

**SACRAMENTO COUNTY EMPLOYEES'  
RETIREMENT SYSTEM**

**COST-SHARING MULTIPLE-EMPLOYER  
DEFINED BENEFIT PENSION PLAN**

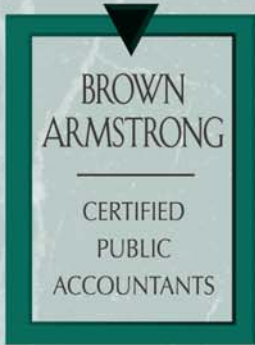
**SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER**

**FOR EMPLOYER REPORTING AS OF JUNE 30, 2020  
USING A MEASUREMENT DATE OF JUNE 30, 2019**

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
FOR EMPLOYER REPORTING AS OF JUNE 30, 2020  
USING A MEASUREMENT DATE OF JUNE 30, 2019**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement of  
Sacramento County Employees' Retirement System  
Sacramento, California

### Report on the Schedules

We have audited the accompanying schedule of employer allocations of the Sacramento County Employees' Retirement System (SCERS) Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) as of and for the fiscal year ended June 30, 2019, and the related notes. We have also audited the total for all participating employers of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the Plan as of and for the fiscal year ended June 30, 2019, and the related notes.

### Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SCERS' preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCERS' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations as of and for the fiscal year ended June 30, 2019, and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all participating employers for SCERS as of and for the fiscal year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of SCERS as of and for the fiscal year ended June 30, 2019, and our report thereon, dated December 6, 2019, expressed an unmodified opinion on those financial statements.

### **Restriction on Use**

Our report is intended solely for the information and use of SCERS' management, the Board of Retirement of SCERS, and the Plan participating employers and their auditors and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
May 4, 2020

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
 SCHEDULE OF EMPLOYER ALLOCATIONS  
 AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <u>Employer Name</u>                               | <u>Miscellaneous<br/>Employer<br/>Contributions</u> | <u>Employer<br/>Allocation<br/>Percentage<sup>1</sup></u> |
|--|---|---|
| Carmichael Recreation and Park District            | \$ 360,000  | 0.251%  |
| County of Sacramento                               | 123,430,000   | 86.098  |
| Elk Grove Cosumnes Cemetery District               | 82,000  | 0.057   |
| Fair Oaks Cemetery District                        | 51,000  | 0.036   |
| Galt-Arno Cemetery District                        | 14,000  | 0.010   |
| Mission Oaks Recreation and Park District          | 338,000   | 0.236   |
| Orangevale Recreation and Park District            | 184,000   | 0.128   |
| Rio Linda Elverta Recreation and Park District     | 38,000  | 0.027   |
| Sacramento Employment and Training Agency (SETA)   | 7,194,000 <sup>2</sup>                              | 5.018   |
| Sunrise Recreation and Park District               | 810,000   | 0.565   |
| Superior Court of California, County of Sacramento | <u>10,858,000</u>                                   | <u>7.574</u>  |
|  | <u>\$ 143,359,000</u> <sup>3</sup>                  | <u>100.000%</u>   |

<sup>1</sup> The unrounded percentages are used in the allocation of the net pension liability (NPL) amongst the Miscellaneous employers.

<sup>2</sup> Excludes a contribution of \$167,000 made by SETA due to an enrollment correction.

<sup>3</sup> This total differs from the total employer contributions reported on SCERS' financial statements of \$285,642,000 as the total on this schedule excludes a principal payment of \$202,000 made by Florin Fire Protection District that has previously withdrawn from SCERS as an active employer, contribution receivable of \$45,202,000 for Florin Fire Protection District, enrollment correction contribution of \$167,000 for SETA, and safety employer contributions of \$96,712,000 made by the County of Sacramento.

Note that the \$2,939,000 interest payment made by Florin Fire Protection District that has previously withdrawn from SCERS as an active employer was classified as other income on the financial statements.

See accompanying notes and independent auditor's report.

