

**COUNTY OF KERN**

**ANNUAL DISCLOSURE REPORT**

**FISCAL YEAR 2023-24**



**COUNTY OF KERN**  
**COUNTY ADMINISTRATIVE OFFICE**  
**1115 TRUXTUN AVENUE FIFTH FLOOR**  
**BAKERSFIELD, CALIFORNIA**  
**DATED: JANUARY 30, 2025**

**COUNTY OF KERN, STATE OF CALIFORNIA**

**BOARD OF SUPERVISORS**

Phillip Peters  
Chris Parlier  
Jeff Flores  
David Couch  
Leticia Perez

First District  
Second District  
Third District  
Fourth District  
Fifth District

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**COUNTY OFFICIALS**

Nancy Anderson, Chief Administrative Officer  
Jordan Kaufman, Treasurer-Tax Collector  
Aimee Espinoza, Auditor-Controller-County Clerk  
Margo Raison, County Counsel

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**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 2023-24 fiscal year. In accordance with the disclosure regulations and the Agreements, the unaudited Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2024, and the FY 2024-25 County Adopted Budget were provided on January 11, 2025. The audited ACFR for the Fiscal Year Ended June 30, 2024 is provided with this report. Tables 2, 3, and 17 source information from the ACFR. Tables 2 and 3 contain revisions from the January 11, 2025 unaudited versions to reflect minor adjustments to recognized revenue and to the classification of fund balances.

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, 2024 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.

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**APPLICABLE ISSUANCES**

**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

<u>CUSIP</u>	<u>Maturity</u>	<u>Principal at Issuance</u>
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.

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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 7<sup>th</sup> 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

<u>CUSIP</u>	<u>Maturity</u>	<u>Principal at Issuance</u>
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.

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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](http://www.kerncounty.com)

**COUNTY OF KERN  
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**TABLE 1  
GOVERNMENTAL FUNDS BUDGETS**

	<i>Actual</i> 2022-23 <i>Uses/Sources</i> <sup>(1)</sup>	<i>Actual</i> 2023-24 <i>Uses/Sources</i>	<i>Adopted</i> 2024-25 <i>Budget</i>
<b>REQUIREMENTS:</b>			
General Government	\$275,497,186	\$238,407,346	\$435,660,104
Public Protection	923,096,685	1,041,789,063	1,195,902,572
Public Ways and Facilities	81,550,411	90,057,846	192,591,599
Health and Sanitation	466,944,795	583,305,054	714,108,382
Public Assistance	858,650,642	926,298,326	989,120,319
Education	8,588,463	11,017,843	13,939,375
Recreation and Cultural	47,164	3,172	143,066
Debt Service	11,728,042	11,906,835	13,816,224
Contingencies and Reserves			196,506,382
<b>Total Requirements</b>	<b>\$2,626,103,388</b>	<b>\$2,902,785,485</b>	<b>\$3,751,788,023</b>
<b>AVAILABLE FUNDS:</b>			
Current Property Taxes	\$320,750,256	\$336,195,104	\$341,661,244
Other Taxes	234,369,349	301,677,879	276,079,663
Licenses, Permits and Franchises	42,671,751	40,052,354	33,313,365
Fines, Forfeitures and Penalties	23,146,822	22,603,832	18,904,583
Use of Money and Property	29,712,739	51,155,961	22,276,445
Aid from Other Governmental Agencies	1,203,483,317	1,393,914,845	1,448,529,228
Charges for Current Services	281,023,702	301,895,773	324,422,969
Miscellaneous Revenue	17,080,898	18,452,575	15,051,360
Other Financing Sources (Uses)	745,028,920	790,206,630	841,097,437
Use of Available Fund Balance			430,451,729
<b>Total Available Funds</b>	<b>\$2,897,267,754</b>	<b>\$3,256,154,953</b>	<b>\$3,751,788,023</b>

<sup>(1)</sup> Actual 2022-23 Uses/Sources differ from those published in the Fiscal Year 2022-23 Annual Report due a reclassification of expenditures related to recreation donation funds.

