



San Joaquin County Employees' Retirement Association

GASB 67/68 Report as of December 31, 2017

Produced by Cheiron

May 2018

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May 15, 2018

Retirement Board of San Joaquin
County Employees' Retirement Association
6 South El Dorado, Street, Suite 400
Stockton, CA 95202

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the San Joaquin County Employees' Retirement Association (SJCERA, the System, the Fund, the Plan) and under GASB 68 for the County of San Joaquin and the other participating employers. This information includes:

- Projection of SJCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SJCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron



Graham A. Schmidt, ASA, FCA, MAAA, EA
Consulting Actuary



Timothy S. Doyle, ASA, MAAA, EA
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**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2017 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Government Accounting Standards Board Statements 67 and 68 for the San Joaquin County Employees' Retirement Association (the Plan) and the Plan's participating employers. This information includes:

- Projection of SJCERA's Total Pension Liability (TPL) from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SJCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

Highlights

The measurement date for the San Joaquin County Employees' Retirement Association (SJCERA) is December 31, 2017. Measurements are based on the fair value of assets as of December 31, 2017 and the Total Pension Liability as of the valuation date, January 1, 2017, updated to December 31, 2017. There were no significant events between the valuation date and the measurement date, so the update procedures consisted of updated actuarial assumptions, plus the addition of service cost and interest cost offset by actual benefit payments.

Effective January 1, 2017, the County began making additional employer contributions above the Actuarial Determined Contribution to increase funding to the Plan. A new accounting reserve called the County Additional 5% Contribution Reserve was established to account for the additional contributions (\$20.2 million) and their earnings (\$0.2 million). The value of the Plan's Net Fiduciary Position includes the \$20.4 million for the County Additional Contribution Reserve. However, the GASB 68 reporting allocates these contributions directly to the County and offsets the County's Net Pension Liability (NPL) with no impact on the other employers' NPL.

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SECTION I – BOARD SUMMARY

The table below provides a summary of the key collective results during this measurement period.

	Measurement Date	
	12/31/2017	12/31/2016
Net Pension Liability	\$ 1,581,877,697	\$ 1,667,546,755
Deferred Outflows	(116,518,606)	(257,199,696)
Deferred Inflows	16,403,888	23,588,696
Net Impact on Statement of Net Position	\$ 1,481,762,979	\$ 1,433,935,755
Pension Expense (\$ Amount)	\$ 247,878,965	\$ 259,041,963
Pension Expense (% of Payroll)	58.20%	66.04%

The Net Pension Liability (NPL) decreased approximately \$86 million since the prior measurement date, primarily due to a large investment gain. There was an experience loss that increased the NPL, partially offsetting the investment gain. The investment gains are recognized over five years, and the actuarial loss is recognized over the average remaining service life, which is also five years.

Unrecognized amounts are reported as deferred inflows and deferred outflows. As of the end of the reporting year, SJCERA and its participating employers would report a Net Pension Liability of \$1,581,877,697, Deferred Inflows of \$16,403,888, and Deferred Outflows of \$116,518,606. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SJCERA would be \$1,481,762,979 at the end of the measurement year (\$1,581,877,697 + \$16,403,888 – \$116,518,606). In addition, any contributions between the measurement date and each individual employer's reporting date would be reported as deferred outflows to offset the cash outflow reported.

For the measurement year ending December 31, 2017, the collective annual pension expense is \$247,878,965 or 58.20% of covered payroll. This amount is not related to participating employers' contributions to SJCERA (\$200,051,742), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$1,481,762,979 – \$1,433,935,755 + \$200,051,742). The collective pension expense decreased slightly from the prior year. Volatility in pension expense from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes can also have a significant impact, such as the impact of assumption changes. A breakdown of the components of the net pension expense is shown in Table VI-2 of this report.

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SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the San Joaquin County Employees' Retirement Association (SJCERA) and under GASB 68 for the employers that participate in SJCERA. This report is for the use of SJCERA, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for SJCERA and estimating the price to settle SJCERA's obligations.

In preparing our report, we relied on information (some oral and some written) supplied by SJCERA. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements 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; and, changes in plan provisions or applicable law.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for SJCERA for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.40%.

We have assumed that the employees will continue to contribute to the Plan at the required rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an Actuarially Determined Contribution, reflecting a payment equal to annual Normal Cost, a portion of the expected Administrative Expenses, an amortization payment for the extraordinary losses of 2008 over a closed period (22 years remaining as of January 1, 2017), and an amount necessary to amortize the remaining January 1, 2014 Unfunded Actuarial Liability as a level percentage of payroll over a closed period (16 years remaining as of January 1, 2017). Any subsequent unexpected change in the Unfunded Actuarial Liability (UAL) after January 1, 2014 is amortized over 15 years, with new amortization layers each year. The amortization period for each layer of the remaining UAL will decrease each year.

