



Santa Barbara County Employees' Retirement System

**GASB 67/68 Report
as of June 30, 2021**

Produced by Cheiron

November 2021

TABLE OF CONTENTS

<i>Section</i>	<i>Page</i>
Letter of Transmittal	i
Section I Board Summary	1
Section II Certification	3
Section III Determination of Discount Rate	4
Section IV Projection of Total Pension Liability	5
Section V GASB 67 Reporting Information.....	6
Section VI GASB 68 Collective Information	12
Section VII GASB 68 Reporting Information for Participating Employers	17
 <i>Appendices</i>	
Appendix A Membership Information	28
Appendix B Actuarial Assumptions and Methods	31
Appendix C Summary of Plan Provisions.....	33
Appendix D Glossary of Terms.....	34

Via Electronic Mail

November 2, 2021

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, 2021,
- 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, MAAA, EA
Principal Consulting Actuary



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



**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the Santa Barbara County Employees' Retirement System (SBCERS) is June 30, 2021. Measurements are based on the fair value of assets as of June 30, 2021 and the Total Pension Liability as of the valuation date, June 30, 2020, updated to June 30, 2021. 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	
		6/30/2021	6/30/2020
Net Pension Liability	\$	472,152,203	\$ 1,055,739,366
Deferred Outflows		(73,058,526)	(209,431,600)
Deferred Inflows		385,598,228	30,565,823
Net Impact on Statement of Net Position	\$	784,691,905	\$ 876,873,589
Pension Expense (\$ Amount)	\$	57,911,437	\$ 190,703,499
Pension Expense (% of Payroll)		14.94%	51.11%

The Net Pension Liability (NPL) decreased by approximately \$584 million since the prior measurement date due to investment income being greater than expected. The asset gains were slightly offset by actuarial experience losses and increases in the Total Pension Liability due to assumption changes. The investment gains are recognized over five years, and the actuarial liability loss and assumption change loss are each 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 \$472,152,203, collective Deferred Inflows of \$385,598,228 and collective Deferred Outflows of \$73,058,526. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SBCERS would be \$784,691,905 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, 2021, the collective annual pension expense is \$57,911,437 or 14.94% of covered payroll. This amount is not related to participating

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION I – BOARD SUMMARY

employers' contributions to SBCERS (\$150,093,122), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$784,691,905 – \$876,873,589 + \$150,093,122).

The collective pension expense of \$57.9 million is about \$132.8 million less than the collective expense of \$190.7 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.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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. 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.

This report was prepared for SBCERS 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.

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

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

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2020 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 (eight years remaining as of the June 30, 2020 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 (10 years remaining as of the June 30, 2020 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.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2021, is measured as of a valuation date of June 30, 2020 and projected to June 30, 2021. The TPL reflects a change in the assumptions effective with the June 30, 2020 actuarial valuation.

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, 2019 and projected to June 30, 2020, the TPL from the prior report will not match the amounts measured as of June 30, 2020 that are shown in this exhibit, which also includes the impact of assumption changes in the June 30, 2020 actuarial valuation.

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, 6/30/2020			
Actives	\$ 1,818,791,409	\$ 1,523,374,516	\$ 1,287,296,404
Deferred Vested	197,065,058	164,303,147	138,340,846
Retirees	<u>2,886,560,267</u>	<u>2,610,049,686</u>	<u>2,377,800,047</u>
Total	\$ 4,902,416,734	\$ 4,297,727,349	\$ 3,803,437,297
Service Cost	100,165,550	74,649,576	55,781,388
Benefit Payments	205,659,096	205,659,096	205,659,096
Interest	291,026,297	296,333,133	298,395,209
Collective Total Pension Liability, 6/30/2021	\$ 5,087,949,485	\$ 4,463,050,962	\$ 3,951,954,798

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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 6/30/2020	\$ 4,249,671,331	\$ 3,193,931,965	\$ 1,055,739,366
Changes for the year:			
Service cost	74,649,576		74,649,576
Interest	294,307,928		294,307,928
Changes of benefits	0		0
Differences between expected and actual experience	30,956,706		30,956,706
Changes of assumptions	19,124,517		19,124,517
Contributions - employer		150,093,122	(150,093,122)
Contributions - member		35,520,188	(35,520,188)
Net investment income		822,707,407	(822,707,407)
Benefit payments	(205,659,096)	(205,659,096)	0
Administrative expense		(5,694,827)	5,694,827
Net changes	<u>213,379,631</u>	<u>796,966,794</u>	<u>(583,587,163)</u>
Balances at 6/30/2021	<u>\$ 4,463,050,962</u>	<u>\$ 3,990,898,759</u>	<u>\$ 472,152,203</u>

During the measurement year, the collective NPL decreased by approximately \$584 million. The service cost, interest cost, and administrative expense increased the collective NPL by approximately \$375 million while contributions and investment income decreased the collective NPL by approximately \$1,008 million.

