



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

AGENDA OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, December 13, 2023 at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE TO THE PUBLIC

Documents related to the items on this agenda are available for public inspection at the Retirement Office, 136 N Akers Street, Visalia, CA, during normal business hours. Such documents are also available on TCERA's website, www.tcera.org, subject to staff's ability to post the documents before the meeting.

Persons wishing to listen to the meeting in progress may access a live stream link located on TCERA's website www.tcera.org.

PUBLIC COMMENTS:

Any person addressing the Board will be limited to a maximum of five (5) minutes. A total of 15 minutes will be allotted for the Public Comment period unless otherwise extended by the Board Chair. If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing or sending one spokesperson to speak on behalf of the group. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

In Person: Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting.

Email: Members of the public may also submit public comment via email to BORPublicComment@tularecounty.ca.gov any time before the start of the meeting. The comments received via email before the meeting will be read to the Board of Retirement in open session during the meeting provided that the comments meet the requirements for Public Comments as posted in the agenda.

As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes. Please state your name for the record.

V. X-AGENDA ITEMS

VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of November 15, 2023.
2. Approve payments to:
 - a. William Blair - SMID – invoice for investment management services in the amount of \$57,490.67 for the quarter ended September 30, 2023.
 - b. PGIM Quantitative Solutions – invoice for investment management services in the amount of \$60,186.18 for the quarter ended September 30, 2023.
 - c. BlackRock – invoice for investment management services in the amount of \$19,195.47 for the quarter ended September 30, 2023.
 - d. BNY Mellon – invoice for master trust custodial services in the amount of \$71,046.24 for the quarter ended September 30, 2023.
 - e. Brown Armstrong – invoice for work in progress on audit processes in the amount of \$9000.00.
 - f. County Counsel – invoice for legal services to the Board of Retirement in the amount of \$1,337.20 for the period ending October 31, 2023.
 - g. Verus – invoice for investment consulting services in the amount of \$22,500.00 for the month ended November 30, 2023.
3. Pension Board Reports and Actions
 - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of November 2023.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of November 2023.
4. Administrative Financial Reports and Actions
 - a. TCERA and TCERA Property, Inc. Financial Statements – October 31, 2023.

VII. OLD BUSINESS

1. Review of revised June 30, 2023 Actuarial Valuation and GASB 67/68 Reports, including actuarial assumptions, methods, and rates. Discussion and possible action.

VIII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Mr. Young regarding the Administrative Committee meeting of November 15, 2023. Discussion and possible action regarding the following items:
 - a. Cheiron – Addendum to Agreement for Actuarial Services.

IX. NEW BUSINESS

1. Presentation from Brown Armstrong Accountancy regarding results of TCERA's June 30, 2023, audit. Discussion and possible action.
2. Discussion and possible action regarding TCERA's June 30, 2023, Annual Comprehensive Financial Report (ACFR).

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Jim Young – Verus 4th Quarter 2023 Investment Landscape Webinar – October 30, 2023, 1 Hour.
 - b. George Finney – SACRS 2023 Fall Conference – November 7, 2023-November 10, 2023, 8.5 Hours.
 - c. Cass Cook – SACRS 2023 Fall Conference – November 7, 2023-November 10, 2023, 9 Hours.
 - d. Paul Sampietro – SACRS 2023 Fall Conference – November 7, 2023-November 10, 2023, 13.5 Hours.
2. Discussion and possible action regarding available educational events.

XI. COMMUNICATIONS

1. Treasurer's Quarterly Investment Report for the quarter ending September 30, 2023.

XII. UPCOMING MEETINGS

1. Board of Retirement Meeting January 10, 2024, 8:30 a.m.
2. Trustee Education/Presentation Calendar – Discussion and possible action.

XIII. TRUSTEE/STAFF COMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board of Retirement at (559) 713-2900. Notification 48 hours prior to the meeting will help enable staff to make reasonable arrangements to ensure meaningful access. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at TCERA, 136 N. Akers Street, Visalia, CA. during normal business hours.



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
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www.tcera.org

MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, November 15, 2023, at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Pete Vander Poel, Chair.

II. ROLL CALL

Voting Trustees Present:	Cass Cook (Left at 10:30 a.m.), Ty Inman, Thomas Morgan, Gary Reed, Jim Young, Nathan Polk (Left at 10:00 a.m.), Roland Hill, Pete Vander Poel
Voting Alternate Trustees Present:	David Vasquez (Voting for Seat 7 after 10:00 a.m.), Jorge Garcia (Voting for Seat 1 after 10:30 a.m.)
Alternate Trustees Present:	George Finney
Staff Members Present:	Leanne Malison, Retirement Administrator, Paul Sampietro, Assistant Retirement Administrator, Melanie Tyler, Secretary II
Board Counsel Present:	Aaron Zaheen, Deputy County Counsel

III. PLEDGE OF ALLEGIANCE

IV. OATH OF OFFICE/SWEARING IN CEREMONY

1. Oath of office/swearing in ceremony for Thomas Morgan, for the office of Trustee of the Tulare County Employees' Retirement Association Board of Retirement.

Chairman Vander Poel conducted the ceremony and welcomed Mr. Morgan to the Board of Retirement.

V. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes. Please state your name for the record.

VI. X-AGENDA ITEMS

None

VII. LEGAL REPORT – Closed Session 8:35 a.m. – 9:04 a.m.

1. Closed Session – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
Name of Case: Sheryl Milton v. Tulare County Employees’ Retirement Association: VCU302613

Mr. Zaheen reported that the Board took action in closed session to direct Tulare County Counsel to defend the referenced case.

Ayes: Cook, Inman, Young, Polk, Vander Poel
Noes: Morgan, Reed, Hill
Motion passed 5/3

VIII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of November 1, 2023.
2. Approve payments to:
 - a. William Blair – invoice for investment management services in the amount of \$77,212.40 for the quarter ended September 30, 2023.
 - b. Verus – invoice for investment management services in the amount of \$75,000.00 for the quarter ended September 30, 2023.
 - c. State Street Global Advisors “US Ext” – invoice for investment management services in the amount of \$4,932.90 for the quarter ended September 30, 2023.
 - d. State Street Global Advisors “S&P 500” – invoice for investment management services in the amount of \$5,740.10 for the quarter ended September 30, 2023.
 - e. State Street Global Advisors “MSCI” – invoice for investment management services in the amount of \$12,419.77 for the quarter ended September 30, 2023.
 - f. State Street Global Advisors “REIT” – invoice for investment management services in the amount of \$71.70 for the quarter ended September 30, 2023.
 - g. KBIGI – invoice for investment management services in the amount of \$33,121.00 for the quarter ended September 30, 2023.
 - h. Verus – invoice for investment consulting services in the amount of \$22,500.00 for the month ended October 31, 2023.
3. Pension Board Reports and Actions
 - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of October 2023.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of October 2023.

Motion to approve Consent Calendar as presented.

Motion: Reed
Second: Young
Motion passed unanimously.

IX. INVESTMENTS

1. Discussion and possible action regarding the Annual Manager Fee and AB2833 Reports.

Ms. Malison reviewed the Annual Manager Fee and AB2833 Reports with the Board.

Motion to approve the Annual Manager Fee and AB2833 Reports as presented.

Motion: Polk
Second: Cook
Motion passed unanimously.

2. Presentation from Verus regarding TCERA's September 30, 2023 Investment Performance Reports. Discussion and possible action.

Mr. MacLean from Verus provided a presentation on TCERA's September 30, 2023, Investment Report.

No Action

3. Presentation from Verus regarding TCERA's Private Markets Investments. Discussion and possible action.

Mr. MacLean and Mr. Shooshani from Verus provided a presentation on TCERA's investment in Private Markets.

No Action

4. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

- a. Asset Allocation Report
- b. Verus Flash Report

Ms. Malison noted that the Asset Allocation Report was reviewed during the Performance Report Presentation and the Verus Flash Report was not available as the date of the Board Meeting fell on the agreed date for receipt of the report. The Verus Flash Report will be sent out to the Trustees for review when it is received.

No Action

The chair authorized 2 hours of continuing education credit for trustees and staff present.

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Roland Hill – Verus 4th Quarter 2023 Investment Landscape Webinar – October 30, 2023, 45 Minutes.

Motion to approve the Summary Education reports as filed.

Motion: Young

Second: Vasquez

Motion passed unanimously.

2. Discussion and possible action regarding available educational events.

No Action

XI. UPCOMING MEETINGS

1. Board of Retirement Meeting December 13, 2023, 8:30 a.m.
2. Board of Retirement Meeting January 14, 2024, 8:30 a.m.
3. Trustee Education/Presentation Calendar, 2023 – Discussion and possible action.
4. Trustee Education/Presentation Calendar, 2024 – Discussion and possible action.

Ms. Malison requested input from the trustees regarding the proposed 2024 calendar. There were no comments from the trustees and the Chair instructed Ms. Malison to proceed with the schedule as presented and asked the trustees to contact her if they have any suggestions in the future.

XII. TRUSTEE/STAFF COMMENTS

Mr. Vander Poel wished the Trustees and Staff a Happy and Safe Thanksgiving Holiday.

XII. ADJOURNMENT

The meeting was adjourned at 11:00 a.m.

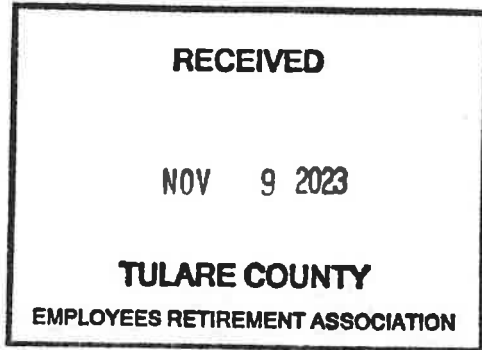
Pete Vander Poel, Chair

William Blair
"SMID"

Invoice date:
Invoice number:

Oct 12, 2023
TULARE_1.20230930.1

WB1098



William Blair
Accounts Receivable
ar-im@williamblair.com
150 North Riverside Plaza
Chicago, IL 60606

Billing Period	Jul 01, 2023 - Sep 30, 2023
Account Name	Amount Due USD
TULARE COUNTY EMPLOYEES RETIREMENT ASSOCIATION - 793628 "SMID"	57,490.67
Total:	\$ 57,490.67
Prior Outstanding Balance:	\$ 0.00
Total Balance Due:	<u>\$ 57,490.67</u>

Invoice Number: TULARE_1.20230930.1
Invoice Date: Oct 12, 2023

Billing Period: Jul 01, 2023 - Sep 30, 2023

Amount due in USD: \$ 57,490.67

Please Make Check Payable To:
William Blair
Accounts Receivable
Chicago, IL 60606
150 North Riverside Plaza

Wire Instructions for Payment:
(Applies to Wire and ACH)
Bank Account: 8900619929
ABA: 021000018
Bank of New York
Further Credit: Account Name and Number

CHECKED: RCV 11-9-23
Initial Date
VERIFIED: DQ 11-10-23
Initial Date
APPROVED: _____
Initial Date
PAID: _____
Wired Date

IMPORTANT NOTICE: Mail-related check fraud exists. ACH or wire are more secure payment methods. Never trust wiring instructions sent via email. Cyber criminals hack email accounts and send emails with fake instructions that are convincing and sophisticated. Always independently confirm changes to wiring instructions via a live call to a trusted phone number. Never wire money without verifying correct instructions.

If you have any questions, please contact your client service representative.

Invoice: TULARE_1.20230930.1

TULARE_1

Billing Detail

Fee Period:

Jul 01, 2023 - Sep 30, 2023

Invoice date:

Oct 12, 2023

Management fee**TULARE COUNTY EMPLOYEES RETIREMENT ASSOCIATION****12TULARE00M**

Activity	Date	Basis in USD
Market value	09/30/2023	26,870,337.21
Total in USD:		\$ 26,870,337.21

Management fee Calculation

Fee Schedule Tiers			Rate (bps)	Assets	Annual fee
0.00	up to	10,000,000.00	95.00	10,000,000.00	95,000.00
10,000,000.00	up to	30,000,000.00	80.00	16,870,337.21	134,962.70
30,000,000.00	up to	50,000,000.00	75.00	0.00	0.00
50,000,000.00	up to	100,000,000.00	70.00	0.00	0.00
100,000,000.00	up to	200,000,000.00	65.00	0.00	0.00
200,000,000.00	and above		60.00	0.00	0.00
Total in USD:				\$26,870,337.21	\$ 229,962.70

Net Fee Calculation

Fee Breakdown	Net Fee
Management fee (Adjusted by: $1 * 90 / 360$)	57,490.67
Net Fee in USD:	\$ 57,490.67

Total Due in USD:	\$ 57,490.67
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IMPORTANT NOTICE: Mail-related check fraud exists. ACH or wire are more secure payment methods. Never trust wiring instructions sent via email. Cyber criminals hack email accounts and send emails with fake instructions that are convincing and sophisticated. Always independently confirm changes to wiring instructions via a live call to a trusted phone number. Never wire money without verifying correct instructions.

If you have any questions, please contact your client service representative.



James Sung
Manager
PQS Finance
2 Gateway Center, 6th Floor
Newark, NJ 07102
(973) 802-7306

November 13, 2023

Ms. Leanne Malison
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

Dear All,

Attached is a summary of performance fees due for services rendered by PGIM Quantitative Solutions for the period ending September 30, 2023.

Should you have any questions or concerns, please contact Patrick McMenamin, at (973) 802-6169.

Thank You,

A handwritten signature in black ink, appearing to be "JS", written in a cursive style.

James Sung

Please Wire the Funds in US\$ to :

Bank Name	JP Morgan Chase
Location	New York, NY
ABA Routing #	021-000-021
Bank Account Name	PGIM Quantitative Solutions LLC
Bank Account #	304-238-295
Reference	Tulare 3Q 2023 Performance Fee

Tulare County Employees' Retirement Association
3Q 2023 Performance Fee Calculation

<u>Period</u>	<u>Fund</u> <u>Return</u>		<u>Ending</u> <u>Period Assets</u>	<u>Benchmark</u> <u>Return</u>	<u>Excess</u> <u>Return</u>
10/31/2020	-2.55%	\$	67,985,354.04	-2.66%	
11/30/2020	10.13%	\$	74,874,705.89	10.95%	
12/31/2020	3.74%	\$	77,673,837.50	3.84%	
1/31/2021	0.40%	\$	77,982,566.47	-1.01%	
2/28/2021	2.56%	\$	79,977,789.56	2.76%	
3/31/2021	6.03%	\$	84,800,667.84	4.38%	
4/30/2021	4.94%	\$	94,107,536.11	5.34%	
5/31/2021	1.21%	\$	95,248,879.95	0.70%	
6/30/2021	1.48%	\$	96,655,066.56	2.33%	
7/31/2021	2.16%	\$	70,342,701.92	2.38%	
8/31/2021	2.69%	\$	72,231,494.59	3.04%	
9/30/2021	-4.60%	\$	68,907,279.30	-4.65%	
10/31/2021	6.19%	\$	73,173,302.76	7.01%	
11/30/2021	-0.92%	\$	72,501,043.49	-0.69%	
12/31/2021	4.82%	\$	75,995,865.46	4.48%	
1/31/2022	-3.57%	\$	73,282,201.83	-5.17%	
2/28/2022	-2.23%	\$	71,648,929.22	-2.99%	
3/31/2022	3.21%	\$	73,947,740.79	3.71%	
4/30/2022	-7.87%	\$	68,255,105.80	-8.72%	
5/31/2022	0.83%	\$	65,584,809.42	0.18%	
6/30/2022	-8.76%	\$	59,327,069.09	-8.25%	
7/31/2022	8.91%	\$	68,255,105.80	9.22%	
8/31/2022	-3.91%	\$	65,584,809.42	-4.08%	
9/30/2022	-9.54%	\$	59,327,069.09	-9.21%	
10/31/2022	8.31%	\$	64,253,053.94	8.10%	
11/30/2022	5.38%	\$	67,710,124.69	5.59%	
12/31/2022	-6.06%	\$	63,607,472.17	-5.76%	
1/31/2023	6.34%	\$	67,639,301.41	6.28%	
2/28/2023	-2.43%	\$	65,993,848.02	-2.44%	
3/31/2023	3.22%	\$	68,116,060.49	3.67%	
4/30/2023	0.99%	\$	68,790,921.64	1.56%	
5/31/2023	1.04%	\$	69,505,251.06	0.43%	
6/30/2023	7.42%	\$	74,650,592.13	6.61%	
7/31/2023	3.05%	\$	76,926,951.78	3.21%	
8/31/2023	-1.08%	\$	76,084,844.93	-1.59%	
9/30/2023	-4.47%	\$	72,686,380.87	-4.77%	

Period Total	11.44%	\$	75,232,725.86	10.16%	1.28%
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Base Fee	<u>0.000%</u>	
Portfolio Excess Performance	<u>1.28%</u>	
Participation Rate	<u>25.0%</u>	
Performance Fee Rate	<u>0.32%</u>	60,186.18
Average Market Value	\$ 75,232,725.86	

Quarterly Performance Fee	\$ 60,186.18
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Party responsible for payment:
Rogelio Corona-Ventura
Tulare County Employees' Retirement Association
136 North Akers Street
Visalia, CA 93291-5121
United States



Invoice Start Date	1-Jul-2023
Invoice End Date	30-Sep-2023
Invoice Issue Date / Tax Point	17-Nov-2023
Invoice Number	230930-43028-A

PLEASE REFERENCE YOUR INVOICE NUMBER ON ALL PAYMENTS

Tulare County Employees' Retirement Association
Total Fees exclusive of Tax for the Period
Total Amount Due

USD	19,195.47
USD	19,195.47

If your selected payment method is not Unit Redemption or Direct Debit;

Please send wire payment to our bank account as follows:

JP Morgan Chase Bank
Bank Account Number: 323-045448
Credit: BlackRock Financial Management, Inc.
ABA Number: 021000021
Invoice Number: 230930-43028-A

Should you have any questions regarding this invoice, please contact us at 1-800-777-8389 Option 3 or AMRSCClientServices@BlackRock.com

BlackRock Financial Management, Inc.

The total amounts shown for certain items appearing in multiple places throughout this invoice (e.g., "Billable Valuation", "Total Management Fee Due") may differ slightly due to rounding.

CHECKED:	<u>RCV</u> Initial	<u>11-22-23</u> Date
VERIFIED:	<u>DQ</u> Initial	<u>11-29-23</u> Date
APPROVED:	_____ Initial	_____ Date
PAID:	_____ Wired	_____ Date

Invoice Start Date	1-Jul-2023
Invoice End Date	30-Sep-2023
Invoice Issue Date / Tax Point	17-Nov-2023
Invoice Number	230930-43028-A

SUMMARY OF FEES

Portfolio	Ticker	Fee Type	Fee Schedule	Information only Internal charges Calculation Currency	Fee Amount exclusive of Tax Calculation Currency	Fee Amount exclusive of Tax Remit Currency
➤ Tulare County Employees' Retirement Association	TCERA	Base Fee	1	USD	19,195.47	USD 19,195.47
➤ Performance Fee for 3Q23		Other Fee	1	USD	0.00	USD 0.00
				USD	19,195.47	USD 19,195.47
						USD 19,195.47
						USD 19,195.47

The total amounts shown for certain items appearing in multiple places throughout this invoice (e.g., "Billable Valuation", "Total Management Fee Due") may differ slightly due to rounding.

Invoice Start Date

1-Jul-2023

Invoice End Date

30-Sep-2023

Invoice Issue Date / Tax Point

17-Nov-2023

Invoice Number

230930-43028-A

BILLABLE VALUATION								
Portfolio	Asset Name	Ticker	Valuation	Date	Day Count	Cash Flow Amount	Amount	Amount
						Base Currency		Calculation Currency
Fee Schedule 1								
Period: 1-Jul-2023 - 30-Sep-2023								
Tulare County Employees' Retirement Association		TCERA	MARKET_VALUE	30-Jun-23			USD	77,980,321.44
			MARKET_VALUE	30-Sep-23			USD	75,583,428.61
Billable Valuation							USD	76,781,875.03

The total amounts shown for certain items appearing in multiple places throughout this invoice (e.g., "Billable Valuation", "Total Management Fee Due") may differ slightly due to rounding.

Invoice Start Date

1-Jul-2023

Invoice End Date

30-Sep-2023

Invoice Issue Date / Tax Point

17-Nov-2023

Invoice Number

230930-43028-A

CALCULATION TERMS & DETAIL						
Fee Schedule 1						
Period:	1-Jul-2023 - 30-Sep-2023					
Calculation Frequency	Cash Flows Treatment	Cash Flows Proration Type	Fee Detail Type	Data Source		
Quarterly	Exclude All	AUM adjusted for incept/final flows	Flat	Custodian		
Portfolio	Portfolio Name	Holding Name	Valuation Type	Billable Valuation	Weight %	Base Fee
TCERA	Tulare County Employees' Retirement Association		Month End Average	76,781,875.03	1	19,195.47
				76,781,875.03	100.00%	19,195.47
			Billable Valuation	Fee Rate (bps)	Billable Days	Currency
			76,781,875.03	10.000	91/360	USD
						USD



240 Greenwich Street
New York, NY 10286

TULARE COUNTY EMPLOYEES RETIREMENT ASSOC
136 N. AKERS ST
VISALIA, CA 93291
UNITED STATES

Invoice Number: 111-2023-0053219
Date: November 9, 2023
Billing Period: July 1, 2023 to September 30, 2023
Invoice Group: TULF000000A

""

Invoice Summary
Total Fees Summary

Any questions regarding this bill should be directed to your
Relationship Mgr./Client Admin: Swaminathan K

Opening Balance as of 28-Jul-23:	71,263.02	USD
Payments/Adjustments:	(71,263.02)	
Current Invoice:	71,046.24	
Ending Balance as of 30-Oct-23:	71,046.24	USD

Current Billing Period:

Fees

Asset Administration	12,688.97
Structural Administration	13,812.50
Transactions	44,543.00
Expenses	1.77
Total USD	71,046.24

Current Period Subtotal:	71,046.24	USD
Current Period VAT*	0.00	USD
Current Period Total:	71,046.24	USD
Current Period Total in Remittance Currency:	71,046.24	USD

"Within Contract"
Jr

APPROVED FOR PAYMENT



BNY MELLON

240 Greenwich Street
New York, NY 10286

TULARE COUNTY EMPLOYEES RETIREMENT ASSOC
136 N. AKERS ST
VISALIA, CA 93291
UNITED STATES

Invoice Number: 111-2023-0053219

Date: November 9, 2023

Billing Period: July 1, 2023 to September 30, 2023

Invoice Group: TULF000000A

""

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Invoice Summary
Remittance Instruction

Total Balance Due:

71,046.24 USD (Balance does not reflect payments
processed after 30-Oct-23)

Please Remit 71,046.24 USD

Mail Payments To:

BNY Mellon
PO Box 392006
Pittsburgh, PA 15251-9006

Wire Payments To:

BNY Mellon
IRVTUS3N
ABA Transit Number: 021000018
Account Number: 8900653469
Attn: Advantage Receivables
Ref: Invoice #

For either option, please indicate your Invoice Group or Invoice Number and period(s) to which you are making payment.

Please include below portion with your check payment.

