

Kern County Employees' Retirement Association

Governmental Accounting Standards Board Statement 68 (GAS 68) Actuarial Valuation

Actuarial Valuation based on June 30, 2020
Measurement Date for Employer Reporting as of
June 30, 2021



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the KCERA pension plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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May 21, 2021

Board of Retirement
Kern County Employees' Retirement Association
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Dear Board Members:

We are pleased to submit this Governmental Accounting Standard (GAS) 68 Actuarial Valuation based on a June 30, 2020 measurement date for employer reporting as of June 30, 2021. It contains various information that will need to be disclosed in order for Kern County Employees' Retirement Association (KCERA) employers to comply with GAS 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the KCERA pension plan. The census and financial information on which our calculations were based was provided by KCERA. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Mark Hamwee, FSA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Association.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in black ink, appearing to read "Paul Angelo", written over a horizontal line.

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

A handwritten signature in blue ink, appearing to read "Molly Calcagno", written over a horizontal line.

Molly Calcagno, ASA, MAAA, EA
Actuary

JAC/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement 68 (GAS 68) for employer reporting as of as of June 30, 2021. The results used in preparing this GAS 68 report are comparable to those used in preparing the Governmental Accounting Standards Board Statement 67 (GAS 67) report for the plan based on a reporting date and a measurement date as of June 30, 2020. This valuation is based on:

- The benefit provisions of KCERA, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2019, provided by KCERA;
- The assets of the Plan as of June 30, 2020, provided by KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2020 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2020 valuation.

General observations on the GAS 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans still develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as KCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as KCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Plan's Fiduciary Net Position includes assets held for the Supplemental Retiree Benefit Reserve (SRBR). The TPL reflects all future projected benefits expected to be paid from the SRBR for members as of the valuation date.

Section 1: Actuarial Valuation Summary

- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis. The exception is that the NPL is reduced by the excess of the SRBR assets over the TPL associated with the SRBR benefits.
- For this report, the reporting dates for the employer are June 30, 2021 and June 30, 2020. The NPL was measured as of June 30, 2020 and June 30, 2019, respectively, and was determined based upon rolling forward the results from actuarial valuations as of June 30, 2019 and June 30, 2018. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2020 and June 30, 2019 are not adjusted or rolled forward to the June 30, 2021 and June 30, 2020 reporting dates, respectively.

Highlights of the valuation

- The NPL increased from \$2.38 billion as of June 30, 2019 to \$2.66 billion as of June 30, 2020 primarily due to the 2.95% return on the market value of assets during 2019-2020 (that was lower than the assumed return of 7.25%) and the changes in actuarial assumptions, offset to some extent by gains from lower than expected salary increases during 2018-2019 (because liabilities are rolled forward from June 30, 2019 to June 30, 2020, this change is not reflected until this valuation as of June 30, 2020). Changes in these values during the last two fiscal years ending June 30, 2020 and June 30, 2019 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 20.
- All results shown in this report are on a combined basis including both the regular statutory (non-SRBR) benefits and the SRBR benefits. For purposes of illustration, separate values for the TPL, Plan's Fiduciary Net Position and NPL for the regular statutory (non-SRBR) benefits and the SRBR benefits as of June 30, 2020 are shown in the table below:

	Regular Benefits (Non-SRBR)	SRBR Benefits	Total KCERA
Total Pension Liability (TPL)	\$7,020,429,953	\$80,266,011	\$7,100,695,964
Plan's Fiduciary Net Position	4,312,313,461	126,481,333	4,438,794,794
Net Pension Liability (NPL)	2,708,116,492	(46,215,322)	2,661,901,170

- The discount rate used to determine the TPL and NPL as of June 30, 2020 and June 30, 2019 was 7.25%, following the same assumptions used by the Association in the funding valuations as of the same dates. The detailed derivation of the discount rate

Section 1: Actuarial Valuation Summary

of 7.25% used in the calculation of the TPL and NPL as of June 30, 2020 can be found in *Section 3, Appendix A*. The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and SRBR asset pools. Various other information that is required to be disclosed can be found throughout *Section 2*.

4. As discussed in our letter dated September 11, 2015 regarding the treatment of the SRBR for financial reporting purposes, Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including “gain sharing” provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling... to reflect the impact of variations in experience from year to year.” The 50% allocation of future excess earnings to the SRBR for KCERA is a clear example of the gain sharing provisions referenced by ASOP No. 4.

After several meetings with KCERA and its auditors, and based on information regarding another SRBR system that included discussions with GASB staff, it was previously determined that future allocations to the SRBR should be treated as an additional “outflow” (i.e., assets not available to fund the benefits included in the determination of the TPL) against the Plan’s Fiduciary Net Position in the GASB crossover test¹ (see *Section 3, Appendix A*).

However, as noted earlier in this report, the Plan’s Fiduciary Net Position includes assets held for the SRBR, and the TPL includes all projected future benefits expected to be paid from the SRBR for members as of the valuation date. This treatment was also discussed with KCERA and its auditors and determined to be appropriate. Therefore, any outflows due to the 50/50 excess earnings allocation would not affect the outcome of the crossover test since the crossover test is performed based on the combined results of the statutory (non-SRBR) benefits and the SRBR.

5. Based on discussions with KCERA and their auditors, starting with the June 30, 2016 measurement date for the employers, employer paid member contributions are excluded from employer contributions in the determination of the Actuarially Determined Contribution (ADC). The amount of employer paid member contributions was estimated by first determining what the employer contribution rates would have been during the year, excluding any employer paid member contributions. The actual employer contribution rates were then adjusted by the ratio of the employer contribution rates determined above and the employer contribution rates determined in the annual actuarial valuation. The result is the employer contributions excluding any employer paid member contributions. This change was not been applied on a retroactive basis prior to the 2015-2016 fiscal year.

¹ The purpose of the GASB crossover test is to determine if the full expected return (or 7.25% in this case) can be used as the discount rate to determine the TPL and the NPL. That is, if there is no crossover point where the projected benefit payments would exceed the Plan’s Fiduciary Net Position, then the full expected return assumption can be used. As detailed later in this report, KCERA does pass the crossover test, which means that the full 7.25% investment rate of return assumption can be used as the discount rate to determine the TPL and the resulting NPL.

Section 1: Actuarial Valuation Summary

6. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2020. Employers should consult with their auditors to determine the deferred outflow that should be created for these contributions.
7. Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2019 and June 30, 2020 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2018 and June 30, 2019, respectively, and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2019 and June 30, 2020, respectively, based on the valuation value of assets allocated to these employers as of the same dates.
8. The Safety membership class has only one employer (Kern County), so all of the NPL for Safety as of both June 30, 2019 and June 30, 2020 is allocated to the County.

For General and District, the NPL as of June 30, 2019 and June 30, 2020 is allocated based on the actual payroll within the General and District membership classes for 2018-2019 and 2019-2020, respectively. The steps we used are as follows:

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.²

The negative NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in *Section 2, Determination of proportionate share*.

9. On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and the Board of Retirement of ACERA. That decision has important implications for KCERA and its members. In particular, the decision requires pension systems like KCERA to exclude certain pay items from legacy members' compensation earnable. It should be noted that neither the June 30, 2020 assets provided by KCERA nor the liabilities we calculated using the membership data provided by KCERA reflect the financial impact of the California Supreme Court decision.
10. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2020. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that

² For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

Section 1: Actuarial Valuation Summary

may emerge after June 30, 2020. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Reporting Date for Employer under GAS 68		June 30, 2021 ¹	June 30, 2020 ¹
Measurement Date for Employer under GAS 68		June 30, 2020	June 30, 2019
Disclosure elements for plan year ending June 30:	• Service cost ²	\$124,145,681	\$122,868,764
	• Total Pension Liability	7,100,695,964	6,728,284,463
	• Plan's Fiduciary Net Position	4,438,794,794	4,345,780,060
	• Net Pension Liability	2,661,901,170	2,382,504,403
	• Pension expense	318,842,680	289,163,225
Schedule of contributions for plan year ending June 30:	• Actuarially determined contributions ³	\$273,909,000	\$229,120,000
	• Actual employer contributions ³	273,909,000	229,120,000
	• Contribution deficiency / (excess)	0	0
Demographic data for plan year ending June 30:⁴	• Number of retired members and beneficiaries	8,667	8,495
	• Number of inactive vested members ⁵	3,143	2,877
	• Number of active members	9,326	9,197
Key assumptions as of June 30:	• Investment rate of return	7.25%	7.25%
	• Inflation rate	2.75%	3.00%
	• Projected salary increases ⁶	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%	General: 4.00% to 9.00% and Safety: 4.00% to 12.50%

¹ The reporting dates and measurement dates for the plan are June 30, 2020 and June 30, 2019, respectively.

² Excludes administrative expense load. The service cost is based on the previous year's valuation, meaning the June 30, 2020 and June 30, 2019 values are based on the valuations as of June 30, 2019 and June 30, 2018, respectively. The service costs were calculated using the assumptions shown in the 2019 column as there were no changes in actuarial assumptions between the June 30, 2019 and June 30, 2018 valuations.

³ See footnote (1) under *Section 2, Schedule of contributions* on page 21.

⁴ Data as of June 30, 2019 is used in the measurement of the TPL as of June 30, 2020.

⁵ Includes terminated members due a refund of member contributions.

⁶ Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service for the 2020 column, and includes inflation at 3.00% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service for the 2019 column.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by KCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the measurement date, as provided by KCERA.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

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The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of KCERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to KCERA.

Section 2: GAS 68 Information

General information about the pension plan

Plan Description

Plan administration. The Kern County Employees' Retirement Association (KCERA) was established by the County of Kern in 1945. KCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.), the California Public Employees' Pension Reform Act (CalPEPRA) and the bylaws, procedures and policies adopted by the KCERA Board. KCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide retirement, disability, death, beneficiary, cost-of-living and supplemental retirement benefits to the General and Safety members employed by the County of Kern. KCERA also provides retirement benefits to the employee members of the Berrenda Mesa Water District, Buttonwillow Recreation and Park District, East Kern Cemetery District, Inyokern Community Services District, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, the Kern County Superior Court, and the Kern County Hospital Authority.

The management of KCERA is vested with the KCERA Board of Retirement. The Board consists of nine members and two alternate members. The County Treasurer is elected by the general public and is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor; two members are elected by the general membership; one member and one alternate member are elected by the safety membership; and one member and one alternate member are elected by the retired members of the Association. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Plan membership. At June 30, 2020, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	8,667
Inactive vested members entitled to, but not yet receiving benefits ¹	3,143
Active members	<u>9,326</u>
Total	21,136

¹ Includes terminated members due a refund of member contributions.

Note: Data as of June 30, 2020 is not used in the measurement of the TPL as of June 30, 2020.

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Benefits provided. KCERA provides retirement, disability, beneficiary, cost-of-living and supplemental retirement benefits to eligible employees. All regular full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of employment. There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers.

General members (excluding Tier III) are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired 5 or more years of retirement service credit.

Safety members are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.17 (Tier I) or 1/90th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final average compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of final average compensation times years of accrued retirement service credit times age factor from 31664.1 (Tier I) or 1/50th (or 2%) of final average compensation times years of accrued retirement service credit times age factor from Section 31664 (Tier II).

For members in Tier I or Tier II, the maximum monthly retirement allowance is 100% of final average compensation. There is no final average compensation limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2020 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$285,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2020 is equal to \$126,291 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Section 2: GAS 68 Information

Final average compensation consists of the highest 12 consecutive months of pensionable pay for a General Tier I or Tier IIA member or a Safety Tier I or Tier IIA member and the highest 36 consecutive months of pensionable pay for a General Tier IIB or Tier III member or a Safety Tier IIB member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

KCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2020 for 2019-2020 (based on the June 30, 2018 valuation and after reflecting the phase-in of the impact of the assumption changes) was 45.71% of compensation.

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2020 for 2019-2020 (based on the June 30, 2018 valuation) was 6.58% of compensation.

Section 2: GAS 68 Information

Net Pension Liability

The components of the Net Pension Liability were as follows:

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Total Pension Liability	\$7,100,695,964	\$6,728,284,463
Plan's Fiduciary Net Position	(4,438,794,794)	(4,345,780,060)
Net Pension Liability	\$2,661,901,170	\$2,382,504,403
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	62.51%	64.59%

The Net Pension Liability (NPL) for the plan was measured as of June 30, 2020 and June 30, 2019. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2019 and June 30, 2018, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of June 30, 2020 and June 30, 2019 are the same as those used in the KCERA actuarial valuation as of June 30, 2020 and June 30, 2019, respectively. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Retiree Benefit Reserve (SRBR).

Actuarial assumptions. The TPL as of June 30, 2020 that was determined by an actuarial valuation as of June 30, 2019 used the same actuarial assumptions and actuarial cost method as of the June 30, 2020 funding valuation. The actuarial assumptions used in the June 30, 2020 were based on the result of an experience study for the period from July 1, 2016 through June 30, 2019. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation:	2.75%
Salary increases:	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%, varying by service, including inflation
Investment rate of return:	7.25%, net of pension plan investment expense, including inflation.
Administrative expenses	0.90% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and the member.
Other assumptions:	Same as those used in the June 30, 2020 funding valuations. These assumptions were developed in the analysis of actuarial experience for the period July 1, 2016 through June 30, 2019.

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The TPL as of June 30, 2019 that was determined by an actuarial valuation as of June 30, 2018 used the same actuarial assumptions and actuarial cost method as of the June 30, 2019 funding valuation. The actuarial assumptions used in the June 30, 2019 measurement were based on the result of an experience study for the period from July 1, 2013 through June 30, 2016. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation:	3.00%
Salary increases:	General: 4.00% to 9.00% and Safety: 4.00% to 12.50%, varying by service, including inflation
Investment rate of return:	7.25%, net of pension plan investment expense, including inflation.
Administrative expenses	0.90% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and the member.
Other assumptions:	Same as those used in the June 30, 2019 funding valuations. These assumptions were developed in the analysis of actuarial experience for the period July 1, 2013 through June 30, 2016.