There were no changes in benefits during the year. There were actuarial experience losses during the year of approximately \$31 million. Changes in assumptions accounted for an increase in liability of approximately \$19 million.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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	\$5,087,949,485	\$4,463,050,962	\$3,951,954,798
Plan Fiduciary Net Position	<u>3,990,898,759</u>	<u>3,990,898,759</u>	<u>3,990,898,759</u>
Collective Net Pension Liability	<u>\$1,097,050,726</u>	<u>\$ 472,152,203</u>	<u>\$ (38,943,961)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.4%	89.4%	101.0%

A 1% decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 132%. A 1% increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 108%.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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 eight years since implementation.

Table V-3				
Schedule of Changes in Collective Net Pension Liability and Related Ratios				
	FYE 2021	FYE 2020	FYE 2019	FYE 2018
<u>Total Pension Liability</u>				
Service cost (MOY)	\$ 74,649,576	\$ 82,913,658	\$ 76,925,229	\$ 77,631,214
Interest (includes interest on service cost)	294,307,928	279,193,137	267,007,517	256,693,981
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	30,956,706	39,324,612	23,496,946	(10,744,379)
Changes of assumptions	19,124,517	(7,455,037)	0	(29,738,803)
Benefit payments, including refunds of member contributions	(205,659,096)	(195,646,596)	(182,255,779)	(169,750,854)
Net change in total pension liability	\$ 213,379,631	\$ 198,329,774	\$ 185,173,913	\$ 124,091,159
Total pension liability - beginning	<u>4,249,671,331</u>	<u>4,051,341,557</u>	<u>3,866,167,644</u>	<u>3,742,076,485</u>
Total pension liability - ending	<u>\$ 4,463,050,962</u>	<u>\$ 4,249,671,331</u>	<u>\$ 4,051,341,557</u>	<u>\$ 3,866,167,644</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	\$ 150,093,122	\$ 141,584,585	\$ 133,707,646	\$ 131,374,191
Contributions - member	35,520,188	31,618,487	26,604,850	22,533,426
Net investment income	822,707,407	24,764,652	224,842,953	223,314,534
Benefit payments, including refunds of member contributions	(205,659,096)	(195,646,596)	(182,255,779)	(169,750,854)
Administrative expense	(5,694,827)	(6,523,218)	(6,784,124)	(6,350,670)
Net change in plan fiduciary net position	\$ 796,966,794	\$ (4,202,090)	\$ 196,115,545	\$ 201,120,626
Plan fiduciary net position - beginning	<u>3,193,931,965</u>	<u>3,198,134,055</u>	<u>3,002,018,510</u>	<u>2,800,897,884</u>
Plan fiduciary net position - ending	<u>\$ 3,990,898,759</u>	<u>\$ 3,193,931,965</u>	<u>\$ 3,198,134,055</u>	<u>\$ 3,002,018,510</u>
Net pension liability - ending	<u>\$ 472,152,203</u>	<u>\$ 1,055,739,366</u>	<u>\$ 853,207,502</u>	<u>\$ 864,149,134</u>
Plan fiduciary net position as a percentage of the total pension liability	89.42%	75.16%	78.94%	77.65%
Covered payroll	\$ 387,643,812	\$ 373,128,834	\$ 355,417,284	\$ 344,511,724
Net pension liability as a percentage of covered payroll	121.80%	282.94%	240.06%	250.83%

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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
<u>Total Pension Liability</u>				
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	<u>(154,229,432)</u>	<u>(146,657,716)</u>	<u>(137,771,219)</u>	<u>(131,100,585)</u>
Net change in total pension liability	\$ 346,824,256	\$ 135,095,449	\$ 136,188,380	\$ 155,834,299
Total pension liability - beginning	<u>3,395,252,229</u>	<u>3,260,156,781</u>	<u>3,123,968,401</u>	<u>2,968,134,102</u>
Total pension liability - ending	<u>\$ 3,742,076,485</u>	<u>\$ 3,395,252,229</u>	<u>\$ 3,260,156,781</u>	<u>\$3,123,968,401</u>
<u>Plan fiduciary net position</u>				
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	<u>(5,732,988)</u>	<u>(5,192,807)</u>	<u>(4,404,342)</u>	<u>(4,288,603)</u>
Net change in plan fiduciary net position	\$ 246,359,361	\$ 22,009,549	\$ 18,899,215	\$ 327,204,862
Plan fiduciary net position - beginning	<u>2,554,538,523</u>	<u>2,532,528,974</u>	<u>2,513,629,759</u>	<u>2,186,424,897</u>
Plan fiduciary net position - ending	<u>\$ 2,800,897,884</u>	<u>\$ 2,554,538,523</u>	<u>\$ 2,532,528,974</u>	<u>\$2,513,629,759</u>
Net pension liability - ending	<u>\$ 941,178,601</u>	<u>\$ 840,713,706</u>	<u>\$ 727,627,806</u>	<u>\$ 610,338,642</u>
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%