Cut Here:

Invoice Number: 111-2023-0053219
Date: November 9, 2023
Billing Period: July 1, 2023 to September 30, 2023
Invoice Group: TULF000000A

Balance Due: 71,046.24 USD

Payment Enclosed: _____ Date: _____

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
661-324-4971

RECEIVED

NOV 13 2023

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

TULARE COUNTY EMPLOYEES' RETIREMENT ASSN.
136 N. AKERS STREET
VISALIA, CA 93291

Invoice No. 271938

Date Sunday, October 29, 2023

Client No. 82150.001

Work in progress on June 30, 2023 audit:

(Billed to date/Contract: \$43,533.49/\$44,570.00)

	\$	16,125.00
Courtesy Adjustment		<u>(7,125.00)</u>
Current Invoice Amount		9,000.00
Beginning Balance as of 10/01/2023		6,305.00
10/02/2023 Payment		<u>(6,305.00)</u>
Balance Due	\$	<u>9,000.00</u>

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
9,000.00	0.00	0.00	0.00	0.00	9,000.00

Please remit by: November 25, 2023

Credit Card and ACH Payments Accepted on BA Payment Portal, www.ba.cpa

Click on "ONLINE PAY"

(3.5% Convenience Fee will Apply on Credit Cards)

Make checks payable to: **Brown Armstrong**

E-mail billing inquiries to: Bianca Maravilla

bmaravilla@ba.cpa

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
661-324-4971

RECEIVED

NOV 13 2023

T.C.E.R.A. PROPERTY, INC. (TAX)
136 NO. AKERS STREET
VISALIA, CA 93291

Invoice No. 271936

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Date Sunday, October 29, 2023

Client No. 79664.002

SERVICE	STAFF	HOURS	RATE	AMOUNT
Tax Services				
	Datta	6.00	\$300.00	
	Roberts	3.00	\$250.00	
	Tremaine	4.00	\$120.00	
				\$ 3,030.00
			Total For Services	3,030.00
10/29/2023 EXP - Postage GLS 10/11/2023			\$ 17.72	
10/29/2023 EXP - Clerical Packaging Lacerte 10/02/2023			40.00	
			Total For Expenses	57.72
			Current Invoice Amount	3,087.72
Beginning Balance as of 10/01/2023				0.00
			Balance Due	\$ 3,087.72

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
3,087.72	0.00	0.00	0.00	0.00	3,087.72

Please remit by: November 25, 2023

Credit Card and ACH Payments Accepted on BA Payment Portal, www.ba.cpa
Click on "ONLINE PAY"

(3.5% Convenience Fee will Apply on Credit Cards)

Make checks payable to: **Brown Armstrong**

E-mail billing inquiries to: Bianca Maravilla

bmaravilla@ba.cpa

TULARE COUNTY COUNSEL

*Meeting the legal and risk management challenges facing the County
of Tulare in partnership with you*

Invoice No. RET_1023

**INVOICE****Customer**

Name Board of Retirement
Address 136 North Akers Street
City Visalia State CA ZIP 93291
Phone (559) 713-2900

Misc

Date 11/14/2023
Exp Cat. _____

Statement Number	Matter ID	Description	TOTAL
155686	RETBD-General	10/1/23-10/31/23 Legal Services	\$ 737.00
155687	RETBD-General2	10/1/23-10/31/23 Legal Services	\$ 583.00
155688	RETDIS-General	10/1/23-10/31/23 Legal Services	\$ 17.20
Other Expenses:			
	Mail payment to: Tulare County Counsel Attn: Billing Clerk 2900 W. Burrel Ave. Visalia, CA 93291		

SubTotal \$ 1,337.20
Shipping \$ -
Tax Rate(s) 0.00% \$ -

Payment Other Journal Voucher

Comments Call or e-mail if questions
Name Kim Rojas
Phone 559-636-4959
E-mail KRojas1@tularecounty.ca.gov
Deposit to: 001-080-2150-5415

TOTAL \$ 1,337.20

Office Use Only



800 Fifth Avenue, Suite 3900
Seattle, WA 98104
(206) 622-3700 www.verusinvestments.com

Invoice

Date	Invoice#
11/30/2023	INV035559
Due Date	Terms
12/30/2023	Net 30

Bill To

Accounts Payable
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

Services Provided to: Tulare County Employees' Retirement Association

Service Dates: November 2023

Services Rendered	Amount
Monthly Billing	\$22,500.00

SubTotal \$22,500.00
Past Due Balance \$0.00

Total	\$22,500.00
-------	-------------

We accept wire and EFT payments. Call us to learn more.

Thank you for choosing Verus Advisory, Inc. We sincerely appreciate your business.

Please let us know if you would like to receive a copy of our disclosure brochure Form ADV Part II.

Tax ID Number: 91-1320111

TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
September 30, 2023
RETIREMENT APPLICATIONS

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Age at Retirement	Length of Service Continuance From
DAVALOS ORLANDO TCSO-South County Det Facility Safety - Tier III	Unmodified Option - TAB Service §31760.1	08/11/2023 50	25.0398 years N/A
GRIJALVA ESTELA Sher-Op-Porterville General - Tier IV	Unmodified Option Service §31760.1	08/31/2023 62	8.2692 years N/A
HEEMSTRA DEBORAH HHS-FISCAL-ACCOUNTING General - Tier III	Unmodified Option Service §31760.1	08/31/2023 64	26.0826 years N/A
IHL URSULA DA-Visalia Courthouse General - Tier II	Unmodified Option Service §31760.1	08/11/2023 65	34.7281 years N/A
IRVINE JAMES Information Technology General - Tier III	Option 2 §31762	08/04/2023 59	15.6538 years N/A
IRVINE MINH THU Information Technology General - Tier III	Option 2 §31762	08/23/2023 64	15.6538 years IRVINE JAMES
MARTIN LORI Aud-General Accounting General - Tier IV	Unmodified Option Service §31760.1	08/05/2023 62	10.3180 years N/A
MENDEZ KATHY HHS-HLTH-Porterville Plano General - Tier III	Unmodified Option Service §31760.1	08/11/2023 66	5.8269 years N/A
NORDNESS CATHY HHS-HS-PDO General - Tier III	Unmodified Option Service §31760.1	08/11/2023 67	11.3398 years N/A
POODRY CAROLYN 9550 Safety - Tier I	Option 2 §31762	04/19/2023 80	17.1861 years POODRY DARRELL
ROSALES AURELIA Library-Visalia General - Tier III	Unmodified Option Service §31760.1	08/11/2023 63	24.9297 years N/A
TONINI BETTY HHS-MH-Trans Liv Ctr General - Tier III	Unmodified Option Service §31760.1	08/31/2023 67	22.7851 years N/A
WALDIE KIRK HHS-HS-CWS S Mooney Blvd General - Tier III	Unmodified Option Service §31760.1	08/23/2023 57	11.5901 years N/A

WAYADANDE LOUIS	Option 2	07/31/2023	12.1538 years
RMA-SS-Facilities-Property	Service	59	N/A
Mgt			
General - Tier III	§31762		
WILEY SONJA	Unmodified Option	08/20/2023	27.1639 years
		84	WILEY BOB
Safety - Tier I	§31760.1		

TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
September 30, 2023
DECEASED ACTIVE EMPLOYEES

Name	Type	Date of Death	Length of Service
Department		Age at Death	Paid Continuance
Status - Tier			Death Benefit

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
September 30, 2023
DECEASED PENSIONERS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Date of Death Age at Death	Length of Service Paid Continuance to Age at Retirement
BASTARDO CELESTE HHS-MH-Pville Adult Clinic General - Tier III	Unmodified Option Service §31760.1	05/24/2008 05/22/2023 82	13.1381 years 67
GAYDEN SHARON HHS-HS-Hyde Adopt/Special General - Tier III	Unmodified Option Service §31760.1	02/12/2011 08/11/2023 77	10.9892 years 65
IRVINE JAMES Information Technology General - Tier III	Option 2 Service §31762	08/04/2023 08/22/2023 59	15.6538 years IRVINE MINH THU 59
LYON LOIS New General - Tier I	Unmodified Option Service §31760.1	10/21/1990 07/17/2023 83	23.9778 years 50
POODRY DARRELL 9550 Safety - Tier I	Option 2 Service §31762	12/29/1991 04/18/2023 83	17.1861 years POODRY CAROLYN 52
RENCH CAROLYN HHS-HLTH-Visalia Hlth Ctr General - Tier III	Unmodified Option Service §31760.1	03/31/2017 12/23/2022 85	20.1030 years 79
STEVENSON DAVID HHS General - Tier I	Unmodified Option Service §31760.1	12/11/2003 07/24/2023 78	24.5972 years 58
THATCHER JACK Safety - Tier I	Unmodified Option Service §31760.1	12/22/1987 08/10/2023 90	24.7500 years 55
WELTER MARK RMA-TR-Fleet Central Shop General - Tier I	Unmodified Option Service §31760.1	08/31/2002 07/25/2023 77	28.3528 years 57
WILEY BOB Safety - Tier I	Unmodified Option Service §31760.1	01/08/1991 08/19/2023 86	27.1639 years WILEY SONJA 54

Report: 30-Year Board Report SEPT 2023

Created on: 10/3/2023

**New 30-
Year
Member?**

First Name	Last Name	Effective Date	Department	New 30- Year Member?
Craig	Anderson	2/14/2021	RMA-MG#2-Design,Const,Develop	No
Karen	Baldwin	7/5/2020	HHS-FISCAL-ACCT/REC	No
Nora	Barrera	11/27/2005	Assessor-Clerk/Recorder	No
Mike	Betzinger	10/15/2017	Solid Waste Teapot Dome	No
Bruce	Bigham	10/11/2020	Ag Commissioner/Sealer	No
Steffany	Bischel	3/4/2018	HHS-HS-MCal Proc Center	No
Anita	Bivian	9/11/2022	HHS-MH-Pville Adult Clinic	No
Anthony	Boland	12/10/2017	RMA-TR-Operations	No
Michael	Boudreaux	5/28/2017	Sher-Op-Sheriff's Office	No
Steven	Brown	6/20/2021	Ag Commissioner/Sealer	No
Linda	Cantu	3/29/2020	Assessor-Clerk/Recorder	No
Lori	Catuto	6/24/2018	HHS-Admin-Project Management	No
Rachel	Cazares	10/11/2020	HHS-HS-Dinuba District Off	No
Nancy	Chavira	3/28/2021	County Counsel	No
Ana	Cruz	10/23/2022	HHS-HLTH-Tulare Public CCS	No
MARTINA	DELGADO	11/10/2019	Ab 1058 Commissioner	No
SUSAN	EMBREY	9/3/2017	Collections Division	No
Carlene	Estes	7/18/2021	WID-Administration	No
Samantha	Franks	9/29/2019	RMA-LP-Geographic Info Systems	No
Rebecca	Garcia	11/8/2020	HHS-HS-Ben Elg Sup Team	No
Judith	Garcia	7/18/2021	HHS-HLTH-Visalia Hlth Ctr	No
Helen	Gonzalez	2/4/2018	HHS-HLTH-Fville WIC	No
Eric	Grant	4/16/2017	DA-Visalia Courthouse	No
Maria	Gutierrez	12/22/2019	HHS-MH-MENTAL HEALTH SVS	No
Robert	Haines	10/12/2008	Ag Commissioner/Sealer	No
Lourdes	Hernandez	1/29/2023	HHS-HS-Ben Elg Sup Team	No
Laurel	Hernandez	10/9/2022	WID-Administration	No
Kimberly	Hernandez	9/27/2020	Child Support Services Dept	No
CINDY	HOLWAY	10/25/2020	Court Reporters	No
Keith	Jahnke	4/28/2019	HHS-HLTH-Environmental Health	No
Jay	Jones	1/19/2020	Information Technology	No
Cleopatra	Juarez	12/9/2007	Child Support Services Dept	No
Rodger	Keller	4/10/2022	Prob-Admin-Visalia	No
Phillip	Kelly	3/1/2020	Prob-Admin-Visalia	No
Melodee	Krenk	5/10/2020	Prob-Admin-Visalia	No
Sandra	Maldonado	2/2/2020	HHS-HLTH-Farmersville Hlth Ctr	No
PATRICIA	MARTENS	10/27/2019	Visalia Division	No
AMBER	MATTHEWS	2/18/2018	Pre Trial Facility	No
John	Mauro	4/17/2016	HHS-HS-HUMAN SERVICES	No
Thomas	McCoy	5/22/2022	Solid Waste Woodville	No
Patricia	McCurry	10/11/2020	HHS-Admin Human Resources	No
David	McMunn	3/27/2022	WID-Administration	No

William	Meek	6/4/2023 Sher-Op-Detectives-Crime Lab	No
Sandra	Mendoza	12/18/2022 Child Support Services Dept	No
LESIA	MERVIN	5/3/2015 Court Reporters	No
Gerald	Moore	5/21/2023 Solid Waste Teapot Dome	No
Socorro	Munoz	4/26/2020 HHS-MH-Visalia Adult Clinic	No
Patricia	Myers	5/8/2022 Child Support Services Dept	No
Martina	Navarro	10/11/2020 HHS-MH-Trans Liv Ctr	No
LOUISE	NELSON	11/12/2017 Family Court Services	No
Steven	Noland	4/1/2018 RMA-TR-Fleet Central Shop	No
Scott	O'Neill	6/11/2017 Sher-Op-Porterville	No
Andrew	Pacheco	7/28/2013 RMA-Project Processing	No
Rhonda	Pack	10/12/2022 Sher-Op-Civil	No
Rodney	Parker	4/16/2017 Sher-Op-Action Grant	No
Eric	Petersen	3/14/2021 Information Technology	No
Andy	Phetsada	7/8/2018 HHS-MH-Visalia Adult Clinic	No
Julie	Poochigian	6/22/2008 Assessor-Clerk/Recorder	No
Vickie	Rabago	1/15/2012 DA-Visalia Courthouse	No
Katherine	Reim	10/13/2019 Prob-Admin-Visalia	No
Lupe	Renteria	6/19/2022 HHS-HS-PDO	No
Sharon	Rowton	11/18/2012 RMA-TR-Fleet Central Shop	No
John	Rozum	3/31/2019 County Counsel	No
Judith	Sanchez-Duran	3/1/2020 HHS-HLTH-Hillman Lab	No
Nelda	Sell	8/19/2007 RMA-TR-Visalia Rd Yd 2	No
Veronica	Silva Stalis	12/5/2021 HHS-MH-Visalia Adult Clinic	No
Bernice	Soto	8/2/2020 HHS-HS-IMAGING UNIT	No
Angelina	Stanfill	5/28/2017 HHS-HS-Dinuba District Off	No
Karen	Trevino	5/26/2019 HHS-HS-Hyde Adopt/Special	No
Jesusita	Vasquez	1/31/2021 HHS-HLTH-Environmental Health	No
Stella	Velasquez	2/9/2014 Sher-Op-Communications	No
Kelly	Vernon	4/23/2023 Prob-Admin-Visalia	No
Rob	Villegas	1/29/2023 Assessor-Clerk/Recorder	No
Johnny	Wong	6/10/2018 RMA-TR-Operations	No
DAVID	WOOTEN	10/14/2018 Judicial Officers	No

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
October 2023
Accounting Period 4
33.33% of the Current Fiscal Year Budget

	Oct 23	Jul - Oct 22	Jul - Oct 23	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	122,441.77	257,989.01	325,740.25	1,212,376.00	886,635.75	26.87%
5510 · (6002) Overtime	0.00	0.00	-212.26 ¹	1,000.00	1,212.26	-21.23%
5515 · (6003) Other Pay	902.54	1,650.71	2,421.82	35,454.00	33,032.18	6.83%
5520 · (6004) Benefits	12,297.88	39,443.41	38,736.11	150,595.00	111,858.89	25.72%
5525 · (6005) Extra-Help	0.00	0.00	0.00	5,000.00	5,000.00	0.00%
5535 · (6011) Retirement- Co. Port.	16,550.87	34,433.29	44,559.32	165,561.00	121,001.68	26.91%
5540 · (6012) Social Security	8,624.86	19,068.76	24,355.57	90,594.00	66,238.43	26.88%
5545 · (1024) POB Cost	7,573.44	18,632.42	20,991.99	103,129.00	82,137.01	20.36%
5550 · (6008) Board Fees-Per Diem Pmts	3,337.15	9,700.25	6,351.35	20,000.00	13,648.65	31.76%
5551 · Communications						
5552 · (7005) Communications	645.85	1,562.31	1,641.65	8,700.00	7,058.35	18.87%
5640 · (7005) Co. Telecommunication	1,121.43	1,878.58	1,680.49	13,500.00	11,819.51	12.45%
Total 5551 · Communications	1,767.28	3,440.89	3,322.14	22,200.00	18,877.86	14.96%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	0.00	16,402.25	7,051.61	102,136.00	95,084.39	6.90%
5697 · (7044) Computer Exp Hdwr/Sftwr	0.00	19,565.48	0.00	19,275.00	19,275.00	0.00%
5698 · (7044) WSI/Q2 Digital	0.00	0.00	0.00	1.00	1.00	0.00%
Total 5553 · Data Processing	0.00	35,967.73	7,051.61	121,412.00	114,360.39	5.81%
5555 · (7009) Household Expense	111.81	5,433.26	5,371.46	22,001.00	16,629.54	24.41%
5560 · (7010) Insurance	0.00	65,971.00	68,831.00 ²	73,751.00	4,920.00	93.33%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	5,000.00	5,000.00	0.00%
5570 · (7021) Maintenance-Equipment	89.76	462.27	302.75	2,000.00	1,697.25	15.14%
5575 · (7027) Memberships	610.00	4,580.00	4,610.00 ³	8,500.00	3,890.00	54.24%
5580 · (7030) Due Diligence Expense	0.00	0.00	0.00	15,000.00	15,000.00	0.00%
5585 · (7036) Office Expense	3,889.37	6,364.84	8,547.46	52,000.00	43,452.54	16.44%
5586 · (7040) Courier	0.00	372.23	263.28	1,750.00	1,486.72	15.04%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
5592 · (7043) Prof & Spec - Audit	0.00	24,934.53	34,533.49 ⁴	47,600.00	13,066.51	72.55%
5593 · (7043) Prof Sr -Outside Counsel	0.00	15,132.88	874.80	75,000.00	74,125.20	1.17%
Total 5590 · Prof & Specialized Exp	0.00	40,067.41	35,408.29	123,100.00	87,691.71	28.76%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	938.80	6,633.80	2,690.40	40,000.00	37,309.60	6.73%
5662 · (7046) Co Counsel - Disability	905.70	14,435.90	2,205.70	93,000.00	90,794.30	2.37%
Total 5594 · County Counsel Charges	1,844.50	21,069.70	4,896.10	133,000.00	128,103.90	3.68%
5595 · (7049) Prof Exp-Disabilities	26,117.07	16,137.95	53,119.17	172,500.00	119,380.83	30.79%
5600 · (7059) Publications	0.00	4,712.05	5,387.58	25,000.00	19,612.42	21.55%
5675 · (7059) Co. Print Services	0.00	2,055.41	1,712.39	16,000.00	14,287.61	10.70%
Total 5600 · (7059) Publications	0.00	6,767.46	7,099.97	41,000.00	33,900.03	17.32%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
October 2023
Accounting Period 4
33.33% of the Current Fiscal Year Budget

	Oct 23	Jul - Oct 22	Jul - Oct 23	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	62,560.00	62,560.00	187,680.00	125,120.00	33.33%
5610 · (7066) Spec Dept Exp - RIS	15,882.00	23,823.00	47,873.00	345,091.00	297,218.00	13.87%
5615 · (7073) Training	1,389.44	2,680.00	5,789.44	30,000.00	24,210.56	19.30%
5620 · (7074) Transportation & Travel	833.36	2,190.46	1,180.90	35,000.00	33,819.10	3.37%
5625 · (7081) Utilities	2,268.65	10,398.41	11,385.35 ⁵	30,000.00	18,614.65	37.95%
5627 · (7116) Postage - Co. Mail	43.75	16,229.91	12,374.34	55,000.00	42,625.66	22.50%
5630 · (7128) Co. Workers Comp Insurance	53,712.00	53,544.00	53,712.00 ⁶	56,500.00	2,788.00	95.07%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	12,491.55	0.00	14,000.00	14,000.00	0.00%
5699 · (7719) Auditors Services	0.00	624.64	0.00	7,500.00	7,500.00	0.00%
Total 5695 · Co. Admin. Services	0.00	13,116.19	0.00	21,500.00	21,500.00	0.00%
5720 · (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	51,896.00	51,896.00	0.00%
5911 · Depreciation - TCERA	0.00	0.00	0.00	17,500.00	17,500.00	0.00%
Total TCERA Administrative Expense	295,927.50	772,094.56	856,642.41	3,407,091.00	2,550,448.59	25.14%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	50.00	0.00	50.00	200.00	150.00	25.00%
5760 · Insurance	0.00	8,461.00	9,481.00 ²	9,500.00	19.00	99.80%
5765 · Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 · Courtyards Property Assn Dues	0.00	0.00	1,814.85	8,000.00	6,185.15	22.69%
5785 · Landscape Service	1,025.00	1,255.00	1,900.00	8,000.00	6,100.00	23.75%
5790 · Security Monitoring	350.00	1,400.00	1,400.00	7,500.00	6,100.00	18.67%
5795 · Maintenance & Improve - Bldg	885.86	1,292.50	2,155.68	17,500.00	15,344.32	12.32%
5797 · Utilities	334.87	1,755.67	1,505.48	6,500.00	4,994.52	23.16%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	37,500.00	37,500.00	0.00%
Total TCERA Property, Inc. Administrative Expense	2,645.73	14,164.17	18,307.01	96,700.00	78,392.99	18.93%
Total TCERA & TCERA Property Administrative Expense	298,573.23	786,258.73	874,949.42	3,503,791.00	2,628,841.58	24.97%

Notes:

- 1 Adjustment: Correction to overtime calculation in August 2023
- 2 Annual Expense: TCERA and TCERA Property, Inc. Insurance premiums
- 3 Annual Membership(s): SACRS & NCPERS
- 4 Annual Expense: Independent Auditor - Brown Armstrong 2023 Services
- 5 Inflation: Increase in utility rates over last year and during summer months
- 6 Annual Expense: County Counsel Workers Comp. Insurance premium

Accrued Actuarial Liability	2,201,923,000
June 30, 2023	
.21% of AAL	4,624,038.30
33.33%	1,541,346.10
Expenses to date	(874,949.42)
(Over)/Under	666,396.68

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of October 31, 2023

	<u>Oct 31, 23</u>	<u>Sep 30, 23</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Oct 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS							
Current Assets							
Checking/Savings							
1110 · Cash in County Treasury	28,194,603.54	34,004,469.83	-5,809,866.29 ¹	-17.09%	27,649,394.88	545,208.66	1.97%
1120 · Cash in Custodial Account	31,068,968.29	23,602,422.84	7,466,545.45	31.64%	38,973,819.03	-7,904,850.74 ²	-20.28%
1130 · Short Term Investments	8,339,077.57	7,093,296.20	1,245,781.37	17.56%	6,965,831.51	1,373,246.06	19.71%
1140 · Securities Lending Collateral	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Checking/Savings	67,602,649.40	64,700,188.87	2,902,460.53	4.49%	73,589,045.42	-5,986,396.02	-8.14%
Other Current Assets							
1310 · Fixed Income - Market	322,090,142.82	327,652,181.86	-5,562,039.04	-1.70%	345,557,866.65	-23,467,723.83	-6.79%
1340 · Equities - Market	835,492,805.74	862,447,593.58	-26,954,787.84	-3.13%	797,888,737.80	37,604,067.94	4.71%
1375 · Real Assets	378,204,624.28	387,313,678.52	-9,109,054.24	-2.35%	372,886,583.10	5,318,041.18	1.43%
1386 · Private Equity	142,343,805.12	139,694,878.50	2,648,926.62	1.90%	124,839,385.42	17,504,419.70	14.02%
1388 · Private Credit	123,016,513.00	124,672,091.00	-1,655,578.00	-1.33%	110,953,695.00	12,062,818.00	10.87%
Total Other Current Assets	1,801,147,890.96	1,841,780,423.46	-40,632,532.50	-2.21%	1,752,126,267.97	49,021,622.99	2.80%
Total Current Assets	1,868,750,540.36	1,906,480,612.33	-37,730,071.97	-1.98%	1,825,715,313.39	43,035,226.97	2.36%
Fixed Assets							
1501 · Building and Improvements	1,278,288.95	1,278,288.95	0.00	0.00%	1,278,288.95	0.00	0.00%
1505 · Office Equipment & Computer System	180,237.93	180,237.93	0.00	0.00%	175,264.64	4,973.29	2.84%
1506 · Project in Process CPAS	2,755,095.55	2,755,095.55	0.00	0.00%	2,755,095.55	0.00	0.00%
1511 · Accumulated Depreciation	-3,507,357.04	-3,507,357.04	0.00	0.00%	-3,462,787.44	-44,569.60	-1.29%
1512 · Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,076,611.08	1,076,611.08	0.00	0.00%	1,116,207.39	-39,596.31	-3.55%
Other Assets							
1710 · Open Trades Sales	4,417,776.98	5,230,411.30	-812,634.32	-15.54%	16,454,793.07	-12,037,016.09 ³	-73.15%
1730 · Investment Income Receivable	852,639.75	840,083.85	12,555.90	1.50%	1,000,524.70	-147,884.95	-14.78%
1735 · Real Assets Income Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
1750 · Members Contribution Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
1770 · Employer Contribution Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
1780 · Advances Rec- Holding Corp	230,230.00	239,230.00	-9,000.00	-3.76%	338,230.00	-108,000.00	-31.93%
1785 · Pension Deaths Receivables	11,958.81	10,680.76	1,278.05	11.97%	0.00	11,958.81 ⁴	100.00%
1790 · Other Receivables	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Other Assets	5,512,605.54	6,320,405.91	-807,800.37	-12.78%	17,793,547.77	-12,280,942.23	-69.02%
TOTAL ASSETS	1,875,339,756.98	1,913,877,629.32	-38,537,872.34	-2.01%	1,844,625,068.55	30,714,688.43	1.67%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of October 31, 2023