The Entry Age Actuarial Cost Method used in KCERA's annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the Normal Cost is determined as if the current benefit accrual rate had always been in effect.

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Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2020 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity	37%	6.51%
Core Fixed Income	14%	1.09%
High Yield Corporate Credit	6%	3.38%
Emerging Market Debt Blend	4%	3.41%
Commodities	4%	3.08%
Core Real Estate	5%	4.59%
Private Real Estate	5%	9.50%
Midstream	5%	8.20%
Capital Efficiency Alpha Pool	5%	2.40%
Hedge Fund	10%	2.40%
Private Equity	5%	9.40%
Private Credit	5%	5.60%
Cash	-5%	0.00%
Total	100%	

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Discount rate. The discount rate used to measure the TPL was 7.25% as of June 30, 2020 and June 30, 2019. The projection of cash flows used to determine the discount rates assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2020 and June 30, 2019.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplement Retirement Benefit Reserve (SRBR) asset pools.

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Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the NPL of the KCERA as of June 30, 2020, calculated using the discount rate of 7.25%, as well as what the KCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Kern County	\$2,695,076,510	\$1,987,665,686	\$1,412,873,371
Kern County Hospital Authority	516,805,213	381,152,811	270,931,204
Kern County Superior Courts	160,997,860	118,738,715	84,401,904
Berrenda Mesa Water District	6,301,894	4,647,756	3,303,720
Buttonwillow Recreation and Park District	235,943	174,012	123,691
East Kern Cemetery District	771,026	568,645	404,205
Inyokern Community Services District	163,870	120,857	85,908
Kern County Water Agency	37,904,670	27,955,352	19,871,235
Kern Mosquito and Vector Control District	7,000,962	5,163,331	3,670,201
North of the River Sanitation District	7,121,930	5,252,547	3,733,618
San Joaquin Valley Unified Air Pollution Control District	167,749,037	123,717,825	87,941,157
Shafter Recreation and Park District	1,088,722	802,951	570,754
West Side Cemetery District	2,496,673	1,841,340	1,308,862
West Side Mosquito and Vector Control District	3,100,345	2,286,558	1,625,332
West Side Recreation and Park District	<u>2,457,954</u>	<u>1,812,784</u>	<u>1,288,564</u>
Total for all Employers	\$3,609,272,609	\$2,661,901,170	\$1,892,133,726

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Schedule of changes in Net Pension Liability – Last two fiscal years

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Total Pension Liability		
• Service cost	\$124,145,681	\$122,868,764
• Interest	481,972,182	466,378,832
• Change of benefit terms	0	0
• Differences between expected and actual experience	(23,990,792)	(48,813,774)
• Changes of assumptions	151,378,797	0
• Benefit payments, including refunds of member contributions	<u>(361,094,367)</u>	<u>(341,811,689)</u>
Net change in Total Pension Liability	\$372,411,501	\$198,622,133
Total Pension Liability – beginning	<u>6,728,284,463</u>	<u>6,529,662,330</u>
Total Pension Liability – ending (a)	\$7,100,695,964	\$6,728,284,463
Plan’s Fiduciary Net Position		
• Contributions – employer ¹	\$273,908,831	\$229,120,365
• Contributions – employee ¹	57,862,386	50,131,647
• Net investment income	127,861,224	214,244,103
• Benefit payments, including refunds of member contributions	(361,094,367)	(341,811,689)
• Administrative expense	(5,523,340)	(4,766,651)
• Other	<u>0</u>	<u>0</u>
Net change in Plan’s Fiduciary Net Position	\$93,014,734	\$146,917,775
Plan’s Fiduciary Net Position – beginning	<u>4,345,780,060</u>	<u>4,198,862,285</u>
Plan’s Fiduciary Net Position – ending (b)	\$4,438,794,794	\$4,345,780,060
Net Pension Liability – ending (a) – (b)	\$2,661,901,170	\$2,382,504,403
Plan’s Fiduciary Net Position as a percentage of the Total Pension Liability	62.51%	64.59%
Covered payroll ²	\$607,695,110	\$579,071,865
Net Pension Liability as percentage of covered payroll	438.03%	411.44%

¹ See footnote (1) under Section 2, Schedule of contributions on page 21.

² Covered payroll represents payroll on which contributions to the pension plan are based.

Notes to Schedule: Benefit changes: None.

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Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions ¹	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll ²	Contributions as a Percentage of Covered Payroll
2011	\$177,444,000	\$177,444,000	\$0	\$559,380,000	31.72%
2012	189,837,000	189,837,000	0	526,079,162	36.09%
2013	211,677,000	211,677,000	0	516,465,189	40.99%
2014	220,393,000	220,393,000	0	533,850,811	41.28%
2015	215,477,000	215,477,000	0	531,598,183	40.53%
2016	216,229,000	216,229,000	0	537,539,991	40.23%
2017	224,351,000	224,351,000	0	546,671,003	41.04%
2018	242,534,000	242,534,000	0	576,728,789	42.05%
2019	229,120,000	229,120,000	0	579,071,865	39.57%
2020	273,908,831	273,908,831	0	607,695,110	45.07%

¹ All "Actuarially Determined Contributions" through June 30, 2014 were determined as the "Annual Required Contribution" under GAS 25 and 27. Starting from 2016, actuarially determined contributions exclude employer paid member contributions.

² Covered payroll represents payroll on which contributions to the pension plan are based.

See accompanying notes to this schedule on next page.

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Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

Valuation date:	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level percent of payroll for total unfunded liability
Remaining amortization period:	15.5 years as of June 30, 2020 for all UAAL as of June 30, 2011. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to changes in actuarial assumptions or methods will be amortized over a 18-year closed period effective with each valuation. Any change in unfunded actuarial accrued liability that arises due to plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to 5 years).
Asset valuation method:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market return and the expected return on a market value basis and are recognized semi-annually over a five-year period. The AVA cannot be less than 50% of MVA, nor greater than 150% of MVA. The Actuarial Value of Assets (AVA) is reduced by the value of the non-valuation reserves.

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Actuarial assumptions:

Valuation Date:	June 30, 2018 Valuation Date (used for the year ended June 30, 2020 ADC)
Investment rate of return:	7.25%, net of pension plan investment expenses, including inflation
Inflation rate:	3.00%
Administrative expense	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member
Real across-the-board salary increase:	0.50%
Projected salary increases:¹	General: 4.00% to 9.00% and Safety: 4.00% to 12.50%
Cost of living adjustments:	2.50% (actual increases contingent upon CPI increases with a 2.50% maximum)
Other assumptions:	Same as those used in the June 30, 2018 funding actuarial valuation

¹ Includes inflation at 3.00% plus real across-the-board salary increase of 0.50% plus merit and promotional increases.

Section 2: GAS 68 Information

Determination of proportionate share

Actual Payroll by Employer and Membership Class
July 1, 2018 to June 30, 2019
for Proportionate Share as of June 30, 2019 Measurement Date

Employer	General	General Percentage ¹	Safety	Safety Percentage	District	District Percentage ¹	Total	Total Percentage
Kern County	\$283,405,405	69.453%	\$135,025,270	100.000%	\$0	0.000%	\$418,430,675	72.259%
Kern County Hospital Authority	93,857,773	23.001%	0	0.000%	0	0.000%	93,857,773	16.208%
Kern County Superior Courts	30,791,227	7.546%	0	0.000%	0	0.000%	30,791,227	5.317%
Berrenda Mesa Water District	0	0.000%	0	0.000%	161,736	0.449%	161,736	0.028%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	53,795	0.150%	53,795	0.009%
East Kern Cemetery District	0	0.000%	0	0.000%	118,101	0.328%	118,101	0.020%
Inyokern Community Services District	0	0.000%	0	0.000%	0	0.000%	0	0.000%
Kern County Water Agency	0	0.000%	0	0.000%	6,509,654	18.086%	6,509,654	1.124%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	1,182,856	3.287%	1,182,856	0.204%
North of the River Sanitation District	0	0.000%	0	0.000%	1,068,758	2.969%	1,068,758	0.185%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	25,384,117	70.527%	25,384,117	4.384%
Shafter Recreation and Park District	0	0.000%	0	0.000%	126,991	0.353%	126,991	0.022%
West Side Cemetery District	0	0.000%	0	0.000%	408,157	1.134%	408,157	0.071%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	535,694	1.488%	535,694	0.093%
West Side Recreation and Park District	0	0.000%	0	0.000%	442,331	1.229%	442,331	0.076%
Total for all Employers	\$408,054,405	100.000%	\$135,025,270	100.000%	\$35,992,190	100.000%	\$579,071,865	100.000%

¹ The unrounded percentages are used in the allocation of the NPL amongst the General and District employers.

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2019 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	District	District Percentage	Subtotal	Subtotal Percentage
Kern County	\$990,899,560	69.453%	\$850,018,087	100.000%	\$0	0.000%	\$1,840,917,647	75.842%
Kern County Hospital Authority	328,159,774	23.001%	0	0.000%	0	0.000%	328,159,774	13.520%
Kern County Superior Courts	107,660,261	7.546%	0	0.000%	0	0.000%	107,660,261	4.435%
Berrenda Mesa Water District	0	0.000%	0	0.000%	3,578,547	2.377%	3,578,547	0.147%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	221,311	0.147%	221,311	0.009%
East Kern Cemetery District	0	0.000%	0	0.000%	483,934	0.322%	483,934	0.020%
Inyokern Community Services District	0	0.000%	0	0.000%	103,870	0.069%	103,870	0.004%
Kern County Water Agency	0	0.000%	0	0.000%	26,684,264	17.723%	26,684,264	1.099%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	4,849,672	3.221%	4,849,672	0.200%
North of the River Sanitation District	0	0.000%	0	0.000%	4,380,492	2.910%	4,380,492	0.181%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	104,056,235	69.112%	104,056,235	4.287%
Shafter Recreation and Park District	0	0.000%	0	0.000%	520,820	0.346%	520,820	0.022%
West Side Cemetery District	0	0.000%	0	0.000%	1,673,115	1.111%	1,673,115	0.069%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	2,195,410	1.458%	2,195,410	0.090%
West Side Recreation and Park District	0	0.000%	0	0.000%	1,813,279	1.204%	1,813,279	0.075%
Total for all Employers	\$1,426,719,595	100.000%	\$850,018,087	100.000%	\$150,560,949	100.000%	\$2,427,298,631	100.000%

Note: Results may not total due to rounding.

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Determination of proportionate share (continued)

Allocation of June 30, 2019 Net Pension Liability

Employer	SRBR	SRBR Percentage	Total	Total Percentage
Kern County	\$(33,972,946)	75.842%	\$1,806,944,701	75.842%
Kern County Hospital Authority	(6,055,977)	13.520%	322,103,797	13.520%
Kern County Superior Courts	(1,986,800)	4.435%	105,673,461	4.435%
Berrenda Mesa Water District	(66,040)	0.147%	3,512,507	0.147%
Buttonwillow Recreation and Park District	(4,084)	0.009%	217,227	0.009%
East Kern Cemetery District	(8,930)	0.020%	475,004	0.020%
Inyokern Community Services District	(1,917)	0.004%	101,953	0.004%
Kern County Water Agency	(492,441)	1.099%	26,191,823	1.099%
Kern Mosquito and Vector Control District	(89,498)	0.200%	4,760,174	0.200%
North of the River Sanitation District	(80,839)	0.181%	4,299,653	0.181%
San Joaquin Valley Unified Air Pollution Control District	(1,920,291)	4.287%	102,135,944	4.287%
Shafter Recreation and Park District	(9,611)	0.022%	511,209	0.022%
West Side Cemetery District	(30,876)	0.069%	1,642,239	0.069%
West Side Mosquito and Vector Control District	(40,515)	0.090%	2,154,895	0.090%
West Side Recreation and Park District	<u>(33,463)</u>	<u>0.075%</u>	<u>1,779,816</u>	<u>0.075%</u>
Total for all Employers	\$(44,794,228)	100.000%	\$2,382,504,403	100.000%

Note: Results may not total due to rounding.

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Notes:

Based on the July 1, 2018 through June 30, 2019 actual payroll as provided by KCERA.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's Fiduciary Net Position for each membership was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total KCERA Plan's Fiduciary Net Position (excluding the SRBR) to total KCERA valuation value of assets. Based on this methodology, any non-valuation reserves are allocated amongst the membership classes based on each membership class' valuation value of assets. Note that the NPL for Berrenda Mesa Water District and Inyokern Community Services District is calculated for each employer separately using the methodology described below.

Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2019 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2018 and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2019 based on the valuation value of assets allocated to these employers as of the same dates.

The Safety membership class has only one employer (Kern County), so all of the NPL for Safety is allocated to the County.

For General and District, the NPL is allocated based on the actual payroll within the General and District membership classes, respectively.

