

# **San Joaquin County Employees' Retirement Association**

## **GASB 67/68 Report as of December 31, 2022**

**Produced by Cheiron**

**May 2023**

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*Via Electronic Mail*

May 17, 2023

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

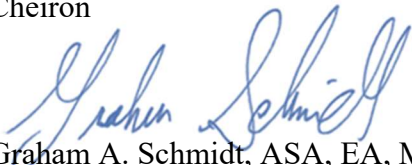
Dear Members of the Board,

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:

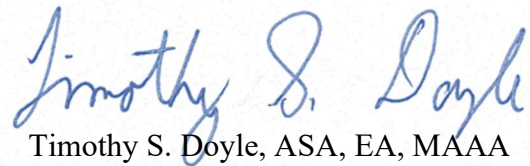
- Projection of SJCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SJCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers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



Timothy S. Doyle, ASA, EA, MAAA  
Associate Actuary



Anne D. Harper, FSA, EA, MAAA  
Principal Consulting Actuary

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

**Highlights**

The measurement date for the San Joaquin County Employees' Retirement Association (SJCERA) is December 31, 2022. Measurements are based on the fair value of assets as of December 31, 2022 and the Total Pension Liability as of the valuation date, January 1, 2022, updated to December 31, 2022. There were no significant events between the valuation date and the measurement date, so the update procedures consisted of 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. The County made an additional contribution of \$22.5 million in 2022. The Superior Court of California County of San Joaquin also began making additional employer contributions to the Plan in 2019, and made an additional contribution of \$500,000 in 2022. Effective October 16, 2018, the San Joaquin Mosquito and Vector Control District began making additional employer contributions above the Actuarial Determined Contribution and contributed \$90,000 in 2022.

The value of the Plan's Net Fiduciary Position includes \$193.4 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.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

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

	Measurement Date	
	12/31/2022	12/31/2021
Net Pension Liability	\$ 1,699,389,350	\$ 1,219,211,781
Deferred Outflows	(368,830,608)	(105,764,373)
Deferred Inflows	110,923,725	361,465,590
Net Impact on Statement of Net Position	\$ 1,441,482,467	\$ 1,474,912,998
Pension Expense (\$ Amount)	\$ 235,649,516	\$ 139,641,355
Pension Expense (% of Payroll)	48.68%	29.70%

The Net Pension Liability (NPL) increased approximately \$480.2 million since the prior measurement date, due to investment losses, offset by assumption changes, experience gains, and contributions (including additional contributions by the County, Superior Courts, and Mosquito and Vector Control District). The investment losses 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 \$1,699,389,350, Deferred Inflows of \$110,923,725, and Deferred Outflows of \$368,830,608. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SJCERA would be \$1,441,482,467 at the end of the measurement year (\$1,699,389,350 + \$110,923,725 – \$368,830,608). 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, 2022, the collective annual pension expense is \$235,649,516 or 48.68% of covered payroll. This amount is not related to participating employers' contributions to SJCERA (\$269,080,047), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$1,441,482,467 – \$1,474,912,998+ \$269,080,047). The collective pension expense increased by approximately \$96.0 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  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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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Consulting Actuary

Timothy S. Doyle, ASA, EA, MAAA  
Associate Actuary

Anne D. Harper, FSA, EA, MAAA  
Principal Consulting Actuary

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION III – DETERMINATION OF DISCOUNT RATE**

The discount rate used to measure the Total Pension Liability was 6.75%.

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 (17 years remaining as of January 1, 2022), and an amount necessary to amortize the remaining January 1, 2014 Unfunded Actuarial Liability as a level percentage of payroll over a closed period (11 years remaining as of January 1, 2022). 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.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY**

The Total Pension Liability (TPL) at the end of the measurement year, December 31, 2022, is measured as of a valuation date of January 1, 2022 and projected to December 31, 2022. The TPL shown in the prior GASB report was measured as of January 1, 2021 and projected to December 31, 2021. Because the TPLs are based on different valuations and different assumptions, the December 31, 2021 TPL will not match the amounts measured as of January 1, 2022 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.

<b>Table IV-1</b>			
<b>Projection of Collective Total Pension Liability from Valuation to Measurement Date</b>			
<b>Discount Rate</b>	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
<b>Valuation Collective Total Pension Liability, 1/1/2022</b>			
Actives	\$ 2,013,241,525	\$ 1,692,157,799	\$ 1,433,667,632
Deferred Vested	230,856,138	194,818,997	166,837,355
Retirees	3,790,715,877	3,436,812,018	3,137,260,429
<b>Total</b>	<b>\$ 6,034,813,540</b>	<b>\$ 5,323,788,814</b>	<b>\$ 4,737,765,416</b>
<b>Service Cost</b>	151,848,918	118,695,366	93,872,611
<b>Benefit Payments</b>	279,363,795	279,363,795	279,363,795
<b>Interest</b>	343,386,963	354,021,727	360,123,151
<b>Collective Total Pension Liability, 12/31/2022</b>	<b>\$ 6,250,685,626</b>	<b>\$ 5,517,142,112</b>	<b>\$ 4,912,397,383</b>



