



San Joaquin County Employees' Retirement Association

GASB 67/68 Report as of December 31, 2020

Produced by Cheiron

June 2021

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June 17, 2021

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:

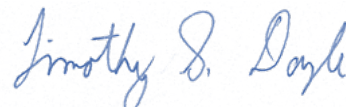
- Projection of SJCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SJCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers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

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

Sincerely,
Cheiron



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Consulting Actuary



Timothy S. Doyle, ASA, EA, MAAA
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**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2020 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the San Joaquin County Employees' Retirement Association (SJCERA) is December 31, 2020. Measurements are based on the fair value of assets as of December 31, 2020 and the Total Pension Liability as of the valuation date, January 1, 2020, updated to December 31, 2020. 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.

The Superior Court of California County of San Joaquin made additional employer contributions to the Plan of \$1,375,000 on June 30, 2019 and \$475,000 in 2020. Effective October 16, 2018, the San Joaquin Mosquito and Vector Control District began making additional employer contributions above the Actuarial Determined Contribution to increase funding to the Plan. Additional contributions of \$80,000, \$70,000 and \$110,000 were made in 2018, 2019 and 2020, respectively. Effective January 1, 2017, the County began making additional employer contributions above the Actuarial Determined Contribution to increase funding to the Plan. The County made additional contributions of \$20.2 million, \$20.4 million, \$21.0 million, and \$21.5 million in 2017, 2018, 2019 and 2020, respectively.

The value of the Plan's Net Fiduciary Position includes \$97.1 million for all three separately tracked Additional Contribution Reserves (County, Superior Courts, and Mosquito and Vector Control District), including interest credits. Under GASB 68 reporting, these Additional Contribution Reserves are allocated directly to the County, Superior Court, and Mosquito District and offsets their 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	
	12/31/2020	12/31/2019
Net Pension Liability	\$ 1,676,861,719	\$ 1,688,999,479
Deferred Outflows	(160,774,828)	(98,294,311)
Deferred Inflows	125,847,387	49,884,992
Net Impact on Statement of Net Position	\$ 1,641,934,278	\$ 1,640,590,160
Pension Expense (\$ Amount)	\$ 242,045,106	\$ 284,529,144
Pension Expense (% of Payroll)	52.57%	62.71%

The Net Pension Liability (NPL) decreased approximately \$12.1 million since the prior measurement date, primarily due to investment earnings, experience gains and contributions (including additional contributions by the County, Superior Courts and Mosquito and Vector Control District). Assumption changes increased the NPL, offsetting the investment and liability experience gains. The investment gains are recognized over five years, and the liability experience gains and assumption changes are 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 \$1,676,861,719, Deferred Inflows of \$125,847,387, and Deferred Outflows of \$160,774,828. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SJCERA would be \$1,641,934,278 at the end of the measurement year (\$1,676,861,719 + \$125,847,387 – \$160,774,828). 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, 2020, the collective annual pension expense is \$242,045,106 or 52.6% of covered payroll. This amount is not related to participating employers' contributions to SJCERA (\$240,700,988), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$1,641,934,278 – \$1,640,590,160 + \$240,700,988). The collective pension expense decreased by approximately \$42.5 million 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.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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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.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. 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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**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.00%.

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 (19 years remaining as of January 1, 2020), and an amount necessary to amortize the remaining January 1, 2014 Unfunded Actuarial Liability as a level percentage of payroll over a closed period (13 years remaining as of January 1, 2020). 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, 2020, is measured as of a valuation date of January 1, 2020 and projected to December 31, 2020. The TPL shown in the prior GASB report was measured as of January 1, 2019 and based on projected to December 31, 2019. Because the TPLs are based on different valuations and different assumptions, the December 31, 2019 TPL will not match the amounts measured as of January 1, 2020 that are shown in this exhibit.

There were no significant events during the projection period of which we are aware.