	<u>Oct 31, 23</u>	<u>Sep 30, 23</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Oct 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
2010 · Sec Lending Collateral Payable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	10,499,987.11	9,751,071.63	748,915.48	7.68%	27,935,410.80	-17,435,423.69 ³	-62.41%
2030 · Accounts Payable - Inv	-18,903.00	-18,903.00	0.00	0.00%	0.00	-18,903.00 ⁵	-100.00%
2040 · Refunds Payable	5,715,173.35	5,715,173.35	0.00	0.00%	4,102,418.01	1,612,755.34 ⁶	39.31%
2050 · Other Payables	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2100 · Payroll Liabilities	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Other Current Liabilities	<u>16,196,257.46</u>	<u>15,447,341.98</u>	<u>748,915.48</u>	<u>4.85%</u>	<u>32,037,828.81</u>	<u>-15,841,571.35</u>	<u>-49.45%</u>
Total Current Liabilities	<u>16,196,257.46</u>	<u>15,447,341.98</u>	<u>748,915.48</u>	<u>4.85%</u>	<u>32,037,828.81</u>	<u>-15,841,571.35</u>	<u>-49.45%</u>
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	114,152.91	114,152.91	0.00	0.00%	106,256.43	7,896.48	7.43%
2070 · Advances Payable - TCERA	230,230.00	239,230.00	-9,000.00	-3.76%	338,230.00	-108,000.00	-31.93%
Total Long Term Liabilities	<u>344,382.91</u>	<u>353,382.91</u>	<u>-9,000.00</u>	<u>-2.55%</u>	<u>444,486.43</u>	<u>-100,103.52</u>	<u>-22.52%</u>
Total Liabilities	<u>16,540,640.37</u>	<u>15,800,724.89</u>	<u>739,915.48</u>	<u>4.68%</u>	<u>32,482,315.24</u>	<u>-15,941,674.87</u>	<u>-49.08%</u>
Equity							
3110 · Member Deposit Reserve	369,201,233.46	370,918,976.93	-1,717,743.47	-0.46%	353,070,265.95	16,130,967.51	4.57%
3120 · Other Reserves - Unapportioned	2,054,491.22	2,054,491.22	0.00	0.00%	-2,510,127.05	4,564,618.27 ⁷	181.85%
3210 · Employer Advance Reserves	1,002,144,217.15	1,006,333,080.86	-4,188,863.71	-0.42%	952,838,117.53	49,306,099.62	5.18%
3310 · Retiree Reserves	483,564,452.61	477,657,845.43	5,906,607.18	1.24%	480,116,343.98	3,448,108.63	0.72%
3320 · Supp. Retiree Benefit Reserve	112,702,000.12	112,702,000.12	0.00	0.00%	113,701,856.85	-999,856.73	-0.88%
3410 · Contingency Reserve	57,602,209.94	57,602,209.94	0.00	0.00%	55,608,454.13	1,993,755.81	3.59%
3510 · Market Stabilization	-124,358,468.00	-124,358,468.00	0.00	0.00%	-134,802,290.00	10,443,822.00	-7.75%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	1,144,268.44	1,144,268.44	0.00	0.00%	987,677.06	156,591.38	15.86%
Net Income	<u>-45,255,288.33</u>	<u>-5,977,500.51</u>	<u>-39,277,787.82</u>	<u>-657.09%</u>	<u>-6,867,545.14</u>	<u>-38,387,743.19</u>	<u>-558.97%</u>
Total Equity	<u>1,858,799,116.61</u>	<u>1,898,076,904.43</u>	<u>-39,277,787.82</u>	<u>-2.07%</u>	<u>1,812,142,753.31</u>	<u>46,656,363.30</u>	<u>2.58%</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,875,339,756.98</u></u>	<u><u>1,913,877,629.32</u></u>	<u><u>-38,537,872.34</u></u>	<u><u>-2.01%</u></u>	<u><u>1,844,625,068.55</u></u>	<u><u>30,714,688.43</u></u>	<u><u>1.67%</u></u>

Notes:

- 1 Decrease to Cash in County of ~5.8MM over last month due to cash inflows/outflows
- 2 Decrease to Cash Reserve of ~7.9MM over last year due to the timing of cash flow needs for investment activity
- 3 Decrease in Open Trades Sales & Purchases over last year in Fixed Income
- 4 Correction made in FY 22/23 on the methodology of when to record Pension Death Receivables
- 5 Timing of Accruals clearing over last year
- 6 Increase in the # and \$ of Refunds Payable Accrued at 6/30 over last year
- 7 Interim interest payments/adjustments and equity adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
October 31, 2023

	<u>Oct 23</u>	<u>Aug 23</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense								
Income								
4110 · Interest Income	412,898.35	636,430.01	-223,531.66	-35.12%	1,817,541.37	1,585,932.05	231,609.32	14.6%
4120 · Dividend Income	204,733.23	270,577.91	-65,844.68	-24.34%	1,101,000.70	1,254,960.89	-153,960.19	-12.27%
4130 · Real Assets Income	4,272,818.98	0.00	4,272,818.98 ¹	100.0%	6,073,461.63	6,082,265.41	-8,803.78	-0.15%
4140 · Other Investment Income	1,143,811.93	142,154.15	1,001,657.78 ²	704.63%	1,454,115.97	488,128.12	965,987.85	197.9%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	62,560.00	62,560.00	0.00	0.0%
4310 · Commission Rebates	0.00	0.00	0.00	0.0%	6.75	141.83	-135.08	-95.24%
4410 · Securities Lending Income	6,172.09	8,913.22	-2,741.13	-30.75%	32,838.64	52,461.97	-19,623.33	-37.41%
4510 · Realized Gains/Losses	5,829,824.25	-609,366.23	6,439,190.48 ³	1,056.7%	9,115,727.51	16,128,246.23	-7,012,518.72	-43.48%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4610 · Employee Contributions	3,333,381.73	2,250,562.51	1,082,819.22 ⁴	48.11%	8,993,433.26	7,547,972.03	1,445,461.23	19.15%
4620 · Employer Contributions	280,354.93	271,208.36	9,146.57 ⁴	3.37%	50,315,639.06	44,383,845.34	5,931,793.72	13.37%
Total Income	15,499,635.49	2,986,119.93	12,513,515.56	419.06%	78,966,324.89	77,586,513.87	1,379,811.02	1.78%
Expense								
5110 · Benefit Payments	8,961,197.49	9,005,997.17	-44,799.68	-0.5%	35,946,065.98	33,800,591.90	2,145,474.08	6.35%
5120 · Refunds	155,694.18	369,302.43	-213,608.25 ⁵	-57.84%	1,583,314.10	1,416,545.92	166,768.18	11.77%
5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	85,287.78	348,020.68	-262,732.90 ⁶	-75.49%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5210 · Investment Management Fees	322,871.40	512,328.83	-189,457.43	-36.98%	993,612.41	644,575.09	349,037.32 ⁷	54.15%
5250 · Inv. Consultant/Custodial Fees	22,537.00	23,500.00	-963.00	-4.1%	68,663.52	143,770.67	-75,107.15 ⁷	-52.24%
5270 · Securities Lending Expense	444.50	380.38	64.12	16.86%	1,214.23	1,668.11	-453.88	-27.21%
5275 · Real Assets Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5276 · Real Assets Mgr Fees	1,472,728.41	0.00	1,472,728.41	100.0%	1,472,818.41	835,666.86	637,151.55 ⁷	76.25%
5280 · Other Investment Expense	285,673.41	439.47	285,233.94 ⁸	64,904.08%	303,785.62	1,700.57	302,085.05	17,763.75%
5410 · Actuarial Study Fees	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	295,927.50	157,305.06	138,622.44	88.12%	856,642.41	772,094.56	84,547.85	10.95%
* 5750 · TCERA Property Admin Expense	2,645.73	3,837.08	-1,191.35	-31.05%	18,307.01	14,164.17	4,142.84	29.25%
5910 · Deprec/Amort of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	11,519,719.62	10,073,090.42	1,446,629.20	14.36%	41,329,711.47	37,978,798.53	3,350,912.94	8.82%
Net Ordinary Income	3,979,915.87	-7,086,970.49	11,066,886.36	156.16%	37,636,613.42	39,607,715.34	-1,971,101.92	-4.98%

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
October 31, 2023

	<u>Oct 23</u>	<u>Aug 23</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	-43,257,703.69	-45,920,091.96	2,662,388.27	5.8%	-82,891,901.75	-46,475,260.48	-36,416,641.27	-78.36%
4525 · Unrealized Gns/Ls Building/Land	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5000 · Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	-43,257,703.69	-45,920,091.96	2,662,388.27	5.8%	-82,891,901.75	-46,475,260.48	-36,416,641.27	-78.36%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-43,257,703.69	-45,920,091.96	2,662,388.27	5.8%	-82,891,901.75	-46,475,260.48	-36,416,641.27	-78.36%
Net Income	<u>-39,277,787.82</u>	<u>-53,007,062.45</u>	<u>13,729,274.63</u>	<u>25.9%</u>	<u>-45,255,288.33</u>	<u>-6,867,545.14</u>	<u>-38,387,743.19</u>	<u>-558.97%</u>

Notes:

- 1 Real Asset Income reported quarterly and one-two months in arrears
- 2 Increase in Other Investment Income over last month in Private Credit from a Net Distribution by SSP DCP (B)
- 3 Increase in Realized Gains/Losses over last month in Real Assets from DWS RREEF REIT II
- 4 Increase in EE & ER Contributions over last month and year due to 3 pay periods in October
- 5 Decrease in the # of and \$ amount of Refunds over last month
- 6 Timing of Retiree deaths with remaining contributions, decrease over last year
- 7 Timing of Quarterly Fees
- 8 Increase in Other Investment Expense over last month and year due to new inv mgr activity within the Verus Direct Inv portfolio for Real Assets

* See Budget report for detail of Administrative expenses (5500 and 5750)



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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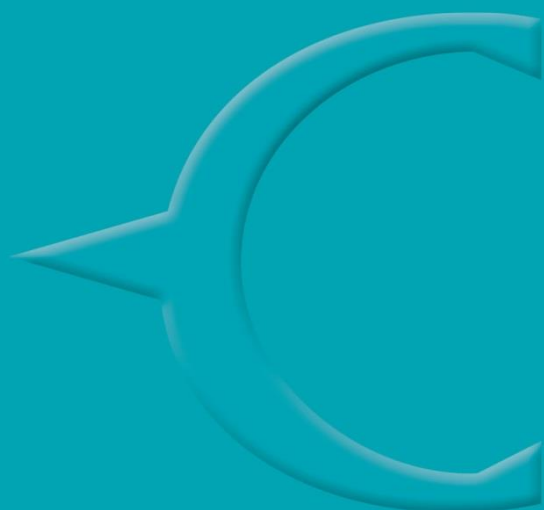
MEMORANDUM

Date: December 13, 2023
To: Board of Retirement
From: Leanne Malison, Retirement Administrator
Subject: Revised June 30, 2023 Actuarial Valuation and GASB 67/68 Reports

The June 30, 2023 actuarial reports previously approved by the Board of Retirement have been revised. Cheiron notified TCERA Staff that during the Peer Review of TCERA's reports, an issue was discovered with the marriage percentage for general female members. It was noted that this percentage was higher than the percentage used for the calculations in the original reports. Because married members tend to select the unmodified option (which is subsidized by the plan) at a higher rate than unmarried members, the effect of adopting this demographic assumption change is a revision to the employer rate, the unfunded liability, and the funded ratio for the plan. A representative from Cheiron will be available via Teams at the Board meeting to fully explain the changes and answer questions regarding the revised reports.

Please note that the original reports were submitted to the Board prior to Peer Review because of the extremely tight timeframe for completion of this year's ACFR. Staff appreciates the Peer Review process employed by Cheiron to help ensure accuracy of their reports.

Staff requests that the Board approve the revised reports, including all actuarial assumptions, methods, and rates.



Tulare County Employees' Retirement Association

Actuarial Valuation Report as of June 30, 2023

Produced by Cheiron

Revised – December 2023

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December 4, 2023

Board of Retirement
Tulare County Employees' Retirement Association
136 N. Akers St.
Visalia, CA 93291

Dear Members of the Board:

At your request, we have conducted an actuarial valuation of the Tulare County Employees' Retirement Association (TCERA, the System, the Fund, the Plan) as of June 30, 2023. This report contains information on the System's assets, liabilities, and discloses employer contribution levels. Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of TCERA. This report was prepared for the TCERA Board of Retirement for the purposes described herein and for 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 such other users.

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.

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 "Steven M. Hastings".

Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

FOREWORD

Cheiron has performed the actuarial valuation of the Tulare County Employees' Retirement Association as of June 30, 2023. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends.
- The **Main Body** of the report presents details on the System's
 - Section II – Disclosures Related to Risk
 - Section III – Assets
 - Section IV – Liabilities
 - Section V – Contributions
 - Section VI – Annual Comprehensive Financial Reporting Information
- In the **Appendices**, we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), a glossary of key actuarial terms (Appendix D), and tables containing member contribution rates (Appendix E).

Future results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

This report was prepared using census data and financial information as of the valuation date, June 30, 2023. Events following that date are not reflected in this report. Actual experience, both demographic and economic, will be reflected in subsequent valuations as experience emerges.

In preparing our report, we relied on information (some oral and some written) supplied by the TCERA staff. This information includes, but is not limited to, 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.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION I – EXECUTIVE SUMMARY

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The funded status of the System,
- Past and expected trends in the funding progress of the System,
- Employer and employee contribution rates for Plan Year 2024-2025,
- An assessment and disclosure of key risks, and
- Information required by the GFOA for the Annual Comprehensive Financial Report (ACFR).

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key results, (C) an examination of the historical trends, and (D) the projected outlook for the System.

A. Valuation Basis

This valuation determines the employer contributions required for the employers' fiscal years beginning July 1, 2024. The System's funding policy is to collect contributions from the employers and employees equal to the sum of (1) the normal cost under the Entry Age Normal Cost Method and (2) amortization of the Unfunded Actuarial Liability.

The Unfunded Actuarial Liability (UAL) is the excess of the Actuarial Liability over the Actuarial Value of Assets. Based on the funding policy adopted by the Board at its October 28, 2015 meeting, the UAL payment in the current valuation is the amount needed to fund the June 30, 2015 UAL over a closed 19-year period with payments as a level percentage of payroll, assuming payroll increases of 3.00% per year, with subsequent gains and losses being amortized over new 19-year closed periods, also as a level percentage of payroll.

Actuarial experience studies are performed every three years. This valuation was performed using the economic and demographic assumptions adopted by the Board, which are based on the experience study presented by Cheiron on October 11, 2023 and described in detail in a follow-up report revised and delivered to the Board on December 13, 2023. There were changes to the mortality and termination rates, the merit/longevity pay increase rates, the form of payment assumptions, and various other demographic assumptions. The discount rate remains 7.00%. A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

The contribution determined under these policies and assumptions represents a reasonable actuarially determined contribution (ADC) in accordance with Actuarial Standard of Practice (ASOP) No. 4. The actuarial methods have been selected to balance benefit security, intergenerational equity, and stability of actuarially determined contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION I – EXECUTIVE SUMMARY

At the direction of the Board, the UAL and contribution rates shown in Tables I-1 and I-4 do not reflect any estimated liabilities associated with future transfers to the Supplemental Retiree Benefit Reserve (SRBR). An estimate of this liability has been disclosed in Table IV-4.

This valuation was prepared based on the plan provisions shown in Appendix C. There have been no changes to the plan provisions since the last valuation. This valuation does not include any consideration of external liabilities (or related debt service payments) incurred by the Plan sponsors outside of TCERA, such as those related to pension obligation bonds, which would be disclosed in Tulare County's Annual Comprehensive Financial Report.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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B. Key Findings of this Valuation

The key results of the June 30, 2023 actuarial valuation are as follows:

- The average actuarially determined employer contribution rate increased from 16.01% of payroll to 17.31% of payroll. Information on the contribution rates and changes from last year to this year may be found in Tables I-4 and I-5.
- There was a 0.56% increase in the employer rate due to investment losses for the plan year ending June 30, 2023. On a Market Value of Assets basis, the Plan earned 6.74%, as compared to the prior year's 7.00% assumed return. On a smoothed (Actuarial Value of Assets) basis, the return was 5.77%.
- The UAL is the excess of the System's Actuarial Liability over the Actuarial Value of Assets. The System experienced an increase in the UAL from \$207.2 million as of June 30, 2022 to \$286.2 million as of June 30, 2023. The \$79.0 million increase in the UAL was primarily due to investment (\$22.6 million) and liability (\$76.7 million) losses, partially offset by the impact of assumption changes which reduced the UAL by \$14.0 million. A detailed reconciliation of the components of change in the UAL is shown in Table I-3.
- The remaining balance of the June 30, 2015 UAL is being amortized over 11 years and the remaining balances for each of the subsequent UAL layers are being amortized over periods that extend by one additional year each (e.g., the UAL loss from the plan year ending June 30, 2016 is being amortized over 12 years). Finally, the UAL loss for the plan year ending June 30, 2023 is being amortized as a new 19-year layer.
- The System's funded ratio, the ratio of actuarial assets over Actuarial Liability, decreased from 89.9% last year to 87.0% as of June 30, 2023. On a market value basis, the funded ratio decreased from 83.3% last year to 81.4% this year. The Actuarial Value of Assets is higher than the market value, meaning that there are deferred investment losses that will be recognized in the Actuarial Value of Assets (and employer contributions) in future years.
- During the 2022-2023 Plan year, the actuarial liabilities of the System increased more than expected. The liability losses were associated primarily with higher salary and post-retirement Cost-of-Living-Adjustments (COLAs) than expected and increases in the COLA banks during the year.
- Overall participant membership increased compared to last year, from 10,484 to 10,820. The total active population increased from 4,432 to 4,505 and total projected payroll increased from \$293,444,953 to \$323,042,880. The number of inactives increased from 2,467 to 2,633, while the number of retirees increased from 3,585 to 3,682.
- In Table IV-4 of this valuation, we have disclosed a liability of \$125.9 million associated with future transfers to the Supplemental Retiree Benefit Reserve (SRBR). This is similar to the estimated liability from the prior valuation (\$118.7 million), which was expected since

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the return on the Market Value of Assets was reasonably close to the assumption and there are still \$124.4 million in unrecognized asset losses reflected in the Actuarial Value of Assets. These losses will flow to the Actuarial Value of Assets over 10 years and reduce the likelihood of future transfers.

The liability associated with future transfers is based on a simulation of investment returns and represents the accrued portion of the present value of SRBR transfers expected to result from future returns on the Actuarial Value of Assets in excess of the 7.00% assumption. It has not been reflected in the calculation of the employer contribution rate. Future SRBR transfers would result in lower net asset experience, which will be reflected in future amortization layers.

If the liability for future SRBR transfers were to be pre-funded, the employer contribution would be approximately \$10.0 million higher, or about 3.1% of pay. We have also disclosed a liability of \$106.1 million associated with the current SRBR balance, which is equal to the current balance of the SRBR, less the portion assumed to represent future benefit accruals. Note that the disclosure of these liabilities does not imply that the current benefit levels are guaranteed. Our understanding is that the Board has the power to adjust the benefit amounts paid from the SRBR.

On the following pages, we present Tables I-1 and I-2, which summarize the key results of the valuation with respect to TCERA assets, liabilities, Unfunded Actuarial Liability, funded ratios, and membership. The results are presented and compared for both the current and prior plan year.

The leverage ratios are equal to the Market Value of Assets (or Actuarial Liability) divided by payroll and represent a measure of the size of the plan relative to the plan sponsor. For additional discussion, see the discussion of maturity measures in Section II of this report.

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Table I-1 Summary of Key Valuation Results - Funded Status (in thousands)			
Valuation Date	June 30, 2022	June 30, 2023	% Change
Actuarial Liability	\$ 2,047,350	\$ 2,201,923	7.5%
Market Value of Assets	\$ 1,819,009	\$ 1,904,054	4.7%
Market Value of Assets (Excluding SRBR)	1,705,307	1,791,352	5.0%
Actuarial Value of Assets (Excluding SRBR)	1,840,109	1,915,710	4.1%
Unfunded Actuarial Liability (UAL)			
- based on Market Value of Assets	\$ 342,043	\$ 410,571	20.0%
- based on Actuarial Value of Assets	207,241	286,213	38.1%
Funding Ratio - Market value basis	83.3%	81.4%	-1.9%
Funding Ratio - Actuarial value basis	89.9%	87.0%	-2.9%
Expected Payroll	\$ 293,445	\$ 323,043	10.1%
Asset Leverage Ratio (Excluding SRBR)	5.8	5.5	-4.6%
Actuarial Liability Leverage Ratio	7.0	6.8	-2.3%
Interest on UAL (MVA basis)	\$ 23,943	\$ 28,740	20.0%
Interest Cost as Percent of Payroll	8.2%	8.9%	0.7%

Numbers may not add to totals due to rounding.

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Table I-2			
Membership Total			
Item	June 30, 2022	June 30, 2023	% Change
Actives	4,432	4,505	1.6%
Inactives	2,467	2,633	6.7%
Members Receiving Benefits	3,585	3,682	2.7%
Total Members	10,484	10,820	3.2%
Ratio of Retired Members to Active Members	80.9%	81.7%	0.8%
Active Member Projected Payroll for FYE June 30, 2023 and 2024	\$ 293,444,953	\$ 323,042,880	10.1%
Average Pay per Active	\$ 66,211	\$ 71,708	8.3%

The Unfunded Actuarial Liability (UAL) for TCERA increased by \$79.0 million, from \$207.2 million to \$286.2 million. Table I-3 below presents the specific components of the change in the UAL.

The UAL was expected to decrease by \$6.6 million, due to the scheduled amortization payment being greater than the interest on the UAL. Asset losses – i.e., the smoothed investment return below last year's assumed rate of 7.00% – increased the UAL by \$22.6 million, which was compounded by liability experience losses of \$76.7 million. Contributions were slightly less than the actuarial cost, due to the phase-in of prior assumption changes, increasing the UAL by \$0.3 million. A detailed breakdown of the liability experience can be found in Table IV-2.

Table I-3	
Change in Unfunded Actuarial Liability	
Experience	(in thousands)
Unfunded actuarial liability, 6/30/2022	\$ 207,241
Expected change in unfunded actuarial liability	(6,634)
Increase due to investment loss	22,555
Increase due to contributions less than actuarial cost	349
Increase due to liability loss	76,717
Increase due to assumption changes	(14,014)
Total change in unfunded actuarial liability	\$ 78,972
Unfunded actuarial liability, 6/30/2023	\$ 286,213

Numbers may not add to totals due to rounding.

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Employer and Employee Contributions

Table I-4 below compares the net employer contribution rate and its components to those from the prior year. The overall net employer contribution rate increased by 1.30% for the June 30, 2023 valuation. The net employer normal cost rate decreased by 0.23% and the UAL rate increased by 1.53%. The average employee rate decreased by 0.19%, from 9.07% to 8.88%.

Additional details on contributions may be found in Section V, including separate rates for the County versus the other employers, which have been included in this report to reflect the Board's decision to allocate the cost impact of the POB contribution to the County only. Future investment experience related to the POB contribution will be shared amongst all TCERA employers.