**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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)	
<b>Balances at 12/31/2021</b>	\$ 5,417,999,785	\$ 4,198,788,004	\$ 1,219,211,781	
<b>Changes for the year:</b>				
Service cost	118,695,366		118,695,366	
Interest	356,415,938		356,415,938	
Changes of benefits	0		0	
Differences between expected and actual experience	(37,863,999)		(37,863,999)	
Changes of assumptions	(58,741,183)		(58,741,183)	
Contributions - employer		269,080,047	(269,080,047)	
Contributions - member		47,405,308	(47,405,308)	
Transfer from healthcare plan		224,628	(224,628)	
Net investment income		(412,759,726)	412,759,726	
Benefit payments	(279,363,795)	(279,363,795)	0	
Administrative expense		(5,621,704)	5,621,704	
<b>Net changes</b>	<u>99,142,327</u>	<u>(381,035,242)</u>	<u>480,177,569</u>	
<b>Balances at 12/31/2022</b>	<u>\$ 5,517,142,112</u>	<u>\$ 3,817,752,762</u>	<u>\$ 1,699,389,350</u>	

\* Numbers may not sum to total due to rounding.

During the measurement year, the collective NPL increased by approximately \$480.2 million. The service cost and interest cost increased the collective NPL by approximately \$475.1 million, and investment losses and administrative expenses offset by contributions increased the collective NPL by an additional \$101.7 million.

Change in actuarial assumptions due to the experience study decreased the NPL by \$58.7 million.

Differences between expected and actual experience decreased the NPL by approximately \$37.9 million.

The TPL as of December 31, 2022 was based upon the same data, actuarial methods and assumptions, and plan provisions as were used in the actuarial valuation as of January 1, 2022, and which are summarized in the actuarial valuation report as of January 1, 2022. The TPL no longer includes an estimate of liabilities for the Post-82 Settlement benefits, as payments from the reserve were suspended in 2017.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – GASB 67 REPORTING INFORMATION**

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.

<b>Table V-2</b>			
<b>Sensitivity of Collective Net Pension Liability to Changes in Discount Rate*</b>			
	<b>1% Decrease 5.75%</b>	<b>Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Total Pension Liability	\$ 6,250,685,626	\$ 5,517,142,112	\$ 4,912,397,383
Plan Fiduciary Net Position	<u>3,817,752,762</u>	<u>3,817,752,762</u>	<u>3,817,752,762</u>
Collective Net Pension Liability	<u>\$ 2,432,932,864</u>	<u>\$ 1,699,389,350</u>	<u>\$ 1,094,644,621</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.1%	69.2%	77.7%

\* 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 43%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 36%.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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 nine years since implementation.