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	6.00%	7.00%	8.00%
Valuation Collective Total Pension Liability, 1/1/2020			
Actives	\$ 2,012,374,633	\$ 1,691,758,170	\$ 1,434,717,720
Deferred Vested	189,668,634	158,891,745	135,152,826
Retirees	<u>3,495,567,940</u>	<u>3,162,982,551</u>	<u>2,882,776,462</u>
Total	\$ 5,697,611,207	\$ 5,013,632,466	\$ 4,452,647,008
Service Cost	147,319,049	115,229,486	91,260,965
Benefit Payments	251,551,677	251,551,677	251,551,677
Interest	338,775,242	346,263,693	349,923,478
Collective Total Pension Liability, 12/31/2020	\$ 5,932,153,821	\$ 5,223,573,968	\$ 4,642,279,774

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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	Plan Fiduciary Net Position	Net Pension Liability	
	(a)	(b)	(a) - (b)	
Balances at 12/31/2019	\$ 4,933,361,306	\$ 3,244,361,827	\$ 1,688,999,479	
Changes for the year:				
Service cost	115,229,486		115,229,486	
Interest	350,095,503		350,095,503	
Changes of benefits	0		0	
Differences between expected and actual experience	(58,571,957)		(58,571,957)	
Changes of assumptions	135,011,307		135,011,307	
Contributions - employer		240,700,988	(240,700,988)	
Contributions - member		40,568,995	(40,568,995)	
Transfer from healthcare plan		172,041	(172,041)	
Net investment income		276,996,530	(276,996,530)	
Benefit payments	(251,551,677)	(251,551,677)	0	
Administrative expense		(4,536,455)	4,536,455	
Net changes	<u>290,212,662</u>	<u>302,350,422</u>	<u>(12,137,760)</u>	
Balances at 12/31/2020	<u>\$ 5,223,573,968</u>	<u>\$ 3,546,712,249</u>	<u>\$ 1,676,861,719</u>	

* Numbers may not sum to total due to rounding.

During the measurement year, the collective NPL decreased by approximately \$12.1 million. The service cost and interest cost increased the collective NPL by approximately \$465.3 million while contributions and investment income offset by administrative expenses decreased the collective NPL by approximately \$553.9 million.

There were no changes in benefits during the year.

Changing the investment return, pay growth, and CPI increase assumptions increased the NPL by \$135.0 million. Differences between expected and actual experience decreased the NPL by approximately \$58.6 million.

The TPL as of December 31, 2020 was based upon the same data, actuarial methods and assumptions, and plan provisions as were used in the actuarial valuation as of January 1, 2020, and which are summarized in the actuarial valuation report as of January 1, 2020. The TPL no longer includes an estimate of liabilities for the Post-82 Settlement benefits, as payments from the reserve were suspended in 2017.

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For the January 1, 2020 valuation, the investment rate of return assumption was lowered from 7.25% to 7.00%, the CPI increase assumption was lowered from 2.90% to 2.75%, and the future pay growth assumption was lowered from 3.15% to 3.00%.

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 on the next page 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 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 5,932,153,821	\$ 5,223,573,968	\$ 4,642,279,774
Plan Fiduciary Net Position	<u>3,546,712,249</u>	<u>3,546,712,249</u>	<u>3,546,712,249</u>
Collective Net Pension Liability	<u>\$ 2,385,441,572</u>	<u>\$ 1,676,861,719</u>	<u>\$ 1,095,567,525</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.8%	67.9%	76.4%

* Numbers may not sum to total due to rounding.

A one percent decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 42%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 35%.

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SECTION V – GASB 67 REPORTING INFORMATION

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 schedule below shows the changes in collective NPL and related ratios required by GASB for the seven years since implementation.