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.¹

The NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

If the employer is in several membership classes, the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2020. The reporting date and measurement date for the plan under GAS 67 are June 30, 2019. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2019 are not adjusted or "rolled forward" to June 30, 2020. Other results such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

¹ For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

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Notes (continued):

The following items are allocated based on the corresponding proportionate share:

- 1) Net Pension Liability
- 2) Service cost
- 3) Interest on the Total Pension Liability
- 4) Current-period benefit changes
- 5) Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- 6) Expensed portion of current-period changes of assumptions or other inputs
- 7) Member contributions
- 8) Projected earnings on plan investments
- 9) Expensed portion of current-period differences between actual and projected earnings on plan investments
- 10) Administrative expense
- 11) Other
- 12) Recognition of beginning of year deferred outflows of resources as pension expense
- 13) Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Actual Payroll by Employer and Membership Class
July 1, 2019 to June 30, 2020
for Proportionate Share as of June 30, 2020 Measurement Date

Employer	General	General Percentage ¹	Safety	Safety Percentage	District	District Percentage ¹	Total	Total Percentage
Kern County	\$297,202,732	68.491%	\$136,493,463	100.000%	\$0	0.000%	\$433,696,195	71.367%
Kern County Hospital Authority	104,248,078	24.024%	0	0.000%	0	0.000%	104,248,078	17.155%
Kern County Superior Courts	32,475,906	7.484%	0	0.000%	0	0.000%	32,475,906	5.344%
Berrenda Mesa Water District	0	0.000%	0	0.000%	161,005	0.432%	161,005	0.026%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	38,085	0.102%	38,085	0.006%
East Kern Cemetery District	0	0.000%	0	0.000%	124,456	0.334%	124,456	0.020%
Inyokern Community Services District	0	0.000%	0	0.000%	0	0.000%	0	0.000%
Kern County Water Agency	0	0.000%	0	0.000%	6,118,418	16.414%	6,118,418	1.007%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	1,130,067	3.032%	1,130,067	0.186%
North of the River Sanitation District	0	0.000%	0	0.000%	1,149,593	3.084%	1,149,593	0.189%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	27,077,369	72.642%	27,077,369	4.456%
Shafter Recreation and Park District	0	0.000%	0	0.000%	175,737	0.471%	175,737	0.029%
West Side Cemetery District	0	0.000%	0	0.000%	403,003	1.081%	403,003	0.066%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	500,445	1.343%	500,445	0.082%
West Side Recreation and Park District	0	0.000%	0	0.000%	396,753	1.064%	396,753	0.065%
Total for all Employers	\$433,926,716	100.000%	\$136,493,463	100.000%	\$37,274,931	100.000%	\$607,695,110	100.000%

¹ The unrounded percentages are used in the allocation of the NPL amongst the General and District employers.

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2020 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	District	District Percentage	Subtotal	Subtotal Percentage
Kern County	\$1,105,501,361	68.491%	\$916,673,724	100.000%	\$0	0.000%	\$2,022,175,085	74.671%
Kern County Hospital Authority	387,770,299	24.024%	0	0.000%	0	0.000%	387,770,299	14.319%
Kern County Superior Courts	120,800,230	7.484%	0	0.000%	0	0.000%	120,800,230	4.461%
Berrenda Mesa Water District	0	0.000%	0	0.000%	4,728,449	2.666%	4,728,449	0.175%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	177,033	0.100%	177,033	0.007%
East Kern Cemetery District	0	0.000%	0	0.000%	578,518	0.326%	578,518	0.021%
Inyokern Community Services District	0	0.000%	0	0.000%	122,955	0.069%	122,955	0.005%
Kern County Water Agency	0	0.000%	0	0.000%	28,440,706	16.035%	28,440,706	1.050%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	5,252,976	2.962%	5,252,976	0.194%
North of the River Sanitation District	0	0.000%	0	0.000%	5,343,740	3.013%	5,343,740	0.197%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	125,865,786	70.962%	125,865,786	4.648%
Shafter Recreation and Park District	0	0.000%	0	0.000%	816,892	0.461%	816,892	0.030%
West Side Cemetery District	0	0.000%	0	0.000%	1,873,309	1.056%	1,873,309	0.069%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	2,326,257	1.312%	2,326,257	0.086%
West Side Recreation and Park District	0	0.000%	0	0.000%	1,844,257	1.040%	1,844,257	0.068%
Total for all Employers	\$1,614,071,890	100.000%	\$916,673,724	100.000%	\$177,370,878	100.000%	\$2,708,116,492	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2020 Net Pension Liability

Employer	SRBR	SRBR Percentage	Total	Total Percentage
Kern County	\$(34,509,399)	74.671%	\$1,987,665,686	74.671%
Kern County Hospital Authority	(6,617,488)	14.319%	381,152,811	14.319%
Kern County Superior Courts	(2,061,515)	4.461%	118,738,715	4.461%
Berrenda Mesa Water District	(80,693)	0.175%	4,647,756	0.175%
Buttonwillow Recreation and Park District	(3,021)	0.007%	174,012	0.007%
East Kern Cemetery District	(9,873)	0.021%	568,645	0.021%
Inyokern Community Services District	(2,098)	0.005%	120,857	0.005%
Kern County Water Agency	(485,354)	1.050%	27,955,352	1.050%
Kern Mosquito and Vector Control District	(89,645)	0.194%	5,163,331	0.194%
North of the River Sanitation District	(91,193)	0.197%	5,252,547	0.197%
San Joaquin Valley Unified Air Pollution Control District	(2,147,961)	4.648%	123,717,825	4.648%
Shafter Recreation and Park District	(13,941)	0.030%	802,951	0.030%
West Side Cemetery District	(31,969)	0.069%	1,841,340	0.069%
West Side Mosquito and Vector Control District	(39,699)	0.086%	2,286,558	0.086%
West Side Recreation and Park District	<u>(31,473)</u>	<u>0.068%</u>	<u>1,812,784</u>	<u>0.068%</u>
Total for all Employers	\$(46,215,322)	100.000%	\$2,661,901,170	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Notes:

Based on the July 1, 2019 through June 30, 2020 actual payroll as provided by KCERA.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's Fiduciary Net Position for each membership was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total KCERA Plan's Fiduciary Net Position (excluding the SRBR) to total KCERA valuation value of assets. Based on this methodology, any non-valuation reserves are allocated amongst the membership classes based on each membership class' valuation value of assets. Note that the NPL for Berrenda Mesa Water District and Inyokern Community Services District is calculated for each employer separately using the methodology described below.

Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2020 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2019 and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2020 based on the valuation value of assets allocated to these employers as of the same dates.

The Safety membership class has only one employer (Kern County), so all of the NPL for Safety is allocated to the County.

For General and District, the NPL is allocated based on the actual payroll within the General and District membership classes, respectively.

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.¹

The NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

If the employer is in several membership classes, the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2021. The reporting date and measurement date for the plan under GAS 67 are June 30, 2020. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2020 are not adjusted or "rolled forward" to June 30, 2021. Other results such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

¹ For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

Section 2: GAS 68 Information

Notes (continued):

The following items are allocated based on the corresponding proportionate share:

- 1) Net Pension Liability
- 2) Service cost
- 3) Interest on the Total Pension Liability
- 4) Current-period benefit changes
- 5) Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- 6) Expensed portion of current-period changes of assumptions or other inputs
- 7) Member contributions
- 8) Projected earnings on plan investments
- 9) Expensed portion of current-period differences between actual and projected earnings on plan investments
- 10) Administrative expense
- 11) Other
- 12) Recognition of beginning of year deferred outflows of resources as pension expense
- 13) Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GAS 68 Information

Pension expense

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$124,145,681	\$122,868,764
• Interest on the Total Pension Liability	481,972,182	466,378,832
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(4,722,597)	(9,666,094)
• Expensed portion of current-period changes of assumptions or other inputs	29,798,976	0
• Member contributions	(57,862,386)	(50,131,647)
• Projected earnings on plan investments	(313,805,869)	(301,976,936)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	37,188,929	17,546,567
• Administrative expense	5,523,340	4,766,651
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	119,342,637	149,309,245
• Recognition of beginning of year deferred inflows of resources as pension expense	(102,738,213)	(109,932,157)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	\$318,842,680	\$289,163,225

Section 2: GAS 68 Information

Pension expense (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$92,700,702	\$93,186,425
• Interest on the Total Pension Liability	359,892,989	353,712,151
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(5,135,066)	(3,287,351)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,526,405)	(7,330,982)
• Expensed portion of current-period changes of assumptions or other inputs	22,251,165	0
• Member contributions	(43,206,367)	(38,020,965)
• Projected earnings on plan investments	(234,321,682)	(229,026,072)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	27,769,311	13,307,710
• Administrative expense	4,124,327	3,615,134
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	89,114,226	113,239,477
• Recognition of beginning of year deferred inflows of resources as pension expense	(76,715,552)	(83,375,013)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	2,066,260	5,015,993
Pension Expense	\$235,013,908	\$221,036,507

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$17,776,196	\$16,611,300
• Interest on the Total Pension Liability	69,012,724	63,052,304
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	3,579,435	1,322,571
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(676,220)	(1,306,812)
• Expensed portion of current-period changes of assumptions or other inputs	4,266,861	0
• Member contributions	(8,285,210)	(6,777,571)
• Projected earnings on plan investments	(44,933,294)	(40,825,913)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	5,325,015	2,372,216
• Administrative expense	790,877	644,430
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	17,088,456	20,185,933
• Recognition of beginning of year deferred inflows of resources as pension expense	(14,710,899)	(14,862,329)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(10,739,126)	(13,915,686)
Pension Expense	\$38,494,815	\$26,500,443

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$5,537,734	\$5,449,713
• Interest on the Total Pension Liability	21,499,204	20,685,739
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	186,162	375,082
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(210,660)	(428,729)
• Expensed portion of current-period changes of assumptions or other inputs	1,329,235	0
• Member contributions	(2,581,052)	(2,223,536)
• Projected earnings on plan investments	(13,997,855)	(13,393,867)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,658,877	778,259
• Administrative expense	246,378	211,420
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	5,323,485	6,622,454
• Recognition of beginning of year deferred inflows of resources as pension expense	(4,582,816)	(4,875,924)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	3,412,849	4,236,256
Pension Expense	\$17,821,541	\$17,436,867

Section 2: GAS 68 Information

Pension expense (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$216,762	\$181,144
• Interest on the Total Pension Liability	841,537	687,579
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	48,371	431,863
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(8,246)	(14,251)
• Expensed portion of current-period changes of assumptions or other inputs	52,030	0
• Member contributions	(101,029)	(73,909)
• Projected earnings on plan investments	(547,914)	(445,202)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	64,933	25,869
• Administrative expense	9,644	7,027
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	208,376	220,125
• Recognition of beginning of year deferred inflows of resources as pension expense	(179,384)	(162,072)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	319,771	(138,007)
Pension Expense	\$924,851	\$720,166

Section 2: GAS 68 Information

Pension expense (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$8,117	\$11,201
• Interest on the Total Pension Liability	31,507	42,523
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(11,875)	(13,292)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(309)	(881)
• Expensed portion of current-period changes of assumptions or other inputs	1,948	0
• Member contributions	(3,783)	(4,571)
• Projected earnings on plan investments	(20,514)	(27,533)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	2,431	1,600
• Administrative expense	361	435
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	7,802	13,613
• Recognition of beginning of year deferred inflows of resources as pension expense	(6,716)	(10,023)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(40,349)	(46,937)
Pension Expense	\$(31,380)	\$(33,865)

Section 2: GAS 68 Information

Pension expense (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$26,520	\$24,497
• Interest on the Total Pension Liability	102,961	92,983
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	6,470	2,818
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(1,009)	(1,927)
• Expensed portion of current-period changes of assumptions or other inputs	6,366	0
• Member contributions	(12,361)	(9,995)
• Projected earnings on plan investments	(67,036)	(60,206)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	7,944	3,498
• Administrative expense	1,180	950
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	25,494	29,768
• Recognition of beginning of year deferred inflows of resources as pension expense	(21,947)	(21,917)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	41,297	40,751
Pension Expense	\$115,879	\$101,220

Section 2: GAS 68 Information

Pension expense (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$5,636	\$5,259
• Interest on the Total Pension Liability	21,883	19,957
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,223)	17,746
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(214)	(414)
• Expensed portion of current-period changes of assumptions or other inputs	1,353	0
• Member contributions	(2,627)	(2,145)
• Projected earnings on plan investments	(14,248)	(12,922)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,688	751
• Administrative expense	251	204
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	5,418	6,389
• Recognition of beginning of year deferred inflows of resources as pension expense	(4,665)	(4,704)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(25,038)	(41,586)
Pension Expense	\$(11,786)	\$(11,465)

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$1,303,781	\$1,350,745
• Interest on the Total Pension Liability	5,061,684	5,127,089
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(223,264)	88,170
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(49,597)	(106,263)
• Expensed portion of current-period changes of assumptions or other inputs	312,950	0
• Member contributions	(607,672)	(551,117)
• Projected earnings on plan investments	(3,295,597)	(3,319,753)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	390,559	192,896
• Administrative expense	58,006	52,402
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,253,339	1,641,416
• Recognition of beginning of year deferred inflows of resources as pension expense	(1,078,959)	(1,208,528)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	583,386	868,478
Pension Expense	\$3,708,616	\$4,135,535

Section 2: GAS 68 Information

Pension expense (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$240,806	\$245,489
• Interest on the Total Pension Liability	934,889	931,811
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(27,331)	66,126
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(9,160)	(19,313)
• Expensed portion of current-period changes of assumptions or other inputs	57,802	0
• Member contributions	(112,237)	(100,162)
• Projected earnings on plan investments	(608,694)	(603,341)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	72,136	35,058
• Administrative expense	10,714	9,524
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	231,491	298,315
• Recognition of beginning of year deferred inflows of resources as pension expense	(199,283)	(219,641)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	202,887	158,336
Pension Expense	\$794,020	\$802,202

Section 2: GAS 68 Information

Pension expense (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$244,969	\$221,737
• Interest on the Total Pension Liability	951,043	841,664
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	64,813	43,277
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(9,319)	(17,444)
• Expensed portion of current-period changes of assumptions or other inputs	58,800	0
• Member contributions	(114,176)	(90,471)
• Projected earnings on plan investments	(619,212)	(544,971)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	73,382	31,666
• Administrative expense	10,899	8,602
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	235,491	269,455
• Recognition of beginning of year deferred inflows of resources as pension expense	(202,726)	(198,392)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	160,700	144,073
Pension Expense	\$854,664	\$709,196

