COUNTY OF KERN

ANNUAL DISCLOSURE REPORT

FISCAL YEAR 2018-19

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

DATED: JANUARY 9, 2020

COUNTY OF KERN, STATE OF CALIFORNIA

BOARD OF SUPERVISORS

Mick Gleason	First District
Zack Scrivner	Second District
Mike Maggard	Third District
David Couch	Fourth District
Leticia Perez	Fifth District

COUNTY OFFICIALS

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

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COUNTY ADMINISTRATIVE OFFICE
FISCAL YEAR 2018-19

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 2018-19 fiscal year. In accordance with the disclosure regulations and the Agreements, the unaudited Fiscal Year 2018-19 Comprehensive Annual Financial Report (CAFR) and the FY 2019-20 County Adopted Budget are provided. The audited CAFR will be provided as soon as it is available.

This report along with the unaudited CAFR and the County Budget 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, 2019 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
492279AS3*	8/15/2019	$7,495,928
492279AT1	8/15/2020	$7,544,774
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 2009 Certificates of Participation (Capital Improvement Projects). Certificates issued for the construction of County Fire Station 65, Pine Mountain Fire Station, the Information Technology Building, the 7th Standard Road Corridor, 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 roads throughout the County. On December 14, 2016, the 2016 Refunding Certificates of Participation were issued to advance refund the 2009 Certificates of Participation (Capital Improvement Projects). On December 28, 2016, the outstanding amounts were defeased. The outstanding amounts were paid in full by February 1, 2019.

Par Amount	$95,410,000
Dated Date	April 22, 2009
Final Maturity	August 1, 2035

CUSIP*	Maturity	Principal at Issuance
49225HJJ8	8/1/2019	$2,870,000
49225HJK5	8/1/2020	$2,995,000
49225HJL3	8/1/2021	$3,140,000
49225HJM1	8/1/2022	$3,295,000
49225HJN9	8/1/2023	$3,470,000
49225HJP4	8/1/2024	$3,645,000
49225HJQ2	8/1/2025	$3,850,000
49225HJR0	8/1/2026	$4,055,000
49225HJS8	8/1/2027	$4,270,000
49225HJT6	8/1/2028	$4,510,000
49225HJU3	8/1/2029	$4,765,000
49225HJV1	8/1/2035	$25,130,000
49225HJW9	8/1/2035	$10,000000

*All outstanding obligations were defeased on December 28, 2016, and paid in full by February 1, 2019.

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).

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

CUSIP	Maturity	Principal at Issuance
49225HKQ0*	11/1/2019	$3,245,000
49225HKR8	11/1/2020	$3,405,000
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 will be paid in full by March 1, 2020.

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

CUSIP	Maturity	Principal at Issuance
49224PBD2	3/1/2020	$460,000
49224PBE0	3/1/2021	$480,000
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

County of Kern 2011 Refunding Certificates of Participation, Series A (Capital Improvement Projects). Certificates refunded the 1997 Certificates of Participation (Fire Department Projects) and the 1999 Certificates of Participation (Capital Improvement Projects).

Par Amount	$14,990,000
Dated Date	March 30, 2011
Final Maturity	November 1, 2019

CUSIP	Maturity	Principal at Issuance
49225HKM9*	11/1/2019	$1,600,000

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

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, Sr. County Administrative Officer Manager	(661) 868-3162
Fax Machine	(661) 868-3190
Kern County Homepage	www.kerncounty.com