Source: County of Kern Fiscal Year 2024-25 Adopted Budget

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**TABLE 2  
STATEMENT OF GENERAL FUND REVENUE AND EXPENDITURES  
FISCAL YEARS ENDED JUNE 30, 2021, 2022, 2023, and 2024  
(Dollars in thousands)**

	<i>June 30, 2021</i>	<i>June 30, 2022 <sup>(2)</sup></i>	<i>June 30, 2023</i>	<i>June 30, 2024</i>
<u>Revenue:</u>				
Taxes	\$348,856	\$372,977	\$435,177	\$530,569
Licenses, Permits and Franchises	12,149	13,358	21,959	17,599
Fines, Forfeitures and Penalties	17,008	16,191	16,157	16,726
Use of Money and Property	4,095	(8,882)	17,690	28,368
Intergovernmental Revenue	176,576	249,061	236,155	283,956
Charges for Current Services	101,966	94,085	96,194	109,614
Other Revenue	16,330	7,697	8,092	7,343
Total Revenue	\$676,980	\$744,487	\$831,424	\$994,175
<u>Expenditures:</u>				
General Government	\$117,583	\$135,310	\$138,237	\$156,736
Public Protection	405,840	425,149	449,747	504,272
Health and Sanitation	86,426	87,198	80,108	86,705
Public Assistance	17,409	16,886	18,975	18,878
Education	6,331	8,212	8,124	10,514
Capital Outlay	9,000	18,983	58,457	31,766
Debt Service	5,574	9,925	18,865	18,944
Total Expenditures	\$648,163	\$701,663	\$772,513	\$827,815
Excess Revenues Over (Under) Expenditures	\$28,817	\$42,824	\$58,911	\$166,360
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	\$213,233	\$192,078	\$211,486	\$235,417
Operating Transfers Out	(199,446)	(204,605)	(308,042)	(254,274)
Inception of Capital Leases	9,000	18,983	42,522	3,892
Total Other Financing Sources (Uses)	\$22,787	\$6,456	(\$54,034)	(\$14,965)
Net Changes in Fund Balances	51,604	49,280	4,877	151,395
Fund Balance at Beginning of Year	\$328,063	\$409,670	\$441,843	\$446,720
Prior Period Adjustments <sup>(1)(3)</sup>	30,003	(17,107)		
Fund Balance at End of Year	\$409,670	\$441,843	\$446,720	\$598,115

Source: County of Kern Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2021, 2022, 2023, and 2024.

<sup>(1)</sup> Prior period adjustment for the the fiscal year ending June 30, 2021 is due to the implementation of GASB 84.

<sup>(2)</sup> The debit balance in Use of Money and Property is due to fair market value adjustments.

<sup>(3)</sup> Prior period adjustment for the fiscal year ending June 30, 2022 is due to timing of revenue recognition.

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**TABLE 3  
GENERAL FUND BALANCE SHEET  
AT JUNE 30, 2021, 2022, 2023, and 2024  
(Dollars in Thousands)**

