Classic Values, Innovative Advice

Stanislaus County Employees' Retirement Association

GASB 67/68 Report as of June 30, 2017

Produced by Cheiron

September 2017

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September 26, 2017

Board of Retirement
Stanislaus County Employees' Retirement Association
832 12th Street, Suite 600
Modesto, CA 95353

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Stanislaus County Employees' Retirement Association (StanCERA) and under GASB 68 for the County of Stanislaus and other participating employers. This information includes:

- Determination of the discount rate as of June 30, 2017,
- Projection of StanCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for StanCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

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

Sincerely,
Cheiron

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

Jonathan Chipko, FSA, EA, FCA, MAAA
Consulting Actuary

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Government Accounting Standards Board Statements 67 and 68 for the Stanislaus County Employees' Retirement Association (StanCERA) and the participating employers. This information includes:

- Determination of the discount rate as of June 30, 2017,
- Projection of StanCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for StanCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

Highlights

The measurement date for the Stanislaus County Employees' Retirement Association is June 30, 2017. Measurements are based on the fair value of assets as of June 30, 2017 and the Total Pension Liability (TPL) as of the valuation date, June 30, 2016, updated to June 30, 2017. To the best of our knowledge, there were no significant events between the valuation date and the measurement date so the update procedures only included 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			
		6/30/2017		6/30/2016
Net Pension Liability	$	665,287,596	$	737,298,235
Deferred Outflows		(185,752,405)		(326,566,770)
Deferred Inflows		9,477,702		5,139,678
Net Impact on Statement of Net Position	$	489,012,893	$	415,871,143
Pension Expense ($ Amount)	$	136,166,310	$	142,127,324
Pension Expense (% of Payroll[1])		53.26%		57.83%

[1] Aggregate covered payroll was provided by StanCERA for the FYE 2016 and 2017.

SECTION I – BOARD SUMMARY

The Net Pension Liability (NPL) decreased approximately $72 million since the prior measurement date. The driver of this decrease was an investment gain offset somewhat by an actuarial liability loss. The investment gains are recognized over five years, and the actuarial losses are recognized over the average remaining service life, which is also five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, StanCERA and its participating employers would report a Net Pension Liability of $665,287,596, Deferred Inflows of $9,477,702, and Deferred Outflows of $185,752,405. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to StanCERA would be $489,012,893 ($665,287,596 + $9,477,702 - $185,752,405) 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, 2017, the collective annual pension expense is $136,166,310 or 53.26% of covered-employee payroll. This amount is not related to participating employers' contributions to StanCERA ($63,024,560), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions ($489,012,893 – $415,871,143 + $63,024,560). The collective pension expense is less than the collective expense 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 the report.

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Stanislaus County Employees' Retirement Association (StanCERA) and under GASB 68 for the employers that participate in StanCERA. This report is for the use of StanCERA, 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 StanCERA.

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

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. 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 StanCERA 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.

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

Jonathan Chipko, FSA, EA, FCA, MAAA
Consulting Actuary

SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.25%. This discount rate is intended to be used for accounting and financial reports, but is not appropriate for estimating the price to settle the plan's liability.

We have assumed that the employees will continue to contribute to StanCERA at the current rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percent of payroll over a closed period (20 years remaining as of the June 30, 2016 actuarial valuation).

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 StanCERA's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2017, is measured as of a valuation date of June 30, 2016 and projected to June 30, 2017. 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, 2015 and projected to June 30, 2016, it will not match the amounts measured as of June 30, 2016 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Table IV-1
Projection of Collective Total Pension Liability from Valuation to Measurement Date

Discount Rate	6.25%	7.25%	8.25%
Valuation Collective Total Pension Liability, 6/30/2016			
Actives	$ 1,161,111,191	$ 975,721,000	$ 827,660,275
Deferred Vested	162,169,046	134,179,449	112,661,715
Retirees	1,578,114,777	1,427,166,496	1,300,186,576
Total	**$ 2,901,395,014**	**$ 2,537,066,945**	**$ 2,240,508,566**
Service Cost	73,762,860	57,465,280	45,380,634
Benefit Payments	116,843,858	116,843,858	116,843,858
Interest	180,011,310	181,822,540	181,952,513
Collective Total Pension Liability, 6/30/2017	**$ 3,038,325,326**	**$ 2,659,510,907**	**$ 2,350,997,855**