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios*							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<u>Total Pension Liability</u>							
Service cost (MOY)	\$ 115,229,486	\$ 110,608,926	\$ 103,300,553	\$ 98,438,144	\$ 92,857,369	\$ 94,377,630	\$ 90,429,416
Interest (includes interest on service cost)	350,095,503	337,480,353	325,161,265	308,566,601	295,197,992	280,581,484	266,668,435
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	(58,571,957)	4,950,114	(49,383,683)	37,219,673	(10,171,368)	(25,752,670)	0
Changes of assumptions	135,011,307	16,016,526	81,854,664	0	87,601,669	0	0
Benefit payments, including refunds of member contributions	(251,551,677)	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Net change in total pension liability	\$ 290,212,662	\$ 232,705,847	\$ 239,489,131	\$ 238,817,448	\$ 270,766,485	\$ 167,737,531	\$ 191,226,880
Total pension liability - beginning	<u>4,933,361,306</u>	<u>4,700,655,459</u>	<u>4,461,166,328</u>	<u>4,222,348,880</u>	<u>3,951,582,395</u>	<u>3,783,844,864</u>	<u>3,592,617,984</u>
Total pension liability - ending	<u>\$ 5,223,573,968</u>	<u>\$ 4,933,361,306</u>	<u>\$ 4,700,655,459</u>	<u>\$ 4,461,166,328</u>	<u>\$ 4,222,348,880</u>	<u>\$ 3,951,582,395</u>	<u>\$ 3,783,844,864</u>
<u>Plan fiduciary net position</u>							
Contributions - employer	\$ 240,700,988	\$ 225,528,756	\$ 208,757,572	\$ 200,051,742	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133
Contributions - member	40,568,995	38,098,688	35,377,951	33,634,906	30,117,408	29,026,901	27,367,908
Transfer from healthcare plan	172,041	299,014	324,269	364,714	293,779	378,969	19,968,779
Net investment income	276,996,530	380,674,528	(56,397,598)	299,960,693	151,114,788	(47,339,750)	110,728,303
Benefit payments, including refunds of member contributions	(251,551,677)	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Administrative expense	(4,536,455)	(4,931,163)	(4,865,082)	(4,118,578)	(4,369,744)	(4,075,745)	(4,042,986)
Net change in plan fiduciary net position	\$ 302,350,422	\$ 403,319,751	\$ (38,246,555)	\$ 324,486,507	\$ 141,559,577	\$ (53,106,982)	\$ 124,837,166
Plan fiduciary net position - beginning	<u>3,244,361,827</u>	<u>2,841,042,076</u>	<u>2,879,288,631</u>	<u>2,554,802,124</u>	<u>2,413,242,547</u>	<u>2,466,349,529</u>	<u>2,341,512,363</u>
Plan fiduciary net position - ending	<u>\$ 3,546,712,249</u>	<u>\$ 3,244,361,827</u>	<u>\$ 2,841,042,076</u>	<u>\$ 2,879,288,631</u>	<u>\$ 2,554,802,124</u>	<u>\$ 2,413,242,547</u>	<u>\$ 2,466,349,529</u>
Net pension liability - ending	<u>\$ 1,676,861,719</u>	<u>\$ 1,688,999,479</u>	<u>\$ 1,859,613,383</u>	<u>\$ 1,581,877,697</u>	<u>\$ 1,667,546,755</u>	<u>\$ 1,538,339,848</u>	<u>\$ 1,317,495,335</u>
Plan fiduciary net position as a percentage of the total pension liability	67.90%	65.76%	60.44%	64.54%	60.51%	61.07%	65.18%
Covered payroll	\$ 460,456,931	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944
Net pension liability as a percentage of covered employee payroll	364.17%	372.26%	425.77%	371.43%	425.15%	388.34%	350.37%

* Numbers may not sum to total due to rounding.

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SECTION V – GASB 67 REPORTING INFORMATION

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

Table V-4 Schedule of Collective Employer Contributions										
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012	FYE 2011
Actuarially Determined Contribution	\$ 218,611,737	\$ 203,058,574	\$ 188,322,653	\$ 179,824,882	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133	\$ 119,494,000	\$ 108,063,000	\$ 112,892,000
Contributions in Relation to the Actuarially Determined Contribution	<u>240,700,988</u>	<u>225,528,756</u>	<u>208,757,572</u>	<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>
Contribution Deficiency/(Excess)	<u>\$ (22,089,251)</u>	<u>\$ (22,470,182)</u>	<u>\$ (20,434,919)</u>	<u>\$ (20,226,860)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 460,456,931	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944	\$ 362,650,568	\$ 356,419,000	\$ 367,344,000
Contributions as a Percentage of Covered Payroll	52.27%	49.71%	47.80%	46.97%	40.57%	37.96%	36.35%	32.95%	30.32%	30.73%

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2020.

Notes to Schedule

Valuation Date 1/1/2019
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, 2020:

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 As of January 1, 2015, level percentage of payroll with separate periods for remaining 1/1/2014 UAL (14 years as of 1/1/2019), Extraordinary Actuarial Gains or Losses (20 years for 2008 losses as of 1/1/2019), and any future actuarial gains and losses over 15 years
Discount rate 7.25% 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 the Society of Actuaries' new Public mortality tables, with generational mortality improvements projected from 2010 using Projection Scale MP-2018

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2020 can be found in the January 1, 2019 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 2021 disclosures can be based on the December 31, 2020 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 its 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 4.89 years, which has been rounded to five years for determining the recognition period.

