



Marin County Employees' Retirement Association

**GASB 67/68 Report
as of June 30, 2023**

Produced by Cheiron

November 2023

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November 9, 2023

Board of Retirement
Marin County Employees' Retirement Association
1 McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

Dear Members of the Board:

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

- Determination of the discount rate as of June 30, 2023,
- Projection of MCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for MCERA,
- 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

A handwritten signature in blue ink, reading "Graham A. Schmidt".

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

A handwritten signature in blue ink, reading "William R. Hallmark".

William R. Hallmark, ASA, EA, FCA, MAAA
Consulting Actuary



**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the Marin County Employees' Retirement Association is June 30, 2023. Measurements are based on the fair value of assets as of June 30, 2023 and the Total Pension Liability (TPL) as of the valuation date, June 30, 2022 updated to June 30, 2023. 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		
	6/30/2023		6/30/2022
Net Pension Liability	\$ 288,821,503	\$	312,688,342
Deferred Outflows	(94,077,521)		(115,606,706)
Deferred Inflows	8,631,685		12,947,528
Net Impact on Statement of Net Position	\$ 203,375,667	\$	210,029,164
Pension Expense (\$ Amount)	\$ 75,659,810	\$	34,320,065
Pension Expense (% of Payroll)	25.40%		12.29%

The Net Pension Liability (NPL) decreased approximately \$24 million since the prior measurement date due to contributions and investment income in excess of service cost, administrative expenses, and interest on the NPL, offset by actuarial experience losses on the TPL.

The gains due to investment earnings being more than expected are recognized over five years. The losses due to liability experience are recognized over the average remaining service life as of the beginning of the measurement period, which is four years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, MCERA and its participating employers would report a Net Pension Liability of \$288,821,503, Collective Deferred Inflows of \$8,631,685, and Collective Deferred Outflows of \$94,077,521. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to MCERA would be a net liability of \$203,375,667 ($\$288,821,503 + \$8,631,685 - \$94,077,521$) 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.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION I – BOARD SUMMARY

For the measurement year ending June 30, 2023, the collective annual pension expense is \$75,659,810 or 25.40% of covered payroll. This amount is not related to participating employers' contributions to MCERA (\$82,313,307), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$203,375,667 – \$210,029,164 + \$82,313,307). The collective pension expense is considerably larger than the prior year. Volatility in pension expense from year to year is to be expected. For the measurement year ending June 30, 2023, the volatility was largely due to the increase in financing expenses. A breakdown of the financing expenses and other components of the collective net pension expense is shown in Section VI of the report.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under Government Accounting Standards Board Statement 67 (GASB 67) for the Marin County Employees' Retirement Association (MCERA) and under GASB 68 for the employers that participate in MCERA. This report is for the use of MCERA, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user. This report is not appropriate for other purposes, including the measurement of funding requirements for MCERA.

In preparing our report, we relied on information (some oral and some written) supplied by MCERA. 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. The assumptions have been selected by the Board based on our recommendations and analysis. We believe the assumptions to be reasonable.

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 software 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.

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

William R. Hallmark, ASA, EA, FCA, MAAA
Consulting Actuary

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

SECTION III – DETERMINATION OF DISCOUNT RATE

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

We have assumed that the employees will continue to contribute to MCERA 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 (ADC), reflecting a payment equal to annual normal cost, a portion of the expected administrative expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability (UAL) as a level percent of payroll over a closed period.

Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (8 years remaining as of June 30, 2022), except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (16 years remaining as of June 30, 2022).

Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes are amortized over a closed 24-year period, with a five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll in conjunction with traditional five-year asset smoothing. Assumption changes are amortized over a closed 22-year period, with a 3-year ramp up period, 2-year ramp down period, and 17 years of level payments as a percentage of payroll.

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 contribution 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 MCERA investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2023 is measured as of a valuation date of June 30, 2022 and projected to June 30, 2023. The TPL shown in the prior report was measured as of June 30, 2021 and projected to June 30, 2022. Because the TPLs are based on different valuations, the TPL from the prior report will not match the amounts measured as of June 30, 2022 that are shown in this exhibit.

There were no significant events during the projection period of which we are aware.

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

<p style="text-align: center;">Table IV-1 Projection of Collective TPL from Valuation to Measurement Date</p>			
Discount Rate	5.75%	6.75%	7.75%
Valuation Collective TPL, 6/30/2022			
Actives	\$ 1,129,198,918	\$ 955,443,255	\$ 815,120,386
Deferred Vested	171,884,603	143,326,996	121,332,350
Retirees	<u>2,451,159,149</u>	<u>2,227,036,047</u>	<u>2,037,325,460</u>
Total	\$ 3,752,242,670	\$ 3,325,806,298	\$ 2,973,778,196
Service Cost	91,875,474	72,065,376	57,177,614
Benefit Payments	185,125,385	185,125,385	185,125,385
Interest	213,110,487	220,738,455	225,602,344
Collective TPL, 6/30/2023	\$ 3,872,103,246	\$ 3,433,484,744	\$ 3,071,432,769

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

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 6/30/2022	\$ 3,322,567,490	\$ 3,009,879,148	\$ 312,688,342
Changes for the year:			
Service cost	72,065,376		72,065,376
Interest	220,519,836		220,519,836
Changes of benefits	0		0
Differences between expected and actual experience	3,457,427		3,457,427
Changes of assumptions	0		0
Contributions - employer		82,313,307	(82,313,307)
Contributions - member		35,813,903	(35,813,903)
Net investment income		207,213,820	(207,213,820)
Benefit payments	(185,125,385)	(185,125,385)	0
Administrative expense		(5,431,552)	5,431,552
Net changes	<u>110,917,254</u>	<u>134,784,093</u>	<u>(23,866,839)</u>
Balances at 6/30/2023	<u>\$ 3,433,484,744</u>	<u>\$ 3,144,663,241</u>	<u>\$ 288,821,503</u>

During the measurement year, the NPL decreased by approximately \$24 million. The service cost and interest cost increased the NPL by approximately \$293 million while contributions and investment income offset by administrative expenses decreased the NPL by approximately \$320 million.