TABLE 1

GOVERNMENTAL FUNDS BUDGETS

	Actual 2017-18 Uses/Sources [1]	*Actual 2018-19 Uses/Sources*	*Adopted 2019-20 Budget*
REQUIREMENTS:			
General Government	$124,228,106	$116,000,099	$151,727,372
Public Protection	785,933,593	797,685,687	839,763,682
Public Ways and Facilities	72,010,874	51,873,326	109,909,653
Health and Sanitation	327,852,209	368,199,569	489,483,578
Public Assistance	651,022,901	661,614,367	723,441,297
Education	7,437,928	7,349,407	7,906,589
Recreation and Cultural	52,275	96,150	290,894
Debt Service	7,768,190	7,683,028	10,734,172
Contingencies and Reserves			101,873,260
Total Requirements	$1,976,306,076	$2,010,501,633	$2,435,130,497
AVAILABLE FUNDS:			
Current Property Taxes	$257,410,609	$259,431,093	$269,564,642
Other Taxes	148,557,772	169,527,056	157,049,741
Licenses, Permits and Franchises	27,208,738	31,326,328	25,836,301
Fines, Forfeitures and Penalties	22,328,158	22,386,909	21,604,629
Use of Money and Property	7,906,776	14,729,616	7,939,556
Aid from Other Governmental Agencies	813,695,067	855,190,405	916,817,241
Charges for Current Services	199,662,532	206,441,672	244,474,851
Miscellaneous Revenue	18,177,667	16,031,544	16,150,695
Other Financing Sources (Uses)	520,530,117	509,641,171	551,543,427
Use of Available Fund Balance			224,149,414
Total Available Funds	$2,015,477,436	$2,084,705,794	$2,435,130,497

[1] Actual 2017-18 Uses/Sources differ from those published in the Fiscal Year 2017-18 Annual Report due to a clerical oversight in the FY 2018-19 Adopted Budget.

Source: County of Kern Fiscal Year 2019-20 Adopted Budget

TABLE 2

STATEMENT OF GENERAL FUND REVENUE AND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 2016, 2017, 2018, and 2019
(Dollars in thousands)

	June 30, 2016	*June 30, 2017*	*June 30, 2018*	*June 30, 2019 Unaudited*
Revenue:				
Taxes	$315,286	$300,809	$309,457	$329,142
Licenses, Permits and Franchises	10,363	12,343	11,231	11,731
Fines, Forfeitures and Penalties	13,259	12,786	12,570	13,435
Use of Money and Property	23,849	9,024	3,625	8,602
Intergovernmental Revenue	147,115	144,493	165,543	164,350
Charges for Current Services	80,605	78,861	76,842	91,419
Other Revenue	4,096	6,149	5,496	5,421
Total Revenue	$594,573	$564,465	$584,764	$624,100
Expenditures:				
General Government	$118,022	$126,943	$119,980	$113,054
Public Protection	408,778	402,748	402,677	415,605
Health and Sanitation	32,214	64,623	66,347	67,549
Public Assistance	13,169	13,974	14,996	16,120
Education	8,034	7,945	7,585	7,199
Recreational and Cultural Services	11,816	0	0	0
Capital Outlay	106	7,338	6,300	11,690
Debt Service	13,533	4,501	937	480
Total Expenditures	$605,672	$628,072	$618,822	$631,697
Excess Revenues Over (Under) Expenditures	($11,099)	($63,607)	($34,058)	($7,597)
Other Financing Sources (Uses):				
Operating Transfers In	$166,930	$167,581	$172,665	$179,500
Operating Transfers Out	(174,767)	(117,474)	(148,384)	(153,720)
Inception of Capital Leases	106	7,338	6,300	11,690
Total Other Financing Sources (Uses)	($7,731)	$57,445	$30,581	$37,470
Net Changes in Fund Balances	(18,830)	(6,162)	(3,477)	29,873
Fund Balance at Beginning of Year	$300,833	$292,774	$288,143	$284,273
Prior Period Adjustments	10,771	1,531	(393)	
Fund Balance at End of Year	$292,774	$288,143	$284,273	$314,146

Source: County of Kern Comprehensive Annual Financial Reports for Fiscal Years Ended June 30, 2016, 2017, 2018, and unaudited for 2019.

