2,770</u>
Total Expenditures	<u>57,675</u>	<u>10,035</u>	<u>300</u>	<u>2,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,953)</u>	<u>(10,013)</u>	<u>659</u>	<u>(2,673)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	55,461	13,798	223	10,545
Transfers Out	<u>(21,850)</u>	<u>(1,626)</u>		<u>(15,983)</u>
Total Other Financing Sources	<u>33,611</u>	<u>12,172</u>	<u>223</u>	<u>(5,438)</u>
Net Changes In Fund Balances (Deficits)	(21,342)	2,159	882	(8,111)
Fund Balances (Deficits), July 1, 2013	31,943	47	10	11,659
Fund Balances, June 30, 2014	<u>\$ 10,601</u>	<u>\$ 2,206</u>	<u>\$ 892</u>	<u>\$ 3,548</u>

<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>HAGEMAN ROAD</u>	<u>SEPARATION OF GRADE</u>	
\$ 1	\$ 149	\$ 138 1,296	\$ 60	REVENUES:
				Revenues From Use of Money
				Aid From Other Governments
				Other Revenues
				Total Revenues
<u>1</u>	<u>149</u>	<u>1,434</u>	<u>60</u>	
	40,000	785	3,785	EXPENDITURES:
				Capital Outlay
	40,000	785	3,785	Total Expenditures
<u>1</u>	<u>(39,851)</u>	<u>649</u>	<u>(3,725)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
	30,895			OTHER FINANCING SOURCES (USES):
	(4,241)			Transfers In
				Transfers Out
	26,654			Total Other Financing Sources
1	(13,197)	649	(3,725)	Net Changes In Fund Balances (Deficits)
273	15,458	(32)	4,528	Fund Balances (Deficits), July 1, 2013
<u>\$ 274</u>	<u>\$ 2,261</u>	<u>\$ 617</u>	<u>\$ 803</u>	Fund Balances, June 30, 2014

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
TOBACCO SECURITIZATION PROCEEDS
YEAR ENDED JUNE 30, 2014 (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	\$	\$ 1,000	\$ 1,085	\$ 86
Aid From Other Governments		<u>22,181</u>		<u>(22,181)</u>
Total Revenues		<u>23,181</u>	<u>1,085</u>	<u>(22,096)</u>
EXPENDITURES:				
General Government			<u>62</u>	<u>(62)</u>
Total Expenditures			<u>62</u>	<u>(62)</u>
Excess of Revenues Over Expenditures		<u>23,181</u>	<u>1,023</u>	<u>(22,158)</u>
OTHER FINANCING USES:				
Transfers Out		<u>(24,781)</u>	<u>(4,070)</u>	<u>20,711</u>
Total Other Financing Uses		<u>(24,781)</u>	<u>(4,070)</u>	<u>20,711</u>
Net Change in Fund Balance (Deficit)		<u>(1,600)</u>	<u>(3,047)</u>	<u>(1,447)</u>
Fund Balance, July 1, 2013	<u>36,851</u>	<u>36,851</u>	<u>36,851</u>	
Fund Balance, June 30, 2014	<u>\$ 39,265</u>	<u>\$ 35,251</u>	<u>\$ 33,804</u>	<u>\$ (1,447)</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	2009 CAPITAL PROJECTS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$	\$	\$ 22	\$ 22
Other Revenues		76,715		(76,715)
Total Revenues		76,715	22	(76,693)
EXPENDITURES:				
General Government		28,706	19,592	9,114
Public Ways and Facilities		20,065	1,137	18,928
Total Expenditures		48,771	20,729	28,042
Excess (Deficiency) of Revenues Over (Under) Expenditures		27,944	(20,707)	(48,651)
OTHER FINANCING SOURCES (USES)				
Transfers In		6,056	13,798	7,742
Transfers Out		(34,000)	(1,626)	32,374
Total Other Financing Sources (Uses)		(27,944)	12,172	40,116
Net Change in Fund Balance (Deficit)			(8,535)	(8,535)
Fund Balance, July 1, 2013	47	47	47	
Fund Balance (Deficit), June 30, 2014	\$ 47	\$ 47	\$ (8,488)	\$ (8,535)

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 22

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 20,729

Differences - Budget to GAAP

Encumbrances for capital outlay expenditures contracted but not completed within the recognition period (10,694)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 10,035

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	7TH STANDARD ROAD WIDENING			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$	\$	\$ 134	\$ 134
Aid From Other Governments		25,146		(25,146)
Other Revenues		500	825	325
Total Revenues		25,646	959	(24,687)
EXPENDITURES:				
Public Ways and Facilities		42,646	312	42,334
Total Expenditures		42,646	312	42,334
Excess (Deficiency) of Revenues Over (Under) Expenditures		(17,000)	647	17,647
OTHER FINANCING SOURCES				
Transfers In		17,000	223	(16,777)
Total Other Financing Sources		17,000	223	(16,777)
Net Change in Fund Balance			870	870
Fund Balance, July 1, 2013	10	10	10	
Fund Balance, June 30, 2014	\$ 10	\$ 10	\$ 880	\$ 870

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 959

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 312

Differences - Budget to GAAP

Encumbrances for capital outlay expenditures contracted but not completed within the recognition period (12)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 300

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	AB900 JAIL CONSTRUCTION			
	<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	\$ _____	\$ _____	\$ _____ 97	\$ _____ 97
Total Revenues	_____	_____	_____ 97	_____ 97
EXPENDITURES:				
General Government	_____	_____ 12,236	_____ 9,481	_____ 2,755
Total Expenditures	_____	_____ 12,236	_____ 9,481	_____ 2,755
Deficiency of Revenues Under Expenditures	_____	_____ (12,236)	_____ (9,384)	_____ 2,852
OTHER FINANCING SOURCES (USES)				
Transfers In	_____	_____ 40,814	_____ 10,545	_____ (30,269)
Transfers Out	_____	_____ (15,983)	_____ (15,983)	_____
Total Other Financing Sources (Uses)	_____	_____ 24,831	_____ (5,438)	_____ (30,269)
Net Change in Fund Balance (Deficit)	_____	_____ 12,595	_____ (14,822)	_____ (27,417)
Fund Balance, July 1, 2013	_____ 11,659	_____ 11,659	_____ 11,659	_____
Fund Balance (Deficit), June 30, 2014	\$ _____ 11,659	\$ _____ 24,254	\$ _____ (3,163)	\$ _____ (27,417)

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 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ _____ 97
---	-------------

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ _____ 9,481
Differences - Budget to GAAP	
Encumbrances for capital outlay expenditures contracted but not completed within the recognition period	_____ (6,711)
Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ _____ 2,770

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	ACCUMULATIVE CAPITAL OUTLAY FIRE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$ _____	\$ _____ 2	\$ _____ 1	\$ _____ (1)
Total Revenues	_____	_____ 2	_____ 1	_____ (1)
Excess of Revenues Over Expenditures	_____	_____ 2	_____ 1	_____ (1)
Net Change in Fund Balance		2	1	(1)
Fund Balance, July 1, 2013	_____ 273	_____ 273	_____ 273	_____
Fund Balance, June 30, 2014	\$ _____ 273	\$ _____ 275	\$ _____ 274	\$ _____ (1)

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	ACCUMULATIVE CAPITAL OUTLAY GENERAL			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$ _____	\$ _____ 73	\$ _____ 149	\$ _____ 76
Total Revenues	_____	_____ 73	_____ 149	_____ 76
EXPENDITURES:				
General Government	_____	_____ 40,000	_____ 40,000	_____
Total Expenditures	_____	_____ 40,000	_____ 40,000	_____
Deficiency of Revenues Under Expenditures	_____	_____ (39,927)	_____ (39,851)	_____ 76
OTHER FINANCING SOURCES (USES)				
Transfers In	_____	_____ 30,895	_____ 30,895	_____
Transfers Out	_____	_____ (4,241)	_____ (4,241)	_____
Total Other Financing Sources (Uses)	_____	_____ 26,654	_____ 26,654	_____
Net Change in Fund Balance (Deficit)	_____	_____ (13,273)	_____ (13,197)	_____ 76
Fund Balance, July 1, 2013	_____ 15,458	_____ 15,458	_____ 15,458	_____
Fund Balance, June 30, 2014	\$ _____ 15,458	\$ _____ 2,185	\$ _____ 2,261	\$ _____ 76

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	HAGEMAN ROAD			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$	\$	\$ 138	\$ 138
Aid From Other Governments		17,650	1,296	(16,354)
Other Revenues		3,000		(3,000)
Total Revenues		20,650	1,434	(19,216)
EXPENDITURES:				
Public Ways and Facilities		39,000	785	38,215
Total Expenditures		39,000	785	38,215
Excess (Deficiency) of Revenues Over (Under) Expenditures		(18,350)	649	18,999
OTHER FINANCING SOURCES				
Transfers In		18,350		(18,350)
Total Other Financing Sources		18,350		(18,350)
Net Change in Fund Balance			649	649
Fund Balance (Deficit), July 1, 2013	(32)	(32)	(32)	
Fund Balance (Deficit), June 30, 2014	\$ (32)	\$ (32)	\$ 617	\$ 649

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	SEPARATION OF GRADE			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues From Use of Money	\$	\$ 113	\$ 60	\$ (53)
Aid From Other Governments		19,300		(19,300)
Other Revenues		9,543		(9,543)
Total Revenues		28,956	60	(28,896)
EXPENDITURES:				
General Government		28,956	3,785	25,171
Total Expenditures		28,956	3,785	25,171
Deficiency of Revenues Under Expenditures			(3,725)	(3,725)
Net Change in Fund Balance (Deficit)			(3,725)	(3,725)
Fund Balance, July 1, 2013	4,528	4,528	4,528	
Fund Balance, June 30, 2014	\$ 4,528	\$ 4,528	\$ 803	\$ (3,725)

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 County Tobacco Funding Corporation – This 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.