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 150,093,122	\$ 141,584,585	\$ 133,707,646	\$ 131,374,191	\$ 121,990,986
	<u>150,093,122</u>	<u>141,584,585</u>	<u>133,707,646</u>	<u>131,374,191</u>	<u>121,990,986</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 387,643,812	\$ 373,128,834	\$ 355,417,284	\$ 344,511,724	\$ 341,097,962
Contributions as a Percentage of Covered Payroll	38.72%	37.95%	37.62%	38.13%	35.76%
	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 122,748,021	\$ 123,612,352	\$ 119,227,652	\$ 110,582,703	\$ 108,764,094
	<u>122,748,021</u>	<u>123,612,352</u>	<u>119,227,652</u>	<u>110,582,703</u>	<u>108,764,094</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 328,934,766	\$ 319,547,370	\$ 307,421,818	\$ 302,708,314	\$ 305,757,679
Contributions as a Percentage of Covered Payroll	37.32%	38.68%	38.78%	36.53%	35.57%

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION V – GASB 67 REPORTING INFORMATION

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2021.

Notes to Schedule

Valuation Date	6/30/2019
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.
<u>Key Methods and Assumptions Used to Determine Contribution Rates:</u>	
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 (nine years as of 2019). 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 General 2010 Above-Median Income Employee Mortality Table, 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, 2021 can be found in the June 20, 2019 actuarial valuation report.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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	\$ 57,758,912	\$ 2,148,876
Changes in assumptions	15,299,614	10,420,784
Net difference between projected and actual earnings on pension plan investments	0	373,028,568
Total	<u>\$ 73,058,526</u>	<u>\$ 385,598,228</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2022	(76,130,139)	
2023	(62,430,435)	
2024	(63,991,805)	
2025	(109,987,323)	
2026	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.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION VI – GASB 68 COLLECTIVE INFORMATION

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

Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year					
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025	Thereafter
2021	5.0	\$ 30,956,706	\$ 30,956,706	\$ 24,765,365	\$ 6,191,341	\$ 6,191,341	\$ 6,191,341	\$ 6,191,341	\$ 6,191,342	\$ 0
2020	5.0	39,324,612	31,459,690	23,594,768	7,864,922	7,864,922	7,864,922	7,864,924	0	0
2019	5.0	23,496,946	14,098,168	9,398,779	4,699,389	4,699,389	4,699,390	0	0	0
2018	5.0	(10,744,379)	(4,297,752)	(2,148,876)	(2,148,876)	(2,148,876)	0	0	0	0
2017	5.0	(42,042,601)	(8,408,520)	0	(8,408,520)	0	0	0	0	0
Deferred Outflows			76,514,564	57,758,912	18,755,652	18,755,652	18,755,653	14,056,265	6,191,342	0
Deferred (Inflows)			(12,706,272)	(2,148,876)	(10,557,396)	(2,148,876)	0	0	0	0
Net Change in Pension Expense			\$ 63,808,292	\$ 55,610,036	\$ 8,198,256	\$ 16,606,776	\$ 18,755,653	\$ 14,056,265	\$ 6,191,342	\$ 0

**Table VI-3
Recognition of Assumption Changes**

Change Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year					
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025	Thereafter
2021	5.0	\$ 19,124,517	\$ 19,124,517	\$ 15,299,614	\$ 3,824,903	\$ 3,824,903	\$ 3,824,903	\$ 3,824,903	\$ 3,824,905	\$ 0
2020	5.0	(7,455,037)	(5,964,030)	(4,473,023)	(1,491,007)	(1,491,007)	(1,491,007)	(1,491,009)	0	0
2019	5.0	0	0	0	0	0	0	0	0	0
2018	5.0	(29,738,803)	(11,895,522)	(5,947,761)	(5,947,761)	(5,947,761)	0	0	0	0
2017	5.0	215,838,076	43,167,615	0	43,167,615	0	0	0	0	0
Deferred Outflows			62,292,132	15,299,614	46,992,518	3,824,903	3,824,903	3,824,903	3,824,905	0
Deferred (Inflows)			(17,859,552)	(10,420,784)	(7,438,768)	(7,438,768)	(1,491,007)	(1,491,009)	0	0
Net Change in Pension Expense			\$ 44,432,580	\$ 4,878,830	\$ 39,553,750	\$ (3,613,865)	\$ 2,333,896	\$ 2,333,894	\$ 3,824,905	\$ 0