	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
<b>Assets:</b>				
Pooled Cash and Investments	\$397,210	\$400,887	\$420,168	\$534,944
Revolving Fund Cash	349	335	336	336
Interest Receivable	1,488	1,723	6,107	6,952
Taxes Receivable	33,895	29,449	28,632	31,115
Lease Receivables	0	4,472	4,232	3,715
Accounts Receivable	1,949	759	2,043	1,492
Accrued Revenue	22,761	51,204	47,171	60,650
Due from Other Funds	4,000	4,475	20,161	37,944
Due from Other Agencies	660	515	553	505
Deposits with Others	136	136	0	0
Prepaid Items	0	0	136	2,136
Inventory Materials and Supplies	1,126	1,228	1,154	1,084
<b>Total Assets</b>	<u><u>\$463,574</u></u>	<u><u>\$495,183</u></u>	<u><u>\$530,693</u></u>	<u><u>\$680,873</u></u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$14,609	\$11,193	\$23,419	\$27,884
Salaries and Employee Benefits Payable	12,702	14,029	16,763	22,029
Due to Other Funds	11,638	1,038	0	0
Unearned Revenue	0	0	14,164	9,257
Due to Other Agencies	0	7,566	9,025	9,025
Advances from Grantors and Third Parties	7,242	419	0	0
<b>Total Liabilities</b>	<u><u>\$46,191</u></u>	<u><u>\$34,245</u></u>	<u><u>\$63,371</u></u>	<u><u>\$68,195</u></u>
<b>Deferred Inflows of Resources:</b>				
Deferred Lease Revenue	\$0	\$4,472	\$4,183	\$3,598
Unavailable Revenue - Property Taxes	5,346	5,814	7,177	6,245
Unavailable Revenue - Other	2,367	8,812	9,242	4,720
<b>Total Deferred Inflows of Resources</b>	<u><u>\$7,713</u></u>	<u><u>\$19,098</u></u>	<u><u>\$20,602</u></u>	<u><u>\$14,563</u></u>
<b>Fund Balance</b>				
Nonspendable	\$16,734	\$11,628	\$10,045	\$9,371
Restricted	41,898	21,318	32,044	27,206
Committed	34,891	39,056	44,562	45,965
Assigned	191,965	243,190	254,817	298,224
Unassigned	124,182	126,651	105,252	217,349
<b>Total Fund Balance</b>	<u><u>\$409,670</u></u>	<u><u>\$441,843</u></u>	<u><u>\$446,720</u></u>	<u><u>\$598,115</u></u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$463,574</u></u>	<u><u>\$495,186</u></u>	<u><u>\$530,693</u></u>	<u><u>\$680,873</u></u>

Source: County of Kern Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2021, 2022, 2023, and 2024

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TABLE 4

BREAKDOWN OF BUDGETED REVENUE SOURCES  
FOR FISCAL YEAR 2024-25

Taxes	16.47%
Licenses, Permits and Franchises	0.89%
Fines, Forfeitures and Penalties	0.50%
Use of County Property and Money	0.59%
Aid from Other Governmental Agencies	38.61%
Charges for Services	8.65%
Miscellaneous Revenues <sup>(1)</sup>	<u>34.29%</u>
Total	100.00%

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<sup>(1)</sup> Includes Other Financing Sources, Balances carried forward from prior year and cancelation of prior year reserves and designations  
Source: County of Kern Fiscal Year 2024-25 Adopted Budget

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TABLE 5

SUMMARY OF TAX LEVIES AND COLLECTIONS FOR THE SECURED TAX ROLL  
FISCAL YEARS 2014-15 THROUGH 2023-24

(Dollars in Thousands)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Total Collected</u> <sup>(1)</sup>	<u>Total Collected at Fiscal Year-End as Percent of Tax Levy</u>
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%
2021-22	1,412,254	1,369,129	96.9%
2022-23	1,550,059	1,502,556	96.9%
2023-24	1,660,908	1,608,043	96.8%

<sup>(1)</sup>Figures do not include redemptions of delinquent taxes or delinquency penalties.

Source: County of Kern Treasurer-Tax Collector

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TABLE 6

ASSESSED VALUATION  
FISCAL YEARS 2015-16 THROUGH 2024-25  
(Dollars in Thousands)

<i>Fiscal Year</i>	<i>Secured Assessed Valuation <sup>(1)</sup></i>	<i>Unsecured Assessed Valuation</i>	<i>Less Exemptions <sup>(2)</sup></i>	<i>Net Assessed Valuation</i>	<i>Redevelopment Agency Exemptions</i>
2015-16	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
2022-23	108,282,242	10,221,897	3,691,188	114,812,950	5,928,776
2023-24	116,133,104	10,915,329	3,961,086	123,087,347	6,661,964
2024-25	118,803,027	11,275,338	4,173,354	125,905,011	7,184,981

<sup>(1)</sup> Includes Aircraft and Public Utilities.

<sup>(2)</sup> Includes all Non-subservent Exemptions and Homeowners Exemptions.