Section 2: GAS 68 Information

Pension expense (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$5,769,947	\$5,267,280
• Interest on the Total Pension Liability	22,400,738	19,993,265
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,519,925	947,367
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(219,493)	(414,377)
• Expensed portion of current-period changes of assumptions or other inputs	1,384,974	0
• Member contributions	(2,689,284)	(2,149,101)
• Projected earnings on plan investments	(14,584,831)	(12,945,495)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,728,439	752,206
• Administrative expense	256,710	204,342
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	5,546,717	6,400,761
• Recognition of beginning of year deferred inflows of resources as pension expense	(4,774,989)	(4,712,698)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	3,869,724	3,392,004
Pension Expense	\$20,208,577	\$16,735,554

Section 2: GAS 68 Information

Pension expense (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$37,448	\$26,364
• Interest on the Total Pension Liability	145,385	100,070
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	36,705	20,045
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(1,425)	(2,074)
• Expensed portion of current-period changes of assumptions or other inputs	8,989	0
• Member contributions	(17,454)	(10,757)
• Projected earnings on plan investments	(94,658)	(64,795)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	11,218	3,765
• Administrative expense	1,666	1,023
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	35,999	32,037
• Recognition of beginning of year deferred inflows of resources as pension expense	(30,991)	(23,588)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	138,278	118,233
Pension Expense	\$271,160	\$200,323

Section 2: GAS 68 Information

Pension expense (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$85,877	\$84,691
• Interest on the Total Pension Liability	333,399	321,471
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	3,474	15,439
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,267)	(6,663)
• Expensed portion of current-period changes of assumptions or other inputs	20,613	0
• Member contributions	(40,026)	(34,555)
• Projected earnings on plan investments	(217,072)	(208,150)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	25,725	12,095
• Administrative expense	3,821	3,286
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	82,554	102,918
• Recognition of beginning of year deferred inflows of resources as pension expense	(71,068)	(75,775)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	64,089	62,758
Pension Expense	\$288,119	\$277,515

Section 2: GAS 68 Information

Pension expense (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$106,640	\$111,132
• Interest on the Total Pension Liability	414,011	421,824
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(18,419)	22,456
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(4,057)	(8,743)
• Expensed portion of current-period changes of assumptions or other inputs	25,597	0
• Member contributions	(49,703)	(45,342)
• Projected earnings on plan investments	(269,557)	(273,128)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	31,945	15,870
• Administrative expense	4,745	4,311
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	102,515	135,045
• Recognition of beginning of year deferred inflows of resources as pension expense	(88,252)	(99,430)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(18,938)	39,302
Pension Expense	\$236,527	\$323,297

Section 2: GAS 68 Information

Pension expense (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$84,546	\$91,787
• Interest on the Total Pension Liability	328,228	348,402
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(28,177)	(52,317)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,216)	(7,221)
• Expensed portion of current-period changes of assumptions or other inputs	20,293	0
• Member contributions	(39,405)	(37,450)
• Projected earnings on plan investments	(213,705)	(225,588)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	25,326	13,108
• Administrative expense	3,761	3,561
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	81,274	111,539
• Recognition of beginning of year deferred inflows of resources as pension expense	(69,966)	(82,123)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(35,790)	66,032
Pension Expense	\$153,169	\$229,730

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$49,445,080	\$51,112,358
• Changes of assumptions or other inputs	164,211,506	81,038,607
• Net excess of projected over actual earnings on pension plan investments (if any)	176,784,109	76,951,806
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$390,440,695	\$209,102,771
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$49,445,080	\$51,112,358
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	107,407,695	158,865,411
• Total Deferred Inflows of Resources	\$156,852,775	\$209,977,769
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$16,604,424
2022	\$40,989,345	(21,275,963)
2023	59,927,797	(2,337,511)
2024	68,882,664	6,617,356
2025	61,782,004	(483,304)
2026	2,006,110	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$3,462,446	\$13,669,882
• Changes of assumptions or other inputs	122,618,217	61,461,493
• Net excess of projected over actual earnings on pension plan investments (if any)	132,006,293	58,361,975
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$258,086,956	\$133,493,350
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$40,685,721	\$27,875,829
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>80,202,299</u>	<u>120,487,087</u>
• Total Deferred Inflows of Resources	\$120,888,020	\$148,362,916
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$14,659,426
2022	\$20,713,794	(20,894,422)
2023	31,924,720	(9,461,664)
2024	42,639,499	1,358,009
2025	40,833,750	(530,915)
2026	1,087,173	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$25,470,537	\$15,473,919
• Changes of assumptions or other inputs	23,513,148	10,956,052
• Net excess of projected over actual earnings on pension plan investments (if any)	25,313,397	10,403,535
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$74,297,082	\$36,833,506
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$6,977,314	\$22,323,915
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	15,379,513	21,477,884
• Total Deferred Inflows of Resources	\$22,356,827	\$43,801,799
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$(8,494,283)
2022	\$7,675,584	(4,649,455)
2023	16,171,065	3,694,656
2024	15,027,983	2,480,001
2025	12,492,018	788
2026	573,605	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$3,989,561	\$6,642,867
• Changes of assumptions or other inputs	7,324,939	3,594,382
• Net excess of projected over actual earnings on pension plan investments (if any)	7,885,762	3,413,116
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$19,200,262	\$13,650,365
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	4,791,106	7,046,307
• Total Deferred Inflows of Resources	\$4,791,106	\$7,046,307
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$4,149,321
2022	\$3,827,218	868,982
2023	3,841,156	878,133
2024	3,675,591	710,304
2025	2,960,809	(2,682)
2026	104,382	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$1,514,536	\$1,749,044
• Changes of assumptions or other inputs	286,718	119,475
• Net excess of projected over actual earnings on pension plan investments (if any)	308,670	113,449
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$2,109,924	\$1,981,968
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$79,880	\$191,972
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>187,537</u>	<u>234,214</u>
• Total Deferred Inflows of Resources	\$267,417	\$426,186
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$344,251
2022	\$495,428	344,121
2023	562,843	406,390
2024	599,027	440,141
2025	177,836	20,879
2026	7,373	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$9,981	\$30,978
• Changes of assumptions or other inputs	10,735	7,389
• Net excess of projected over actual earnings on pension plan investments (if any)	11,557	7,016
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$32,273	\$45,383
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$179,740	\$192,634
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>7,021</u>	<u>14,485</u>
• Total Deferred Inflows of Resources	\$186,761	\$207,119
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$(38,835)
2022	\$(56,992)	(49,737)
2023	(64,019)	(56,275)
2024	(24,154)	(16,179)
2025	(8,502)	(710)
2026	(821)	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$59,723	\$74,623
• Changes of assumptions or other inputs	35,079	16,157
• Net excess of projected over actual earnings on pension plan investments (if any)	37,765	15,342
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$132,567	\$106,122
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>22,945</u>	<u>31,673</u>
• Total Deferred Inflows of Resources	\$22,945	\$31,673
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$44,607
2022	\$39,363	19,895
2023	25,400	5,662
2024	24,107	4,241
2025	19,807	44
2026	945	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$54,124	\$72,234
• Changes of assumptions or other inputs	7,456	3,468
• Net excess of projected over actual earnings on pension plan investments (if any)	8,026	3,293
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$69,606	\$78,995
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$48,463	\$86,619
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>4,877</u>	<u>6,798</u>
• Total Deferred Inflows of Resources	\$53,340	\$93,417
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$(24,327)
2022	\$(20,821)	(22,369)
2023	14,978	13,380
2024	19,650	18,029
2025	2,468	865
2026	(9)	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$915,038	\$1,520,409
• Changes of assumptions or other inputs	1,724,553	890,890
• Net excess of projected over actual earnings on pension plan investments (if any)	1,856,591	845,962
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$4,496,182	\$3,257,261
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$913,119	\$24,185
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>1,127,998</u>	<u>1,746,471</u>
• Total Deferred Inflows of Resources	\$2,041,117	\$1,770,656
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$765,925
2022	\$726,700	285,598
2023	693,266	261,470
2024	601,913	174,517
2025	429,980	(905)
2026	3,206	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$317,841	\$520,728
• Changes of assumptions or other inputs	318,524	161,913
• Net excess of projected over actual earnings on pension plan investments (if any)	342,911	153,747
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$979,276	\$836,388
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$111,509	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>208,340</u>	<u>317,408</u>
• Total Deferred Inflows of Resources	\$319,849	\$317,408
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$236,062
2022	\$219,260	124,574
2023	169,868	76,286
2024	172,776	79,715
2025	95,817	2,343
2026	1,706	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$571,310	\$475,708
• Changes of assumptions or other inputs	324,027	146,249
• Net excess of projected over actual earnings on pension plan investments (if any)	348,836	138,873
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$1,244,173	\$760,830
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$816	\$8,952
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>211,940</u>	<u>286,701</u>
• Total Deferred Inflows of Resources	\$212,756	\$295,653
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$190,666
2022	\$309,283	125,193
2023	276,755	89,473
2024	247,347	58,555
2025	188,886	1,290
2026	9,146	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$12,571,740	\$10,240,171
• Changes of assumptions or other inputs	7,632,098	3,474,056
• Net excess of projected over actual earnings on pension plan investments (if any)	8,216,438	3,298,859
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$28,420,276	\$17,013,086
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	4,992,013	6,810,425
• Total Deferred Inflows of Resources	\$4,992,013	\$6,810,425
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$4,581,542
2022	\$6,888,706	2,551,627
2023	6,160,181	1,754,770
2024	5,725,794	1,288,073
2025	4,438,750	26,649
2026	214,832	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$302,156	\$290,675
• Changes of assumptions or other inputs	49,534	17,388
• Net excess of projected over actual earnings on pension plan investments (if any)	53,326	16,511
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$405,016	\$324,574
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>32,399</u>	<u>34,087</u>
• Total Deferred Inflows of Resources	\$32,399	\$34,087
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$141,841
2022	\$136,016	82,382
2023	97,730	42,446
2024	78,982	22,919
2025	56,344	899
2026	3,545	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$121,064	\$170,979
• Changes of assumptions or other inputs	113,591	55,859
• Net excess of projected over actual earnings on pension plan investments (if any)	122,288	53,042
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$356,943	\$279,880
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	74,298	109,505
• Total Deferred Inflows of Resources	\$74,298	\$109,505
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$75,534
2022	\$86,896	40,403
2023	79,229	32,690
2024	67,872	21,310
2025	46,983	438
2026	1,665	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$81,704	\$132,105
• Changes of assumptions or other inputs	141,057	73,297
• Net excess of projected over actual earnings on pension plan investments (if any)	151,857	69,600
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$374,618	\$275,002
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$121,359	\$115,549
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>92,263</u>	<u>143,688</u>
• Total Deferred Inflows of Resources	\$213,622	\$259,237
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$(3,920)
2022	\$26,361	(9,673)
2023	36,989	1,816
2024	61,622	26,856
2025	35,774	686
2026	250	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$3,319	\$48,036
• Changes of assumptions or other inputs	111,830	60,539
• Net excess of projected over actual earnings on pension plan investments (if any)	120,392	57,486
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$235,541	\$166,061
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$327,159	\$292,703
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	0
• Difference between expected and actual experience in the Total Pension Liability	<u>73,146</u>	<u>118,678</u>
• Total Deferred Inflows of Resources	\$400,305	\$411,381
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2021	N/A	\$(23,386)
2022	\$(77,451)	(93,082)
2023	(62,364)	(76,744)
2024	(35,345)	(49,135)
2025	11,284	(2,973)
2026	(888)	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ended June 30, 2020. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2019-2020) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through KCERA which is 5.08 years determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020). This is described in Paragraph 33a. of GAS 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2020 is recognized over the same period.