There were no changes in assumptions or benefits during the year. There were actuarial experience losses during the year that increased the collective NPL by approximately \$3 million.

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

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

Table V-2 Sensitivity of Collective Net Pension Liability to Changes in Discount Rate			
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	\$ 3,872,103,246	\$ 3,433,484,744	\$ 3,071,432,769
Plan Fiduciary Net Position	<u>3,144,663,241</u>	<u>3,144,663,241</u>	<u>3,144,663,241</u>
Collective Net Pension Liability	<u>\$ 727,440,005</u>	<u>\$ 288,821,503</u>	<u>\$ (73,230,472)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.2%	91.6%	102.4%

A one percent decrease in the discount rate increases the TPL by approximately 13%, while a one percent increase in the discount rate decreases the TPL by approximately 11%. The increase and decrease in the NPL from these respective discount rate changes are substantially higher.

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

The schedules on the next two pages show the changes in collective NPL and related ratios required by GASB for the last 10 years.

Table V-3					
Schedule of Changes in Collective Net Pension Liability and Related Ratios					
	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 72,065,376	\$ 69,061,416	\$ 68,379,239	\$ 63,855,331	\$ 63,587,459
Interest	220,519,836	214,652,039	207,084,921	203,816,884	195,274,190
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	3,457,427	(17,263,371)	8,570,419	15,620,886	16,721,629
Changes of assumptions	0	0	33,674,504	0	0
Benefit payments, including refunds	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,983)
Net change in TPL	\$ 110,917,254	\$ 89,448,381	\$ 150,029,281	\$ 124,999,574	\$ 126,370,295
TPL - beginning	<u>3,322,567,490</u>	<u>3,233,119,109</u>	<u>3,083,089,828</u>	<u>2,958,090,254</u>	<u>2,831,719,959</u>
TPL - ending	<u>\$ 3,433,484,744</u>	<u>\$ 3,322,567,490</u>	<u>\$ 3,233,119,109</u>	<u>\$ 3,083,089,828</u>	<u>\$ 2,958,090,254</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 82,313,307	\$ 85,165,422	\$ 80,359,731	\$ 75,643,074	\$ 78,738,814
Contributions - member	35,813,903	33,878,121	32,019,007	30,913,996	30,010,459
Net investment income	207,213,820	(322,722,434)	829,890,325	89,273,498	136,483,513
Benefit payments, including refunds	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,983)
Administrative expense	(5,431,552)	(4,960,544)	(4,383,839)	(4,607,760)	(5,056,351)
Net change in plan fiduciary net position	\$ 134,784,093	\$ (385,641,138)	\$ 770,205,421	\$ 32,929,281	\$ 90,963,452
Plan fiduciary net position - beginning	<u>3,009,879,148</u>	<u>3,395,520,286</u>	<u>2,625,314,865</u>	<u>2,592,385,584</u>	<u>2,501,422,132</u>
Plan fiduciary net position - ending	<u>\$ 3,144,663,241</u>	<u>\$ 3,009,879,148</u>	<u>\$ 3,395,520,286</u>	<u>\$ 2,625,314,865</u>	<u>\$ 2,592,385,584</u>
Net pension liability - ending	<u>\$ 288,821,503</u>	<u>\$ 312,688,342</u>	<u>\$ (162,401,177)</u>	<u>\$ 457,774,963</u>	<u>\$ 365,704,670</u>
Plan fiduciary net position as a percentage of the TPL	91.59%	90.59%	105.02%	85.15%	87.64%
Covered payroll	\$ 297,919,324	\$ 279,282,881	\$ 272,441,885	\$ 264,730,129	\$ 253,964,938
Net pension liability as a percentage of covered payroll	96.95%	111.96%	-59.61%	172.92%	144.00%

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

SECTION V – GASB 67 REPORTING INFORMATION

Table V-3					
Schedule of Changes in Collective Net Pension Liability and Related Ratios					
	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 61,074,664	\$ 57,090,773	\$ 55,208,834	\$ 49,064,492	\$ 49,014,858
Interest	188,096,539	184,139,800	176,564,792	166,718,783	159,521,975
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(3,412,765)	(904,678)	(212,631)	(31,054,299)	0
Changes of assumptions	40,801,678	0	0	144,753,646	0
Benefit payments, including refunds	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Net change in TPL	\$ 146,703,444	\$ 108,388,833	\$ 107,357,476	\$ 213,497,871	\$ 99,193,972
TPL - beginning	<u>2,685,016,515</u>	<u>2,576,627,682</u>	<u>2,469,270,206</u>	<u>2,255,772,335</u>	<u>2,156,578,363</u>
TPL - ending	<u>\$ 2,831,719,959</u>	<u>\$ 2,685,016,515</u>	<u>\$ 2,576,627,682</u>	<u>\$ 2,469,270,206</u>	<u>\$ 2,255,772,335</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 78,754,476	\$ 77,502,945	\$ 75,260,980	\$ 68,915,072	\$ 69,980,201
Contributions - member	28,628,627	28,053,775	27,207,157	24,920,493	22,952,689
Net investment income	221,839,196	248,347,501	42,927,728	100,055,573	309,002,468
Benefit payments, including refunds	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Administrative expense	(4,203,705)	(4,404,191)	(4,379,760)	(4,654,623)	(4,503,845)
Net change in plan fiduciary net position	\$ 185,161,922	\$ 217,562,968	\$ 16,812,586	\$ 73,251,763	\$ 288,088,652
Plan fiduciary net position - beginning	<u>2,316,260,210</u>	<u>2,098,697,242</u>	<u>2,081,884,656</u>	<u>2,008,632,893</u>	<u>1,720,544,241</u>
Plan fiduciary net position - ending	<u>\$ 2,501,422,132</u>	<u>\$ 2,316,260,210</u>	<u>\$ 2,098,697,242</u>	<u>\$ 2,081,884,656</u>	<u>\$ 2,008,632,893</u>
Net pension liability - ending	<u>\$ 330,297,827</u>	<u>\$ 368,756,305</u>	<u>\$ 477,930,440</u>	<u>\$ 387,385,550</u>	<u>\$ 247,139,442</u>
Plan fiduciary net position as a percentage of the TPL	88.34%	86.27%	81.45%	84.31%	89.04%
Covered payroll	\$ 248,532,086	\$ 242,045,311	\$ 238,185,040	\$ 223,825,880	\$ 218,340,721
Net pension liability as a percentage of covered payroll	132.90%	152.35%	200.66%	173.07%	113.19%

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SECTION V – GASB 67 REPORTING INFORMATION

The following schedule shows information on the Actuarially Determined Contributions (ADC) and related contributions.