TABLE 3
GENERAL FUND BALANCE SHEET
AT JUNE 30, 2016, 2017, 2018, and 2019
(Dollars in Thousands)

	June 30, 2016	*June 30, 2017*	*June 30, 2018*	*June 30, 2019 Unaudited*
Assets:				
Pooled Cash and Investments	$242,033	$226,433	$231,974	$269,394
Revolving Fund Cash	1,321	1,309	1,303	1,300
Interest Receivable	920	1,096	1,536	2,493
Taxes Receivable	33,473	30,723	30,849	30,540
Accounts Receivable	1,433	3,035	5,354	3,219
Accrued Revenue	21,037	21,797	25,913	22,809
Due from Other Funds	28,002	33,300	35,695	29,591
Loans Receivable	0	0	0	0
Advances to Other Funds	3,000	5,000	0	5,000
Due from Other Agencies	12,500	12,582	5,846	937
Deposits with Others	136	136	136	136
Prepaid Items	206	0	708	755
Total Assets	$344,061	$335,411	$339,314	$366,174
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Accounts Payable	$13,230	$10,320	$17,833	$16,917
Salaries and Employee Benefits Payable	21,374	22,449	24,222	25,930
Due to Other Funds	11,289	4,904	4,281	900
Due to Other Agencies	0	0	0	5
Advances from Grantors and Third Parties	1,445	1,928	607	58
Total Liabilities	$47,338	$39,601	$46,943	$43,810
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	$3,810	$4,049	$4,027	$4,275
Unavailable Revenue - Other	139	3,618	4,071	3,943
Total Deferred Inflows of Resources	$3,949	$7,667	$8,098	$8,218
Fund Balance				
Nonspendable	$22,035	$22,370	$17,924	$17,995
Restricted	11,471	11,915	9,753	10,650
Committed	37301	44,488	35,528	47,316
Assigned	147,459	118,153	140,264	153,451
Unassigned	74,508	91,217	80,804	84,734
Total Fund Balance	$292,774	$288,143	$284,273	$314,146
Total Liabilities and Fund Balance	$344,061	$335,411	$339,314	$366,174

Source: County of Kern Comprehensive Annual Financial Reports for Fiscal Years Ended June 30, 2016, 2017, 2018, and the unaudited for 2019.

TABLE 4

BREAKDOWN OF BUDGETED REVENUE SOURCES FOR FISCAL YEAR 2019-20

Taxes	17.52%
Licenses, Permits and Franchises	1.06%
Fines, Forfeitures and Penalties	0.89%
Use of County Property and Money	0.33%
Aid from Other Governmental Agencies	37.65%
Charges for Services	10.04%
Miscellaneous Revenues[1]	32.52%
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 2019-20 Adopted Budget

TABLE 5

SUMMARY OF TAX LEVIES AND COLLECTIONS FOR THE SECURED TAX ROLL
FISCAL YEARS 2009-10 THROUGH 2018-19
(Dollars in Thousands)

Fiscal Year	*Total Levy*	*Total Collected* [1]	*Total Collected at Fiscal Year-End as Percent of Tax Levy*
2009-10	977,544	941,531	96.3%
2010-11	1,019,564	992,648	97.4%
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%

[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 2010-11 THROUGH 2019-20
(Dollars in Thousands)

Fiscal Year	*Secured Assessed Valuation* [1]	*Unsecured Assessed Valuation*	*Less Exemptions* [2]	*Net Assessed Valuation*	*Redevelopment Agency Exemptions*
2010-11	$81,182,505	$3,415,217	$2,584,193	$82,013,529	$3,063,710
2011-12	82,373,823	4,302,692	2,649,832	84,026,683	2,988,401
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

[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 2010-11 through FY 2019-20

TABLE 7

PRINCIPAL TAXPAYERS
2019-20 SECURED TAX ROLL

Company	*Net Secured Assessed Value*	*Total Tax on Secured Property* [1]
Chevron USA, Inc.	$5,620,407,203	$64,305,362
California Resources Elk Hills, Inc.	3,142,345,971	36,142,984
Aera Energy, LLC	2,519,308,610	27,265,767
Pacific Gas & Electric Co.	1,137,355,296	18,342,935
Southern California Edison Co.	1,060,334,567	17,085,097
California Resources Petroleum Corp	1,301,901,412	15,103,402
Sentinel Peak Resources Cal LLC	937,002,219	10,097,575
US Borax Inc.	804,998,397	9,286,136
Berry Petroleum Company LLC	796,955,163	9,008,449
Paramount Farms International LLC	540,134,135	6,028,045

[1] Property Tax is allocated to County, Cities and Other Districts
Source: County of Kern Tax Rates and Assessed Valuations Book, FY 2019-20

TABLE 8

COUNTY OF KERN EMPLOYMENT LEVELS
FISCAL YEARS 2010-11 THROUGH 2019-20

Fiscal Year [1]	*Permanent Full-time*	*Permanent Part-time*
2010-11	8,547	265
2011-12	8,465	263
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

[1] Figures for FY 2010-11 through 2013-14 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.