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
 SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
 AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| Employer   | Deferred Outflows of Resources       |  |                        |   |                                      | Deferred Inflows of Resources                      |   |   |                                     |   | Pension Expense Excluding that Attributable to Employer-Paid Member Contributions   |   |  |
|--|--------------------------------------|--|------------------------|---|--------------------------------------|--|---|---|-------------------------------------|---|---|---|--|
|  | Net Pension Liability                | Differences Between Expected and Actual Experience | Changes in Assumptions | Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Earnings on Pension Plan Investments <sup>2</sup> | Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions | Total Deferred Inflows of Resources | Proportionate Share of Allocable Plan Pension Expense | Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Pension Expense Excluding that Attributable to Employer-Paid Member Contributions |  |
| <b>Miscellaneous Membership Class:</b>             |                                      |  |                        |   |                                      |  |   |   |                                     |   |   |   |  |
| Carmichael Recreation and Park District            | \$ 2,806,617                         | \$ 116,669   | \$ 427,233             | \$ 142,731  | \$ 686,633                           | \$ 28,338  | \$ 412,936  | \$ 40,852   | \$ 482,126                          | \$ 751,963  | \$ 63,663   | \$ 815,626  |  |
| County of Sacramento                               | 962,279,924                          | 40,001,262   | 146,481,518            | 1,153,699   | 187,636,479                          | 9,715,960  | 141,579,734   | 3,921,207   | 155,216,901                         | 257,819,463   | (2,213,623)   | 255,605,840   |  |
| Elk Grove Cosumnes Cemetery District               | 639,285                              | 26,575   | 97,314                 | 80,421  | 204,310                              | 6,455  | 94,058  | -   | 100,513                             | 171,281   | 28,979  | 200,260   |  |
| Fair Oaks Cemetery District                        | 397,604                              | 16,528   | 60,525                 | 37,701  | 114,754                              | 4,015  | 58,499  | 94,960  | 157,474                             | 106,528   | (6,024)   | 100,504   |  |
| Galt-Arno Cemetery District                        | 109,146                              | 4,537  | 16,615                 | 31,804  | 52,956                               | 1,102  | 16,058  | 33,175  | 50,335                              | 29,242  | 6,938   | 36,180  |  |
| Mission Oaks Recreation and Park District          | 2,635,102                            | 109,539  | 401,124                | 261,179   | 771,842                              | 26,606   | 387,701   | 250,573   | 664,880                             | 706,012   | 86,859  | 792,871   |  |
| Orangevale Recreation and Park District            | 1,434,493                            | 59,631   | 218,363                | 41,885  | 319,879                              | 14,484   | 211,056   | 16,048  | 241,588                             | 384,338   | 5,330   | 389,668   |  |
| Rio Linda Elverta Recreation and Park District     | 296,254                              | 12,315   | 45,097                 | 128,705   | 186,117                              | 2,991  | 43,588  | 4,720   | 51,299                              | 79,374  | 42,769  | 122,143   |  |
| Sacramento Employment and Training Agency          | 56,085,569                           | 2,331,435  | 8,537,536              | 1,049,356   | 11,918,327                           | 566,285  | 8,251,840   | 992,997   | 9,811,122                           | 15,026,762  | 449,705   | 15,476,467  |  |
| Sunrise Recreation and Park District               | 6,314,889                            | 262,505  | 961,274                | 834,382   | 2,058,161                            | 63,760   | 929,107   | -   | 992,867                             | 1,691,921   | 427,102   | 2,119,023   |  |
| Superior Court of California, County of Sacramento | 84,650,696                           | 3,518,867  | 12,885,816             | 1,617,052   | 18,021,735                           | 854,702  | 12,454,612  | 24,383  | 13,333,697                          | 22,680,091  | 1,108,302   | 23,788,393  |  |
| Subtotal   | 1,117,649,579                        | 46,459,863   | 170,132,415            | 5,378,915   | 221,971,193                          | 11,284,698   | 164,439,189   | 5,378,915   | 181,102,802                         | 299,446,975   | -   | 299,446,975   |  |
| <b>Safety Membership Class:</b>                    |                                      |  |                        |   |                                      |  |   |   |                                     |   |   |   |  |
| County of Sacramento                               | 956,176,421                          | 96,008,014   | 130,033,823            | -   | 226,041,837                          | 12,722,295   | 55,337,040  | -   | 68,059,335                          | 173,968,041   | -   | 173,968,041   |  |
| <b>Total for All Employers</b>                     | <b>\$ 2,073,826,000</b> <sup>1</sup> | <b>\$ 142,467,877</b>                              | <b>\$ 300,166,238</b>  | <b>\$ 5,378,915</b>   | <b>\$ 448,013,030</b>                | <b>\$ 24,006,993</b>                               | <b>\$ 219,776,229</b>   | <b>\$ 5,378,915</b>   | <b>\$ 249,162,137</b>               | <b>\$ 473,415,016</b>                                 | <b>\$ -</b>   | <b>\$ 473,415,016</b>   |  |