We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations “can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan...” In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan’s projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period.

Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, December 31, 2017, is measured as of a valuation date of January 1, 2017 and projected to December 31, 2017. There were no significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of January 1, 2016 and projected to December 31, 2016 using the discount rate from the 2016 valuation (7.40%), it will not match the amounts measured as of January 1, 2017 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Table IV-1			
Projection of Collective Total Pension Liability from Valuation to Measurement Date			
Discount Rate	6.40%	7.40%	8.40%
Valuation Collective Total Pension Liability, 1/1/2017			
Actives	\$ 1,883,243,282	\$ 1,591,360,301	\$ 1,356,467,312
Deferred Vested	153,547,237	130,093,295	111,750,350
Retirees	<u>2,797,724,610</u>	<u>2,535,550,473</u>	<u>2,314,323,640</u>
Total	\$ 4,834,515,129	\$ 4,257,004,069	\$ 3,782,541,302
Service Cost	125,299,592	98,438,144	78,281,263
Benefit Payments	205,406,970	205,406,970	205,406,970
Interest	306,885,285	311,131,085	312,501,839
Collective Total Pension Liability, 12/31/2017	\$ 5,061,293,035	\$ 4,461,166,328	\$ 3,967,917,434

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SECTION V – GASB 67 REPORTING INFORMATION

Note Disclosures

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the measurement year.

Table V-1 Change in Collective Net Pension Liability*				
	Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	
Balances at 12/31/2016	\$ 4,222,348,880	\$ 2,554,802,124	\$ 1,667,546,755	
Changes for the year:				
Service cost	98,438,144		98,438,144	
Interest	308,566,601		308,566,601	
Changes of benefits	0		0	
Differences between expected and actual experience	37,219,673		37,219,673	
Changes of assumptions	0		0	
Contributions - employer		200,051,742	(200,051,742)	
Contributions - member		33,634,906	(33,634,906)	
Transfer from healthcare plan		364,714	(364,714)	
Net investment income		299,960,693	(299,960,693)	
Benefit payments	(205,406,970)	(205,406,970)	0	
Administrative expense		(4,118,578)	4,118,578	
Net changes	<u>238,817,448</u>	<u>324,486,507</u>	<u>(85,669,059)</u>	
Balances at 12/31/2017	<u>\$ 4,461,166,328</u>	<u>\$ 2,879,288,631</u>	<u>\$ 1,581,877,697</u>	

* Numbers may not sum to total due to rounding.

During the measurement year, the collective NPL decreased by approximately \$86 million. The service cost and interest cost increased the collective NPL by approximately \$407 million while contributions and investment income offset by administrative expenses decreased the collective NPL by approximately \$530 million.

There were no changes in benefits during the year. The expected long-term return on assets was the same as last year at 7.40%. There were no actuarial assumption changes to increase or decrease the TPL this year. Differences between expected and actual experience increased the NPL by approximately \$37 million.

The TPL as of December 31, 2017 was based upon the same data, actuarial methods and assumptions, and plan provisions as were used in the actuarial valuation as of January 1, 2017, and which are summarized in the Actuarial Valuation Report as of January 1, 2017. The one difference is that the TPL includes an estimate of liabilities for the Post-82 Settlement benefits, which were measured at approximately \$21.9 million as of January 1, 2017. The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial

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experience study for the period January 1, 2013 – December 31, 2015. A summary of the key assumptions is as follows:

- Inflation: 2.90%
- Amortization growth rate: 3.15%
- Salary increases: 3.15% plus merit component
- COLA increases: 2.60%
- Investment rate of return: 7.40%, net of investment expense
- Post-Retirement Mortality: Sex distinct tables from CALPERS' 2013 experience study, with generational mortality improvements projected from 2009 using Projection Scale MP-2015.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the collective NPL to the discount rate.

Table V-2			
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate*			
	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
Total Pension Liability	\$ 5,061,293,035	\$ 4,461,166,328	\$ 3,967,917,434
Plan Fiduciary Net Position	<u>2,879,288,631</u>	<u>2,879,288,631</u>	<u>2,879,288,631</u>
Collective Net Pension Liability	<u>\$ 2,182,004,404</u>	<u>\$ 1,581,877,697</u>	<u>\$ 1,088,628,803</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.9%	64.5%	72.6%

* Numbers may not sum to total due to rounding.

A one percent decrease in the discount rate increases the TPL by approximately 13% and increases the collective NPL by approximately 38%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 31%.