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios*									
	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<b>Total Pension Liability</b>									
Service cost (MOY)	\$ 118,695,366	\$ 116,888,677	\$ 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)	356,415,938	360,520,733	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	0	0
Differences between expected and actual experience	(37,863,999)	(17,017,994)	(58,571,957)	4,950,114	(49,383,683)	37,219,673	(10,171,368)	(25,752,670)	0
Changes of assumptions	(58,741,183)	0	135,011,307	16,016,526	81,854,664	0	87,601,669	0	0
Benefit payments, including refunds of member contributions	(279,363,795)	(265,965,599)	(251,551,677)	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
<b>Net change in total pension liability</b>	<b>\$ 99,142,327</b>	<b>\$ 194,425,817</b>	<b>\$ 290,212,662</b>	<b>\$ 232,705,847</b>	<b>\$ 239,489,131</b>	<b>\$ 238,817,448</b>	<b>\$ 270,766,485</b>	<b>\$ 167,737,531</b>	<b>\$ 191,226,880</b>
<b>Total pension liability - beginning</b>	<b><u>5,417,999,785</u></b>	<b><u>5,223,573,968</u></b>	<b><u>4,933,361,306</u></b>	<b><u>4,700,655,459</u></b>	<b><u>4,461,166,328</u></b>	<b><u>4,222,348,880</u></b>	<b><u>3,951,582,395</u></b>	<b><u>3,783,844,864</u></b>	<b><u>3,592,617,984</u></b>
<b>Total pension liability - ending</b>	<b><u>\$ 5,517,142,112</u></b>	<b><u>\$ 5,417,999,785</u></b>	<b><u>\$ 5,223,573,968</u></b>	<b><u>\$ 4,933,361,306</u></b>	<b><u>\$ 4,700,655,459</u></b>	<b><u>\$ 4,461,166,328</u></b>	<b><u>\$ 4,222,348,880</u></b>	<b><u>\$ 3,951,582,395</u></b>	<b><u>\$ 3,783,844,864</u></b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 269,080,047	\$ 306,662,635	\$ 240,700,988	\$ 225,528,756	\$ 208,757,572	\$ 200,051,742	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133
Contributions - member	47,405,308	43,455,640	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	224,628	270,570	172,041	299,014	324,269	364,714	293,779	378,969	19,968,779
Net investment income	(412,759,726)	572,291,948	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	(279,363,795)	(265,965,599)	(251,551,677)	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Administrative expense	(5,621,704)	(4,639,439)	(4,536,455)	(4,931,163)	(4,865,082)	(4,118,578)	(4,369,744)	(4,075,745)	(4,042,986)
<b>Net change in plan fiduciary net position</b>	<b>\$ (381,035,242)</b>	<b>\$ 652,075,755</b>	<b>\$ 302,350,422</b>	<b>\$ 403,319,751</b>	<b>\$ (38,246,555)</b>	<b>\$ 324,486,507</b>	<b>\$ 141,559,577</b>	<b>\$ (53,106,982)</b>	<b>\$ 124,837,166</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>4,198,788,004</u></b>	<b><u>3,546,712,249</u></b>	<b><u>3,244,361,827</u></b>	<b><u>2,841,042,076</u></b>	<b><u>2,879,288,631</u></b>	<b><u>2,554,802,124</u></b>	<b><u>2,413,242,547</u></b>	<b><u>2,466,349,529</u></b>	<b><u>2,341,512,363</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 3,817,752,762</u></b>	<b><u>\$ 4,198,788,004</u></b>	<b><u>\$ 3,546,712,249</u></b>	<b><u>\$ 3,244,361,827</u></b>	<b><u>\$ 2,841,042,076</u></b>	<b><u>\$ 2,879,288,631</u></b>	<b><u>\$ 2,554,802,124</u></b>	<b><u>\$ 2,413,242,547</u></b>	<b><u>\$ 2,466,349,529</u></b>
<b>Net pension liability - ending</b>	<b><u>\$ 1,699,389,350</u></b>	<b><u>\$ 1,219,211,781</u></b>	<b><u>\$ 1,676,861,719</u></b>	<b><u>\$ 1,688,999,479</u></b>	<b><u>\$ 1,859,613,383</u></b>	<b><u>\$ 1,581,877,697</u></b>	<b><u>\$ 1,667,546,755</u></b>	<b><u>\$ 1,538,339,848</u></b>	<b><u>\$ 1,317,495,335</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69.20%	77.50%	67.90%	65.76%	60.44%	64.54%	60.51%	61.07%	65.18%
<b>Covered payroll</b>	\$ 484,055,752	\$ 470,179,036	\$ 460,456,931	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944
<b>Net pension liability as a percentage of covered employee payroll</b>	351.07%	259.31%	364.17%	372.26%	425.77%	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.



**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

Table V-4 Schedule of Collective Employer Contributions										
	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013
Actuarially Determined Contribution	\$ 245,967,122	\$ 233,148,239	\$ 218,611,737	\$ 203,058,574	\$ 188,322,653	\$ 179,824,882	\$ 159,122,523	\$ 150,371,556	\$ 136,686,133	\$ 119,494,000
Contributions in Relation to the Actuarially Determined Contribution	269,080,047	306,662,635	240,700,988	225,528,756	208,757,572	200,051,742	159,122,523	150,371,556	136,686,133	119,494,000
Contribution Deficiency/(Excess)	\$ (23,112,925)	\$ (73,514,396)	\$ (22,089,251)	\$ (22,470,182)	\$ (20,434,919)	\$ (20,226,860)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 484,055,752	\$ 470,179,036	\$ 460,456,931	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470	\$ 376,030,944	\$ 362,650,568
Contributions as a Percentage of Covered Payroll	55.59%	65.22%	52.27%	49.71%	47.80%	46.97%	40.57%	37.96%	36.35%	32.95%

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2022.

**Notes to Schedule**

Valuation Date 1/1/2021  
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, 2022:**

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 (12 years as of 1/1/2021), Extraordinary Actuarial Gains or Losses (18 years for 2008 losses as of 1/1/2021), and any future actuarial gains and losses over 15 years  
Discount rate 7.00% net of investment expenses  
Amortization growth rate 3.00%  
Price inflation 2.75%  
Salary increases 3.00% 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, 2022 can be found in the January 1, 2021 Actuarial Valuation Report.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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 2023 disclosures can be based on the December 31, 2022 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 4.58 years, which has been rounded to five years for determining the recognition period.

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.

<b>Table VI-1</b>		
<b>Schedule of Collective Deferred Inflows and Outflows of Resources</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 990,022	\$ 63,930,779
Changes in assumptions	57,207,830	46,992,946
Net difference between projected and actual earnings on pension plan investments	310,632,756	0
<b>Total</b>	<b><u>\$ 368,830,608</u></b>	<b><u>\$ 110,923,725</u></b>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
<b>Measurement year ended December 31:</b>		
2023	\$ 27,365,156	
2024	57,950,320	
2025	52,466,214	
2026	120,125,193	
2027	0	
Thereafter	0	

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**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

The following tables provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following five years, as well as the total for any years thereafter.