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 6/30/2016	$ 2,510,211,948	$ 1,772,913,713	$ 737,298,235
Changes for the year:			
Service cost	57,465,280		57,465,280
Interest	179,875,553		179,875,553
Changes of benefits	0		0
Differences between expected and actual experience	28,801,984		28,801,984
Changes of assumptions	0		0
Contributions - employer		63,024,560	(63,024,560)
Contributions - member		25,463,745	(25,463,745)
Net investment income		252,309,705	(252,309,705)
Benefit payments	(116,843,858)	(116,843,858)	0
Administrative expense		(2,644,554)	2,644,554
Net changes	149,298,959	221,309,598	(72,010,639)
Balances at 6/30/2017	$ 2,659,510,907	$ 1,994,223,311	$ 665,287,596

During the measurement year, the collective NPL decreased by approximately $72 million. The service cost and interest cost increased the collective NPL by approximately $237 million while contributions and investment gains offset by administrative expenses decreased the collective NPL by approximately $338 million.

There were no changes in benefits or assumptions during the year. There was an actuarial experience loss of approximately $29 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table on the next page shows the sensitivity of the collective NPL to the discount rate.

SECTION V – GASB 67 REPORTING INFORMATION

Table V-2
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	$ 3,038,325,326	$ 2,659,510,907	$ 2,350,997,855
Plan Fiduciary Net Position	1,994,223,311	1,994,223,311	1,994,223,311
Collective Net Pension Liability	$ 1,044,102,015	$ 665,287,596	$ 356,774,544
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.6%	75.0%	84.8%

A one percent decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 57%. A one percent increase in the discount rate decreases the TPL by approximately 12% and decreases the collective NPL by approximately 46%.

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 three years since implementation.

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

	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability				
Service cost (MOY)	$ 57,465,280	$ 55,351,509	$ 48,242,363	$ 46,209,346
Interest (includes interest on service cost)	179,875,553	171,938,615	154,850,353	147,384,248
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	28,801,984	(6,424,597)	2,148,638	0
Changes of assumptions[1]	0	269,752,272	0	0
Benefit payments, including refunds of member contributions	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
Net change in total pension liability	**$ 149,298,959**	**$ 382,451,989**	**$ 103,383,198**	**$ 98,811,123**
Total pension liability - beginning	**2,510,211,948**	**2,127,759,959**	**2,024,376,761**	**1,925,565,638**
Total pension liability - ending	**$ 2,659,510,907**	**$2,510,211,948**	**$2,127,759,959**	**$2,024,376,761**
Plan fiduciary net position				
Contributions - employer	$ 63,024,560	$ 58,196,310	$ 53,849,031	$ 46,763,996
Contributions - member	25,463,745	23,916,508	22,960,235	21,867,911
Net investment income	252,309,705	(31,322,276)	68,722,781	274,896,108
Benefit payments, including refunds of member contributions	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
Administrative expense	(2,644,554)	(2,315,223)	(2,378,966)	(2,249,260)
Net change in plan fiduciary net position	**$ 221,309,598**	**$ (59,690,491)**	**$ 41,294,925**	**$ 246,496,284**
Plan fiduciary net position - beginning	**1,772,913,713**	**1,832,604,204**	**1,791,309,279**	**1,544,812,995**
Plan fiduciary net position - ending	**$ 1,994,223,311**	**$1,772,913,713**	**$1,832,604,204**	**$1,791,309,279**
Net pension liability - ending	**$ 665,287,596**	**$ 737,298,235**	**$ 295,155,755**	**$ 233,067,482**
Plan fiduciary net position as a percentage of the total pension liability	74.98%	70.63%	86.13%	88.49%
Covered payroll	$ 255,646,515	$ 245,751,576	$ 237,263,160	$ 221,863,110
Net pension liability as a percentage of covered payroll[2]	260.24%	300.02%	124.40%	105.05%

[1]In 2016, amounts reported as changes of assumptions resulted primarily from changes to the assumed earnings rate from 7.75% to 7.25% and from adjustments to assumed life expectancies as a result of adopting updated mortality tables with generational improvements.

[2]Aggregate covered payroll was provided by StanCERA beginning with FYE 2015. For previous years' amounts, payroll was based on individual member pay data provided to the Actuary.