Required Supplementary Information

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67, and eventually will build up to 10 years of information. The

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schedule on the next page shows the changes in collective NPL and related ratios required by GASB for the four years since implementation.

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios*				
	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<u>Total Pension Liability</u>				
Service cost (MOY)	\$ 98,438,144	\$ 92,857,369	\$ 94,377,630	\$ 90,429,416
Interest (includes interest on service cost)	308,566,601	295,197,992	280,581,484	266,668,435
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	37,219,673	(10,171,368)	(25,752,670)	0
Changes of assumptions	0	87,601,669	0	0
Benefit payments, including refunds of member contributions	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Net change in total pension liability	\$ 238,817,448	\$ 270,766,485	\$ 167,737,531	\$ 191,226,880
Total pension liability - beginning	4,222,348,880	3,951,582,395	3,783,844,864	3,592,617,984
Total pension liability - ending	\$ 4,461,166,328	\$ 4,222,348,880	\$ 3,951,582,395	\$ 3,783,844,864
<u>Plan fiduciary net position</u>				
Contributions - employer	\$ 200,051,742	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133
Contributions - member	33,634,906	30,117,408	29,026,901	27,367,908
Transfer from healthcare plan	364,714	293,779	378,969	19,968,779
Net investment income	299,960,693	151,114,788	(47,339,750)	130,697,082
Benefit payments, including refunds of member contributions	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Administrative expense	(4,118,578)	(4,369,744)	(4,075,745)	(4,042,986)
Net change in plan fiduciary net position	\$ 324,486,507	\$ 141,559,577	\$ (53,106,982)	\$ 144,805,945
Plan fiduciary net position - beginning	2,554,802,124	2,413,242,547	2,466,349,529	2,341,512,363
Plan fiduciary net position - ending	\$ 2,879,288,631	\$ 2,554,802,124	\$ 2,413,242,547	\$ 2,466,349,529
Net pension liability - ending	\$ 1,581,877,697	\$ 1,667,546,755	\$ 1,538,339,848	\$ 1,317,495,335
Plan fiduciary net position as a percentage of the total pension liability	64.54%	60.51%	61.07%	65.18%
Covered payroll	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944
Net pension liability as a percentage of covered employee payroll	371.43%	425.15%	388.34%	350.37%

* Numbers may not sum to total due to rounding.

Because an Actuarially Determined Contribution (ADC) has been calculated historically, the full 10 years of information in the following schedule is required.

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SECTION V – GASB 67 REPORTING INFORMATION

Table V-4 Schedule of Collective Employer Contributions										
	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009	FYE 2008
Actuarially Determined Contribution	\$ 179,824,882	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133	\$ 119,494,000	\$ 108,063,000	\$ 112,892,000	\$ 104,452,000	\$ 97,806,000	\$ 94,163,000
Contributions in Relation to the										
Actuarially Determined Contribution	<u>200,051,742</u>	<u>159,122,523</u>	<u>150,371,556</u>	<u>136,686,133</u>	<u>119,494,000</u>	<u>108,063,000</u>	<u>112,892,000</u>	<u>104,452,000</u>	<u>97,806,000</u>	<u>94,163,000</u>
Contribution Deficiency/(Excess)	<u>\$ (20,226,860)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944	\$ 362,650,568	\$ 356,419,000	\$ 367,344,000	\$ 385,442,000	\$ 377,559,000	\$ 367,361,000
Contributions as a Percentage of Covered Payroll	46.97%	40.57%	37.96%	36.35%	32.95%	30.32%	30.73%	27.10%	25.90%	25.63%

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2017.

Notes to Schedule

Valuation Date 1/1/2016
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key Methods and Assumptions Used to Determine Contribution Rates for the Year Ending December 31, 2017:

Actuarial cost method Entry Age Normal
Asset valuation method Actuarial value: Excess earnings smoothed over five years, 80% / 120% corridor around market value
Amortization method Level percentage of payroll (17 years as of 1/1/2016) with separate periods for Extraordinary Actuarial Gains or Losses (23 years for 2008 losses as of 1/1/2016)
Discount rate 7.40% net of investment expenses
Amortization growth rate 3.15%
Price inflation 2.90%
Salary increases 3.15% plus merit component based on employee classification and years of service
Mortality Sex distinct tables from CALPERS' 2013 experience study, with generational mortality improvements projected from 2009 using Projection Scale MP-2015.

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2017 can be found in the January 1, 2016 Actuarial Valuation Report.

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SECTION VI – GASB 68 COLLECTIVE INFORMATION

Employers that participate in SJCERA were required to implement GASB 68 for their first fiscal year that commenced after June 15, 2014. The amounts reported as of their fiscal year end (their reporting date) must be based on a measurement date not more than 12 months prior to their reporting date. For employers with a reporting date of June 30, their 2018 disclosures can be based on the December 31, 2017 measurement date.