The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources and the difference between the actual employer contributions and the proportionate share of the employer contributions for prior periods continue to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability

Total for all Employers

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	100.000%	\$2,124,388,798	\$516,465,189	411.33%	59.37%
2015	100.000%	2,069,234,081	533,850,811	387.61%	63.35%
2016	100.000%	2,203,097,939	531,598,183	414.43%	62.20%
2017	100.000%	2,413,639,356	537,539,991	449.02%	59.67%
2018	100.000%	2,363,975,142	546,671,003	432.43%	62.64%
2019	100.000%	2,330,800,045	576,728,789	404.14%	64.30%
2020	100.000%	2,382,504,403	579,071,865	411.44%	64.59%
2021	100.000%	2,661,901,170	607,695,110	438.03%	62.51%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	75.501%	\$1,603,942,340	\$390,174,808	411.08%	59.80%
2015	75.942%	1,571,423,351	405,150,369	387.86%	63.60%
2016	75.618%	1,665,934,895	395,298,960	421.44%	62.46%
2017	77.130%	1,861,645,866	401,455,839	463.72%	59.90%
2018	77.683%	1,836,401,634	407,333,715	450.83%	62.97%
2019	76.587%	1,785,078,802	422,275,740	422.73%	64.67%
2020	75.842%	1,806,944,701	418,430,675	431.84%	65.04%
2021	74.671%	1,987,665,686	433,696,195	458.31%	63.13%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	16.181%	\$343,748,412	\$75,331,439	456.31%	58.53%
2015	15.972%	330,492,938	77,008,989	429.16%	62.95%
2016	15.672%	345,262,534	81,925,123	421.44%	61.87%
2017	13.670%	329,935,445	78,433,199	420.66%	59.37%
2018	12.405%	293,255,458	78,815,070	372.08%	62.49%
2019	13.182%	307,234,709	89,068,706	344.94%	64.19%
2020	13.520%	322,103,797	93,857,773	343.18%	64.43%
2021	14.319%	381,152,811	104,248,078	365.62%	62.00%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	3.439%	\$73,060,039	\$19,799,274	369.00%	58.53%
2015	3.247%	67,189,363	19,571,588	343.30%	62.95%
2016	3.649%	80,394,021	21,864,229	367.70%	61.87%
2017	4.085%	98,598,626	24,964,019	394.96%	59.37%
2018	4.287%	101,346,545	27,236,241	372.10%	62.49%
2019	4.368%	101,801,570	29,515,356	344.91%	64.19%
2020	4.435%	105,673,461	30,791,227	343.19%	64.43%
2021	4.461%	118,738,715	32,475,906	365.62%	62.00%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.076%	\$1,606,392	\$482,951	332.62%	55.64%
2015	0.075%	1,542,994	494,815	311.83%	60.66%
2016	0.066%	1,456,264	424,688	342.90%	59.25%
2017	0.053%	1,276,568	338,001	377.68%	57.15%
2018	0.046%	1,079,726	270,303	399.45%	57.90%
2019	0.042%	975,922	256,223	380.89%	59.22%
2020	0.147%	3,512,507	161,736	2171.75%	62.19%
2021	0.175%	4,647,756	161,005	2886.72%	53.60%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.026%	\$543,066	\$163,245	332.67%	55.64%
2015	0.024%	500,655	160,470	311.99%	60.66%
2016	0.018%	402,524	117,500	342.57%	59.25%
2017	0.021%	511,119	135,355	377.61%	57.15%
2018	0.023%	542,546	135,623	400.04%	57.90%
2019	0.013%	308,902	81,140	380.70%	59.22%
2020	0.009%	217,227	53,795	403.81%	58.47%
2021	0.007%	174,012	38,085	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.010%	\$220,750	\$66,356	332.68%	55.64%
2015	0.010%	207,281	66,341	312.45%	60.66%
2016	0.011%	231,931	67,647	342.85%	59.25%
2017	0.015%	355,569	94,080	377.94%	57.15%
2018	0.019%	448,133	112,019	400.05%	57.90%
2019	0.019%	452,431	118,685	381.20%	59.22%
2020	0.020%	475,004	118,101	402.20%	58.47%
2021	0.021%	568,645	124,456	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.010%	\$212,471	\$63,752	333.28%	55.64%
2015	0.010%	198,239	63,752	310.95%	60.66%
2016	0.010%	218,549	63,752	342.81%	59.25%
2017	0.009%	213,601	56,396	378.75%	57.15%
2018	0.000%	0	0	N/A	N/A
2019	0.000%	0	0	N/A	N/A
2020	0.004%	101,953	0	N/A	58.22%
2021	0.005%	120,857	0	N/A	54.11%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.926%	\$19,672,558	\$5,914,803	332.60%	55.64%
2015	0.925%	19,135,553	6,138,341	311.74%	60.66%
2016	1.011%	22,263,402	6,490,763	343.00%	59.25%
2017	0.992%	23,954,836	6,342,198	377.71%	57.15%
2018	1.050%	24,828,435	6,215,199	399.48%	57.90%
2019	1.091%	25,420,676	6,670,825	381.07%	59.22%
2020	1.099%	26,191,823	6,509,654	402.35%	58.47%
2021	1.050%	27,955,352	6,118,418	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.161%	\$3,423,153	\$1,029,309	332.57%	55.64%
2015	0.157%	3,248,181	1,041,816	311.78%	60.66%
2016	0.161%	3,538,099	1,031,557	342.99%	59.25%
2017	0.166%	4,009,961	1,061,688	377.70%	57.15%
2018	0.187%	4,413,319	1,104,807	399.47%	57.90%
2019	0.188%	4,388,960	1,151,669	381.10%	59.22%
2020	0.200%	4,760,174	1,182,856	402.43%	58.47%
2021	0.194%	5,163,331	1,130,067	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.122%	\$2,599,247	\$781,428	332.63%	55.64%
2015	0.130%	2,698,448	865,760	311.69%	60.66%
2016	0.137%	3,017,365	879,725	342.99%	59.25%
2017	0.136%	3,285,264	869,712	377.74%	57.15%
2018	0.157%	3,708,561	928,465	399.43%	57.90%
2019	0.170%	3,952,940	1,037,184	381.12%	59.22%
2020	0.180%	4,299,653	1,068,758	402.30%	58.47%
2021	0.197%	5,252,547	1,149,593	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	3.345%	\$71,067,704	\$21,366,973	332.61%	55.64%
2015	3.297%	68,213,462	21,882,301	311.73%	60.66%
2016	3.404%	74,985,888	21,862,199	342.99%	59.25%
2017	3.468%	83,711,648	22,163,475	377.70%	57.15%
2018	3.886%	91,852,721	22,993,004	399.48%	57.90%
2019	4.084%	95,186,053	24,978,663	381.07%	59.22%
2020	4.287%	102,135,944	25,384,117	402.36%	58.47%
2021	4.648%	123,717,825	27,077,369	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.000%	\$0	\$0	N/A	N/A
2015	0.000%	0	0	N/A	N/A
2016	0.000%	0	0	N/A	N/A
2017	0.015%	356,787	94,569	377.28%	57.15%
2018	0.012%	293,850	73,697	398.73%	57.90%
2019	0.017%	393,653	103,297	381.09%	59.22%
2020	0.021%	511,209	126,991	402.56%	58.47%
2021	0.030%	802,951	175,737	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.054%	\$1,152,443	\$346,618	332.48%	55.64%
2015	0.055%	1,147,467	368,139	311.69%	60.66%
2016	0.057%	1,261,130	367,764	342.92%	59.25%
2017	0.058%	1,401,253	371,112	377.58%	57.15%
2018	0.063%	1,485,315	371,617	399.69%	57.90%
2019	0.066%	1,548,627	406,579	380.89%	59.22%
2020	0.069%	1,642,239	408,157	402.35%	58.47%
2021	0.069%	1,841,340	403,003	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.071%	\$1,517,265	\$456,135	332.64%	55.64%
2015	0.081%	1,680,139	539,127	311.64%	60.66%
2016	0.100%	2,192,225	639,073	343.03%	59.25%
2017	0.087%	2,106,211	557,694	377.66%	57.15%
2018	0.090%	2,134,171	534,406	399.35%	57.90%
2019	0.087%	2,018,824	529,958	380.94%	59.22%
2020	0.090%	2,154,895	535,694	402.26%	58.47%
2021	0.086%	2,286,558	500,445	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.076%	\$1,622,958	\$488,098	332.51%	55.64%
2015	0.075%	1,556,010	499,003	311.82%	60.66%
2016	0.088%	1,939,112	565,203	343.08%	59.25%
2017	0.094%	2,276,602	602,654	377.76%	57.15%
2018	0.092%	2,184,728	546,838	399.52%	57.90%
2019	0.087%	2,037,976	534,764	381.10%	59.22%
2020	0.075%	1,779,816	442,331	402.37%	58.47%
2021	0.068%	1,812,784	396,753	456.90%	55.90%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$2,382,504,403	\$2,330,800,045
• Pension Expense	318,842,680	289,163,225
• Employer Contributions	(273,908,831)	(229,120,365)
• New Net Deferred Inflows/Outflows	251,067,342	31,038,586
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion ¹	0	0
• Recognition of Prior Deferred Inflows/Outflows	(16,604,424)	(39,377,088)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>0</u>	<u>0</u>
Ending Net Pension Liability	\$2,661,901,170	\$2,382,504,403

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$1,806,944,701	\$1,785,078,802
• Pension Expense	235,013,908	221,036,507
• Employer Contributions	(206,361,426)	(174,461,189)
• New Net Deferred Inflows/Outflows	187,474,256	23,540,359
• Change in Allocation of Prior Deferred Inflows/Outflows	10,249	(55,550)
• New Net Deferred Flows Due to Change in Proportion ¹	(20,951,068)	(13,313,771)
• Recognition of Prior Deferred Inflows/Outflows	(12,398,674)	(29,864,464)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(2,066,260)</u>	<u>(5,015,993)</u>
Ending Net Pension Liability	\$1,987,665,686	\$1,806,944,701

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$322,103,797	\$307,234,709
• Pension Expense	38,494,815	26,500,443
• Employer Contributions	(38,354,347)	(29,801,356)
• New Net Deferred Inflows/Outflows	35,949,878	4,196,276
• Change in Allocation of Prior Deferred Inflows/Outflows	(6,994)	25,229
• New Net Deferred Flows Due to Change in Proportion ¹	14,604,093	5,356,414
• Recognition of Prior Deferred Inflows/Outflows	(2,377,557)	(5,323,604)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>10,739,126</u>	<u>13,915,686</u>
Ending Net Pension Liability	\$381,152,811	\$322,103,797

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$105,673,461	\$101,801,570
• Pension Expense	17,821,541	17,436,867
• Employer Contributions	(12,561,385)	(10,483,011)
• New Net Deferred Inflows/Outflows	11,199,294	1,376,684
• Change in Allocation of Prior Deferred Inflows/Outflows	(221)	5,055
• New Net Deferred Flows Due to Change in Proportion ¹	759,543	1,519,082
• Recognition of Prior Deferred Inflows/Outflows	(740,669)	(1,746,530)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(3,412,849)</u>	<u>(4,236,256)</u>
Ending Net Pension Liability	\$118,738,715	\$105,673,461

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$3,512,507	\$975,922
• Pension Expense	924,851	720,166
• Employer Contributions	(76,327)	(66,217)
• New Net Deferred Inflows/Outflows	438,371	45,760
• Change in Allocation of Prior Deferred Inflows/Outflows	(238)	7,878
• New Net Deferred Flows Due to Change in Proportion ¹	197,355	1,749,044
• Recognition of Prior Deferred Inflows/Outflows	(28,992)	(58,053)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(319,771)</u>	<u>138,007</u>
Ending Net Pension Liability	\$4,647,756	\$3,512,507

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$217,227	\$308,902
• Pension Expense	(31,380)	(33,865)
• Employer Contributions	(19,081)	(49,845)
• New Net Deferred Inflows/Outflows	16,413	2,830
• Change in Allocation of Prior Deferred Inflows/Outflows	22	(308)
• New Net Deferred Flows Due to Change in Proportion ¹	(48,452)	(53,834)
• Recognition of Prior Deferred Inflows/Outflows	(1,086)	(3,590)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>40,349</u>	<u>46,937</u>
Ending Net Pension Liability	\$174,012	\$217,227

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$475,004	\$452,431
• Pension Expense	115,879	101,220
• Employer Contributions	(57,413)	(47,683)
• New Net Deferred Inflows/Outflows	53,634	6,188
• Change in Allocation of Prior Deferred Inflows/Outflows	(12)	39
• New Net Deferred Flows Due to Change in Proportion ¹	26,397	11,411
• Recognition of Prior Deferred Inflows/Outflows	(3,547)	(7,851)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(41,297)</u>	<u>(40,751)</u>
Ending Net Pension Liability	\$568,645	\$475,004

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$101,953	\$0
• Pension Expense	(11,786)	(11,465)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	11,399	1,328
• Change in Allocation of Prior Deferred Inflows/Outflows	(2)	319
• New Net Deferred Flows Due to Change in Proportion ¹	(4,992)	71,870
• Recognition of Prior Deferred Inflows/Outflows	(753)	(1,685)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>25,038</u>	<u>41,586</u>
Ending Net Pension Liability	\$120,857	\$101,953

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$26,191,823	\$25,420,676
• Pension Expense	3,708,616	4,135,535
• Employer Contributions	(2,913,547)	(2,761,979)
• New Net Deferred Inflows/Outflows	2,636,715	341,220
• Change in Allocation of Prior Deferred Inflows/Outflows	430	649
• New Net Deferred Flows Due to Change in Proportion ¹	(910,919)	357,088
• Recognition of Prior Deferred Inflows/Outflows	(174,380)	(432,888)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(583,386)</u>	<u>(868,478)</u>
Ending Net Pension Liability	\$27,955,352	\$26,191,823

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$4,760,174	\$4,388,960
• Pension Expense	794,020	802,202
• Employer Contributions	(531,309)	(524,662)
• New Net Deferred Inflows/Outflows	486,999	62,014
• Change in Allocation of Prior Deferred Inflows/Outflows	51	858
• New Net Deferred Flows Due to Change in Proportion ¹	(111,509)	267,812
• Recognition of Prior Deferred Inflows/Outflows	(32,208)	(78,674)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(202,887)</u>	<u>(158,336)</u>
Ending Net Pension Liability	\$5,163,331	\$4,760,174

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$4,299,653	\$3,952,940
• Pension Expense	854,664	709,196
• Employer Contributions	(468,009)	(379,444)
• New Net Deferred Inflows/Outflows	495,414	56,015
• Change in Allocation of Prior Deferred Inflows/Outflows	(148)	811
• New Net Deferred Flows Due to Change in Proportion ¹	264,438	175,271
• Recognition of Prior Deferred Inflows/Outflows	(32,765)	(71,063)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(160,700)</u>	<u>(144,073)</u>
Ending Net Pension Liability	\$5,252,547	\$4,299,653

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$102,135,944	\$95,186,053
• Pension Expense	20,208,577	16,735,554
• Employer Contributions	(11,852,298)	(9,888,187)
• New Net Deferred Inflows/Outflows	11,668,918	1,330,598
• Change in Allocation of Prior Deferred Inflows/Outflows	(3,157)	15,157
• New Net Deferred Flows Due to Change in Proportion ¹	6,201,293	3,836,836
• Recognition of Prior Deferred Inflows/Outflows	(771,728)	(1,688,063)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(3,869,724)</u>	<u>(3,392,004)</u>
Ending Net Pension Liability	\$123,717,825	\$102,135,944