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, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Pooled Cash and Investments	\$ 250	\$	\$	\$ 250
Cash and Investments Deposited with Trustee	11,913	10,674	324	915
Accrued Revenue	6			6
Total Assets	<u>12,169</u>	<u>10,674</u>	<u>324</u>	<u>1,171</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 12,169</u>	<u>\$ 10,674</u>	<u>\$ 324</u>	<u>\$ 1,171</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 12	\$	\$	\$ 12
Total Liabilities	<u>12</u>			<u>12</u>
Fund Balances:				
Restricted	<u>12,157</u>	<u>10,674</u>	<u>324</u>	<u>1,159</u>
Total Fund Balances	<u>12,157</u>	<u>10,674</u>	<u>324</u>	<u>1,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,169</u>	<u>\$ 10,674</u>	<u>\$ 324</u>	<u>\$ 1,171</u>

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC SERVICES FINANCING AUTHORITY</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 496	\$ 471		\$ 25
Tobacco Settlement	7,393	7,393		
Other Revenues	41,676		40,228	1,448
Total Revenues	<u>49,565</u>	<u>7,864</u>	<u>40,228</u>	<u>1,473</u>
EXPENDITURES:				
General Government	491	10		481
Debt Service:				
Principal	32,842	2,800	29,672	370
Interest	16,577	5,228	10,815	534
Total Expenditures	<u>49,910</u>	<u>8,038</u>	<u>40,487</u>	<u>1,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(345)</u>	<u>(174)</u>	<u>(259)</u>	<u>88</u>
Net Changes in Fund Balances (Deficits)	(345)	(174)	(259)	88
Fund Balances, July 1, 2013	<u>12,502</u>	<u>10,848</u>	<u>583</u>	<u>1,071</u>
Fund Balances, June 30, 2014	<u>\$ 12,157</u>	<u>\$ 10,674</u>	<u>\$ 324</u>	<u>\$ 1,159</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. 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 Course - 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, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 19,892	\$ 11,113	\$ 1,436	\$ 6,118	\$ 1,225
Interest Receivable	6	6			
Accrued Revenue	23	11		12	
Net Pension Asset	294	205		89	
Total Current Assets	<u>20,215</u>	<u>11,335</u>	<u>1,436</u>	<u>6,219</u>	<u>1,225</u>
Non-Current Assets:					
Taxes Receivable - Net	1,653	513			1,140
Investment in Joint Venture	2,258	2,258			
Capital Assets:					
Non-Depreciable:					
Land	668	603	65		
Construction in Progress	283	253		30	
Depreciable:					
Structures and Improvements	15,342	8,573	6,483	286	
Equipment	13,670	1,222		12,448	
Intangible Assets	48	48			
Infrastructure	9,024	9,024			
Accumulated Depreciation and Amortization	<u>(21,229)</u>	<u>(11,226)</u>	<u>(2,926)</u>	<u>(7,077)</u>	
Total Non-Current Assets	<u>21,717</u>	<u>11,268</u>	<u>3,622</u>	<u>5,687</u>	<u>1,140</u>
Total Assets	<u>\$ 41,932</u>	<u>\$ 22,603</u>	<u>\$ 5,058</u>	<u>\$ 11,906</u>	<u>\$ 2,365</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,159	\$ 627	\$ 168	\$ 364	
Salaries and Employee Benefits Payable	79	68		11	
Due to Other Funds	16	11			5
Current Portion of Long-Term Debt	89	68		21	
Interest Payable - Current	8	6		2	
Compensated Absences - Current	91	84		7	
Advances from Grantors and Third Parties	4,911			4,911	
Total Current Liabilities	<u>6,353</u>	<u>864</u>	<u>168</u>	<u>5,316</u>	<u>5</u>
Non-Current Liabilities:					
Compensated Absences Payable	47	44		3	
Long-Term Debt - Pension Obligation Bonds	637	489		148	
Interest Payable - Pension Obligation Bonds	387	296		91	
Other Post-Employment Benefits (OPEB) Obligations	90	72		18	
Total Non-Current Liabilities	<u>1,161</u>	<u>901</u>		<u>260</u>	
Total Liabilities	<u>7,514</u>	<u>1,765</u>	<u>168</u>	<u>5,576</u>	<u>5</u>
NET POSITION					
Net Investment in Capital Assets	17,806	8,497	3,622	5,687	
Restricted					
Unrestricted	<u>16,612</u>	<u>12,341</u>	<u>1,268</u>	<u>643</u>	<u>2,360</u>
Total Net Position	<u>\$ 34,418</u>	<u>\$ 20,838</u>	<u>\$ 4,890</u>	<u>\$ 6,330</u>	<u>\$ 2,360</u>

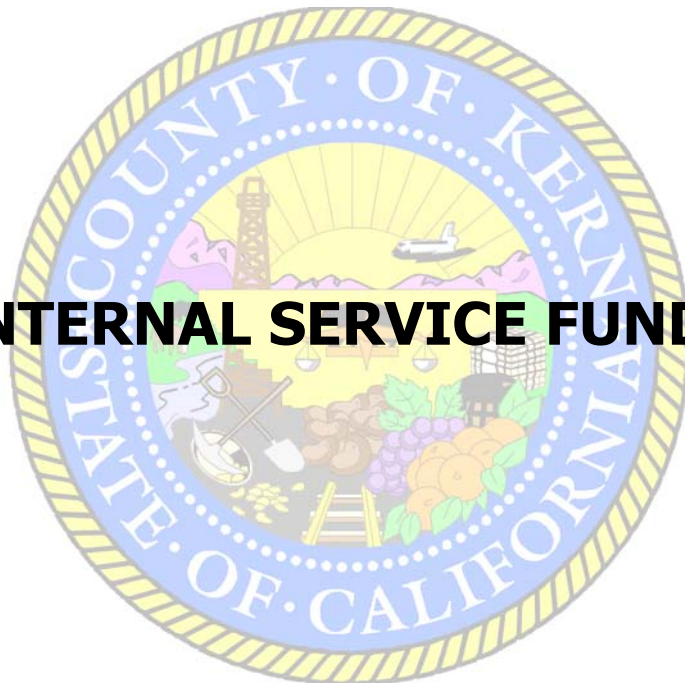
COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICITS)
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
OPERATING REVENUES:					
Charges for Current Services	\$ 18,140	\$ 3,998	\$ 462	\$ 956	\$ 12,724
Revenues from Use of Property	129	81		48	
Total Operating Revenues	<u>18,269</u>	<u>4,079</u>	<u>462</u>	<u>1,004</u>	<u>12,724</u>
OPERATING EXPENSES:					
Salaries and Employee Benefits	1,901	1,571		330	
Services and Supplies	22,763	2,202	240	7,525	12,796
Other Charges	161	50	68	43	
Depreciation and Amortization	1,437	384	148	905	
Total Operating Expenses	<u>26,262</u>	<u>4,207</u>	<u>456</u>	<u>8,803</u>	<u>12,796</u>
Operating Income (Loss)	<u>(7,993)</u>	<u>(128)</u>	<u>6</u>	<u>(7,799)</u>	<u>(72)</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes and Assessments	5,673			5,673	
Fines, Forfeitures and Penalties	281	83			198
Interest on Bank Deposits and Investments	124	94	10	12	8
Aid from Other Governmental Agencies	1,553			1,553	
Other Non-Operating Revenues	60	60			
Interest Expense	(71)	(49)		(15)	(7)
Total Non-Operating Revenues	<u>7,620</u>	<u>188</u>	<u>10</u>	<u>7,223</u>	<u>199</u>
Income (Loss) before Contributions	<u>(373)</u>	<u>60</u>	<u>16</u>	<u>(576)</u>	<u>127</u>
OTHER FINANCING SOURCES					
Capital Contributions	1,692			1,692	
Total Other Financing Sources	<u>1,692</u>			<u>1,692</u>	
Changes in Net Position	1,319	60	16	1,116	127
Net Position, July 1, 2013 (as previously reported)	32,827	20,506	4,874	5,214	2,233
Prior Period Adjustment	272	272			
Net Position, June 30, 2014	<u>\$ 34,418</u>	<u>\$ 20,838</u>	<u>\$ 4,890</u>	<u>\$ 6,330</u>	<u>\$ 2,360</u>

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received for Current Services	\$ 18,086	\$ 4,009	\$ 462	\$ 956	\$ 12,659
Cash Received for Use of Property	129	81		48	
Cash Paid for Salaries and Benefits	(1,861)	(1,548)		(313)	
Cash Paid for Services and Supplies	(22,287)	(1,837)	(78)	(7,579)	(12,793)
Cash Paid for Interfund Services and Supplies	(324)	(285)		(39)	
Cash Paid for Other Charges	(162)	(50)	(68)	(44)	
Net Cash Provided (Used) by Operating Activities	<u>(6,419)</u>	<u>370</u>	<u>316</u>	<u>(6,971)</u>	<u>(134)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Taxes and Special Assessments	5,675			5,673	2
Cash Received as Fines, Forfeitures, and Penalties	281	83			198
Aid from Other Governmental Agencies	6,505			6,505	
Payment of Long-Term Debt - Pension Obligation Bond	(76)	(58)		(18)	
Interest Paid	(34)	(21)		(6)	(7)
Net Cash Provided by Non-Capital Financing Activities	<u>12,351</u>	<u>4</u>		<u>12,154</u>	<u>193</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition or Construction of Capital Assets	(2,382)	(629)		(1,753)	
Net Cash Used by Capital and Related Financing Activities	<u>(2,382)</u>	<u>(629)</u>		<u>(1,753)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Bank Deposits and Investments	124	96	9	12	7
Net Cash Provided by Investing Activities	<u>124</u>	<u>96</u>	<u>9</u>	<u>12</u>	<u>7</u>
Net Increase (Decrease) in Cash and Investments	3,674	(159)	325	3,442	66
Cash and Investments, July 1, 2013	16,218	11,272	1,111	2,676	1,159
Cash and Investments, June 30, 2014	<u>\$ 19,892</u>	<u>\$ 11,113</u>	<u>\$ 1,436</u>	<u>\$ 6,118</u>	<u>\$ 1,225</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (7,993)	\$ (128)	\$ 6	\$ (7,799)	\$ (72)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	1,437	384	148	905	
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	1	1			
(Increase) Decrease in Accrued Revenue	(13)	(12)		(1)	
(Increase) Decrease in Taxes Receivable	(56)	11			(67)
(Increase) Decrease in Due from Others	49	49			
(Increase) Decrease in Net Pension Asset	45	39		6	
Increase (Decrease) in Accrued Expenses	104	35	162	(93)	
Increase (Decrease) in Due to Others	13	8			5
Increase (Decrease) in Salaries & Benefits Payable	3	3			
Increase (Decrease) in Compensated Absences Payable	(17)	(16)		(1)	
Increase (Decrease) in Other Post-Employment Benefits (OPEB) Obligations	8	(4)		12	
Total Adjustments	<u>1,574</u>	<u>498</u>	<u>310</u>	<u>828</u>	<u>(62)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (6,419)</u>	<u>\$ 370</u>	<u>\$ 316</u>	<u>\$ (6,971)</u>	<u>\$ (134)</u>

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS DESCRIPTIONS

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

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

General Services - Garage - This fund provides funding for 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 (DEFICITS)
INTERNAL SERVICE FUNDS
JUNE 30, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 57,742	\$ 8,860	\$ 3,907	\$ 31,155
Interest Receivable	55	10		30
Accrued Revenue	1,124			858
Due from Other Funds	68	1	67	
Prepaid Items	38	38		
Net Pension Asset	31		31	
Inventory - Materials and Supplies	162		162	
Total Current Assets	<u>59,220</u>	<u>8,909</u>	<u>4,167</u>	<u>32,043</u>
Non-Current Assets:				
Deposits with Others	1,804			1,804
Equipment	10,526		10,526	
Intangible	37		37	
Accumulated Depreciation	<u>(5,813)</u>		<u>(5,813)</u>	
Total Non-Current Assets	<u>6,554</u>		<u>4,750</u>	<u>1,804</u>
Total Assets	<u>\$ 65,774</u>	<u>\$ 8,909</u>	<u>\$ 8,917</u>	<u>\$ 33,847</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 4,194	\$ 1,800	\$ 63	\$ 2,301
Salaries and Employee Benefits Payable	69		69	
Long-Term Debt - Current	72		72	
Interest Payable - Current	4		4	
Compensated Absences - Current	78		78	
Liability for Self-Insurance - Current	<u>31,197</u>	<u>6,327</u>		<u>10,284</u>
Total Current Liabilities	<u>35,614</u>	<u>8,127</u>	<u>286</u>	<u>12,585</u>
Non-Current Liabilities				
Compensated Absences Payable	40		40	
Liability for Self-Insurance - Long-Term	114,792	29,261		
Long-Term Debt - Pension Obligation Bonds	288		288	
Interest Payable - Long-Term Debt - Pension Obligation Bonds	335		335	
Other Post-Employment Benefits (OPEB) Obligations	<u>42</u>		<u>42</u>	
Total Non-Current Liabilities	<u>115,497</u>	<u>29,261</u>	<u>705</u>	
Total Liabilities	<u>151,111</u>	<u>37,388</u>	<u>991</u>	<u>12,585</u>
NET POSITION (DEFICITS)				
Net Investment in Capital Assets	4,750		4,750	
Restricted	1,804			1,804
Unrestricted	<u>(91,891)</u>	<u>(28,479)</u>	<u>3,176</u>	<u>19,458</u>
Total Net Position (Deficits)	<u>\$ (85,337)</u>	<u>\$ (28,479)</u>	<u>\$ 7,926</u>	<u>\$ 21,262</u>