Table VI-2 Recognition of Experience (Gains) and Losses											
Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year						
			Remaining Amount	Remaining Amount	2022	2023	2024	2025	2026	2027	Thereafter
2022	5.0	\$ (37,863,999)	\$ (37,863,999)	\$ (30,291,199)	\$ (7,572,800)	\$ (7,572,800)	\$ (7,572,800)	\$ (7,572,800)	\$ (7,572,799)	\$ 0	\$ 0
2021	5.0	(17,017,994)	(13,614,395)	(10,210,796)	(3,403,599)	(3,403,599)	(3,403,599)	(3,403,598)	0	0	0
2020	5.0	(58,571,957)	(35,143,175)	(23,428,784)	(11,714,391)	(11,714,391)	(11,714,393)	0	0	0	0
2019	5.0	4,950,114	1,980,045	990,022	990,023	990,022	0	0	0	0	0
2018	5.0	(49,383,683)	(9,876,735)	0	(9,876,735)	0	0	0	0	0	0
Deferred Outflows			1,980,045	990,022	990,023	990,022	0	0	0	0	0
Deferred (Inflows)			(96,498,304)	(63,930,779)	(32,567,525)	(22,690,790)	(22,690,792)	(10,976,398)	(7,572,799)	0	0
Net Change in Pension Expense			\$ (94,518,259)	\$ (62,940,757)	\$ (31,577,502)	\$ (21,700,768)	\$ (22,690,792)	\$ (10,976,398)	\$ (7,572,799)	\$ 0	\$ 0

Table VI-3 Recognition of Assumption Changes											
Change Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year						
			Remaining Amount	Remaining Amount	2022	2023	2024	2025	2026	2027	Thereafter
2022	5.0	\$ (58,741,183)	\$ (58,741,183)	\$ (46,992,946)	\$ (11,748,237)	\$ (11,748,237)	\$ (11,748,237)	\$ (11,748,237)	\$ (11,748,235)	\$ 0	\$ 0
2021	5.0	0	0	0	0	0	0	0	0	0	0
2020	5.0	135,011,307	81,006,785	54,004,524	27,002,261	27,002,261	27,002,263	0	0	0	0
2019	5.0	16,016,526	6,406,611	3,203,306	3,203,305	3,203,306	0	0	0	0	0
2018	5.0	81,854,664	16,370,932	0	16,370,932	0	0	0	0	0	0
Deferred Outflows			103,784,328	57,207,830	46,576,498	30,205,567	27,002,263	0	0	0	0
Deferred (Inflows)			(58,741,183)	(46,992,946)	(11,748,237)	(11,748,237)	(11,748,237)	(11,748,237)	(11,748,235)	0	0
Net Change in Pension Expense			\$ 45,043,145	\$ 10,214,884	\$ 34,828,261	\$ 18,457,330	\$ 15,254,026	\$ (11,748,237)	\$ (11,748,235)	\$ 0	\$ 0

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**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

Table VI-4 Recognition of Investment (Gains) and Losses												
Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year							
					2022	2023	2024	2025	2026	2027	Thereafter	
2022	5.0	\$ 697,231,135	\$ 697,231,135	\$ 557,784,908	\$ 139,446,227	\$ 139,446,227	\$ 139,446,227	\$ 139,446,227	\$ 139,446,227	\$ 139,446,227	\$ 0	\$ 0
2021	5.0	(321,276,886)	(257,021,509)	(192,766,132)	(64,255,377)	(64,255,377)	(64,255,377)	(64,255,378)	0	0	0	0
2020	5.0	(49,018,824)	(29,411,294)	(19,607,529)	(9,803,765)	(9,803,765)	(9,803,764)	0	0	0	0	0
2019	5.0	(173,892,451)	(69,556,981)	(34,778,491)	(34,778,490)	(34,778,491)	0	0	0	0	0	0
2018	5.0	265,792,487	53,158,499	0	53,158,499	0	0	0	0	0	0	0
Net Change in Pension Expense			\$ 394,399,850	\$ 310,632,756	\$ 83,767,094	\$ 30,608,594	\$ 65,387,086	\$ 75,190,849	\$ 139,446,227	\$ 0	\$ 0	\$ 0

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**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