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$511,209	\$393,653
• Pension Expense	271,160	200,323
• Employer Contributions	(61,548)	(44,269)
• New Net Deferred Inflows/Outflows	75,733	6,660
• Change in Allocation of Prior Deferred Inflows/Outflows	(76)	341
• New Net Deferred Flows Due to Change in Proportion ¹	149,759	81,183
• Recognition of Prior Deferred Inflows/Outflows	(5,008)	(8,449)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(138,278)</u>	<u>(118,233)</u>
Ending Net Pension Liability	\$802,951	\$511,209

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$1,642,239	\$1,548,627
• Pension Expense	288,119	277,515
• Employer Contributions	(201,288)	(178,111)
• New Net Deferred Inflows/Outflows	173,673	21,395
• Change in Allocation of Prior Deferred Inflows/Outflows	(2)	186
• New Net Deferred Flows Due to Change in Proportion ¹	14,174	62,528
• Recognition of Prior Deferred Inflows/Outflows	(11,486)	(27,143)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(64,089)</u>	<u>(62,758)</u>
Ending Net Pension Liability	\$1,841,340	\$1,642,239

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$2,154,895	\$2,018,824
• Pension Expense	236,527	323,297
• Employer Contributions	(250,095)	(231,615)
• New Net Deferred Inflows/Outflows	215,665	28,073
• Change in Allocation of Prior Deferred Inflows/Outflows	40	286
• New Net Deferred Flows Due to Change in Proportion ¹	(75,149)	90,947
• Recognition of Prior Deferred Inflows/Outflows	(14,263)	(35,615)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>18,938</u>	<u>(39,302)</u>
Ending Net Pension Liability	\$2,286,558	\$2,154,895

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
Beginning Net Pension Liability	\$1,779,816	\$2,037,976
• Pension Expense	153,169	229,730
• Employer Contributions	(200,758)	(202,797)
• New Net Deferred Inflows/Outflows	170,980	23,186
• Change in Allocation of Prior Deferred Inflows/Outflows	58	(950)
• New Net Deferred Flows Due to Change in Proportion ¹	(114,963)	(211,881)
• Recognition of Prior Deferred Inflows/Outflows	(11,308)	(29,416)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>35,790</u>	<u>(66,032)</u>
Ending Net Pension Liability	\$1,812,784	\$1,779,816

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2016	2017	2018	2019	2020	2021	2022
2016	\$(89,306)	5.19	\$(17,207)	\$(17,207)	\$(17,207)	\$(17,207)	\$(17,207)	\$(3,269)	\$0
2017	(105,054)	5.10	N/A	(20,599)	(20,599)	(20,599)	(20,599)	(20,599)	(2,060)
2018	(109,368)	5.11	N/A	N/A	(21,403)	(21,403)	(21,403)	(21,403)	(21,403)
2019	(80,208)	5.08	N/A	N/A	N/A	(15,789)	(15,789)	(15,789)	(15,789)
2020	(48,814)	5.05	N/A	N/A	N/A	N/A	(9,666)	(9,666)	(9,666)
2021	(23,991)	5.08	N/A	N/A	N/A	N/A	N/A	(4,723)	(4,723)
Net increase/(decrease) in pension expense			\$(17,207)	\$(37,806)	\$(59,208)	\$(74,998)	\$(84,664)	\$(75,449)	\$(53,640)

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						Thereafter
			2023	2024	2025	2026	2027	2028	
2016	\$(89,306)	5.19	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	(105,054)	5.10	0	0	0	0	0	0	0
2018	(109,368)	5.11	(2,354)	0	0	0	0	0	0
2019	(80,208)	5.08	(15,789)	(1,263)	0	0	0	0	0
2020	(48,814)	5.05	(9,666)	(9,666)	(483)	0	0	0	0
2021	(23,991)	5.08	(4,723)	(4,723)	(4,723)	(378)	0	0	0
Net increase/(decrease) in pension expense			\$(32,532)	\$(15,652)	\$(5,206)	\$(378)	\$0	\$0	\$0

Note: Results may not total due to rounding.

As described in *Section 2, Deferred outflows of resources and deferred inflows of resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through KCERA (active and inactive employees) determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020) is 5.08 years.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition
of the Effects of Assumption Changes (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Effect of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:							
			2016	2017	2018	2019	2020	2021	2022	
2016	\$0	5.19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	0	5.10	N/A	0	0	0	0	0	0	0
2018	196,259	5.11	N/A	N/A	38,407	38,407	38,407	38,407	38,407	38,407
2019	0	5.08	N/A	N/A	N/A	0	0	0	0	0
2020	0	5.05	N/A	N/A	N/A	N/A	0	0	0	0
2021	151,379	5.08	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>29,799</u>	<u>29,799</u>	<u>29,799</u>
Net increase/(decrease) in pension expense			\$0	\$0	\$38,407	\$38,407	\$38,407	\$68,206	\$68,206	\$68,206

Reporting Date for Employer under GAS 68 Year Ended June 30	Effect of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:							
			2023	2024	2025	2026	2027	2028	Thereafter	
2016	\$0	5.19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	0	5.10	0	0	0	0	0	0	0	0
2018	196,259	5.11	4,225	0	0	0	0	0	0	0
2019	0	5.08	0	0	0	0	0	0	0	0
2020	0	5.05	0	0	0	0	0	0	0	0
2021	151,379	5.08	<u>29,799</u>	<u>29,799</u>	<u>29,799</u>	<u>2,384</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase/(decrease) in pension expense			\$34,024	\$29,799	\$29,799	\$2,384	\$0	\$0	\$0	\$0

Note: Results may not total due to rounding.

As described in *Section 2, Deferred outflows of resources and deferred inflows of resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through KCERA (active and inactive employees) determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020) is 5.08 years.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2016	2017	2018	2019	2020	2021	2022
2016	\$185,042	5.00	\$37,008	\$37,008	\$37,008	\$37,008	\$37,008	\$0	\$0
2017	298,443	5.00	N/A	59,689	59,689	59,689	59,689	59,689	0
2018	(160,062)	5.00	N/A	N/A	(32,012)	(32,012)	(32,012)	(32,012)	(32,012)
2019	18,502	5.00	N/A	N/A	N/A	3,700	3,700	3,700	3,700
2020	87,733	5.00	N/A	N/A	N/A	N/A	17,547	17,547	17,547
2021	185,945	5.00	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>37,189</u>	<u>37,189</u>
Net increase/(decrease) in pension expense			\$37,008	\$96,697	\$64,685	\$68,385	\$85,932	\$86,112	\$26,424

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2023	2024	2025	2026	2027	2028	Thereafter
2016	\$185,042	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	298,443	5.00	0	0	0	0	0	0	0
2018	(160,062)	5.00	0	0	0	0	0	0	0
2019	18,502	5.00	3,700	0	0	0	0	0	0
2020	87,733	5.00	17,547	17,547	0	0	0	0	0
2021	185,945	5.00	<u>37,189</u>	<u>37,189</u>	<u>37,189</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase/(decrease) in pension expense			\$58,436	\$54,735	\$37,189	\$0	\$0	\$0	\$0

Note: Results may not total due to rounding.

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b of GAS 68.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Total Increase (Decrease) in Pension Expense (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Total Differences	Reporting Date for Employer under GAS 68 Year Ended June 30:						
		2016	2017	2018	2019	2020	2021	2022
2016	\$95,735	\$19,801	\$19,801	\$19,801	\$19,801	\$19,801	\$(3,269)	\$0
2017	193,390	N/A	39,090	39,090	39,090	39,090	39,090	(2,060)
2018	(73,170)	N/A	N/A	(15,008)	(15,008)	(15,008)	(15,008)	(15,008)
2019	(61,705)	N/A	N/A	N/A	(12,088)	(12,088)	(12,088)	(12,088)
2020	38,919	N/A	N/A	N/A	N/A	7,880	7,880	7,880
2021	313,333	N/A	N/A	N/A	N/A	N/A	62,265	62,265
Net increase/(decrease) in pension expense		\$19,801	\$58,891	\$43,883	\$31,794	\$39,675	\$78,870	\$40,989

Reporting Date for Employer under GAS 68 Year Ended June 30	Total Differences	Reporting Date for Employer under GAS 68 Year Ended June 30:						
		2023	2024	2025	2026	2027	2028	Thereafter
2016	\$95,735	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	193,390	0	0	0	0	0	0	0
2018	(73,170)	1,870	0	0	0	0	0	0
2019	(61,705)	(12,088)	(1,263)	0	0	0	0	0
2020	38,919	7,880	7,880	(483)	0	0	0	0
2021	313,333	62,265	62,265	62,265	2,006	0	0	0
Net increase/(decrease) in pension expense		\$59,928	\$68,883	\$61,782	\$2,006	\$0	\$0	\$0

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability

In addition to the amounts shown in *Section 2, Schedule of recognition of changes in total Net Pension Liability*, there are changes in each employer's proportionate share of the total NPL during the measurement period ending on June 30, 2020. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. The differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2020 are recognized over the same period. These amounts are shown on the following page, with the corresponding amounts for the measurement periods ending each June 30 beginning in 2015 shown on the pages after that. While these amounts are different for each employer, they sum to zero over the entire KCERA.

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2020

	Total Change	Recognition Period (Years)	2021	2022	2023	2024	2025	2026
Kern County	\$(26,086,134)	5.08	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(410,804)
Kern County Hospital Authority	18,183,528	5.08	3,579,435	3,579,435	3,579,435	3,579,435	3,579,435	286,353
Kern County Superior Courts	945,705	5.08	186,162	186,162	186,162	186,162	186,162	14,895
Berrenda Mesa Water District	245,726	5.08	48,371	48,371	48,371	48,371	48,371	3,871
Buttonwillow Recreation and Park District	(60,327)	5.08	(11,875)	(11,875)	(11,875)	(11,875)	(11,875)	(952)
East Kern Cemetery District	32,867	5.08	6,470	6,470	6,470	6,470	6,470	517
Inyokern Community Services District	(6,215)	5.08	(1,223)	(1,223)	(1,223)	(1,223)	(1,223)	(100)
Kern County Water Agency	(1,134,183)	5.08	(223,264)	(223,264)	(223,264)	(223,264)	(223,264)	(17,863)
Kern Mosquito and Vector Control District	(138,840)	5.08	(27,331)	(27,331)	(27,331)	(27,331)	(27,331)	(2,185)
North of the River Sanitation District	329,251	5.08	64,813	64,813	64,813	64,813	64,813	5,186
San Joaquin Valley Unified Air Pollution Control District	7,721,218	5.08	1,519,925	1,519,925	1,519,925	1,519,925	1,519,925	121,593
Shafter Recreation and Park District	186,464	5.08	36,705	36,705	36,705	36,705	36,705	2,939
West Side Cemetery District	17,648	5.08	3,474	3,474	3,474	3,474	3,474	278
West Side Mosquito and Vector Control District	(93,568)	5.08	(18,419)	(18,419)	(18,419)	(18,419)	(18,419)	(1,473)
West Side Recreation and Park District	<u>(143,140)</u>	5.08	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(2,255)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2019

	Total Change	Recognition Period (Years)	2020	2021	2022	2023	2024	2025
Kern County	\$(16,601,122)	5.05	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(164,367)
Kern County Hospital Authority	6,678,985	5.05	1,322,571	1,322,571	1,322,571	1,322,571	1,322,571	66,130
Kern County Superior Courts	1,894,164	5.05	375,082	375,082	375,082	375,082	375,082	18,754
Berrenda Mesa Water District	2,180,907	5.05	431,863	431,863	431,863	431,863	431,863	21,592
Buttonwillow Recreation and Park District	(67,126)	5.05	(13,292)	(13,292)	(13,292)	(13,292)	(13,292)	(666)
East Kern Cemetery District	14,229	5.05	2,818	2,818	2,818	2,818	2,818	139
Inyokern Community Services District	89,616	5.05	17,746	17,746	17,746	17,746	17,746	886
Kern County Water Agency	445,258	5.05	88,170	88,170	88,170	88,170	88,170	4,408
Kern Mosquito and Vector Control District	333,938	5.05	66,126	66,126	66,126	66,126	66,126	3,308
North of the River Sanitation District	218,548	5.05	43,277	43,277	43,277	43,277	43,277	2,163
San Joaquin Valley Unified Air Pollution Control District	4,784,203	5.05	947,367	947,367	947,367	947,367	947,367	47,368
Shafter Recreation and Park District	101,228	5.05	20,045	20,045	20,045	20,045	20,045	1,003
West Side Cemetery District	77,967	5.05	15,439	15,439	15,439	15,439	15,439	772
West Side Mosquito and Vector Control District	113,403	5.05	22,456	22,456	22,456	22,456	22,456	1,123
West Side Recreation and Park District	<u>(264,198)</u>	5.05	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(2,613)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2018