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>		
			<u>ASSETS</u>	
\$ 3,398	\$ 2,066	\$ 8,356	Current Assets:	
6		9	Pooled Cash and Investments	
76		190	Interest Receivable	
			Accrued Revenue	
			Due from Other Funds	
			Prepaid Items	
			Net Pension Asset	
			Inventory - Materials and Supplies	
<u>3,480</u>	<u>2,066</u>	<u>8,555</u>	Total Current Assets	
			Non-Current Assets:	
			Deposits with Others	
			Equipment	
			Intangible	
			Accumulated Depreciation	
			Total Non-Current Assets	
\$ <u>3,480</u>	\$ <u>2,066</u>	\$ <u>8,555</u>	Total Assets	
			<u>LIABILITIES</u>	
\$	\$	\$ 30	Current Liabilities:	
			Accounts Payable	
			Salaries and Employee Benefits Payable	
			Long-Term Debt - Current	
			Interest Payable - Current	
			Compensated Absences - Current	
			Liability for Self-Insurance - Current	
	<u>1,324</u>	<u>13,262</u>	Total Current Liabilities	
	<u>1,324</u>	<u>13,292</u>		
			Non-Current Liabilities	
			Compensated Absences Payable	
		85,531	Liability for Self-Insurance - Long-Term	
			Long-Term Debt - Pension Obligation Bonds	
			Interest Payable - Long-Term Debt - Pension Obligation Bonds	
			Other Post-Employment Benefits (OPEB) Obligations	
		<u>85,531</u>	Total Non-Current Liabilities	
	<u>1,324</u>	<u>98,823</u>	Total Liabilities	
			<u>NET POSITION (DEFICITS)</u>	
			Net Investment in Capital Assets	
			Restricted	
			Unrestricted	
<u>3,480</u>	<u>742</u>	<u>(90,268)</u>	Total Net Position (Deficits)	
\$ <u><u>3,480</u></u>	\$ <u><u>742</u></u>	\$ <u><u>(90,268)</u></u>		

COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICITS)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)

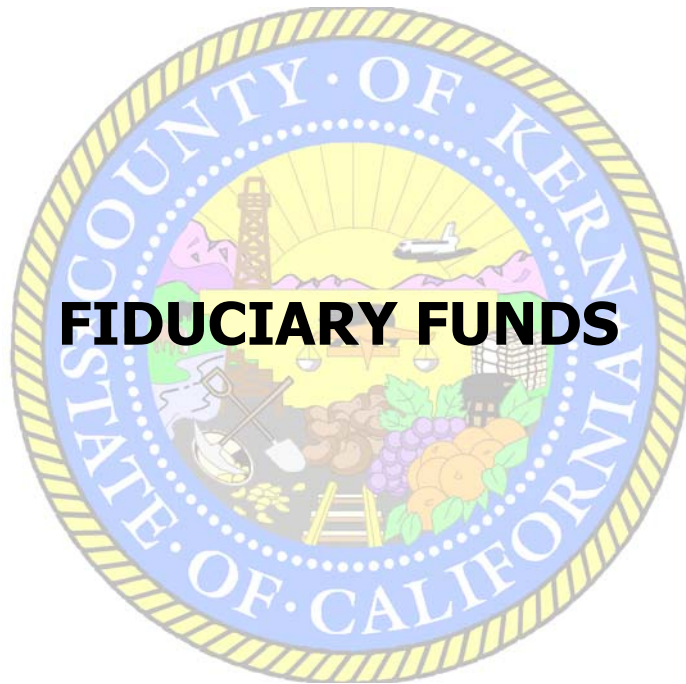
	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
OPERATING REVENUES:				
Charges for Current Services	\$ 172,499	\$ 18,814	\$ 5,168	\$ 119,843
Total Operating Revenues	<u>172,499</u>	<u>18,814</u>	<u>5,168</u>	<u>119,843</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	9,929		1,709	
Services and Supplies	20,939	5,533	1,662	8,479
Claims Incurred	127,041	2,133		108,024
Other Charges	2,376	132	94	2,049
Depreciation Expense	1,011		1,011	
Contribution to OPEB	16,967			
Total Operating Expenses	<u>178,263</u>	<u>7,798</u>	<u>4,476</u>	<u>118,552</u>
Operating Income (Loss)	<u>(5,764)</u>	<u>11,016</u>	<u>692</u>	<u>1,291</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	530	4	18	272
Aid from Other Governmental Agencies	27			26
Other Revenues	8,934	216	130	
Interest Expense	(44)		(44)	
Gain on Sale of Capital Assets	35		35	
Total Non-Operating Revenues	<u>9,482</u>	<u>220</u>	<u>139</u>	<u>298</u>
Income (Loss) before Contributions and Transfers	<u>3,718</u>	<u>11,236</u>	<u>831</u>	<u>1,589</u>
OTHER FINANCING SOURCES				
Capital Contributions	428		428	
Transfers In	1,000	1,000		
Total Other Financing Sources	<u>1,428</u>	<u>1,000</u>	<u>428</u>	
Change in Net Position (Deficits)	5,146	12,236	1,259	1,589
Net Position (Deficits), July 1, 2013 (as previously reported)	(90,457)	(40,715)	6,693	19,673
Prior Period Adjustments	(26)		(26)	
Net Position (Deficits), June 30, 2014	<u>\$ (85,337)</u>	<u>\$ (28,479)</u>	<u>\$ 7,926</u>	<u>\$ 21,262</u>

RETIREE GROUP HEALTH	UNEMPLOYMENT COMPENSATION	WORKERS' COMPENSATION	
\$ 12,072	\$ 2,008	\$ 14,594	OPERATING REVENUES: Charges for Current Services
<u>12,072</u>	<u>2,008</u>	<u>14,594</u>	Total Operating Revenues
8,220			OPERATING EXPENSES: Salaries and Employee Benefits
153	18	5,094	Services and Supplies
	2,686	14,198	Claims Incurred
19		82	Other Charges
<u>16,967</u>			Depreciation Expense
<u>25,359</u>	<u>2,704</u>	<u>19,374</u>	Contribution to OPEB
			Total Operating Expenses
<u>(13,287)</u>	<u>(696)</u>	<u>(4,780)</u>	Operating Income (Loss)
100	32	104	NON-OPERATING REVENUES (EXPENSES): Interest on Bank Deposits and Investments
		1	Aid from Other Governmental Agencies
8,220		368	Other Revenues
			Interest Expense
			Gain on Sale of Capital Assets
<u>8,320</u>	<u>32</u>	<u>473</u>	Total Non-Operating Revenues
<u>(4,967)</u>	<u>(664)</u>	<u>(4,307)</u>	Income (Loss) before Contributions and Transfers
			OTHER FINANCING SOURCES Capital Contributions
			Transfers In
			Total Other Financing Sources
(4,967)	(664)	(4,307)	Change in Net Position (Deficits)
8,447	1,406	(85,961)	Net Position (Deficits), July 1, 2013 (as previously reported)
			Prior Period Adjustments
<u>\$ 3,480</u>	<u>\$ 742</u>	<u>\$ (90,268)</u>	Net Position (Deficits), June 30, 2014

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Current Services	\$ 172,197	\$ 18,814	\$ 5,166	\$ 119,554
Cash Paid for Salaries and Benefits	(9,890)		(1,670)	
Cash Paid for Services and Supplies	(19,452)	(3,734)	(1,781)	(8,680)
Cash Paid for Reported Claims	(132,031)	(9,131)		(108,018)
Cash Paid for Contribution to OPEB				
Cash Paid for Other Charges	(19,342)	(132)	(94)	(2,048)
Deposits with Others	(1,449)			(1,449)
Net Cash Provided (Used) by Operating Activities	<u>(9,967)</u>	<u>5,817</u>	<u>1,621</u>	<u>(641)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Cash Received from Other Funds	9,943	1,216	131	
Cash Received for Other Operations				
Aid from Other Governmental Agencies	27			26
Pension Obligation Bond Principal Paid	(62)		(62)	
Interest Paid	(13)		(13)	
Net Cash Provided by Non-Capital Financing Activities	<u>9,895</u>	<u>1,216</u>	<u>56</u>	<u>26</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Sale of Capital Assets	123		123	
Acquisition or Construction of Capital Assets	(624)		(624)	
Net Cash Used by Capital and Related Financing Activities	<u>(501)</u>		<u>(501)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Bank Deposits and Investments	542	(6)	18	275
Net Increase (Decrease) in Cash and Investments	(31)	7,027	1,194	(340)
Beginning Cash and Investments at July 1, 2013	57,773	1,833	2,713	31,495
Ending Cash and Investments at June 30, 2014	<u>\$ 57,742</u>	<u>\$ 8,860</u>	<u>\$ 3,907</u>	<u>\$ 31,155</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (5,764)	\$ 11,016	\$ 692	\$ 1,291
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,011		1,011	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	(54)		(54)	
(Increase) Decrease in Prepaid Items				
(Increase) Decrease in Accrued Revenue	(334)		60	(289)
(Increase) Decrease in Due from Others	(63)	(1)	(62)	
(Increase) Decrease in Deposits with Others	(1,449)			(1,449)
(Increase) Decrease in Net Pension Asset	33		33	
Increase (Decrease) in Accrued Expenses	1,563	1,800	(45)	(200)
Increase (Decrease) in Due to Others	(20)		(20)	
Increase (Decrease) in Salaries & Benefits Payable	3		3	
Increase (Decrease) in Compensated Absences Payable	2		2	
Increase (Decrease) in Provision for Liability Claims	(4,896)	(6,998)		6
Increase (Decrease) in Other Post-Employment Benefits Obligation	1		1	
Total Adjustments	<u>(4,203)</u>	<u>(5,199)</u>	<u>929</u>	<u>(1,932)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (9,967)</u>	<u>\$ 5,817</u>	<u>\$ 1,621</u>	<u>\$ (641)</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital Contributions	\$ (428)		\$ (428)	
Total Non-cash Investing, Capital, and Financing Activities	<u>\$ (428)</u>		<u>\$ (428)</u>	

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
\$ 12,061	\$ 2,008	\$ 14,594	CASH FLOWS FROM OPERATING ACTIVITIES:
(8,220)			Cash Received for Current Services
(153)	(18)	(5,086)	Cash Paid for Salaries and Benefits
	(2,945)	(11,937)	Cash Paid for Services and Supplies
(16,986)		(82)	Cash Paid for Reported Claims
			Cash Paid for Contribution to OPEB
			Cash Paid for Other Charges
			Deposits with Others
<u>(13,298)</u>	<u>(955)</u>	<u>(2,511)</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
8,221		375	Cash Received from Other Funds
		1	Cash Received for Other Operations
			Aid from Other Governmental Agencies
			Pension Obligation Bond Principal Paid
			Interest Paid
<u>8,221</u>	<u></u>	<u>376</u>	Net Cash Provided by Non-Capital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
			Proceeds from Sale of Capital Assets
			Acquisition or Construction of Capital Assets
			Net Cash Used by Capital and Related Financing Activities
			CASH FLOWS FROM INVESTING ACTIVITIES:
<u>120</u>	<u>31</u>	<u>104</u>	Interest on Bank Deposits and Investments
(4,957)	(924)	(2,031)	Net Increase (Decrease) in Cash and Investments
<u>8,355</u>	<u>2,990</u>	<u>10,387</u>	Beginning Cash and Investments at July 1, 2013
\$ <u><u>3,398</u></u>	\$ <u><u>2,066</u></u>	\$ <u><u>8,356</u></u>	Ending Cash and Investments at June 30, 2014
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$ <u>(13,287)</u>	\$ <u>(696)</u>	\$ <u>(4,780)</u>	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
			Depreciation
			Changes in Assets and Liabilities:
			(Increase) Decrease in Inventory
(11)		(94)	(Increase) Decrease in Prepaid Items
			(Increase) Decrease in Accrued Revenue
			(Increase) Decrease in Due from Others
			(Increase) Decrease in Deposits with Others
		8	(Increase) Decrease in Net Pension Asset
			Increase (Decrease) in Accrued Expenses
			Increase (Decrease) in Due to Others
			Increase (Decrease) in Salaries & Benefits Payable
	(259)	2,355	Increase (Decrease) in Compensated Absences Payable
			Increase (Decrease) in Provision for Liability Claims
			Increase (Decrease) in Other Post-Employment Benefits Obligation
<u>(11)</u>	<u>(259)</u>	<u>2,269</u>	Total Adjustments
\$ <u><u>(13,298)</u></u>	\$ <u><u>(955)</u></u>	\$ <u><u>(2,511)</u></u>	Net Cash Provided (Used) by Operating Activities
			NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
\$ _____	\$ _____	\$ _____	Capital Contributions
\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	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.