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-4 Recognition of Investment (Gains) and Losses										
Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year					
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025	Thereafter
2021	5.0	\$ (600,017,854)	\$ (600,017,854)	\$ (480,014,283)	\$ (120,003,571)	\$ (120,003,571)	\$ (120,003,571)	\$ (120,003,571)	\$ (120,003,570)	\$ 0
2020	5.0	198,108,043	158,486,434	118,864,825	39,621,609	39,621,609	39,621,609	39,621,607	0	0
2019	5.0	(15,690,110)	(9,414,066)	(6,276,044)	(3,138,022)	(3,138,022)	(3,138,022)	0	0	0
2018	5.0	(28,015,330)	(11,206,132)	(5,603,066)	(5,603,066)	(5,603,066)	0	0	0	0
2017	5.0	(85,800,544)	(17,160,109)	0	(17,160,109)	0	0	0	0	0
Net Change in Pension Expense			\$ (479,311,727)	\$ (373,028,568)	\$ (106,283,159)	\$ (89,123,050)	\$ (83,519,984)	\$ (80,381,964)	\$ (120,003,570)	\$ 0

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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	
	2021	2020
Change in Net Pension Liability	\$ (583,587,163)	\$ 202,531,864
Change in Deferred Outflows	136,373,074	(104,298,813)
Change in Deferred Inflows	355,032,404	(49,114,137)
Employer Contributions	<u>150,093,122</u>	<u>141,584,585</u>
Pension Expense	\$ 57,911,437	\$ 190,703,499
Pension Expense as % of Payroll	14.94%	51.11%
Operating Expenses		
Service cost	\$ 74,649,576	\$ 82,913,658
Employee contributions	(35,520,188)	(31,618,487)
Administrative expenses	<u>5,694,827</u>	<u>6,523,218</u>
Total	\$ 44,824,215	\$ 57,818,389
Financing Expenses		
Interest cost	\$ 294,307,928	\$ 279,193,137
Expected return on assets	<u>(222,689,553)</u>	<u>(222,872,695)</u>
Total	\$ 71,618,375	\$ 56,320,442
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	39,553,750	35,728,847
Recognition of liability gains and losses	8,198,256	(4,232,976)
Recognition of investment gains and losses	<u>(106,283,159)</u>	<u>45,068,797</u>
Total	\$ (58,531,153)	\$ 76,564,668
Pension Expense	\$ 57,911,437	\$ 190,703,499

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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 decreased from the prior year by about \$132.8 million. The recognition of the changes decreased by approximately \$135.1 million, which accounts for the decrease in pension expense.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021 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, 2020). The same methodology was used for calculating proportionate shares as of June 30, 2020.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING 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, 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%

Table VII-1b Determination of Employers' Proportionate Share (as of June 30, 2020)								
Employer	Unfunded Liability Amortization Rate (from the June 30, 2019 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	31.63%	36.51%	22.32%	\$ 65,898,251	\$ 31,588,799	248,586,158	\$ 87,861,118	92.9214%
Courts			22.32%	0	0	15,701,449	3,504,563	3.7064%
Carp-Summerland Fire	31.63%		22.32%	3,601,069	0	480,437	1,246,252	1.3180%
Air Pollution Control			31.82%	0	0	3,358,287	1,068,607	1.1302%
SBC Assoc of Govts			22.32%	0	0	2,141,976	478,089	0.5056%
Santa Maria Cemetery			22.32%	0	0	390,769	87,220	0.0922%
Summerland Sanitary			22.32%	0	0	418,370	93,380	0.0988%
Mosq Vector Mgmt			22.32%	0	0	371,794	82,984	0.0878%
Goleta Cemetery			22.32%	0	0	285,267	63,672	0.0673%
Oak Hill Cemetery			22.32%	0	0	163,084	36,400	0.0385%
Carpinteria Cemetery			22.32%	0	0	143,124	31,945	0.0338%
LAFCO			0.00%	0	0	-	-	0.0000%
Total				\$ 69,499,320	\$ 31,588,799	\$ 272,040,715	\$ 94,554,230	100.0000%

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021.

**Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2021**

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	93.0976%	1,021,327,897	439,562,369	(36,255,893)	68,015,734	358,982,696	53,914,158
Courts	3.3617%	36,879,554	15,872,341	(1,309,179)	2,456,008	12,962,656	1,946,809
Carp-Summerland Fire	1.3352%	14,647,821	6,304,176	(519,980)	975,477	5,148,508	773,234
Air Pollution Control	1.2292%	13,484,948	5,803,695	(478,699)	898,035	4,739,773	711,847
SBC Assoc of Govts	0.5362%	5,882,386	2,531,680	(208,818)	391,740	2,067,578	310,521
Santa Maria Cemetery	0.0939%	1,030,131	443,351	(36,568)	68,602	362,077	54,379
Summerland Sanitary	0.0909%	997,219	429,186	(35,400)	66,410	350,509	52,641
Mosq Vector Mgmt	0.0922%	1,011,481	435,324	(35,906)	67,360	355,522	53,394
Goleta Cemetery	0.0659%	722,956	311,148	(25,664)	48,146	254,109	38,164
Oak Hill Cemetery	0.0387%	424,559	182,723	(15,071)	28,274	149,227	22,412
Carpinteria Cemetery	0.0340%	372,997	160,532	(13,241)	24,840	131,103	19,690
LAFCO	0.0245%	268,777	115,677	(9,541)	17,899	94,472	14,188
Total	100.0000%	\$ 1,097,050,726	\$ 472,152,203	\$ (38,943,961)	\$ 73,058,526	\$ 385,598,228	\$ 57,911,437

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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									
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions		
	6/30/2020	6/30/2021	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
Santa Barbara County	92.9214%	93.0976%	\$ 1,860,213	\$ 369,018	\$ (53,857)	\$ 1,545,051	\$ 139,644,522	\$ 139,733,094	\$ (88,573)
Courts	3.7064%	3.3617%	(3,639,134)	(721,911)	105,360	(3,022,583)	5,189,955	5,045,680	144,275
Carp-Summerland Fire	1.3180%	1.3352%	181,587	36,022	(5,257)	150,822	2,212,750	2,004,043	208,706
Air Pollution Control	1.1302%	1.2292%	1,045,182	207,337	(30,260)	868,105	1,578,909	1,844,945	(266,036)
SBC Assoc of Govts	0.5056%	0.5362%	323,056	64,086	(9,353)	268,323	816,049	804,799	11,250
Santa Maria Cemetery	0.0922%	0.0939%	17,948	3,560	(520)	14,907	140,438	140,937	(499)
Summerland Sanitary	0.0988%	0.0909%	(83,403)	(16,545)	2,415	(69,273)	135,385	136,435	(1,050)
Mosq Vector Mgmt	0.0878%	0.0922%	46,453	9,215	(1,345)	38,582	154,536	138,386	16,150
Goleta Cemetery	0.0673%	0.0659%	(14,780)	(2,932)	428	(12,276)	98,570	98,911	(341)
Oak Hill Cemetery	0.0385%	0.0387%	2,111	419	(61)	1,754	59,419	58,086	1,333
Carpinteria Cemetery	0.0338%	0.0340%	2,111	419	(61)	1,754	52,562	51,032	1,530
LAFCO	0.0000%	0.0245%	258,656	51,311	(7,489)	214,834	10,027	36,773	(26,746)
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,093,122	\$ 150,093,122	\$ 0

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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

Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change									
Employer	Deferred Outflows				Deferred Inflows				
	6/30/2020	Current Year		6/30/2021	6/30/2020	Current Year		6/30/2021	6/30/2021
		Net Effect	Recognition			Net Effect	Recognition		
Santa Barbara County	\$ 3,071,641	\$ 1,545,051	\$ 1,430,295	\$ 3,186,397	\$ (2,314,151)	\$ 0	\$ (905,706)	\$ (1,408,445)	
Courts	1,029,251	0	480,033	549,219	(701,223)	(3,022,583)	(1,017,681)	(2,706,125)	
Carp-Summerland Fire	444,815	150,822	209,390	386,247	(367,358)	0	(170,187)	(197,171)	
Air Pollution Control	792,878	868,105	437,914	1,223,069	(1,935,273)	0	(540,332)	(1,394,942)	
SBC Assoc of Govts	283,677	268,323	148,224	403,777	(205,355)	0	(87,715)	(117,640)	
Santa Maria Cemetery	35,229	14,907	20,596	29,540	(30,186)	0	(10,787)	(19,398)	
Summerland Sanitary	73,979	0	30,686	43,294	(51,170)	(69,273)	(28,273)	(92,171)	
Mosq Vector Mgmt	15,142	38,582	15,288	38,437	(115,715)	0	(39,755)	(75,960)	
Goleta Cemetery	8,741	0	4,039	4,702	(23,785)	(12,276)	(13,948)	(22,114)	
Oak Hill Cemetery	13,549	1,754	6,770	8,533	(30,732)	0	(10,244)	(20,488)	
Carpinteria Cemetery	26,855	1,754	9,192	19,417	(20,809)	0	(10,766)	(10,043)	
LAFCO	0	214,834	42,967	171,867	0	0	0	0	
Total	\$ 5,795,758	\$ 3,104,133	\$ 2,835,393	\$ 6,064,497	\$ (5,795,758)	\$ (3,104,133)	\$ (2,835,393)	\$ (6,064,497)	