	Total Change	Recognition Period (Years)	2019	2020	2021	2022	2023	2024
Kern County	\$(23,710,493)	5.08	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(373,393)
Kern County Hospital Authority	16,687,313	5.08	3,284,904	3,284,904	3,284,904	3,284,904	3,284,904	262,793
Kern County Superior Courts	2,649,131	5.08	521,483	521,483	521,483	521,483	521,483	41,716
Berrenda Mesa Water District	(93,788)	5.08	(18,462)	(18,462)	(18,462)	(18,462)	(18,462)	(1,478)
Buttonwillow Recreation and Park District	(221,630)	5.08	(43,628)	(43,628)	(43,628)	(43,628)	(43,628)	(3,490)
East Kern Cemetery District	6,664	5.08	1,312	1,312	1,312	1,312	1,312	104
Inyokern Community Services District	0	5.08	0	0	0	0	0	0
Kern County Water Agency	863,665	5.08	170,013	170,013	170,013	170,013	170,013	13,600
Kern Mosquito and Vector Control District	23,398	5.08	4,606	4,606	4,606	4,606	4,606	368
North of the River Sanitation District	211,691	5.08	41,671	41,671	41,671	41,671	41,671	3,336
San Joaquin Valley Unified Air Pollution Control District	3,621,056	5.08	712,806	712,806	712,806	712,806	712,806	57,026
Shafter Recreation and Park District	92,309	5.08	18,171	18,171	18,171	18,171	18,171	1,454
West Side Cemetery District	83,215	5.08	16,381	16,381	16,381	16,381	16,381	1,310
West Side Mosquito and Vector Control District	(100,775)	5.08	(19,838)	(19,838)	(19,838)	(19,838)	(19,838)	(1,585)
West Side Recreation and Park District	<u>(111,756)</u>	5.08	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(1,761)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2017

	Total Change	Recognition Period (Years)	2018	2019	2020	2021	2022	2023
Kern County	\$12,353,524	5.11	\$2,417,519	\$2,417,519	\$2,417,519	\$2,417,519	\$2,417,519	\$265,929
Kern County Hospital Authority	(27,724,028)	5.11	(5,425,446)	(5,425,446)	(5,425,446)	(5,425,446)	(5,425,446)	(596,798)
Kern County Superior Courts	3,960,066	5.11	774,964	774,964	774,964	774,964	774,964	85,246
Berrenda Mesa Water District	(165,515)	5.11	(32,390)	(32,390)	(32,390)	(32,390)	(32,390)	(3,565)
Buttonwillow Recreation and Park District	39,883	5.11	7,805	7,805	7,805	7,805	7,805	858
East Kern Cemetery District	92,818	5.11	18,164	18,164	18,164	18,164	18,164	1,998
Inyokern Community Services District	(198,101)	5.11	(38,767)	(38,767)	(38,767)	(38,767)	(38,767)	(4,266)
Kern County Water Agency	1,346,534	5.11	263,510	263,510	263,510	263,510	263,510	28,984
Kern Mosquito and Vector Control District	475,049	5.11	92,965	92,965	92,965	92,965	92,965	10,224
North of the River Sanitation District	406,028	5.11	79,457	79,457	79,457	79,457	79,457	8,743
San Joaquin Valley Unified Air Pollution Control District	9,049,524	5.11	1,770,944	1,770,944	1,770,944	1,770,944	1,770,944	194,804
Shafter Recreation and Park District	219,882	5.11	43,030	43,030	43,030	43,030	43,030	4,732
West Side Cemetery District	115,156	5.11	22,535	22,535	22,535	22,535	22,535	2,481
West Side Mosquito and Vector Control District	60,817	5.11	11,901	11,901	11,901	11,901	11,901	1,312
West Side Recreation and Park District	<u>(31,637)</u>	5.11	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(682)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2016

	Total Change	Recognition Period (Years)	2017	2018	2019	2020	2021	2022
Kern County	\$39,728,583	5.10	\$7,789,917	\$7,789,917	\$7,789,917	\$7,789,917	\$7,789,917	\$778,998
Kern County Hospital Authority	(48,708,545)	5.10	(9,550,695)	(9,550,695)	(9,550,695)	(9,550,695)	(9,550,695)	(955,070)
Kern County Superior Courts	7,197,381	5.10	1,411,251	1,411,251	1,411,251	1,411,251	1,411,251	141,126
Berrenda Mesa Water District	(281,633)	5.10	(55,222)	(55,222)	(55,222)	(55,222)	(55,222)	(5,523)
Buttonwillow Recreation and Park District	67,278	5.10	13,192	13,192	13,192	13,192	13,192	1,318
East Kern Cemetery District	93,978	5.10	18,427	18,427	18,427	18,427	18,427	1,843
Inyokern Community Services District	(22,343)	5.10	(4,381)	(4,381)	(4,381)	(4,381)	(4,381)	(438)
Kern County Water Agency	(112,125)	5.10	(21,985)	(21,985)	(21,985)	(21,985)	(21,985)	(2,200)
Kern Mosquito and Vector Control District	172,716	5.10	33,866	33,866	33,866	33,866	33,866	3,386
North of the River Sanitation District	(41,496)	5.10	(8,136)	(8,136)	(8,136)	(8,136)	(8,136)	(816)
San Joaquin Valley Unified Air Pollution Control District	1,662,262	5.10	325,934	325,934	325,934	325,934	325,934	32,592
Shafter Recreation and Park District	290,861	5.10	57,032	57,032	57,032	57,032	57,032	5,701
West Side Cemetery District	36,338	5.10	7,125	7,125	7,125	7,125	7,125	713
West Side Mosquito and Vector Control District	(252,454)	5.10	(49,501)	(49,501)	(49,501)	(49,501)	(49,501)	(4,949)
West Side Recreation and Park District	<u>169,199</u>	5.10	<u>33,176</u>	<u>33,176</u>	<u>33,176</u>	<u>33,176</u>	<u>33,176</u>	<u>3,319</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2015

	Total Change	Recognition Period (Years)	2016	2017	2018	2019	2020	2021
Kern County	\$(5,091,730)	5.19	\$(981,065)	\$(981,065)	\$(981,065)	\$(981,065)	\$(981,065)	\$(186,405)
Kern County Hospital Authority	(10,119,415)	5.19	(1,949,791)	(1,949,791)	(1,949,791)	(1,949,791)	(1,949,791)	(370,460)
Kern County Superior Courts	9,016,144	5.19	1,737,215	1,737,215	1,737,215	1,737,215	1,737,215	330,069
Berrenda Mesa Water District	(164,423)	5.19	(31,681)	(31,681)	(31,681)	(31,681)	(31,681)	(6,018)
Buttonwillow Recreation and Park District	(120,946)	5.19	(23,304)	(23,304)	(23,304)	(23,304)	(23,304)	(4,426)
East Kern Cemetery District	15,781	5.19	3,041	3,041	3,041	3,041	3,041	576
Inyokern Community Services District	9,914	5.19	1,910	1,910	1,910	1,910	1,910	364
Kern County Water Agency	2,285,783	5.19	440,421	440,421	440,421	440,421	440,421	83,678
Kern Mosquito and Vector Control District	145,379	5.19	28,011	28,011	28,011	28,011	28,011	5,324
North of the River Sanitation District	121,086	5.19	23,331	23,331	23,331	23,331	23,331	4,431
San Joaquin Valley Unified Air Pollution Control District	3,077,758	5.19	593,017	593,017	593,017	593,017	593,017	112,673
Shafter Recreation and Park District	0	5.19	0	0	0	0	0	0
West Side Cemetery District	71,204	5.19	13,719	13,719	13,719	13,719	13,719	2,609
West Side Mosquito and Vector Control District	438,204	5.19	84,432	84,432	84,432	84,432	84,432	16,044
West Side Recreation and Park District	<u>315,261</u>	5.19	<u>60,744</u>	<u>60,744</u>	<u>60,744</u>	<u>60,744</u>	<u>60,744</u>	<u>11,541</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For June 30, 2020 Measurement Date and Employer Reporting as of June 30, 2021:

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2019 Actuarial Experience Study dated August 3, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
<u>Economic Assumptions</u>	
Net Investment Return:	7.25%; net of investment expenses. Based on the Actuarial Experience Study reference above, expected investment expenses represent about 0.40% of the Market Value of Assets.
Administrative Expenses:	0.90% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member.
Member Contribution Crediting Rate:	7.25%, compounded semi-annually.
Consumer Price Index:	Increase of 2.75% per year; retiree COLA increases due to CPI are assumed to be 2.50% per year.
Payroll Growth:	Inflation of 2.75% per year plus “across the board” real salary increases of 0.50% per year.
Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 2.75% per year from the valuation date.
Increase in Section 7522.10 Compensation Limit:	Increase of 2.75% per year from the valuation date.

Section 3: Actuarial Assumptions and Methods and Appendices

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Merit and Promotion Increases		
Years of Service	Rate (%)	
	General	Safety
Less than 1	5.50	8.75
1 – 2	4.50	7.00
2 – 3	4.00	5.50
3 – 4	3.50	5.00
4 – 5	3.00	4.50
5 – 6	2.50	4.00
6 – 7	2.25	3.50
7 – 8	1.75	2.50
8 – 9	1.50	1.50
9 – 10	1.25	1.25
10 – 11	1.15	1.00
11 – 12	1.05	0.80
12 – 13	0.95	0.75
13 – 14	0.85	0.70
14 – 15	0.75	0.65
15 – 16	0.75	0.60
16 – 17	0.75	0.55
17 – 18	0.75	0.50
18 – 19	0.75	0.50
19 – 20	0.75	0.50
20 & Over	0.75	0.50

Section 3: Actuarial Assumptions and Methods and Appendices

Demographic Assumptions:

Post-Retirement Mortality Rates:

Healthy

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Disabled

- **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Beneficiaries

- **General and Safety Members:** Pub-2010 General Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

The Pub-2010 mortality tables and adjustments as shown above with generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Section 3: Actuarial Assumptions and Methods and Appendices

Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Age	Rate (%)			
	General		Safety	
	Male	Female	Male	Female
25	0.03	0.01	0.03	0.02
30	0.04	0.01	0.04	0.02
35	0.05	0.02	0.04	0.03
40	0.07	0.04	0.05	0.04
45	0.10	0.06	0.07	0.06
50	0.15	0.08	0.10	0.08
55	0.22	0.12	0.15	0.11
60	0.32	0.19	0.23	0.14
65	0.47	0.30	0.35	0.20

All pre-retirement deaths are assumed to be non-service connected. Note that generational projections beyond the base year (2010) are not reflected in the above mortality rates.

Mortality Rates for Member Contributions:

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 30% male and 70% female.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female.

Section 3: Actuarial Assumptions and Methods and Appendices

Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.02	0.05
25	0.03	0.07
30	0.04	0.10
35	0.07	0.19
40	0.09	0.28
45	0.13	0.39
50	0.18	1.08
55	0.26	2.55
60	0.36	3.70
65	0.40	4.00
70	0.00	0.00

50% of General disabilities are assumed to be service connected (duty) disabilities and the other 50% are assumed to be non-service connected (ordinary) disabilities.

90% of Safety disabilities are assumed to be service connected (duty) disabilities and the other 10% are assumed to be non-service connected (ordinary) disabilities.

Section 3: Actuarial Assumptions and Methods and Appendices

Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 1	17.00	9.00
1 – 2	13.00	8.00
2 – 3	10.00	7.00
3 – 4	9.00	6.00
4 – 5	8.50	5.00
5 – 6	8.00	4.00
6 – 7	7.00	3.50
7 – 8	6.00	3.25
8 – 9	5.00	3.00
9 – 10	4.00	2.60
10 – 11	3.75	2.20
11 – 12	3.50	1.80
12 – 13	3.25	1.60
13 – 14	3.00	1.40
14 – 15	2.75	1.20
15 – 16	2.50	1.00
16 – 17	2.30	0.90
17 – 18	2.10	0.75
18 – 19	1.90	0.75
19 – 20	1.70	0.75
20 – 21	1.50	0.00
21 – 22	1.30	0.00
22 – 23	1.10	0.00
23 – 24	1.00	0.00
24 – 25	1.00	0.00
25 – 26	1.00	0.00
26 – 27	1.00	0.00
27 – 28	1.00	0.00
28 – 29	1.00	0.00
29 – 30	1.00	0.00
30 & Over	0.00	0.00

Refer to the next table that contains rates for electing a refund of contributions upon termination. No termination is assumed after a member is first assumed to retire.

Section 3: Actuarial Assumptions and Methods and Appendices

Electing a Refund of Contributions upon Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 5	100.00	100.00
5 – 6	36.00	44.00
6 – 7	34.00	40.00
7 – 8	32.00	38.00
8 – 9	30.00	32.00
9 – 10	28.00	30.00
10 – 11	26.00	26.00
11 – 12	25.00	25.00
12 – 13	24.00	21.00
13 – 14	23.00	18.00
14 – 15	22.00	15.00
15 – 16	21.00	12.00
16 – 17	18.00	10.00
17 – 18	16.00	8.00
18 – 19	14.00	6.00
19 – 20	13.00	4.00
20 – 21	12.00	0.00
21 – 22	11.00	0.00
22 – 23	10.00	0.00
23 – 24	8.00	0.00
24 – 25	6.00	0.00
25 – 26	4.00	0.00
26 – 27	2.00	0.00
27 & Over	0.00	0.00

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates:

Age	Rate (%)						
	General Tier I		General Tiers IIA and IIB	General Tier III	Safety Tier I		Safety Tiers IIA and IIB
	<25 Years of Service	>25 Years of Service			<25 Years of Service	>25 Years of Service	
45	0.00	0.00	0.00	0.00	5.00	5.00	0.00
46	0.00	0.00	0.00	0.00	5.00	5.00	0.00
47	0.00	0.00	0.00	0.00	5.00	5.00	0.00
48	0.00	0.00	0.00	0.00	5.00	5.00	0.00
49	0.00	0.00	0.00	0.00	25.00	25.00	0.00
50	10.00	10.00	5.00	0.00	10.00	30.00	3.00
51	6.00	6.00	3.00	0.00	8.00	24.00	3.00
52	6.00	12.00	3.00	3.00	8.00	24.00	3.00
53	6.00	12.00	3.00	3.00	8.00	24.00	5.00
54	6.00	12.00	3.50	3.50	12.00	24.00	11.00
55	6.00	12.00	4.00	4.00	14.00	28.00	13.00
56	6.00	14.00	4.50	4.50	14.00	28.00	12.00
57	6.00	16.00	5.00	5.00	8.00	28.00	12.00
58	9.00	18.00	6.50	6.50	8.00	28.00	12.00
59	16.00	24.00	11.00	11.00	14.00	28.00	12.00
60	20.00	35.00	12.00	12.00	25.00	28.00	12.00
61	16.00	28.00	13.00	13.00	25.00	50.00	12.00
62	20.00	35.00	20.00	20.00	25.00	50.00	25.00
63	20.00	30.00	20.00	20.00	25.00	50.00	25.00
64	20.00	30.00	20.00	20.00	25.00	50.00	25.00
65	35.00	35.00	35.00	35.00	100.00	100.00	100.00
66	35.00	35.00	35.00	35.00	100.00	100.00	100.00
67	35.00	35.00	35.00	35.00	100.00	100.00	100.00
68	35.00	35.00	35.00	35.00	100.00	100.00	100.00
69	40.00	40.00	40.00	40.00	100.00	100.00	100.00
70	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Retirement Age and Benefit for Deferred Vested Members:

For current and future deferred vested members, retirement age assumptions are as follows:

General Retirement Age: 57

Safety Retirement Age: 53

We assume that 45% of future General and 60% of future Safety deferred vested members will continue to work for a reciprocal employer. For reciprocal members, we assume 4.00% and 3.75% compensation increases per annum for General and Safety members, respectively.

