COUNTY OF KERN

ANNUAL DISCLOSURE REPORT

FISCAL YEAR 2020-21

COUNTY OF KERN
COUNTY ADMINISTRATIVE OFFICE
1115 TRUXTUN AVENUE FIFTH FLOOR
BAKERSFIELD, CALIFORNIA

DATED: MAY 25, 2022

COUNTY OF KERN, STATE OF CALIFORNIA

BOARD OF SUPERVISORS

Phillip Peters	First District
Zack Scrivner	Second District
Mike Maggard	Third District
David Couch	Fourth District
Leticia Perez	Fifth District

COUNTY OFFICIALS

Ryan Alsop, Chief Administrative Officer
Jordan Kaufman, Treasurer-Tax Collector
Mary Bedard, Auditor-Controller-County Clerk
Margo Raison, County Counsel

TABLE OF CONTENTS

INTRODUCTION

Introduction....1
Applicable Issuances....2
County Contacts....5

COUNTY INFORMATION

Table 1 - Governmental Funds Budgets....6
Table 2 - General Fund Revenues and Expenditures....7
Table 3 - General Fund Balance Sheet....8
Table 4 - Breakdown of Revenue Sources....9
Table 5 - Summary of Tax Levies and Collections....10
Table 6 - Assessed Valuation....11
Table 7 - Principal Taxpayers....12
Table 8 - County Employment Levels....13
Table 9 - Bargaining Units....14
Table 10 - Membership in Employees Retirement Association....15
Table 11 - Retirement Association Annual Employer Contributions....16
Table 12 - Retirement Association Schedule of Funding Progress....17
Table 13 - Retirement Association Unrecognized Gains and Losses....18
Table 14 - Retirement Association Actuarial Assumptions....19
Table 15 - Retirement Association Market Value Investment Results....20
Outstanding Indebtedness....21
Table 16 - Certificates of Participation and Pension Obligation Bonds Outstanding....23
Table 17 - Capital Lease Obligations....24
Table 18 - Operating Lease Obligations....25
Table 19 - Investment Portfolio Statistics....26
Table 20 - Aging of Maturing Investments....27
Table 21 - Major Employers....28
Table 22 - Total Agricultural Production....29
Kern Medical Center – Kern County Hospital Authority....30
Table 23 - Kern Medical Center General Fund/Realignment Cash....31

EXHIBIT A – Continuing Disclosure Requirements Matrix....32

INTRODUCTION

This Annual Disclosure Report ("Report") is designed to meet the continuing disclosure requirements of the Securities and Exchange Commission (SEC) rule 15c2-12. The County has covenanted, within the Continuing Disclosure Agreements ("Agreements") related to the Applicable Issuances as outlined in the section below, to provide the following financial information and operating data relating to the County not later than 195 days following the end of the County's 2020-21 fiscal year. In accordance with the disclosure regulations and the Agreements, the County provided the unaudited Annual Disclosure Report, the unaudited Fiscal Year 2020-21 Annual Comprehensive Financial Report (ACFR) and the FY 2021-22 County Adopted Budget on January 11, 2022. The audited ACFR for Fiscal Year 2020-21 is provided with this report. Tables 2, 3, 17, and 18 source information from the ACFR. Tables 2 and 3 reflect numerical changes that are primarily related to the implementation of GASB 84. Table 17 contains only minor rounding adjustments and does not materially differ from the previous report. Table 18 does not contain any numerical changes.

This report along with the audited ACFR will be filed with the Municipal Securities Rulemaking Board (MSRB). Notices of material events will be filed by the County with the MSRB. The County is fully committed to annually updating information and disclosing material events when they occur. The County has never failed to comply in any material respects with any previous undertakings with regard to said Rule to provide annual reports. No material events as defined in Rule 15c2-12 have occurred within the County during the period beginning July 1, 2021 through the date of this report.

The information herein is subject to change without notice and delivery of this Report shall not, under any circumstances, create any implication that there has been no change in the affairs of the County.

APPLICABLE ISSUANCES

County of Kern Taxable Pension Obligation Bonds, Series 1995. Bonds issued to offset unfunded accrued actuarial liability.

Par Amount	$227,818,439.25
Dated Date	November 1, 1995
Final Maturity	August 15, 2021

CUSIP	Maturity	Principal at Issuance
492279AU8*	8/15/2021	$4,144,601

County of Kern Taxable Pension Obligation Refunding Bonds, Series 2003A. Bonds issued to offset unfunded accrued actuarial liability.

Par Amount	$238,177,066.85
Dated Date	May 28, 2003
Final Maturity	August 15, 2026

CUSIP	Maturity	Principal at Issuance
492279CN2	8/15/2023	$123,175,000
492279CP7	8/15/2023	$5,468,431
492279CQ5	8/15/2024	$9,848,899
492279CR3	8/15/2025	$9,810,901
492279CS1	8/15/2026	$6,488,836

*This security was active during the reporting period and was paid prior to the issuance of this report.

APPLICABLE ISSUANCES (Cont'd)

County of Kern 2016 Refunding Certificates of Participation, Series A (Capital Improvement Projects. Certificates refunded the 2009 Certificates of Participation (Capital Improvement Projects). The 2009 certificates were originally issued for the construction of County Fire Station 65, Pine Mountain Fire Station, the 7th Standard Road Corridor, the Information Technology Services Building, and the Hageman Road at Santa Fe Way Separation of Grade. In addition, there were various Local Transportation Projects including reconstruction, and installation of roads, installation of bike paths, construction of curbs and gutters, and other activities related to a number of roadways throughout the County.