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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			
	6/30/2020	Current Year Difference	Recognition	6/30/2021	6/30/2020	Current Year Difference	Recognition	6/30/2021
Santa Barbara County	\$ 338,518	\$ 0	\$ 138,941	\$ 199,577	\$ (187,812)	\$ (88,573)	\$ (70,607)	\$ (205,778)
Courts	154,269	144,275	108,853	189,691	(58,600)	0	(29,300)	(29,300)
Carp-Summerland Fire	229,880	208,706	121,124	317,462	0	0	0	0
Air Pollution Control	0	0	0	0	(497,602)	(266,036)	(280,590)	(483,048)
SBC Assoc of Govts	22,216	11,250	14,069	19,397	(21,007)	0	(7,171)	(13,837)
Santa Maria Cemetery	5,921	0	2,008	3,913	(680)	(499)	(440)	(740)
Summerland Sanitary	1,463	0	788	675	(3,206)	(1,050)	(1,778)	(2,478)
Mosq Vector Mgmt	19,356	16,150	10,635	24,871	0	0	0	0
Goleta Cemetery	0	0	0	0	(2,492)	(341)	(1,182)	(1,651)
Oak Hill Cemetery	602	1,333	488	1,448	(909)	0	(683)	(226)
Carpinteria Cemetery	325	1,530	387	1,468	(240)	0	(194)	(46)
LAFCO	0	0	0	0	0	(26,746)	(5,349)	(21,397)
Total	\$ 772,550	\$ 383,244	\$ 397,293	\$ 758,501	\$ (772,550)	\$ (383,244)	\$ (397,293)	\$ (758,501)

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	93.0976%	\$ 53,772,161	\$ 14,243,573	\$ 0	\$ 3,186,397	\$ 199,577
Courts	3.3617%	1,941,681	514,327	0	549,219	189,691
Carp-Summerland Fire	1.3352%	771,197	204,280	0	386,247	317,462
Air Pollution Control	1.2292%	709,973	188,063	0	1,223,069	0
SBC Assoc of Govts	0.5362%	309,703	82,037	0	403,777	19,397
Santa Maria Cemetery	0.0939%	54,236	14,366	0	29,540	3,913
Summerland Sanitary	0.0909%	52,503	13,907	0	43,294	675
Mosq Vector Mgmt	0.0922%	53,254	14,106	0	38,437	24,871
Goleta Cemetery	0.0659%	38,063	10,082	0	4,702	0
Oak Hill Cemetery	0.0387%	22,353	5,921	0	8,533	1,448
Carpinteria Cemetery	0.0340%	19,638	5,202	0	19,417	1,468
LAFCO	0.0245%	14,151	3,748	0	171,867	0
Total	100.0000%	\$ 57,758,912	\$ 15,299,614	\$ 0	\$ 6,064,497	\$ 758,501

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	93.0976%	\$ 2,000,552	\$ 9,701,500	\$ 347,280,644	\$ 1,408,445	\$ 205,778
Courts	3.3617%	72,239	350,315	12,540,101	2,706,125	29,300
Carp-Summerland Fire	1.3352%	28,692	139,138	4,980,677	197,171	0
Air Pollution Control	1.2292%	26,414	128,092	4,585,267	1,394,942	483,048
SBC Assoc of Govts	0.5362%	11,522	55,876	2,000,179	117,640	13,837
Santa Maria Cemetery	0.0939%	2,018	9,785	350,274	19,398	740
Summerland Sanitary	0.0909%	1,953	9,472	339,083	92,171	2,478
Mosq Vector Mgmt	0.0922%	1,981	9,608	343,932	75,960	0
Goleta Cemetery	0.0659%	1,416	6,867	245,826	22,114	1,651
Oak Hill Cemetery	0.0387%	832	4,033	144,362	20,488	226
Carpinteria Cemetery	0.0340%	731	3,543	126,830	10,043	46
LAFCO	0.0245%	526	2,553	91,392	0	21,397
Total	100.0000%	\$ 2,148,876	\$ 10,420,784	\$ 373,028,568	\$ 6,064,497	\$ 758,501

