CHEIRON *Classic Values, Innovative Advice*

Santa Barbara County Employees' Retirement System

GASB 67/68 Report as of June 30, 2022

Produced by Cheiron

November 2022

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Via Electronic Mail

November 28, 2022

Board of Retirement
Santa Barbara County Employees' Retirement System
130 Robin Hill Road, Suite 100
Goleta, California 93117

Dear Members of the Board,

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Santa Barbara County Employees' Retirement System (SBCERS) and under GASB 68 for participating employers. This information includes:

- Determination of the discount rate as of June 30, 2022,
- Projection of SBCERS's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SBCERS,
- 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

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

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

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the Santa Barbara County Employees' Retirement System (SBCERS) is June 30, 2022. Measurements are based on the fair value of assets as of June 30, 2022 and the Total Pension Liability as of the valuation date, June 30, 2021, updated to June 30, 2022. To the best of our knowledge, there were no significant events between the valuation date and the measurement date so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments.

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

Table I-1
Summary of Collective Results

	Measurement Date 6/30/2022	6/30/2021
Net Pension Liability	$ 744,357,231	$ 472,152,203
Deferred Outflows	(50,477,971)	(73,058,526)
Deferred Inflows	9,383,856	385,598,228
Net Impact on Statement of Net Position	$ 703,263,116	$ 784,691,905
Pension Expense ($ Amount)	$ 79,959,091	$ 57,911,437
Pension Expense (% of Payroll)	20.23%	14.94%

The Net Pension Liability (NPL) increased by approximately $272 million since the prior measurement date due to investment income being less than expected. The asset losses were slightly offset by liability experience gains. The investment losses are recognized over five years, and the actuarial liability gain is recognized over the average remaining service life as of the beginning of the measurement period, which is also five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, the participating employers in SBCERS would report a Net Pension Liability (TPL) of $744,357,231, collective Deferred Inflows of $9,383,856 and collective Deferred Outflows of $50,477,971. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SBCERS would be $703,263,116 at the end of the measurement year. 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 June 30, 2022, the collective annual pension expense is $79,959,091 or 20.23% of covered payroll. This amount is not related to participating employers' contributions to SBCERS ($161,387,880), but instead represents the change in the

SECTION I – BOARD SUMMARY

net impact on participating employer's Statements of Net Position plus employer contributions ($703,263,116 – $784,691,905 + $161,387,880).

The collective pension expense of $80.0 million is about $22.0 million more than the collective expense of $57.9 million for 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. A breakdown of the components of the net pension expense is shown in Table VI-5.

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Santa Barbara County Employees' Retirement System (SBCERS) and under GASB 68 for the employers that participate in SBCERS. This report is for the use of SBCERS, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. 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. This report is not appropriate for other purposes, including the measurement of funding requirements for SBCERS.

In preparing our report, we relied on information (some oral and some written) supplied by SBCERS. 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 and 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.

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

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

SECTION III – DETERMINATION OF DISCOUNT RATE

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

The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the required rates. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the June 30, 2021 actuarial valuation. That policy includes contributions equal to the actuarially determined contribution, reflecting a payment equal to the employers' share of the annual normal cost, a portion of the expected administrative expenses, an amortization payment for the creation of Safety Plan 6 over a closed period (seven years remaining as of the June 30, 2021 actuarial valuation), and an amount necessary to amortize the Unfunded Actuarial Liability as of June 30, 2013 as a level percentage of payroll over a closed period (nine years remaining as of the June 30, 2021 actuarial valuation). Changes in the Unfunded Actuarial Liability established after June 30, 2013 are amortized over separate 19-year closed periods, reflecting a five-year ramp-up and ramp-down in the amortization payment.

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.

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2022 is measured as of a valuation date of June 30, 2021 and projected to June 30, 2022.

There were no significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of June 30, 2020 and projected to June 30, 2021, the TPL from the prior report will not match the amounts measured as of June 30, 2021 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus 1% 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, 6/30/2021			
Actives	$ 1,891,627,475	$ 1,585,514,624	$ 1,340,835,333
Deferred Vested	223,533,377	185,767,587	156,625,184
Retirees	2,971,508,412	2,689,709,159	2,451,976,089
Total	**$ 5,086,669,264**	**$ 4,460,991,370**	**$ 3,949,436,606**
Service Cost	113,281,889	87,648,293	68,697,587
Benefit Payments	215,316,423	215,316,423	215,316,423
Interest	302,183,707	307,876,585	310,203,001
Collective Total Pension Liability, 6/30/2022	**$ 5,286,818,437**	**$ 4,641,199,825**	**$ 4,113,020,771**

SECTION V – GASB 67 REPORTING INFORMATION

Note Disclosures

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

Table V-1
Change in Collective Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2021	$ 4,463,050,962	$ 3,990,898,759	$ 472,152,203
Changes for the year:			
Service cost	87,648,293		87,648,293
Interest	308,020,757		308,020,757
Changes of benefits	0		0
Differences between expected and actual experience	(2,203,764)		(2,203,764)
Changes of assumptions	0		0
Contributions - employer		161,387,880	(161,387,880)
Contributions - member		36,564,382	(36,564,382)
Net investment income		(70,529,939)	70,529,939
Benefit payments	(215,316,423)	(215,316,423)	0
Administrative expense		(6,162,065)	6,162,065
Net changes	178,148,863	(94,056,165)	272,205,028
Balances at 6/30/2022	$ 4,641,199,825	$ 3,896,842,594	$ 744,357,231

During the measurement year, the collective NPL increased by approximately $272 million. The service cost, interest cost, administrative expense, and investment losses increased the collective NPL by approximately $472 million while contributions decreased the collective NPL by approximately $198 million.