Table V-4 Schedule of Collective Employer Contributions					
	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Actuarially Determined Contribution	\$ 82,313,307	\$ 85,165,422	\$ 80,359,731	\$ 75,643,074	\$ 78,738,814
Contributions in Relation to the					
Actuarially Determined Contribution	<u>82,313,307</u>	<u>85,165,422</u>	<u>80,359,731</u>	<u>75,643,074</u>	<u>78,738,814</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$297,919,324	\$279,282,881	\$272,441,885	\$264,730,129	\$253,964,938
Contributions as a Percentage of					
Covered Payroll	27.63%	30.49%	29.50%	28.57%	31.00%
	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially Determined Contribution	\$ 78,754,476	\$ 77,502,945	\$ 75,260,980	\$ 68,915,072	\$ 69,660,201
Contributions in Relation to the					
Actuarially Determined Contribution	<u>78,754,476</u>	<u>77,502,945</u>	<u>75,260,980</u>	<u>68,595,072</u>	<u>69,980,201</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 320,000</u>	<u>\$ (320,000)</u>
Covered Payroll	\$248,532,086	\$242,045,311	\$238,185,040	\$223,825,880	\$218,340,721
Contributions as a Percentage of					
Covered Payroll	31.69%	32.02%	31.60%	30.65%	32.05%

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SECTION V – GASB 67 REPORTING INFORMATION

The following information on key methods and assumptions used to calculate the ADC for FYE 2023 should be presented as notes to the schedule.

Notes to Schedule	
Valuation date	June 30, 2021 (to determine FY2022-23 contribution)
Timing	Actuarially Determined Contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll with separate periods for Extraordinary Actuarial Gains or Loss (17 years remaining as of (6/30/2021), the remaining UAL as of June 20, 2013 (9 years as of 6/30/2021), and additional layers for unexpected changes in UAL after 6/30/2013 (24 years for gains and losses with a 5-year phase in/out and 22 years for assumption changes with a 3-year phase in/out).
Discount rate	6.75%
Amortization growth rate	2.75%
Price Inflation	2.50%
Salary increases	3.00% plus merit component based on employee classification and years of service.
Base Mortality	Sex-distinct Public General 2010 Employee, Healthy Retiree, Disabled Retiree, and Contingent Survivor Mortality Tables, for Miscellaneous actives, healthy retirees (and their beneficiaries prior to the death of the member), disabled retirees, and all beneficiaries in pay status, respectively, with female beneficiaries in pay status adjusted by 105%. Sex-distinct Public Safety 2010 Above-Median Income Employee, Healthy Retiree, and Disabled Retiree Mortality Tables for Safety actives, healthy retirees (and their beneficiaries prior to the death of the member), and disabled retirees, respectively, with male disabled members adjusted by 95%.
Mortality Improvement	All base tables are projected with generational mortality improvements from a base year of 2010 using Projection Scale MP-2020.
A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2023, can be found in the June 30, 2021 actuarial valuation report.	

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

We understand that MCERA's participating employers elected to use the 2014 measurement date for their initial reporting under GASB 68 on their June 30, 2015 reporting dates. As a result, the schedules in this section will be used by employers for their FYE 2024 reporting.

The table below summarizes the current balances of 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	\$ 4,735,674	\$ 8,631,685
Changes in assumptions	8,418,626	0
Net difference between projected and actual earnings on pension plan investments	80,923,221	0
Total	<u>\$ 94,077,521</u>	<u>\$ 8,631,685</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2024	2,904,025	
2025	(25,708,163)	
2026	109,540,288	
2027	(1,290,314)	
2028	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 five years, as well as the total for any years thereafter.

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

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

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	2023	2024	2025	2026	2027
2023	4.0	\$ 3,457,427	\$ 3,457,427	\$ 2,593,070	\$ 864,357	\$ 864,357	\$ 864,357	\$ 864,356	\$ 0
2022	4.0	(17,263,371)	(12,947,528)	(8,631,685)	(4,315,843)	(4,315,843)	(4,315,842)	0	0
2021	4.0	8,570,419	4,285,209	2,142,604	2,142,605	2,142,604	0	0	0
2020	4.0	15,620,886	3,905,220	0	3,905,220	0	0	0	0
Deferred Outflows			11,647,856	4,735,674	6,912,182	3,006,961	864,357	864,356	0
Deferred (Inflows)			(12,947,528)	(8,631,685)	(4,315,843)	(4,315,843)	(4,315,842)	0	0
Net Change in Pension Expense			\$ (1,299,672)	\$ (3,896,011)	\$ 2,596,339	\$ (1,308,882)	\$ (3,451,485)	\$ 864,356	\$ 0

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

Change Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	2023	2024	2025	2026	2027
2023	4.0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	4.0	0	0	0	0	0	0	0	0
2021	4.0	33,674,504	16,837,252	8,418,626	8,418,626	8,418,626	0	0	0
2020	4.0	0	0	0	0	0	0	0	0
Deferred Outflows			16,837,252	8,418,626	8,418,626	8,418,626	0	0	0
Deferred (Inflows)			0	0	0	0	0	0	0
Net Change in Pension Expense			\$ 16,837,252	\$ 8,418,626	\$ 8,418,626	\$ 8,418,626	\$ 0	\$ 0	\$ 0