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

SECTION V – GASB 67 REPORTING INFORMATION

Table V-4
Schedule of Collective Employer Contributions

	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009	FYE 2008
Actuarially Determined Contribution	$ 63,024,560	$ 58,196,310	$ 53,849,031	$ 46,763,996	$ 39,077,000	$ 41,614,000	$ 47,657,000	$ 31,814,000	$ 23,411,000	$ 22,555,000
Contributions in Relation to the Actuarially Determined Contribution	63,024,560	58,196,310	53,849,031	46,763,996	39,077,000	41,614,000	47,657,000	31,814,000	23,411,000	22,555,000
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll[1]	$ 255,646,515	$ 245,751,576	$ 237,263,160	$ 221,863,110	$ 217,491,487	$ 215,057,000	$ 221,541,000	$ 231,538,000	$ 248,316,000	$ 242,009,000
Contributions as a Percentage of Covered Payroll	24.65%	23.68%	22.70%	21.08%	17.97%	19.35%	21.51%	13.74%	9.43%	9.32%

[1]Aggregate covered payroll was provided by StanCERA beginning with FYE 2015. For previous years' amounts, payroll was based on individual member pay data provided to the Actuary.

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2017.

Notes to Schedule

Valuation Date	6/30/2015 (to determine FY 2016-17 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed market, 80% / 120% corridor around market
Amortization method	The unfunded liability is being amortized over a closed period as a level percentage of payroll, with 21 years remaining as of the June 30, 2015 actuarial valuation
Discount rate	7.25%, net of investment expenses
Amortization growth rate	3.25%
Price inflation	3.00%
Salary increases	3.25% plus merit component based on employee classification and years of service
Mortality	Rates of ordinary death for active Members are specified by the CalPERS Pre-Retirement Non-Industrial Mortality table, adjusted by 100.3% for males and 98.8% for females, with generational mortality improvements projected from 2009 using Scale MP-2015. Duty related mortality rates are only applicable for Safety Active Members, and are based on the CalPERS Pre-Retirement Industrial Death table with adjustment or projection. Rates of mortality for healthy retired Members and their beneficiaries are specified by the CalPERS Healthy Annuitant table, adjusted by 93.4% for males and 107.9% for females, with generational mortality improvements projected from 2009 using Scale MP-2015. Separate mortality assumptions are used for disabled retirees.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2017 can be found in the June 30, 2015 actuarial valuation report

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Employers that participate in StanCERA are required to implement GASB 68 for their first fiscal year that commenced after June 15, 2014. The amounts reported as of their fiscal year end (their reporting date) must be based on a measurement date up to 12 months prior to their reporting date. We understand that some or all of the employers have elected to implement GASB 68 based on the 2014 measurement date. As a result, the GASB 68 schedules are based on deferred inflows and outflows equal to $0 as of June 30, 2013.

Because StanCERA is a cost-sharing multiple-employer pension plan, each employer participating in StanCERA 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 impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of StanCERA. As of the measurement date, this recognition period was five years.

During the year, there was an experience loss of approximately $28.8 million. Approximately $5.8 million of that loss was recognized as an increase in collective pension expense in the current year and an identical amount will be recognized in each of the next four years. Unrecognized experience losses from prior years were approximately $1.3 million, of which $0.4 million was recognized as an increase in collective pension expense in the current year. Unrecognized experience gains from prior years were approximately $5.1 million, of which $1.3 million was recognized as a decrease in collective pension expense in the current year. The unrecognized experience gains from prior periods result in a deferred inflow of resources of $3.9 million, and the unrecognized experience losses from this year and prior periods result in a deferred outflow of resources as of June 30, 2017 of approximately $23.9 million.

There were no assumption changes since the last measurement date. Unrecognized losses due to assumption changes from prior periods were approximately $215.8 million, of which $54.0 million was recognized as an increase in collective pension expense in the current year. The unrecognized losses due to assumption changes from prior periods result in a collective deferred outflow of resources as of June 30, 2017 of approximately $161.9 million.

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was an investment gain of approximately $124.9 million. Approximately $25.0 million of that gain was recognized in the current year and an identical amount will be recognized in each of the next four years. Unrecognized investment losses from prior periods were approximately $109.5 million of which $15.2 million was recognized as an increase in collective pension expense in the current year. The combination of unrecognized investment gains this year and unrecognized net investment losses from prior periods results in a collective deferred inflow of resources as of June 30, 2017 of approximately $5.6 million.