Source: County of Kern Tax Rates and Assessed Valuations Book, FY 2015-16 through FY 2024-25

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TABLE 7

PRINCIPAL TAXPAYERS  
2024-25 SECURED TAX ROLL

<u>Company</u>	<u>Net Secured Assessed Value</u>	<u>Total Tax on Secured Property</u> <sup>(1)</sup>
California Resources Elk Hills	\$3,889,493,876	\$43,816,169
Chevron USA, Inc.	3,676,379,265	41,726,866
Pacific Gas & Electric Co.	1,665,886,743	28,847,835
Southern California Edison Co.	1,633,225,881	28,286,342
Aera Energy, LLC	2,362,069,727	25,217,621
Wonderful LLC	1,268,914,506	14,996,226
Berry Petroleum Company	1,229,828,666	13,438,572
US Borax Inc	1,047,902,712	13,027,710
Southern California Gas Co.	630,478,168	10,919,258
Sentinel Peak Resources	1,013,098,484	10,775,577

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<sup>(1)</sup> Property Tax is allocated to County, Cities and Other Districts

Source: County of Kern Tax Rates and Assessed Valuations Book, FY 2024-25

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TABLE 8

COUNTY OF KERN EMPLOYMENT LEVELS  
 FISCAL YEARS 2015-16 THROUGH 2024-25

<i>Fiscal Year</i>	<i>Permanent Full-time</i>	<i>Permanent Part-time</i>	<i>Authorized Positions as of</i>
2015-16	9,123	262	12/18/15
2016-17 <sup>(1)</sup>	7,592	133	1/5/17
2017-18	7,608	139	12/7/17
2018-19	7,755	138	12/4/18
2019-20	8,029	138	12/18/19
2020-21	8,098	109	12/29/20
2021-22	8,286	103	12/28/21
2022-23	8,671	106	12/15/22
2023-24	8,791	122	12/27/23
2024-25	9,020	122	12/6/24

<sup>(1)</sup> Does not include employees transferred to the Kern County Hospital Authority on July 1, 2017.

Source: Kern County Administrative Office - Human Resources Division

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**TABLE 9  
BARGAINING UNITS**

<i>Bargaining Unit</i>	<i>Number of Employees <sup>(1)</sup></i>	<i>Ending Term of Labor Agreement</i>
Service Employees' International, Local 521 (SEIU 521)	5,278	June 30, 2024
SEIU 521 - Extra Help	545	June 30, 2024
Kern Law Enforcement Association (KLEA)	548	June 30, 2026
Kern County Fire Fighters Union (KCFFU)	583	June 30, 2026
Kern County Fire Fighters Union Civilian Non-Safety	21	June 30, 2026
Kern County Probation Officers' Association (KCPOA)	438	June 30, 2027
Kern County Probation Managers' Association (KCPMA)	17	June 30, 2027
Kern County Detention Officers' Association (KCDOA)	295	June 30, 2026
Kern County Prosecutors' Association (KCPA)	65	June 30, 2025
Kern County Sheriff's Command Association (KCSCA)	28	June 30, 2026
Kern County Sheriff's Command Association II (KCSCA II)	9	June 30, 2026
Kern County Sheriff's Command Association III (KCSCA III)	5	June 30, 2026
SEIU 521 - Criminal Justice Unit	0	June 30, 2024

<sup>(1)</sup> Filled positions as of December 11, 2024. Does not include Courts, Air Pollution Control District, unrepresented employee, or rehired retirees.

Source: Kern County Administrative Office - Human Resources Division

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TABLE 10

MEMBERSHIP IN KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
AT JUNE 30, 2020 THROUGH JUNE 30, 2024

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Retirees and Beneficiaries <sup>(1)</sup>	11,087	11,645	13,030	13,547	14,109
Active Plan Participants	<u>9,326</u>	<u>9,072</u>	<u>9,076</u>	<u>9,557</u>	<u>10,217</u>
Total	20,413	20,717	22,106	23,104	24,326

<sup>(1)</sup>Includes those currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.

Source: KCERA Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

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TABLE 11

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

<i>Fiscal Year</i> <u>Ended June 30</u>	<i>Annual Required</i> <i>Contributions</i> <sup>(1)</sup> <u>(in thousands)</u>	<i>Percentage</i> <u>Contributed</u>
2019	229,120	100%
2020	273,909	100%
2021	268,626	100%
2022	287,063	100%
2023	316,838	100%
2024	358,108	100%
2024	340,882 <sup>(2)</sup>	N/A

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<sup>(1)</sup> Contributions include all plan sponsors.