Par Amount	$80,350,000
Dated Date	December 28, 2016
Final Maturity	November 1, 2034

CUSIP	Maturity	Principal at Issuance
49225HKS6*	11/1/2021	$3,580,000
49225HKT4	11/1/2022	$3,765,000
49225HKU1	11/1/2023	$3,965,000
49225HKV9	11/1/2024	$4,160,000
49225HKW7	11/1/2025	$4,380,000
49225HKX5	11/1/2026	$4,600,000
49225HKY3	11/1/2027	$4,785,000
49225HKZ0	11/1/2028	$4,935,000
49225HLA4	11/1/2029	$5,095,000
49225HLB2	11/1/2030	$5,275,000
49225HLC0	11/1/2031	$5,465,000
49225HLD8	11/1/2032	$5,665,000
49225HLE6	11/1/2034	$12,020,000

*This security was active during the reporting period and was paid prior to the issuance of this report.

APPLICABLE ISSUANCES (Cont'd)

Kern Public Services Financing Authority Lease Revenue Refunding Bonds, 2010 Series (County Services Facility Project). Bonds were issued to refund the Kern Public Services Financing Authority's 2002 Lease Revenue Bonds, Series A. The original bonds were issued to construct the County Service Facility located at 1600 East Belle Terrace in Bakersfield. On December 1, 2019, the 2019 Lease Revenue Refunding obligation was issued to refund the 2010 Bonds. The outstanding amounts were defeased and were paid in full by March 1, 2020. The table below lists the amounts that were scheduled for maturity prior to the issuance of the refunding obligation.

Par Amount	$11,250,000
Dated Date	December 16, 2010
Final Maturity	March 1, 2032

CUSIP	Maturity	Principal at Issuance
49224PBF7	3/1/2022	$505,000
49224PBG5	3/1/2024	$1,085,000
49224PBH3	3/1/2026	$1,210,000
49224PBJ9	3/1/2027	$655,000
49224PBK6	3/1/2028	$690,000
49224PBL4	3/1/2029	$725,000
49224PBM2	3/1/2030	$765,000
49224PBN0	3/1/2032	$1,660,000

APPLICABLE ISSUANCES (Cont'd)

COUNTY CONTACTS

To obtain additional information regarding the above referenced issuances or any other issuances by the County of Kern or to request County financial, statistical, or operational information please contact the following person:

Elsa T. Martinez, Chief Financial Officer	(661) 868-3162
Fax Machine	(661) 868-3190
Kern County Homepage	www.kerncounty.com

TABLE 1

GOVERNMENTAL FUNDS BUDGETS

	Actual 2019-20 Uses/Sources [1]	*Actual 2020-21 Uses/Sources*	*Adopted 2021-22 Budget*
REQUIREMENTS:			
General Government	$178,461,403	$255,092,845	$368,570,492
Public Protection	786,081,787	815,785,582	898,168,702
Public Ways and Facilities	76,715,244	73,697,038	119,502,969
Health and Sanitation	459,862,638	433,746,250	510,148,526
Public Assistance	716,600,526	688,190,998	788,885,174
Education	7,308,215	6,683,706	9,653,614
Recreation and Cultural	29,830	51,402	417,664
Debt Service	7,983,872	9,240,465	11,650,350
Contingencies and Reserves			232,000,025
Total Requirements	$2,233,043,515	$2,282,488,286	$2,938,997,516
AVAILABLE FUNDS:			
Current Property Taxes	$268,197,775	$285,087,451	$280,500,285
Other Taxes	159,683,187	174,471,793	164,673,359
Licenses, Permits and Franchises	30,826,854	32,858,275	28,883,412
Fines, Forfeitures and Penalties	19,703,259	25,793,148	19,648,162
Use of Money and Property	15,101,265	9,980,424	8,019,606
Aid from Other Governmental Agencies	1,120,142,643	1,125,787,847	1,118,611,153
Charges for Current Services	218,110,030	264,733,699	239,439,398
Miscellaneous Revenue	39,266,553	27,491,515	23,120,171
Other Financing Sources (Uses)	581,032,917	566,517,321	600,327,276
Use of Available Fund Balance			455,760,836
Total Available Funds	$2,452,064,483	$2,512,721,473	$2,938,983,658

[1] Actual 2019-20 Uses/Sources differ from those published in the Fiscal Year 2019-20 Annual Report due an adjustment to correct revenue accruals related to public safety realignment.

Source: County of Kern Fiscal Year 2021-22 Adopted Budget

TABLE 2

STATEMENT OF GENERAL FUND REVENUE AND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 2018, 2019, 2020, and 2021
(Dollars in thousands)