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

<b>Table VI-5 Calculation of Collective Pension Expense*</b>		
	<b>Measurement Year Ending</b>	
	<b>2022</b>	<b>2021</b>
Change in Net Pension Liability	\$ 480,177,569	\$ (457,649,938)
Change in Deferred Outflows	(263,066,235)	55,010,455
Change in Deferred Inflows	(250,541,865)	235,618,203
Employer Contributions	<u>269,080,047</u>	<u>306,662,635</u>
<b>Pension Expense</b>	<b>\$ 235,649,516</b>	<b>\$ 139,641,355</b>
<b>Pension Expense as % of Payroll</b>	<b>48.68%</b>	<b>29.70%</b>
<b>Operating Expenses</b>		
Service cost	\$ 118,695,366	\$ 116,888,677
Employee contributions	(47,405,308)	(43,455,640)
Transfers	(224,628)	(270,570)
Administrative expenses	<u>5,621,704</u>	<u>4,639,439</u>
Total	\$ 76,687,134	\$ 77,801,906
<b>Financing Expenses</b>		
Interest cost	\$ 356,415,938	\$ 360,520,733
Expected return on assets	<u>(284,471,409)</u>	<u>(251,015,062)</u>
Total	\$ 71,944,529	\$ 109,505,671
<b>Changes</b>		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	34,828,261	46,576,499
Recognition of liability gains and losses	(31,577,502)	(16,560,771)
Recognition of investment gains and losses	<u>83,767,094</u>	<u>(77,681,950)</u>
Total	\$ 87,017,853	\$ (47,666,222)
<b>Pension Expense</b>	<b>\$ 235,649,516</b>	<b>\$ 139,641,355</b>

\* Numbers may not sum to total due to rounding.



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Operating expenses 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.

Financing expenses equal 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 recognition of changes 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 increased by about \$96.0 million with \$134.7 million attributable to the recognition of changes, a reduction of \$1.1 million attributable to a decrease in operating expenses, and a \$37.6 million reduction in financing expenses. The current year investment losses are driving the overall increase in pension expense.

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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 its 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, 2022 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, 2022). 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, 2022)											
Employer	Unfunded Liability Amortization Rate (from the January 1, 2022 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	29.35%	29.35%	65.14%	65.14%	\$ 167,173,096	\$ 208,481,895	\$ 44,672,683			
Superior Courts	29.35%	29.35%	65.14%	65.14%	12,046,954	9,520,336	0	0	6,330,000	3.7077%	3.9163%
Manteca-Lathrop Rural Fire Protection District	29.35%	29.35%	65.14%	65.14%	0	271,509	1,948,746	1,517,029	2,337,294	1.3690%	1.5246%
Waterloo-Morada Rural Fire Protection District	29.35%	29.35%	65.14%	65.14%	0	0	534,325	963,885	975,934	0.5716%	0.6366%
Tracy Public Cemetery District	29.35%	29.35%	65.14%	65.14%	40,072	290,715	0	0	97,086	0.0569%	0.0634%
SJC Mosquito & Vector Control District	29.35%	29.35%	65.14%	65.14%	1,506,731	1,420,622	0	0	859,178	0.5033%	0.5329%
SJC Historical Society & Museum	29.35%	29.35%	65.14%	65.14%	58,147	242,525	0	0	88,247	0.0517%	0.0576%
Mountain House Community Services District	29.35%	29.35%	65.14%	65.14%	519,840	2,299,124	0	0	827,366	0.4846%	0.5397%
Local Agency Formation Commission	29.35%	29.35%	65.14%	65.14%	0	34,460	0	0	10,114	0.0059%	0.0066%
San Joaquin County Law Library	29.35%	29.35%	65.14%	65.14%	0	84,191	0	0	24,710	0.0145%	0.0161%
<b>Total</b>					<b>\$181,344,840</b>	<b>\$222,645,377</b>	<b>\$ 47,155,754</b>	<b>\$ 32,909,781</b>	<b>\$170,725,819</b>	<b>100.0000%</b>	<b>100.0000%</b>

\* 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, 2022.

Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at December 31, 2022*							
Employer	Adjusted Proportionate Share	Share of NPL @ 5.75%	Share of NPL @ 6.75%	Share of NPL @ 7.75%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County of San Joaquin	92.7057%	2,255,468,152	1,575,431,289	1,014,798,278	341,927,105	102,832,648	218,460,602
Superior Courts	3.9165%	95,285,551	66,556,399	42,871,637	14,445,211	4,344,316	9,229,188
Manteca-Lathrop Rural Fire Protection District	1.5248%	37,097,479	25,912,372	16,691,195	5,623,947	1,691,370	3,593,195
Waterloo-Morada Rural Fire Protection District	0.6367%	15,489,349	10,819,220	6,969,092	2,348,173	706,200	1,500,271
Tracy Public Cemetery District	0.0634%	1,541,889	1,077,001	693,739	233,749	70,299	149,345
SJC Mosquito & Vector Control District	0.5329%	12,964,858	9,055,877	5,833,253	1,965,462	591,102	1,255,753
SJC Historical Society & Museum	0.0576%	1,400,979	978,575	630,339	212,387	63,874	135,696
Mountain House Community Services District	0.5398%	13,131,803	9,172,487	5,908,366	1,990,770	598,713	1,271,923
Local Agency Formation Commission	0.0066%	159,880	111,675	71,934	24,238	7,289	15,486
San Joaquin County Law Library	0.0162%	392,924	274,455	176,788	59,567	17,914	38,058
<b>Total</b>	<b>100.0000%</b>	<b>\$2,432,932,864</b>	<b>\$ 1,699,389,350</b>	<b>\$ 1,094,644,621</b>	<b>\$ 368,830,608</b>	<b>\$ 110,923,725</b>	<b>\$ 235,649,516</b>

\* 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 (4.58 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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**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.