<sup>1</sup> Excludes a liability of \$1,785,984 for Florin Fire Protection District that had previously withdrawn from SCERS as an active employer. This is based on the latest estimate available as of June 30, 2019 of \$46,987,869 offset by the contribution receivable of \$45,201,885.

<sup>2</sup> The Difference Between Projected and Actual Earnings on Pension Plan Investments in different measurement periods are reported at net in accordance with the requirements of GASB Statement No. 68.

See accompanying notes and independent auditor's report.

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 – PLAN DESCRIPTION**

The Sacramento County Employees' Retirement System (SCERS or the System) is a cost-sharing multiple-employer public employee retirement system which operates under the County Employees Retirement Law of 1937 (Section 31450 et seq. of the California Government Code) and the California Public Employees' Pension Reform Act of 2013 (CalPEPRA). The System was created by resolution of the Sacramento County (the County) Board of Supervisors on July 1, 1941, to provide retirement, disability, and death benefits for qualified employees of the County and participating Special Districts (Special Districts or Member Districts). SCERS is governed by a nine member Board of Retirement; four are appointed by the County Board of Supervisors, four are elected by the members of the System (two by the Miscellaneous members, one by the Safety members, and one by the Retiree members), and the County Director of Finance serves as an Ex-Officio member. An alternate Safety member and an alternate Retiree member are also elected by those respective member groups. The System is legally and fiscally independent of the County.

At June 30, 2019, participating local government employers consisted of the County of Sacramento; Superior Court of California, County of Sacramento; and twelve Special Districts, three of the twelve Special Districts have withdrawn from the System and are excluded from the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer. The System's membership consists of Miscellaneous and Safety members.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

Basis of Presentation and Basis of Accounting

Employers participating in the Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) are required to report pension information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The Schedule of Employer Allocations, Schedule of Pension Amounts by Employer, the GASB Statement No. 68 Actuarial Valuation Based on June 30, 2019 Measurement Date prepared by the System's third-party actuary, and the System's audited financial statements provide employers with the required information for financial reporting related to the System pensions.

The accompanying schedules were prepared by the System's independent actuary and were derived from information provided by the System in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations.

Contributions to the Plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. The System's funding policy provides for periodic contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, along with investment earnings are sufficient to accumulate adequate assets to pay benefits when legally due. Each employer of the System is obligated by state law to make all required contributions to the Plan and, depending on the participating employer and their employees' tiers, such contribution rates range from 9.37% to 48.41% of covered payroll for fiscal year 2018-19.

Use of Estimates in the Preparation of the Schedules

The preparation of the Schedules of Employer Allocations and Pension Amounts by Employer in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

### **NOTE 3 – PROPORTIONATE SHARES**

Pension amounts are determined separately for the Miscellaneous and Safety membership classes based on their benefit provisions, actuarial experience, receipts, and expenses. The total pension liability for each membership class was calculated based on the participants in and benefits provided for the respective membership class, and the Plan's fiduciary net position was determined in proportion to the valuation value of assets for each membership class.