There were no changes in benefits or assumptions during the year. There were liability experience gains during the year of approximately $2 million.

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.

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	$5,286,818,437	$4,641,199,825	$4,113,020,771
Plan Fiduciary Net Position	3,896,842,594	3,896,842,594	3,896,842,594
Collective Net Pension Liability	$1,389,975,843	$ 744,357,231	$ 216,178,177
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.7%	84.0%	94.7%

A 1% decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 87%. A 1% increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 71%.

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
Total Pension Liability					
Service cost (MOY)	$ 87,648,293	$ 74,649,576	$ 82,913,658	$ 76,925,229	$ 77,631,214
Interest (includes interest on service cost)	308,020,757	294,307,928	279,193,137	267,007,517	256,693,981
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(2,203,764)	30,956,706	39,324,612	23,496,946	(10,744,379)
Changes of assumptions	0	19,124,517	(7,455,037)	0	(29,738,803)
Benefit payments, including refunds of member contributions	(215,316,423)	(205,659,096)	(195,646,596)	(182,255,779)	(169,750,854)
Net change in total pension liability	**$ 178,148,863**	**$ 213,379,631**	**$ 198,329,774**	**$ 185,173,913**	**$ 124,091,159**
Total pension liability - beginning	**4,463,050,962**	**4,249,671,331**	**4,051,341,557**	**3,866,167,644**	**3,742,076,485**
Total pension liability - ending	**$ 4,641,199,825**	**$ 4,463,050,962**	**$ 4,249,671,331**	**$ 4,051,341,557**	**$ 3,866,167,644**
Plan fiduciary net position					
Contributions - employer	$ 161,387,880	$ 150,093,122	$ 141,584,585	$ 133,707,646	$ 131,374,191
Contributions - member	36,564,382	35,520,188	31,618,487	26,604,850	22,533,426
Net investment income	(70,529,939)	822,707,406	24,764,652	224,842,953	223,314,534
Benefit payments, including refunds of member contributions	(215,316,423)	(205,659,096)	(195,646,596)	(182,255,779)	(169,750,854)
Administrative expense	(6,162,065)	(5,694,827)	(6,523,218)	(6,784,124)	(6,350,670)
Net change in plan fiduciary net position	**$ (94,056,165)**	**$ 796,966,794**	**$ (4,202,090)**	**$ 196,115,545**	**$ 201,120,626**
Plan fiduciary net position - beginning	**3,990,898,759**	**3,193,931,965**	**3,198,134,055**	**3,002,018,510**	**2,800,897,884**
Plan fiduciary net position - ending	**$ 3,896,842,594**	**$ 3,990,898,759**	**$ 3,193,931,965**	**$ 3,198,134,055**	**$ 3,002,018,510**
Net pension liability - ending	**$ 744,357,231**	**$ 472,152,204**	**$ 1,055,739,366**	**$ 853,207,502**	**$ 864,149,134**
Plan fiduciary net position as a percentage of the total pension liability	83.96%	89.42%	75.16%	78.94%	77.65%
Covered payroll	$ 395,157,044	$ 387,643,812	$ 373,128,834	$ 355,417,284	$ 344,511,724
Net pension liability as a percentage of covered payroll	188.37%	121.80%	282.94%	240.06%	250.83%

SECTION V – GASB 67 REPORTING INFORMATION

Table V-3
Schedule of Changes in Collective Net Pension Liability and Related Ratios

	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability				
Service cost (MOY)	$ 77,134,575	$ 71,218,683	$ 70,056,133	$ 66,696,324
Interest (includes interest on service cost)	250,123,638	241,733,937	231,804,221	220,238,560
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	(42,042,601)	(31,199,455)	(27,900,755)	0
Changes of assumptions	215,838,076	0	0	0
Benefit payments, including refunds of member contributions	(154,229,432)	(146,657,716)	(137,771,219)	(131,100,585)
Net change in total pension liability	**$ 346,824,256**	**$ 135,095,449**	**$ 136,188,380**	**$ 155,834,299**
Total pension liability - beginning	**3,395,252,229**	**3,260,156,781**	**3,123,968,401**	**2,968,134,102**
Total pension liability - ending	**$ 3,742,076,485**	**$ 3,395,252,229**	**$3,260,156,781**	**$3,123,968,401**
Plan fiduciary net position				
Contributions - employer	$ 121,990,986	$ 122,748,021	$ 123,612,352	$ 119,227,652
Contributions - member	20,319,910	18,311,646	16,622,138	14,514,010
Net investment income	264,010,886	32,800,406	20,840,287	328,852,388
Benefit payments, including refunds of member contributions	(154,229,432)	(146,657,716)	(137,771,219)	(131,100,585)
Administrative expense	(5,732,988)	(5,192,807)	(4,404,342)	(4,288,603)
Net change in plan fiduciary net position	**$ 246,359,361**	**$ 22,009,549**	**$ 18,899,215**	**$ 327,204,862**
Plan fiduciary net position - beginning	**2,554,538,523**	**2,532,528,974**	**2,513,629,759**	**2,186,424,897**
Plan fiduciary net position - ending	**$ 2,800,897,884**	**$ 2,554,538,523**	**$2,532,528,974**	**$2,513,629,759**
Net pension liability - ending	**$ 941,178,601**	**$ 840,713,706**	**$ 727,627,806**	**$ 610,338,642**
Plan fiduciary net position as a percentage of the total pension liability	74.85%	75.24%	77.68%	80.46%
Covered payroll	$ 341,097,962	$ 328,934,766	$ 319,547,370	$ 307,421,818
Net pension liability as a percentage of covered payroll	275.93%	255.59%	227.71%	198.53%