**Table I-4
Summary of Contributions**

	FYE 2024	FYE 2025	Change
<u>Contribution Rates</u>			
Net Employer Contribution Rate	16.01%	17.31%	1.30%
Estimated Employee Contribution Rate	<u>9.07%</u>	<u>8.88%</u>	-0.19%
Total Contribution Rate	25.08%	26.19%	1.10%
Net Employer Contribution Rate	16.01%	17.31%	
Estimated Net Employer Contributions (in thousands)	\$ 48,372	\$ 57,563	\$ 9,191
<u>Total Contribution Rate</u>			
Estimated Employee Contribution Rate	9.07%	8.88%	-0.19%
Employer Normal Cost Rate	<u>9.03%</u>	<u>8.80%</u>	-0.23%
Total Normal Cost Rate	18.10%	17.68%	-0.43%
UAL Rate			
Interest on Market Value UAL	8.16%	8.90%	0.74%
Principal on Market Value UAL	<u>-1.18%</u>	<u>-0.39%</u>	0.79%
Total UAL Rate	6.98%	8.51%	1.53%
Total Contribution Rate	25.08%	26.19%	1.10%

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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Table I-5 summarizes the changes in the employer contribution rate. As discussed earlier in this section, the largest sources of change were increases due to the liability and investment losses. The increases were partially offset by payroll growing faster than expected, which reduced the amortization payment as a percentage of payroll, and assumption changes which lowered the normal cost and unfunded liability. In aggregate, the employer contribution rate increased from 16.01% for FYE 2024 to 17.31% for FYE 2025.

Table I-5 Employer Contribution Reconciliation			
Item	Normal Cost	Amortization	Total
FYE 2024 Net Employer Contribution Rate	9.03%	6.98%	16.01%
Change due to asset loss	0.00%	0.56%	0.56%
Change due to contributions less than actuarial cost	0.00%	0.01%	0.01%
Change due to demographic gains and losses	0.04%	1.88%	1.91%
Change due to payroll more than expected	0.00%	-0.60%	-0.60%
Change due to assumption changes	<u>-0.27%</u>	<u>-0.32%</u>	<u>-0.59%</u>
Total Change in Employer Rate	-0.23%	1.53%	1.30%
FYE 2025 Net Employer Contribution Rate	8.80%	8.51%	17.31%

Numbers may not add to totals due to rounding.

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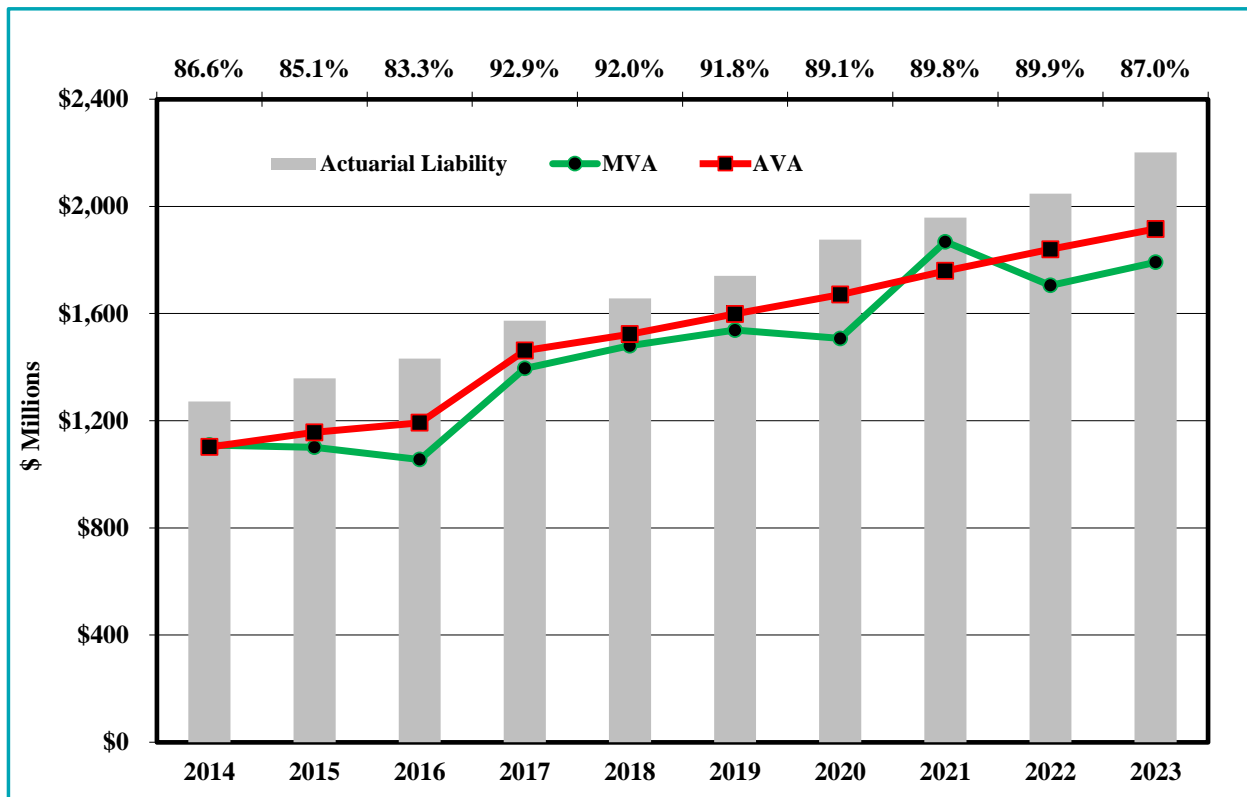
SECTION I – EXECUTIVE SUMMARY

C. Historical Trends

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results and in particular the size of the current Unfunded Actuarial Liability and the employer contribution, it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is important to judge the current year's valuation results relative to historical trends, as well as trends expected into the future.

Assets and Liabilities

The chart below compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the actuarial liabilities. The percentage shown in the graph is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio has remained relatively stable over the past decade. The largest factor for the funding ratio decline from 2014-2017 was the recognition of deferred asset losses from 2008-2009, and the significant increase in the funded ratio from 2017 to 2018 was due to the contribution from POB proceeds. For the 2023 plan year, the funding ratio decreased to 87.0%, primarily as result of the liability and smoothed asset losses.



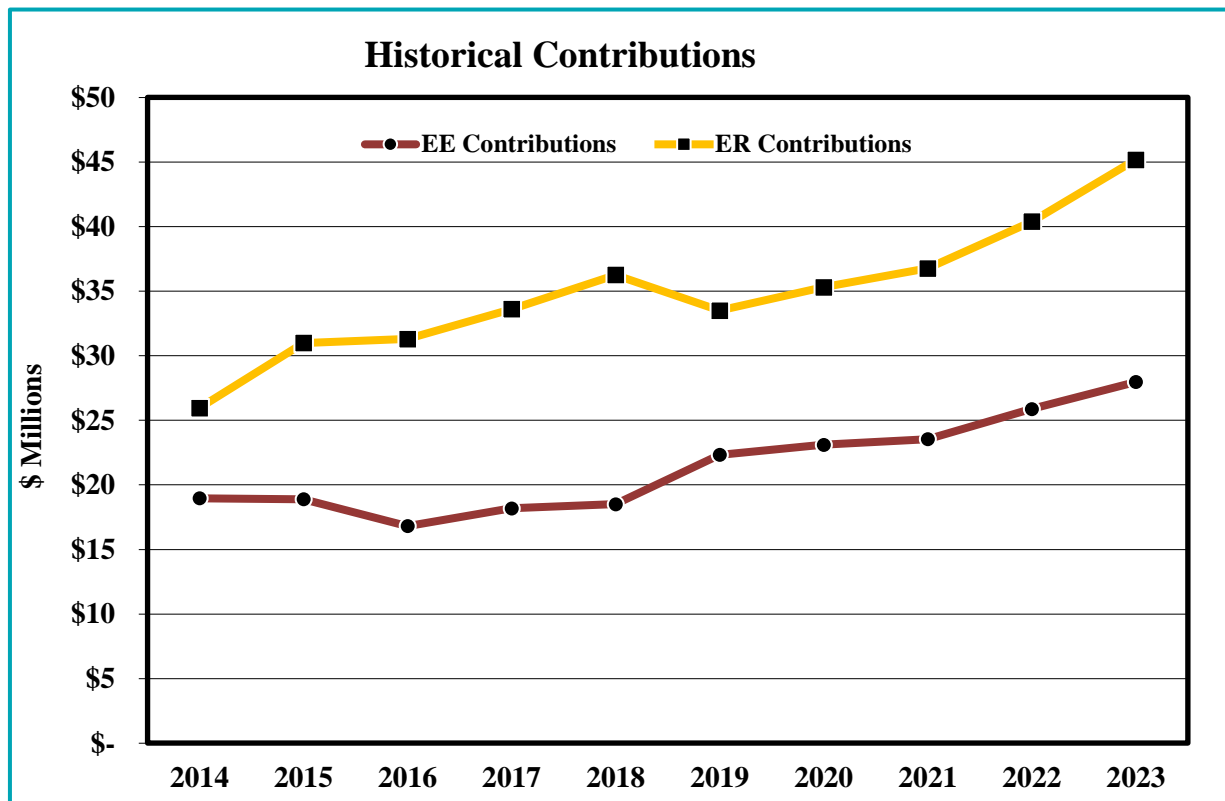
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Contribution Trends

In the chart below, we present the historical trends for the TCERA employer and employee contributions. The employer contribution rates have increased as a result of the 2008-2009 asset losses that were phased in over 10 years. TCERA has also made assumption changes and experienced additional asset losses, further increasing the employer contribution rates, though the assumption changes implemented with the current valuation decreased rates. The growth in payroll this year increased the dollar amount of the contributions.

Note that the employer contributions shown below do not include the contribution from POB proceeds in FY2017-2018 that exceeded the regular actuarially determined amounts.

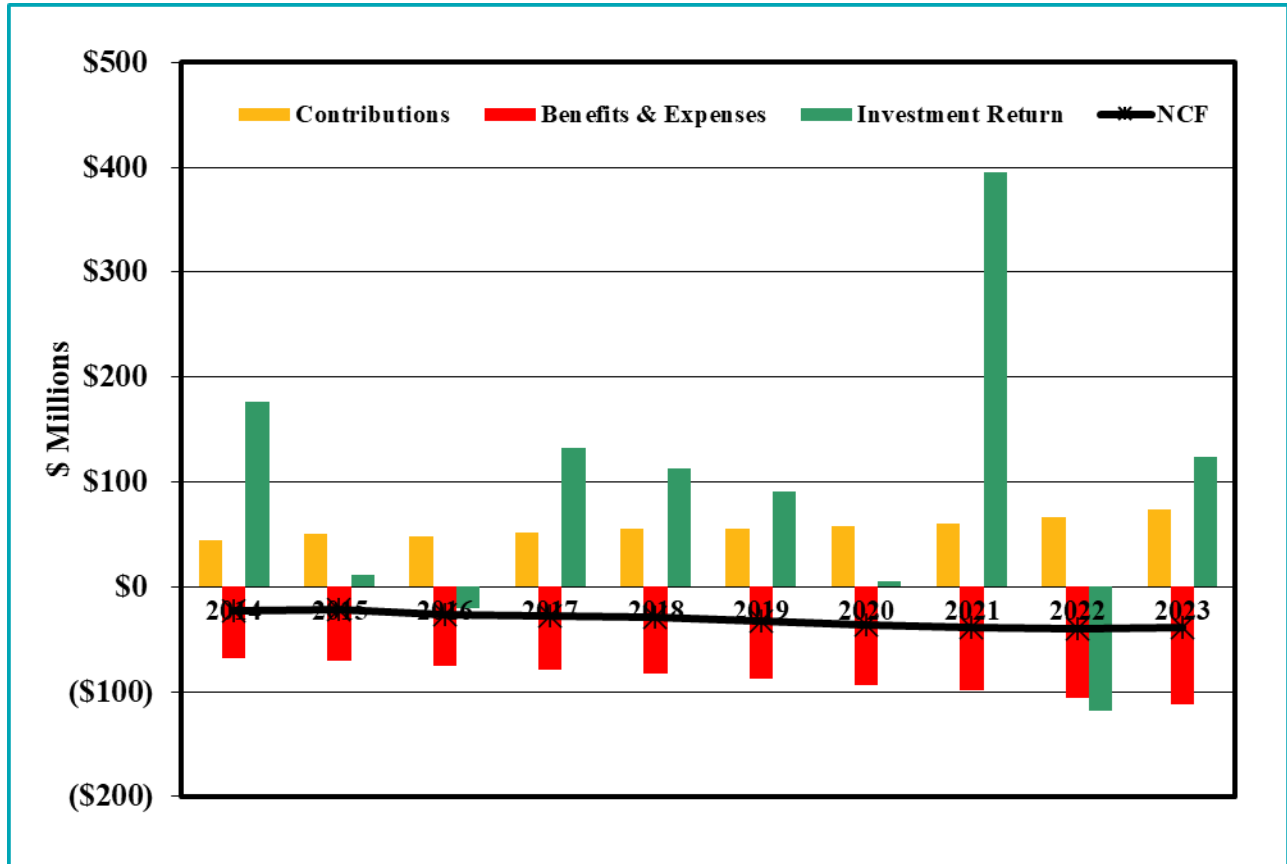


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SECTION I – EXECUTIVE SUMMARY

Cash Flows

The chart below shows the Plan's cash flow (contributions less benefit payments and administrative expenses). This is a critical measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions, especially during volatile markets. Note that the contributions do not include the excess contributions from POB proceeds.



In the chart above, the contributions, benefit payments plus expenses, and investment returns are shown as bars and the Plan's net cash flow (NCF) is shown as a black line. The NCF, which is equal to contributions less benefit payments and administrative expenses, began close to zero at the beginning of the 10-year period, but has grown consistently more negative over time. For the most recent year, the plan had negative cash flow of approximately 2.2% of assets.

A negative cash flow magnifies the losses during a market decline hindering the Plan in its ability to absorb market fluctuations. The implications of a plan in negative cash flow are that the impact of market fluctuations can be more severe: as assets are being depleted to pay benefits in down markets, there is less principal available to be reinvested during favorable return periods. However, a negative cash flow is also a positive for a well-funded mature plan, as the investment earnings reduce the contributions needed to pay benefits.

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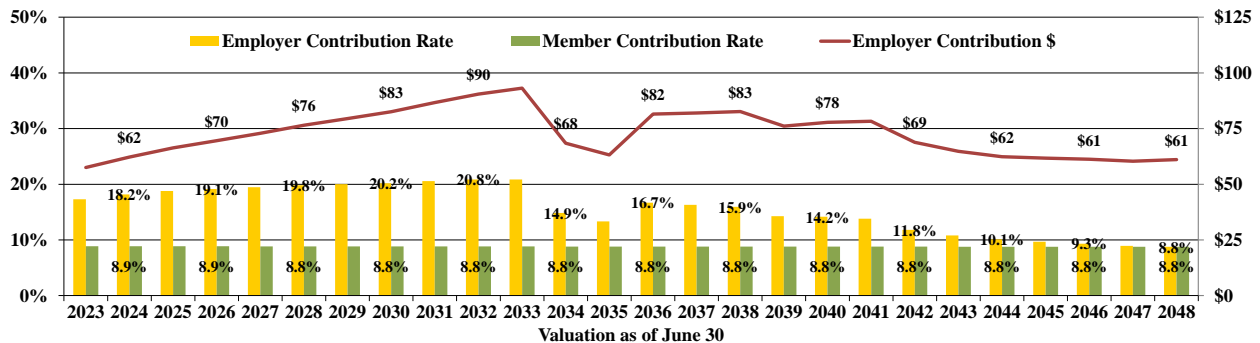
SECTION I – EXECUTIVE SUMMARY

D. Future Expected Financial Trends

The analysis of projected financial trends is an important component of this valuation. In this section, we present our assessment of the implications of the June 30, 2023 valuation results in terms of future projected contribution rates and benefit security (assets over liabilities). All the projections in this section are based on an investment return assumption of 7.00%. We have assumed future increases in total pensionable payroll of 3.00% per year.

The following graph shows the expected employer contribution rate (gold bars) and employee contribution rate (green bars) determined as of the valuation date, and the employer contribution in millions of dollars (red line) for the following fiscal year, based on achieving the investment assumption **each year** for the next 25 years. This scenario is highly unlikely: even if the Plan does achieve the assumed return **on average** over this time period, the returns in each given year will certainly vary.

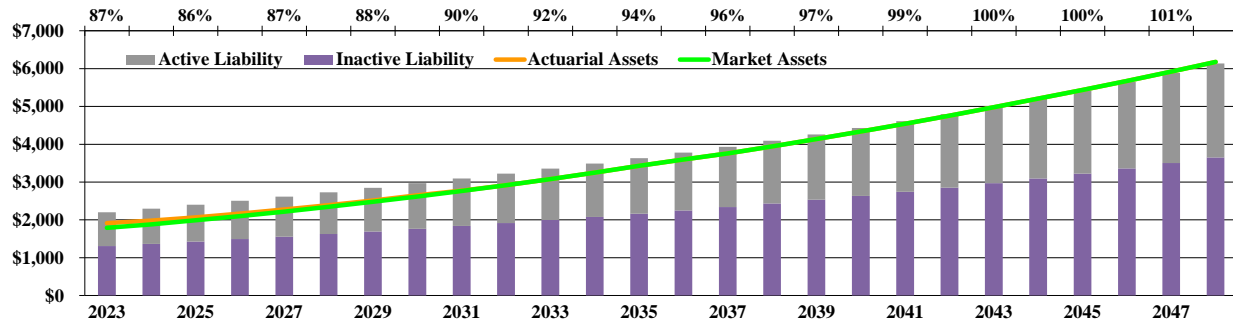
The contribution graph shows that the employer contribution rate is expected to increase for the next 10 years as the current deferred investment losses (approximately \$124 million) are recognized, then drop significantly after 2033 when the UAL layer from 2015 is paid off.



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The following graph shows the projection of assets and liabilities assuming that assets will earn the investment assumption each year during the projection period (dollars shown in millions). The percentages at the top of the graph represent the funded ratio or status of the System.



The funded status, based on the Actuarial Value of Assets, is expected to reach 100% by 2043 assuming the actuarial assumptions are achieved, which is the same as in last year's report. The Market Value of Assets is currently lower than the actuarial value – due to the deferred losses mentioned above – and the funded status on this basis is currently about 6% lower but is expected to converge to the actuarial value over time if the investment return assumption is met.

However, as with the projection of contribution rates, it is the **actual** return on System assets that will determine the future funded status.

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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may vary significantly. This section of the report is intended to identify the primary risks to the Plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

The fundamental risks to the pension plan are that the contributions needed to pay the benefits become unaffordable or that the contributions needed to support the Plan may differ significantly from expectations. While there are a number of factors that could lead to either of these events, we believe the primary risks are:

- Investment risk,
- Assumption change risk, and
- Contribution and payroll risk.

Other risks that we have not identified may also turn out to be important.

Investment risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the Unfunded Actuarial Liability necessitating higher contributions in the future unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the Plan's asset allocation and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsors or other contribution base.

Assumption change risk is the potential for the environment to change such that future valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades (which have recently reversed) resulted in higher investment returns for fixed-income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

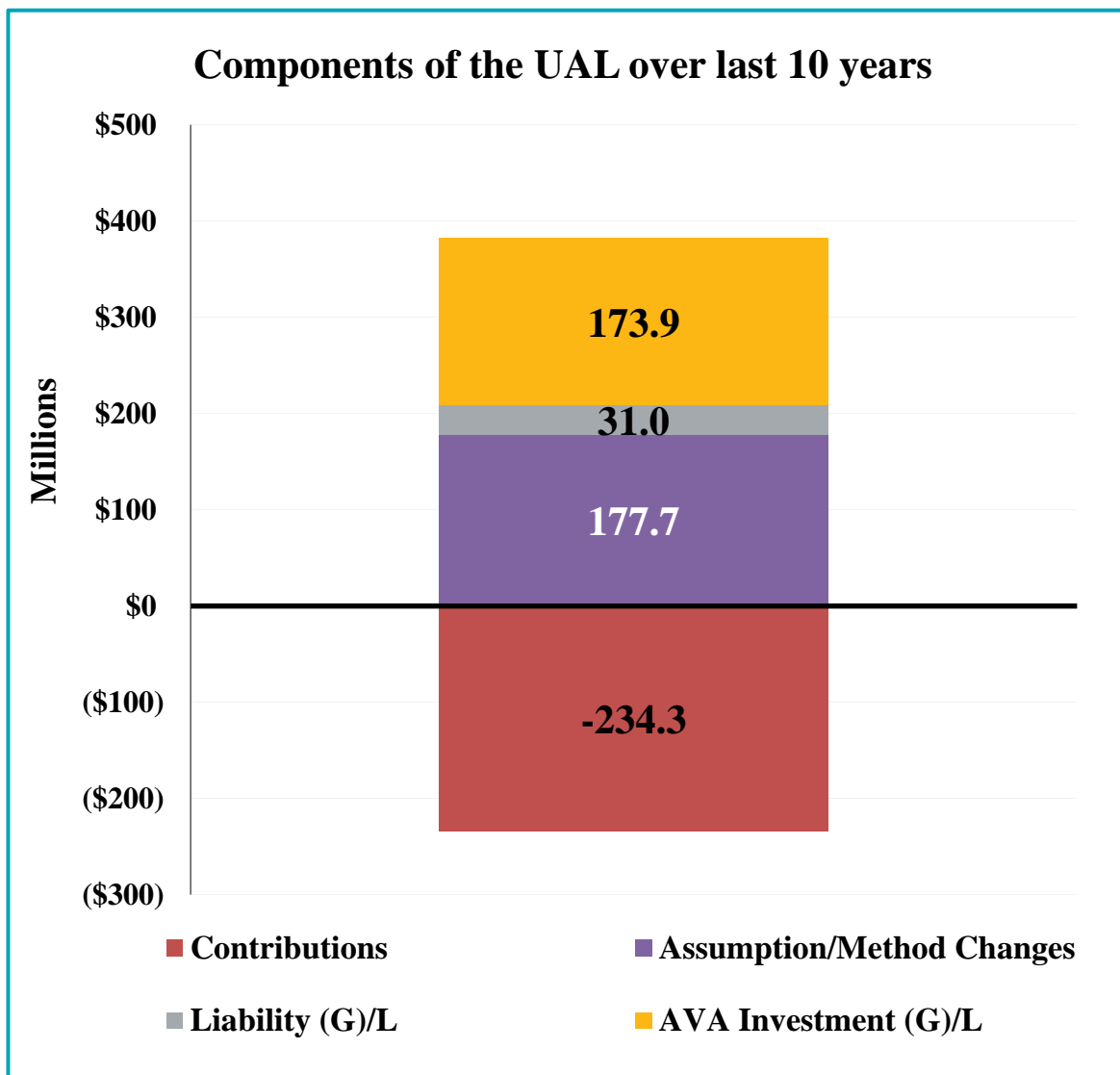
Contribution risk is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk such as the sponsor choosing to not make contributions in accordance with the funding policy. As another example, the contribution requirement might become a financial strain on the sponsor as a result of material contribution base changes (e.g., covered employees, covered payroll) that affect the amount of contributions the Plan can collect.

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The chart below shows the components contributing to the Unfunded Actuarial Liability (UAL) from July 1, 2013 through June 30, 2023. Over the last 10 years, the UAL has increased by approximately \$148.3 million. The investment losses (gold bar) of \$173.9 million on the Actuarial Value of Assets (AVA) and assumption/method changes (purple bar) resulting in a total UAL increase of \$177.7 million are the primary sources in the UAL growth. Net liability losses (gray bar) of \$31.0 million also increased the UAL. Contributions in excess of the “tread water” level (red bar) of \$234.3 million, primarily resulting from a pension obligation bond contribution of approximately \$250 million, have partially offset the UAL growth.