	June 30, 2018	*June 30, 2019*	*June 30, 2020*	*June 30, 2021*
Revenue:				
Taxes	$309,457	$329,142	$330,423	$348,856
Licenses, Permits and Franchises	11,231	11,731	11,985	12,149
Fines, Forfeitures and Penalties	12,570	13,435	11,876	17,008
Use of Money and Property	3,625	12,009	12,340	4,095
Intergovernmental Revenue	165,543	164,350	172,084	176,576
Charges for Current Services	76,842	91,419	94,319	101,966
Other Revenue	5,496	5,471	26,756	16,330
Total Revenue	$584,764	$627,557	$659,783	$676,980
Expenditures:				
General Government	$119,980	$108,245	$120,457	$117,583
Public Protection	402,677	388,576	395,132	405,840
Health and Sanitation	66,347	65,959	99,928	86,426
Public Assistance	14,996	15,373	16,758	17,409
Education	7,585	6,965	6,964	6,331
Capital Outlay	6,300	11,690	4,635	9,000
Debt Service	937	4,112	5,887	5,574
Total Expenditures	$618,822	$600,920	$649,761	$648,163
Excess Revenues Over (Under) Expenditures	($34,058)	$26,637	$10,022	$28,817
Other Financing Sources (Uses):				
Operating Transfers In	$172,665	$179,500	$186,599	$213,233
Operating Transfers Out	(148,384)	(184,497)	(190,796)	(199,446)
Inception of Capital Leases	6,300	11,690	4,635	9,000
Total Other Financing Sources (Uses)	$30,581	$6,693	$438	$22,787
Net Changes in Fund Balances	(3,477)	33,330	10,460	51,604
Fund Balance at Beginning of Year	$288,143	$284,273	$317,603	$328,063
Prior Period Adjustments	(393)			30,003
Fund Balance at End of Year	$284,273	$317,603	$328,063	$409,670

Source: County of Kern Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2018, 2019, 2020, and 2021.

TABLE 3
GENERAL FUND BALANCE SHEET
AT JUNE 30, 2018, 2019, 2020, and 2021
(Dollars in Thousands)

	June 30, 2018	*June 30, 2019*	*June 30, 2020*	*June 30, 2021*
Assets:				
Pooled Cash and Investments	$231,974	$272,801	$258,879	$397,210
Revolving Fund Cash	1,303	1,300	1,304	349
Interest Receivable	1,536	2,493	2,212	1,488
Taxes Receivable	30,849	30,540	37,735	33,895
Accounts Receivable	5,354	3,219	1,785	1,949
Accrued Revenue	25,913	22,809	22,218	22,761
Due from Other Funds	35,695	29,591	29,638	4,000
Advances to Other Funds	0	5,000	0	0
Due from Other Agencies	5,846	937	776	660
Deposits with Others	136	136	136	136
Prepaid Items	708	755	1,080	1,126
Total Assets	$339,314	$369,581	$355,763	$463,574
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Accounts Payable	$17,833	$16,917	$10,586	$14,609
Salaries and Employee Benefits Payable	24,222	25,930	11,510	12,702
Due to Other Funds	4,281	900	1,096	11,638
Due to Other Agencies	0	5	0	0
Advances from Grantors and Third Parties	607	8	168	7,242
Total Liabilities	$46,943	$43,760	$23,360	$46,191
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	$4,027	$4,275	$4,574	$5,346
Unavailable Revenue - Other	4,071	3,943	2,059	2,367
Total Deferred Inflows of Resources	$8,098	$8,218	$6,633	$7,713
Fund Balance				
Nonspendable	$17,924	$17,995	$18,416	$16,734
Restricted	9,753	10,650	13,892	41,898
Committed	35,528	47,316	32,896	34,891
Assigned	140,264	153,451	154,507	191,965
Unassigned	80,804	88,191	108,352	124,182
Total Fund Balance	$284,273	$317,603	$328,063	$409,670
Total Liabilities and Fund Balance	$339,314	$369,581	$358,056	$463,574

Source: County of Kern Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2018, 2019, 2020, and 2021

TABLE 4

BREAKDOWN OF BUDGETED REVENUE SOURCES FOR FISCAL YEAR 2021-22

Taxes	15.15%
Licenses, Permits and Franchises	0.98%
Fines, Forfeitures and Penalties	0.67%
Use of County Property and Money	0.27%
Aid from Other Governmental Agencies	38.06%
Charges for Services	8.15%
Miscellaneous Revenues[1]	36.72%
Total	100.00%

[1] Includes Other Financing Sources, Balances carried forward from prior year and cancelation of prior year reserves and designations

Source: County of Kern Fiscal Year 2021-22 Adopted Budget

TABLE 5

SUMMARY OF TAX LEVIES AND COLLECTIONS FOR THE SECURED TAX ROLL
FISCAL YEARS 2011-12 THROUGH 2020-21
(Dollars in Thousands)

Fiscal Year	*Total Levy*	*Total Collected* [1]	*Total Collected at Fiscal Year-End as Percent of Tax Levy*
2011-12	1,048,417	1,025,352	97.8%
2012-13	1,081,258	1,060,498	98.1%
2013-14	1,106,614	1,086,941	98.2%
2014-15	1,163,968	1,142,410	98.1%
2015-16	1,093,665	1,073,935	98.2%
2016-17	1,147,342	1,114,915	97.2%
2017-18	1,222,353	1,187,530	97.2%
2018-19	1,274,112	1,241,308	97.4%
2019-20	1,341,716	1,267,537	94.5%
2020-21	1,387,181	1,344,500	96.9%

[1]Figures do not include redemptions of delinquent taxes or delinquency penalties.

Source: County of Kern Treasurer-Tax Collector

TABLE 6

ASSESSED VALUATION
FISCAL YEARS 2012-13 THROUGH 2021-22
(Dollars in Thousands)

Fiscal Year	*Secured Assessed Valuation* [1]	*Unsecured Assessed Valuation*	*Less Exemptions* [2]	*Net Assessed Valuation*	*Redevelopment Agency Exemptions*
2012-13 [3]	86,811,945	6,094,453	2,748,534	90,157,864	2,995,938
2013-14	87,709,909	7,471,075	2,916,966	92,264,018	3,181,921
2014-15	92,603,386	8,154,380	2,977,287	97,780,479	3,434,656
2015-16 [4]	84,028,730	8,328,464	3,113,532	89,243,662	3,621,861
2016-17	81,052,885	7,625,479	3,246,813	85,431,551	3,877,795
2017-18	86,561,074	7,502,991	3,308,268	90,755,798	4,168,002
2018-19	90,451,552	7,645,705	3,422,003	94,675,253	4,451,875
2019-20	94,490,103	7,804,057	3,553,772	98,740,388	4,742,441
2020-21	97,537,762	8,089,462	3,748,907	101,878,317	5,046,342
2021-22	97,715,898	8,984,041	3,713,433	102,986,506	5,357,765

[1] Includes Aircraft and Public Utilities.