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 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Actuarially Determined Contribution	$ 161,387,880	$ 150,093,122	$ 141,584,585	$ 133,707,646	$ 131,374,191
Contributions in Relation to the Actuarially Determined Contribution	161,387,880	150,093,122	141,584,585	133,707,646	131,374,191
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 395,157,044	$ 387,643,812	$ 373,128,834	$ 355,417,284	$ 344,511,724
Contributions as a Percentage of Covered Payroll	40.84%	38.72%	37.95%	37.62%	38.13%

	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013
Actuarially Determined Contribution	$ 121,990,986	$ 122,748,021	$ 123,612,352	$ 119,227,652	$ 110,582,703
Contributions in Relation to the Actuarially Determined Contribution	121,990,986	122,748,021	123,612,352	119,227,652	110,582,703
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 341,097,962	$ 328,934,766	$ 319,547,370	$ 307,421,818	$ 302,708,314
Contributions as a Percentage of Covered Payroll	35.76%	37.32%	38.68%	38.78%	36.53%

SECTION V – GASB 67 REPORTING INFORMATION

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

Notes to Schedule

Valuation Date	6/30/2020
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:	
Actuarial cost method	Entry Age
Asset valuation method	Market Value
Amortization method	As of the June 30, 2013 valuation, the unfunded actuarial liability was amortized over a closed 17-year period as a level percentage of payroll, except for the Safety Plan 6 liability, which is amortized over a separate closed period (eight years as of 2020). Effective with the June 30, 2014 valuation, any additional sources of UAL due to actuarial gains and losses, assumption changes, or method changes are amortized over a closed 19-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 10 years of level payments as a percentage of payroll.
Discount rate	7.00%, net of investment expenses
Amortization growth rate	3.00%
Price inflation	2.75%
Salary increase	3.00% plus merit component based on employee classification and years of service.
Mortality	Sex distinct Public 2010 General Above-Median Income and Safety Healthy Annuity Mortality Tables, with generational mortality improvements projected from 2010 using Projections Scale MP-2019, without adjustment.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2022 can be found in the June 30, 2020 actuarial valuation report.

SECTION VI – GASB 68 COLLECTIVE INFORMATION

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

The 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 and the total amount recognized thereafter.

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	$ 39,003,260	$ 1,763,011
Changes in assumptions	11,474,711	2,982,016
Net difference between projected and actual earnings on pension plan investments	0	4,638,829
Total	**$ 50,477,971**	**$ 9,383,856**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended June 30:	
2023	6,945,484
2024	5,384,114
2025	(40,611,404)
2026	69,375,921
2027	0
Thereafter	$ 0

The tables on the following pages 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 four years, as well as the total for any years thereafter.

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-2
Recognition of Experience (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2022	2023	2024	2025	2026	Thereafter
2022	5.0	$ (2,203,764)	$ (2,203,764)	$ (1,763,011)	$ (440,753)	$ (440,753)	$ (440,753)	$ (440,753)	$ (440,752)	$ 0
2021	5.0	30,956,706	24,765,365	18,574,024	6,191,341	6,191,341	6,191,341	6,191,342	0	0
2020	5.0	39,324,612	23,594,768	15,729,846	7,864,922	7,864,922	7,864,924	0	0	0
2019	5.0	23,496,946	9,398,779	4,699,390	4,699,389	4,699,390	0	0	0	0
2018	5.0	(10,744,379)	(2,148,876)	0	(2,148,876)	0	0	0	0	0
Deferred Outflows			57,758,912	39,003,260	18,755,652	18,755,653	14,056,265	6,191,342	0	0
Deferred (Inflows)			(4,352,640)	(1,763,011)	(2,589,629)	(440,753)	(440,753)	(440,753)	(440,752)	0
Net Change in Pension Expense			$ 53,406,272	$ 37,240,249	$ 16,166,023	$ 18,314,900	$ 13,615,512	$ 5,750,589	$ (440,752)	$ 0

Table VI-3
Recognition of Assumption Changes

Change Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2022	2023	2024	2025	2026	Thereafter
2022	5.0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2021	5.0	19,124,517	15,299,614	11,474,711	3,824,903	3,824,903	3,824,903	3,824,905	0	0
2020	5.0	(7,455,037)	(4,473,023)	(2,982,016)	(1,491,007)	(1,491,007)	(1,491,009)	0	0	0
2019	5.0	0	0	0	0	0	0	0	0	0
2018	5.0	(29,738,803)	(5,947,761)	0	(5,947,761)	0	0	0	0	0
Deferred Outflows			15,299,614	11,474,711	3,824,903	3,824,903	3,824,903	3,824,905	0	0
Deferred (Inflows)			(10,420,784)	(2,982,016)	(7,438,768)	(1,491,007)	(1,491,009)	0	0	0
Net Change in Pension Expense			$ 4,878,830	$ 8,492,695	$ (3,613,865)	$ 2,333,896	$ 2,333,894	$ 3,824,905	$ 0	$ 0