During the year, there was an experience gain of approximately \$58.6 million. Approximately \$11.7 million of that gain was recognized as a decrease 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 inflow of resources as of December 31, 2020 of approximately \$46.9 million. Unrecognized experience gains from prior periods were \$31.7 million of which approximately \$11.9 million was recognized as a decrease to pension expense in the current year, with \$19.8 million to be recognized, resulting in a collective deferred inflow of resources as of December 31, 2020 of \$66.6 million.

Unrecognized experience losses from prior periods were \$18.8 million of which approximately \$8.4 million was recognized as an increase to pension expense in the current year, with \$10.4 million to be recognized as a deferred outflow of resources as of December 31, 2020.

Assumption changes since the last measurement date increased the TPL approximately \$135.0 million. Approximately \$27.0 million of that increase 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, 2020 of approximately \$108.0 million. Unrecognized increases to the TPL from prior assumption changes were approximately \$79.4 million of which \$37.1 million was recognized as an increase in pension expense in the current year, with \$42.4 million to be recognized. The combination of current and prior period assumption changes results in a collective deferred outflow of resources as of December 31, 2020 of approximately \$150.4 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 \$49.0 million. Approximately \$9.8 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, 2020 of approximately \$39.2 million. Unrecognized investment gains from prior periods were approximately \$183.1 million of which \$56.8 million was recognized as a decrease

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in collective pension expense in the current year, resulting in an unrecognized net gain of \$126.3 million. Unrecognized investment losses from prior periods were approximately \$164.9 million of which \$58.6 million was recognized as a decrease in collective pension expense in the current year, resulting in an unrecognized net loss of \$106.3 million. The combination of the unrecognized investment gains and losses results in a net collective deferred inflow of resources as of December 31, 2020 of approximately \$59.2 million.

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

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	\$ 10,414,001	\$ 66,611,038
Changes in assumptions	150,360,827	0
Net difference between projected and actual earnings on pension plan investments	0	59,236,349
Total	<u>\$ 160,774,828</u>	<u>\$ 125,847,387</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended December 31:		
2021	\$ 19,992,754	
2022	34,551,639	
2023	(25,101,058)	
2024	5,484,106	
2025	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.

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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 below, we believe it helps to understand the level and volatility of the collective pension expense.

Table VI-2 Calculation of Collective Pension Expense*		
	Measurement Year Ending	
	2020	2019
Change in Net Pension Liability	\$ (12,137,760)	\$ (170,613,904)
Change in Deferred Outflows	(62,480,517)	228,455,326
Change in Deferred Inflows	75,962,395	1,158,966
Employer Contributions	<u>240,700,988</u>	<u>225,528,756</u>
Pension Expense	\$ 242,045,106	\$ 284,529,144
Pension Expense as % of Payroll	52.57%	62.71%
Operating Expenses		
Service cost	\$ 115,229,486	\$ 110,608,926
Employee contributions	(40,568,995)	(38,098,688)
Transfers	(172,041)	(299,014)
Administrative expenses	<u>4,536,455</u>	<u>4,931,163</u>
Total	\$ 79,024,905	\$ 77,142,387
Financing Expenses		
Interest cost	\$ 350,095,503	\$ 337,480,353
Expected return on assets	<u>(227,977,706)</u>	<u>(206,782,077)</u>
Total	\$ 122,117,797	\$ 130,698,276
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	64,096,832	37,094,572
Recognition of liability gains and losses	(15,191,442)	(8,627,587)
Recognition of investment gains and losses	<u>(8,002,986)</u>	<u>48,221,496</u>
Total	\$ 40,902,404	\$ 76,688,481
Pension Expense	\$ 242,045,106	\$ 284,529,144

* 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

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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.

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, adjusted for cash flow timing.

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 \$42.5 million with \$35.8 million attributable to the recognition of changes, plus a \$6.7 million combined decrease in operating and financing expenses. The current year investment and liability gains are driving the overall decrease in pension expense.