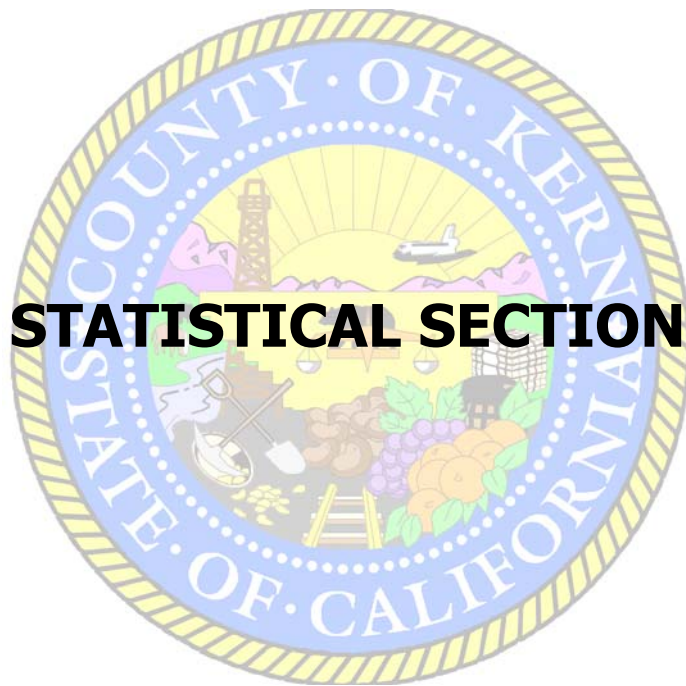
**COUNTY OF KERN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
TOTAL AGENCY FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 196,062	\$ 5,963,238	\$ 5,952,888	\$ 206,412
Investments	1	1,554	1,554	1
Accounts Receivable		83	83	
Interest Receivable	142	126	142	126
Taxes Receivable	51,928	1,289,346	1,291,719	49,555
Due from Other Agencies	13,936	13,692	14,604	13,024
Total Assets	<u>\$ 262,069</u>	<u>\$ 7,268,039</u>	<u>\$ 7,260,990</u>	<u>\$ 269,118</u>
LIABILITIES				
Accounts Payable	\$ 33	\$ 3,831	\$ 3,853	\$ 11
Warrants Payable	16,869	2,913,838	2,921,656	9,051
Interest Payable	1,267	1,329	1,610	986
Due to Other Agencies	243,580	3,229,615	3,214,445	258,750
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 262,069</u>	<u>\$ 6,148,613</u>	<u>\$ 6,141,564</u>	<u>\$ 269,118</u>
CLEARING FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 560	\$ 1,019,597	\$ 1,019,587	\$ 570
Investments	1	1,554	1,554	1
Accounts Receivable		83	83	
Due from Other Agencies	1			1
Total Assets	<u>\$ 562</u>	<u>\$ 1,021,234</u>	<u>\$ 1,021,224</u>	<u>\$ 572</u>
LIABILITIES				
Warrant Payable	\$	\$ 1,170	\$ 1,170	\$
Due to Other Agencies	562	1,042,248	1,042,238	572
Total Liabilities	<u>\$ 562</u>	<u>\$ 1,043,418</u>	<u>\$ 1,043,408</u>	<u>\$ 572</u>
WARRANT CLEARANCE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 16,873	\$ 2,913,841	\$ 2,921,660	\$ 9,054
Total Assets	<u>\$ 16,873</u>	<u>\$ 2,913,841</u>	<u>\$ 2,921,660</u>	<u>\$ 9,054</u>
LIABILITIES				
Warrants Payable	\$ 16,869	\$ 2,913,838	\$ 2,921,656	\$ 9,051
Due to Other Agencies	4	3	4	3
Total Liabilities	<u>\$ 16,873</u>	<u>\$ 2,913,841</u>	<u>\$ 2,921,660</u>	<u>\$ 9,054</u>

**COUNTY OF KERN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014 (IN THOUSANDS)**

Page 2 of 2

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
STATE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 7,365	\$ 43,327	\$ 44,518	\$ 6,174
Total Assets	<u>\$ 7,365</u>	<u>\$ 43,327</u>	<u>\$ 44,518</u>	<u>\$ 6,174</u>
LIABILITIES				
Due to Other Agencies	\$ 7,365	\$ 41,203	\$ 42,394	\$ 6,174
Total Liabilities	<u>\$ 7,365</u>	<u>\$ 41,203</u>	<u>\$ 42,394</u>	<u>\$ 6,174</u>
OTHER FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 155,827	\$ 656,611	\$ 640,247	\$ 172,191
Interest Receivable	65	61	65	61
Due from Other Agencies	13,931	13,665	14,576	13,020
Total Assets	<u>\$ 169,823</u>	<u>\$ 670,337</u>	<u>\$ 654,888</u>	<u>\$ 185,272</u>
LIABILITIES				
Accounts Payable	\$ 33	\$ 2,661	\$ 2,683	\$ 11
Due to Other Agencies	169,790	812,475	797,004	185,261
Total Liabilities	<u>\$ 169,823</u>	<u>\$ 815,136</u>	<u>\$ 799,687</u>	<u>\$ 185,272</u>
UNAPPORTIONED FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 15,437	\$ 1,329,862	\$ 1,326,876	\$ 18,423
Interest Receivable	77	65	77	65
Taxes Receivable	51,928	1,289,346	1,291,719	49,555
Due from Other Agencies	4	27	28	3
Total Assets	<u>\$ 67,446</u>	<u>\$ 2,619,300</u>	<u>\$ 2,618,700</u>	<u>\$ 68,046</u>
LIABILITIES				
Interest Payable	\$ 1,267	\$ 1,329	\$ 1,610	\$ 986
Due to Other Agencies	65,859	1,333,686	1,332,805	66,740
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 67,446</u>	<u>\$ 1,335,015</u>	<u>\$ 1,334,415</u>	<u>\$ 68,046</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				
	2005	2006	2007	2008	2009
Governmental Activities:					
Net Investment in Capital Assets	\$ 309,886	\$ 417,677	\$ 494,591	\$ 508,638	\$ 473,897
Restricted	35,653	15,349	15,352	13,975	230,225
Unrestricted (deficit)	(141,419)	(122,898)	(74,478)	(62,710)	(198,015)
Total Governmental Activities Net Position	<u>\$ 204,120</u>	<u>\$ 310,128</u>	<u>\$ 435,465</u>	<u>\$ 459,903</u>	<u>\$ 506,107</u>
Business-type Activities:					
Net Investment in Capital Assets	\$ 94,418	\$ 124,631	\$ 140,235	\$ 146,013	\$ 154,030
Restricted	9,724	8,428	12,060	5,646	4,904
Unrestricted (deficit)	(37,436)	(52,275)	(79,592)	(85,454)	(70,079)
Total Business-type Activities Net Position	<u>\$ 66,706</u>	<u>\$ 80,784</u>	<u>\$ 72,703</u>	<u>\$ 66,205</u>	<u>\$ 88,855</u>
Primary Government:					
Net Investment in Capital Assets	\$ 404,304	\$ 542,308	\$ 634,826	\$ 654,651	\$ 627,927
Restricted	45,377	23,777	27,412	19,621	235,129
Unrestricted (deficit)	(178,855)	(175,173)	(154,070)	(148,164)	(268,094)
Total Primary Government Net Position	<u>\$ 270,826</u>	<u>\$ 390,912</u>	<u>\$ 508,168</u>	<u>\$ 526,108</u>	<u>\$ 594,962</u>

Fiscal Year					
2010	2011	2012	2013	2014	
\$ 1,542,559	\$ 1,646,543	\$ 1,672,915	\$ 1,711,461	\$ 1,726,834	Governmental Activities:
229,285	319,828	335,190	363,662	347,207	Net Investment in Capital Assets
(122,364)	(267,332)	(266,157)	(262,932)	(294,565)	Restricted
\$ 1,649,480	\$ 1,699,039	\$ 1,741,948	\$ 1,812,191	\$ 1,779,476	Unrestricted (deficit)
					Total Governmental Activities Net Position
					Business-type Activities:
\$ 160,640	\$ 172,883	\$ 170,984	\$ 166,895	\$ 180,025	Net Investment in Capital Assets
4,240	3,037	2,022	15,671	15,231	Restricted
(44,226)	(54,506)	(96,878)	(125,371)	(114,309)	Unrestricted (deficit)
\$ 120,654	\$ 121,414	\$ 76,128	\$ 57,195	\$ 80,947	Total Business-type Activities Net Position
					Primary Government:
\$ 1,703,199	\$ 1,819,426	\$ 1,843,899	\$ 1,878,356	\$ 1,906,859	Net Investment in Capital Assets
233,525	322,865	337,212	379,333	362,438	Restricted
(166,590)	(321,838)	(363,035)	(388,303)	(408,874)	Unrestricted (deficit)
\$ 1,770,134	\$ 1,820,453	\$ 1,818,076	\$ 1,869,386	\$ 1,860,423	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				
	2005	2006	2007	2008	2009
Governmental Activities:					
Expenses:					
General Government	\$ 78,057	\$ 82,788	\$ 76,033	\$ 95,918	\$ 52,916
Public Protection	342,347	374,303	377,961	480,002	487,167
Public Ways and Facilities	22,146	38,348	55,913	50,878	44,648
Health and Sanitation	194,836	126,815	127,676	149,023	151,741
Public Assistance	369,097	381,836	363,655	400,263	411,388
Education	8,852	9,002	10,143	10,159	9,372
Culture and Recreation Services	12,915	10,556	13,459	15,256	14,440
Interest on Short and Long-term Debt	39,428	41,864	42,788	42,412	44,354
Total Expenses	<u>1,067,678</u>	<u>1,065,512</u>	<u>1,067,628</u>	<u>1,243,911</u>	<u>1,216,026</u>
Program Revenues:					
Charges for Services:					
General Government	55,580	53,668	42,294	59,209	62,485
Public Protection	85,930	87,368	74,051	97,856	97,993
Health and Sanitation	120,522	48,041	29,760	54,205	53,702
Other	17,186	18,310	21,230	18,340	17,095
Operating Grants and Contributions	595,660	606,855	617,358	679,220	656,815
Capital Grants and Contributions	9,165	6,564	15,149	9,478	22,800
Total Program Revenues	<u>884,043</u>	<u>820,806</u>	<u>799,842</u>	<u>918,308</u>	<u>910,890</u>
Total Governmental Activities, Net Program Expenses	<u>(183,635)</u>	<u>(244,706)</u>	<u>(267,786)</u>	<u>(325,603)</u>	<u>(305,136)</u>
General Revenues:					
Taxes:					
Property Taxes	148,204	181,729	213,535	244,636	227,163
Vehicle License Taxes ^a	43,739	61,061	77,620	86,828	91,737
Aircraft Taxes	150	156	170	227	232
Sales and Use Taxes	27,423	33,182	35,602	39,618	40,502
Transient Occupancy Tax	1,338	1,414	1,688	1,506	1,676
Special Assessments				3,141	3,093
Transfer Taxes	5,909	7,402	5,334	3,166	2,407
Other Taxes	590	795	864	1,385	856
Vehicle License Taxes ^a					
Unrestricted Investment Earnings	10,502	14,682	28,310	28,043	25,681
Miscellaneous	3,041	20,488	69,578	6,428	9,802
Special Items				3,112	
Transfers	<u>(30,166)</u>	<u>(36,337)</u>	<u>(40,607)</u>	<u>(49,304)</u>	<u>(51,809)</u>
Total General Revenues and Transfers	<u>210,730</u>	<u>284,572</u>	<u>392,094</u>	<u>368,786</u>	<u>351,340</u>
Total Governmental Activities Change in Net Position	<u>\$ 27,095</u>	<u>\$ 39,866</u>	<u>\$ 124,308</u>	<u>\$ 43,183</u>	<u>\$ 46,204</u>