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	Thereafter
2022	5.0	$ 349,083,361	$ 349,083,361	$ 279,266,689	$ 69,816,672	$ 69,816,672	$ 69,816,672	$ 69,816,672	$ 69,816,673	$ 0
2021	5.0	(600,017,854)	(480,014,283)	(360,010,712)	(120,003,571)	(120,003,571)	(120,003,571)	(120,003,570)	0	0
2020	5.0	198,108,043	118,864,825	79,243,216	39,621,609	39,621,609	39,621,607	0	0	0
2019	5.0	(15,690,110)	(6,276,044)	(3,138,022)	(3,138,022)	(3,138,022)	0	0	0	0
2018	5.0	(28,015,330)	(5,603,066)	0	(5,603,066)	0	0	0	0	0
Net Change in Pension Expense			$ (23,945,207)	$ (4,638,829)	$ (19,306,378)	$ (13,703,312)	$ (10,565,292)	$ (50,186,898)	$ 69,816,673	$ 0

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 SBCERS and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

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

Table VI-5
Calculation of Collective Pension Expense

	Measurement Year Ending 2022	2021
Change in Net Pension Liability	$ 272,205,028	$ (583,587,163)
Change in Deferred Outflows	22,580,555	136,373,074
Change in Deferred Inflows	(376,214,372)	355,032,404
Employer Contributions	161,387,880	150,093,122
Pension Expense	**$ 79,959,091**	**$ 57,911,437**
Pension Expense as % of Payroll	**20.23%**	**14.94%**
Operating Expenses		
Service cost	$ 87,648,293	$ 74,649,576
Employee contributions	(36,564,382)	(35,520,188)
Administrative expenses	6,162,065	5,694,827
Total	$ 57,245,976	$ 44,824,215
Financing Expenses		
Interest cost	$ 308,020,757	$ 294,307,928
Expected return on assets	(278,553,422)	(222,689,553)
Total	$ 29,467,335	$ 71,618,375
Changes		
Benefit changes	$ 0	$ 0
Recognition of assumption changes	(3,613,865)	39,553,750
Recognition of liability gains and losses	16,166,023	8,198,256
Recognition of investment gains and losses	(19,306,378)	(106,283,159)
Total	$ (6,754,220)	$ (58,531,153)
Pension Expense	**$ 79,959,091**	**$ 57,911,437**

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating SBCERS 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 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 from the prior year by about $22.0 million. The financing expenses decreased by approximately $42.2 million while the operating expenses and recognition of the changes increased by approximately $12.4 million and $51.8 million, respectively.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

GASB 68 requires that the proportionate share for each employer 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 SBCERS's GASB 67 reporting requirements, SBCERS is following the advice of the AICPA and making a determination of each employer's proportionate share, which will be reviewed by SBCERS's auditor.

Proportionate shares for each participating employer are determined based on the ratio of each participating employer's assigned Unfunded Liability amortization payments to SBCERS during the measurement year to the sum of the actual Unfunded Liability amortization payments for all participating employers. Separate amortization rates are used for General, Safety, and APCD employees. In Table VII-1a on the next page, each employer's amortization share as of June 30, 2022 is determined by multiplying the actual pensionable payroll for the current fiscal year by the employer's amortization rate from the most recent actuarial valuation report (the report as of June 30, 2021). The same methodology was used for calculating proportionate shares as of June 30, 2021.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Table VII-1a
Determination of Employers' Proportionate Share (as of June 30, 2022)

Employer	Unfunded Liability Amortization Rate (from the June 30, 2021 Actuarial Valuation)			Pensionable Payroll			Amortization Share (Rate x Pay)	Proportionate Share
	Safety Plan 4 & 8	Safety Plan 6	General	Safety Plan 4 & 8	Safety Plan 6	General		
Santa Barbara County	30.72%	36.41%	22.95%	$ 76,234,463	$ 28,014,308	262,945,763	$ 93,965,289	93.0133%
Courts			22.95%	0	0	15,609,409	3,582,359	3.5461%
Carp-Summerland Fire	30.72%		22.95%	3,900,017	0	630,335	1,342,747	1.3291%
Air Pollution Control			33.67%	0	0	3,508,514	1,181,317	1.1694%
SBC Assoc of Govts			22.95%	0	0	2,245,455	515,332	0.5101%
Santa Maria Cemetery			22.95%	0	0	409,652	94,015	0.0931%
Summerland Sanitary			22.95%	0	0	420,228	96,442	0.0955%
Mosq Vector Mgmt			22.95%	0	0	421,688	96,777	0.0958%
Goleta Cemetery			22.95%	0	0	322,189	73,942	0.0732%
Oak Hill Cemetery			22.95%	0	0	179,029	41,087	0.0407%
Carpinteria Cemetery			22.95%	0	0	148,193	34,010	0.0337%
LAFCO			0.00%	0	0	167,800	0	0.0000%
Total				**$ 80,134,480**	**$ 28,014,308**	**$ 287,008,256**	**$ 101,023,317**	**100.0000%**

Table VII-1b
Determination of Employers' Proportionate Share (as of June 30, 2021)