Chart II-1

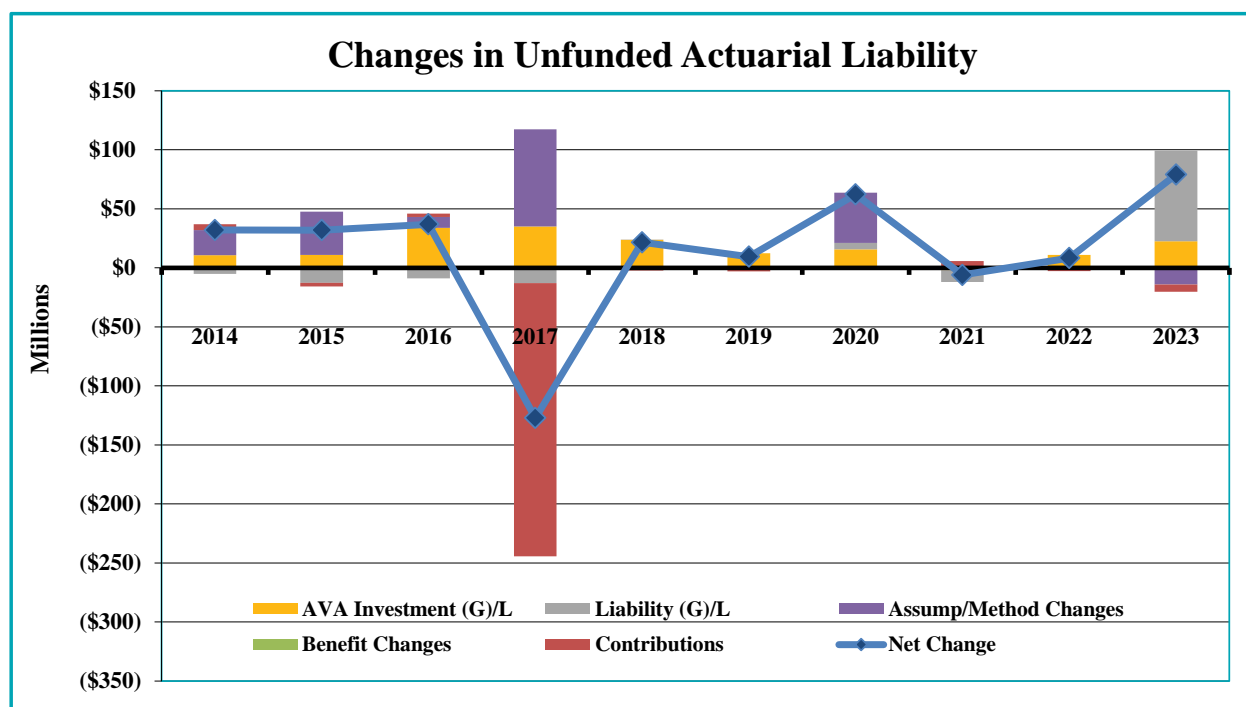


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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Chart II-2 below details the annual sources of the UAL change (colored bars) for the plan years ending June 30. The net UAL change for each year is represented by the blue diamonds.

Chart II-2



On a smoothed basis, the average annual geometric return over the 10-year period is 6.0%, with losses occurring on the AVA every year, except 2021, which have increased the UAL. As of June 30, 2023, there are approximately \$124 million of deferred losses that will be recognized over the next nine years. As a result, even if the Plan earns above the expected return of 7.00% on a market basis, there could still be a loss on the smoothed value of assets.

Over the same time period, the assumed rate of return decreased from 7.90% to 7.00%. It is important to note that these changes simply reflect a downward revision to the estimate of future investment earnings; ultimately costs will be determined by actual investment earnings. Future expectations of investment returns may continue to decline necessitating further reductions in the discount rate.

The net impact of assumption changes is represented by the purple bars and includes changes to demographic assumptions that decreased the UAL in some years.

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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Each year the UAL is expected to increase for benefits earned in the current year (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as the tread water level. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. The amortization policy (as well as the contribution-timing lag) can impact whether or not the contributions exceed the tread water level.

The County issued bonds worth approximately \$250 million and included a similar amount as a receivable contribution for the June 30, 2017 valuation. This large contribution went directly toward paying down the principal on the UAL as seen below in Table II-1, which numerically summarizes the changes in the UAL for each year by source over the last 10 years. It should be noted that for bonds to have positive long-term financial impact, pension investments will need to outperform debt service payments over the length of the bonds.

The Board adopted 19-year layered amortization of the UAL at its October 28, 2015 meeting. Under this approach, contributions are typically above the tread water level each year. However, the Board's election to phase-in the impact of the 2020 assumption changes over three years was the primary cause for the contributions to be less than the tread water level for the 2021 fiscal year end. Contributions for the 2023 fiscal year end were \$6.3 million more than the tread water level and subsequently decreased the UAL by that amount.

Table II-1

Unfunded Actuarial Liability (UAL) Change by Source						
June 30,	Contributions	Assumption/ Method Changes	Liability Experience	Investment Experience	Total UAL Change	
2014	\$ 5,138,315	\$ 21,095,393	\$ (5,070,085)	\$ 10,841,064	\$ 32,004,687	
2015	(3,043,058)	36,744,870	(12,668,401)	10,912,537	31,945,948	
2016	2,775,153	9,170,277	(8,948,443)	33,948,354	36,945,341	
2017	(231,452,683)	82,259,297	(12,982,692)	35,033,717	(127,142,361)	
2018	(2,307,142)	0	285,647	23,696,427	21,674,932	
2019	(2,726,065)	0	(161,312)	12,412,582	9,525,205	
2020	(1,439,104)	42,435,148	5,587,388	15,576,636	62,160,068	
2021	5,856,076	0	(9,839,957)	(2,067,958)	(6,051,840)	
2022	(806,901)	0	(1,919,754)	11,007,851	8,281,196	
2023	(6,285,142)	(14,014,216)	76,716,587	22,554,969	78,972,198	
Total	\$ (234,290,552)	\$ 177,690,769	\$ 30,998,978	\$ 173,916,178	\$ 148,315,374	

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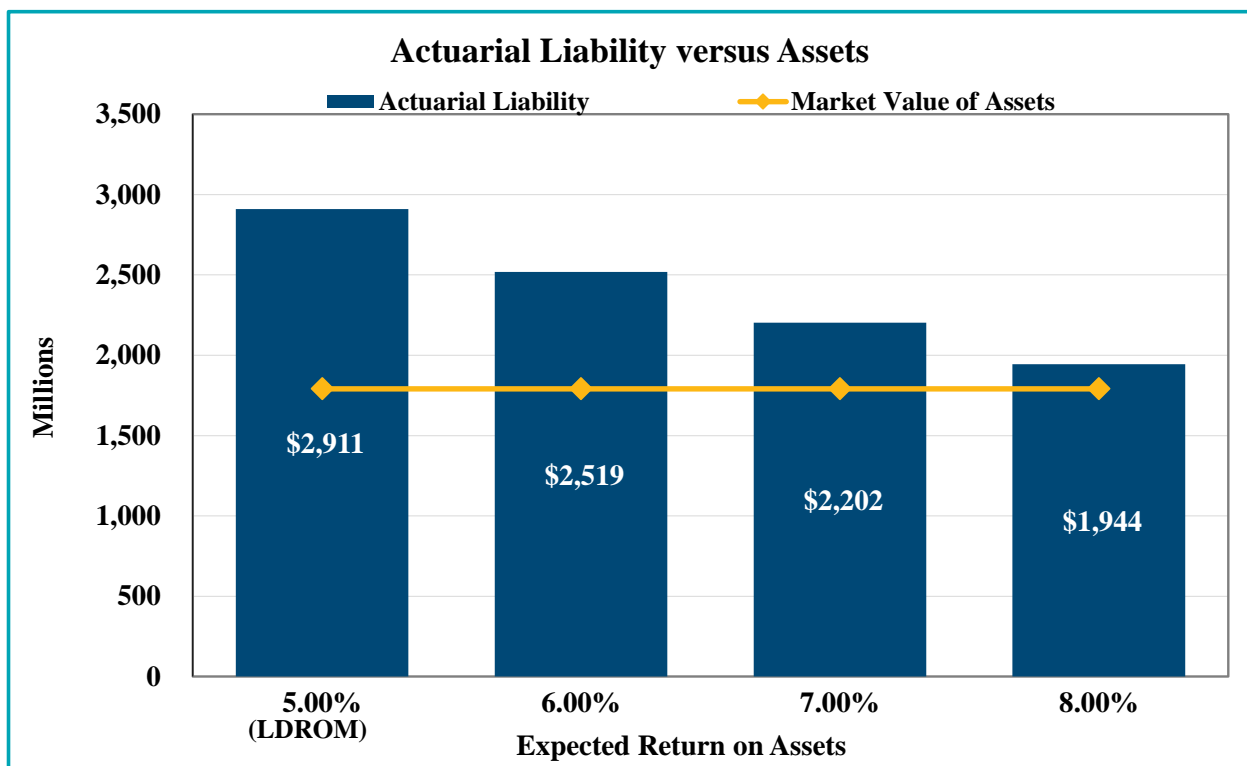
SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Assessing Costs and Risks

Sensitivity to Investment Returns

The chart below compares the Market Value of Assets (line) to the actuarial liabilities (bars) discounted at the current expected rate of return (7.00%) and at discount rates 100 basis points above and below the expected rate of return. This year we have added an additional measurement, the Low Default Risk Obligation Measure (LDROM), which is based on a discount rate of 5.00% for the current valuation.

Chart II-3



If investments return 7.00% annually, the Plan will need approximately \$2.2 billion in assets today to pay the benefits associated with service earned to date, compared to current assets of \$1.8 billion (excluding assets and liabilities related to the Supplemental Retiree Benefit Reserve). If investment returns are only 6.00%, the Plan would need approximately \$2.5 billion in assets today, and if investment returns are 8.00%, the Plan would need approximately \$1.9 billion in assets.

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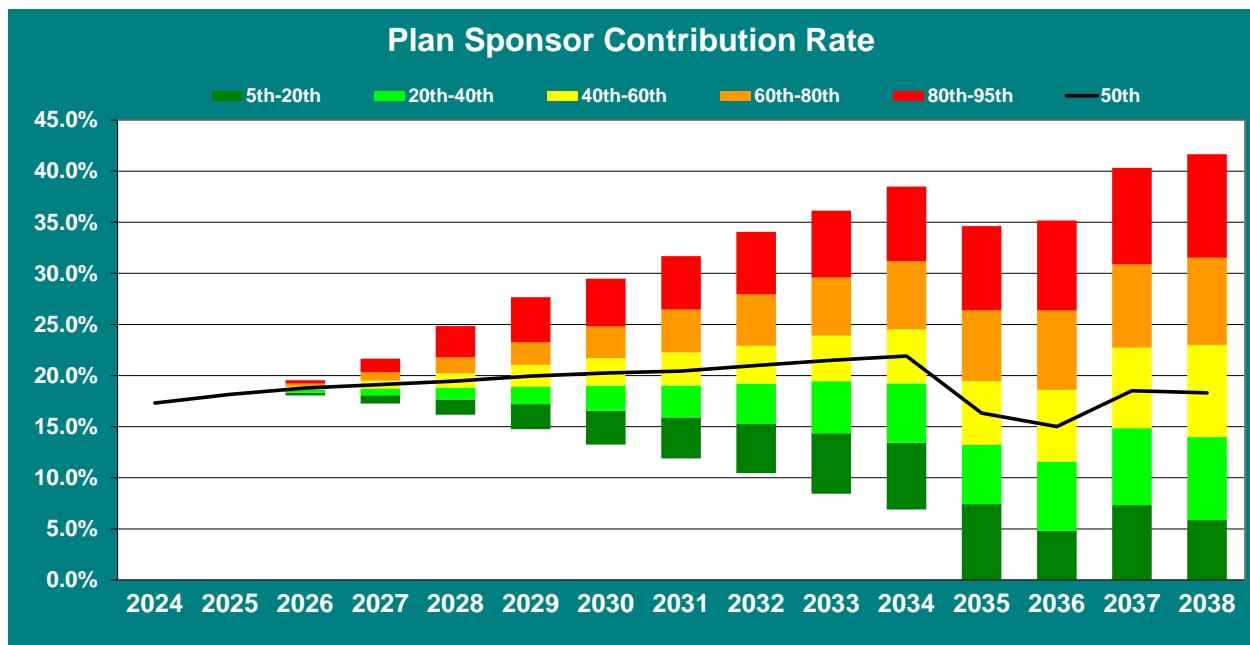
SECTION II – RISK IDENTIFICATION AND ASSESSMENT

TCERA invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. The lowest risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the plan. As of June 30, 2023, we estimate that such a portfolio would have an expected return of 5.00%, and TCERA would need \$2.9 billion to pay all benefits attributed to past service. This amount is the LDROM, and the \$700 million difference between the LDROM and the current Actuarial Liability represents the expected savings from bearing the risk of investing in TCERA's diversified portfolio. Alternatively, it also represents the cost of minimizing the investment risk.

Because TCERA invests in a diversified portfolio and not the LDROM portfolio, the reported funded status is higher, and expected employer contributions are lower. Benefit security for members of TCERA depends on a combination of TCERA assets, the investment returns generated on those assets, and the ability of the employers to make any needed future contributions. An LDROM portfolio would generate more predictable but lower expected investment returns, potentially changing the level of reliance on future contributions to secure benefits.

Sensitivity to Investment Returns - Stochastic Projections

Stochastic projections serve to show the range of probable outcomes of various measurements. The graphs below and on the following page show the projected range of the employer contribution rate and of the funded ratio on an Actuarial Value of Assets basis. The range in both scenarios is driven by the volatility of investment returns, assumed to be based on a 12.75% standard deviation of annual returns, as indicated by the analysis of Verus and other investment consultants' capital market assumptions contained in the 2023 Experience Study Report.



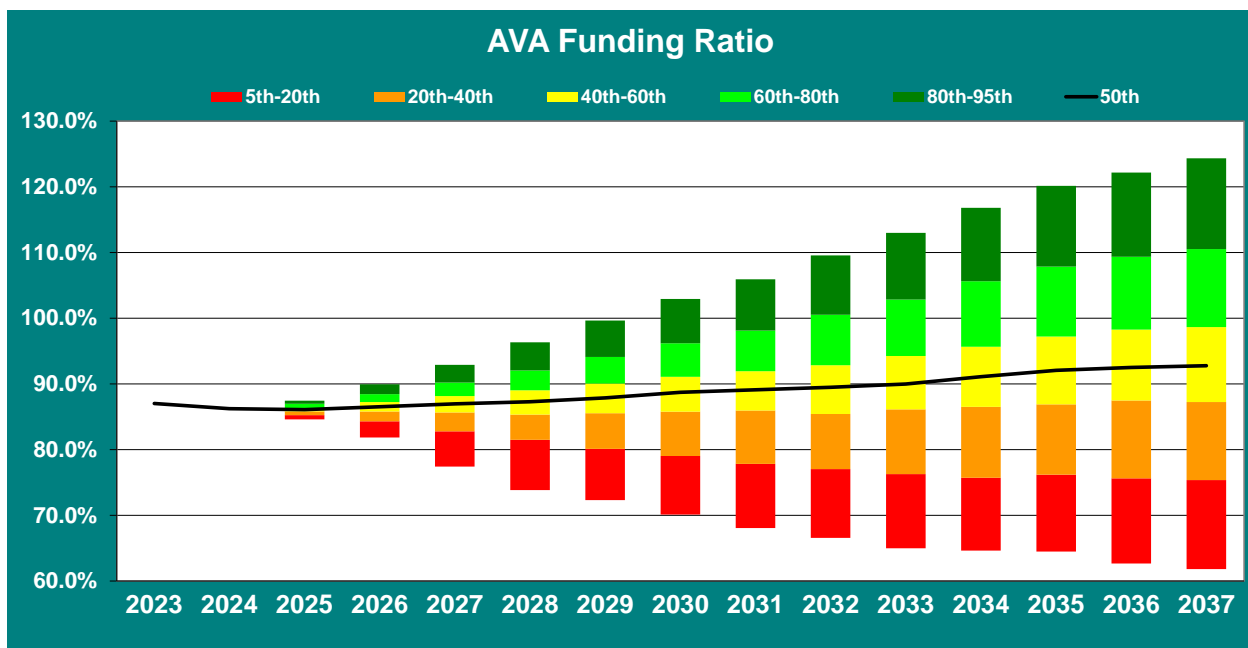
**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

The stochastic projection of employer contributions as a percent of pay shows the probable range of future contribution rates. The baseline contribution rate (black line) is based on the median of the simulations using an average return of 7.00%. It is similar to the *deterministic* projections discussed in subsection D (page 12) of the Executive Summary of this report, where the returns are expected to be exactly 7.00% each year. However, the median results are somewhat higher than the deterministic projections because of the impact of the SRBR, which may result in fewer assets available to fund the basic benefits in years where the smoothed returns exceed 7.00%.

In the most pessimistic scenario shown, the 95th percentile, the projected employer contribution rate is over 35% of pay in 2034 and 2037-2038. Conversely, the most optimistic scenario shown, the 5th percentile, the projected employer contribution rate declines to 0% in 2035.

We note that these projections only allow the employers' contribution to drop below their share of the normal cost if the Plan becomes extremely overfunded (i.e., a funded ratio above 120%), as is required under PEPR.



The graph above shows the projection of the funded ratio based on the Actuarial Value of Assets. While the median funded ratio (black line) is projected to be approximately 93% at the end of the 15-year period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%. Due to the current funding policy of the Plan, even in scenarios with unfavorable investment returns, the Plan is projected to remain over 60% funded on an Actuarial Value of Assets basis, as long as the actuarially determined contributions continue to be made.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Contribution Risk

While investment returns are typically the dominant factor in volatility, contribution rates can also be sensitive to future salary increases and the hiring of new members. When member payroll growth stagnates or even declines, the dollar level of contributions made to the Plan also stagnates or declines since contributions are based on payroll levels.

There is also a risk of the contribution rate increasing even higher when payroll decreases since the Plan's funding policy amortizes the UAL as a level percentage of pay. This means that the UAL payments increase at the assumed payroll growth rate of 3.00%, so that the payment is expected to remain constant as a percentage of payroll. If payroll growth is less than the expected 3.00% or there is a decline in payroll, the UAL payments are spread over a smaller payroll base and the contribution rate as a percentage of pay increases, potentially making the Plan less affordable.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Plan Maturity Measures

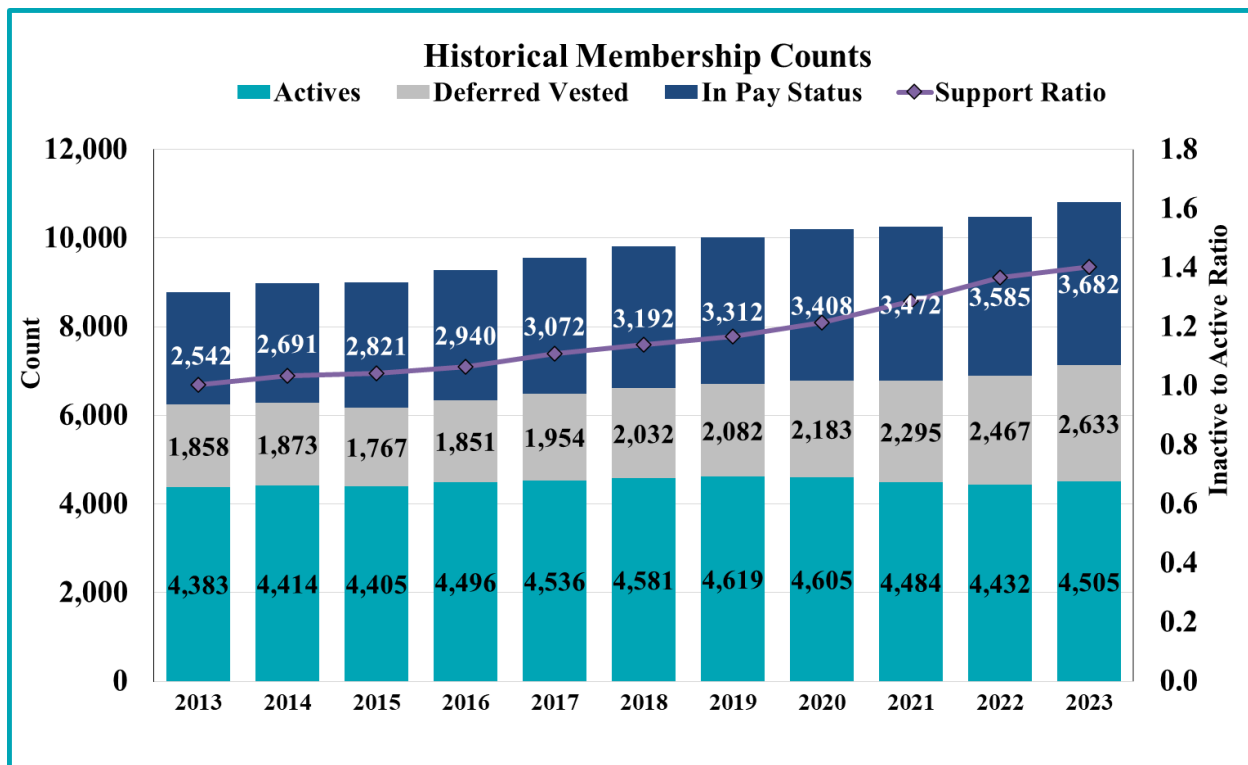
The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of the Plan and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for the Plan.

Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of those receiving benefits or those entitled to a deferred benefit to the number of active members. The Support Ratio is expected to increase gradually as a plan matures. The chart below shows the growth in the Support Ratio from 2013 to 2023. The inactive membership level was about equal to the active membership level in 2013, so the Support Ratio was approximately 1.0. During the past few years, the growth in retired membership has exceeded the growth in active membership, increasing the Support Ratio to approximately 1.4. That means for 2023, there are approximately 1.4 inactive members per active member.

Chart II-4



**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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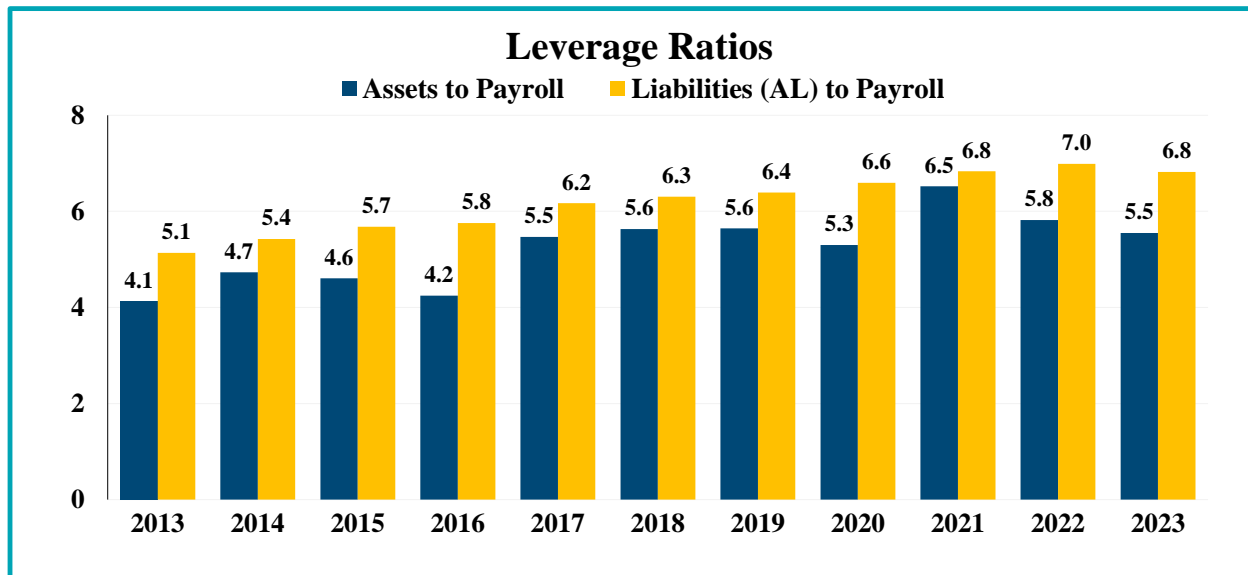
SECTION II – RISK IDENTIFICATION AND ASSESSMENT

Leverage Ratios

Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. The asset leverage ratio is simply the Market Value of Assets to active member payroll and indicates the sensitivity of the Plan to investment returns. The liability leverage ratio is the plan's Actuarial Liability to active member payroll and indicates the sensitivity of the Plan to assumption changes or demographic experience.

The chart below shows the historical leverage ratios of the Plan. The liability leverage ratio has increased since 2013, driven by changes to more conservative actuarial assumptions and a continued maturing of the Plan, though there was a small decline in the ratio this year due to the increase in payroll. The asset leverage ratios have also increased, but with more volatility, based on variations in investment experience and with a large jump due to the pension obligation bond contribution for 2017. The asset leverage ratio also jumped significantly in 2021 due to strong asset returns but came back down for 2022 following poor investment performance.

Chart II-5



To appreciate the impact of the ratio of assets to payroll on plan cost, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the plan cost is nil, because the asset level is so small.