Source: Kern County Administrative Office - Human Resources Division

TABLE 9

BARGAINING UNITS

Bargaining Unit	*Number of Employees* [1]	*Ending Term of Labor Agreement* [2]
Service Employees' International, Local 521 (SEIU 521)	4,673	October 31, 2019
Kern Law Enforcement Association (KLEA)	526	June 30, 2020
Kern County Fire Fighters Union (KCFFU)	511	September 30, 2017
Kern County Probation Officers' Association (KCPOA)	404	July 24, 2015
Kern County Detention Officers' Association (KCDOA)	262	September 30, 2019
Kern County Prosecutors' Association (KCPA)	92	June 30, 2020
SEIU 521 - Criminal Justice Unit	1	October 31, 2019
Kern County Sheriff's Command Association (KCSCA)	26	June 30, 2020
Kern County Sheriff's Command Association II (KCSCA II)	6	March 13, 2015
Kern County Sheriff's Command Association II (KCSCA III)	4	June 30, 2020
SEIU 521 - Extra Help	570	October 31, 2019
Kern County Probation Managers' Association (KCPMA)	15	March 13, 2015

[1] Filled positions as of December 18, 2019. Does not include Courts, Air Pollution Control District, or rehired retirees.

[2] The County is currently negotiating a successor Memorandum of Understanding for each expired labor agreement.

Source: Kern County Administrative Office - Human Resources Division

TABLE 10

MEMBERSHIP IN KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION AT JUNE 30, 2015 THROUGH JUNE 30, 2019

	June 30, 2015	*June 30, 2016*	*June 30, 2017*	*June 30, 2018*	*June 30, 2019*
Retirees and Beneficiaries[1]	8,412	8,716	9,017	9,655	9,946
Active Plan Participants	8,492	8,635	8,738	8,922	9,265
Total	16,904	17,351	17,755	18,577	19,211

[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, 2019.

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*
2014	220,393	100%
2015	215,477	100%
2016[2]	234,717	100%
2017	224,351	100%
2018	242,534	100%
2019	229,120	100%
2020	254,195 [3]	N/A

[1] Contributions include all plan sponsors.

[2] KCERA has updated the calculation methodology to exclude employer paid member contributions. This data has been updated to reflect this change, causing the data to vary from the prior year report

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

Source: KCERA Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019.

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*
06/30/13	$3,120,632	$5,108,619	$1,987,987	61.09%	$555,752	357.71%
06/30/14	3,342,122	5,492,440	2,150,318	60.85%	555,634	387.00%
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	2,230,922	64.80%	612,277	364.36%

[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, 2019

TABLE 13

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

Six-Month Period Ended	*Investment Gain (Loss)*	*Deferred Factor*	*Deferred Return (Loss)*
6/30/2019	$202,202,941	90%	181,982,647
12/31/2018	(285,555,254)	80%	(228,444,203)
6/30/2018	(137,839,284)	70%	(96,487,499)
12/31/2017	104,867,684	60%	62,920,610
6/30/2017	124,859,668	50%	62,429,834
12/31/2016	24,716,100	40%	9,886,440
6/30/2016	(29,765,355)	30%	(8,929,607)
12/31/2015	(268,158,347)	20%	(53,631,669)
6/30/2015	(20,642,498)	10%	(2,064,250)
Total Deferred Loss			($72,337,696)

Source: KCERA Actuarial Valuation as of June 30, 2019

TABLE 14

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL ASSUMPTIONS

Actuarial Assumption	*2017*	*2018*	*2019*
Interest	7.25%	7.25%	7.25%
Inflation	3.00%	3.00%	3.00%
Salary Increase[(1)]	varies	varies	varies

[(1)] Varies by service, including inflation. General: 4.00% to 9.00%. Safety: 4.00% to 12.50%.