Because SJCERA is a cost-sharing multiple-employer pension plan, each employer participating in SJCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. This section develops the collective amounts that are allocated to participating employers.

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of SJCERA. As of the measurement date, the remaining service life is 4.99 years, which has been rounded to five years for determining the recognition period.

During the year, there was an experience loss of approximately \$37 million. Approximately \$7 million of that loss was recognized as an increase in collective pension expense in the current year and an identical amount will be recognized in each of the next four years, resulting in a deferred outflow of resources as of December 31, 2017 of approximately \$30 million. Unrecognized amounts due to experience gains from prior periods were reductions to the TPL of approximately \$24 million, of which approximately \$7 million was recognized as a decrease in collective pension expense in the current year, leaving a collective deferred inflow of resources as of December 31, 2017 of approximately \$16 million.

Unrecognized increases to the TPL from prior assumption changes were approximately \$70 million of which \$17 million was recognized as an increase in pension expense in the current year, resulting in a collective deferred outflow of resources as of December 31, 2017 of approximately \$53 million.

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was an investment gain of approximately \$110 million. Approximately \$22 million of that gain was recognized in the current year and an identical amount will be recognized in each of the next four years, resulting in a deferred inflow of resources as of December 31, 2017 of approximately \$88 million. Unrecognized investment losses from prior periods were approximately \$187 million of which \$65 million was recognized as an increase in collective pension expense in the current year, with \$122 million to be recognized in the future. The combination of the unrecognized investment gain this year and unrecognized net investment losses from prior periods results in a collective deferred outflow of resources as of December 31, 2017 of approximately \$34 million.

The table on the next page summarizes the current balances of collective deferred outflows and deferred inflows of resources along with the net recognition over the next five years.

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SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-1		
Schedule of Collective Deferred Inflows and Outflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,775,738	\$ 16,403,888
Changes in assumptions	52,561,001	0
Net difference between projected and actual earnings on pension plan investments	34,181,867	0
Total	<u>\$ 116,518,606</u>	<u>\$ 16,403,888</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended December 31:		
2018	60,701,882	
2019	47,620,950	
2020	6,350,768	
2021	(14,558,882)	
2022	0	
Thereafter	\$ 0	

The collective annual pension expense recognized by the participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statements of Net Position that relate to SJCERA and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table on the following page, we believe it helps to understand the level and volatility of the collective pension expense.

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SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-2 Calculation of Collective Pension Expense*		
	Measurement Year Ending	
	2017	2016
Change in Net Pension Liability	\$ (85,669,059)	\$ 129,206,908
Change in Deferred Outflows	140,681,090	(32,274,028)
Change in Deferred Inflows	(7,184,808)	2,986,560
Employer Contributions	<u>200,051,742</u>	<u>159,122,523</u>
Pension Expense	\$ 247,878,965	\$ 259,041,963
Pension Expense as % of Payroll	58.20%	66.04%
Operating Expenses		
Service cost	\$ 98,438,144	\$ 92,857,369
Employee contributions	(33,634,906)	(30,117,408)
Transfers	(364,714)	(293,779)
Administrative expenses	<u>4,118,578</u>	<u>4,369,744</u>
Total	\$ 68,557,102	\$ 66,815,926
Financing Expenses		
Interest cost	\$ 308,566,601	\$ 295,197,992
Expected return on assets	<u>(189,946,618)</u>	<u>(178,232,715)</u>
Total	\$ 118,619,983	\$ 116,965,277
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	17,520,334	17,520,334
Recognition of liability gains and losses	259,127	(7,184,808)
Recognition of investment gains and losses	<u>42,922,419</u>	<u>64,925,234</u>
Total	\$ 60,701,880	\$ 75,260,760
Pension Expense	\$ 247,878,965	\$ 259,041,963

* Numbers may not sum to total due to rounding.

First, there are components referred to as operating expenses. These are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions and other transfers represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating SJCERA for the year.

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Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is just the interest on the Net Pension Liability.

The final category is changes. This category will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains, or losses on the TPL, and investment gains or losses. The total collective pension expense decreased by about \$11 million. The recognition of changes decreased by approximately \$15 million, with a large part of this due to the investment gain. This is driving the overall decrease in pension expense.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

Because SJCERA is a cost-sharing multiple-employer pension plan, each employer participating in SJCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. GASB 68 requires that the Proportionate Share for each employer shall be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ...” Although not required as part of the Plan’s GASB 67 reporting requirements, SJCERA is following the advice of the AICPA and making a determination of each employer’s Proportionate Share, which will be reviewed by the Plan’s auditor.