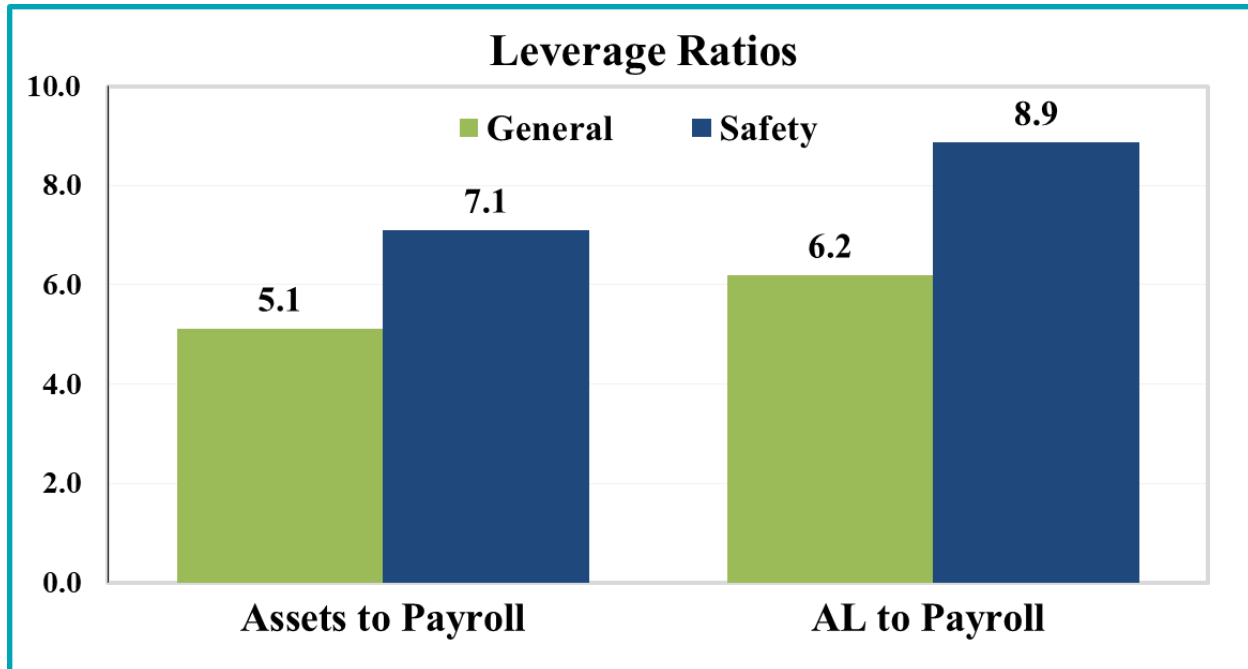
As the Plan becomes better funded, the asset leverage ratio will increase, and if it was 100% funded, the asset leverage ratio would be 6.8 times payroll, or the Actuarial Liability (AL) leverage ratio.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – RISK IDENTIFICATION AND ASSESSMENT

The following chart shows that the ratio of both assets and liabilities to payroll, and therefore the sensitivity to investment returns, is higher for the Safety members compared to the General members. This is because of the higher benefit amounts and the earlier average retirement ages for Safety.

Chart II-6



The General asset leverage ratio of 5.1 means that if the Plan's assets lose 10% of their value, which is a 17.00% actuarial loss compared to the expected return of 7.00%, the loss would be equivalent to 87% of payroll (17.00% times 5.1). The same investment loss for the Safety group with an asset ratio of 7.1 would be equivalent to approximately 121% of payroll. As illustrated by this example, the contribution rates for the Safety members will generally be more volatile than those of the General members.

More Detailed Assessment

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the Plan at this time. We would be happy to provide the Board with a more in-depth analysis at their request.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION III – ASSETS

Pension plan assets play a key role in the financial operation of the System and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on System assets including:

- **Disclosure** of System assets as of June 30, 2022 and June 30, 2023;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- An allocation of the assets by **reserve balances**; and,
- An assessment of historical **investment performance versus inflation**.

Disclosure

There are two types of asset values disclosed in the valuation, the Market Value of Assets and the Actuarial Value of Assets. The market value represents “snap-shot” or “cash-out” values which provide the principal basis for measuring financial performance from one year to the next. The Actuarial Value of Assets reflects smoothing of annual investment returns.

Table III-1 on the next page discloses and compares the market value of assets as of June 30, 2022 and June 30, 2023.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Table III-1 Statement of Assets at Market Value		
	June 30, 2022	June 30, 2023
Cash and Securities Lending Collateral:		
Cash and Short Term Investments	\$ 36,024,000	\$ 28,197,000
Collateral on Loaned Securities	28,722,000	24,440,000
Total Cash and Securities Lending Collateral	\$ 64,746,000	\$ 52,637,000
Receivables:		
Sales of Investments	\$ 9,575,000	\$ 3,071,000
Interest and Dividends	839,000	1,981,000
Employee and Employer Contributions	998,000	1,579,000
Other Receivables	0	9,000
Total Receivables	\$ 11,412,000	\$ 6,640,000
Investments, at Fair Value:		
Fixed Income	\$ 363,409,000	\$ 339,281,000
Equities	797,565,000	891,419,000
Real Estate	393,078,000	393,413,000
Alternative Investments (Hedge Funds, Private Equity, Private Credit, Futures, Commodities)	241,242,000	262,074,000
Total Investments, at Fair Value	\$ 1,795,294,000	\$ 1,886,187,000
Capital Assets		
Land	\$ 370,000	\$ 370,000
Building, Office Equipment and Furniture Net of Accumulated Depreciation	746,000	707,000
Intangible Assets, Pension Administration System Net of Accumulated Depreciation	0	0
Total Capital Assets	\$ 1,116,000	\$ 1,077,000
Total Assets	\$ 1,872,568,000	\$ 1,946,541,000
Current Liabilities:		
Purchase of Investments	\$ 17,507,000	\$ 9,161,000
Obligations under Security Lending Program	28,722,000	24,440,000
Refunds Payable	4,102,000	5,715,000
Accounts Payable	3,122,000	3,057,000
Total Current Liabilities	\$ 53,453,000	\$ 42,373,000
Long-Term Liabilities:		
Compensated Absences	\$ 106,000	\$ 114,000
Total Long-Term Liabilities	\$ 106,000	\$ 114,000
Total Liabilities	\$ 53,559,000	\$ 42,487,000
Total Market Value of Assets for Valuation	\$ 1,819,009,000	\$ 1,904,054,000

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Changes in Market Value

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table III-2 below and on the following page shows the components of change in the Market Value of Assets during the fiscal years ending June 30, 2022 and June 30, 2023.

Table III-2 Changes in Market Values		
	June 30, 2022	June 30, 2023
Additions:		
Contributions		
Employer	\$ 40,392,000	\$ 45,174,000
Plan Member	25,880,000	27,965,000
Total Contributions	<u>\$ 66,272,000</u>	<u>\$ 73,139,000</u>
Investment Income		
Net Appreciation/(Depreciation) in		
Fair Value of Investments	\$ (127,368,000)	\$ 113,150,000
Interest	3,296,000	5,111,000
Dividends	3,616,000	3,943,000
Real Estate Operating Income	7,493,000	13,091,000
Other Investment Income	5,392,000	1,726,000
Total Investment Activity Income/(Loss)	<u>\$ (107,571,000)</u>	<u>\$ 137,021,000</u>
Less Expenses from Investing Activities	10,488,000	13,204,000
Net Investing Activity Income/(Loss)	<u>\$ (118,059,000)</u>	<u>\$ 123,817,000</u>
From Securities Lending Activities		
Securities Lending Income	\$ 179,000	\$ 1,223,000
Less Expenses from Securities Lending Income		
Management Fee	\$ 8,000	\$ 6,000
Borrower Rebate	73,000	1,067,000
Net Securities Lending Income	<u>\$ 98,000</u>	<u>\$ 150,000</u>
Total Net Investment Income/(Loss)	<u>\$ (117,961,000)</u>	<u>\$ 123,967,000</u>
Other Income	\$ 188,000	\$ 188,000
Total Additions	\$ (51,501,000)	\$ 197,294,000

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Table III-2 Changes in Market Values (Continued)		
	June 30, 2022	June 30, 2023
Deductions:		
Benefits	\$ 97,762,000	\$ 103,392,000
Refunds of Contributions	4,946,000	6,111,000
Administrative Expenses	2,967,000	2,747,000
Total Deductions	\$ 105,675,000	\$ 112,250,000
Net Increase/(Decrease)	\$ (157,176,000)	\$ 85,044,000
<u>Net Assets Held in Trust for Pension Benefits</u>		
Beginning of Year	\$ 1,976,185,000	\$ 1,819,009,000
End of Year for Valuation	\$ 1,819,009,000	\$ 1,904,054,000
Approximate Return*	-6.17%	6.74%

Numbers may not add to totals due to rounding.

*Net of investment and administrative expenses

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Actuarial Value of Assets (AVA)

The table below shows the development of the Actuarial Value of Assets. Based on discussions with TCERA staff, the total actual market returns for each period shown are based on preliminary financial information. Please see Appendix B for a description of the asset smoothing method.

Table III-3 Development of Actuarial Value of Assets for June 30, 2023						
Six month Period	Total Actual Market	Expected Market	Investment	Deferred	Deferred	
From To	Return (net)	Return (net)	Gain (Loss)	Factor	Return	
1/14 6/14	\$ 62,482,815	\$ 45,022,478	\$ 17,460,337	0.05	\$ 873,017	
7/14 12/14	(17,886,044)	46,676,782	(64,562,826)	0.10	(6,456,283)	
1/15 6/15	26,507,383	44,856,580	(18,349,197)	0.15	(2,752,380)	
7/15 12/15	(45,631,715)	45,909,756	(91,541,471)	0.20	(18,308,294)	
1/16 6/16	24,729,226	43,045,278	(18,316,052)	0.25	(4,579,013)	
7/16 12/16	44,835,718	44,015,787	819,931	0.30	245,979	
1/17 6/17	84,564,705	42,691,625	41,873,080	0.35	14,655,578	
7/17 12/17	79,943,304	45,809,189	34,134,115	0.40	13,653,646	
1/18 6/18	11,201,303	48,460,635	(37,259,332)	0.45	(16,766,699)	
7/18 12/18	(54,685,836)	56,898,055	(111,583,891)	0.50	(55,791,945)	
1/19 6/19	143,284,434	53,981,060	89,303,374	0.55	49,116,856	
7/19 12/19	74,015,847	59,050,363	14,965,484	0.60	8,979,290	
1/20 6/20	(69,767,060)	60,619,959	(130,387,018)	0.65	(84,751,562)	
7/20 12/20	207,466,372	56,098,158	151,368,214	0.70	105,957,750	
1/21 6/21	178,848,571	62,147,805	116,700,766	0.75	87,525,575	
7/21 12/21	69,141,260	68,227,159	914,101	0.80	731,281	
1/22 6/22	(177,123,495)	69,409,485	(246,532,980)	0.85	(209,553,033)	
7/22 12/22	25,305,799	63,344,822	(38,039,023)	0.90	(34,235,120)	
1/23 6/23	91,477,159	62,954,117	28,523,042	0.95	27,096,890	
1. Total deferred return						(124,358,000)
2. Market Value of Assets (includes SRBR)						1,904,054,000
3. Actuarial Value of Assets for Funding Ratio (2. - 1.) ¹						2,028,412,000
4. Non-valuation reserves and designations:						
a. Supplemental Retiree Benefit Reserve (SRBR)						112,702,000
5. Preliminary Actuarial Value of Assets (3. - 4.) ²						1,915,710,000
6. Corridor Limit						
a. 70% of Market Value of Assets excluding SRBR						1,253,946,400
b. 130% of Market Value of Assets excluding SRBR						2,328,757,600
7. Actuarial Value of Assets after Corridor						1,915,710,000

¹Items will not sum due to a rounding adjustment on the MVA

²Items will not sum due to a rounding adjustment on the SRBR

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Allocation of Reserve Balances

The following table shows the allocation of the assets among the various accounting reserves provided by TCERA staff.

Table III-4 Allocation of Assets by Accounting Reserve Amounts for the Years Ended June 30, 2022 and June 30, 2023			
	FYE 2022		FYE 2023
1. Member Deposit Reserve	\$	359,335,000	\$ 376,021,000
2. Employer Advance Reserve		966,012,000	1,017,688,000
3. Retiree Reserve		460,586,000	461,073,000
4. Supplemental Retiree Benefit Reserve		113,702,000	112,702,000
5. Contingency Reserve		55,609,000	57,602,000
6. Market Stabilization Reserve		(134,802,000)	(124,358,000)
7. TCERA Property, Inc. Retained Earnings		988,000	1,144,000
8. Other Reserves		(2,421,000)	2,182,000
Total Reserves	\$	1,819,009,000	\$ 1,904,054,000

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION III – ASSETS

Asset Returns vs. Inflation

Table III-5 shows the returns on the Market and Actuarial Values of Assets, with the increase in the CPI for comparison, over the last 10 years.

Table III-5 Net Return on Assets vs. Increase in Consumer Price Index			
Year Ended June 30	Net Return at Market Value*	Net Return at Actuarial Value*	Increase in Consumer Price Index**
2014	16.7%	6.8%	2.1%
2015	0.7%	6.1%	0.1%
2016	-1.9%	4.7%	1.0%
2017	11.3%	4.6%	1.6%
2018	7.4%	5.6%	2.9%
2019	5.6%	6.5%	1.6%
2020	0.1%	6.3%	0.6%
2021	24.5%	7.1%	5.4%
2022	-6.2%	6.4%	9.1%
2023	6.7%	5.8%	3.0%
Compound Average	6.2%	6.0%	2.7%
* Net of investment and administrative expenses.			
** Based on All Urban Consumers - U.S. City Average, June indices.			

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION IV – LIABILITIES

In this section, we present detailed information on System liabilities including:

- **Disclosure** of System liabilities at June 30, 2022 and June 30, 2023;
- Statement of **changes** in these liabilities during the year;
- Present value of future **SRBR** benefits based on current benefit levels; and,
- Liability and funded status **disclosures** with and without the SRBR.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them. Note that these liabilities are not applicable for settlement purposes, including the purchase of annuities and the payment of lump sums.

- **Present Value of Future Benefits:** Used for measuring all future System obligations, represents the amount of money needed today to fully fund all benefits of the System both earned as of the valuation date and those to be earned in the future by current plan participants, under the current System provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the Present Value of Future Benefits and subtracting the present value of future Member Contributions and future employer normal costs under an acceptable actuarial funding method. The method used for this System is called the **Entry Age Normal** (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets.

Table IV-1 on the following page discloses each of these liabilities for the current and prior valuations. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus**, or an **Unfunded Actuarial Liability**.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

Table IV-1 Present Value of Future Benefits and Actuarial Liability (in thousands)				
Item	General	Safety	June 30, 2023 Total	June 30, 2022 Total
Present Value of Future Benefits (PVFB)				
Actives	\$ 960,878	\$ 395,819	\$ 1,356,697	\$ 1,251,035
Terminated Vested	105,139	32,217	137,357	127,539
Retirees	720,797	234,940	955,737	898,148
Disabled	58,121	71,025	129,147	122,629
Beneficiaries	54,787	33,088	87,875	85,143
Total PVFB	\$ 1,899,723	\$ 767,089	\$ 2,666,812	\$ 2,484,494
Actuarial Liability				
Total Present Value of Benefits	\$ 1,899,723	\$ 767,089	\$ 2,666,812	\$ 2,484,494
Present Value of Future Normal Costs				
Employer Portion	167,226	74,248	241,474	226,554
Employee Portion	155,874	67,541	223,415	210,590
Actuarial Liability	\$ 1,576,623	\$ 625,300	\$ 2,201,923	\$ 2,047,350
Actuarial Value of Assets	\$ 1,383,334	\$ 532,376	\$ 1,915,710	\$ 1,840,109
Funded Ratio	87.7%	85.1%	87.0%	89.9%
Unfunded Actuarial Liability/(Surplus)	\$ 193,289	\$ 92,924	\$ 286,213	\$ 207,241

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

Changes in Liabilities

Each of the liabilities disclosed in the prior tables are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in System assets resulting from:

- Employer contributions different than the actuarial cost
- Investment earnings different than expected
- A change in the method used to measure plan assets

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

Table IV-2 Development of 2023 Experience Gain/(Loss) (in thousands)	
Item	Cost
1. Unfunded Actuarial Liability at June 30, 2022	\$ 207,241
2. Middle of year actuarial liability payment	(20,438)
3. Interest to end of year on 1 and 2	13,804
4. Impact of assumption changes	<u>(14,014)</u>
5. Expected Unfunded Actuarial Liability at June 30, 2023	\$ 186,592
6. Actual Unfunded Liability at June 30, 2023 (AVA basis)	<u>286,213</u>
7. Net Gain/(Loss): (5 - 6)	\$ (99,621)
8. Portion of net gain/(loss) due to:	
a. Investment experience loss	\$ (22,555)
b. Contributions less than actuarial cost	(349)
c. Inactive mortality loss	(707)
d. COLAs more than expected	(11,810)
e. Salaries more than expected	(57,752)
f. Retirements	(3,207)
g. Terminations	6,643
h. Other experience	<u>(9,884)</u>
i Total gain/(loss)	\$ (99,621)

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

Table IV-3 shows the present value of future SRBR benefits at current benefit levels and the calculation of the net reserve based on the SRBR balance. The net reserve as of June 30, 2023 is positive, meaning that the current SRBR balance is expected to cover SRBR benefits at current levels.

Table IV-3 Supplemental Retiree Benefit Reserve as of June 30, 2023		
	June 30, 2022	June 30, 2023
Level One		
1. Current Retirees	\$ 62,634,020	\$ 64,123,136
2. Inactive Members	1,888,632	1,735,493
3. Active members	<u>36,155,243</u>	<u>34,233,078</u>
4. Subtotal	\$ 100,677,895	\$ 100,091,707
Level Two		
5. Supplemental COLA for those who have lost at least 15% of Purchasing Power	\$ 1,089,150	\$ 3,162,003
Level Three		
6. Supplemental Spousal Death Benefit	\$ 6,310,316	\$ 6,304,633
7. Total SRBR Combined Liability: (4) + (5) + (6)	\$ 108,077,361	\$ 109,558,343
8. Supplemental Retiree Benefit Reserve: (SRBR)	<u>113,702,000</u>	<u>112,702,000</u>
9. Net Reserve: (8) - (7)	\$ 5,624,639	\$ 3,143,657

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

The top portion of Table IV-4 on the next page shows System assets, liabilities, and funded ratios excluding the SRBR. In the bottom half, the liabilities are adjusted to include the portion associated with the current SRBR balance that has been accrued based on service to date (\$106.1 million) as well as the accrued portion of the present value of future transfers to the SRBR (\$125.9 million). In addition, the SRBR balance of \$112.7 million as of June 30, 2023 is added to the asset values.

The Board has not elected to pre-fund the estimated liability associated with future SRBR transfers. Such transfers will be recognized as asset losses in the valuation as they occur. The estimated liability associated with future transfers has increased slightly since the prior valuation (from \$118.7 million to \$125.9 million).

These liability disclosures do not imply that the current benefit levels are guaranteed. Our understanding is that the Board has the power to adjust the benefit amounts paid from the SRBR.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION IV – LIABILITIES

**Table IV-4
Disclosure of SRBR Liabilities
(in thousands)**

Valuation Date	June 30, 2022	June 30, 2023
<u>Without SRBR</u>		
Actuarial Liability (Excluding SRBR)	\$ 2,047,350	\$ 2,201,923
Actuarial Value of Assets (Excluding SRBR)	1,840,109	1,915,710
Market Value of Assets (Excluding SRBR)	1,705,307	1,791,352
 Funded Ratio - Actuarial Value Basis	89.9%	87.0%
Funded Ratio - Market Value Basis	83.3%	81.4%
 <u>With SRBR</u>		
Actuarial Liability (Excluding SRBR)	\$ 2,047,350	\$ 2,201,923
Liability Associated with Current SRBR Balance	106,033	106,129
Liability from Future Transfers	118,668	125,855
Total Liability with SRBR	\$ 2,272,050	\$ 2,433,907
 Actuarial Value of Assets (Including SRBR)	\$ 1,953,811	\$ 2,028,412
Market Value of Assets (Including SRBR)	1,819,009	1,904,054
 Funded Ratio - Actuarial Value Basis	86.0%	83.3%
Funded Ratio - Market Value Basis	80.1%	78.2%

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the System. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this System, the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN)** cost method. There are two primary components to the total contribution: the **normal cost rate** (employee and employer), and the **Unfunded Actuarial Liability rate** (UAL rate).

The normal cost rate is determined in the following steps. First, an individual normal cost rate is determined by taking the value of each member's projected future benefits as of the member's entry age into the System. This value is then divided by the value of the member's expected future salary, also at entry age, producing a normal cost rate that should remain relatively constant over a member's career. The total normal cost is computed by adding the expected dollar amount of each active member's normal cost for the current year – known as the Individual Entry Age Method. The total normal cost rate is the total normal cost divided by expected salary. Finally, the total normal cost rate is reduced by the member contribution rate to produce the employer normal cost rate.

The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets. At its October 28, 2015 meeting, the Board adopted 19-year layered amortization of the UAL. The UAL as of June 30, 2015 is being amortized over a closed 19-year period as a level percentage of payroll (with 11 years remaining), assuming payroll increases of 3.00% per year. Subsequent changes in the UAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

The tables on the following pages present the calculation of the contribution rates for the System for the current and prior valuations.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

The employer contribution rates for FYE 2025 are shown in the table below, split by tier (1-4), membership class (General or Safety), and for the General class, employer (County or non-County). As directed by the TCERA Board at its April 12, 2018 meeting, we have allocated the cost impact of the contribution from POB proceeds to the County only, based on their share of pensionable payroll for the fiscal year ending June 30, 2018 (excluding TCAG). We were notified by Staff that all Safety members are employed by the County, so there is only one set of Safety rates. Based on information provided by Staff, we recommend that the General (Non-County) employer contribution rates be used for the Strathmore Public Utility District (SPUD).

Table V-1(a) Development of the Net Employer Contribution Rate as of June 30, 2023 for FYE 2025				
	Tier 1	Tier 2 & 3	Tier 4	Total
General (County)				
1. Total Normal Cost Rate	12.45%	16.27%	15.29%	15.73%
2. Member Contribution Rate	<u>0.00%</u>	<u>8.40%</u>	<u>7.65%</u>	<u>7.98%</u>
3. Employer Normal Cost Rate (1-2)	12.45%	7.86%	7.65%	7.75%
4. UAL Amortization	6.94%	6.94%	6.94%	6.94%
5. Net Employer Contribution Rate (3+4)	19.39%	14.80%	14.59%	14.69%
General (Non-County)				
1. Total Normal Cost Rate	12.45%	16.27%	15.29%	15.73%
2. Member Contribution Rate	<u>0.00%</u>	<u>8.40%</u>	<u>7.65%</u>	<u>7.98%</u>
3. Employer Normal Cost Rate (1-2)	12.45%	7.86%	7.65%	7.75%
4. UAL Amortization	13.72%	13.72%	13.72%	13.72%
5. Net Employer Contribution Rate (3+4)	26.17%	21.58%	21.37%	21.47%
Safety (County)				
1. Total Normal Cost Rate	N/A	23.85%	25.48%	24.58%
2. Member Contribution Rate	<u>N/A</u>	<u>11.54%</u>	<u>12.74%</u>	<u>12.07%</u>
3. Employer Normal Cost Rate (1-2)	N/A	12.32%	12.74%	12.51%
4. UAL Amortization	N/A	12.23%	12.23%	12.23%
5. Net Employer Contribution Rate (3+4)	N/A	24.55%	24.97%	24.74%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

The employer contribution rates for FYE 2024 are shown in the table below, split by tier (1-4) and membership class (General or Safety).