Source: KCERA Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2018 and June 30, 2019

TABLE 15

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

Year Ended June 30	*Annualized Rate of Return*
2012	1.00%
2013	10.40%
2014	15.00%
2015	2.40%
2016	-0.50%
2017	11.80%
2018	6.50%
2019	5.30%

Source: KCERA Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2019.

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 and Fiscal Year 2019-20 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 2018-19 or 2019-20.

Certificates of Participation. As of June 30, 2019, the County has outstanding certificates of participation in the aggregate principal amount of $75,940,000. 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.

The County's General Fund is available and makes payments with respect to all such obligations. The final payment on the 2011 Refunding Certificates of Participation was made on November 1, 2019.

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, 2019 is $19,185,303. 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 constitute a liability across all operating funds within the County, therefore, the annual debt service is payable from several sources, including the General Fund. The final maturity of the 1995 Pension Bonds is August 15, 2021.

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.

OUTSTANDING INDEBTEDNESS (Cont'd)

The 2003 POB par amount outstanding as of June 30, 2019 is $137,607,067. 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.

Privately Placed and Other Obligations. The County's outstanding principal on privately placed and other obligations is $39,325,303 as of June 30, 2019. 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 $2,274,523, as of June 30, 2019.

In December 2011, the County entered into a private placement lease/leaseback arrangement in the amount of $8,660,000 to refund $9,450,000 of principal outstanding of the County of Kern 2003 Certificates of Participation. In August 2017, the County entered into a private placement lease/leaseback arrangement in the amount of $5,377,124 to refund the principal outstanding of $5,110,000 on the December 2011 arrangement.

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, 2019 is $11,690,000. Payments will be made from the General Fund. It is anticipated that debt service payments will be offset by utility cost savings.

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.

In addition to bonds, the County has outstanding principal balances on equipment capital leases, an Economic Development Bank Loan, and a California Integrated Waste Management Board loan in the amounts of $9,008,638, $3,449,973, and $64,000, respectively.

TABLE 16

CERTIFICATES OF PARTICIPATION, PRIVATELY PLACED OBLIGATIONS AND PENSION OBLIGATION BONDS OUTSTANDING
AS OF JUNE 30, 2019

Description of Issue	*Source of Payment*	*Principal Outstanding*	*Final Maturity*	*2019-20 Payment Obligation*
Certificates of Participation				
2016 Certificates of Participation (Capital Improvement Projects)	General Fund	$74,340,000	November 1, 2034	$6,258,201
2011 Refunding Certificates of Participation (Capital Improvement Projects)	General/Kern Hospital Authority	1,600,000	November 1, 2019	1,632,000
Subtotal Certificates of Participation		**$75,940,000**		**$7,890,201**
Privately Placed and Other Obligations				
Qualified Energy Conservation Bonds (Installment Purchase)	General Fund	$2,274,523	January 12, 2026	$434,980
Economic Development Bank Loan (5th District Curb & Gutter Project)	Community Development Block Grant	3,449,973	August 1, 2026	489,574
2015 Medical Equipment Capital Lease A	Kern Medical	628,510	July 15, 2020	426,990
2015 Medical Equipment Capital Lease B	Kern Medical	211,364	November 1, 2020	143,220
2016 Public Safety Vehicles Capital Lease	General Fund	1,680,491	November 15, 2021	687,233
2017 Assorted Equipment Capital Lease	General Fund	2,048,439	November 30, 2021	844,064
2018 Public Safety Vehicle Capital Lease	General Fund	4,439,834	October 17, 2022	1,342,972
2019 Solar Equipment Capital Lease	General Fund	11,690,000	June 1, 2039	797,450
Kern Public Services Financing Authority Lease Revenue Refunding Bonds, 2010 Series [3]	Various Funds[1]	8,235,000	March 1, 2032	901,209
Airport Terminal Refunding	Airport Enterprise Fund	4,603,169	February 1, 2027	632,731
California Integrated Waste Management Board Loan	Solid Waste Enterprise Fund	64,000	September 1, 2019	64,000
Subtotal Privately Placed and Other Obligations		**$39,325,303**		**$6,764,423**
Pension Obligation Bonds[2]				
1995 Taxable Pension Obligation Bonds	Various Funds	$19,185,303	August 15, 2021	$44,060,000
2003 Taxable Pension Obligation Bonds	Various Funds	137,607,067	August 15, 2027	24,221,376
2008 Taxable Pension Obligation Refunding Bonds Series 2008A	Various Funds	50,000,000	August 15, 2027	2,092,500
Subtotal Pension Obligation Bonds		**$206,792,370**		**$70,373,876**
Total Long-Term Debt		**$322,057,673**		**$85,028,500**