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Table VI-4 Recognition of Investment (Gains) and Losses										
Experience	Recognition	Total	Beginning	Ending	Recognition Year					
Year	Period	Amount	Remaining	Remaining	2023	2024	2025	2026	2027	
2023	5.0	\$ (6,451,566)	\$ (6,451,566)	\$ (5,161,253)	\$ (1,290,313)	\$ (1,290,313)	\$ (1,290,313)	\$ (1,290,313)	\$ (1,290,314)	
2022	5.0	549,831,221	439,864,977	329,898,733	109,966,244	109,966,244	109,966,244	109,966,245	0	
2021	5.0	(654,663,045)	(392,797,827)	(261,865,218)	(130,932,609)	(130,932,609)	(130,932,609)	0	0	
2020	5.0	90,254,799	36,101,919	18,050,959	18,050,960	18,050,959	0	0	0	
2019	5.0	37,049,780	<u>7,409,956</u>	<u>0</u>	<u>7,409,956</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Net Change in Pension Expense			\$ 84,127,459	\$ 80,923,221	\$ 3,204,238	\$ (4,205,719)	\$ (22,256,678)	\$ 108,675,932	\$ (1,290,314)	

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The collective annual pension expense recognized by participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statement of Net Position that relate to MCERA and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus 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 pension expense.

Table VI-5 Calculation of Collective Pension Expense		
	Measurement Year Ending	
	2023	2022
Change in Net Pension Liability	\$ (23,866,839)	\$ 475,089,519
Change in Deferred Outflows	21,529,185	(71,932,164)
Change in Deferred Inflows	(4,315,843)	(454,002,712)
Employer Contributions	82,313,307	85,165,422
Pension Expense	\$ 75,659,810	\$ 34,320,065
Pension Expense as % of Payroll	25.40%	12.29%
Operating Expenses		
Service cost	\$ 72,065,376	\$ 69,061,416
Employee contributions	(35,813,903)	(33,878,121)
Administrative expenses	5,431,552	4,960,544
Total	\$ 41,683,025	\$ 40,143,839
Financing Expenses		
Interest cost	\$ 220,519,836	\$ 214,652,039
Expected return on assets	(200,762,254)	(227,108,787)
Total	\$ 19,757,582	\$ (12,456,748)
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	8,418,626	8,418,626
Recognition of liability gains and losses	2,596,339	5,912,392
Recognition of investment gains and losses	3,204,238	(7,698,044)
Total	\$ 14,219,203	\$ 6,632,974
Pension Expense	\$ 75,659,810	\$ 34,320,065

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Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating MCERA 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 primarily the interest on the Net Pension Liability with an adjustment for the difference between the interest on the service cost and contributions.

The recognition of changes will drive most of the volatility in pension expense from year to year. Changes include 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 pension expense increased from the prior year by about \$41 million. In the current year pension expense, the recognition of changes increased by approximately \$8 million, operating expenses increased by \$1.5 million, and financing expenses increased by \$32 million compared to the prior year.

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Proportionate Shares

Because MCERA is a cost-sharing multiple-employer pension plan, each employer participating in MCERA must report a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in its financial statements. GASB 68 requires that the proportionate share for each employer 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”

Beginning with the June 30, 2022 measurement date, proportionate shares are determined based on the projected UAL as of the measurement date for each employer. For this report we projected the liabilities for each employer from the June 30, 2022 actuarial valuation to June 30, 2023 using the same procedures used to update the TPL between these dates. We allocated the assets as of June 30, 2023 to each of the three main cost-sharing groups – the County and related employers, the City of San Rafael, and the Novato Fire Protection District – based on the reserves provided by MCERA as of the measurement date, and within each cost-sharing group allocated the assets using the policy adopted by the Board with the June 30, 2021 actuarial valuation to produce an equal funded ratio for each employer within the group.

Table VII-1 Determination of Employers' Proportionate Share*					
Employer	June 30, 2023		June 30, 2022		
	Projected UAL	Proportionate Share	Projected UAL	Proportionate Share	
County	\$ 151,192,915	52.3482%	\$ 167,182,825	53.4663%	
LAFCO	85,362	0.0296%	94,887	0.0303%	
Marin City	58,743	0.0203%	74,948	0.0240%	
Mosquito District	2,412,781	0.8354%	2,602,440	0.8323%	
South Marin Fire	7,153,525	2.4768%	7,896,941	2.5255%	
Tamalpais CSD	744,597	0.2578%	826,499	0.2643%	
Courts	6,182,527	2.1406%	6,842,623	2.1883%	
City of San Rafael	99,372,303	34.4061%	105,476,578	33.7322%	
Novato Fire	21,618,751	7.4852%	21,690,607	6.9368%	
Total	\$ 288,821,503	100.0000%	\$ 312,688,348	100.0000%	

* Numbers may not sum to total due to rounding

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The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2023.

<p style="text-align: center;">Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2023*</p>							
Employer	Proportionate Share	Share of NPL @ 5.75%	Share of NPL @ 6.75%	Share of NPL @ 7.75%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County	52.3482%	380,801,749	151,192,858	(38,334,834)	49,247,889	4,518,532	39,606,549
LAFCO	0.0296%	215,322	85,491	(21,676)	27,847	2,555	22,395
Marin City	0.0203%	147,670	58,631	(14,866)	19,098	1,752	15,359
Mosquito District	0.8354%	6,077,034	2,412,815	(611,767)	785,924	72,109	632,062
South Marin Fire	2.4768%	18,017,234	7,153,531	(1,813,772)	2,330,112	213,790	1,873,942
Tamalpais CSD	0.2578%	1,875,340	744,582	(188,788)	242,532	22,252	195,051
Courts	2.1406%	15,571,581	6,182,513	(1,567,571)	2,013,823	184,770	1,619,574
City of San Rafael	34.4061%	250,283,736	99,372,215	(25,195,749)	32,368,406	2,969,826	26,031,590
Novato Fire	7.4852%	54,450,339	21,618,867	(5,481,447)	7,041,891	646,099	5,663,288
Total	100.0000%	\$727,440,005	\$288,821,503	\$ (73,230,472)	\$ 94,077,521	\$ 8,631,685	\$ 75,659,810

* Numbers may not sum to total due to rounding

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of MCERA's active and inactive members (four years).