[2] Includes all Non-subvented Exemptions and Homeowners Exemptions.

[3] Recalculated Secured Assessed Valuation per the Kern Tax Rates and Assessed Valuation Books for the years listed.

[4] Value reflects decrease in oil and gas property values resulting from a decline in market price for a barrel of oil as of January 1, 2015. (For purposes of oil and gas property valuation for a fiscal year, the price of oil on the preceeding January 1 is used.)

Source: County of Kern Tax Rates and Assessed Valuations Book, FY 2012-13 through FY 2021-22

TABLE 7

PRINCIPAL TAXPAYERS
2021-22 SECURED TAX ROLL

Company	*Net Secured Assessed Value*	*Total Tax on Secured Property* [1]
Chevron USA, Inc.	$3,573,811,480	$41,103,620
California Resources Elk Hills	2,455,357,083	28,445,626
Aera Energy, LLC	2,265,056,049	24,565,375
Pacific Gas & Electric Co.	1,324,991,529	22,396,654
Southern California Edison Co.	1,216,782,395	20,572,048
Berry Petroleum Company	1,105,845,230	12,439,173
Sentinel Peak Resources	777,925,677	8,414,653
Southern California Gas Co.	437,606,718	7,386,386
Wonderful Nut Orchards, LLC	510,268,989	6,562,956
Wonderful Citrus	502,251,423	6,148,396

[1] Property Tax is allocated to County, Cities and Other Districts
Source: County of Kern Tax Rates and Assessed Valuations Book, FY 2021-22

TABLE 8

COUNTY OF KERN EMPLOYMENT LEVELS
FISCAL YEARS 2012-13 THROUGH 2021-22

Fiscal Year [1]	*Permanent Full-time*	*Permanent Part-time*
2012-13	8,729	265
2013-14	8,942	261
2014-15[2]	9,032	255
2015-16[3]	9,123	262
2016-17[4]	7,592	133
2017-18[5]	7,608	139
2018-19[6]	7,755	138
2019-20[7]	8,029	138
2020-21[8]	8,098	109
2021-22[9]	8,286	103

[1] Figures for FY 2012-13 through 2014-15 represent numbers of authorized employees as of the adoption of the budget each year.

[2] Authorized positions as of December 5, 2014

[3] Authorized positions as of December 18, 2015

[4] Authorized positions as of January 5, 2017. Does not include employees transferred to the Kern County Hospital Authority on July 1, 2017.

[5] Authorized positions as of December 7, 2017.

[6] Authorized positions as of December 4, 2018.

[7] Authorized positions as of December 18, 2019.

[8] Authorized positions as of December 29, 2020.

[9] Authorized positions as of December 28, 2021.

Source: Kern County Administrative Office - Human Resources Division

TABLE 9

BARGAINING UNITS

Bargaining Unit	*Number of Employees* [1]	*Ending Term of Labor Agreement*
Service Employees' International, Local 521 (SEIU 521)	4,598	June 30, 2024
SEIU 521 - Extra Help	405	June 30, 2024
Kern Law Enforcement Association (KLEA)	498	June 30, 2024
Kern County Fire Fighters Union (KCFFU)	483	December 31, 2022
Kern County Probation Officers' Association (KCPOA)	420	June 30, 2024
Kern County Probation Managers' Association (KCPMA)	15	June 30, 2024
Kern County Detention Officers' Association (KCDOA)	248	June 30, 2024
Kern County Prosecutors' Association (KCPA)	79	June 30, 2024
Kern County Sheriff's Command Association (KCSCA)	28	June 30, 2024
Kern County Sheriff's Command Association II (KCSCA II)	7	June 30, 2024
Kern County Sheriff's Command Association III (KCSCA III)	5	June 30, 2024
SEIU 521 - Criminal Justice Unit	1	June 30, 2024

[1] Filled positions as of December 21, 2021. Does not include Courts, Air Pollution Control District, or rehired retirees.

Source: Kern County Administrative Office - Human Resources Division

TABLE 10

MEMBERSHIP IN KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION AT JUNE 30, 2017 THROUGH JUNE 30, 2021

	June 30, 2017	*June 30, 2018*	*June 30, 2019*	*June 30, 2020*	*June 30, 2021*
Retirees and Beneficiaries[1]	9,017	9,655	9,946	11,087	11,645
Active Plan Participants	8,738	8,922	9,265	9,326	9,072
Total	17,755	18,577	19,211	20,413	20,717

[1]Includes those currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.

Source: KCERA Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2021.

TABLE 11

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF ANNUAL EMPLOYER CONTRIBUTIONS
AND PERCENTAGE CONTRIBUTED

Fiscal Year Ended June 30	*Annual Required Contributions* [1] *(in thousands)*	*Percentage Contributed*
2016	234,717	100%
2017	224,351	100%
2018	242,534	100%
2019	229,120	100%
2020	273,909	100%
2021	268,626	100%
2022	271,874 [2]	N/A

[1] Contributions include all plan sponsors.