The following schedules include the proportionate shares for each employer, reflecting a methodology that allocates the NPL and Pension Expense based on each employer’s share of the Unfunded Liability amortization payments. In Table VII-1, each employer’s amortization share as of December 31, 2017 is determined by multiplying the actual pensionable payroll for the current Plan year by the employer’s amortization rate from the most recent actuarial valuation report (the report as of January 1, 2017). Beginning with the FYE 2017 report, the proportionate shares are then adjusted to account for the additional contributions made by the County of San Joaquin.

Table VII-1 Determination of Employers' Proportionate Share (As of December 31, 2017)												
Employer	Unfunded Liability Amortization Rate (from the January 1, 2017 Actuarial Valuation)				Pensionable Payroll				Amortization Share (Rate x Pay)	Proportionate Share	Adjusted Proportionate Share*	
	General Tier 1	General Tier 2	Safety Tier 1	Safety Tier 2	General Tier 1	General Tier 2	Safety Tier 1	Safety Tier 2				
	County of San Joaquin	24.25%	24.25%	49.25%	49.25%	\$ 232,523,864	\$ 101,653,745	\$ 52,470,874				\$ 12,423,224
Superior Courts	24.25%	24.25%	49.25%	49.25%	13,754,021	4,588,287	0	0	4,448,010	3.6932%	3.7408%	
Manteca-Lathrop Rural Fire Protection District	24.25%	24.25%	49.25%	49.25%	76,052	58,165	2,223,384	425,102	1,336,927	1.1101%	1.1244%	
Waterloo-Morada Rural Fire Protection District	24.25%	24.25%	49.25%	49.25%	0	0	767,624	326,875	539,041	0.4476%	0.4534%	
Tracy Public Cemetery District	24.25%	24.25%	49.25%	49.25%	112,364	148,096	0	0	63,162	0.0524%	0.0531%	
SJC Mosquito & Vector Control District	24.25%	24.25%	49.25%	49.25%	1,862,655	569,937	0	0	589,904	0.4898%	0.4961%	
SJC Historical Society & Museum	24.25%	24.25%	49.25%	49.25%	125,613	0	0	0	30,461	0.0253%	0.0256%	
Mountain House Community Services District	24.25%	24.25%	49.25%	49.25%	637,018	1,120,793	0	0	426,269	0.3539%	0.3585%	
Local Agency Formation Commission	24.25%	24.25%	49.25%	49.25%	0	0	0	0	0	0.0000%	0.0000%	
San Joaquin County Law Library	24.25%	24.25%	49.25%	49.25%	15,259	4,000	0	0	4,670	0.0039%	0.0040%	
Total					\$ 249,106,846	\$ 108,143,023	\$ 55,461,882	\$ 13,175,201	\$ 120,436,857	100.0000%	100.0000%	

* Adjusted for additional contributions made by County.

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of December 31, 2017.

**Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at December 31, 2017***

Employer	Proportionate Share	Share of NPL @ 6.40%	Share of NPL @ 7.40%	Share of NPL @ 8.40%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County of San Joaquin	93.7441%	\$ 2,045,500,391	\$ 1,482,917,010	\$ 1,020,525,274	\$ 109,229,319	\$ 15,377,677	\$ 232,371,905
Superior Courts	3.7408%	81,624,421	59,174,881	40,723,426	4,358,728	613,637	9,272,656
Manteca-Lathrop Rural Fire Protection District	1.1244%	24,534,458	17,786,633	12,240,542	1,310,135	184,445	2,787,151
Waterloo-Morada Rural Fire Protection District	0.4534%	9,893,208	7,172,233	4,935,843	528,295	74,375	1,123,883
Tracy Public Cemetery District	0.0531%	1,158,644	839,977	578,062	61,871	8,710	131,624
SJC Mosquito & Vector Control District	0.4961%	10,824,924	7,847,695	5,400,687	578,049	81,380	1,229,728
SJC Historical Society & Museum	0.0256%	558,593	404,961	278,689	29,829	4,199	63,457
Mountain House Community Services District	0.3585%	7,822,486	5,671,032	3,902,734	417,719	58,808	888,646
Local Agency Formation Commission	0.0000%	0	0	0	0	0	0
San Joaquin County Law Library	0.0040%	87,280	63,275	43,545	4,661	656	9,915
Total	100.0000%	\$ 2,182,004,404	\$ 1,581,877,697	\$ 1,088,628,803	\$ 116,518,606	\$ 16,403,888	\$ 247,878,965

* Numbers may not sum to total due to rounding.

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of SJCERA's active and inactive members (4.99 years, which has been rounded to five years).