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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 MCERA's active and inactive members (four 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.

<p style="text-align: center;">Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences*</p>									
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions		
	6/30/2022	6/30/2023	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
County	53.4663%	52.3482%	\$ (3,496,168)	\$ (1,292,599)	\$ 144,766	\$ (2,348,336)	\$ 50,371,278	\$ 43,089,535	\$ 7,281,743
LAFCO	0.0303%	0.0296%	(2,189)	(809)	91	(1,470)	35,373	24,365	11,008
Marin City	0.0240%	0.0203%	(11,569)	(4,277)	479	(7,771)	139,691	16,710	122,981
Mosquito District	0.8323%	0.8354%	9,693	3,584	(401)	6,511	1,754,536	687,645	1,066,891
South Marin Fire	2.5255%	2.4768%	(152,279)	(56,300)	6,305	(102,284)	2,726,587	2,038,736	687,851
Tamalpais CSD	0.2643%	0.2578%	(20,325)	(7,514)	842	(13,652)	352,811	212,204	140,607
Courts	2.1883%	2.1406%	(149,152)	(55,144)	6,176	(100,184)	1,793,008	1,761,999	31,009
City of San Rafael	33.7322%	34.4061%	2,107,207	779,074	(87,253)	1,415,387	20,570,206	28,320,799	(7,750,593)
Novato Fire	6.9368%	7.4852%	1,714,783	633,987	(71,004)	1,151,800	4,569,817	6,161,316	(1,591,499)
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$82,313,307	\$82,313,307	\$ 0

* Numbers may not sum to total due to rounding

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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				
	6/30/2022	Current Year Net Effect	Recognition	6/30/2023	6/30/2022	Current Year Net Effect	Recognition	6/30/2023	
County	\$ 6,891,880	\$ 0	\$ 4,009,284	\$ 2,882,595	\$ (4,712,568)	\$ (2,348,336)	\$ (2,157,940)	\$ (4,902,964)	
LAFCO	65,569	0	26,046	39,522	(13,222)	(1,470)	(6,978)	(7,713)	
Marin City	46,957	0	15,652	31,305	(2,334)	(7,771)	(4,277)	(5,828)	
Mosquito District	396,752	6,511	398,380	4,883	(1,411,625)	0	(476,145)	(935,480)	
South Marin Fire	1,321,839	0	741,410	580,429	(1,944,428)	(102,284)	(673,714)	(1,372,999)	
Tamalpais CSD	385,040	0	132,943	252,097	(260,192)	(13,652)	(263,605)	(10,239)	
Courts	602,733	0	400,442	202,291	(250,831)	(100,184)	(108,656)	(242,359)	
City of San Rafael	7,957,716	1,415,387	3,006,419	6,366,684	(10,883,765)	0	(6,452,257)	(4,431,507)	
Novato Fire	1,946,068	1,151,800	1,458,193	1,639,675	(135,590)	0	(45,197)	(90,393)	
Total	\$19,614,554	\$ 2,573,697	\$10,188,769	\$11,999,482	\$(19,614,554)	\$ (2,573,697)	\$(10,188,769)	\$(11,999,482)	

* Numbers may not sum to total due to rounding

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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.

<p style="text-align: center;">Table VII-5 Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences*</p>									
Employer	Deferred Outflows				Deferred Inflows				
	6/30/2022	Current Year Difference	Recognition	6/30/2023	6/30/2022	Current Year Difference	Recognition	6/30/2023	
County	\$ 9,128,038	\$ 7,281,743	\$ 6,322,136	\$ 10,087,645	\$ 0	\$ 0	\$ 0	\$ 0	
LAFCO	45,735	11,008	27,717	29,026	0	0	0	0	
Marin City	65,898	122,981	64,201	124,678	0	0	0	0	
Mosquito District	316,606	1,066,891	372,258	1,011,238	(157,950)	0	(103,307)	(54,643)	
South Marin Fire	716,725	687,851	478,358	926,218	(46,758)	0	(23,379)	(23,379)	
Tamalpais CSD	268,111	140,607	199,341	209,377	0	0	0	0	
Courts	71,484	31,009	71,235	31,259	(11,273)	0	(3,758)	(7,516)	
City of San Rafael	0	0	0	0	(8,812,125)	(7,750,593)	(6,345,578)	(10,217,140)	
Novato Fire	0	0	0	0	(1,584,490)	(1,591,499)	(1,059,225)	(2,116,764)	
Total	\$ 10,612,596	\$ 9,342,091	\$ 7,535,246	\$ 12,419,441	\$ (10,612,596)	\$ (9,342,091)	\$ (7,535,246)	\$ (12,419,441)	

* Numbers may not sum to total due to rounding

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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, 2023***

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	52.3482%	\$ 2,479,040	\$ 4,406,999	\$ 42,361,850	\$ 2,882,595	\$ 10,087,645
LAFCO	0.0296%	1,402	2,492	23,953	39,522	29,026
Marin City	0.0203%	961	1,709	16,427	31,305	124,678
Mosquito District	0.8354%	39,562	70,329	676,033	4,883	1,011,238
South Marin Fire	2.4768%	117,293	208,513	2,004,306	580,429	926,218
Tamalpais CSD	0.2578%	12,209	21,703	208,620	252,097	209,377
Courts	2.1406%	101,372	180,209	1,732,242	202,291	31,259
City of San Rafael	34.4061%	1,629,361	2,896,521	27,842,524	6,366,684	0
Novato Fire	7.4852%	354,475	630,151	6,057,265	1,639,675	0
Total	100.0000%	\$ 4,735,674	\$ 8,418,626	\$ 80,923,221	\$ 11,999,482	\$ 12,419,441