The County is the sole active employer in the Safety membership class that made contributions in fiscal year 2018/2019; therefore 100% of pension amounts for the Safety membership class is allocated to the County.

For the Miscellaneous membership class, legally or statutorily required contributions for the Miscellaneous employers for the fiscal year ended June 30, 2019, are used as the basis for determining each Miscellaneous employer's proportion of pension amounts. The legally or statutorily required contributions are based on employer reporting to the Plan and may include adjustments. The employer's proportion may be applied to the total pension amounts in the current measurement period to determine the employer's proportionate share of the Miscellaneous membership class pension amounts. The Miscellaneous employers' proportions are determined as follows:

- First calculate the ratio of the employer's contributions to the total contributions for the membership class.
- This ratio is multiplied by the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the Miscellaneous membership class to determine the employer's proportionate share of the related pension amounts.

Total contributions reported in the Schedule of Employer Allocations differ from the amount reported in the System's Comprehensive Annual Financial Report (CAFR) as of and for the fiscal year ended June 30, 2019, as the Schedule of Employer Allocations excludes a principal payment of \$202,000 made by Sacramento Metropolitan Fire District; contribution receivable of \$45,202,000 for Florin Fire Protection District, which had previously withdrawn from SCERS as an active employer; enrollment correction contribution of \$167,000 for Sacramento Employment and Training Agency (SETA); and safety employer contributions of \$96,712,000 made by the County.

### **NOTE 4 – ACTUARIAL METHODS AND ASSUMPTIONS**

#### **Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The components of the Plan's net pension liability as of June 30, 2019, are as follows (dollars expressed in thousands):

|   |                     |
|---|---------------------|
| Total Pension Liability   | \$ 11,895,520       |
| Less: Plan Fiduciary Net Position   | <u>9,821,694</u>    |
| Net Pension Liability of Employers  | <u>\$ 2,073,826</u> |
| Plan Fiduciary Net Position as a Percentage of<br>Total Pension Liability | <u>82.57%</u>       |



**NOTE 4 – ACTUARIAL METHODS AND ASSUMPTIONS** (Continued)

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability** (Continued)

For the measurement period ended June 30, 2019 (the measurement date), the following significant actuarial assumptions were used to measure the total pension liability:

|  |                            |
|--|----------------------------|
| Discount Rate:                             | 7.00%                      |
| Inflation Rate:                            | 3.00%                      |
| Real Across-the-Board Salary Increase:     | 0.25%                      |
| Miscellaneous Projected Salary Increases*: | 4.50% to 8.25%             |
| Safety Projected Salary Increase*:         | 5.25% to 10.75%            |
| Assumed Post-Retirement Benefit Increase:  | Miscellaneous Tier 1 3.00% |
|  | Miscellaneous Tier 2 0.00% |
|  | Miscellaneous Tier 3 2.00% |
|  | Miscellaneous Tier 4 2.00% |
|  | Miscellaneous Tier 5 2.00% |
|  | Safety Tier 1 3.00%        |
|  | Safety Tier 2 2.00%        |
|  | Safety Tier 3 2.00%        |
|  | Safety Tier 4 2.00%        |

Post-Retirement Mortality:

a) Service

For Miscellaneous Members and Beneficiaries -  
Headcount-Weighted RP-2014 Healthy Annuitant Mortality  
Table projected generationally with the two-dimensional scale  
MP-2016 set forward one year for males and no age adjustment  
for females.

For Safety Members -  
Headcount-Weighted RP-2014 Healthy Annuitant Mortality  
Table projected generationally with the two-dimensional scale  
MP-2016 set back four years for males and females.

b) Disability

For Miscellaneous Members -  
Headcount-Weighted RP-2014 Healthy Annuitant Mortality  
Table projected generationally with the two-dimensional scale  
MP-2016 set forward seven years for males and set forward  
eight years for females.