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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, 2020 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, 2020). Beginning with the FYE 2017 report, the proportionate shares were adjusted to account for the additional contributions made by the County of San Joaquin. Beginning with the FYE 2018 report, the proportionate shares are also adjusted to account for the additional contributions made by the San Joaquin Mosquito and Vector Control District. The FYE 2019 report added an adjustment to account for the additional contributions made by the Superior Court.

Table VII-1 Determination of Employers' Proportionate Share (As of December 31, 2020)												
Employer	Unfunded Liability Amortization Rate (from the January 1, 2020 Actuarial Valuation)				Pensionable Payroll				Amortization Share (Rate x Pay)	Proportionate Share	Adjusted Proportionate Share*	
	General		Safety		General		Safety					
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2				
County of San Joaquin	29.65%	29.65%	61.28%	61.28%	\$ 190,218,812	\$ 171,767,129	\$ 46,276,032	\$ 21,732,772	\$ 149,004,627	93.3511%	93.1067%	
Superior Courts	29.65%	29.65%	61.28%	61.28%	12,348,772	7,172,232	0	0	5,787,978	3.6262%	3.7127%	
Manteca-Lathrop Rural Fire Protection District	29.65%	29.65%	61.28%	61.28%	0	141,906	2,065,550	1,536,069	2,249,147	1.4091%	1.4907%	
Waterloo-Morada Rural Fire Protection District	29.65%	29.65%	61.28%	61.28%	0	0	667,283	728,394	855,271	0.5358%	0.5668%	
Tracy Public Cemetery District	29.65%	29.65%	61.28%	61.28%	136,992	208,396	0	0	102,408	0.0642%	0.0679%	
SJC Mosquito & Vector Control District	29.65%	29.65%	61.28%	61.28%	1,704,706	1,027,677	0	0	810,152	0.5076%	0.5198%	
SJC Historical Society & Museum	29.65%	29.65%	61.28%	61.28%	46,848	181,974	0	0	67,846	0.0425%	0.0450%	
Mountain House Community Services District	29.65%	29.65%	61.28%	61.28%	455,752	1,952,847	0	0	714,150	0.4474%	0.4733%	
Local Agency Formation Commission	29.65%	29.65%	61.28%	61.28%	0	0	0	0	0	0.0000%	0.0000%	
San Joaquin County Law Library	29.65%	29.65%	61.28%	61.28%	72,001	14,790	0	0	25,734	0.0161%	0.0170%	
Total					\$204,983,883	\$182,466,951	\$ 49,008,865	\$ 23,997,235	\$159,617,313	100.0000%	100.0000%	

* Adjusted for additional contributions made by the County, Superior Courts, and Mosquito and Vector Control District.

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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, 2020.

Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at December 31, 2020*							
Employer	Adjusted Proportionate Share	Share of NPL @ 6.00%	Share of NPL @ 7.00%	Share of NPL @ 8.00%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County of San Joaquin	93.1067%	2,221,005,860	1,561,270,562	1,020,046,737	149,692,132	117,172,345	225,360,204
Superior Courts	3.7127%	88,563,448	62,256,253	40,674,749	5,969,030	4,672,292	8,986,323
Manteca-Lathrop Rural Fire Protection District	1.4907%	35,560,462	24,997,459	16,331,939	2,396,716	1,876,043	3,608,236
Waterloo-Morada Rural Fire Protection District	0.5668%	13,521,606	9,505,101	6,210,101	911,334	713,352	1,372,005
Tracy Public Cemetery District	0.0679%	1,620,170	1,138,909	744,099	109,197	85,474	164,395
SJC Mosquito & Vector Control District	0.5198%	12,400,461	8,716,985	5,695,190	835,771	654,204	1,258,245
SJC Historical Society & Museum	0.0450%	1,072,542	753,951	492,589	72,288	56,584	108,828
Mountain House Community Services District	0.4733%	11,290,718	7,936,884	5,185,515	760,976	595,658	1,145,642
Local Agency Formation Commission	0.0000%	0	0	0	0	0	0
San Joaquin County Law Library	0.0170%	406,304	285,614	186,604	27,384	21,435	41,227
Total	100.0000%	\$2,385,441,572	\$ 1,676,861,719	\$ 1,095,567,525	\$ 160,774,828	\$ 125,847,387	\$ 242,045,106

* 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 (4.89 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.