* Numbers may not sum to total due to rounding

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

<p style="text-align: center;">Table VII-7 Schedule of Employers' Deferred Inflows at June 30, 2023*</p>						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	52.3482%	\$ 4,518,532	\$ 0	\$ 0	\$ 4,902,964	\$ 0
LAFCO	0.0296%	2,555	0	0	7,713	0
Marin City	0.0203%	1,752	0	0	5,828	0
Mosquito District	0.8354%	72,109	0	0	935,480	54,643
South Marin Fire	2.4768%	213,790	0	0	1,372,999	23,379
Tamalpais CSD	0.2578%	22,252	0	0	10,239	0
Courts	2.1406%	184,770	0	0	242,359	7,516
City of San Rafael	34.4061%	2,969,826	0	0	4,431,507	10,217,140
Novato Fire	7.4852%	646,099	0	0	90,393	2,116,764
Total	100.0000%	\$ 8,631,685	\$ 0	\$ 0	\$ 11,999,482	\$ 12,419,441

* Numbers may not sum to total due to rounding

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

Table VII-8					
Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2023*					
Employer	Recognition for Measurement Year Ending				
	2024	2025	2026	2027	Thereafter
County	\$ 6,966,007	\$ (12,069,638)	\$ 58,575,721	\$ (675,456)	\$ 0
LAFCO	30,181	21,520	34,808	(382)	0
Marin City	70,036	46,687	51,039	(262)	0
Mosquito District	(132,642)	(300,215)	1,183,450	(10,779)	0
South Marin Fire	332,390	(933,326)	2,859,486	(31,958)	0
Tamalpais CSD	254,781	105,926	314,134	(3,326)	0
Courts	167,794	(654,971)	2,327,526	(27,620)	0
City of San Rafael	(5,032,160)	(9,512,017)	36,104,739	(443,947)	0
Novato Fire	247,636	(2,412,128)	8,089,385	(96,583)	0
Total	\$ 2,904,025	\$ (25,708,163)	\$ 109,540,288	\$ (1,290,314)	\$ 0

* Numbers may not sum to total due to rounding

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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.

Employers that are using a June 30, 2023 measurement date for their June 30, 2024 financial statements can use this schedule for their annual pension expense.

Table VII-9 Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2023*									
Employer	Collective	Change in	Contribution	Employer	Change in Employer			Employer	Employer
	Pension			Pension	Net Pension	Deferred	Deferred		
	Expense	Proportion	Difference	Expense	Liability	Outflows	Inflows	Contributions	Pension
County	\$ 39,606,549	\$ 1,851,344	\$ 6,322,136	\$ 47,780,029	\$ (15,990,029)	\$ 15,612,417	\$ (2,213,636)	\$ 50,371,278	\$ 47,780,029
LAFCO	22,395	19,068	27,717	69,180	(9,253)	49,936	(6,876)	35,373	69,180
Marin City	15,359	11,375	64,201	90,935	(16,414)	(34,480)	2,139	139,691	90,935
Mosquito District	632,062	(77,766)	268,951	823,248	(189,690)	(126,493)	(615,105)	1,754,536	823,248
South Marin Fire	1,873,942	67,696	454,979	2,396,618	(743,413)	1,121,453	(708,009)	2,726,587	2,396,618
Tamalpais CSD	195,051	(130,662)	199,341	263,730	(81,853)	254,693	(261,921)	352,811	263,730
Courts	1,619,574	291,786	67,477	1,978,837	(660,046)	956,666	(110,791)	1,793,008	1,978,837
City of San Rafael	26,031,590	(3,445,839)	(6,345,578)	16,240,174	(6,104,442)	8,219,312	(6,444,902)	20,570,206	16,240,174
Novato Fire	5,663,288	1,412,996	(1,059,225)	6,017,059	(71,698)	1,283,908	235,032	4,569,817	6,017,059
Total	\$75,659,810	\$ 0	\$ 0	\$75,659,810	\$ (23,866,839)	\$ 27,337,411	\$ (10,124,069)	\$82,313,307	\$75,659,810

* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

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

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10 Schedule of Employers' RSI Information at June 30, 2023*									
Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll
County	52.3482%	\$ 151,192,858	\$ 228,496,505	66.2%	91.6%	\$ 50,371,278	\$ 50,371,278	\$ 0	22.0%
LAFCO	0.0296%	85,491	309,366	27.6%	91.6%	35,373	35,373	0	11.4%
Marin City	0.0203%	58,631	89,818	65.3%	91.6%	139,691	139,691	0	155.5%
Mosquito District	0.8354%	2,412,815	3,750,996	64.3%	91.6%	1,754,536	1,754,536	0	46.8%
South Marin Fire	2.4768%	7,153,531	7,804,465	91.7%	91.6%	2,726,587	2,726,587	0	34.9%
Tamalpais CSD	0.2578%	744,582	1,454,404	51.2%	91.6%	352,811	352,811	0	24.3%
Courts	2.1406%	6,182,513	8,544,361	72.4%	91.6%	1,793,008	1,793,008	0	21.0%
City of San Rafael	34.4061%	99,372,215	36,858,411	269.6%	91.6%	20,570,206	20,570,206	0	55.8%
Novato Fire	7.4852%	21,618,867	10,610,997	203.7%	91.6%	4,569,817	4,569,817	0	43.1%
Total	100.0000%	\$288,821,503	\$297,919,324	96.9%	91.6%	\$82,313,307	\$82,313,307	\$ 0	27.6%

* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: County of Marin														
	Miscellaneous		Marin County Safety		Total		Miscellaneous		Marin Special Districts Safety		Total		Total County and Special Districts	
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants														
Number	1,706	1,745	356	353	2,062	2,098	163	174	52	50	215	224	2,277	2,322
Average Age	47.39	47.32	40.28	40.39	46.16	46.16	47.79	46.16	41.31	42.41	46.23	45.32	46.17	46.08
Average Service	9.55	9.28	10.75	10.80	9.75	9.53	10.44	9.32	9.46	10.08	10.20	9.49	9.80	9.53
Average Pay*	\$97,358	\$99,401	\$123,044	\$127,379	\$101,792	\$104,108	\$87,666	\$88,330	\$132,414	\$139,002	\$98,489	\$99,641	\$101,481	\$103,677
Service Retired														
Number	1,710	1,757	290	302	2,000	2,059	151	159	34	36	185	195	2,185	2,254
Average Age	72.80	73.05	64.61	64.74	71.61	71.83	69.99	70.53	63.87	63.50	68.87	69.23	71.38	71.60
Average Total Benefit*	\$40,184	\$40,681	\$72,947	\$74,049	\$44,935	\$45,575	\$39,403	\$40,455	\$72,909	\$72,090	\$45,561	\$46,295	\$44,988	\$45,638
Beneficiaries														
Number	283	288	78	81	361	369	17	18	8	10	25	28	386	397
Average Age	74.96	75.33	70.16	70.32	73.92	74.23	68.36	69.47	66.33	69.95	67.71	69.64	73.52	73.91
Average Total Benefit*	\$27,432	\$28,376	\$45,530	\$48,325	\$31,342	\$32,755	\$26,895	\$26,486	\$52,394	\$58,091	\$35,055	\$37,774	\$31,583	\$33,109
Duty Disabled														
Number	83	82	125	129	208	211	6	7	19	17	25	24	233	235
Average Age	69.85	70.50	64.39	64.51	66.57	66.84	66.88	66.07	66.72	66.78	66.76	66.57	66.59	66.81
Average Total Benefit*	\$40,146	\$41,551	\$63,643	\$65,553	\$54,267	\$56,225	\$34,947	\$35,271	\$64,005	\$66,058	\$57,031	\$57,079	\$54,563	\$56,312
Ordinary Disabled														
Number	28	29	8	8	36	37	2	2	0	0	2	2	38	39
Average Age	72.37	72.94	57.14	58.14	68.98	69.74	66.85	67.85	0.00	0.00	66.85	67.85	68.87	69.65
Average Total Benefit*	\$22,712	\$23,039	\$45,027	\$45,963	\$27,671	\$27,996	\$26,917	\$27,455	\$0	\$0	\$26,917	\$27,455	\$27,631	\$27,968
Total In Pay														
Number	2,104	2,156	501	520	2,605	2,676	176	186	61	63	237	249	2,842	2,925
Average Age	72.97	73.25	65.30	65.45	71.49	71.74	69.69	70.23	65.08	65.41	68.50	69.01	71.24	71.51
Average Total Benefit*	\$38,235	\$38,833	\$65,911	\$67,502	\$43,558	\$44,404	\$37,901	\$38,768	\$67,445	\$68,241	\$45,505	\$46,225	\$43,720	\$44,559
Terminated Vested														
Number	261	303	34	36	295	339	20	23	3	4	23	27	318	366
Average Age	48.41	47.62	42.43	42.05	47.72	47.02	48.27	50.69	52.40	47.61	48.81	50.23	47.80	47.26
Average Service	8.20	7.86	7.18	6.28	8.08	7.69	9.15	8.43	7.00	6.00	8.87	8.07	8.14	7.72
Transfers														
Number	170	161	54	50	224	211	28	25	10	9	38	34	262	245
Average Age	50.18	50.19	44.66	45.10	48.85	48.98	48.20	50.03	46.84	47.22	47.84	49.29	48.70	49.02
Average Service	4.96	5.04	4.98	5.04	4.97	5.04	5.18	6.00	5.20	5.00	5.18	5.74	5.00	5.13
Total Inactive														
Number	431	464	88	86	519	550	48	48	13	13	61	61	580	611
Average Age	49.11	48.51	43.80	43.82	48.21	47.77	48.23	50.35	48.12	47.34	48.20	49.70	48.21	47.97
Average Service	6.92	6.88	5.83	5.56	6.74	6.67	6.83	7.17	5.62	5.31	6.57	6.77	6.72	6.68

*All payroll and benefit figures shown are annual.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: City of San Rafael										
	Miscellaneous		Police		Fire		Total Safety		Total	
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants										
Number	188	199	68	68	70	63	138	103	326	302
Average Age	46.14	45.13	38.38	39.08	39.08	39.76	38.74	40.86	43.01	43.67
Average Service	9.22	8.64	9.26	9.65	9.37	9.78	9.32	11.20	9.26	9.52
Average Pay*	\$85,235	\$90,737	\$125,863	\$132,279	\$128,265	\$135,095	\$127,082	\$139,502	\$102,949	\$107,369
Service Retired										
Number	289	299	82	85	86	85	168	170	457	469
Average Age	70.41	70.70	66.93	67.39	68.95	68.95	67.96	68.17	69.51	69.78
Average Total Benefit*	\$41,223	\$42,507	\$77,125	\$77,033	\$101,395	\$105,420	\$89,549	\$91,227	\$58,988	\$60,167
Beneficiaries										
Number	43	43	26	26	22	29	48	55	91	98
Average Age	74.00	74.08	69.92	70.40	75.18	75.18	72.33	72.92	73.12	73.43
Average Total Benefit*	\$23,880	\$24,448	\$39,991	\$42,833	\$42,833	\$43,768	\$41,293	\$43,326	\$33,065	\$35,043
Duty Disabled										
Number	18	18	41	39	24	23	65	62	83	80
Average Age	68.93	69.93	62.40	62.68	69.81	70.39	65.14	65.54	65.96	66.53
Average Total Benefit*	\$31,312	\$32,264	\$65,564	\$68,114	\$99,999	\$102,277	\$78,278	\$80,787	\$68,093	\$69,870
Ordinary Disabled										
Number	2	1	0	0	0	0	0	0	2	1
Average Age	88.45	80.04	0.00	0.00	0.00	0.00	0.00	0.00	88.45	80.04
Average Total Benefit*	\$13,586	\$18,482	\$0	\$0	\$0	\$0	\$0	\$0	\$13,586	\$18,482
Total In Pay										
Number	352	361	149	150	132	137	281	287	633	648
Average Age	70.88	71.09	66.21	66.69	70.14	70.51	68.06	68.51	69.63	69.95
Average Total Benefit*	\$38,440	\$39,779	\$67,464	\$68,786	\$91,381	\$91,842	\$78,699	\$79,792	\$56,312	\$57,501
Terminated Vested										
Number	48	52	18	18	6	10	24	25	72	77
Average Age	47.93	48.11	45.17	43.84	37.42	39.78	43.23	43.45	46.36	46.60
Average Service	6.50	6.37	10.50	10.06	6.50	8.90	9.50	10.00	7.50	7.55
Transfers										
Number	78	82	14	15	6	7	20	20	98	102
Average Age	43.31	43.36	48.18	48.50	42.23	41.18	46.40	47.60	43.94	44.19
Average Service	2.72	2.50	4.43	4.47	3.67	3.43	4.20	4.35	3.02	2.86
Total Inactive										
Number	126	134	32	33	12	17	44	45	170	179
Average Age	45.07	45.20	46.49	45.96	39.83	40.36	44.67	45.30	44.96	45.23
Average Service	4.16	4.00	7.84	7.52	5.08	6.65	7.09	7.49	4.92	4.88