[1] The debt service payments for the Kern Public Services Financing Authority Lease Revenue Refunding Bonds, 2010 Series is 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.
[3] On December 1, 2019 the Kern Public Services Financing Authority issued a new financial obligation to refund the 2010 Lease Revenue Refunding Bonds.

Source: Kern County Administrative Office

TABLE 17

CAPITAL LEASE OBLIGATIONS
GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES
AS OF JUNE 30, 2019
(Dollars in Thousands)

Year Ending June 30,	*Amount (Unaudited)*
2020	$3,694
2021	3,673
2022	3,112
2023	1,472
2024	801
Thereafter	11,971
Net Minimum Lease Payments	24,723
Less Amount Representing Interest	(4,632)
Present Value of Net Minimum Lease Payments[1]	$20,091

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

Source: County of Kern unaudited Fiscal Year 2018-19 Comprehensive Annual Financial Report

TABLE 18

LONG-TERM OPERATING LEASE OBLIGATIONS
AS OF JUNE 30, 2019
(Dollars in Thousands)

Year Ending June 30,	*Amount (Unaudited)*
2020	$13,078
2021	10,953
2022	9,955
2023	8,267
2024	7,443
2025-2029	26,809
2030-2034	1,946
2035-2039	91
2040-2042	53
Total	$78,595

Source: County of Kern unaudited Fiscal Year 2018-19 Comprehensive Annual Financial Report

TABLE 19

COUNTY OF KERN PORTFOLIO STATISTICS
AS OF OCTOBER 31, 2019
(Dollars in Thousands)

Investments	*Original Cost*	*Market Value*	*Original Yield to Maturity at Book Value*
Pooled Funds	$252,271,188	$252,271,188	6.04%
U.S. Treasuries	456,487,891	462,915,280	2.03%
Federal Agency Issues	1,165,600,154	1,176,665,705	2.04%
Municipal Bonds	62,748,290	63,780,950	2.51%
Supranationals	142,434,688	144,007,884	2.03%
Negotiable CDs	175,000,000	175,150,578	2.36%
Commercial Paper	98,659,653	99,151,522	2.14%
Corporate Notes	674,750,839	687,151,043	2.50%
Total Securities	$3,027,952,703	$3,061,094,150	2.17%
Cash, Accruals and Payables	52,843,866	52,843,866	
Total Portfolio	$3,080,796,569	$3,113,938,016	

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

TABLE 20

COUNTY OF KERN
AGING OF MATURING INVESTMENTS
AS OF OCTOBER 31, 2019

Aging Interval	*Par Value (In Thousands)*	*Percent of Portfolio*
0 - 366 days	$1,302,914	42.25%
1 - 3 years	1,135,946	36.83%
3 - 5 years	645,286	20.92%
Over 5 years	0	0.00%
Total	$3,084,146	100.00%

Source: County of Kern Treasurer-Tax Collector

TABLE 21

COUNTY OF KERN
MAJOR EMPLOYERS
AS OF JANUARY 2019

Employer	*Type of Business*	Estimated Number of Employees
Edwards Air Force Base	Military	9,535
County of Kern	Government	9,300
China Lake Naval Weapons Center	Military	7,000
Grimmway	Agriculture	3,700
Dignity Health	Healthcare Services	3,296
Adventist Health Bakersfield	Healthcare Services	2,300
WM. Bolthouse Farms	Agriculture	2,250
Kern Medical	Healthcare Services	1,600
City of Bakersfield	Government	1,600
Chevron	Energy	1,000

Source: Kern Economic Development Corporation - 2019 Kern County Market Overview & Investor Directory