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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.

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	Adjusted Proportionate Shares		Impact of Change in Proportion				Contributions			
	12/31/2019	12/31/2020	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference	
County of San Joaquin	93.1531%	93.1067%	\$ (783,078)	\$ (45,573)	\$ 23,128	\$ (760,633)	\$ 224,976,325	\$ 224,108,740	\$ 867,585	
Superior Courts	3.9474%	3.7127%	(3,964,017)	(230,693)	117,078	(3,850,402)	9,309,790	8,936,421	373,369	
Manteca-Lathrop Rural Fire Protection District	1.3516%	1.4907%	2,349,084	136,709	(69,381)	2,281,755	2,760,478	3,588,199	(827,721)	
Waterloo-Morada Rural Fire Protection District	0.4683%	0.5668%	1,664,686	96,879	(49,167)	1,616,973	1,072,843	1,364,386	(291,543)	
Tracy Public Cemetery District	0.0597%	0.0679%	138,064	8,035	(4,078)	134,107	138,096	163,482	(25,386)	
SJC Mosquito & Vector Control District	0.5076%	0.5198%	206,685	12,028	(6,105)	200,762	1,254,842	1,251,258	3,584	
SJC Historical Society & Museum	0.0460%	0.0450%	(17,625)	(1,026)	521	(17,120)	198,801	108,224	90,577	
Mountain House Community Services District	0.4451%	0.4733%	477,150	27,769	(14,093)	463,474	908,925	1,139,280	(230,356)	
Local Agency Formation Commission	0.0000%	0.0000%	0	0	0	0	0	0	0	
San Joaquin County Law Library	0.0212%	0.0170%	(70,949)	(4,129)	2,096	(68,916)	80,888	40,998	39,890	
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,700,988	\$ 240,700,988	\$ (1)	

* 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 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	12/31/2020	Current Year		Recognition	12/31/2020
	12/31/2019	Net Effect			12/31/2019	Net Effect		
County of San Joaquin	\$ 923,455	\$ 0	\$ 461,728	\$ 461,728	\$ (6,947,971)	\$ (760,633)	\$ (2,828,033)	\$ (4,880,571)
Superior Courts	2,498,958	0	1,107,120	1,391,838	(844,875)	(3,850,402)	(1,192,518)	(3,502,759)
Manteca-Lathrop Rural Fire Protection District	2,444,949	2,281,755	1,387,296	3,339,408	(103,243)	0	(51,621)	(51,621)
Waterloo-Morada Rural Fire Protection District	446,072	1,616,973	463,735	1,599,310	(119,362)	0	(52,594)	(66,768)
Tracy Public Cemetery District	121,307	134,107	87,500	167,914	0	0	0	0
SJC Mosquito & Vector Control District	273,831	200,762	108,610	365,982	(257,767)	0	(116,793)	(140,974)
SJC Historical Society & Museum	251,088	0	64,170	186,918	(17,473)	(17,120)	(12,294)	(22,300)
Mountain House Community Services District	1,185,281	463,474	552,932	1,095,823	0	0	0	0
Local Agency Formation Commission	0	0	0	0	0	0	0	0
San Joaquin County Law Library	180,048	0	52,496	127,552	(34,294)	(68,916)	(31,731)	(71,479)
Total	\$ 8,324,988	\$ 4,697,071	\$ 4,285,586	\$ 8,736,473	\$(8,324,985)	\$(4,697,071)	\$(4,285,584)	\$(8,736,472)