Employer	Unfunded Liability Amortization Rate (from the June 30, 2020 Actuarial Valuation)			Pensionable Payroll			Amortization Share (Rate x Pay)	Proportionate Share
	Safety Plan 4 & 8	Safety Plan 6	General	Safety Plan 4 & 8	Safety Plan 6	General		
Santa Barbara County	34.21%	39.44%	24.59%	$ 72,437,107	$ 29,733,050	258,694,329	$ 100,120,385	93.0976%
Courts			24.59%	0	0	14,702,416	3,615,324	3.3617%
Carp-Summerland Fire	34.21%		24.59%	3,741,485	0	634,274	1,435,930	1.3352%
Air Pollution Control			38.53%	0	0	3,430,926	1,321,936	1.2292%
SBC Assoc of Govts			24.59%	0	0	2,345,271	576,702	0.5362%
Santa Maria Cemetery			24.59%	0	0	410,460	100,932	0.0939%
Summerland Sanitary			24.59%	0	0	397,580	97,765	0.0909%
Mosq Vector Mgmt			24.59%	0	0	403,399	99,196	0.0922%
Goleta Cemetery			24.59%	0	0	288,219	70,873	0.0659%
Oak Hill Cemetery			24.59%	0	0	169,189	41,604	0.0387%
Carpinteria Cemetery			24.59%	0	0	148,750	36,578	0.0340%
LAFCO			24.59%	0	0	107,356	26,399	0.0245%
Total				**$ 76,178,592**	**$ 29,733,050**	**$ 281,732,170**	**$ 107,543,624**	**100.0000%**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2022.

Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2022

Employer	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
Santa Barbara County	93.0133%	1,292,862,401	692,351,224	201,074,456	46,951,227	8,728,234	74,372,589
Courts	3.5461%	49,289,933	26,395,652	7,665,894	1,789,999	332,761	2,835,429
Carp-Summerland Fire	1.3291%	18,474,169	9,893,252	2,873,224	670,903	124,721	1,062,736
Air Pollution Control	1.1694%	16,254,378	8,704,513	2,527,988	590,289	109,735	935,042
SBC Assoc of Govts	0.5101%	7,090,267	3,796,966	1,102,725	257,488	47,867	407,871
Santa Maria Cemetery	0.0931%	1,294,068	692,997	201,262	46,995	8,736	74,442
Summerland Sanitary	0.0955%	1,327,427	710,861	206,450	48,206	8,962	76,361
Mosq Vector Mgmt	0.0958%	1,331,597	713,094	207,099	48,358	8,990	76,601
Goleta Cemetery	0.0732%	1,017,462	544,869	158,242	36,950	6,869	58,530
Oak Hill Cemetery	0.0407%	565,720	302,953	87,985	20,545	3,819	32,543
Carpinteria Cemetery	0.0337%	468,422	250,848	72,852	17,011	3,162	26,946
LAFCO	0.0000%	0	0	0	0	0	0
Total	**100.0000%**	**$ 1,389,975,843**	**$ 744,357,231**	**$ 216,178,177**	**$ 50,477,971**	**$ 9,383,856**	**$ 79,959,091**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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 SBCERS's active and inactive members as of the beginning of the measurement period (five years).

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 SBCERS's active and inactive members (five years).

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

	Proportionate Shares		Impact of Change in Proportion				Contributions		
Employer	6/30/2021	6/30/2022	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
Santa Barbara County	93.0976%	93.0133%	$ (398,024)	$ (61,588)	$ 325,059	$ (661,495)	$ 149,818,040	$ 150,112,193	$ (294,153)
Courts	3.3617%	3.5461%	870,649	134,720	(711,043)	1,446,972	5,859,069	5,722,976	136,094
Carp-Summerland Fire	1.3352%	1.3291%	(28,801)	(4,457)	23,521	(47,866)	2,399,455	2,145,006	254,449
Air Pollution Control	1.2292%	1.1694%	(282,347)	(43,689)	230,588	(469,246)	1,761,473	1,887,270	(125,797)
SBC Assoc of Govts	0.5362%	0.5101%	(123,232)	(19,068)	100,641	(204,805)	824,450	823,240	1,211
Santa Maria Cemetery	0.0939%	0.0931%	(3,777)	(584)	3,085	(6,278)	147,195	150,252	(3,058)
Summerland Sanitary	0.0909%	0.0955%	21,719	3,361	(17,738)	36,096	160,009	154,125	5,884
Mosq Vector Mgmt	0.0922%	0.0958%	16,997	2,630	(13,882)	28,249	170,522	154,610	15,912
Goleta Cemetery	0.0659%	0.0732%	34,467	5,333	(28,149)	57,283	115,086	118,136	(3,050)
Oak Hill Cemetery	0.0387%	0.0407%	9,443	1,461	(7,712)	15,694	61,863	65,685	(3,822)
Carpinteria Cemetery	0.0340%	0.0337%	(1,416)	(219)	1,157	(2,354)	55,850	54,388	1,462
LAFCO	0.0245%	0.0000%	(115,677)	(17,899)	94,472	(192,250)	14,867	0	14,867
Total	**100.0000%**	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 161,387,880**	**$ 161,387,880**	**$ 0**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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

Table VII-4
Reconciliation of Deferred Outflows and Inflows Due to Proportion Change