[2] Estimate includes the Courts, Hospital Authority, and County only.

Source: KCERA Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

TABLE 12

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF FUNDING PROGRESS
(Dollars in Thousands)

Actuarial Valuation Date	*Actuarial Value of Assets* [1]	*Actuarial Accrued Liability (AAL)* [2]	*Unfunded (Overfunded) AAL*	*Funded Ratio*	*Annual Covered*	*Unfunded (Overfunded) AAL Percentage of Annual Covered Payroll*
06/30/15	3,529,786	5,657,173	2,127,387	62.39%	556,824	382.06%
06/30/16	3,685,447	5,813,092	2,127,645	63.40%	567,261	375.07%
06/30/17	3,913,073	6,191,433	2,278,360	63.20%	572,081	398.26%
06/30/18	4,163,476	6,398,814	2,235,338	65.07%	584,180	382.65%
06/30/19	4,291,573	6,622,495	2,330,922	64.80%	612,277	380.70%
06/30/20	4,508,548	7,005,589	2,497,041	64.36%	634,570	393.50%
06/30/21	4,806,026	7,164,225	2,358,199	67.08%	623,295	378.34%

[1] Excludes assets for SRBR Reserves Unallocated to 0.5% COLA benefits and COLA Contribution Reserve. Excludes assets for Contingency Reserve (unless the Contingency Reserve is negative).

[2] Excludes liabilities held for SRBR Reserves Unallocated to 0.5% COLA benefits.

Source: KCERA Actuarial Valuation as of June 30, 2021

TABLE 13

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DEVELOPMENT OF UNRECOGNIZED GAIN (LOSS)

Six-Month Period Ended	*Investment Gain (Loss)*	*Deferred Factor*	*Deferred Return (Loss)*
6/30/2021	$281,595,379	90%	253,435,841
12/31/2020	420,965,246	80%	336,772,197
6/30/2020	(238,356,644)	70%	(166,849,651)
12/31/2019	44,531,558	60%	26,718,935
6/30/2019	202,202,941	50%	101,101,471
12/31/2018	(285,555,254)	40%	(114,222,102)
6/30/2018	(137,839,284)	30%	(41,351,785)
12/31/2017	104,867,684	20%	20,973,537
6/30/2017	124,859,668	10%	12,485,967
Total Deferred Loss			429,064,409

Source: KCERA Actuarial Valuation as of June 30, 2021

TABLE 14

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL ASSUMPTIONS

Actuarial Assumption	*2019*	*2020*	*2021*
Interest	7.25%	7.25%	7.25%
Inflation	3.00%	2.75%	2.75%
Salary Increase[1]	varies	varies	varies

[1] Varies by service, including inflation. General: 4.00% to 8.75%. Safety: 3.75% to 12.00%.

Source: KCERA Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2020 and June 30, 2021

TABLE 15

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT RESULTS BASED ON MARKET VALUE (NET OF FEES)

Year Ended June 30	*Annualized Rate of Return*
2014	15.00%
2015	2.40%
2016	-0.50%
2017	11.80%
2018	6.50%
2019	5.30%
2020	3.00%
2021	23.90%

Source: KCERA Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2021.

OUTSTANDING INDEBTEDNESS

This section contains information on outstanding debt obligations, separated by major category. Table 16 of this report contains information on outstanding principal balances as of June 30, 2021 and Fiscal Year 2021-22 payment obligations for all issuances.

Short-Term Financing. The County has instituted a cash management program for its General Fund through the issuance of tax and revenue anticipation notes that are a General Fund Obligation of the County. The notes provide cash flow to meet General Fund expenditures during the period prior to collection of property taxes. No Tax Revenue Anticipation Notes were issued in Fiscal Years 2020-21 or 2021-22.

Certificates of Participation. As of June 30, 2021, the County has outstanding certificates of participation in the aggregate principal amount of $67,690,000. The proceeds of such certificates of participation were used for the acquisition of equipment and the acquisition, construction, and renovation of certain public facilities within the County.

On December 28, 2016, the County issued the 2016 Refunding Certificates of Participation, Series A in the principal amount of $80,350,000 to advance refund the 2009 Certificates of Participation, Series A. Debt service payments are made from the General Fund and the certificates will fully mature on August 1, 2035.

Pension Obligation Bonds. On November 28, 1995, the County issued $227,818,439 in aggregate principal amount of its Taxable Pension Obligation Bonds, Series 1995 (the "1995 Pension Bonds"). The par amount outstanding as of June 30, 2021 was $4,044,602. The issuance was paid off in August of 2021. The County began paying on Capital Appreciation Bonds (CABs) in Fiscal Year 2015-16. The total interest cost of the CABs at final maturity will be $219,031,561. The 1995 Pension Bonds constituted a liability across all operating funds within the County, therefore, the annual debt service was payable from several sources, including the General Fund.

On May 28, 2003, the County issued $288,177,066 in aggregate principal amount of its Taxable Pension Obligation Bonds, Series 2003A and 2003B (the "2003 Pension Bonds"). On August 27, 2008, the County refunded the Series 2003B bonds in the principal amount of $50,000,000 through a private placement. On March 10, 2014, the County converted the 2008A Pension Obligation Refunding Bonds from an index rate to a fixed rate of 4.19%. The 2003A and the 2008A Pension Bonds constitute a liability across various operating funds within the County, therefore, the annual debt service is payable from several sources, including the General Fund.