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

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

Table VI-1
Schedule of Collective Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 23,901,041	$ 3,854,759
Changes in assumptions	161,851,364	0
Net difference between projected and actual earnings on pension plan investments	0	5,622,943
Total	**$ 185,752,405**	**$ 9,477,702**

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

Measurement year ended June 30:	
2018	49,076,820
2019	80,327,430
2020	66,085,566
2021	(19,215,113)
2022	0
Thereafter	$ 0

The collective annual pension expense recognized by the participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statements of Net Position that relate to StanCERA 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 on the following page, we believe it helps to understand the level and volatility of the collective pension expense.

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Table VI-2
Calculation of Collective Pension Expense

	Measurement Year Ending 2017	2016
Change in Net Pension Liability	$ (72,010,639)	$ 442,142,480
Change in Deferred Outflows	140,814,365	(324,847,860)
Change in Deferred Inflows	4,338,024	(33,363,606)
Employer Contributions	63,024,560	58,196,310
Pension Expense	**$ 136,166,310**	**$ 142,127,324**
Pension Expense as % of Payroll[1]	**53.26%**	**57.83%**
Operating Expenses		
Service cost	$ 57,465,280	$ 55,351,509
Employee contributions	(25,463,745)	(23,916,508)
Administrative expenses	2,644,554	2,315,223
Total	$ 34,646,089	$ 33,750,224
Financing Expenses		
Interest cost	$ 179,875,553	$ 171,938,615
Expected return on assets	(127,432,152)	(131,853,449)
Total	$ 52,443,401	$ 40,085,166
Changes		
Benefit changes	$ 0	$ 0
Recognition of assumption changes	53,950,454	53,950,454
Recognition of liability gains and losses	4,905,206	(855,191)
Recognition of investment gains and losses	(9,778,840)	15,196,671
Total	$ 49,076,820	$ 68,291,934
Pension Expense	**$ 136,166,310**	**$ 142,127,324**

[1] Aggregate covered payroll was provided by StanCERA for the FYE 2016 and 2017.

First, there are components referred to as operating expenses. These are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating StanCERA for the year.

Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

assets, the financing expense is just the interest on the Net Pension Liability, adjusted for cash flows.

The final category is changes. This category will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total collective pension expense decreased from the prior year by about $5.9 million. The operating expenses increased by $0.9 million, and the financing expenses by $12.4 million. The recognition of assumption changes remained the same, the recognition of investment gains and losses decreased by $25.0 million, and the recognition of liability gains and losses increased by $5.8 million.

SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

Proportionate Shares

Because StanCERA is a Cost-sharing Multiple-employer Pension Plan, each employer participating in StanCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. GASB 68 requires that the proportionate share for each employer 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 StanCERA's GASB 67 reporting requirements, StanCERA is following the advice of the AICPA[1] and making a determination of each employer's proportionate share, which will be reviewed by StanCERA'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 StanCERA 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 and Safety employees. In Table VII-1, each employer's amortization share as of June 30, 2017 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, 2016).

[1]http://www.aicpa.org/interestareas/governmentalauditquality/resources/gasbmatters/downloadabledocuments/aicpaslgep_cs_er_reporting_whitepaper.pdf

SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

Table VII-1

Determination of Employers' Proportionate Share as of June 30, 2017

Employer	Unfunded Liability Amortization Rate (from the June 30, 2016 Actuarial Valuation) General	Unfunded Liability Amortization Rate (from the June 30, 2016 Actuarial Valuation) Safety	Pensionable Payroll General	Pensionable Payroll Safety	Amortization Share (Rate x Pay)	Proportionate Share
Stanislaus County	17.49%	24.72%	$ 179,762,925	$ 47,799,665	$ 43,256,613	88.7456%
City of Ceres	18.87%	24.63%	5,764,523	6,577,498	2,707,803	5.5554%
Stanislaus Superior Court	17.49%	24.72%	13,046,366	0	2,281,809	4.6814%
Stan. Council of Governments	17.49%	24.72%	919,099	0	160,750	0.3298%
East Side Mosquito District	18.87%	24.63%	721,923	0	136,227	0.2795%
Salida Sanitary District	18.87%	24.63%	590,647	0	111,455	0.2287%
Keyes Comm. Services District	18.87%	24.63%	296,853	0	56,016	0.1149%
Hills Ferry Cemetery District	18.87%	24.63%	167,016	0	31,516	0.0647%
Total			**$ 201,269,352**	**$ 54,377,163**	**$ 48,742,190**	**100.0000%**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017.

Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2017

Employer	Proportionate Share	Share of NPL @ 6.25%	Share of NPL @ 7.25%	Share of NPL @ 8.25%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
Stanislaus County	88.7456%	$ 926,594,598	$ 590,413,469	$ 316,621,710	$ 164,847,086	$ 8,411,044	$ 120,841,609
City of Ceres	5.5554%	58,004,043	36,959,387	19,820,253	10,319,289	526,524	7,564,583
Stanislaus Superior Court	4.6814%	48,878,592	31,144,774	16,702,044	8,695,813	443,689	6,374,490
Stan. Council of Governments	0.3298%	3,443,448	2,194,118	1,176,642	612,611	31,257	449,076
East Side Mosquito District	0.2795%	2,918,265	1,859,479	997,185	519,178	26,490	380,585
Salida Sanitary District	0.2287%	2,387,861	1,521,513	815,943	424,816	21,676	311,412
Keyes Comm. Services District	0.1149%	1,199,673	764,415	409,934	213,430	10,890	156,455
Hills Ferry Cemetery District	0.0647%	675,534	430,441	230,833	120,182	6,132	88,100
Total	**100.0000%**	**$1,044,102,015**	**$ 665,287,596**	**$ 356,774,544**	**$ 185,752,405**	**$ 9,477,702**	**$ 136,166,310**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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 StanCERA's active and inactive members (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 StanCERA's active and inactive members (five years).

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3
Schedule of Employers' Changes in Proportion and Contribution Differences

	Proportionate Shares		Impact of Change in Proportion				Contributions		
Employer	6/30/2016	6/30/2017	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
Stanislaus County	88.2623%	88.7456%	$ 3,563,362	$ 1,578,297	$ (24,840)	$ 2,009,905	$ 55,715,221	$ 55,931,524	$ (216,303)
City of Ceres	5.8514%	5.5554%	(2,182,403)	(966,638)	15,213	(1,230,979)	3,831,916	3,501,266	330,650
Stanislaus Superior Court	4.8715%	4.6814%	(1,401,604)	(620,803)	9,771	(790,571)	2,857,220	2,950,432	(93,212)
Stan. Council of Governments	0.3621%	0.3298%	(238,147)	(105,481)	1,660	(134,326)	195,591	207,855	(12,264)
East Side Mosquito District	0.2647%	0.2795%	109,120	48,332	(761)	61,549	174,683	176,154	(1,471)
Salida Sanitary District	0.2158%	0.2287%	95,111	42,127	(663)	53,647	146,199	144,137	2,062
Keyes Comm. Services Distri	0.1094%	0.1149%	40,551	17,961	(283)	22,873	61,826	72,415	(10,589)
Hills Ferry Cemetery District	0.0628%	0.0647%	14,009	6,205	(98)	7,902	41,904	40,777	1,127
Total	**100.0000%**	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$63,024,560**	**$ 63,024,560**	**$ 0**

SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

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

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

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2016	Current Year Net Effect	Recognition	6/30/2017	6/30/2016	Current Year Net Effect	Recognition	6/30/2017
Stanislaus County	$ 495,703	$ 2,009,905	$ 637,907	$ 1,867,701	$ (1,236,676)	$ 0	$ (309,169)	$ (927,507)
City of Ceres	500,566	0	125,141	375,425	(426,707)	(1,230,979)	(449,022)	(1,208,664)
Stanislaus Superior Court	842,862	0	210,716	632,146	(291,566)	(790,571)	(290,433)	(791,704)
Stan. Council of Governments	31,374	0	15,687	15,687	(78,512)	(134,326)	(51,776)	(161,062)
East Side Mosquito District	95,646	61,549	54,726	102,469	(52,048)	0	(13,012)	(39,036)
Salida Sanitary District	138,144	53,647	68,200	123,591	(57,625)	0	(14,406)	(43,219)
Keyes Comm. Services District	44,634	22,873	17,883	49,624	(3,504)	0	(1,751)	(1,753)
Hills Ferry Cemetery District	7,948	7,902	4,230	11,620	(10,241)	0	(4,920)	(5,321)
Total	**$ 2,156,877**	**$ 2,155,876**	**$ 1,134,490**	**$ 3,178,263**	**$(2,156,879)**	**$ (2,155,876)**	**$ (1,134,489)**	**$ (3,178,266)**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2016	Current Year Difference	Recognition	6/30/2017	6/30/2016	Current Year Difference	Recognition	6/30/2017
Stanislaus County	$ 72,366	$ 0	$ 18,091	$ 54,275	$ (220,478)	$ (216,303)	$ (127,695)	$ (309,086)
City of Ceres	441,678	330,650	222,702	$ 549,626	0	0	0	0
Stanislaus Superior Court	0	0	0	$ 0	(245,822)	(93,212)	(93,570)	(245,464)
Stan. Council of Governments	0	0	0	$ 0	(21,671)	(12,264)	(9,245)	(24,690)
East Side Mosquito District	0	0	0	$ 0	(8,944)	(1,471)	(3,453)	(6,962)
Salida Sanitary District	1,914	2,062	891	$ 3,084	(6,347)	0	(2,270)	(4,077)
Keyes Comm. Services District	1,436	0	717	$ 719	(12,599)	(10,589)	(5,825)	(17,364)
Hills Ferry Cemetery District	179	1,127	270	$ 1,036	(1,710)	0	(614)	(1,096)
Total	**$ 517,573**	**$ 333,839**	**$ 242,671**	**$ 608,741**	**$ (517,572)**	**$ (333,839)**	**$ (242,672)**	**$ (608,739)**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Stanislaus County	88.7456%	$ 21,211,122	$ 143,635,964	$ 0	$ 1,867,701	$ 54,275
City of Ceres	5.5554%	1,327,798	8,991,491	0	375,425	549,626
Stanislaus Superior Court	4.6814%	1,118,903	7,576,910	0	632,146	0
Stan. Council of Governments	0.3298%	78,826	533,786	0	15,687	0
East Side Mosquito District	0.2795%	66,803	452,375	0	102,469	0
Salida Sanitary District	0.2287%	54,662	370,154	0	123,591	3,084
Keyes Comm. Services District	0.1149%	27,462	185,967	0	49,624	719
Hills Ferry Cemetery District	0.0647%	15,464	104,718	0	11,620	1,036
Total	**100.0000%**	**$23,901,041**	**$ 161,851,364**	**$ 0**	**$ 3,178,263**	**$ 608,741**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Stanislaus County	88.7456%	$ 3,420,929	$ 0	$ 4,990,115	$ 927,507	$ 309,086
City of Ceres	5.5554%	214,147	0	312,377	1,208,664	0
Stanislaus Superior Court	4.6814%	180,457	0	263,232	791,704	245,464
Stan. Council of Governments	0.3298%	12,713	0	18,544	161,062	24,690
East Side Mosquito District	0.2795%	10,774	0	15,716	39,036	6,962
Salida Sanitary District	0.2287%	8,816	0	12,860	43,219	4,077
Keyes Comm. Services District	0.1149%	4,429	0	6,461	1,753	17,364
Hills Ferry Cemetery District	0.0647%	2,494	0	3,638	5,321	1,096
Total	**100.0000%**	**$ 3,854,759**	**$ 0**	**$ 5,622,943**	**$ 3,178,266**	**$ 608,739**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017

	Recognition for Measurement Year Ending					
Employer	**2018**	**2019**	**2020**	**2021**	**2022**	**Thereafter**
Stanislaus County	$ 43,772,656	$ 71,326,939	$ 58,715,676	$ (16,693,845)	$ 0	$ 0
City of Ceres	2,625,235	4,485,198	3,646,261	(1,247,541)	0	0
Stanislaus Superior Court	2,124,195	3,714,829	3,084,372	(1,076,295)	0	0
Stan. Council of Governments	116,519	206,067	181,393	(92,690)	0	0
East Side Mosquito District	175,432	231,938	183,481	(41,692)	0	0
Salida Sanitary District	164,651	202,321	148,348	(32,800)	0	0
Keyes Comm. Services District	67,413	104,351	81,624	(19,622)	0	0
Hills Ferry Cemetery District	30,719	55,787	44,407	(10,624)	0	0
Total	**$49,076,820**	**$80,327,430**	**$66,085,561**	**$ (19,215,109)**	**$ 0**	**$ 0**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017

Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer Net Pension Liability	Change in Employer Deferred Outflows	Change in Employer Deferred Inflows	Employer Contributions	Employer Pension Expense
Stanislaus County	$ 120,841,609	$ 328,738	$ (109,604)	$ 121,060,743	$ (60,342,911)	$ (122,034,349)	$ (3,654,084)	$ 55,715,221	$ 121,060,743
City of Ceres	7,564,583	(323,881)	222,702	7,463,404	(6,182,882)	(8,806,632)	(1,007,738)	3,831,916	7,463,404
Stanislaus Superior Court	6,374,490	(79,717)	(93,570)	6,201,203	(4,772,710)	(7,423,603)	(693,090)	2,857,220	6,201,203
Stan. Council of Governments	449,076	(36,089)	(9,245)	403,742	(475,638)	(585,574)	(98,216)	195,591	403,742
East Side Mosquito District	380,585	41,714	(3,453)	418,846	(92,150)	(338,421)	2,109	174,683	418,846
Salida Sanitary District	311,412	53,794	(1,379)	363,827	(69,577)	(293,297)	6,092	146,199	363,827
Keyes Comm. Services District	156,455	16,132	(5,108)	167,479	(42,189)	(139,562)	(8,280)	61,826	167,479
Hills Ferry Cemetery District	88,100	(690)	(344)	87,066	(32,582)	(80,373)	2,630	41,904	87,066
Total	**$ 136,166,310**	**$ 1**	**$ (1)**	**$ 136,166,310**	**$ (72,010,639)**	**$(139,701,811)**	**$ (5,450,578)**	**$ 63,024,560**	**$ 136,166,310**

SECTION VII – GASB 68 REPORTING INFORMATION FOR 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, 2017

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
Stanislaus County	88.7456%	$ 590,413,469	$ 227,562,590	259.5%	75.0%	$ 55,715,221	$ 55,715,221	$ 0	24.5%
City of Ceres	5.5554%	36,959,387	12,342,021	299.5%	75.0%	3,831,916	3,831,916	0	31.0%
Stanislaus Superior Court	4.6814%	31,144,774	13,046,366	238.7%	75.0%	2,857,220	2,857,220	0	21.9%
Stan. Council of Governments	0.3298%	2,194,118	919,099	238.7%	75.0%	195,591	195,591	0	21.3%
East Side Mosquito District	0.2795%	1,859,479	721,923	257.6%	75.0%	174,683	174,683	0	24.2%
Salida Sanitary District	0.2287%	1,521,513	590,647	257.6%	75.0%	146,199	146,199	0	24.8%
Keyes Comm. Services District	0.1149%	764,415	296,853	257.5%	75.0%	61,826	61,826	0	20.8%
Hills Ferry Cemetery District	0.0647%	430,441	167,016	257.7%	75.0%	41,904	41,904	0	25.1%
Total	**100.0000%**	**$ 665,287,596**	**$ 255,646,515**	**260.2%**	**75.0%**	**$ 63,024,560**	**$ 63,024,560**	**$ 0**	**24.7%**

APPENDIX A – MEMBERSHIP INFORMATION

	General Members		Safety Members		Total	
	7/1/2015	7/1/2016	7/1/2015	7/1/2016	7/1/2015	7/1/2016
Active Participants						
Number	3,421	3,521	723	727	4,144	4,248
Average Age	45.45	45.15	38.08	38.11	44.17	43.94
Average Service	10.94	10.62	10.25	10.29	10.82	10.56
Average Pay (does not reflect impact of furloughs)	$ 55,116	$ 56,364	$ 68,004	$ 71,555	$ 57,364	$ 58,964
Service Retired						
Number	2,472	2,552	349	367	2,821	2,919
Average Age	69.46	69.64	64.57	64.76	68.85	69.02
Average Annual Total Benefit	$ 28,315	$ 29,368	$ 51,627	$ 53,226	$ 31,199	$ 32,368
Beneficiaries						
Number	323	334	87	94	410	428
Average Age	72.70	73.11	66.66	66.90	71.42	71.75
Average Annual Total Benefit	$ 16,700	$ 16,980	$ 27,721	$ 27,902	$ 19,039	$ 19,379
Duty Disabled						
Number	108	102	118	123	226	225
Average Age	67.01	68.02	57.88	57.58	62.24	62.31
Average Annual Total Benefit	$ 23,941	$ 24,834	$ 36,607	$ 37,475	$ 30,554	$ 31,744
Ordinary Disabled						
Number	75	72	7	7	82	79
Average Age	64.36	64.57	57.00	58.00	63.73	63.99
Average Annual Total Benefit	$ 15,637	$ 16,412	$ 22,342	$ 23,013	$ 16,210	$ 16,996
Total In Pay						
Number	2,978	3,060	561	591	3,539	3,651
Average Age	69.59	69.84	63.39	63.52	68.61	68.82
Average Annual Total Benefit	$ 26,577	$ 27,560	$ 44,395	$ 45,562	$ 29,402	$ 30,474
Terminated Vested						
Number	393	399	80	80	473	479
Average Age	50.07	49.88	43.33	42.48	48.93	48.64
Average Service	10.00	10.23	10.01	9.27	10.00	10.07
Transfers						
Number	367	398	139	153	506	551
Average Age	46.41	46.51	40.61	41.22	44.82	45.04
Average Service	6.30	6.80	6.81	7.32	6.44	6.95
Total Inactives						
Number	760	797	219	233	979	1,030
Average Age	48.31	48.20	41.60	41.65	46.81	46.72
Average Service	8.21	8.52	7.98	7.99	8.16	8.40