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021						
Employer	Recognition for Measurement Year Ending					Thereafter
	2022	2023	2024	2025	2026	
Santa Barbara County	\$ (70,745,657)	\$ (57,666,898)	\$ (58,678,394)	\$ (102,104,262)	\$ 0	\$ 0
Courts	(2,750,322)	(2,671,326)	(2,808,409)	(4,273,106)	0	0
Carp-Summerland Fire	(760,101)	(690,567)	(819,179)	(1,396,645)	0	0
Air Pollution Control	(1,251,719)	(911,726)	(1,101,664)	(1,231,550)	0	0
SBC Assoc of Govts	(324,449)	(214,795)	(311,060)	(533,837)	0	0
Santa Maria Cemetery	(57,146)	(61,556)	(61,060)	(100,397)	0	0
Summerland Sanitary	(66,175)	(70,301)	(84,259)	(114,043)	0	0
Mosq Vector Mgmt	(76,289)	(72,035)	(62,028)	(90,462)	0	0
Goleta Cemetery	(55,694)	(49,735)	(44,593)	(75,005)	0	0
Oak Hill Cemetery	(35,162)	(32,165)	(22,412)	(41,948)	0	0
Carpinteria Cemetery	(26,390)	(11,651)	(20,688)	(36,739)	0	0
LAFCO	18,966	22,322	21,940	10,671	0	0
Total	\$ (76,130,139)	\$ (62,430,435)	\$ (63,991,805)	\$ (109,987,323)	\$ 0	\$ 0

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021									
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		
Santa Barbara County	\$ 53,914,158	\$ 524,589	\$ 68,334	\$ 54,507,081	\$ (541,445,430)	\$ 126,615,225	\$ 329,692,765	\$ 139,644,522	\$ 54,507,081
Courts	1,946,809	(537,649)	79,553	1,488,713	(23,257,583)	5,750,976	13,805,366	5,189,955	1,488,713
Carp-Summerland Fire	773,234	39,203	121,124	933,561	(7,610,469)	1,755,817	4,575,463	2,212,750	933,561
Air Pollution Control	711,847	(102,418)	(280,590)	328,839	(6,128,271)	1,038,769	3,839,433	1,578,909	328,839
SBC Assoc of Govts	310,521	60,509	6,899	377,928	(2,806,138)	549,866	1,818,151	816,049	377,928
Santa Maria Cemetery	54,379	9,808	1,567	65,755	(530,041)	132,190	323,167	140,438	65,755
Summerland Sanitary	52,641	2,413	(990)	54,065	(613,884)	171,982	360,582	135,385	54,065
Mosq Vector Mgmt	53,394	(24,467)	10,635	39,562	(491,615)	87,711	288,930	154,536	39,562
Goleta Cemetery	38,164	(9,908)	(1,182)	27,073	(399,364)	96,841	231,026	98,570	27,073
Oak Hill Cemetery	22,412	(3,474)	(195)	18,743	(223,737)	56,528	126,532	59,419	18,743
Carpinteria Cemetery	19,690	(1,574)	193	18,310	(196,308)	52,243	109,813	52,562	18,310
LAFCO	14,188	42,967	(5,349)	51,806	115,677	(189,767)	115,868	10,027	51,806
Total	\$ 57,911,437	\$ 0	\$ 0	\$ 57,911,436	\$ (583,587,163)	\$ 136,118,383	\$ 355,287,095	\$ 150,093,122	\$ 57,911,436

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021										
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	93.0976%	\$ 439,562,369	\$ 360,864,486	121.8%	89.4%	\$ 139,644,522	\$ 139,644,522	\$ 0	38.7%	
Courts	3.3617%	15,872,341	14,702,416	108.0%	89.4%	5,189,955	5,189,955	0	35.3%	
Carp-Summerland Fire	1.3352%	6,304,176	4,375,759	144.1%	89.4%	2,212,750	2,212,750	0	50.6%	
Air Pollution Control	1.2292%	5,803,695	3,430,926	169.2%	89.4%	1,578,909	1,578,909	0	46.0%	
SBC Assoc of Govts	0.5362%	2,531,680	2,345,271	107.9%	89.4%	816,049	816,049	0	34.8%	
Santa Maria Cemetery	0.0939%	443,351	410,460	108.0%	89.4%	140,438	140,438	0	34.2%	
Summerland Sanitary	0.0909%	429,186	397,580	107.9%	89.4%	135,385	135,385	0	34.1%	
Mosq Vector Mgmt	0.0922%	435,324	403,399	107.9%	89.4%	154,536	154,536	0	38.3%	
Goleta Cemetery	0.0659%	311,148	288,219	108.0%	89.4%	98,570	98,570	0	34.2%	
Oak Hill Cemetery	0.0387%	182,723	169,189	108.0%	89.4%	59,419	59,419	0	35.1%	
Carpinteria Cemetery	0.0340%	160,532	148,750	107.9%	89.4%	52,562	52,562	0	35.3%	
LAFCO	0.0245%	115,677	107,356	107.8%	89.4%	10,027	10,027	0	9.3%	
Total	100.0000%	\$ 472,152,203	\$ 387,643,812	121.8%	89.4%	\$ 150,093,122	\$ 150,093,122	\$ 0	38.7%	

SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Active Members as of June 30, 2020

SBCERS Membership - Active Members as of June 30, 2020					
Group	Count	Annual Salary ¹	Average Age	Average Monthly Salary ¹	Average Vesting Service
General Members					
Plan 2	6	\$431,000	60.2	\$5,986	30.2
Plan 5A	328	\$28,437,000	56.7	\$7,225	28.0
Plan 5B	305	\$36,461,000	50.2	\$9,962	16.4
Plan 5C	1,090	\$80,829,000	49.3	\$6,180	16.3
Plan 7	107	\$10,629,000	44.3	\$8,278	11.7
PEPRA	<u>1,491</u>	<u>\$111,305,000</u>	38.9	\$6,221	3.3
Total	3,327	\$268,093,000	45.3	\$6,715	11.5
APCD Members					
Plan 1	5	\$456,000	57.8	\$7,600	30.6
Plan 2	9	\$1,068,000	44.0	\$9,889	12.0
Plan 7	3	\$391,000	43.0	\$10,861	15.7
PEPRA	<u>16</u>	<u>\$1,202,000</u>	33.0	\$6,260	3.1
Total	33	\$3,117,000	40.7	\$7,870	10.8
Safety Members					
Plan 4A	30	\$4,205,000	53.1	\$11,681	22.8
Plan 4B	11	\$1,560,000	50.7	\$11,818	22.2
Plan 4C	280	\$31,553,000	45.3	\$9,391	16.9
Plan 6A	24	\$3,491,000	53.9	\$12,122	29.6
Plan 6B	240	\$26,330,000	44.6	\$9,142	16.2
PEPRA	<u>377</u>	<u>\$34,336,000</u>	33.8	\$7,590	3.4
Total	962	\$101,475,000	41.1	\$8,790	12.0
Total Actives	4,322	\$372,685,000	44.3	\$7,186	11.6

¹Based on salary data provided in the June 30, 2020 valuation data for FYE 2020.

SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Deferred Vested Members as of June 30, 2020

SBCERS Membership		
Deferred Vested and Inactive Members		
as of June 30, 2020		
Group	Count	Average Age
General Members		
Plan 2	16	59.9
Plan 5A	138	56.4
Plan 5B	424	50.5
Plan 5C	339	45.7
Plan 7	64	42.9
PEPRA	<u>360</u>	39.0
Total	1,353	46.5
APCD Members		
Plan 1	7	58.6
Plan 2	12	39.6
PEPRA	<u>6</u>	35.2
Total	25	43.8
Safety Members		
Plan 4A	5	49.2
Plan 4B	43	48.0
Plan 4C	43	43.0
Plan 6A	18	56.8
Plan 6B	63	40.1
PEPRA	<u>61</u>	34.4
Total	233	42.1
Total Inactives	1,611	45.8

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Retired Members as of June 30, 2020

	Count	Monthly Allowances	Average Monthly Benefit
General Members			
Healthy	3,030	\$9,100,000	\$3,003
Disabled	133	324,000	2,436
Beneficiaries	417	694,000	1,664
Total	3,580	\$10,118,000	\$2,826
APCD Members			
Healthy	63	\$230,000	\$3,651
Disabled	0	0	0
Beneficiaries	6	15,000	2,500
Total	69	\$245,000	\$3,551
Safety Members			
Healthy	866	\$5,210,000	\$6,016
Disabled	148	665,000	4,493
Beneficiaries	181	551,000	3,044
Total	1,195	\$6,426,000	\$5,377
Total in Pay Status	4,844	\$16,789,000	\$3,466

Please refer to the June 30, 2020 actuarial valuation report for a more complete summary of the data.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

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, 2021 is provided below, including any assumptions that differ from those used in the June 30, 2020 actuarial valuation. Please refer to the June 30, 2020 actuarial valuation report for a complete description of all other assumptions. The assumptions used in this report and the June 30, 2020 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 percent net of investment expenses.

Administrative Expenses Administrative expenses are assumed to be \$5.5 million for the fiscal year ending June 30, 2021, 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 (eight years as of June 30, 2020). 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.

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING AS OF JUNE 30, 2021**

APPENDIX C ---SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2020 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.



Classic Values, Innovative Advice