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2021	Current Year Net Effect	Recognition	6/30/2022	6/30/2021	Current Year Net Effect	Recognition	6/30/2022
Santa Barbara County	$ 3,186,397	$ 0	$ 959,129	$ 2,227,268	$ (1,408,445)	$ (661,495)	$ (1,038,005)	$ (1,031,935)
Courts	549,219	1,446,972	769,427	1,226,763	(2,706,125)	0	(700,536)	(2,005,589)
Carp-Summerland Fire	386,247	0	209,390	176,857	(197,171)	(47,866)	(75,297)	(169,740)
Air Pollution Control	1,223,069	0	437,914	785,155	(1,394,942)	(469,246)	(628,257)	(1,235,930)
SBC Assoc of Govts	403,777	0	148,224	255,553	(117,640)	(204,805)	(103,969)	(218,475)
Santa Maria Cemetery	29,540	0	20,596	8,944	(19,398)	(6,278)	(8,720)	(16,956)
Summerland Sanitary	43,294	36,096	37,905	41,485	(92,171)	0	(26,105)	(66,065)
Mosq Vector Mgmt	38,437	28,249	20,937	45,749	(75,960)	0	(29,785)	(46,175)
Goleta Cemetery	4,702	57,283	15,496	46,488	(22,114)	0	(8,602)	(13,512)
Oak Hill Cemetery	8,533	15,694	7,308	16,918	(20,488)	0	(10,244)	(10,244)
Carpinteria Cemetery	19,417	0	9,192	10,225	(10,043)	(2,354)	(10,514)	(1,883)
LAFCO	171,867	0	42,967	128,900	0	(192,250)	(38,450)	(153,800)
Total	**$ 6,064,497**	**$ 1,584,293**	**$ 2,678,484**	**$ 4,970,306**	**$ (6,064,497)**	**$ (1,584,293)**	**$ (2,678,484)**	**$ (4,970,306)**

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 6/30/2021	Deferred Outflows Current Year Difference	Deferred Outflows Recognition	Deferred Outflows 6/30/2022	Deferred Inflows 6/30/2021	Deferred Inflows Current Year Difference	Deferred Inflows Recognition	Deferred Inflows 6/30/2022
Santa Barbara County	$ 199,577	$ 0	$ 138,941	$ 60,636	$ (205,778)	$ (294,153)	$ (121,519)	$ (378,413)
Courts	189,691	136,094	85,967	239,818	(29,300)	0	(29,300)	0
Carp-Summerland Fire	317,462	254,449	163,612	408,298	0	0	0	0
Air Pollution Control	0	0	0	0	(483,048)	(125,797)	(244,592)	(364,253)
SBC Assoc of Govts	19,397	1,211	5,958	14,650	(13,837)	0	(7,171)	(6,666)
Santa Maria Cemetery	3,913	0	1,648	2,265	(740)	(3,058)	(1,052)	(2,746)
Summerland Sanitary	675	5,884	1,402	5,157	(2,478)	0	(1,778)	(700)
Mosq Vector Mgmt	24,871	15,912	11,583	29,200	0	0	0	0
Goleta Cemetery	0	0	0	0	(1,651)	(3,050)	(1,572)	(3,129)
Oak Hill Cemetery	1,448	0	488	960	(226)	(3,822)	(877)	(3,171)
Carpinteria Cemetery	1,468	1,462	680	2,250	(46)	0	(42)	(4)
LAFCO	0	14,867	2,973	11,893	(21,397)	0	(5,349)	(16,048)
Total	**$ 758,501**	**$ 429,879**	**$ 413,251**	**$ 775,128**	**$ (758,501)**	**$ (429,879)**	**$ (413,251)**	**$ (775,128)**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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

Table VII-6
Schedule of Employers' Deferred Outflows at June 30, 2022

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	93.0133%	$ 36,278,219	$ 10,673,007	$ 0	$ 2,227,268	$ 60,636
Courts	3.5461%	1,383,095	406,905	0	1,226,763	239,818
Carp-Summerland Fire	1.3291%	518,392	152,510	0	176,857	408,298
Air Pollution Control	1.1694%	456,104	134,185	0	785,155	0
SBC Assoc of Govts	0.5101%	198,956	58,533	0	255,553	14,650
Santa Maria Cemetery	0.0931%	36,312	10,683	0	8,944	2,265
Summerland Sanitary	0.0955%	37,248	10,958	0	41,485	5,157
Mosq Vector Mgmt	0.0958%	37,365	10,993	0	45,749	29,200
Goleta Cemetery	0.0732%	28,550	8,399	0	46,488	0
Oak Hill Cemetery	0.0407%	15,874	4,670	0	16,918	960
Carpinteria Cemetery	0.0337%	13,144	3,867	0	10,225	2,250
LAFCO	0.0000%	0	0	0	128,900	11,893
Total	**100.0000%**	**$ 39,003,260**	**$ 11,474,711**	**$ 0**	**$ 4,970,306**	**$ 775,128**

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.

Table VII-7
Schedule of Employers' Deferred Inflows at June 30, 2022

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	93.0133%	$ 1,639,835	$ 2,773,671	$ 4,314,728	$ 1,031,935	$ 378,413
Courts	3.5461%	62,518	105,745	164,498	2,005,589	0
Carp-Summerland Fire	1.3291%	23,432	39,634	61,655	169,740	0
Air Pollution Control	1.1694%	20,617	34,872	54,246	1,235,930	364,253
SBC Assoc of Govts	0.5101%	8,993	15,211	23,663	218,475	6,666
Santa Maria Cemetery	0.0931%	1,641	2,776	4,319	16,956	2,746
Summerland Sanitary	0.0955%	1,684	2,848	4,430	66,065	700
Mosq Vector Mgmt	0.0958%	1,689	2,857	4,444	46,175	0
Goleta Cemetery	0.0732%	1,291	2,183	3,396	13,512	3,129
Oak Hill Cemetery	0.0407%	718	1,214	1,888	10,244	3,171
Carpinteria Cemetery	0.0337%	594	1,005	1,563	1,883	4
LAFCO	0.0000%	0	0	0	153,800	16,048
Total	**100.0000%**	**$ 1,763,011**	**$ 2,982,016**	**$ 4,638,829**	**$ 4,970,306**	**$ 775,128**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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