If an employer contributes an amount greater than its 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		Difference	
	12/31/2021	12/31/2022	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share		
County of San Joaquin	92.6416%	92.7057%	\$ 782,071	\$ 67,843	\$ (231,864)	\$ 946,092	\$ 251,236,105	\$ 249,452,620	\$ 1,783,485	
Superior Courts	3.9249%	3.9165%	(102,828)	(8,920)	30,486	(124,394)	10,585,295	10,538,491	46,804	
Manteca-Lathrop Rural Fire Protection District	1.5476%	1.5248%	(278,304)	(24,142)	82,510	(336,671)	3,081,019	4,102,946	(1,021,927)	
Waterloo-Morada Rural Fire Protection District	0.6574%	0.6367%	(252,746)	(21,925)	74,933	(305,753)	1,258,947	1,713,107	(454,160)	
Tracy Public Cemetery District	0.0739%	0.0634%	(128,307)	(11,130)	38,040	(155,217)	136,799	170,531	(33,732)	
SJC Mosquito & Vector Control District	0.5544%	0.5329%	(262,300)	(22,754)	77,765	(317,312)	1,385,696	1,433,901	(48,205)	
SJC Historical Society & Museum	0.0492%	0.0576%	102,812	8,919	(30,481)	124,375	128,106	154,947	(26,840)	
Mountain House Community Services District	0.5338%	0.5398%	73,088	6,340	(21,669)	88,416	1,218,622	1,452,365	(233,743)	
Local Agency Formation Commission	0.0000%	0.0066%	80,120	6,950	(23,754)	96,924	15,955	17,683	(1,727)	
San Joaquin County Law Library	0.0173%	0.0162%	(13,607)	(1,180)	4,034	(16,460)	33,502	43,457	(9,955)	
<b>Total</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 269,080,047</b>	<b>\$ 269,080,047</b>	<b>\$ 0</b>	

\* 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 reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

<b>Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change*</b>								
<b>Employer</b>	<b>Deferred Outflows</b>				<b>Deferred Inflows</b>			
	<b>Current Year</b>		<b>Recognition</b>	<b>12/31/2022</b>	<b>Current Year</b>		<b>Recognition</b>	<b>12/31/2022</b>
	<b>12/31/2021</b>	<b>Net Effect</b>			<b>12/31/2021</b>	<b>Net Effect</b>		
County of San Joaquin	\$ 0	\$ 946,092	\$ 189,218	\$ 756,874	\$ (9,043,277)	\$ 0	\$ (3,474,154)	\$ (5,569,123)
Superior Courts	3,558,414	0	1,318,567	2,239,847	(2,310,241)	(124,394)	(794,959)	(1,639,676)
Manteca-Lathrop Rural Fire Protection District	2,947,683	0	1,326,030	1,621,653	0	(336,671)	(67,334)	(269,337)
Waterloo-Morada Rural Fire Protection District	2,324,926	0	703,428	1,621,498	(33,384)	(305,753)	(94,535)	(244,603)
Tracy Public Cemetery District	195,789	0	67,166	128,623	0	(155,217)	(31,043)	(124,173)
SJC Mosquito & Vector Control District	711,397	0	222,116	489,281	(30,050)	(317,312)	(93,512)	(253,849)
SJC Historical Society & Museum	177,776	124,375	102,802	199,350	(10,272)	0	(3,424)	(6,848)
Mountain House Community Services District	1,474,464	88,416	574,062	988,818	0	0	0	0
Local Agency Formation Commission	0	96,924	19,385	77,539	0	0	0	0
San Joaquin County Law Library	78,125	0	53,263	24,862	(41,349)	(16,460)	(17,075)	(40,734)
<b>Total</b>	<b>\$ 11,468,573</b>	<b>\$ 1,255,807</b>	<b>\$ 4,576,036</b>	<b>\$ 8,148,344</b>	<b>\$(11,468,573)</b>	<b>\$(1,255,807)</b>	<b>\$ (4,576,037)</b>	<b>\$(8,148,344)</b>