<sup>(2)</sup> Estimate includes the Courts, Hospital Authority, and County only.

Source: KCERA Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

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TABLE 12

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
SCHEDULE OF FUNDING PROGRESS

(Dollars in Thousands)

<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets <sup>(1)</sup></i>	<i>Actuarial Accrued Liability (AAL) <sup>(2)</sup></i>	<i>Unfunded (Overfunded) AAL</i>	<i>Funded Ratio</i>	<i>Annual Covered</i>	<i>Unfunded (Overfunded) AAL Percentage of Annual Covered Payroll</i>
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%
06/30/22	5,102,402	7,372,653	2,270,251	69.21%	633,103	358.59%
06/30/23	5,436,078	7,918,848	2,482,770	68.65%	716,116	346.70%
06/30/24	5,822,219	8,332,592	2,510,374	69.87%	817,439	307.10%

<sup>(1)</sup> 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).

<sup>(2)</sup> Excludes liabilities held for SRBR Reserves Unallocated to 0.5% COLA benefits.

Source: KCERA Actuarial Valuation as of June 30, 2024

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TABLE 13

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

<i>Six-Month Period Ended</i>	<i>Investment Gain (Loss)</i>	<i>Deferred Factor</i>	<i>Deferred Return (Loss)</i>
6/30/2024	\$87,527,440	90%	\$78,774,696
12/31/2023	31,501,799	80%	25,201,439
6/30/2023	117,553,617	70%	82,287,532
12/31/2022	(183,660,837)	60%	(110,196,502)
6/30/2022	(636,311,240)	50%	(318,155,620)
12/31/2021	18,163,696	40%	7,265,478
6/30/2021	281,595,379	30%	84,478,614
12/31/2020	420,965,246	20%	84,193,049
6/30/2020	(238,356,644)	10%	(23,835,664)
Total Deferred Loss			<u>(89,986,978)</u>

Source: KCERA Actuarial Valuation as of June 30, 2024

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TABLE 14

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 ACTUARIAL ASSUMPTIONS

<i>Actuarial Assumption</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Interest	7.25%	7.00%	7.00%
Inflation	2.75%	2.50%	2.50%
Salary Increase <sup>(1)</sup>	varies	varies	varies

<sup>(1)</sup>Varies by service, including inflation. General: 3.70% to 8.00%. Safety: 4.00% to 10.00%.

Source: KCERA Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2023 and June 30, 2024

TABLE 15

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

<i>Year Ended</i> <u>June 30</u>	<i>Annualized</i> <i>Rate of</i> <i>Return</i>
2016	-0.50%
2017	11.80%
2018	6.50%
2019	5.30%
2020	3.00%
2021	24.00%
2022	-4.40%
2023	6.40%
2024	9.60%

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Source: KCERA Annual Comprehensive Financial Report for Fiscal Year ended  
June 30, 2024.

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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, 2024 and Fiscal Year 2024-25 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 2023-24 or 2024-25.

**Certificates of Participation.** The proceeds of 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. As of June 30, 2024, the County has outstanding certificates of participation in the aggregate principal amount of \$56,380,000.

**Pension Obligation Bonds.** 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, 2024 was \$26,148,636. The County began 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, 2026. 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.

COUNTY OF KERN  
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OUTSTANDING INDEBTEDNESS (Cont'd)

*Privately Placed and Other Obligations.* The County's outstanding principal on privately placed and other obligations is \$51,723,614 as of June 30, 2024.

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 \$685,130, as of June 30, 2024.

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, 2024 is \$1,824,701.

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, 2024 is \$9,395,000. Payments are made from the General Fund. It is anticipated that debt service payments will be offset by long-term 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. The principal outstanding as of June 30, 2024 is \$4,240,000.

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 are 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 \$8,795,806 and \$1,379,319, respectively.