* 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	12/31/2020	Current Year		Recognition	12/31/2020		
	12/31/2019	Difference			12/31/2019	Difference				
County of San Joaquin	\$ 1,297,261	\$ 867,585	\$ 640,899	\$ 1,523,948	\$ (53,003)	\$ 0	\$ (53,003)	\$ 0		
Superior Courts	882,641	373,369	357,738	898,272	(562,240)	0	(207,823)	(354,417)		
Manteca-Lathrop Rural Fire Protection District	0	0	0	0	(1,140,112)	(827,721)	(513,162)	(1,454,670)		
Waterloo-Morada Rural Fire Protection District	26,713	0	8,904	17,809	(213,197)	(291,543)	(130,481)	(374,259)		
Tracy Public Cemetery District	0	0	0	0	(25,246)	(25,386)	(13,478)	(37,154)		
SJC Mosquito & Vector Control District	2,434	3,584	3,151	2,867	(78,696)	0	(29,239)	(49,456)		
SJC Historical Society & Museum	157,149	90,577	70,823	176,903	(15,408)	0	(4,171)	(11,237)		
Mountain House Community Services District	0	0	0	0	(276,194)	(230,356)	(137,788)	(368,762)		
Local Agency Formation Commission	0	0	0	0	0	0	0	0		
San Joaquin County Law Library	239	39,890	8,216	31,913	(2,342)	0	(587)	(1,755)		
Total	\$ 2,366,437	\$ 1,375,005	\$ 1,089,731	\$ 2,651,711	\$ (2,366,438)	\$ (1,375,005)	\$ (1,089,731)	\$ (2,651,712)		

* Numbers may not sum to total due to rounding.

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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, 2020*							
Employer	Adjusted Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference	
County of San Joaquin	93.1067%	\$ 9,696,132	\$ 139,996,000	\$ 0	\$ 461,728	\$ 1,523,948	
Superior Courts	3.7127%	386,637	5,582,393	0	1,391,838	898,272	
Manteca-Lathrop Rural Fire Protection District	1.4907%	155,245	2,241,472	0	3,339,408	0	
Waterloo-Morada Rural Fire Protection District	0.5668%	59,031	852,303	0	1,599,310	17,809	
Tracy Public Cemetery District	0.0679%	7,073	102,124	0	167,914	0	
SJC Mosquito & Vector Control District	0.5198%	54,136	781,635	0	365,982	2,867	
SJC Historical Society & Museum	0.0450%	4,682	67,605	0	186,918	176,903	
Mountain House Community Services District	0.4733%	49,291	711,684	0	1,095,823	0	
Local Agency Formation Commission	0.0000%	0	0	0	0	0	
San Joaquin County Law Library	0.0170%	1,774	25,610	0	127,552	31,913	
Total	100.0000%	\$ 10,414,001	\$ 150,360,827	\$ 0	\$ 8,736,473	\$ 2,651,711	

* 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, 2020***

Employer	Adjusted Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County of San Joaquin	93.1067%	\$ 62,019,337	\$ 0	\$ 55,153,008	\$ 4,880,571	\$ 0
Superior Courts	3.7127%	2,473,045	0	2,199,247	3,502,759	354,417
Manteca-Lathrop Rural Fire Protection District	1.4907%	992,990	0	883,053	51,621	1,454,670
Waterloo-Morada Rural Fire Protection District	0.5668%	377,577	0	335,775	66,768	374,259
Tracy Public Cemetery District	0.0679%	45,242	0	40,233	0	37,154
SJC Mosquito & Vector Control District	0.5198%	346,270	0	307,934	140,974	49,456
SJC Historical Society & Museum	0.0450%	29,950	0	26,634	22,300	11,237
Mountain House Community Services District	0.4733%	315,282	0	280,376	0	368,762
Local Agency Formation Commission	0.0000%	0	0	0	0	0
San Joaquin County Law Library	0.0170%	11,346	0	10,090	71,479	1,755
Total	100.0000%	\$ 66,611,038	\$ 0	\$ 59,236,349	\$ 8,736,472	\$ 2,651,712

* Numbers may not sum to total due to rounding.

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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, 2020*						
Employer	Recognition for Measurement Year Ending					
	2021	2022	2023	2024	2025	Thereafter
County of San Joaquin	\$ 17,770,437	\$ 30,674,609	\$ (23,947,616)	\$ 5,127,460	\$ 0	\$ 0
Superior Courts	237,994	1,262,183	(1,278,704)	(491,800)	0	0
Manteca-Lathrop Rural Fire Protection District	892,903	1,219,021	(130,694)	372,560	0	0
Waterloo-Morada Rural Fire Protection District	428,071	481,743	168,088	296,172	0	0
Tracy Public Cemetery District	51,083	60,177	17,753	25,469	0	0
SJC Mosquito & Vector Control District	73,094	246,940	(29,426)	69,378	0	0
SJC Historical Society & Museum	127,297	143,084	58,451	17,157	0	0
Mountain House Community Services District	378,714	411,890	29,194	72,581	0	0
Local Agency Formation Commission	0	0	0	0	0	0
San Joaquin County Law Library	33,163	51,992	11,896	(4,871)	0	0
Total	\$ 19,992,755	\$ 34,551,638	\$ (25,101,058)	\$ 5,484,106	\$ 0	\$ 0

* Numbers may not sum to total due to rounding.