*All payroll and benefit figures shown are annual.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: Novato Fire Protection District						
	Miscellaneous		Safety		Total	
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants						
Number	10	9	69	66	79	75
Average Age	47.77	51.18	43.99	43.68	44.46	44.58
Average Service	10.70	12.44	13.33	13.21	13.00	13.12
Average Pay*	\$108,769	\$123,837	\$138,224	\$142,483	\$134,495	\$140,246
Service Retired						
Number	5	5	58	63	63	68
Average Age	67.06	68.06	68.78	68.29	68.64	68.27
Average Total Benefit*	\$48,044	\$49,485	\$115,401	\$114,310	\$110,055	\$109,543
Beneficiaries						
Number	1	1	20	20	21	21
Average Age	58.67	59.67	68.35	68.70	67.89	68.27
Average Total Benefit*	\$12,990	\$13,380	\$44,783	\$45,470	\$43,269	\$43,942
Duty Disabled						
Number	0	0	33	35	33	35
Average Age	0.00	0.00	69.81	69.94	69.81	69.94
Average Total Benefit*	\$0	\$0	\$86,393	\$88,838	\$86,393	\$88,838
Ordinary Disabled						
Number	0	0	0	0	0	0
Average Age	0.00	0.00	0.00	0.00	0.00	0.00
Average Total Benefit*	\$0	\$0	\$0	\$0	\$0	\$0
Total In Pay						
Number	6	6	111	118	117	124
Average Age	65.66	66.66	69.01	68.85	68.84	68.74
Average Total Benefit*	\$42,201	\$43,468	\$94,053	\$95,087	\$91,394	\$92,589
Terminated Vested						
Number	1	2	1	0	2	2
Average Age	46.12	47.53	49.63	0.00	47.88	47.53
Average Service	12.00	6.50	9.00	0.00	10.50	6.50
Transfers						
Number	0	1	11	11	11	12
Average Age	0.00	59.73	46.07	47.89	46.07	48.88
Average Service	0.00	1.00	4.27	5.45	4.27	5.08
Total Inactive						
Number	1	3	12	11	13	14
Average Age	46.12	51.60	46.37	47.89	46.35	48.68
Average Service	12.00	4.67	4.67	5.45	5.23	5.29

**All payroll and benefit figures shown are annual.*

Please refer to the June 30, 2022 actuarial valuation report for a more complete summary of the data.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

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, 2023 is provided below, including any assumptions that differ from those used in the June 30, 2022 actuarial valuation. Please refer to the June 30, 2022 actuarial valuation report for a complete description of all other assumptions. The economic and demographic assumptions were adopted by the Board, based on an experience study performed by Cheiron covering the period from July 1, 2017 through June 30, 2020. The experience study report contains the rationale for all recommended assumptions.

Key Actuarial Assumptions

Expected Return on Assets	6.75 percent per year, net of investment expenses
Discount Rate	6.75 percent per year
Price Inflation	2.50% per year
Salary Increases	3.00% per year plus merit component based on employee classification and years of service
Administrative Expenses	Administrative expenses in the actuarial valuation are assumed to be \$5.2788 million for FY2022-23 to be split between employees and employers based on their share of the overall contributions. Administrative expenses shown in this report are based on the actual FY2022-23 amounts.
Post-retirement COLA	Post-retirement COLAs are assumed at the rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.
Mortality Rates for Active Members	<p>Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.</p> <p>Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty.</p>

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Mortality Rates for
Retired Healthy
Members**

Mortality rates for Miscellaneous retired members are based on the sex distinct Public General 2010 Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Mortality rates for Safety retired members are based on the sex distinct Public Safety 2010 Above-Median Income Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

**Mortality Rates for
Retired Disabled
Members**

Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.

**Mortality Rates for
Beneficiaries**

Rates of mortality for members' beneficiaries once their benefits commence are given by sex distinct Public 2010 Contingent Survivor Mortality Table, using General 2010 Healthy Retiree Mortality Table before age 45, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 105% for females and no adjustments to males. Prior to the death of the member, the mortality of the beneficiaries is assumed to use the same sex distinct assumptions as the retired healthy members.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Methods

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 from outside of MCERA, entry age is based on 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).

The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MCERA. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (8 years remaining as of June 30, 2022), except for the additional UAL attributable to the extraordinary loss from 2008-2009, which is being amortized over a separate closed period (16 years as of June 30, 2022). Surplus Funding is only amortized if the Plan's Funding Ratio exceeds 120%.

Any subsequent unexpected change in the Unfunded Actuarial Liability after June 30, 2013 is amortized over 24 years (22 years for assumption changes) that includes a five-year phase-in/out (three/two years for assumption changes) of the payments/credits for each annual layer.

2. Valuation Assets

As of the June 30, 2014 valuation, assets are valued using the market value. The assets used to compute the UAL are the Market Value of Assets, minus the value of any non-valuation contingency reserves. As of the June 30, 2021 valuation, the assets for each employer are allocated based on the reserves maintained by MCERA for each of the three main cost-sharing groups – the County and related employers, the City of San Rafael, and the Novato Fire Protection District. Within each cost-sharing group, the assets are allocated such that all employers within the group have the same funded ratio.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2023 MEASUREMENT DATE**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2022 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 MCERA'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.



Classic Values, Innovative Advice