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**TABLE 16  
CERTIFICATES OF PARTICIPATION, PRIVATELY PLACED OBLIGATIONS AND PENSION OBLIGATION BONDS  
OUTSTANDING  
AS OF JUNE 30, 2024**

<i>Description of Issue</i>	<i>Source of Payment</i>	<i>Principal Outstanding</i>	<i>Final Maturity</i>	<i>2024-25 Payment Obligation</i>
<b>Certificates of Participation</b>				
2016 Certificates of Participation (Capital Improvement Projects)	General Fund	\$56,380,000	November 1, 2034	\$6,252,325
<b>Subtotal Certificates of Participation</b>		<b>\$56,380,000</b>		<b>\$6,252,325</b>
<b>Privately Placed and Other Obligations</b>				
Qualified Energy Conservation Bonds (Installment Purchase)	General Fund	\$685,130	January 12, 2026	\$374,577
Economic Development Bank Loan (5th District Curb & Gutter Project)	Community Development Block Grant	1,379,319	August 1, 2026	482,630
2017 Airport Terminal Refunding Lease/Leaseback	Airport Enterprise Fund	1,824,701	February 1, 2027	632,732
2019 Solar Equipment Capital Lease	General Fund	9,395,000	June 1, 2039	800,077
2019 Kern Public Services Financing Authority Facility Refunding	Various Funds <sup>(1)</sup>	4,240,000	March 1, 2031	657,856
2020 Public Safety Vehicles Capital Lease A	General Fund	477,143	October 3, 2024	481,154
2020 Public Safety Vehicles Capital Lease B	General Fund	912,542	May 17, 2025	918,915
2020 Public Safety Vehicles Capital Lease C	General Fund	2,750,642	May 17, 2030	477,604
2021 Psychiatric Health Facilities Financing	Behavioral Health & Recovery Dept	25,403,658	November 1, 2041	1,735,072
2022 Public Safety Helicopter Capital Lease	General Fund	4,655,479	May 18, 2029	979,515
<b>Subtotal Privately Placed and Other Obligations</b>		<b>\$51,723,614</b>		<b>\$7,540,132</b>
<b>Pension Obligation Bonds<sup>(2)</sup></b>				
2003 Taxable Pension Obligation Bonds	Various Funds	\$26,148,636	August 15, 2026	\$31,330,000
2008 Taxable Pension Obligation Refunding Bonds Series 2008A	Various Funds	50,000,000	August 15, 2027	2,092,500
<b>Subtotal Pension Obligation Bonds</b>		<b>\$76,148,636</b>		<b>\$33,422,500</b>
<b>Total Long-Term Debt</b>		<b>\$184,252,250</b>		<b>\$47,214,957</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> The debt service payments for the 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



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TABLE 18  
COUNTY OF KERN PORTFOLIO STATISTICS  
AS OF NOVEMBER 30, 2024

<u>Investments</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Original Yield to Maturity at Book Value</u>
Pooled Funds	\$508,519,246	\$508,519,246	21.93%
U.S. Treasuries	3,785,877,355	3,782,108,789	3.32%
Federal Agency Issues	1,412,773,185	1,412,198,822	3.81%
Municipal Bonds	65,154,180	64,623,013	3.46%
Supranationals	283,806,806	283,874,423	3.75%
Negotiable CDs	85,000,000	85,015,074	4.85%
Commercial Paper	233,224,451	233,951,069	4.48%
Corporate Notes	287,242,136	284,093,167	2.49%
Total Securities	\$6,661,597,359	\$6,654,383,603	3.58%
Cash, Accruals and Payables	14,427,753	14,427,753	
Total Portfolio	\$6,676,025,112	\$6,668,811,356	

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

COUNTY OF KERN  
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**TABLE 19**  
**COUNTY OF KERN**  
**AGING OF MATURING INVESTMENTS**  
**AS OF NOVEMBER 1, 2024**

<u><i>Aging Interval</i></u>	<u><i>Par Value</i></u> <u><i>(In Thousands)</i></u>	<u><i>Percent</i></u> <u><i>of</i></u> <u><i>Portfolio</i></u>
0 - 366 days	\$2,657,300	39.39%
1 - 3 years	2,756,609	40.86%
3 - 5 years	1,331,924	19.74%
<u>Over 5 years</u>	<u>0</u>	<u>0.00%</u>
Total	\$6,745,833	100.00%