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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, 2020*									
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	\$ 225,360,204	\$ (2,366,306)	\$ 587,896	\$ 223,581,794	\$ (12,084,145)	\$ (57,892,932)	\$ 68,582,546	\$ 224,976,325	\$ 223,581,794
Superior Courts	8,986,323	(85,398)	149,915	9,050,841	(4,414,651)	(997,510)	5,153,212	9,309,790	9,050,841
Manteca-Lathrop Rural Fire Protection District	3,608,236	1,335,675	(513,162)	4,430,749	2,168,143	(1,962,583)	1,464,712	2,760,478	4,430,749
Waterloo-Morada Rural Fire Protection District	1,372,005	411,141	(121,577)	1,661,570	1,595,884	(1,595,377)	588,220	1,072,843	1,661,570
Tracy Public Cemetery District	164,395	87,500	(13,478)	238,417	129,820	(97,078)	67,579	138,096	238,417
SJC Mosquito & Vector Control District	1,258,245	(8,183)	(26,088)	1,223,974	143,589	(429,411)	254,954	1,254,842	1,223,974
SJC Historical Society & Museum	108,828	51,876	66,652	227,356	(23,083)	17,349	34,289	198,801	227,356
Mountain House Community Services District	1,145,642	552,932	(137,788)	1,560,786	419,699	(234,042)	466,204	908,925	1,560,786
Local Agency Formation Commission	0	0	0	0	0	0	0	0	0
San Joaquin County Law Library	41,227	20,765	7,629	69,621	(73,017)	14,308	47,441	80,888	69,621
Total	\$ 242,045,106	\$ 2	\$ 0	\$ 242,045,108	\$ (12,137,760)	\$ (63,177,276)	\$ 76,659,157	\$ 240,700,988	\$ 242,045,108

* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2020 MEASUREMENT DATE**

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, 2020*									
Employer	Proportionate Shares	Proportionate Share of NPL	Covered 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	93.1067%	\$ 1,561,270,562	\$ 429,994,746	363.1%	68.0%	\$ 203,472,074	\$ 224,976,325	\$ (21,504,251)	52.3%
Superior Courts	3.7127%	62,256,253	19,521,004	318.9%	67.1%	8,834,790	9,309,790	(475,000)	47.7%
Manteca-Lathrop Rural Fire Protection District	1.4907%	24,997,459	3,743,525	667.8%	66.0%	2,760,478	2,760,478	0	73.7%
Waterloo-Morada Rural Fire Protection District	0.5668%	9,505,101	1,395,677	681.0%	66.0%	1,072,843	1,072,843	0	76.9%
Tracy Public Cemetery District	0.0679%	1,138,909	345,388	329.7%	66.0%	138,096	138,096	0	40.0%
SJC Mosquito & Vector Control District	0.5198%	8,716,985	2,732,382	319.0%	67.1%	1,144,842	1,254,842	(110,000)	45.9%
SJC Historical Society & Museum	0.0450%	753,951	228,822	329.5%	66.0%	198,801	198,801	0	86.9%
Mountain House Community Services District	0.4733%	7,936,884	2,408,599	329.5%	66.0%	908,925	908,925	0	37.7%
Local Agency Formation Commission	0.0000%	0	0	N/A	0.0%	0	0	0	N/A
San Joaquin County Law Library	0.0170%	285,614	86,790	329.1%	66.0%	80,888	80,888	0	93.2%
Total	100.0000%	\$ 1,676,861,719	\$ 460,456,931	364.2%	67.9%	\$ 218,611,737	\$ 240,700,988	\$ (22,089,251)	52.3%

* Numbers may not sum to total due to rounding.

County of San Joaquin made additional contributions of \$21,504,251.

Superior Courts made additional contributions of \$475,000.

SJC Mosquito & Vector Control District made additional contributions of \$110,000.

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.



Classic Values, Innovative Advice