Notes:

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

						Fiscal Year					
						2010	2011	2012	2013	2014	
											Governmental Activities:
											Expenses:
\$	92,049	\$	110,846	\$	93,530	\$	94,901	\$	85,816		General Government
	449,054		491,209		516,877		547,416		558,228		Public Protection
	60,510		10,594		63,955		69,153		122,567		Public Ways and Facilities
	143,156		144,971		154,322		156,302		157,183		Health and Sanitation
	421,154		422,059		396,670		391,318		411,182		Public Assistance
	8,436		9,093		1,984		8,153		8,600		Education
	12,747		13,521		14,690		14,319		14,565		Culture and Recreation Services
	42,013		40,717		42,670		41,161		37,679		Interest on Short and Long-term Debt
	<u>1,229,119</u>		<u>1,243,010</u>		<u>1,284,698</u>		<u>1,322,723</u>		<u>1,395,820</u>		Total Expenses
											Program Revenues:
											Charges for Services:
	65,670		64,151		58,153		58,620		58,908		General Government
	93,839		99,898		90,771		84,355		106,151		Public Protection
	40,064		41,944		46,539		45,590		39,080		Health and Sanitation
	13,451		16,034		13,472		16,790		23,222		Other
	724,772		683,830		688,523		741,506		703,323		Operating Grants and Contributions
	19,123		31,685		20,560		18,936		44,419		Capital Grants and Contributions
	<u>956,919</u>		<u>937,542</u>		<u>918,018</u>		<u>965,797</u>		<u>975,103</u>		Total Program Revenues
	<u>(272,200)</u>		<u>(305,468)</u>		<u>(366,680)</u>		<u>(356,926)</u>		<u>(420,717)</u>		Total Governmental Activities, Net Program Expenses
											General Revenues:
											Taxes:
	226,528		241,326		256,744		271,564		270,406		Property Taxes
	85,897		90,382		92,660		99,756		101,645		Vehicle License Taxes ^a
	201		142		85		151		113		Aircraft Taxes
	33,414		36,997		57,915		55,718		52,240		Sales and Use Taxes
	1,346		1,658		1,732		1,845		1,772		Transient Occupancy Tax
	3,375		3,484		2,888		2,807		2,717		Special Assessments
	2,423		3,817		2,556		2,961		2,942		Transfer Taxes
	711		1,189		1,318		1,435		1,440		Other Taxes
											Vehicle License Taxes ^a
	18,976		13,980		18,338		16,870		17,307		Unrestricted Investment Earnings
	14,260		3,668		7,591		22,356		3,369		Miscellaneous
			(2,406)								Special Items
	<u>(32,591)</u>		<u>(33,921)</u>		<u>(37,681)</u>		<u>(37,735)</u>		<u>(65,949)</u>		Transfers
	<u>354,540</u>		<u>360,316</u>		<u>404,146</u>		<u>437,728</u>		<u>388,002</u>		Total General Revenues and Transfers
\$	<u>82,340</u>	\$	<u>54,848</u>	\$	<u>37,466</u>	\$	<u>80,802</u>	\$	<u>(32,715)</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				
	2005	2006	2007	2008	2009
Business-type Activities:					
Expenses:					
Airports	\$ 5,608	\$ 6,223	\$ 5,962	\$ 8,408	\$ 7,626
County Sanitation Districts	3,061	3,429	3,199	3,378	3,319
Golf Course	4,400	4,725	5,011	4,083	412
Kern Medical Center	192,186	240,742	246,210	266,490	259,558
Public Transportation	5,376	5,652	6,014	6,759	6,787
Universal Collection	7,557	7,930	8,594	9,314	9,797
Waste Management	26,631	36,237	40,305	35,119	35,115
Total Expenses	<u>244,819</u>	<u>304,938</u>	<u>315,295</u>	<u>333,551</u>	<u>322,614</u>
Revenues:					
Charges for Services:					
Airports	2,905	3,396	3,705	4,140	3,785
County Sanitation Districts	3,124	3,580	3,381	4,301	3,696
Golf Course	4,368	4,937	5,274	4,863	421
Kern Medical Center	153,310	205,985	192,987	199,666	222,054
Public Transportation	5,009	4,567	4,350	5,236	5,134
Universal Collection	7,853	8,390	8,970	9,644	9,610
Waste Management	31,236	32,960	32,603	34,212	32,885
Operating Grants and Contributions	686	1,853	7,324	15,666	6,109
Capital Grants and Contributions	4,505	9,674			2,131
Total Revenues	<u>212,996</u>	<u>275,342</u>	<u>258,594</u>	<u>277,728</u>	<u>285,825</u>
Total Business-type Activities, Net Program Expenses	<u>(31,823)</u>	<u>(29,596)</u>	<u>(56,701)</u>	<u>(55,823)</u>	<u>(36,789)</u>
General Revenues:					
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	1,294	1,404	8,432	3,556	3,062
Miscellaneous	3,575	3,593	2,470	3,570	4,568
Gain (Loss) on Sale of Capital Assets	52	(4)		374	
Transfers	30,166	36,337	40,607	49,304	51,809
Total General Revenues and Transfers	<u>35,087</u>	<u>41,330</u>	<u>51,509</u>	<u>56,804</u>	<u>59,439</u>
Total Business-type Activities Change in Net Position	<u>\$ 3,264</u>	<u>\$ 11,734</u>	<u>\$ (5,192)</u>	<u>\$ 981</u>	<u>\$ 22,650</u>
Total Primary Government Change in Net Position	<u>\$ 30,359</u>	<u>\$ 51,600</u>	<u>\$ 119,116</u>	<u>\$ 44,164</u>	<u>\$ 68,854</u>

Fiscal Year					
2010	2011	2012	2013	2014	
					Business-type Activities:
					Expenses:
\$ 7,301	\$ 7,111	\$ 7,089	\$ 8,330	\$ 7,312	Airports
3,593	3,820	3,620	3,707	4,248	County Sanitation Districts
302	231	391	779	456	Golf Course
255,248	279,515	287,972	302,694	297,570	Kern Medical Center
6,892	7,109	8,319	8,367	8,817	Public Transportation
10,203	10,418	10,573	10,867	12,800	Universal Collection
31,869	32,208	31,404	32,080	30,385	Waste Management
<u>315,408</u>	<u>340,412</u>	<u>349,368</u>	<u>366,824</u>	<u>361,588</u>	Total Expenses
					Revenues:
					Charges for Services:
3,610	3,789	4,136	4,095	4,395	Airports
4,008	4,011	4,007	4,081	4,162	County Sanitation Districts
468	458	492	474	462	Golf Course
206,106	182,959	118,038	114,264	134,888	Kern Medical Center
5,211	5,719	6,634	5,896	6,677	Public Transportation
10,815	10,656	10,806	9,817	12,922	Universal Collection
34,635	34,123	36,137	38,787	39,892	Waste Management
34,579	63,175	78,973	112,218	99,819	Operating Grants and Contributions
4,300	3,490	3,811	16,316	15,267	Capital Grants and Contributions
<u>303,732</u>	<u>308,380</u>	<u>263,034</u>	<u>305,948</u>	<u>318,484</u>	Total Revenues
<u>(11,676)</u>	<u>(32,032)</u>	<u>(86,334)</u>	<u>(60,876)</u>	<u>(43,104)</u>	Total Business-type Activities, Net Program Expenses
					General Revenues:
					Grants and Contributions not Restricted to Specific Programs:
1,386	865	598	181	907	Unrestricted Investment Earnings
426	6,844	2,770			Miscellaneous
	(38)				Gain (Loss) on Sale of Capital Assets
32,591	33,921	37,681	37,735	65,949	Transfers
<u>34,403</u>	<u>41,592</u>	<u>41,049</u>	<u>37,916</u>	<u>66,856</u>	Total General Revenues and Transfers
<u>\$ 22,727</u>	<u>\$ 9,560</u>	<u>\$ (45,285)</u>	<u>\$ (22,960)</u>	<u>\$ 23,752</u>	Total Business-type Activities Change in Net Position
<u>\$ 105,067</u>	<u>\$ 64,408</u>	<u>\$ (7,819)</u>	<u>\$ 57,842</u>	<u>\$ (8,963)</u>	Total Primary Government Change in Net Position

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund Balances:					
Reserved	\$ 22,892	\$ 45,409	\$ 85,976	\$ 87,876	\$ 64,283
Unreserved	56,413	80,986	89,163	63,759	80,008
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total General Fund Balances	<u>\$ 79,305</u>	<u>\$ 126,395</u>	<u>\$ 175,139</u>	<u>\$ 151,635</u>	<u>\$ 144,291</u>
All Other Governmental Fund Balances:					
Reserved	\$ 56,889	\$ 45,301	\$ 50,273	\$ 74,362	\$ 207,722
Unreserved, reported in:					
Special Revenue Funds	69,451	69,210	64,416	50,494	71,212
Capital Projects Funds	60,930	57,068	62,562	98,835	24,129
Debt Service					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total All Other Governmental Fund Balances	<u>\$ 187,270</u>	<u>\$ 171,579</u>	<u>\$ 177,251</u>	<u>\$ 223,691</u>	<u>\$ 303,063</u>

¹ GASB 54 was implemented as of June 30, 2011.