\* 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 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	12/31/2022	Current Year		Recognition	12/31/2022
	12/31/2021	Difference			12/31/2021	Difference		
County of San Joaquin	\$ 5,147,151	\$ 1,783,485	\$ 1,874,223	\$ 5,056,413	\$ 0	\$ 0	\$ 0	\$ 0
Superior Courts	623,739	46,804	283,894	386,650	(1,483,048)	0	(480,708)	(1,002,340)
Manteca-Lathrop Rural Fire Protection District	0	0	0	0	(2,383,571)	(1,021,927)	(995,001)	(2,410,498)
Waterloo-Morada Rural Fire Protection District	8,904	0	8,904	0	(870,970)	(454,160)	(341,857)	(983,273)
Tracy Public Cemetery District	0	0	0	0	(87,398)	(33,732)	(33,418)	(87,711)
SJC Mosquito & Vector Control District	2,150	0	717	1,434	(326,199)	(48,205)	(98,086)	(276,318)
SJC Historical Society & Museum	106,567	0	70,336	36,231	(47,673)	(26,840)	(19,053)	(55,460)
Mountain House Community Services District	0	0	0	0	(707,702)	(233,743)	(273,830)	(667,615)
Local Agency Formation Commission	12,062	0	3,016	9,047	0	(1,727)	(345)	(1,382)
San Joaquin County Law Library	23,934	0	7,978	15,956	(17,947)	(9,955)	(6,770)	(21,132)
<b>Total</b>	<b>\$ 5,924,509</b>	<b>\$ 1,830,289</b>	<b>\$ 2,249,068</b>	<b>\$ 5,505,730</b>	<b>\$(5,924,509)</b>	<b>\$(1,830,290)</b>	<b>\$( 2,249,069)</b>	<b>\$(5,505,730)</b>

\* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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.

<b>Table VII-6 Schedule of Employers' Deferred Outflows at December 31, 2022*</b>							
<b>Employer</b>	<b>Adjusted Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>	
County of San Joaquin	92.7057%	\$ 917,807	\$ 53,034,936	\$ 287,974,362	\$ 756,874	\$ 5,056,413	
Superior Courts	3.9165%	38,774	2,240,538	12,165,898	2,239,847	386,650	
Manteca-Lathrop Rural Fire Protection District	1.5248%	15,096	872,308	4,736,543	1,621,653	0	
Waterloo-Morada Rural Fire Protection District	0.6367%	6,303	364,216	1,977,654	1,621,498	0	
Tracy Public Cemetery District	0.0634%	627	36,256	196,866	128,623	0	
SJC Mosquito & Vector Control District	0.5329%	5,276	304,855	1,655,331	489,281	1,434	
SJC Historical Society & Museum	0.0576%	570	32,943	178,875	199,350	36,231	
Mountain House Community Services District	0.5398%	5,344	308,780	1,676,646	988,818	0	
Local Agency Formation Commission	0.0066%	65	3,759	20,413	77,539	9,047	
San Joaquin County Law Library	0.0162%	160	9,239	50,168	24,862	15,956	
<b>Total</b>	<b>100.0000%</b>	<b>\$ 990,022</b>	<b>\$ 57,207,830</b>	<b>\$ 310,632,756</b>	<b>\$ 8,148,344</b>	<b>\$ 5,505,730</b>	

\* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS**

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

<b>Table VII-7 Schedule of Employers' Deferred Inflows at December 31, 2022*</b>							
<b>Employer</b>	<b>Adjusted Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>	
County of San Joaquin	92.7057%	\$ 59,267,495	\$ 43,565,153	\$ 0	\$ 5,569,123	\$ 0	
Superior Courts	3.9165%	2,503,842	1,840,474	0	1,639,676	1,002,340	
Manteca-Lathrop Rural Fire Protection District	1.5248%	974,820	716,551	0	269,337	2,410,498	
Waterloo-Morada Rural Fire Protection District	0.6367%	407,017	299,182	0	244,603	983,273	
Tracy Public Cemetery District	0.0634%	40,517	29,782	0	124,173	87,711	
SJC Mosquito & Vector Control District	0.5329%	340,681	250,421	0	253,849	276,318	
SJC Historical Society & Museum	0.0576%	36,814	27,060	0	6,848	55,460	
Mountain House Community Services District	0.5398%	345,068	253,645	0	0	667,615	
Local Agency Formation Commission	0.0066%	4,201	3,088	0	0	1,382	
San Joaquin County Law Library	0.0162%	10,325	7,589	0	40,734	21,132	
<b>Total</b>	<b>100.0000%</b>	<b>\$63,930,779</b>	<b>\$ 46,992,946</b>	<b>\$ 0</b>	<b>\$ 8,148,344</b>	<b>\$ 5,505,730</b>	

\* Numbers may not sum to total due to rounding.