Table V-1(b) Development of the Net Employer Contribution Rate as of June 30, 2022 for FYE 2024				
	Tier 1	Tier 2 & 3	Tier 4	Total
General (County)				
1. Total Normal Cost Rate	18.54%	16.76%	15.72%	16.25%
2. Member Contribution Rate	<u>2.44%</u>	<u>8.54%</u>	<u>7.86%</u>	<u>8.19%</u>
3. Employer Normal Cost Rate (1-2)	16.10%	8.21%	7.86%	8.05%
4. UAL Amortization	5.60%	5.60%	5.60%	5.60%
5. Net Employer Contribution Rate (3+4)	21.70%	13.81%	13.46%	13.65%
General (Non-County)				
1. Total Normal Cost Rate	18.54%	16.76%	15.72%	16.25%
2. Member Contribution Rate	<u>2.44%</u>	<u>8.54%</u>	<u>7.86%</u>	<u>8.19%</u>
3. Employer Normal Cost Rate (1-2)	16.10%	8.21%	7.86%	8.05%
4. UAL Amortization	12.94%	12.94%	12.94%	12.94%
5. Net Employer Contribution Rate (3+4)	29.04%	21.15%	20.80%	20.99%
Safety (County)				
1. Total Normal Cost Rate	N/A	23.42%	25.88%	24.46%
2. Member Contribution Rate	<u>N/A</u>	<u>11.47%</u>	<u>12.94%</u>	<u>12.09%</u>
3. Employer Normal Cost Rate (1-2)	N/A	11.95%	12.94%	12.37%
4. UAL Amortization	N/A	9.68%	9.68%	9.68%
5. Net Employer Contribution Rate (3+4)	N/A	21.63%	22.62%	22.05%

Reflects final year of three year phase-in of assumption changes for employer contribution rate

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

The combined General and Safety employer contribution rates for FYE 2025 are shown in the table below, split by tier (1-4). Separate rates are shown above and below the first \$161.54 of biweekly compensation (Social Security Integration).

Table V-2(a) Development of the Employer Contribution Rate as of June 30, 2023 for FYE 2025 with Social Security Integration				
	Tier 1	Tier 2 & 3	Tier 4	Total
General and Safety				
1. Employer Normal Cost Rate:	12.45%	9.00%	8.60%	8.80%
a. Rate on first \$161.54 of biweekly compensation	8.52%	6.11%		
b. Rate on biweekly compensation in excess of \$161.54	12.79%	9.17%		
2. UAL Rate:	7.47%	8.69%	8.36%	8.52%
a. Rate on first \$161.54 of biweekly compensation	5.11%	5.90%		
b. Rate on biweekly compensation in excess of \$161.54	7.67%	8.85%		
3. Total Rate (1 + 2):	19.92%	17.69%	16.96%	17.31%
a. Rate on first \$161.54 of biweekly compensation	13.64%	12.02%		
b. Rate on biweekly compensation in excess of \$161.54	20.46%	18.02%		

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – CONTRIBUTIONS

The employer contribution rates for FYE 2025 are shown in the table below, split by tier (1-4), membership class (General or Safety), and for the General class, employer (County or Non-County). Separate rates are shown above and below the first \$161.54 of biweekly compensation (Social Security Integration).

Table V-2(b) Development of the Employer Contribution Rate as of June 30, 2023 for FYE 2025 with Social Security Integration				
	Tier 1	Tier 2 & 3	Tier 4	Total
General (County)				
1. Employer Normal Cost Rate:	12.45%	7.86%	7.65%	7.75%
a. Rate on first \$161.54 of biweekly compensation	8.52%	5.35%		
b. Rate on biweekly compensation in excess of \$161.54	12.79%	8.02%		
2. UAL Rate:	6.94%	6.94%	6.94%	6.94%
a. Rate on first \$161.54 of biweekly compensation	4.75%	4.72%		
b. Rate on biweekly compensation in excess of \$161.54	7.13%	7.08%		
3. Total Rate (1 + 2):	19.39%	14.80%	14.59%	14.69%
a. Rate on first \$161.54 of biweekly compensation	13.27%	10.06%		
b. Rate on biweekly compensation in excess of \$161.54	19.91%	15.10%		
General (Non-County)				
1. Employer Normal Cost Rate:	12.45%	7.86%	7.65%	7.75%
a. Rate on first \$161.54 of biweekly compensation	8.52%	5.35%		
b. Rate on biweekly compensation in excess of \$161.54	12.79%	8.02%		
2. UAL Rate:	13.72%	13.72%	13.72%	13.72%
a. Rate on first \$161.54 of biweekly compensation	9.39%	9.33%		
b. Rate on biweekly compensation in excess of \$161.54	14.09%	14.00%		
3. Total Rate (1 + 2):	26.17%	21.58%	21.37%	21.47%
a. Rate on first \$161.54 of biweekly compensation	17.92%	14.68%		
b. Rate on biweekly compensation in excess of \$161.54	26.87%	22.01%		
Safety (County)				
1. Employer Normal Cost Rate:	N/A	12.32%	12.74%	12.51%
a. Rate on first \$161.54 of biweekly compensation	N/A	8.34%		
b. Rate on biweekly compensation in excess of \$161.54	N/A	12.51%		
2. UAL Rate:	N/A	12.23%	12.23%	12.23%
a. Rate on first \$161.54 of biweekly compensation	N/A	8.28%		
b. Rate on biweekly compensation in excess of \$161.54	N/A	12.42%		
3. Total Rate (1 + 2):	N/A	24.55%	24.97%	24.74%
a. Rate on first \$161.54 of biweekly compensation	N/A	16.61%		
b. Rate on biweekly compensation in excess of \$161.54	N/A	24.92%		

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

Table V-3 below shows information on each layer of the June 30, 2023 UAL. At its October 28, 2015 meeting, the Board adopted 19-year layered amortization of the UAL. The UAL as of June 30, 2015 is being amortized over a closed 19-year period as a level percentage of payroll, assuming payroll increases of 3.00% per year, and subsequent changes in the UAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

**Table V-3
Development of Amortization Payment
For the June 30, 2023 Actuarial Valuation**

Type of Base	Date Established	Initial Amount	Initial Amortization Years	June 30, 2023 Outstanding Balance	Remaining Amortization Years	Amortization Amount
1. Initial UAL	6/30/2015	201,848,216	19	171,164,328	11	19,332,934
2. (Gain)/Loss Base	6/30/2016	38,033,040	19	33,481,656	12	3,528,369
3. (Gain)/Loss Base	6/30/2017	25,611,386	19	23,251,554	13	2,301,845
4. Assumption Change Base	6/30/2017	82,259,297	19	74,679,931	13	7,393,122
5. POB Contribution Base	6/30/2017	(233,100,233)	19	(211,622,388)	13	(20,950,073)
6. (Gain)/Loss Base	6/30/2018	23,781,349	19	22,163,425	14	2,073,210
7. (Gain)/Loss Base	6/30/2019	12,251,268	19	11,662,714	15	1,035,996
8. (Gain)/Loss Base	6/30/2020	23,103,302	19	22,368,365	16	1,895,081
9. Assumption Change Base	6/30/2020	42,435,148	19	41,085,244	16	3,480,802
10. (Gain)/Loss Base	6/30/2021	(1,383,632)	19	(1,358,501)	17	(110,189)
11. (Gain)/Loss Base	6/30/2022	13,836,166	19	13,730,337	18	1,069,781
12. (Gain)/Loss Base	6/30/2023	99,620,526	19	99,620,526	19	7,478,092
13. Assumption Change Base	6/30/2023	(14,014,216)	19	(14,014,216)	19	(1,051,988)
Total				\$ 286,212,975		\$ 27,476,982

Numbers may not add to totals due to rounding.

If the UAL payment above of \$27,476,982 is calculated based on a single-equivalent period with the June 30, 2023 UAL of \$286,212,975, the number of years to fully pay off the UAL would be approximately 14 years.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION V – CONTRIBUTIONS

Table V-4 below shows the development of the UAL amortization rates. The payroll split between County General and Non-County General is based on pensionable payroll by employer for FYE 2023 provided for the GASB 67/68 report. Following direction from Staff, the pensionable payroll for TCAG is excluded from the County's share.

As shown below (and described earlier in this section), the cost impact of the contribution from POB proceeds has been allocated to the County only.

Table V-4 Development of UAL Amortization Rates for FYE 2025	
General (County)	
1. General County Projected Payroll for FYE June 30, 2024	\$ 232,674,385
2. Total General Projected Payroll for FYE June 30, 2024	\$ 252,348,896
3. County Share (1 divided by 2)	92.2034%
4. UAL Payment, not including POB Contribution	\$ 34,621,903
5. UAL Payment for POB Contribution	\$ (15,777,962)
6. County Share of 4. (3 multiplied by 4)	\$ 31,922,589
7. County Share of 5. (100% of 5)	\$ (15,777,962)
8. Total General County UAL Payment (6+7)	\$ 16,144,627
9. General County UAL Rate (8 divided by 1)	6.94%
General (Non-County)	
1. General Non-County Projected Payroll for FYE June 30, 2024	\$ 19,674,511
2. Total General Projected Payroll for FYE June 30, 2024	\$ 252,348,896
3. Non-County Share (1 divided by 2)	7.7966%
4. UAL Payment, not including POB Contribution	\$ 34,621,903
5. UAL Payment for POB Contribution	\$ (15,777,962)
6. Non-County Share of 4. (3 multiplied by 4)	\$ 2,699,314
7. Non-County Share of 5. (0% of 5)	\$ 0
8. Total General Non-County UAL Payment (6+7)	\$ 2,699,314
9. General Non-County UAL Rate (8 divided by 1)	13.72%
Safety (County)	
1. County Safety Projected Payroll for FYE June 30, 2024	\$ 70,565,512
2. Total Safety Projected Payroll for FYE June 30, 2024	\$ 70,565,512
3. County Share (1 divided by 2)	100.0000%
4. UAL Payment, not including POB Contribution	\$ 13,805,152
5. UAL Payment for POB Contribution	\$ (5,172,111)
6. County Share of 4. (3 multiplied by 4)	\$ 13,805,152
7. County Share of 5. (100% of 5)	\$ (5,172,111)
8. Total County Safety UAL Payment (6+7)	\$ 8,633,041
9. County Safety UAL Rate (8 divided by 1)	12.23%

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – CONTRIBUTIONS

The employer contribution rates for FYE 2025 are shown in Table V-5 below, split by membership class, employer (County or non-County for General members), and tier (1-4). Separate rates are displayed for normal cost and UAL Amortization, both of which are further split into Basic and COLA rates. Table V-6 on the following page shows employee contribution rates for FYE 2025 at sample ages.

Table V-5 Detailed Employer Contribution Rate as of June 30, 2023 for FYE 2025										
Member Type	Tier	Normal Cost			UAL Amortization Cost			Total Cost		
		Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate
General (County)	1	10.08%	2.38%	12.45%	5.62%	1.32%	6.94%	15.69%	3.70%	19.39%
General (County)	2&3	6.47%	1.39%	7.86%	5.71%	1.23%	6.94%	12.19%	2.62%	14.80%
General (County)	4	6.17%	1.48%	7.65%	5.60%	1.34%	6.94%	11.77%	2.82%	14.59%
General (Non-County)	1	10.08%	2.38%	12.45%	11.10%	2.62%	13.72%	21.18%	4.99%	26.17%
General (Non-County)	2&3	6.47%	1.39%	7.86%	11.29%	2.43%	13.72%	17.77%	3.82%	21.58%
General (Non-County)	4	6.17%	1.48%	7.65%	11.07%	2.65%	13.72%	17.24%	4.13%	21.37%
General (Total)	1	10.08%	2.38%	12.45%	6.05%	1.42%	7.47%	16.13%	3.80%	19.92%
General (Total)	2&3	6.47%	1.39%	7.86%	6.15%	1.32%	7.47%	12.62%	2.71%	15.33%
General (Total)	4	6.17%	1.48%	7.65%	6.03%	1.44%	7.47%	12.20%	2.92%	15.12%
Safety (County)	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Safety (County)	2&3	9.98%	2.34%	12.32%	9.90%	2.33%	12.23%	19.88%	4.67%	24.55%
Safety (County)	4	10.23%	2.51%	12.74%	9.82%	2.41%	12.23%	20.05%	4.92%	24.97%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – CONTRIBUTIONS

Table V-6					
Employee Contribution Rate at Sample Ages as of June 30, 2023 for FYE 2025					
Member Type	Tier	Age 25	Age 35	Age 45	Single Rate
General	1	4.79%	5.88%	7.23%	N/A
General	2&3	7.60%	9.32%	11.41%	N/A
General	4	5.64%	7.64%	10.43%	N/A
Safety	1	N/A	N/A	N/A	N/A
Safety	2&3	11.28%	13.11%	15.19%	N/A
Safety	4	11.57%	14.81%	18.69%	N/A

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – CONTRIBUTIONS

Table V-7 below shows projected annual employer contributions for FYE 2025, split by membership class, employer (County or non-County for General members), and tier (1-4). The contribution amounts are further split into normal cost and UAL Amortization components.

Table V-7				
Estimated Annual Employer Contributions for FYE 2025				
Member Type	Tier	Normal Cost	UAL Amortization	Contributions Total
General (County)	1	\$ 47,901	\$ 26,696	\$ 74,597
General (County)	2&3	8,543,960	7,541,839	16,085,799
General (County)	4	9,994,102	9,070,113	19,064,214
General (Non-County)	1	4,050	4,463	8,513
General (Non-County)	2&3	722,461	1,260,745	1,983,206
General (Non-County)	4	845,083	1,516,222	2,361,304
General (Total)	1	51,951	31,158	83,110
General (Total)	2&3	9,266,422	8,802,584	18,069,006
General (Total)	4	10,839,184	10,586,334	21,425,519
Safety (County)	1	0	0	0
Safety (County)	2&3	4,959,092	4,923,775	9,882,867
Safety (County)	4	4,133,869	3,968,829	8,102,698

Numbers may not add to totals due to rounding.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – CONTRIBUTIONS

Table V-8 below shows a projection of the expected contributions (for the fiscal year beginning one year after the valuation date) to cover the employer normal cost and UAL amortization over the next 20 years.

Table V-8 Retirement Contributions						
Valuation Year	Employer Normal Cost Contribution	Employer UAL Amortization Contribution	Total Employer Contributions	Employer Rate (%)	Employee Contribution	Employee Rate (%)
2023	\$ 29,250,519	\$ 28,312,680	\$ 57,563,199	17.3%	\$ 29,497,716	8.9%
2024	30,124,597	32,089,838	62,214,435	18.2%	30,351,498	8.9%
2025	31,019,497	35,276,318	66,295,815	18.8%	31,237,042	8.9%
2026	31,943,283	37,595,540	69,538,822	19.1%	32,151,106	8.9%
2027	32,895,425	39,956,199	72,851,624	19.5%	33,095,420	8.8%
2028	33,877,081	42,601,423	76,478,504	19.8%	34,071,109	8.8%
2029	34,889,216	44,638,880	79,528,096	20.0%	35,075,411	8.8%
2030	35,931,449	46,614,130	82,545,579	20.2%	36,112,383	8.8%
2031	37,005,778	49,684,738	86,690,517	20.6%	37,179,006	8.8%
2032	38,111,823	52,352,910	90,464,733	20.8%	38,277,254	8.8%
2033	39,250,889	53,947,016	93,197,905	20.9%	39,410,128	8.8%
2034	40,424,669	28,002,860	68,427,530	14.9%	40,576,121	8.8%
2035	41,633,289	21,521,015	63,154,303	13.3%	41,777,809	8.8%
2036	42,878,352	38,622,275	81,500,627	16.7%	43,013,474	8.8%
2037	44,160,031	37,828,542	81,988,573	16.3%	44,284,296	8.8%
2038	45,479,469	37,149,082	82,628,551	15.9%	45,593,434	8.8%
2039	46,838,500	29,236,865	76,075,365	14.3%	46,941,870	8.8%
2040	48,238,218	29,600,359	77,838,578	14.2%	48,331,566	8.8%
2041	49,680,125	28,572,338	78,252,463	13.8%	49,761,678	8.8%
2042	51,164,762	17,674,205	68,838,967	11.8%	51,234,400	8.8%
2043	52,693,763	12,136,898	64,830,661	10.8%	52,752,909	8.8%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL REPORTING INFORMATION

The GASB adopted Statement Nos. 67 and 68, replacing GASB Statement Nos. 25 and 27. GASB 67 was effective for periods beginning after June 15, 2013 (first effective June 30, 2014 for the Plan) and GASB 68 was effective for fiscal years beginning after June 15, 2014 (first effective for the fiscal year July 1, 2014 to June 30, 2015 for the Employers). The disclosures needed to satisfy the GASB requirements will be included in the TCERA GASB 67/68 Report as of June 30, 2023.

In accordance with Government Finance Officers Association (GFOA) and their recommended checklist for Annual Comprehensive Financial Reports (ACFRs), we continue to prepare the Schedule of Funded Liabilities by Type disclosure, as shown in Table VI-1. As requested by TCERA, we have also included the Schedule of Funding Progress (Table VI-2) and the Schedule of Employer Contributions (Table VI-3).

Table VI-1 SCHEDULE OF FUNDED LIABILITIES BY TYPE (in thousands)									
Valuation Date	(A)	(B)	(C)	Portion of Actuarial Liabilities Covered by Reported Assets					
June 30,	Active/Inactive Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities	Reported Assets	(A)	(B)	(C)		
2014	\$ 252,883	\$ 660,147	\$ 358,802	\$ 1,101,929	100%	100%	53%		
2015	264,870	698,147	395,418	1,156,587	100%	100%	49%		
2016	272,740	748,703	409,993	1,192,642	100%	100%	42%		
2017	278,900	808,799	485,707	1,461,755	100%	100%	77%		
2018	287,078	869,729	499,550	1,523,030	100%	100%	73%		
2019	301,935	925,027	514,321	1,598,431	100%	100%	72%		
2020	319,562	1,008,432	547,804	1,670,786	100%	100%	63%		
2021	339,547	1,050,032	568,406	1,759,025	100%	100%	65%		
2022	359,335	1,105,920	582,095	1,840,109	100%	100%	64%		
2023	376,021	1,172,759	653,143	1,915,710	100%	100%	56%		

Numbers may not add to totals due to rounding.

June 30, 2014 and earlier numbers calculated by prior actuary.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL REPORTING INFORMATION

June 30, 2017 assets include receivable for expected contribution from POB.

Table VI-2 SCHEDULE OF FUNDING PROGRESS (dollars in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded AL as a % of Covered Payroll
June 30, 2003	\$ 634,249	\$ 608,505	\$ (25,744)	104.2%	\$ 162,397	-15.9%
June 30, 2004	665,244	649,649	(15,595)	102.4%	158,032	-9.9%
June 30, 2005	681,618	714,656	33,038	95.4%	164,777	20.1%
June 30, 2006	729,899	792,844	62,945	92.1%	186,949	33.7%
June 30, 2007	800,967	846,030	45,063	94.7%	204,803	22.0%
June 30, 2008	879,051	946,414	67,363	92.9%	226,836	29.7%
June 30, 2009	919,179	996,747	77,568	92.2%	227,306	34.1%
June 30, 2010	946,640	1,033,211	86,571	91.6%	217,811	39.7%
June 30, 2011	969,681	1,072,144	102,463	90.4%	219,854	46.6%
June 30, 2012	981,946	1,101,456	119,510	89.1%	222,635	53.7%
June 30, 2013	1,048,160	1,186,057	137,897	88.4%	230,955	59.7%
June 30, 2014	1,101,929	1,271,832	169,903	86.6%	234,569	72.4%
June 30, 2015	1,156,587	1,358,435	201,848	85.1%	239,055	84.4%
June 30, 2016	1,192,642	1,431,436	238,794	83.3%	248,514	96.1%
June 30, 2017	1,461,755	1,573,406	111,651	92.9%	254,941	43.8%
June 30, 2018	1,523,030	1,656,357	133,326	92.0%	262,714	50.7%
June 30, 2019	1,598,431	1,741,283	142,851	91.8%	272,416	52.4%
June 30, 2020	1,670,786	1,875,797	205,011	89.1%	284,272	72.1%
June 30, 2021	1,759,025	1,957,985	198,960	89.8%	286,886	69.4%
June 30, 2022	1,840,109	2,047,350	207,241	89.9%	293,445	70.6%
June 30, 2023	1,915,710	2,201,923	286,213	87.0%	323,043	88.6%

Numbers may not add to totals due to rounding.

June 30, 2014 and earlier numbers calculated by prior actuary.

June 30, 2017 assets include receivable for expected contribution from POB.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL REPORTING INFORMATION

Table VI-3				
SCHEDULE OF EMPLOYER CONTRIBUTIONS				
(dollars in thousands)				
Year Ended June, 30	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	
2003	\$ 5,245	\$ 5,245	100%	
2004	9,595	9,595	100%	
2005	10,502	10,502	100%	
2006	12,443	12,443	100%	
2007	17,975	17,975	100%	
2008	22,692	22,692	100%	
2009	22,431	22,431	100%	
2010	25,339	25,339	100%	
2011	23,434	23,434	100%	
2012	25,257	25,257	100%	
2013	29,847	29,847	100%	
2014	25,953	25,953	100%	
2015	30,992	30,992	100%	
2016	31,297	31,297	100%	
2017	33,616	33,616	100%	
2018	36,263	36,263	100%	
2019	33,494	33,494	100%	
2020	35,310	35,310	100%	
2021	36,766	36,766	100%	
2022	40,392	40,392	100%	
2023	45,174	45,174	100%	

June 30, 2014 and earlier numbers calculated by prior actuary.

Note that the actual contributions do not include the contribution from POB proceeds above the actuarially determined amount.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided by the Tulare County staff as of June 30, 2023. 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.