Fiscal Year					
2010	2011 ¹	2012	2013	2014	
\$ 27,536	\$	\$	\$	\$	General Fund Balances:
112,674					Reserved
	37,768	21,357	34,005	42,785	Unreserved
	2,553	7,806	9,557	9,718	Nonspendable
	56		130	16	Restricted
	34,838	75,828	106,528	100,909	Committed
	76,778	100,220	99,865	72,898	Assigned
<u>\$ 140,210</u>	<u>\$ 151,993</u>	<u>\$ 205,211</u>	<u>\$ 250,085</u>	<u>\$ 226,326</u>	Unassigned
					Total General Fund Balances
\$ 184,907	\$	\$	\$	\$	All Other Governmental Fund Balances:
148,114					Reserved
2,721					Unreserved, reported in:
	7,969	9,349	7,415	3,515	Special Revenue Funds
	304,849	291,862	307,781	298,854	Capital Projects Funds
	22,381	17,000	18,474	21,602	Debt Service
	5,113	19,970	30,039	23,239	Nonspendable
		(169)	(48)		Restricted
<u>\$ 335,742</u>	<u>\$ 340,312</u>	<u>\$ 338,012</u>	<u>\$ 363,661</u>	<u>\$ 347,210</u>	Committed
					Assigned
					Unassigned
					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				
	2005	2006	2007	2008	2009
REVENUES:					
Taxes	\$ 226,259	\$ 282,594	\$ 340,224	\$ 377,096	\$ 378,753
Licenses, Permits and Franchises	15,084	14,786	15,052	15,598	15,438
Fines, Forfeitures and Penalties	23,026	22,058	20,387	25,662	26,859
Revenues from Use of Money and Property	10,549	15,403	31,470	26,283	23,562
Aid from Other Governmental Agencies	604,825	613,417	646,381	687,017	676,572
Charges for Current Services	142,872	151,193	148,274	172,837	175,442
Other Revenues	119,878	42,073	54,386	48,235	49,309
Total Revenues	1,142,493	1,141,524	1,256,174	1,352,728	1,345,935
EXPENDITURES:					
Current:					
General Government	77,566	82,454	93,611	106,020	106,683
Public Protection	347,724	378,004	418,472	490,835	494,087
Health and Sanitation	196,003	127,005	136,085	150,612	154,796
Public Assistance	368,630	381,301	386,087	401,952	416,377
Education	8,313	8,610	10,151	10,224	9,945
Cultural and Recreation Services	12,489	12,168	13,720	15,558	14,051
Public Ways and Facilities	30,649	43,419	50,344	63,124	51,609
Capital Outlay	7,284	9,878	4,598	4,650	42,755
Debt Service:					
Principal	32,933	20,563	11,790	13,613	16,674
Interest	31,905	33,646	35,700	33,824	30,533
Cost of Issuance					3,020
Total Expenditures	1,113,496	1,097,048	1,160,558	1,290,412	1,337,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,997	44,476	95,616	62,316	8,425
Other Financing Sources (Uses):					
Transfers In	122,073	124,528	127,530	159,309	219,293
Transfers Out	(152,352)	(161,174)	(168,137)	(208,355)	(270,997)
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	539	6,110	2,326	3,337	22,823
Proceeds from Issuance of Certificates of Participation					95,410
Discount on Certificates of Participation					(1,195)
Total Other Financing Sources (Uses)	(29,740)	(30,536)	(38,281)	(45,709)	66,529
SPECIAL ITEMS					
Return Excess Contribution					
Residual Equity Transfer					
Total Special Items					
Net Changes in Fund Balances (Deficits)	\$ (743)	\$ 13,940	\$ 57,335	\$ 16,607	\$ 74,954
Debt Service as a Percentage of Non-Capital Expenditures	6.16%	5.31%	4.45%	3.86%	3.76%

Fiscal Year						
	2010	2011	2012	2013	2014	
	\$ 345,287	\$ 378,742	\$ 415,273	\$ 443,342	\$ 425,124	REVENUES:
	15,937	19,857	24,706	23,363	37,957	Taxes
	25,653	25,466	23,255	24,865	23,574	Licenses, Permits and Franchises
	17,506	13,159	17,774	16,130	16,777	Fines, Forfeitures and Penalties
	741,615	714,023	711,018	739,574	768,169	Revenues from Use of Money and Property
	161,995	165,271	150,515	145,223	152,546	Aid from Other Governmental Agencies
	50,344	49,423	48,614	51,301	55,802	Charges for Current Services
	1,358,337	1,365,941	1,391,155	1,443,798	1,479,949	Other Revenues
						Total Revenues
						EXPENDITURES:
						Current:
	95,160	93,808	96,661	98,654	109,822	General Government
	471,037	483,341	497,464	538,082	575,008	Public Protection
	146,496	144,240	153,265	156,409	114,488	Health and Sanitation
	426,193	420,716	393,863	396,036	437,019	Public Assistance
	9,185	8,625	7,740	7,744	12,391	Education
	13,184	11,858	11,813	12,379	17,324	Cultural and Recreation Services
	53,974	53,841	53,615	54,147	69,496	Public Ways and Facilities
	34,921	45,088	29,331	16,010	59,887	Capital Outlay
						Debt Service:
	18,684	21,177	27,094	35,731	36,241	Principal
	30,794	29,024	31,359	28,458	24,155	Interest
	7	406				Cost of Issuance
	1,299,635	1,312,124	1,302,205	1,343,650	1,455,831	Total Expenditures
	58,702	53,817	88,950	100,148	24,118	Excess (Deficiency) of Revenues Over (Under) Expenditures
						Other Financing Sources (Uses):
	232,934	240,134	292,399	357,551	408,858	Transfers In
	(265,526)	(273,465)	(329,495)	(394,551)	(475,807)	Transfers Out
		4,337				Bonds Issued
		17,840				Refunding Bonds Issued
		(103)				Premium on Bond Issuance
		(19,038)				Payment to Refunded Bonds Escrow Agent
	2,882	627	3,920	7,375	2,150	Proceeds from Long-term Debt
						Inception of Capital Leases
						Proceeds from Issuance of Certificates of Participation
						Discount on Certificates of Participation
	(29,710)	(29,668)	(33,176)	(29,625)	(64,799)	Total Other Financing Sources (Uses)
		(2,710)				SPECIAL ITEMS
		304				Return Excess Contribution
		(2,406)				Residual Equity Transfer
						Total Special Items
	\$ 28,992	\$ 24,149	\$ 55,774	\$ 70,523	\$ (40,681)	Net Changes in Fund Balances (Deficits)
	3.94%	4.11%	4.64%	4.93%	4.27%	Debt Service as a Percentage of Non-Capital Expenditures

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

Fiscal Year	Secured ^a	Unsecured ^b	Unitary ^c	Exempt ^d	Total Taxable Assessed Value ^e	Total Direct Tax Rate
2004 - 05	\$ 45,389,639	\$ 2,065,833	\$ 1,686,769	\$ (722,479)	\$ 48,419,762	1.00000%
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%

Notes:

- ^a Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.
- ^b Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
- ^c Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization.
- ^d Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- ^e Due to 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the Consumer Price Index on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

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

**COUNTY OF KERN
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)**

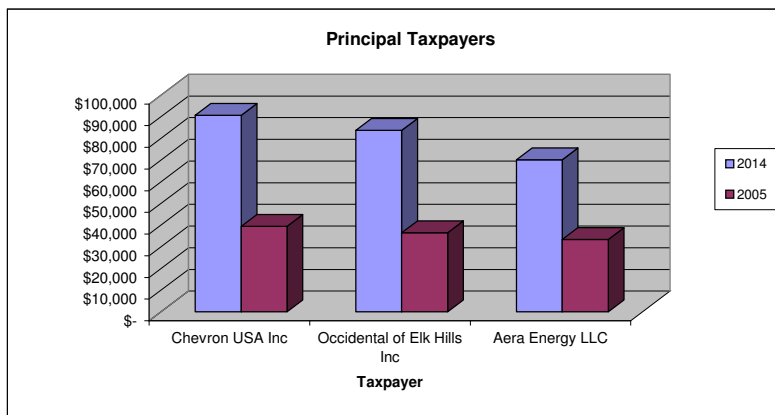
	Fiscal Year				
	2005	2006	2007	2008	2009
County of Kern					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Range of Overlapping Rates					
Total City Rate					
City of Bakersfield	N/A	N/A	N/A	N/A	N/A
Total School District Rate	.01358% to .18265%	.00618% to .18853%	.00497% to .09654%	.00064% to .09683%	0% to .10913%
Total Special District Rate	.00545% to .31250%	.00609% to .31250%	.00585% to .31250%	.00279% to .31250%	0% to .15321%

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

Fiscal Year					
2010	2011	2012	2013	2014	
1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	County of Kern Total County Rate
					Range of Overlapping Rates
N/A	N/A	N/A	N/A	N/A	Total City Rate
0% to .05657%	0% to .08854%	0% to .084810%	0% to .151517%	.01067% to .004545%	City of Bakersfield Total School District Rate
.00304% to .31250%	.00290% to .07049%	.004433% to .121990%	.003285% to .070490%	.011248% to .016354%	Total Special District Rate

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

TAXPAYER	2014				2005			
	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	\$ 8,468,208	1	\$ 90,683	9.18%	\$ 3,689,675	1	\$ 39,419	7.62%
Occidental of Elk Hills Inc	7,741,842	2	83,799	8.39%	3,427,306	2	36,492	7.08%
Aera Energy LLC	6,745,488	3	70,123	7.31%	3,214,334	3	33,351	6.64%
Berry Petroleum Company	1,679,270	4	18,112	1.82%				
Plains Exploration Production Company	1,422,841	5	14,822	1.54%				
Vintage Production Cal LLC	1,083,579	6	12,020	1.54%				
Pacific Gas & Electric Co	746,171	7	10,284	0.81%	404,037	7	4,894	1%
Seneca Resources Corp	789,588	8	8,289	0.86%				
Southern California Edison Co	512,341	9	7,060	0.56%				
Macpherson Oil Co	471,681	10	5,210	0.51%				
La Paloma Generating Trust LTD					485,006	5	5,038	1.00%
Pastoria Energy Facility LLC					432,500	6	4,915	0.89%
Nuevo Energy Co					490,011	4	5,136	1.01%
US Borax Inc					322,171	10	3,479	0.67%
Sunrise Power Company LLC					375,100	8	3,962	0.77%
Elk Hills Power LLC					335,200	9	3,581	0.69%
Total	\$ 29,661,009		\$ 320,402	32.52%	\$ 13,175,340		\$ 140,267	27.21%



Source: The principal property taxpayers for June 30, 2005 was obtained from the "2004-2005 Tax Rates and Assessed Valuations Report." The 2014 information was obtained from the "2013-2014 Tax Rates and Assessed Valuations Report."

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

	Fiscal Year				
	2005 ^a	2006 ^a	2007 ^a	2008 ^a	2009 ^a
Original Levy	\$ 698,397	\$ 808,644	\$ 979,872	\$ 1,067,044	\$ 1,091,610
Adjustments to Original Levy	(1,546)	(1,372)	(2,564)	4,812	(4,995)
Taxes Levied	696,851	807,272	977,308	1,071,856	1,086,615
Collected within the Fiscal Year of the Levy: ^b					
Amount	\$ 669,983	\$ 763,771	\$ 915,429	\$ 1,008,928	\$ 1,038,395
Percentage of Adjusted Levy	96.14%	94.61%	93.67%	94.13%	95.56%
Collections in subsequent years	18,461	17,938	20,545	29,238	42,409
Total Collections to Date:					
Amount	\$ 688,444	\$ 781,709	\$ 935,974	\$ 1,038,165	\$ 1,080,803
Percentage of Adjusted Levy	98.79%	96.83%	95.77%	96.86%	99.47%

Notes:

^a Denotes Secured, Unsecured and Supplemental Property Taxes.