For Safety Members -  
Headcount-Weighted RP-2014 Healthy Annuitant Mortality  
Table projected generationally with the two-dimensional scale  
MP-2016 set forward four years for males and females.

\* Includes inflation at 3.00% plus real across-the-board salary increase of 0.25% plus merit and longevity increases.

**NOTE 4 – ACTUARIAL METHODS AND ASSUMPTIONS** (Continued)

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability** (Continued)

|                             |   |
|-----------------------------|---|
| c) Member Contribution Rate | <p>For Miscellaneous Members -<br/>Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional scale MP-2016 set forward one year for males and no age adjustment for females, weighted 40% male and 60% female.</p> <p>For Safety Members -<br/>Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional scale MP-2016 set back four years for males and females, weighted 75% male and 25% female.</p> |
| Pre-Retirement Mortality:   | Based upon the June 30, 2016 Actuarial Experience Study   |
| Other Assumptions:          | Analysis of actuarial experience study for the period July 1, 2013 through June 30, 2016.   |

**Assumed Asset Allocation**

The long term-expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2019 are summarized in the table below.

| Asset Class                     | Target Allocation | Long-Term Expected Portfolio Rate of Return |
|---------------------------------|-------------------|---|
| U.S. large cap equity           | 17.0%             | 5.6%  |
| U.S. small cap equity           | 4.0               | 6.4   |
| International developed equity  | 16.0              | 7.0   |
| Emerging markets equity         | 4.0               | 9.3   |
| High yield bonds                | 1.0               | 3.7   |
| Bank loans                      | 1.0               | 3.0   |
| Growth oriented absolute return | 3.0               | 5.0   |
| Private equity                  | 9.0               | 8.7   |
| Private credit                  | 4.0               | 5.1   |
| Core/core plus bonds            | 10.0              | 1.1   |
| Global bonds                    | 3.0               | 0.1   |
| U.S. treasury                   | 5.0               | 0.2   |
| Diversifying absolute return    | 7.0               | 3.0   |
| Real estate                     | 7.0               | 4.4   |
| Real assets                     | 7.0               | 7.7   |
| Commodities                     | 2.0               | 3.8   |
| <b>Total portfolio</b>          | <b>100.0%</b>     |   |

#### **NOTE 4 – ACTUARIAL METHODS AND ASSUMPTIONS** (Continued)

##### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the current contribution rates and that employer contributions will be made at the end of each pay period based on the actuarially determined contribution rates. For this purpose, only the employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service cost for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### **Amortization of Deferred Outflows and Deferred Inflows of Resources**

The Net Difference Between Projected and Actual Earnings on Pension Plan Investments in the Schedule of Pension Amounts by Employer represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis. The Net Difference Between Projected and Actual Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth was recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Earnings on Pension Plan Investments at June 30, 2019 is to be amortized over the remaining periods. The Differences Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportions are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through the Plan as of the beginning of the related measurement period. The average of the expected remaining service lives for the measurement period ending June 30, 2019, was 4.87 years, which was determined by:

- Calculating each active member's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each inactive or retired member.
- Dividing the sum of the above amounts by the total number of active member, inactive, and retired members.

Balances of deferred outflows of resources and deferred inflows of resources arising from Differences Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportions reported in the Schedule of Pension Amounts by Employer represent the unamortized balances relating to the current and the prior measurement periods, which have different amortization periods and remaining amortization years.

The Schedule of Pension Amounts by Employer does not reflect employer-specific amounts such as differences between employer contributions and proportionate share of contributions during the measurement period and contributions to the Plan subsequent to the measurement date. Appropriate treatment of such amounts is the responsibility of the employers.

#### **NOTE 5 – ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION**

Additional financial and actuarial information required for GASB Statement No. 68 disclosures is located in the System's CAFR as of and for the fiscal year ended June 30, 2019, the GASB Statement No. 67 Actuarial Valuation as of June 2019, and the GASB Statement No. 68 Actuarial Valuation report, which can be found on the System's website at <https://www.scers.org/actuarial-information>.