Source: County of Kern Treasurer-Tax Collector

COUNTY OF KERN  
ANNUAL DISCLOSURE REPORT  
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TABLE 20

COUNTY OF KERN  
MAJOR EMPLOYERS  
AS OF DECEMBER 2023

<i>Employer</i>	<i>Type of Business</i>	<b>Estimated Number of Employees <sup>(1)</sup></b>
Adventist Health Bakersfield	Healthcare Services	1,000-4,999
Bolthouse Farms LLC	Agriculture	1,000-4,999
California Correctional Institution	Public Safety	1,000-4,999
Chevron	Energy	1,000-4,999
Community Action Partnership	Community Centers	500-999
Dignity Health	Healthcare Services	1,000-4,999
Edwards Air Force Base	Military	10,000+
Ensign United States Drilling	Energy	500-999
Frito-Lay Inc	Food Producton	500-999
Grimmway Farms	Agriculture	1,000-4,999
Kern County	Government	5,000-9,999
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
Sun Pacific	Agriculture	500-999
Vasinda Investments, Inc	Healthcare Services	500-999

Source: State of California - Employment Development Department

<sup>(1)</sup> EDD data is based on headquarters location, and in some cases may include employees located outside of Kern County.

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**TABLE 21**

**TOTAL AGRICULTURAL PRODUCTION VALUES  
FOR YEARS 2018 THROUGH 2023  
(Dollars in Thousands)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Fruit and Nut Crops	\$5,147,712	\$5,269,632	\$5,163,324	\$5,889,683	\$4,464,472	\$5,256,937
Field Crops and Rangeland	331,573	402,756	306,414	329,890	397,032	324,113
Vegetable Crops	770,301	758,802	920,715	846,901	1,141,127	1,406,521
Nursery Crops	122,473	121,540	129,963	122,229	141,298	146,661
Industrial and Wood Crops	14,925	13,824	13,840	17,970	34,853	15,527
Seed Crops	7,876	6,773	3,453	4,769	8,428	8,929
Livestock and Poultry	272,181	286,634	262,605	233,757	340,526	625,119
Livestock and Poultry Products	687,292	653,505	763,278	788,733	1,092,651	744,928
Apiary Products	111,819	107,233	105,817	107,363	103,779	97,798
<b>Totals</b>	<b>\$7,466,152</b>	<b>\$7,620,699</b>	<b>\$7,669,409</b>	<b>\$8,341,295</b>	<b>\$7,724,166</b>	<b>\$8,626,533</b>

Source: Kern County Agricultural Crop Reports 2018 through 2023

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**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. The cost report liability of the County was reduced from \$19 million to the current amount of \$8.57 million.

The following table details the County cost for certain indigent and inmate healthcare after the transfer.

COUNTY OF KERN  
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TABLE 22  
KERN MEDICAL CENTER  
GENERAL FUND / REALIGNMENT CASH  
(As of June 30)

	Kern County Hospital Authority				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
County Contribution:					
Realignment and Contribution for Indigent Care	\$3,422,531	\$3,422,531	\$3,422,531	\$3,422,531	\$3,422,531
Other Contracted Services	3,199,006	0	0	0	0
Juvenile Facility <sup>(1)</sup>	3,676,614	3,477,646	3,908,910	3,876,951	3,876,951
Adult Inmate <sup>(1)</sup>	27,026,481	26,760,144	26,669,234	27,562,766	30,295,613
Other - Cost Report Settlements <sup>(2)</sup>	12,946,862	0	0	0	0
Total County Contribution <sup>(3)</sup>	\$50,271,494	\$33,660,321	\$34,000,675	\$34,862,248	\$37,595,095

<sup>(1)</sup> General Fund obligation

<sup>(2)</sup> 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.

<sup>(3)</sup> Prior year versions of this table included information related to Advances Payable, County Contributions for Operations, and Write-Offs of General Fund Loans to Kern Medical Center. After the 2017 transition to the Kern County Hospital Authority these items became no longer applicable and have now aged off of this report.

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

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

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