The 2003 POB par amount outstanding as of June 30, 2021 is $96,317,067. The County will begin paying Capital Appreciation Bonds (CABs) on the 2003A pension obligation bonds in Fiscal Year 2023-24. The total interest cost of the CABs will be $72,347,933. The final maturity of the 2003A Pension Bonds is August 15, 2027. The first principal payment on the 2008A Pension Bonds is due on August 15, 2026 and the final maturity of the bonds is August 15, 2027.

OUTSTANDING INDEBTEDNESS (Cont'd)

Privately Placed and Other Obligations. The County's outstanding principal on privately placed and other obligations is $37,227,504 as of June 30, 2021. On April 12, 2011, the County entered into a private placement lease/purchase agreement in connection with a project consisting of the acquisition of solar panels and related equipment to be installed on the parking garage adjacent to the County Administrative Center, and other property of the County. The project qualifies as a "qualified conservation purpose" and the County received an allocation for subsidized financing pursuant to the American Recovery and Reinvestment Act. Debt service payments on Qualified Energy Conservation Bonds are made from the General Fund, which have an outstanding principal balance of $1,659,176, as of June 30, 2021.

In 2017 a private placement agreement was entered into to refund the 2011 Terminal Refunding for the William Thomas Terminal at Meadows Field Airport in Bakersfield, California. Revenue from operations of the Airport is used to fulfill this debt service obligation. The original principal amount of the obligation was $5,377,124, with a final maturity of February 1, 2027. The principal outstanding as of June 30, 2021 is $3,529,424.

On June 26, 2019, the County entered into a private placement agreement in connection with a project consisting of the acquisition of solar panels and related equipment to be installed near the Lerdo correctional complex. The outstanding principal as of June 30, 2021 is $10,350,000. Payments will be made from the General Fund. It is anticipated that debt service payments will be offset by utility cost savings once the installation project is completed.

On December 1, 2019 a private placement obligation was entered into to refund the 2010 Kern Public Services Financing Authority Lease Revenue Refund Bonds. Revenue from rental payments of the connected facility is used to fulfill this debt service obligation. The original principal amount of the new obligation is $6,885,000, with a final maturity of March 1, 2031. The principal outstanding as of June 30, 2021 is $5,865,000.

On December 1, 2021 a private placement obligation was entered into to fund the construction of two new psychiatric health facilities. The original principal balance is $27,611,722. Payments will be made from the General Fund and charged to the Behavioral Health Department through the State-approved Countywide Cost Allocation Plan.

In addition to bonds, the County has outstanding principal balances on equipment capital leases and an Economic Development Bank Loan in the amounts of $13,169,760 and $2,654,174, respectively. Not included in these values or Table 16 is an equipment capital lease for the acquisition and outfitting of a new helicopter to be used for public safety activities. The financing agreement was effective May 18, 2022. The original principal amount of the obligation is $6,400,000, with a final maturity of May 18, 2029.

TABLE 16

CERTIFICATES OF PARTICIPATION, PRIVATELY PLACED OBLIGATIONS AND PENSION OBLIGATION BONDS OUTSTANDING
AS OF JUNE 30, 2021

Description of Issue	*Source of Payment*	*Principal Outstanding*	*Final Maturity*	*2021-22 Payment Obligation*
Certificates of Participation				
2016 Certificates of Participation (Capital Improvement Projects)	General Fund	$67,690,000	November 1, 2034	$6,252,325
Subtotal Certificates of Participation		**$67,690,000**		**$6,252,325**
Privately Placed and Other Obligations				
Qualified Energy Conservation Bonds (Installment Purchase)	General Fund	$1,659,176	January 12, 2026	$411,595
Economic Development Bank Loan (5th District Curb & Gutter Project)	Community Development Block Grant	2,654,174	August 1, 2026	486,906
2016 Public Safety Vehicles Capital Lease	General Fund	341,086	November 15, 2021	346,617
2017 Assorted Equipment Capital Lease	General Fund	417,863	November 30, 2021	422,033
2017 Airport Terminal Refunding Lease/Leaseback	Airport Enterprise Fund	3,529,424	February 1, 2027	632,732
2018 Public Safety Vehicle Capital Lease	General Fund	1,957,557	October 17, 2022	1,342,972
2019 Solar Equipment Capital Lease	General Fund	10,350,000	June 1, 2039	794,952
2019 Kern Public Services Financing Authority Facility Refunding	Various Funds[1]	5,865,000	March 1, 2031	658,444
2020 Public Safety Vehicles Capital Lease A	General Fund	2,803,854	October 3, 2024	962,307
2020 Public Safety Vehicles Capital Lease B	General Fund	3,599,884	May 17, 2025	918,915
2020 Public Safety Vehicles Capital Lease C	General Fund	4,049,486	May 17, 2030	477,604
Subtotal Privately Placed and Other Obligations		**$37,227,504**		**$7,455,077**
Pension Obligation Bonds[2]				
1995 Taxable Pension Obligation Bonds	Various Funds	$4,044,602	August 15, 2021	$28,285,000
2003 Taxable Pension Obligation Bonds	Various Funds	96,317,067	August 15, 2027	27,015,658
2008 Taxable Pension Obligation Refunding Bonds Series 2008A	Various Funds	50,000,000	August 15, 2027	2,092,500
Subtotal Pension Obligation Bonds		**$150,361,669**		**$57,393,158**
Total Long-Term Debt		**$255,279,173**		**$71,100,560**

[1] The debt service payments for the 2019 Kern Public Services Financing Authority Facility Refunding are made with the lease payments from the entities occupying the facility.

[2] The debt service payments for the 1995, 2003 and 2008 Pension Obligation Bonds are made on pro rata between various County Funds proportional to the amount of salary cost incurred in those funds.