Please refer to the June 30, 2016 actuarial valuation report for a more complete summary of the data.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2017 is provided below, including any assumptions that differ from those used in the July 1, 2016 actuarial valuation. Please refer to the July 1, 2016 actuarial valuation report for a complete description of all other assumptions.

Key Actuarial Assumptions

Expected Return on Assets	7.25 percent per year, net of investment expenses
Discount Rate	7.25 percent per year
Price Inflation	3.00% per year
Salary Increases	3.25% per year plus merit component based on employee classification and years of service
Administrative Expenses	An allowance of $2,472,000 for administrative expenses has been included in the annual cost calculated.
Postretirement COLA	100% of CPI up to 3% annually with banking, 2.7% annual increases assumed. Increases are assumed to occur on April 1.
Mortality Rates for Healthy Members and Inactives	Rates of ordinary death for active Members are specified by the CalPERS Pre-Retirement Non-Industrial Mortality table, adjusted by 100.3% for males and 98.8% for females, with generational mortality improvements projected from 2009 using Scale MP-2015. Duty related mortality rates are only applicable for Safety Active Members, and are based on the CalPERS Pre-Retirement Industrial Death table without adjustment or projection. Rates of mortality for retired Members and their beneficiaries are specified by the CalPERS Healthy Annuitant table, adjusted by 93.4% for males and 107.9% for females, with generational mortality improvements projected from 2009 using Scale MP-2015. Separate mortality assumptions are used for disabled retirees.

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. Please refer to the June 30, 2016 actuarial valuation report for a complete description of the method used in this valuation, including their impact on future expected plan contributions and funded status.

1. **Actuarial Cost Method**

   The Entry Age actuarial cost method was used for active employees, whereby the normal cost is computed as the level annual percentage of total payroll required to fund the retirement benefits between each member's date of hire and assumed retirement. The actuarial liability is the difference between the present value of future benefits and the present value of future normal costs. The normal cost and actuarial liability are calculated on an individual basis. The sum of the individual amounts is the normal cost and actuarial liability for the System.

2. **Asset Valuation Method**

   For the purposes of determining contribution rates, an actuarial value of assets is used that dampens the volatility in the market value of assets, resulting in a smoother pattern of contribution rates.

   The actuarial value of assets is calculated by recognizing 20% of each of the past five years of actual investment earnings compared to the expected earnings on the actuarial value of assets. The actuarial value of assets is limited to no less than 80% and no more than 120% of the market value. As of June 30, 2011, the actuarial value was reset to equal market value.

3. **Amortization Method**

   The Unfunded Actuarial Liability (UAL) is the difference between the actuarial liability and the actuarial value of assets. The UAL for each valuation group is amortized as a level percent of payroll, assuming pay increases of 3.25%, over a closed period of 20 years.

4. **Contributions**

   The total employer contribution rate is the sum of the employer normal cost rate, the administrative expense rate, and the UAL rate. The total employer contribution rate is determined separately for each valuation group.

   The total normal cost rate is determined by dividing the normal cost for members as of the valuation date by the total salary expected to be paid during the year. The total normal cost rate is determined separately for each valuation group. The employer's normal cost rate is the total normal cost rate less the employee contribution rate.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

The UAL rate is determined by dividing the UAL payments by the total expected payroll for the fiscal year. The UAL rate is determined separately for each valuation group.

The administrative expense rate is determined by dividing the expected annual administrative expense by the total expected payroll for the fiscal year. The administrative expense rate is determined separately for each valuation group.

The increase in Plan cost due to the change in assumptions as a result of the Actuarial Experience Study Report for the period covering July 1, 2012 through June 30, 2015 is phased-in over three years, beginning with the cost calculated in the June 30, 2015 actuarial valuation.

APPENDIX C - SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the July 1, 2016 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 StanCERA'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 measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.

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