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

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

Fiscal Year						
2010^a	2011^a	2012^a	2013^a	2014^a		
\$ 1,039,467	\$ 1,095,026	\$ 1,109,525	\$ 1,181,437	\$ 1,228,246	Original Levy	
(28)	6,250	17,931	7,100	9,424	Adjustments to Original Levy	
1,039,439	1,101,276	1,127,456	1,188,537	1,237,670	Taxes Levied	
						Collected within the Fiscal Year of the Levy: ^b
\$ 994,181	\$ 1,066,441	\$ 1,099,267	\$ 1,163,336	\$ 1,211,804	Amount	
95.65%	96.84%	97.50%	97.88%	97.91%	Percentage of Adjusted Levy	
34,057	29,153	23,278	22,263	22,917	Collections in subsequent years	
						Total Collections to Date:
\$ 1,028,238	\$ 1,095,593	\$ 1,122,544	\$ 1,185,599	\$ 1,234,721	Amount	
98.92%	99.48%	99.56%	99.75%	99.76%	Percentage of Adjusted Levy	

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental Activities:					
Capital Leases	\$ 5,364	\$ 7,103	\$ 5,419	\$ 3,820	\$ 20,192
Certificates of Participation	30,320	16,565	14,105	11,520	106,000
Bonds Payable	103,290	102,640	101,490	101,056	98,632
Loans Payable	10,307	8,380	6,001	7,608	12,887
Pension Obligation Bonds	463,987	458,849	407,365	398,117	386,402
Total Governmental Activities	613,268	593,537	534,380	522,121	624,113
Business-type Activities:					
Capital Leases	3	2			2,495
Loans Payable					
Certificates of Participation	54,530	50,580	46,465	40,760	36,230
Pension Obligation Bonds	31,992	31,056	64,813	63,179	61,125
Total Business-type Activities	86,525	81,638	111,278	103,939	99,850
Total Primary Government	\$ 699,793	\$ 675,175	\$ 645,658	\$ 626,060	\$ 723,963
Percentage of Personal Income ^a	3.89%	3.57%	2.93%	2.68%	3.01%
General Bonded Debt	\$ 580,829	\$ 557,050	\$ 532,748	\$ 513,576	\$ 589,757
Total Restricted for Debt Service	45,242	23,642	27,298	19,291	42,070
Total Net General Bonded Debt	\$ 535,587	\$ 533,408	\$ 505,450	\$ 494,285	\$ 547,687
General Bonded Debt Ratio ^b	1.11%	0.95%	0.74%	0.63%	0.66%
Per Capita General Bonded Debt ^c	711	692	617	588	654
Per Capita Outstanding Debt ^c	929	897	857	831	961

Notes:

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

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

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

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

Fiscal Year					
2010	2011	2012	2013	2014	
\$ 17,516	\$ 12,921	\$ 12,669	\$ 14,704	\$ 12,798	Governmental Activities:
105,020	102,387	99,354	96,168	93,001	Capital Leases
96,258	110,041	107,041	98,687	95,289	Certificates of Participation
10,876	10,120	6,345	5,266	5,266	Bonds Payable
371,959	354,510	333,314	308,871	280,342	Loans Payable
601,629	589,979	558,723	523,696	486,696	Pension Obligation Bonds
					Total Governmental Activities
					Business-type Activities:
4,996	4,231	11,582	9,545	8,044	Capital Leases
640	576	512	448	384	Loans Payable
33,305	29,166	16,402	14,512	11,894	Certificates of Participation
58,608	55,580	52,379	48,075	43,060	Pension Obligation Bonds
97,549	89,553	80,875	72,580	63,382	Total Business-type Activities
<u>\$ 699,178</u>	<u>\$ 679,532</u>	<u>\$ 639,598</u>	<u>\$ 596,276</u>	<u>\$ 550,078</u>	Total Primary Government
2.72%	2.44%	2.17%	1.84%	1.80%	Percentage of Personal Income ^a
\$ 568,892	\$ 541,643	\$ 501,449	\$ 467,626	\$ 428,297	General Bonded Debt
30,998	21,520	18,019	40,575	31,975	Total Restricted for Debt Service
<u>\$ 537,894</u>	<u>\$ 520,123</u>	<u>\$ 483,430</u>	<u>\$ 427,051</u>	<u>\$ 396,322</u>	Total Net General Bonded Debt
0.66%	0.63%	0.58%	0.47%	0.43%	General Bonded Debt Ratio ^b
641	614	569	490	448	Per Capita General Bonded Debt ^c
928	902	849	792	730	Per Capita Outstanding Debt ^c

**COUNTY OF KERN
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2014 (IN THOUSANDS)**

2013 - 2014 Assessed Value (includes unitary utility valuation)	<u>\$ 92,854,418</u>	
	<u>Debt 05/01/14</u>	<u>Percentage Applicable^d</u>
Overlapping Tax and Assessment Debt		
Kern Community College Safety, Repair and Improvement District	\$ 141,346	93.076%
Antelope Valley Joint Community College District and West Kern Community College District	39,484	6.404 & 100.
Mojave Unified School District School Facilities Improvement Districts No. 1 and No. 2	32,896	100.
Southern Kern Unified School District	24,646	100.
Other Unified School Districts	70,076	91.718-100.
Kern High School District	197,351	100.
Other Union High School Districts	61,126	0.012-100.
Bakersfield School District	65,629	100.
Delano Union School District	38,507	100.
Fruitvale School District	21,288	100.
Greenfield Union School District	14,358	100.
Richland School District	21,084	100.
Taft School District	30,574	100.
Other School Districts	166,608	75.918-100.
Water Districts	1,080	100.
Water Storage Districts	1,880	100.
Tehachapi Valley Healthcare District	62,621	100.
Bear Valley Community Services District, I.D. No. 2	2,050	100.
Buttonwillow Recreation and Park District	4,585	100.
Community Facilities Districts	146,710	100.
1915 Act Bonds (Estimated)	78,706	100.
Total Gross Overlapping Tax and Assessment Debt	<u>1,222,605</u>	
Less: Water Storage Districts (100% self-supporting)	1,880	
Total Net Overlapping Tax and Assessment Debt	<u>1,220,725.00</u>	
Overlapping General Fund Debt		
Kern County Board of Education Certificates of Participation	41,920	100.
Community College District Certificates of Participation and Other Post-Employment Benefit Bonds	147,869	Various
Kern High School District Certificates of Participation	150,920	100.
Unified School District General Fund Obligations	27,567	Various
School District General Fund Obligations	64,865	100.
City of Bakersfield General Fund Obligations	20,640	100.
City of Delano Certificates of Participation	24,000	100.
Other City General Fund Obligations	7,990	100.
Total Direct and Overlapping General Fund Debt	<u>485,771</u>	
Total Net Overlapping Debt	<u>1,706,496</u>	
Direct General Fund Debt		
Kern County General Fund Obligations	116,640 ^{a,c}	
Kern County Pension Obligations	334,576	
Total Direct General Fund Debt	<u>451,216</u>	
Overlapping Tax Increment Debt	101,765	
Total Gross Direct and Overlapping Debt	<u>\$ 2,261,357^b</u>	
Total Net Direct and Overlapping Debt	<u>\$ 2,259,477</u>	
Ratios to 2013 - 2014 Assessed Valuation:		
Total Gross Overlapping Tax and Assessment Debt	1.32%	
Total Net Overlapping Tax and Assessment Debt	1.31%	
Ratios to Adjusted Assessed Valuation:		
Combined Direct Debt (\$451,216)	0.49%	
Gross Combined Total Debt	2.44%	
Net Combined Total Debt	2.43%	

Notes:

^a Excludes issue to be sold.

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

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

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

Source: 2014 - 2015 TRAN

**COUNTY OF KERN
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2014**

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

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

	Fiscal Year ^a				
	2005	2006	2007	2008	2009
Population ^b	753,070	770,424	819,157	840,904	837,131
Personal Income (in Thousands) ^c	20,159,360	21,550,850	23,251,603	24,266,468	24,016,734
Per Capita Personal Income ^c	26,770	27,973	28,385	28,858	28,689
Unemployment Rate County of Kern ^d	9.1%	7.6%	7.6%	9.50%	14%
School Enrollment ^e	165,817	170,362	171,585	174,289	174,135

Notes:

^a Calendar year

^b 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 2005, 2006, 2007, 2008, 2009, 2011, 2012, 2013 and 2014 estimated by the California Department of Transportation for Kern County Economic Forecast.

^c U.S. Department of Commerce, Bureau of Economic Analysis. 2014 Personal Income and Per Capita Personal Income are estimates due to the information not being available at the time of this report.

^d U.S. Department of Labor Statistics, Local Area Unemployment Statistics Information and Analysis.

^e Educational Demographics Unit, California Department of Education

Fiscal Year ^a					
2010	2011	2012	2013	2014	
839,631	846,883	850,006	871,005	884,923	Population ^b
25,742,304	27,836,058	29,497,443	32,341,995	30,500,000	Personal Income (in Thousands) ^c
30,659	32,869	34,703	37,132	30,386	Per Capita Personal Income ^c
16%	15%	14%	12%	10%	Unemployment Rate County of Kern ^d
174,106	173,740	175,480	178,671	179,680	School Enrollment ^e

COUNTY OF KERN
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

June 30, 2014

EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
China Lake Naval Air Weapons Station	10,000+	1	2.77%	Federal Government - National Security
County of Kern	9,128	2	2.52%	County Government
Grimmway Farms	5,000-9,999	3	1.38%	Agriculture
Naval Air Warfare Center	5,000-9,999	4	1.38%	Federal Government - National Security
US Navy Public Affairs Office	5,000-9,999	5	1.38%	Federal Government - National Security
Chevron	1,000-4,999	6	0.28%	Oil Refiners
Kern County Schools Superintendent	1,000-4,999	7	0.28%	Schools
State Farm	1,000-4,999	8	0.28%	Insurance
Dignity Health	1,000-4,999	9	0.28%	Health Care
Edwards Air Force Base	1,000-4,999	10	0.28%	Federal Government - National Security
			14.86%	
Total				

June 30, 2005

EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Edwards Air Force Base	Not available	1		Federal Government - National Security
County of Kern	8722	2	2.60%	County Government
China Lake Naval Air Weapons Station	Not available	3		Federal Government - National Security
Grimmway Farms	Not available	4		Agriculture
Giumarra Vineyards	Not available	5		Agriculture
Wm. Bolt House Farms, Inc.	Not available	6		Agriculture
San Joaquin Community Hospital	Not available	7		Health Care
Sun World	Not available	8		Agriculture
City of Bakersfield	Not available	9		Government
Mercy and Memorial Hospitals	Not available	10		Health Care
Total			2.60%	

Note: Actual number of employees was not available from sources. Ranges of employees will only be available in the near future.