**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**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.

<b>Table VII-8</b>							
<b>Schedule of Employers' Recognition of Deferred Outflows and Inflows at December 31, 2022*</b>							
<b>Employer</b>	<b>Recognition for Measurement Year Ending</b>						<b>Thereafter</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>		
County of San Joaquin	\$ 24,876,787	\$ 53,829,226	\$ 48,723,755	\$ 111,908,852	\$ 0	\$ 0	
Superior Courts	1,072,364	1,921,609	2,402,231	4,689,172	0	0	
Manteca-Lathrop Rural Fire Protection District	220,505	734,182	359,753	1,559,955	0	0	
Waterloo-Morada Rural Fire Protection District	474,641	624,078	324,077	612,798	0	0	
Tracy Public Cemetery District	18,138	24,465	(755)	38,340	0	0	
SJC Mosquito & Vector Control District	210,793	313,588	243,495	567,032	0	0	
SJC Historical Society & Museum	108,607	71,174	53,324	88,680	0	0	
Mountain House Community Services District	347,586	411,293	335,068	619,313	0	0	
Local Agency Formation Commission	23,853	25,863	25,503	26,933	0	0	
San Joaquin County Law Library	11,881	(5,157)	(237)	14,117	0	0	
<b>Total</b>	<b>\$ 27,365,156</b>	<b>\$ 57,950,320</b>	<b>\$ 52,466,214</b>	<b>\$120,125,193</b>	<b>\$ 0</b>	<b>\$ 0</b>	

\* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS**

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, 2022*									
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	\$ 218,460,602	\$ (3,284,935)	\$ 1,874,223	\$ 217,049,891	\$ 445,934,188	\$ (244,611,450)	\$ (235,508,952)	\$ 251,236,105	\$ 217,049,891
Superior Courts	9,229,188	523,608	(196,814)	9,555,981	18,703,274	(8,738,384)	(10,994,204)	10,585,295	9,555,981
Manteca-Lathrop Rural Fire Protection District	3,593,195	1,258,696	(995,001)	3,856,891	7,043,467	(2,661,074)	(3,606,521)	3,081,019	3,856,891
Waterloo-Morada Rural Fire Protection District	1,500,271	608,893	(332,953)	1,776,211	2,804,321	(940,562)	(1,346,495)	1,258,947	1,776,211
Tracy Public Cemetery District	149,345	36,123	(33,418)	152,049	176,009	(88,424)	(72,336)	136,799	152,049
SJC Mosquito & Vector Control District	1,255,753	128,604	(97,369)	1,286,987	2,296,518	(1,156,267)	(1,238,960)	1,385,696	1,286,987
SJC Historical Society & Museum	135,696	99,378	51,283	286,357	379,317	(111,640)	(109,427)	128,106	286,357
Mountain House Community Services District	1,271,923	574,062	(273,830)	1,572,155	2,664,856	(940,600)	(1,370,723)	1,218,622	1,572,155
Local Agency Formation Commission	15,486	19,385	2,670	37,540	111,675	(98,761)	8,671	15,955	37,540
San Joaquin County Law Library	38,058	36,187	1,208	75,454	63,943	19,935	(41,927)	33,502	75,454
<b>Total</b>	<b>\$ 235,649,516</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 235,649,516</b>	<b>\$ 480,177,569</b>	<b>\$ (259,327,227)</b>	<b>\$ (254,280,874)</b>	<b>\$ 269,080,047</b>	<b>\$ 235,649,516</b>

\* Numbers may not sum to total due to rounding.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2022 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, 2022*									
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	92.7057%	\$ 1,575,431,289	\$ 450,756,542	349.5%	69.4%	\$ 228,713,180	\$ 251,236,105	\$ (22,522,925)	55.7%
Superior Courts	3.9165%	66,556,399	21,567,290	308.6%	67.5%	10,085,295	10,585,295	(500,000)	49.1%
Manteca-Lathrop Rural Fire Protection District	1.5248%	25,912,372	3,737,284	693.3%	65.7%	3,081,019	3,081,019	0	82.4%
Waterloo-Morada Rural Fire Protection District	0.6367%	10,819,220	1,498,210	722.1%	65.7%	1,258,947	1,258,947	0	84.0%
Tracy Public Cemetery District	0.0634%	1,077,001	330,787	325.6%	65.7%	136,799	136,799	0	41.4%
SJC Mosquito & Vector Control District	0.5329%	9,055,877	2,927,353	309.4%	67.4%	1,295,696	1,385,696	(90,000)	47.3%
SJC Historical Society & Museum	0.0576%	978,575	300,672	325.5%	65.7%	128,106	128,106	0	42.6%
Mountain House Community Services District	0.5398%	9,172,487	2,818,964	325.4%	65.7%	1,218,622	1,218,622	0	43.2%
Local Agency Formation Commission	0.0066%	111,675	34,460	324.1%	65.7%	15,955	15,955	0	46.3%
San Joaquin County Law Library	0.0162%	274,455	84,191	326.0%	65.7%	33,502	33,502	0	39.8%
<b>Total</b>	<b>100.0000%</b>	<b>\$ 1,699,389,350</b>	<b>\$ 484,055,752</b>	<b>351.1%</b>	<b>69.2%</b>	<b>\$ 245,967,122</b>	<b>\$ 269,080,047</b>	<b>\$ (23,112,925)</b>	<b>55.6%</b>

\* Numbers may not sum to total due to rounding.

County of San Joaquin made additional contributions of \$22,522,925.

Superior Courts made additional contributions of \$500,000.

SJC Mosquito & Vector Control District made additional contributions of \$90,000.

## 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*