TABLE 22

TOTAL AGRICULTURAL PRODUCTION VALUES
FOR YEARS 2013 THROUGH 2018
(Dollars in Thousands)

	2013	*2014*	*2015*	*2016*	*2017*	*2018*
Fruit and Nut Crops	$4,133,389	$4,769,213	$4,593,866	$4,900,990	$4,802,164	$5,147,712
Field Crops and Rangeland	522,365	507,302	340,618	304,712	303,075	331,573
Vegetable Crops	686,879	648,857	654,165	836,670	916,636	770,301
Nursery Crops	111,271	93,270	83,265	102,318	113,705	122,473
Industrial and Wood Crops	14,176	18,498	12,838	9,045	10,764	14,925
Seed Crops	5,305	6,591	11,251	9,410	14,932	7,876
Livestock and Poultry	418,926	443,650	370,376	326,508	332,978	272,181
Livestock and Poultry Products	819,880	980,756	652,917	609,513	666,421	687,292
Apiary Products	57,755	83,737	82,772	88,778	93,493	111,819
Totals	$6,769,946	$7,551,874	$6,802,068	$7,187,944	$7,254,168	$7,466,152

Source: Kern County Agricultural Crop Reports 2013 through 2018

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. 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. 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		
	2013	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Advances Payable - Year End Balance [1]	$85,400,000	$61,313,984[4]	$4,580,539	$0	N/A	N/A	N/A
County Contribution:							
Realignment and Contribution for Indigent Care	$15,700,694	$10,500,000	$11,910,653	$2,310,769	$5,508,147	$3,422,532	$3,974,917
Other Contracted Services	0	0	0	0	165,000	108,600	87,800
Juvenile Facility [2]	3,719,000	3,755,720	3,739,941	3,951,504	3,951,503	3,952,495	2,687,395
Adult Inmate [2]	17,561,000	17,734,393	17,126,515	19,292,637	19,761,033	24,236,502	27,614,663
County Contribution for Operations	0	25,801,396	9,900,000	7,147,774	0	0	0
Other Capital Projects	0	0	0	453,017	2,090,345	0	0
Total County Contribution	$36,980,694	$57,791,509	$42,677,109	$33,155,701	$31,476,028	$31,720,129	$34,364,775
Write-off of General Fund Loans at June 30[3]	0	3,817,773	0	0	0	0	0
Total Advances & County Contribution	$122,380,694	$122,923,266	$47,257,648	$33,155,701	$31,476,028	$31,720,129	$34,364,775

[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

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	2009 Capital Improvement Projects	2010 Public Services Facility Project Refunding	2011 Capital Improvement Projects Refunding	2016 Capital Improvement Projects Refunding
Governmental Funds Budgets	x	x		x	x	x	x
General Fund Revenues and Expenditures	x	x		x	x	x	x
General Fund Balance Sheet		x		x	x	x	x
Breakdown of Revenue Sources	x	x		x	x	x	x
Summary of Tax Levies and Collections	x	x		x	x	x	x
Assessed Valuation	x	x		x	x	x	x
Principal Taxpayers	x	x		x	x	x	x
County Employement Levels	x	x		x	x	x	x
Bargaining Units		x		x	x	x	x
Membership in Employees Retirement Association	x	x		x	x	x	x
Retirement Association Annual Employer Contributions				x	x	x	x
Retirement Association Schedule of Funding Progress		x		x	x	x	x
Retirement Association Unrecognized Gains and Losses				x	x	x	x
Retirement Association Actuarial Assumptions				x	x	x	x
Retirement Association Market Value Investment Results				x	x	x	x
Outstanding Indebtedness	x	x		x	x	x	x
Certificates of Participation and Pensions Obligation Bonds Outstanding	x	x		x	x	x	x
Capital lease Obligations	x	x		x	x	x	x
Operating Lease Obligations	x	x		x	x	x	x
Investment Portfolio Statistics	x	x		x	x	x	x
Aging of Maturing Investments	x			x	x	x	
Major Employers							
Total Agricultural Production							
Kern Medical Center General Fund/Realignment Cash				x	x	x	x
Estimated Direct and Overlapping Bonded Debt	x	x					

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