If the proportionate share for an employer increases, a portion of the resulting increase in the NPL will be recognized in the current year as an increase in the employer's pension expense, with the remainder acting as deferred outflows to be recognized in future years' pension expense. The reverse will be true for reductions in the proportionate share; i.e., reductions in the NPL will be recognized as offset to current and future years' pension expense.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of SJCERA's active and inactive members (4.99 years, which has been rounded to five years).

If an employer contributes an amount greater than their proportionate share of the total contributions, the difference increases the current year pension expense and results in deferred outflows to be recognized in future years' pension expense. The reverse will be true for contributions less than the proportionate share; the difference will be recognized as a decrease to current and future years' pension expense.

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences*									
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions		
	12/31/2016	12/31/2017	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
County of San Joaquin	93.5831%	93.7441%	\$ 2,684,750	\$ 414,092	\$ (37,978)	\$ 2,308,637	\$ 188,483,694	\$ 187,536,705	\$ 946,989
Superior Courts	3.8881%	3.7408%	(2,456,296)	(378,855)	34,746	(2,112,187)	7,177,395	7,483,536	(306,141)
Manteca-Lathrop Rural Fire Protection District	1.1424%	1.1244%	(300,158)	(46,296)	4,246	(258,108)	1,962,065	2,249,382	(287,317)
Waterloo-Morada Rural Fire Protection District	0.4333%	0.4534%	335,177	51,697	(4,741)	288,221	763,082	907,035	(143,953)
Tracy Public Cemetery District	0.0520%	0.0531%	18,343	2,829	(259)	15,773	94,424	106,227	(11,803)
SJC Mosquito & Vector Control District	0.5243%	0.4961%	(470,248)	(72,530)	6,652	(404,370)	906,007	992,457	(86,450)
SJC Historical Society & Museum	0.0286%	0.0256%	(50,026)	(7,716)	708	(43,018)	48,024	51,213	(3,189)
Mountain House Community Services District	0.3385%	0.3585%	333,509	51,440	(4,718)	286,787	609,061	717,185	(108,124)
Local Agency Formation Commission	0.0000%	0.0000%	0	0	0	0	0	0	0
San Joaquin County Law Library	0.0097%	0.0040%	(95,050)	(14,660)	1,345	(81,734)	7,989	8,002	(13)
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,051,742	\$ 200,051,742	\$ 0

* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change*								
Employer	Deferred Outflows				Deferred Inflows			
	Current Year		Recognition	12/31/2017	Current Year		Recognition	12/31/2017
	12/31/2016	Net Effect			12/31/2016	Net Effect		
County of San Joaquin	\$ 0	\$ 2,308,637	\$ 461,727	\$ 1,846,910	\$ (5,957,322)	\$ 0	\$ (1,744,163)	\$ (4,213,159)
Superior Courts	4,226,036	0	1,302,871	2,923,165	0	(2,112,187)	(422,437)	(1,689,750)
Manteca-Lathrop Rural Fire Protection District	1,312,780	0	359,677	953,103	0	(258,108)	(51,622)	(206,486)
Waterloo-Morada Rural Fire Protection District	68,949	288,221	94,714	262,456	(76,839)	0	(19,210)	(57,629)
Tracy Public Cemetery District	171,694	15,773	53,103	134,364	(40,232)	0	(13,411)	(26,821)
SJC Mosquito & Vector Control District	50,998	0	20,131	30,867	(23,478)	(404,370)	(86,744)	(341,104)
SJC Historical Society & Museum	4,555	0	1,518	3,037	(1,547)	(43,018)	(9,128)	(35,437)
Mountain House Community Services District	550,682	286,787	195,027	642,442	(134,210)	0	(62,540)	(71,670)
Local Agency Formation Commission	0	0	0	0	(145,992)	0	(66,860)	(79,132)
San Joaquin County Law Library	25,377	0	13,644	11,733	(31,454)	(81,734)	(26,298)	(86,890)
Total	\$ 6,411,071	\$ 2,899,418	\$ 2,502,412	\$ 6,808,078	\$ (6,411,073)	\$ (2,899,418)	\$ (2,502,413)	\$ (6,808,079)

* Numbers may not sum to total due to rounding.

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The table below shows the reconciliation of deferred outflows and inflows due to contribution differences for each participating employer from the prior measurement date to the current measurement date.