Table VII-8
Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2022

Employer	Recognition for Measurement Year Ending 2023	2024	2025	2026	2027	Thereafter
Santa Barbara County	$ 6,723,433	$ 5,713,253	$ (37,673,841)	$ 64,337,704	$ 0	$ 0
Courts	(9,696)	(149,657)	(1,699,170)	2,776,753	0	0
Carp-Summerland Fire	276,633	148,116	(426,544)	963,392	0	0
Air Pollution Control	(182,119)	(371,123)	(473,504)	692,274	0	0
SBC Assoc of Govts	114,667	18,810	(191,963)	313,168	0	0
Santa Maria Cemetery	1,665	2,173	(36,795)	62,722	0	0
Summerland Sanitary	1,477	(12,552)	(44,452)	74,650	0	0
Mosq Vector Mgmt	1,012	10,963	(19,127)	75,294	0	0
Goleta Cemetery	7,337	12,366	(21,404)	61,630	0	0
Oak Hill Cemetery	(2,803)	6,919	(13,537)	30,610	0	0
Carpinteria Cemetery	11,738	2,705	(13,208)	23,201	0	0
LAFCO	2,141	2,141	2,141	(35,477)	0	0
Total	**$ 6,945,484**	**$ 5,384,114**	**$ (40,611,404)**	**$ 69,375,921**	**$ 0**	**$ 0**

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 June 30, 2022

Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer Net Pension Liability	Change in Employer Deferred Outflows	Change in Employer Deferred Inflows	Employer Contributions	Employer Pension Expense
Santa Barbara County	$ 74,372,589	$ (78,876)	$ 17,422	$ 74,311,135	$ 252,788,855	$ 22,162,577	$ (350,458,337)	$ 149,818,040	$ 74,311,135
Courts	2,835,429	68,891	56,667	2,960,987	10,523,311	(61,663)	(13,359,731)	5,859,069	2,960,987
Carp-Summerland Fire	1,062,736	134,093	163,612	1,360,442	3,589,076	423,128	(5,051,217)	2,399,455	1,360,442
Air Pollution Control	935,042	(190,344)	(244,592)	500,106	2,900,819	745,660	(4,907,845)	1,761,473	500,106
SBC Assoc of Govts	407,871	44,255	(1,213)	450,913	1,265,286	287,223	(1,926,046)	824,450	450,913
Santa Maria Cemetery	74,442	11,876	597	86,915	249,646	43,851	(353,777)	147,195	86,915
Summerland Sanitary	76,361	11,800	(376)	87,784	281,675	15,531	(369,430)	160,009	87,784
Mosq Vector Mgmt	76,601	(8,848)	11,583	79,336	277,770	7,361	(376,317)	170,522	79,336
Goleta Cemetery	58,530	6,894	(1,572)	63,853	233,721	(30,591)	(254,364)	115,086	63,853
Oak Hill Cemetery	32,543	(2,936)	(390)	29,218	120,230	(169)	(152,707)	61,863	29,218
Carpinteria Cemetery	26,946	(1,322)	637	26,262	90,317	16,238	(136,143)	55,850	26,262
LAFCO	0	4,517	(2,376)	2,141	(115,677)	48,973	53,979	14,867	2,141
Total	**$ 79,959,091**	**$ 0**	**$ 0**	**$ 79,959,092**	**$ 272,205,028**	**$ 23,658,119**	**$ (377,291,936)**	**$ 161,387,880**	**$ 79,959,092**

Numbers may not add due to rounding

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 June 30, 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
Santa Barbara County	93.0133%	$ 692,351,224	$ 367,194,534	188.6%	84.0%	$ 149,818,040	$ 149,818,040	$ 0	40.8%
Courts	3.5461%	26,395,652	15,609,409	169.1%	84.0%	5,859,069	5,859,069	0	37.5%
Carp-Summerland Fire	1.3291%	9,893,252	4,530,351	218.4%	84.0%	2,399,455	2,399,455	0	53.0%
Air Pollution Control	1.1694%	8,704,513	3,508,514	248.1%	84.0%	1,761,473	1,761,473	0	50.2%
SBC Assoc of Govts	0.5101%	3,796,966	2,245,455	169.1%	84.0%	824,450	824,450	0	36.7%
Santa Maria Cemetery	0.0931%	692,997	409,652	169.2%	84.0%	147,195	147,195	0	35.9%
Summerland Sanitary	0.0955%	710,861	420,228	169.2%	84.0%	160,009	160,009	0	38.1%
Mosq Vector Mgmt	0.0958%	713,094	421,688	169.1%	84.0%	170,522	170,522	0	40.4%
Goleta Cemetery	0.0732%	544,869	322,189	169.1%	84.0%	115,086	115,086	0	35.7%
Oak Hill Cemetery	0.0407%	302,953	179,029	169.2%	84.0%	61,863	61,863	0	34.6%
Carpinteria Cemetery	0.0337%	250,848	148,193	169.3%	84.0%	55,850	55,850	0	37.7%
LAFCO	0.0000%	0	167,800	0.0%	84.0%	14,867	14,867	0	8.9%
Total	**100.0000%**	**$ 744,357,231**	**$ 395,157,044**	**188.4%**	**84.0%**	**$ 161,387,880**	**$ 161,387,880**	**$ 0**	**40.8%**

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Active Members as of June 30, 2021