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**

Function / Program	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:										
Assessor	85	86	85	90	97	104	102	95	97	98
Information Technology	60	56	59	56	55	59	50	49	49	46
County Counsel	68	73	48	48	47	49	45	44	43	45
Other	357	362	432	456	418	415	337	350	343	366
Public Protection:										
District Attorney	185	423	210	200	235	250	214	214	214	236
Public Defender	77	81	82	96	92	92	86	84	87	94
Sheriff - Coroner	1,050	1,084	1,100	1,154	1,212	1,283	1,102	1,136	1,210	1,199
Probation	435	456	490	534	531	518	478	483	514	532
Fire Department	537	552	574	603	567	634	544	558	597	622
Other	441	200	443	458	397	429	381	380	385	380
Public Ways & Facilities:										
Roads	147	156	164	187	178	204	176	173	180	188
Health and Sanitation:										
Public Health	260	298	260	288	283	272	229	233	228	195
Mental Health Services	409	453	482	469	457	433	395	400	444	440
Other	166	123	181	181	178	175	146	142	111	112
Public Assistance:										
Human Services	1,309	1,375	1,375	1,451	1,418	1,431	1,196	1,201	1,358	1,457
Other	247	242	228	235	231	211	186	173	173	183
Education:										
Library	138	131	137	140	138	66	56	54	50	52
Other	6	6	6	6	6	6	4	3	4	4
Culture & Recreation Services	109	106	117	119	109	94	86	83	78	74
Airports	18	22	22	19	20	20	15	17	17	19
Kern Medical Center	1,310	1,398	1,516	1,554	1,582	1,603	1,382	1,393	1,326	1,274
Public Transportation	3	3	3	3	3	4	4	3	3	4
Waste Management	107	110	115	133	121	116	109	106	110	112
Total Full-Time Employees	7,524	7,796	8,129	8,480	8,375	8,468	7,323	7,374	7,621	7,732

Source: County Personnel Department

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

Page 1 of 2

Function / Program	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental Activities:					
General Government					
Assessor - Recorder					
Recorded documents	397,341	410,684	339,822	260,106	202,396
County Counsel					
Litigated & administrative hearings	1,964	2,325	2,254	8,308	8,347
Attorneys	28	28	29	30	30
Attorneys per capita	0.000037	0.000037	0.000037	0.000370	0.000036
Personnel					
Applications received	17,300	19,531	27,955	32,244	17,332
County Clerk - Elections					
Marriage licenses	4,382	4,484	4,745	4,620	3,732
Fictitious business names	7,551	6,993	7,460	7,046	5,844
Public Protection					
District Attorney					
Misdemeanors cases filed	33,419	34,158	35,947	36,771	36,910
Felony cases filed	6,579	6,992	7,294	6,592	6,955
Felony information filed	1,532	1,661	1,788	1,762	1,601
Felony cases with juries	169	170	141	176	151
Public Defender					
Public defense cases accepted/received	35,768	34,153	36,084	38,352	39,235
Public defense cases opened	20,131	21,262	22,188	21,480	21,532
Public defense cases closed	23,699	29,990	31,115	33,280	34,193
Public defense cases closed within 12 months	23,699	29,990	31,115	33,280	34,193
Sheriff - Coroner					
Dispatched calls for service	253,986	125,803	266,988	277,073	279,544
Violent crimes:					
Homicide	N/A	N/A	3,930	4,007	4,620
Forcible rape	N/A	N/A	31	22	34
Robbery	337 ^a	398 ^a	342	391	482
Aggravated assault	N/A	N/A	3,449	3,490	3,987
Property crimes	4,770 ^a	5,389 ^a	4,402	4,056	5,097
Total larceny - theft	6,838	6,705	6,053	5,321	5,690
Bookings	45,362	48,127	22,631	22,864	21,930
Fingerprints	6,769	2,850	4,710	7,906	6,672
Fire Department					
Total incident calls	34,192	30,510	38,421	39,151	39,166
Fire calls					
Fire calls	3,667	3,239	4,153	3,509	3,167
Fireworks explosion (no fire) calls	59	22	N/A	N/A	167
Illegal fireworks complaint calls	802	596	N/A	N/A	395
EMS / rescue calls	20,840	17,786	21,729	23,305	23,405
Hazardous condition calls	1,755	1,465	1,816	1,961	1,884
Public service calls	1,945 ^a	1,435 ^a	1,823	1,643	1,803
False calls	1,927	1,365	1,898	1,771	1,681

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

^a Information was updated from prior year report.

Fiscal Year					Function / Program
2010	2011	2012	2013	2014	
					Governmental Activities:
					General Government
					Assessor - Recorder
195,597	194,072	191,495	235,424	188,908	Recorded documents
					County Counsel
9,092	9,660	10,444	9,804	6,667	Litigated & administrative hearings
28	27	27	29	28	Attorneys
0.000033	0.000032	0.000032	0.000034	0.000032	Attorneys per capita
					Personnel
8,150	18,386	16,199	21,977	22,688	Applications received
					County Clerk - Elections
4,084	4,268	4,501	4,716	4,805	Marriage licenses
6,411	6,339	6,343	7,149	5,937	Fictitious business names
					Public Protection
					District Attorney
33,504	32,320	29,636	28,275	31,604	Misdemeanors cases filed
6,555	6,891	7,285	8,916	8,938	Felony cases filed
1,502	1,533	1,789	2,016	2,373	Felony information filed
142	143	167	149	160	Felony cases with juries
					Public Defender
34,296	36,984	34,893	40,827	44,880	Public defense cases accepted/received
19,903	20,236	19,636	21,994	21,725	Public defense cases opened
31,627	32,073	31,180	36,721	35,830	Public defense cases closed
31,627	32,073	31,180	36,721	35,830	Public defense cases closed within 12 months
					Sheriff - Coroner
295,374	272,247	203,914	224,588	317,487	Dispatched calls for service
4,871	4,722	4,538	2,273	1,626	Violent crimes:
40	28	25	21	28	Homicide
100	107	98	88	102	Forcible rape
498	378	415	495	335	Robbery
4,233	4,209	1,389	1,669	1,161	Aggravated assault
5,117	10,065	10,907	11,472	9,806	Property crimes
5,146	5,246	5,534	5,305	3,411	Total larceny - theft
20,596	19,814	16,806	19,486	18,430	Bookings
5,944	5,671	5,957	4,983	5,949	Fingerprints
					Fire Department
38,001	38,001	40,640	42,281	42,770	Total incident calls
2,845	3,087	3,333	2,918	2,711	Fire calls
360	194	236	186	173	Fireworks explosion (no fire) calls
491	448	635	736	543	Illegal fireworks complaint calls
22,672	22,650	23,079	24,356	24,371	EMS / rescue calls
1,717	1,834	1,711	1,726	1,776	Hazardous condition calls
1,820	1,786	1,859	2,004	2,089	Public service calls
1,604	1,465	1,606	1,646	1,739	False calls

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

Page 2 of 2

Function / Program	Fiscal Year				
	2005	2006	2007	2008	2009
Building Inspection					
Building permits issued	11,122	12,515	6,808	8,375	7,047
Animal Control					
Received calls for response	22,186	21,251	21,668	21,724	25,445
Animals impounded	N/A	N/A	N/A	N/A	N/A
Animals redeemed	1,174	1,417	1,596	1,621	1,474
Animals adopted	2,772	3,054	3,147	3,485	3,681
Animals euthanized	18,171	16,904	16,743	18,984	20,067
Public Ways & Facilities					
Roads					
Maintained road lanes (in miles)	6,668	6,600	6,654	6,656	6,660
Health and Sanitation					
Mental Health Services					
Unique clients served	19,210	18,392	20,563	22,547	25,765
Unique clients served with outpatient services	19,104	18,211	16,380	18,471	17,591
Unique clients served with intensive services	1,551	1,539	4,183	4,076	8,174
Public Assistance					
Aging & Adult Services					
Senior Nutrition participation:					
Congregate senior participants	5,123	4,398	4,239	4,500	4,096
Congregate meals	186,857	177,675	180,754	187,208	180,285
Home delivered senior participants	2,269	2,122	2,185	2,065	1,897
Home delivered meals	280,422	245,042	258,222	263,405	256,517
Human Services					
Number of Children Admitted to Jamison:					
Protective Custody/New Intakes	5,191	2,626	2,637	2,537	2,663
Change of Placement	4,353	2,341	2,399	2,358	2,501
Children released from Jamison	838	452	238	179	162
Average day stay in Jamison	N/A	N/A	2,633	2,549	2,498
Admissions - Breakdown by Age:	N/A	N/A	4	3	3
Newborn - 5 years	2,087	1,115	1,028	997	1,054
6 - 12 years	1,488	734	741	688	646
13 - 18 years	1,556	873	847	835	799
Over 18			5	1	2
Culture and Recreation Services & Education					
Parks & Recreation					
Annual Boat Permits	4,606	4,623	4,170	5,645	N/A
Day Use Boat Fees	22,359	20,530	40,318	19,177	N/A
Business-type Activities:					
Waste Management					
Landfill capacity in cubic yards	98,948,413	110,042,325	98,576,606	99,371,429	98,996,451

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

Fiscal Year					Function / Program
2010	2011	2012	2013	2014	
N/A	3,839	6,018	7,134	7,758	Building Inspection Building permits issued
24,519	29,781	21,766	22,219	19,529	Animal Control Received calls for response
31,660	30,350	31,433	29,200	18,406	Animals impounded
1,452	1,267	1,276	1,217	717	Animals redeemed
3,160	2,683	2,695	3,691	3,774	Animals adopted
18,594	19,103	20,062	20,428	8,302	Animals euthanized
					Public Ways & Facilities
					Roads Maintained road lanes (in miles)
6,802	6,647	6,647	6,663	6,664	
					Health and Sanitation
					Mental Health Services
19,575	20,225	24,030	24,551	24,207	Unique clients served
18,521	20,167	23,979	24,482	24,099	Unique clients served with outpatient services
1,054	1,323	660	1,443	1,349	Unique clients served with intensive services
					Public Assistance
					Aging & Adult Services
					Senior Nutrition participation:
3,740	3,637	3,267	3,351	3,218	Congregate senior participants
165,437	163,373	156,213	150,076	144,274	Congregate meals
1,763	1,652	1,624	1,695	1,715	Home delivered senior participants
235,505	228,407	223,608	233,272	231,831	Home delivered meals
					Human Services
2,468	2,308	2,202	1,445	1,538	Number of Children Admitted to Jamison:
2,257	2,127	1,981	1,320	1,418	Protective Custody/New Intakes
211	181	221	125	120	Change of Placement
2,263	2,155	1,968	1,303	629	Children released from Jamison
4	4	4	4	4	Average day stay in Jamison
					Admissions - Breakdown by Age:
978	943	847	585	685	Newborn - 5 years
560	519	507	296	358	6 - 12 years
709	661	627	438	377	13 - 18 years
10	4				Over 18
					Culture and Recreation Services & Education
					Parks & Recreation
2,233	3,305	4,375	3,080	1,680	Annual Boat Permits
16,354	9,570	17,092	14,579	11,742	Day Use Boat Fees
					Business-type Activities:
					Waste Management
109,631,108	95,027,021	95,375,858	95,375,858	95,375,858	Landfill capacity in cubic yards

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

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Education										
Public Library										
Main Library	1	1	1	1	1	1	1	1	1	1
Branches	25	25	25	25	25	25	25	25	25	25
Law Library	1	1	1	1	1	1	1	1	1	1
Parks and Land Use										
Number of Neighborhood Parks	40	40	40	40	40	40	40	40	40	40
Number of Regional Parks	8	8	8	8	7	8	8	8	8	8
County Golf Courses	3	3	3	3	3	3	3	3	3	3
Public Works										
Miles of County Roads	6,668	6,600	6,654	6,656	6,660	6,802	6,648	6,647	6,663	6,664
Public Safety										
Number of Sheriff Stations	16	16	14	14	16	15	15	15	15	15
Number of Fire Stations	46	46	46	46	46	46	46	46	46	46
Airports										
Number of Runways	8	8	8	8	8	8	8	8	8	8

Source: Departments of the County of Kern