Source: Kern County Administrative Office

TABLE 17

CAPITAL LEASE OBLIGATIONS
GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES
AS OF JUNE 30, 2021
(Dollars in Thousands)

Year Ending June 30,	*Amount*
2022	$5,262
2023	3,831
2024	3,159
2025	2,678
2026	1,277
Thereafter	12,283
Net Minimum Lease Payments	28,490
Less Amount Representing Interest	(4,066)
Present Value of Net Minimum Lease Payments[1]	$24,424

[1] As of June 30, 2010 there were no capital lease obligations associated to business type activities

Source: County of Kern Fiscal Year 2020-21 Annual Comprehensive Financial Report

TABLE 18

LONG-TERM OPERATING LEASE OBLIGATIONS
AS OF JUNE 30, 2021
(Dollars in Thousands)

Year Ending June 30,	*Amount*
2022	$15,736
2023	13,508
2024	12,220
2025	11,461
2026	11,021
2027-2031	31,204
2032-2036	11,374
2037-2041	573
2042	249
Total	$107,346

Source: County of Kern Fiscal Year 2020-21 Annual Comprehensive Financial Report

TABLE 19

COUNTY OF KERN PORTFOLIO STATISTICS
AS OF OCTOBER 31, 2021

Investments	*Original Cost*	*Market Value*	*Original Yield to Maturity at Book Value*
Pooled Funds	$316,287,140	$316,287,140	0.42%
U.S. Treasuries	1,452,120,918	1,438,878,699	0.73%
Federal Agency Issues	988,252,275	990,570,476	1.19%
Municipal Bonds	88,306,848	88,668,800	1.77%
Supranationals	226,098,993	224,534,088	1.08%
Negotiable CDs	460,000,000	459,837,442	0.18%
Commercial Paper	194,815,678	194,881,012	0.16%
Corporate Notes	601,829,703	608,805,378	2.05%
Total Securities	$4,327,711,555	$4,322,463,035	0.93%
Cash, Accruals and Payables	101,645,863	101,645,863	
Total Portfolio	$4,429,357,418	$4,424,108,898	

Source: County of Kern Treasurer-Tax Collector Pooled Cash Portfolio Report

TABLE 20

COUNTY OF KERN
AGING OF MATURING INVESTMENTS
AS OF NOVEMBER 1, 2021

Aging Interval	*Par Value (In Thousands)*	*Percent of Portfolio*
0 - 366 days	$1,706,414	39.02%
1 - 3 years	1,663,696	38.04%
3 - 5 years	1,003,353	22.94%
Over 5 years	0	0.00%
Total	$4,373,463	100.00%

Source: County of Kern Treasurer-Tax Collector

TABLE 21

COUNTY OF KERN
MAJOR EMPLOYERS
AS OF DECEMBER 2021

Employer	*Type of Business*	Estimated Number of Employees [1]
Adventist Health Bakersfield	Healthcare Services	1,000-4,999
Bakersfield Memorial Hospital	Healthcare Services	1,000-4,999
California Correctional Institution	Public Safety	1,000-4,999
Chevron	Energy	1,000-4,999
Dignity Health	Healthcare Services	1,000-4,999
Edwards Air Force Base	Military	5,000-9,999
Kern County	Government	5,000-9,999
Grimmway Farms	Agriculture	1,000-4,999
Marko Zaninovich Inc.	Agriculture	1,000-4,999
Nabors Completion-Production	Energy	1,000-4,999
Naval Air Weapons Station China Lake	Military	5,000-9,999
Paramount Farms	Agriculture	500-999
Ridgecrest Regional Hospital	Healthcare Services	500-999
Robertson's Ready Mix	Construction	1,000-4,999
Sierra Sands Unified School District	Education	500-999
Sun Pacific	Agriculture	500-999
Bolthouse Farms LLC	Agriculture	1,000-4,999
Vasinda Investments, Inc	Healthcare Services	500-999
Wonderful Citrus LLC	Agriculture	500-999

Source: State of California - Employment Development Department

[1] EDD data is based on headquarters location, and in some cases may include employees located outside of Kern County.

TABLE 22

TOTAL AGRICULTURAL PRODUCTION VALUES
FOR YEARS 2015 THROUGH 2020
(Dollars in Thousands)

	2015	*2016*	*2017*	*2018*	*2019*	*2020*
Fruit and Nut Crops	$4,593,866	$4,900,990	$4,802,164	$5,147,712	$5,269,632	$5,163,324
Field Crops and Rangeland	340,618	304,712	303,075	331,573	402,756	306,414
Vegetable Crops	654,165	836,670	916,636	770,301	758,802	920,715
Nursery Crops	83,265	102,318	113,705	122,473	121,540	129,963
Industrial and Wood Crops	12,838	9,045	10,764	14,925	13,824	13,840
Seed Crops	11,251	9,410	14,932	7,876	6,773	3,453
Livestock and Poultry	370,376	326,508	332,978	272,181	286,634	262,605
Livestock and Poultry Products	652,917	609,513	666,421	687,292	653,505	763,278
Apiary Products	82,772	88,778	93,493	111,819	107,233	105,817
Totals	$6,802,068	$7,187,944	$7,254,168	$7,466,152	$7,620,699	$7,669,409