Table VII-5 Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences*								
Employer	Deferred Outflows				Deferred Inflows			
	Current Year		Recognition	12/31/2017	Current Year		Recognition	12/31/2017
	12/31/2016	Difference			12/31/2016	Difference		
County of San Joaquin	\$ 0	\$ 946,989	\$ 189,398	\$ 757,591	\$ (512,000)	\$ 0	\$ (178,795)	\$ (333,205)
Superior Courts	682,631	0	226,707	455,924	0	(306,141)	(61,228)	(244,913)
Manteca-Lathrop Rural Fire Protection District	0	0	0	0	(110,601)	(287,317)	(90,141)	(307,777)
Waterloo-Morada Rural Fire Protection District	0	0	0	0	(60,595)	(143,953)	(51,123)	(153,425)
Tracy Public Cemetery District	342	0	114	228	(5,012)	(11,803)	(4,711)	(12,104)
SJC Mosquito & Vector Control District	9,738	0	2,435	7,303	(5,135)	(86,450)	(19,874)	(71,711)
SJC Historical Society & Museum	2,749	0	781	1,968	0	(3,189)	(638)	(2,551)
Mountain House Community Services District	0	0	0	0	(51,737)	(108,124)	(39,273)	(120,589)
Local Agency Formation Commission	44,292	0	23,814	20,478	0	0	0	0
San Joaquin County Law Library	5,330	0	2,535	2,795	0	(13)	(3)	(10)
Total	\$ 745,082	\$ 946,989	\$ 445,784	\$ 1,246,287	\$ (745,081)	\$ (946,989)	\$ (445,786)	\$ (1,246,284)

* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-6 Schedule of Employers' Deferred Outflows at December 31, 2017*						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County of San Joaquin	93.7441%	\$ 27,912,998	\$ 49,272,837	\$ 32,043,484	\$ 1,846,910	\$ 757,591
Superior Courts	3.7408%	1,113,851	1,966,202	1,278,675	2,923,165	455,924
Manteca-Lathrop Rural Fire Protection District	1.1244%	334,798	590,996	384,341	953,103	0
Waterloo-Morada Rural Fire Protection District	0.4534%	135,003	238,312	154,981	262,456	0
Tracy Public Cemetery District	0.0531%	15,811	27,910	18,151	134,364	228
SJC Mosquito & Vector Control District	0.4961%	147,717	260,755	169,576	30,867	7,303
SJC Historical Society & Museum	0.0256%	7,623	13,456	8,751	3,037	1,968
Mountain House Community Services District	0.3585%	106,746	188,431	122,542	642,442	0
Local Agency Formation Commission	0.0000%	0	0	0	0	20,478
San Joaquin County Law Library	0.0040%	1,191	2,102	1,367	11,733	2,795
Total	100.0000%	\$29,775,738	\$ 52,561,001	\$ 34,181,867	\$ 6,808,078	\$ 1,246,287

* Numbers may not sum to total due to rounding.

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The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-7 Schedule of Employers' Deferred Inflows at December 31, 2017*							
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference	
County of San Joaquin	93.7441%	\$ 15,377,677	\$ 0	\$ 0	\$ 4,213,159	\$ 333,205	
Superior Courts	3.7408%	613,637	0	0	1,689,750	244,913	
Manteca-Lathrop Rural Fire Protection District	1.1244%	184,445	0	0	206,486	307,777	
Waterloo-Morada Rural Fire Protection District	0.4534%	74,375	0	0	57,629	153,425	
Tracy Public Cemetery District	0.0531%	8,710	0	0	26,821	12,104	
SJC Mosquito & Vector Control District	0.4961%	81,380	0	0	341,104	71,711	
SJC Historical Society & Museum	0.0256%	4,199	0	0	35,437	2,551	
Mountain House Community Services District	0.3585%	58,808	0	0	71,670	120,589	
Local Agency Formation Commission	0.0000%	0	0	0	79,132	0	
San Joaquin County Law Library	0.0040%	656	0	0	86,890	10	
Total	100.0000%	\$16,403,888	\$ 0	\$ 0	\$ 6,808,079	\$ 1,246,284	

* Numbers may not sum to total due to rounding.

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the net amount of deferred outflows and inflows to be recognized by each participating employer in each of the next five years and the total thereafter.

Table VII-8						
Schedule of Employers' Recognition of Deferred Outflows and Inflows at December 31, 2017*						
Employer	Recognition for Measurement Year Ending					
	2018	2019	2020	2021	2022	There after
County of San Joaquin	\$ 55,661,316	\$ 43,575,090	\$ 5,670,339	\$ (12,996,967)	\$ 0	\$ 0
Superior Courts	3,286,089	2,609,022	322,693	(1,028,287)	0	0
Manteca-Lathrop Rural Fire Protection District	899,651	747,693	189,971	(272,785)	0	0
Waterloo-Morada Rural Fire Protection District	295,932	214,075	32,469	(37,154)	0	0
Tracy Public Cemetery District	65,777	49,303	40,685	(6,937)	0	0
SJC Mosquito & Vector Control District	216,257	146,250	(70,093)	(170,390)	0	0
SJC Historical Society & Museum	8,097	4,910	(7,394)	(12,966)	0	0
Mountain House Community Services District	318,347	317,645	189,561	(16,459)	0	0
Local Agency Formation Commission	(39,678)	(18,976)	0	0	0	0
San Joaquin County Law Library	(9,914)	(24,066)	(17,457)	(16,929)	0	0
Total	\$ 60,701,874	\$ 47,620,946	\$ 6,350,774	\$ (14,558,874)	\$ 0	\$ 0

* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Table VII-9 Schedule of Employers' Pension Expense for the Measurement Year Ending December 31, 2017*									
Employer	Collective			Employer Pension Expense	Change in Employer			Employer Contributions	Employer Pension Expense
	Pension Expense	Change in Proportion	Contribution Difference		Net Pension Liability	Deferred Outflows	Deferred Inflows		
County of San Joaquin	\$ 232,371,905	\$ (1,282,436)	\$ 10,603	\$ 231,100,072	\$ (77,624,938)	\$ 128,861,629	\$ (8,620,314)	\$ 188,483,694	\$ 231,100,072
Superior Courts	9,272,656	880,434	165,479	10,318,569	(5,661,005)	7,171,031	1,631,148	7,177,395	10,318,569
Manteca-Lathrop Rural Fire Protection District	2,787,151	308,055	(90,141)	3,005,065	(1,263,421)	1,987,791	318,630	1,962,065	3,005,065
Waterloo-Morada Rural Fire Protection District	1,123,883	75,504	(51,123)	1,148,264	(53,247)	392,644	45,785	763,082	1,148,264
Tracy Public Cemetery District	131,624	39,692	(4,597)	166,719	(27,147)	109,316	(9,874)	94,424	166,719
SJC Mosquito & Vector Control District	1,229,728	(66,613)	(17,439)	1,145,676	(895,252)	793,015	341,906	906,007	1,145,676
SJC Historical Society & Museum	63,457	(7,610)	143	55,990	(71,958)	46,029	33,894	48,024	55,990
Mountain House Community Services District	888,646	132,487	(39,273)	981,860	26,386	361,142	(14,728)	609,061	981,860
Local Agency Formation Commission	0	(66,860)	23,814	(43,046)	0	23,814	(66,860)	0	(43,046)
San Joaquin County Law Library	9,915	(12,654)	2,532	(207)	(98,477)	36,467	53,814	7,989	(207)
Total	\$ 247,878,965	\$ (1)	\$ (2)	\$ 247,878,962	\$ (85,669,059)	\$ 139,782,878	\$ (6,286,600)	\$ 200,051,742	\$ 247,878,962

* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10 Schedule of Employers' RSI Information at December 31, 2017*									
Employer	Proportionate Shares	Proportionate Share of NPL	Covered- Employee Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll
County of San Joaquin	93.7441%	\$ 1,482,917,010	\$ 399,071,708	371.6%	64.5%	\$ 168,256,835	\$ 188,483,694	\$ (20,226,860)	47.2%
Superior Courts	3.7408%	59,174,881	18,342,307	322.6%	64.5%	7,177,395	7,177,395	0	39.1%
Manteca-Lathrop Rural Fire Protection District	1.1244%	17,786,633	2,782,702	639.2%	64.5%	1,962,065	1,962,065	0	70.5%
Waterloo-Morada Rural Fire Protection District	0.4534%	7,172,233	1,094,499	655.3%	64.5%	763,082	763,082	0	69.7%
Tracy Public Cemetery District	0.0531%	839,977	260,460	322.5%	64.5%	94,424	94,424	0	36.3%
SJC Mosquito & Vector Control District	0.4961%	7,847,695	2,432,592	322.6%	64.5%	906,007	906,007	0	37.2%
SJC Historical Society & Museum	0.0256%	404,961	125,613	322.4%	64.5%	48,024	48,024	0	38.2%
Mountain House Community Services District	0.3585%	5,671,032	1,757,812	322.6%	64.5%	609,061	609,061	0	34.6%
Local Agency Formation Commission	0.0000%	0	0	N/A	64.5%	0	0	0	N/A
San Joaquin County Law Library	0.0040%	63,275	19,259	328.6%	64.5%	7,989	7,989	0	41.5%
Total	100.0000%	\$ 1,581,877,697	\$ 425,886,951	371.4%	64.5%	\$ 179,824,882	\$ 200,051,742	\$ (20,226,860)	47.0%

* Numbers may not sum to total due to rounding.

APPENDIX A – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution 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.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, 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 of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

APPENDIX A – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

11. Total Pension Liability

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 GASB 67 and 68. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.



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