SBCERS Membership - Active Members as of June 30, 2021

Group	Count	Annual Salary[1]	Average Age	Average Monthly Salary[1]	Average Vesting Service
General Members					
Plan 2	5	$369,000	60.2	$6,150	30.0
Plan 5A	287	$26,165,000	57.2	$7,597	28.7
Plan 5B	295	$36,223,000	51.2	$10,232	17.5
Plan 5C	1,025	$77,557,000	50.0	$6,305	17.3
Plan 7	110	$11,240,000	44.6	$8,515	12.6
PEPRA	1,605	$123,983,000	39.4	$6,437	3.7
Total	3,327	$275,537,000	45.4	$6,902	11.6
APCD Members					
Plan 1	5	$480,000	58.8	$8,000	31.6
Plan 2	8	$1,019,000	42.3	$10,615	12.0
Plan 7	3	$404,000	44.0	$11,222	16.7
PEPRA	18	$1,512,000	32.9	$7,000	3.7
Total	34	$3,415,000	39.9	$8,371	10.9
Safety Members					
Plan 4A	27	$4,010,000	53.6	$12,377	23.1
Plan 4B	12	$1,723,000	51.3	$11,965	23.2
Plan 4C	274	$32,011,000	46.1	$9,736	17.7
Plan 6A	15	$2,296,000	54.7	$12,756	28.7
Plan 6B	226	$25,961,000	45.5	$9,573	17.2
PEPRA	406	$39,176,000	34.5	$8,041	4.1
Total	960	$105,176,000	41.5	$9,130	12.2
Total Actives	4,321	$384,128,000	44.5	$7,408	11.8

[1]*Based on salary data provided in the June 30, 2021 valuation data for FYE 2021.*

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Deferred Vested Members as of June 30, 2021

SBCERS Membership
Deferred Vested and Inactive Members
as of June 30, 2021

Group	Count	Average Age
General Members		
Plan 2	13	60.5
Plan 5A	131	57.4
Plan 5B	420	51.2
Plan 5C	342	46.6
Plan 7	71	45.0
PEPRA	452	38.5
Total	1,429	46.4
APCD Members		
Plan 1	4	55.5
Plan 2	11	40.7
PEPRA	5	38.0
Total	20	43.0
Safety Members		
Plan 4A	5	49.2
Plan 4B	42	48.8
Plan 4C	43	44.2
Plan 6A	18	57.8
Plan 6B	70	41.3
PEPRA	67	35.1
Total	245	42.8
Total Inactives	1,694	45.9

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Retired Members as of June 30, 2021

	Count	Monthly Allowances	Average Monthly Benefit
General Members			
Healthy	3,062	$9,415,000	$3,075
Disabled	135	338,000	2,504
Beneficiaries	425	727,000	1,711
Total	3,622	$10,480,000	$2,893
APCD Members			
Healthy	66	$241,000	$3,652
Disabled	0	0	0
Beneficiaries	6	15,000	2,500
Total	72	$256,000	$3,553
Safety Members			
Healthy	874	$5,375,000	$6,150
Disabled	150	701,000	4,673
Beneficiaries	188	602,000	3,202
Total	1,212	$6,678,000	$5,510
Total in Pay Status	4,906	$17,414,000	$3,550

Please refer to the June 30, 2021 actuarial valuation report for a more complete summary of the data.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2022 is provided below, including any assumptions that differ from those used in the June 30, 2021 actuarial valuation. Please refer to the June 30, 2021 actuarial valuation report for a complete description of all other assumptions. The assumptions used in this report and the June 30, 2021 actuarial valuation report reflect the results of the Experience Analysis covering the period July 1, 2016 through June 30, 2019.

Key Actuarial Assumptions

Expected Return on Assets	7.00% net of investment expenses.
Administrative Expenses	Administrative expenses are assumed to be $5.6 million for the fiscal year ending June 30, 2022, to be split between employees and employers based on their share of the overall contributions. This is equivalent to a 3.00% load to both the member and employer contribution rates. Administrative expenses are assumed to increase by the assumed wage inflation of 3.00% each year.
Basic COLA	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.60% per year for General Plans 5, Safety Plans 4, 6 and 8 (PEPRA), and APCD Plans 1 and 2; 1.90% per year for General Plans 7 and APCD Plan 8 (PEPRA), and 0% per year for General Plan 2. For General Plan 8 (PEPRA), benefits are assumed to increase at the rate of 1.90% per year if their employer had implemented General Plan 7 prior to January 1, 2013. Otherwise, benefits are assumed to increase at the rate of 2.60% per year.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure

The contribution allocation procedure primarily consists of an actuarial cost method, an asset smoothing method, and an amortization method as described below.

1. **Actuarial Cost Method**

   The actuarial valuation is prepared using the Entry Age Actuarial Cost Method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on original entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

2. **Asset Valuation Method**

   As of June 30, 2014, the Market Value of Assets is used to determine the System's UAL. The Actuarial Value of Assets is no longer used.

3. **Amortization Method**

   The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of SBCERS. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period, except for the additional UAL attributable to the creation of Safety Plan 6, which is being amortized over a separate closed period (seven years as of June 30, 2021). Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses, assumption changes, or method changes is amortized over a closed 19-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 10 years of level payments as a percentage of payroll. This method is a type of direct rate smoothing method.

4. **Contributions**

   The employer (County or District) contributes to the retirement fund a percentage of the total compensation provided for all members based on an actuarial investigation, valuation, and recommendation of the actuary.

APPENDIX C ---SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2021 actuarial valuation report.

APPENDIX D – 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 D – 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. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling SBCERS's benefit obligations in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

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 measure generally is not appropriate for estimating the cost to settle the Plan's liabilities.

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