Source: Kern County Agricultural Crop Reports 2015 through 2020

KERN MEDICAL CENTER - KERN COUNTY HOSPITAL AUTHORITY

Kern Medical Center was the County-owned and operated teaching hospital. On July 1, 2016, the hospital was transferred to the Kern County Hospital Authority (The Authority). The Authority was created after the California Governor approved Assembly Bill 2546 which gave the County the authority to establish by ordinance, the Authority to manage, administer and control Kern Medical Center. As part of the transfer all employees, facilities, certain liabilities and resources were transferred by the County to the Authority. The County will continue to retain ultimate responsibility for indigent medical care under Section 17000 of the Welfare and Institutions Code. The County and the Authority have contracted with each other with respect to certain health care, administrative, and financial services under separate agreements. These agreements contemplate certain financial relationships between the County and the Authority, including the County's financial support in the form of loans and/or grants, the Authority assumption of certain liabilities of the County incurred in connection with prior operations of the hospital, the continued provision of certain health care services to residents of the County and inmates and the County's consent for the Authority to participate in and receive, certain County general purpose funds and local revenue funds (1991 Realignment) identified or earmarked for health care services to the indigent, including Medi-Cal beneficiaries and uninsured patients. As part of these agreements and in connection with prior operations of Kern Medical Center, the County agreed to pay up to $19 million for settlements of cost reports. This obligation was tied to specific cost reports which were outstanding and awaiting final review at the time of the original agreement. Over the past few years the majority of the outstanding cost reports have been finalized and audited, and as a result of rulings made by the federal government a refund of $12,428,671 was issued to the Authority. Because the refund was associated with liabilities and cost reports of the County and not the Authority, the refund was returned to the County and the cost report liability of the County was reduced from $19 million to $8.57 million.

The following table details County contributions to the operations of Kern Medical Center prior to the transfer, and the County cost for certain indigent and inmate healthcare after the transfer.

TABLE 23

KERN MEDICAL CENTER
GENERAL FUND / REALIGNMENT CASH
(As of June 30)

	Kern Medical Center as a County-owned hospital			Kern County Hospital Authority				
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*
Advances Payable - Year End Balance [1]	$61,313,984[4]	$4,580,539	$0	N/A	N/A	N/A	N/A	N/A
County Contribution:								
Realignment and Contribution for Indigent Care	$10,500,000	$11,910,653	$2,310,769	$5,508,147	$3,422,532	$3,974,917	$3,422,531	$3,422,531
Other Contracted Services	0	0	0	165,000	108,600	87,800	3,199,006	0
Juvenile Facility [2]	3,755,720	3,739,941	3,951,504	3,951,503	3,952,495	2,687,395	3,676,614	3,477,646
Adult Inmate [2]	17,734,393	17,126,515	19,292,637	19,761,033	24,236,502	27,614,663	27,026,481	26,760,144
County Contribution for Operations	25,801,396	9,900,000	7,147,774	0	0	0	0	0
Other Capital Projects	0	0	453,017	2,090,345	0	0	0	0
Other - Cost Report Settlements [5]	0	0	0	0	0	0	12,946,862	0
Total County Contribution	$57,791,509	$42,677,109	$33,155,701	$31,476,028	$31,720,129	$34,364,775	$50,271,494	$33,660,321
Write-off of General Fund Loans at June 30[3]	3,817,773	0	0	0	0	0	0	0
Total Advances & County Contribution	$122,923,266	$47,257,648	$33,155,701	$31,476,028	$31,720,129	$34,364,775	$50,271,494	$33,660,321

[1] Year-end balance reflects General Fund loans outstanding at June 30.

[2] General Fund obligation

[3] A $9,595,980 contribution was included in the Fiscal Year 2013-14 Adopted Budget in anticipation of a write-off.

[4] Pursuant to GASB 54, the Auditor-Controller determined $23,286,201 of the outstanding advance payable to be non-spendable as of June 30.

Source: County of Kern

[5] The 2020 payment was made by the County for cost report liabilities. A refund in the amount of $12,428,671 was received by the County during Fiscal Year 2020-21.

EXHIBIT A
S.E.C. Rule 15c2-12
Continuing Disclosure Requirements - MATRIX

	Requirement of:				
	1995 Pension Obligation Bond	2003 Pension Obligation Bond, Series 2003A	2008 Pension Obligation Bond, Series 2003B Refunding	2010 Public Services Facility Project Refunding	2016 Capital Improvement Projects Refunding
Governmental Funds Budgets	x	x		x	x
General Fund Revenues and Expenditures	x	x		x	x
General Fund Balance Sheet		x		x	x
Breakdown of Revenue Sources	x	x		x	x
Summary of Tax Levies and Collections	x	x		x	x
Assessed Valuation	x	x		x	x
Principal Taxpayers	x	x		x	x
County Employement Levels	x	x		x	x
Bargaining Units		x		x	x
Membership in Employees Retirement Association	x	x		x	x
Retirement Association Annual Employer Contributions				x	x
Retirement Association Schedule of Funding Progress		x		x	x
Retirement Association Unrecognized Gains and Losses				x	x
Retirement Association Actuarial Assumptions				x	x
Retirement Association Market Value Investment Results				x	x
Outstanding Indebtedness	x	x		x	x
Certificates of Participation and Pensions Obligation Bonds Outstanding	x	x		x	x
Capital lease Obligations	x	x		x	x
Operating Lease Obligations	x	x		x	x
Investment Portfolio Statistics	x	x		x	x
Aging of Maturing Investments	x			x	
Major Employers					
Total Agricultural Production					
Kern Medical Center General Fund/Realignment Cash				x	x
Estimated Direct and Overlapping Bonded Debt	x	x			

Disclosure requirements related to private placement transactions have not been included on this table.