Future Benefit Accruals:

1.0 year of service per year of employment.

Section 3: Actuarial Assumptions and Methods and Appendices

Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Definition of Active Members:	All active members of KCERA as of the valuation date.
Form of Payment:	All active and inactive members are assumed to elect the unmodified option at retirement.
Percent Married:	For all active and inactive members, 70% of male members and 60% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.
Age and Gender of Spouse:	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.
<u>Actuarial Methods</u>	
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.
Expected Remaining Service Lives:	The average of the expected service lives of all employees is determined by: <ul style="list-style-type: none">• Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.• Setting the remaining service life to zero for each nonactive or retired member.• Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 3: Actuarial Assumptions and Methods and Appendices

Changed Actuarial Assumptions and Methods:

Based on the Actuarial Experience Study, the following assumptions were changed. Previously, these assumptions and methods were as follows:

Prior Actuarial Assumptions:

<i>Consumer Price Index:</i>	Increase of 3.00% per year; retiree COLA increases due to CPI are assumed to be 2.50% per year.
<i>Payroll Growth:</i>	Inflation of 3.00% per year plus “across the board” real salary increases of 0.50% per year.
<i>Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:</i>	Increase of 3.00% per year from the valuation date.
<i>Increase in Section 7522.10 Compensation Limit:</i>	Increase of 3.00% per year from the valuation date.

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

Salary Increases:

The annual rate of compensation increase includes: inflation at 3.00%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases.

Years of Service	Merit and Promotion Increases	
	Rate (%)	
	General	Safety
Less than 1	5.50	9.00
1 – 2	4.00	6.50
2 – 3	3.50	5.50
3 – 4	3.00	4.25
4 – 5	2.50	3.75
5 – 6	2.25	3.25
6 – 7	2.00	3.00
7 – 8	1.50	2.50
8 – 9	1.25	1.75
9 – 10	1.00	1.50
10 – 11	0.90	1.25
11 – 12	0.80	1.00
12 – 13	0.70	0.90
13 – 14	0.60	0.85
14 – 15	0.50	0.80
15 – 16	0.50	0.75
16 – 17	0.50	0.70
17 – 18	0.50	0.65
18 – 19	0.50	0.60
19 – 20	0.50	0.55
20 & Over	0.50	0.50

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

Post-Retirement Mortality Rates:

Healthy

- **General Members and All Beneficiaries:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward one year for males and set forward two years for females, projected generationally with the two-dimensional MP-2016 projection scale.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set back one year for males and females, projected generationally with the two-dimensional MP-2016 projection scale.

Disabled

- **General Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward seven years for males and set forward eight years for females, projected generationally with the two-dimensional MP-2016 projection scale.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward three years for males and females, projected generationally with the two-dimensional MP-2016 projection scale.

The RP-2014 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Pre-Retirement Mortality Rates:

- **General and Safety Members:** Headcount-Weighted RP-2014 Employee Mortality Table times 80%, projected generationally with the two-dimensional MP-2016 projection scale.

Age	Rate (%)			
	General		Safety	
	Male	Female	Male	Female
25	0.05	0.02	0.05	0.02
30	0.05	0.02	0.05	0.02
35	0.05	0.03	0.05	0.03
40	0.06	0.04	0.06	0.04
45	0.10	0.07	0.10	0.07
50	0.17	0.11	0.17	0.11
55	0.27	0.17	0.27	0.17
60	0.45	0.24	0.45	0.24
65	0.78	0.36	0.78	0.36

All pre-retirement deaths are assumed to be non-service connected. Note that generational projections beyond the base year (2014) are not reflected in the above mortality rates.

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

Mortality Rates for Member Contributions:

- **General Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward one year for males and set forward two years for females, projected to 2034 with the two-dimensional MP-2016 projection scale, weighted 30% male and 70% female.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set back one year for males and females, projected to 2034 with the two-dimensional MP-2016 projection scale, weighted 80% male and 20% female.

Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.02	0.05
25	0.03	0.07
30	0.04	0.12
35	0.08	0.24
40	0.11	0.36
45	0.17	0.46
50	0.23	1.10
55	0.28	2.55
60	0.36	3.70
65	0.40	4.00
70	0.00	0.00

50% of General disabilities are assumed to be service connected (duty) disabilities and the other 50% are assumed to be non-service connected (ordinary) disabilities.

90% of Safety disabilities are assumed to be service connected (duty) disabilities and the other 10% are assumed to be non-service connected (ordinary) disabilities.

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 1	17.00	8.00
1 – 2	13.00	6.00
2 – 3	10.00	4.50
3 – 4	9.00	4.00
4 – 5	7.50	3.50
5 – 6	6.50	3.00
6 – 7	5.50	2.50
7 – 8	5.00	2.20
8 – 9	4.50	2.10
9 – 10	4.00	2.00
10 – 11	3.25	1.90
11 – 12	3.00	1.80
12 – 13	2.80	1.60
13 – 14	2.60	1.40
14 – 15	2.40	1.20
15 – 16	2.30	1.00
16 – 17	2.20	0.90
17 – 18	2.10	0.75
18 – 19	1.90	0.75
19 – 20	1.70	0.75
20 – 21	1.50	0.00
21 – 22	1.30	0.00
22 – 23	1.10	0.00
23 – 24	1.00	0.00
24 – 25	1.00	0.00
25 – 26	1.00	0.00
26 – 27	1.00	0.00
27 – 28	1.00	0.00
28 – 29	1.00	0.00
29 – 30	1.00	0.00
30 & Over	0.00	0.00

Refer to the next table that contains rates for electing a refund of contributions upon termination. No termination is assumed after a member is first assumed to retire.

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Prior Actuarial Assumptions (continued):

*Electing a Refund of Contributions
upon Termination:*

Years of Service	Rate (%)	
	General	Safety
Less than 1	100.00	100.00
1 – 2	100.00	100.00
2 – 3	100.00	100.00
3 – 4	100.00	100.00
4 – 5	100.00	100.00
5 – 6	45.00	50.00
6 – 7	42.00	46.00
7 – 8	40.00	44.00
8 – 9	36.00	36.00
9 – 10	32.00	32.00
10 – 11	30.00	28.00
11 – 12	28.00	25.00
12 – 13	26.00	21.00
13 – 14	24.00	18.00
14 – 15	22.00	15.00
15 – 16	20.00	12.00
16 – 17	18.00	10.00
17 – 18	16.00	8.00
18 – 19	14.00	6.00
19 – 20	13.00	4.00
20 – 21	12.00	0.00
21 – 22	11.00	0.00
22 – 23	10.00	0.00
23 – 24	8.00	0.00
24 – 25	6.00	0.00
25 – 26	4.00	0.00
26 – 27	2.00	0.00
27 & Over	0.00	0.00

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

Retirement Rates:

Age	Rate (%)				
	General Tier 1	General Tiers IIA and IIB	General Tier III	Safety Tier I	Safety Tiers IIA and IIB
45	0.00	0.00	0.00	2.00	0.00
46	0.00	0.00	0.00	2.00	0.00
47	0.00	0.00	0.00	2.00	0.00
48	0.00	0.00	0.00	3.00	0.00
49	0.00	0.00	0.00	9.00	0.00
50	6.00	3.00	0.00	20.00	6.00
51	6.00	3.00	0.00	15.00	6.00
52	6.00	3.00	3.00	18.00	6.00
53	6.00	3.00	3.00	18.00	8.00
54	8.00	3.50	3.50	20.00	18.00
55	10.00	5.50	5.50	24.00	22.00
56	12.00	6.50	6.50	24.00	20.00
57	14.00	7.50	7.50	24.00	20.00
58	15.00	9.50	9.50	30.00	20.00
59	19.00	11.50	11.50	20.00	20.00
60	23.00	13.50	13.50	20.00	20.00
61	23.00	15.50	15.50	20.00	20.00
62	25.00	25.00	25.00	40.00	40.00
63	25.00	25.00	25.00	40.00	40.00
64	25.00	25.00	25.00	40.00	40.00
65	32.00	32.00	32.00	100.00	100.00
66	35.00	35.00	35.00	100.00	100.00
67	35.00	35.00	35.00	100.00	100.00
68	40.00	40.00	40.00	100.00	100.00
69	40.00	40.00	40.00	100.00	100.00
70	100.00	100.00	100.00	100.00	100.00

Section 3: Actuarial Assumptions and Methods and Appendices

Prior Actuarial Assumptions (continued):

*Retirement Age and Benefit for
Deferred Vested Members:*

For current and future deferred vested members, retirement age assumptions are as follows:

General Retirement Age: 57

Safety Retirement Age: 53

50% of future General and 55% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 4.00% and 4.00% compensation increases are assumed per annum for General and Safety, respectively.

Percent Married:

For all active and inactive members, 75% of male members and 60% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix A: Projection of Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2020 (\$ in millions)

Year Beginning July 1,	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2019	\$4,346	\$332	\$361	\$6	\$128	\$4,439
2020	4,439	338	406	5	319	4,685
2021	4,685	344	405	5	337	4,956
2022	4,956	352	421	5	356	5,238
2023	5,238	362	438	4	376	5,534
2024	5,534	368	456	4	397	5,839
2025	5,839	373	474	4	419	6,153
2026	6,153	378	493	4	441	6,475
2027	6,475	383	512	4	464	6,806
2028	6,806	388	532	4	487	7,147
2059	7,525	1	705	0	519	7,339
2060	7,339	1	693	0	506	7,152
2061	7,152	0	680	0	493	6,966
2062	6,966	0	665	0	480	6,781
2063	6,781	0	650	0	467	6,598
2094	9,659	0	37	0	699	10,321
2095	10,321	0	29	0	747	11,039
2096	11,039	0	23	0	799	11,816
2097	11,816	0	18	0	856	12,654
2098	12,654	0	13	0	917	13,557
2127	96,023	0	0 *	0	6,962	102,984
2128	102,984					
2128	Discounted Value: 50 **					

* Less than \$1 million, when rounded.

** \$102,984 million when discounted with interest at the rate of 7.25% per annum has a value of \$50 million (or 1.15% of the Plan's Fiduciary Net Position) as of June 30, 2019.

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Notes:

- (1) Amounts may not total exactly due to rounding.
- (2) Amounts shown in the year beginning July 1, 2019 row are actual amounts, based on the financial statements provided by KCERA.
- (3) Certain years have been omitted from the table.
- (4) Column (a): Except for the "discounted value" shown for 2128, none of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.
- (5) Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2019); plus employer contributions to the unfunded actuarial accrued liability; plus employer and employee contributions to fund each year's annual administrative expenses. Contributions are assumed to occur halfway through the year, on average.
- (6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2019. The projected benefit payments reflect the cost of living increase assumption of 2.50% per annum and include projected benefits associated with the Supplemental Retiree Benefit Reserve. Benefit payments are assumed to occur halfway through the year, on average.
- (7) Column (d): Projected administrative expenses are calculated as approximately 0.90% of the closed group payroll. Administrative expenses are assumed to occur halfway through the year, on average.
- (8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.25% per annum.
- (9) As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.25% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2020 shown earlier in this report, pursuant to Paragraph 44 of GASB Statement No. 67.
- (10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

Active Employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual Contributions	Cash contributions recognized as additions to a pension Plan's Fiduciary Net Position.
Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs):	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Cost-of-Living Adjustments (Automatic COLAs):	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Closed Period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.

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Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective Pension Expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to a Pension Plan's Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-Living Adjustments:	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan):	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered Payroll:	Payroll on which contributions to the pension plan are based.
Defined Benefit Pension Plans:	Pension plans that are used to provide defined benefit pensions.
Defined Benefit Pensions:	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 67.)
Defined Contribution Pension Plans:	Pension plans that are used to provide defined contribution pensions.
Defined Contribution Pensions:	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.

Section 3: Actuarial Assumptions and Methods and Appendices

Discount Rate:	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	<p>A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.</p>
Inactive Employees:	<p>Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.</p>
Multiple-Employer Defined Benefit Pension Plan:	<p>A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.</p>
Net Pension Liability (NPL):	<p>The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.</p>
Other Postemployment Benefits:	<p>All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.</p>
Pension Plans:	<p>Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.</p>
Pensions:	<p>Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.</p>
Plan Members:	<p>Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).</p>
Postemployment:	<p>The period after employment.</p>

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Postemployment Benefit Changes:	Adjustments to the pension of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit Pension Plan (Single-Employer Pension Plan):	A defined benefit pension plan that is used to provide pensions to employees of only one employer.
Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 67.

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