SUMMARY OF TOTAL ACTIVE MEMBERSHIP

	June 30, 2022	June 30, 2023	Change
Total (General & Safety)			
Count	4,432	4,505	1.6%
Average Age	42.5	42.2	-0.5%
Average Service	10.5	10.3	-1.8%
Annual Projected Payroll	\$ 293,444,953	\$ 323,042,880	10.1%
Average Annual Pay	\$ 66,211	\$ 71,708	8.3%

SUMMARY OF INACTIVE MEMBERSHIP*

	June 30, 2022	June 30, 2023	Change
General			
Count	2,083	2,222	6.7%
Average Age	43.9	43.8	-0.1%
Total Contribution Balance	\$ 52,984,947	\$ 58,738,327	10.9%
Average Contribution Balance	\$ 25,437	\$ 26,435	3.9%
Safety			
Count	384	411	7.0%
Average Age	39.3	39.4	0.3%
Total Contribution Balance	\$ 15,792,000	\$ 17,477,746	10.7%
Average Contribution Balance	\$ 41,125	\$ 42,525	3.4%
Total			
Count	2,467	2,633	6.7%
Average Age	43.2	43.1	-0.1%
Total Contribution Balance	\$ 68,776,947	\$ 76,216,073	10.8%
Average Contribution Balance	\$ 27,879	\$ 28,946	3.8%

**Includes unclaimed accounts.*

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF RETIRED MEMBERSHIP				
		June 30, 2022	June 30, 2023	Change
General				
Count		2,947	3,014	2.3%
Average Age		71.8	71.9	0.2%
Total Annual Allowance	\$	69,411,269	\$ 72,997,199	5.2%
Average Annual Allowance	\$	23,553	\$ 24,219	2.8%
Safety				
Count		638	668	4.7%
Average Age		65.3	65.4	0.2%
Total Annual Allowance	\$	24,727,646	\$ 26,445,626	6.9%
Average Annual Allowance	\$	38,758	\$ 39,589	2.1%
Total				
Count		3,585	3,682	2.7%
Average Age		70.6	70.8	0.2%
Total Annual Allowance	\$	94,138,915	\$ 99,442,825	5.6%
Average Annual Allowance	\$	26,259	\$ 27,008	2.9%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE GENERAL MEMBERSHIP					
	June 30, 2022		June 30, 2023		Change
General Tier 1					
Count	7		6		-14.3%
Average Age	69.0		70.4		1.9%
Average Service	37.8		43.9		16.1%
Annual Projected Payroll	\$	490,633	\$	404,879	-17.5%
Average Annual Pay	\$	70,090	\$	67,480	-3.7%
General Tier 2 & 3					
Count	1,619		1,481		-8.5%
Average Age	49.6		50.4		1.5%
Average Service	17.8		18.6		4.8%
Annual Projected Payroll	\$	113,469,216	\$	114,382,779	0.8%
Average Annual Pay	\$	70,086	\$	77,233	10.2%
General Tier 4					
Count	1,985		2,221		11.9%
Average Age	37.8		37.7		-0.1%
Average Service	4.2		4.3		2.2%
Annual Projected Payroll	\$	113,443,582	\$	137,689,710	21.4%
Average Annual Pay	\$	57,150	\$	61,994	8.5%
General Total					
Count	3,611		3,708		2.7%
Average Age	43.2		42.8		-0.8%
Average Service	10.4		10.1		-2.6%
Annual Projected Payroll	\$	227,403,431	\$	252,477,368	11.0%
Average Annual Pay	\$	62,975	\$	68,090	8.1%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE SAFETY MEMBERSHIP					
	June 30, 2022		June 30, 2023		Change
Safety Tier 1					
Count		0		0	0.0%
Average Age		0		0	0.0%
Average Service		0		0	0.0%
Annual Projected Payroll	\$	0	\$	0	0.0%
Average Annual Pay	\$	0	\$	0	0.0%
Safety Tier 2 & 3					
Count		428		389	-9.1%
Average Age		45.4		46.4	2.1%
Average Service		17.4		18.4	5.9%
Annual Projected Payroll	\$	38,249,543	\$	39,071,649	2.1%
Average Annual Pay	\$	89,368	\$	100,441	12.4%
Safety Tier 4					
Count		393		408	3.8%
Average Age		32.7		33.0	0.8%
Average Service		4.3		4.6	8.5%
Annual Projected Payroll	\$	27,791,979	\$	31,493,863	13.3%
Average Annual Pay	\$	70,710	\$	77,191	9.2%
Safety Total					
Count		821		797	-2.9%
Average Age		39.4		39.5	0.5%
Average Service		11.1		11.3	2.3%
Annual Projected Payroll	\$	66,041,522	\$	70,565,512	6.9%
Average Annual Pay	\$	80,440	\$	88,539	10.1%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF RETIRED GENERAL MEMBERSHIP					
	June 30, 2022		June 30, 2023		Change
Service Retirement					
Count	2,333		2,405		3.1%
Average Age	71.7		71.9		0.3%
Total Annual Allowance	\$	58,704,307	\$	62,062,923	5.7%
Average Annual Allowance	\$	25,163	\$	25,806	2.6%
Disability					
Count	204		204		0.0%
Average Age	65.7		66.0		0.5%
Total Annual Allowance	\$	4,574,239	\$	4,735,294	3.5%
Average Annual Allowance	\$	22,423	\$	23,212	3.5%
Beneficiaries					
Count	410		405		-1.2%
Average Age	75.6		75.2		-0.4%
Total Annual Allowance	\$	6,132,723	\$	6,198,982	1.1%
Average Annual Allowance	\$	14,958	\$	15,306	2.3%
Total					
Count	2,947		3,014		2.3%
Average Age	71.8		71.9		0.2%
Total Annual Allowance	\$	69,411,269	\$	72,997,199	5.2%
Average Annual Allowance	\$	23,553	\$	24,219	2.8%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF RETIRED SAFETY MEMBERSHIP			
	June 30, 2022	June 30, 2023	Change
Service Retirement			
Count	378	403	6.6%
Average Age	66.4	66.3	-0.1%
Total Annual Allowance	\$ 16,881,299	\$ 18,234,026	8.0%
Average Annual Allowance	\$ 44,660	\$ 45,246	1.3%
Disability			
Count	141	144	2.1%
Average Age	60.2	60.2	0.1%
Total Annual Allowance	\$ 4,810,225	\$ 5,058,491	5.2%
Average Annual Allowance	\$ 34,115	\$ 35,128	3.0%
Beneficiaries			
Count	119	121	1.7%
Average Age	67.8	68.7	1.4%
Total Annual Allowance	\$ 3,036,122	\$ 3,153,109	3.9%
Average Annual Allowance	\$ 25,514	\$ 26,059	2.1%
Total			
Count	638	668	4.7%
Average Age	65.3	65.4	0.2%
Total Annual Allowance	\$ 24,727,646	\$ 26,445,626	6.9%
Average Annual Allowance	\$ 38,758	\$ 39,589	2.1%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2023																
TIER 1																
Attained Age	YEARS OF CREDITED SERVICE															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	58,109
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	1	87,079	3	67,194
Total	0	0	0	0	0	0	0	0	0	0	0	0	1	87,079	5	63,560

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2023																
TIER 2 & 3																
Attained Age	YEARS OF CREDITED SERVICE															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.
Under 25	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	2	62,906	16	61,052	4	59,422	0	0	0	0	0	0
35 to 39	1	90,540	1	76,942	9	64,942	93	77,969	41	70,107	0	0	0	0	0	0
40 to 44	2	62,029	0	0	12	82,277	109	80,508	134	80,690	36	68,927	0	0	0	0
45 to 49	2	50,201	3	59,334	11	88,301	70	74,493	99	74,055	87	76,129	24	86,182	0	0
50 to 54	1	107,435	2	109,226	4	90,584	35	72,811	81	76,411	87	73,691	46	69,910	5	74,172
55 to 59	0	0	3	72,687	6	64,878	37	69,517	61	78,699	61	77,389	43	75,496	17	76,257
60 to 64	1	81,661	0	0	3	79,589	24	90,359	53	82,715	36	80,242	30	71,029	17	86,345
65 to 69	0	0	0	0	2	80,751	10	76,507	10	94,732	12	67,482	5	66,217	4	114,467
70 & up	1	65,384	0	0	0	0	5	135,906	3	88,430	4	113,838	2	81,257	0	0
Total	8	71,185	9	76,829	49	77,975	399	77,573	486	77,865	323	75,512	150	74,367	43	83,557

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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APPENDIX A – MEMBERSHIP INFORMATION

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2023 TIER 4																						
YEARS OF CREDITED SERVICE																						
Attained Age	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	Average		Average		Average		Average		Average		Average		Average		Average		Average		Average		Average	
	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.
Under 25	84	\$ 44,901	43	\$ 46,203	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	127	\$ 45,342
25 to 29	133	50,982	177	58,004	64	54,054	0	0	0	0	0	0	0	0	0	0	0	0	0	0	374	54,831
30 to 34	88	51,737	227	62,171	236	64,879	8	68,072	0	0	0	0	0	0	0	0	0	0	0	0	559	61,756
35 to 39	63	57,811	125	63,046	204	70,203	19	75,862	0	0	0	0	0	0	0	0	0	0	0	0	411	66,388
40 to 44	36	56,583	111	67,916	112	68,593	11	74,283	0	0	0	0	0	0	0	0	0	0	0	0	270	66,945
45 to 49	35	57,893	68	63,926	76	70,706	7	53,027	0	0	0	0	0	0	0	0	0	0	0	0	186	65,151
50 to 54	24	63,880	40	65,183	55	66,436	9	82,267	0	0	0	0	0	0	0	0	0	0	0	0	128	66,678
55 to 59	9	54,311	34	67,782	35	64,811	7	56,193	0	0	0	0	0	0	0	0	0	0	0	0	85	64,178
60 to 64	6	53,146	24	69,211	32	72,271	4	55,131	0	0	0	0	0	0	0	0	0	0	0	0	66	68,381
65 to 69	0	0	6	56,896	6	55,143	1	43,704	0	0	0	0	0	0	0	0	0	0	0	0	13	55,072
70 & up	1	62,966	0	0	1	142,041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	102,504
Total	479	52,639	855	62,043	821	66,816	66	69,276	0	0	0	0	0	0	0	0	0	0	0	0	2,221	61,994

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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APPENDIX A – MEMBERSHIP INFORMATION

**AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE SAFETY MEMBERS AS OF JUNE 30, 2023**

TIER 1

Attained Age	YEARS OF CREDITED SERVICE																					
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	Average		Average		Average		Average		Average		Average		Average		Average		Average		Average		Average	
	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.
Under 25	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE SAFETY MEMBERS AS OF JUNE 30, 2023**

TIER 2 & 3

Attained Age	YEARS OF CREDITED SERVICE												Total								
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24				25 to 29		30 to 34		35 to 39		40 & up
	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	
Under 25	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
30 to 34	0	0	1	90,023	1	116,466	8	89,548	1	88,640	0	0	0	0	0	0	0	0	11	91,956	
35 to 39	0	0	0	0	1	99,528	29	86,515	31	101,178	0	0	0	0	0	0	0	0	61	94,180	
40 to 44	1	70,138	2	93,879	5	91,345	24	92,047	65	97,647	7	100,462	0	0	0	0	0	0	104	95,904	
45 to 49	0	0	0	0	2	113,364	14	92,007	43	99,952	33	109,325	3	112,432	0	0	0	0	95	102,713	
50 to 54	1	194,824	0	0	0	0	9	85,264	25	101,384	24	116,850	13	117,693	1	116,345	0	0	73	108,870	
55 to 59	1	102,281	0	0	1	97,005	4	96,585	6	89,460	6	98,659	10	100,108	2	110,115	3	170,855	0	33	104,491
60 to 64	0	0	0	0	0	0	0	0	7	103,821	1	118,004	2	86,902	1	102,564	0	0	11	101,920	
65 to 69	0	0	0	0	0	0	0	0	0	0	1	66,458	0	0	0	0	0	0	1	66,458	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	3	122,414	3	92,593	10	99,645	88	89,503	178	99,260	72	109,608	28	108,650	4	109,785	3	170,855	0	389	100,441

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE SAFETY MEMBERS AS OF JUNE 30, 2023 TIER 4																					
YEARS OF CREDITED SERVICE																					
Attained Age	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total
	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No.	Average Comp.	No. Average Comp.
Under 25	14	\$ 53,188	13	\$ 71,261	1	\$ 84,141	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	28 \$ 62,684
25 to 29	25	60,368	84	73,852	25	81,539	0	0	0	0	0	0	0	0	0	0	0	0	0	0	134 72,770
30 to 34	13	57,120	43	77,667	65	81,797	5	88,017	0	0	0	0	0	0	0	0	0	0	0	0	126 78,088
35 to 39	4	64,152	20	80,743	38	86,918	4	79,077	0	0	0	0	0	0	0	0	0	0	0	0	66 83,192
40 to 44	2	69,952	8	77,113	14	83,482	3	92,254	0	0	0	0	0	0	0	0	0	0	0	0	27 81,567
45 to 49	1	67,775	2	90,622	6	88,916	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9 86,946
50 to 54	2	75,300	1	107,128	3	85,748	3	92,794	0	0	0	0	0	0	0	0	0	0	0	0	9 88,150
55 to 59	1	69,060	3	102,430	1	141,707	1	83,297	0	0	0	0	0	0	0	0	0	0	0	0	6 100,226
60 to 64	0	0	2	90,210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 90,210
65 to 69	0	0	0	0	1	97,725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1 97,725
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Total	62	59,360	176	76,577	154	84,034	16	87,177	0	0	0	0	0	0	0	0	0	0	0	0	408 77,191

**Average Increases in Pay
(for upcoming year, based on valuation data)**

Longevity and Promotion Component	2.43%
Wage Inflation Component	<u>3.00%</u>
Total	5.43%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

**AGE DISTRIBUTION OF TOTAL INACTIVE PARTICIPANTS
PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JUNE 30, 2023**

Age	Disability Retirements		Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit
Under 55	80	\$ 2,505,255	84	\$ 1,641,157	46	\$ 678,305	210	\$ 4,824,717
55-59	44	1,372,177	213	5,789,285	15	229,211	272	7,390,673
60-64	53	1,367,854	394	11,283,692	41	798,218	488	13,449,764
65-69	62	1,632,804	586	17,232,724	71	1,473,199	719	20,338,727
70-74	50	1,375,961	600	17,954,203	84	1,472,009	734	20,802,173
75-79	39	1,085,178	527	16,487,105	91	1,771,662	657	19,343,945
80 & Over	20	454,556	404	9,908,783	178	2,929,487	602	13,292,826
Total	348	\$ 9,793,785	2,808	\$ 80,296,949	526	\$ 9,352,091	3,682	\$ 99,442,825

**AGE DISTRIBUTION OF INACTIVE GENERAL PARTICIPANTS
PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JUNE 30, 2023**

Age	Disability Retirements		Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit
Under 55	30	\$ 690,741	45	\$ 560,821	25	\$ 215,936	100	\$ 1,467,498
55-59	19	402,835	138	2,109,320	10	105,948	167	2,618,103
60-64	37	886,425	318	8,023,486	30	506,519	385	9,416,430
65-69	44	1,041,100	517	14,120,142	48	778,535	609	15,939,777
70-74	33	726,000	535	14,796,522	63	864,125	631	16,386,647
75-79	30	759,934	473	13,544,828	81	1,524,655	584	15,829,417
80 & Over	11	228,259	379	8,907,804	148	2,203,264	538	11,339,327
Total	204	\$ 4,735,294	2,405	\$ 62,062,923	405	\$ 6,198,982	3,014	\$ 72,997,199

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

AGE DISTRIBUTION OF INACTIVE SAFETY PARTICIPANTS PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JUNE 30, 2023								
Disability Retirements			Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
Age	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit
Under 55	50	\$ 1,814,514	39	\$ 1,080,336	21	\$ 462,369	110	\$ 3,357,219
55-59	25	969,342	75	3,679,965	5	123,263	105	4,772,570
60-64	16	481,429	76	3,260,206	11	291,699	103	4,033,334
65-69	18	591,704	69	3,112,582	23	694,664	110	4,398,950
70-74	17	649,961	65	3,157,681	21	607,884	103	4,415,526
75-79	9	325,244	54	2,942,277	10	247,007	73	3,514,528
80 & Over	9	226,297	25	1,000,979	30	726,223	64	1,953,499
Total	144	\$ 5,058,491	403	\$ 18,234,026	121	\$ 3,153,109	668	\$ 26,445,626

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

Retirants and Beneficiaries Added to and Removed From Payroll										
Plan Year Ended June 30	At Beginning of Year	Added During Year	Annual Allowances Added to the Rolls	Removed During Year	Annual Allowances Removed from the Rolls	At End of Year	Annual Allowance	% Increase in Annual Allowance	Average Annual Allowance	
2013	2,424	183	\$ 4,745,718	65	\$ 483,264	2,542	\$ 53,237,266	8.70%	\$ 20,943	
2014	2,542	224	\$ 4,198,797	75	\$ 659,212	2,691	\$ 56,776,851	6.65%	\$ 21,099	
2015	2,691	218	\$ 4,360,151	88	\$ 1,432,880	2,821	\$ 59,960,567	5.61%	\$ 21,255	
2016	2,821	185	\$ 4,540,356	66	\$ 986,150	2,940	\$ 64,292,378	7.22%	\$ 21,868	
2017	2,940	191	\$ 4,483,587	59	\$ 896,529	3,072	\$ 68,669,924	6.81%	\$ 22,353	
2018	3,072	178	\$ 5,487,994	58	\$ 830,938	3,192	\$ 73,731,771	7.37%	\$ 23,099	
2019	3,192	174	\$ 4,705,555	54	\$ 1,098,384	3,312	\$ 78,971,061	7.11%	\$ 23,844	
2020	3,312	163	\$ 4,626,973	67	\$ 925,421	3,408	\$ 84,412,237	6.89%	\$ 24,769	
2021	3,408	141	\$ 3,908,186	77	\$ 1,434,138	3,472	\$ 88,623,368	4.99%	\$ 25,525	
2022	3,472	178	\$ 5,109,979	65	\$ 1,181,524	3,585	\$ 94,138,915	6.22%	\$ 26,259	
2023	3,585	176	\$ 5,106,635	79	\$ 1,576,004	3,682	\$ 99,442,825	5.63%	\$ 27,008	

Data prior to 2015 was compiled by the previous actuary.

Starting in 2015, Annual Allowances Added to the Rolls no longer includes cost of living adjustments for existing retirees.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

Reconciliation of System Membership Since Prior Valuation											
Total Members											
	Active	Deferred Vested	Deferred Vested - Transferred	Ordinary Disability	Duty Disability	Retired	Beneficiaries	Non-Vested Terminations Due Refund	QDRO	Deferred QDRO	Totals
June 30, 2022	4,432	530	660	119	226	2,711	466	1,258	63	19	10,484
New Entrants	605										605
Rehires	27	(4)	(1)			(2)		(20)			-
Duty Disabilities	(6)	(1)			11	(4)					-
Ordinary Disabilities				2		(2)					-
Retirements	(122)	(13)	(30)			165					-
Vested Terminations	(125)	126	(1)								-
Non-Vested Terminations and Death without beneficiary	(191)	(1)	(1)	(5)	(2)	(31)		186			(45)
Death with beneficiary				(1)	(2)	(29)	32				-
Transfers	(25)	(18)	58					(13)			2
Beneficiary Deaths							(39)				(39)
Domestic Relations Orders									3		3
Deferred Domestic Relations Orders										4	4
Withdrawals Paid	(90)	(20)	(2)					(80)		(2)	(194)
Data Corrections							1	(1)			-
June 30, 2023	4,505	599	683	115	233	2,808	460	1,330	66	21	10,820

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

Reconciliation of System Membership Since Prior Valuation											
General Members											
	Active	Deferred Vested	Deferred Vested - Transferred	Ordinary Disability	Duty Disability	Retired	Beneficiaries	Non-Vested Terminations Due Refund	QDRO	Deferred QDRO	Totals
June 30, 2022	3,611	442	540	101	103	2,333	372	1,092	38	9	8,641
New Entrants	531										531
Rehires	23	(2)	(1)				(1)	(18)			1
Duty Disabilities	(1)	(1)			5	(3)					-
Ordinary Disabilities	-	-		2		(2)					-
Retirements	(98)	(11)	(24)			133					-
Vested Terminations	(99)	99									-
Non-Vested Terminations and Death without beneficiary	(164)	(1)	(1)	(5)	-	(30)		159		-	(42)
Death with beneficiary	-			(1)	(1)	(25)	27				-
Transfers	(22)	(14)	46					(12)			(2)
Beneficiary Deaths							(36)				(36)
Domestic Relations Orders									3		3
Deferred Domestic Relations Orders									-	4	4
Withdrawals Paid	(73)	(16)	(1)					(66)		-	(156)
Data Corrections	-	-	-	-	-	-	1	(1)	-		-
June 30, 2023	3,708	496	559	97	107	2,405	364	1,154	41	13	8,944

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX A – MEMBERSHIP INFORMATION

Reconciliation of System Membership Since Prior Valuation											
Safety Members											
	Active	Deferred Vested	Deferred Vested - Transferred	Ordinary Disability	Duty Disability	Retired	Beneficiaries	Non-Vested Terminations Due Refund	QDRO	Deferred QDRO	Totals
June 30, 2022	821	88	120	18	123	378	94	166	25	10	1,843
New Entrants	74										74
Rehires	4	(2)	-			(1)		(2)			(1)
Duty Disabilities	(5)				6	(1)					-
Ordinary Disabilities											-
Retirements	(24)	(2)	(6)			32			-	-	-
Vested Terminations	(26)	27	(1)								-
Non-Vested Terminations and Death without beneficiary	(27)		-		(2)	(1)		27			(3)
Death with beneficiary	-				(1)	(4)	5				-
Transfers	(3)	(4)	12					(1)			4
Beneficiary Deaths							(3)				(3)
Domestic Relations Orders									-	-	-
Deferred Domestic Relations Orders										-	-
Withdrawals Paid	(17)	(4)	(1)					(14)		(2)	(38)
Data Corrections		-		-	-	-	-	-			-
June 30, 2023	797	103	124	18	126	403	96	176	25	8	1,876

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

The methods and assumptions used in the actuarial valuation as of June 30, 2023 are outlined on the following pages.

A. 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 between plans, entry age is based on original entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

The UAL (or Surplus) is amortized as a percentage of the projected salaries of present and future members of TCERA. At its October 28, 2015 meeting, the Board adopted 19-year layered amortization of the UAL. The UAL as of June 30, 2015 is being amortized over a closed 19-year period as a level percentage of payroll, assuming payroll increases of 3.00% per year, and subsequent changes in the UAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

2. Valuation of Assets

Beginning in fiscal year 2009, the assets are valued using a 10-year smoothed method based on the difference between the expected market value and the actual market value of the assets, net of expenses, as of June 30 and December 31 of each year. The expected market value at the end of each period is the beginning market value increased with the net increase in the cash flow of funds, all increased with interest at the expected investment return rate assumption.

A 30% asset corridor limit is applied.

The contribution of \$250 million expected to be made on or before June 30, 2018 from the proceeds of a POB was included in the 2017 valuation as a receivable in both the Market and Actuarial Values of Assets as of June 30, 2017. Accordingly, it was not recorded as a contribution during the fiscal year 2017-2018.

3. Changes in Actuarial Methods

None.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

B. Actuarial Assumptions

The TCERA Board has the authority to select economic and demographic assumptions for the Plan. The assumptions used in this report reflect the results of an Experience Study performed by Cheiron covering the period July 1, 2020 through June 30, 2023, and adopted by the Board at their October 11, 2023 meeting; more details on the assumptions can be found in the Experience Study Report dated October 20, 2023.

1. Rate of Return

Assets are assumed to earn 7.00% net of investment and administrative expenses. For purposes of determining the Low-Default-Risk Obligation Measure (LDROM), a discount rate of 5.00% was used, based on the FTSE Pension Liability Index as of the valuation date, rounded to the nearest 0.25%.

2. Inflation

The Consumer Price Index (CPI) is assumed to increase at the rate of 2.75% per year. This assumption is also used to project the compensation limit for PEPRA members.

3. Post Retirement COLA

Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 participants and 2% per year for all participants in Tiers 2-4. An additional COLA of 0.4% per year (for a total COLA growth rate of 3.0%) is included for Tier 1 participants in pay status to reflect their accumulated COLA banks.

4. Internal Revenue Code Limits and PEPRA Pensionable Compensation Limits

The maximum benefit and maximum compensation limitations under Internal Revenue Code Sections 415 and 401(a)(17), respectively, are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement. The PEPRA compensation limit, which was \$146,042 for calendar year 2023 for members participating in Social Security, was applied.

5. Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 7.00%.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

6. Family Composition

Percentage married for deferred vested terminations and all active members who retire, become disabled, or die during active service is shown below. Spouses of male members are assumed to be female and two years younger. Spouses of female members are assumed to be male and two years older. Actual spouse demographic data is reflected following benefit commencement.

Division	Gender	Percentage
General	Male	80%
General	Female	55%
Safety	Male	80%
Safety	Female	55%

87.5% of future retirees with eligible beneficiaries who do not have a service-related disability are assumed to elect the 60% Joint and Survivor allowance, with the remainder receiving an actuarially reduced form of benefit.

7. Increases in Pay

Wage inflation component: 3.00%

Additional longevity and promotion component:

Longevity and Promotion Increases		
Service	General	Safety
0	8.00%	9.00%
1	6.50%	6.00%
2	5.50%	5.00%
3	4.00%	3.50%
4	3.00%	2.50%
5	2.00%	2.00%
6	1.75%	1.25%
7	1.50%	1.25%
8	1.00%	1.25%
9	1.00%	1.25%
10	1.00%	1.25%
11	1.00%	1.25%
12	1.00%	1.25%
13	1.00%	1.25%
14	1.00%	1.25%
15+	0.50%	1.25%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

8. Sick Leave Service Credit Upon Service Retirement

Active members' service retirement benefits are adjusted by a percentage, 1% for General and 2% for Safety, for anticipated conversions of sick leave to retirement service credit.

9. Termination

Years of Service	Rates of Termination	
	General	Safety
0	18.00%	13.00%
1	13.00%	12.00%
2	12.00%	8.00%
3	10.00%	8.00%
4	9.00%	8.00%
5	8.00%	6.00%
6	7.00%	6.00%
7	6.00%	6.00%
8	6.00%	6.00%
9	5.00%	6.00%
10	4.00%	4.00%
11	4.00%	4.00%
12	4.00%	4.00%
13	3.50%	4.00%
14	3.50%	4.00%
15	2.50%	2.50%
16	2.50%	2.50%
17	2.50%	2.50%
18	2.50%	2.50%
19	2.50%	2.50%
20 and over	2.50%	2.50%

Rates of termination apply to active Members who terminate their employment. Rates are assumed not to apply after eligibility for retirement.

Former members with contributions on deposit are assumed to receive a retirement benefit commencing at the following ages:

General Members: Age 60

Safety Members: Age 55

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

10. Rates of Deferred Vested Termination

Rates of deferred vested termination are a percentage of the termination rates shown on the previous page.

Service	General Males	General Females	Safety
5-10	75%	55%	60%
10-15	80%	65%	60%
15-20	80%	75%	80%
20+	80%	75%	100%

11. Reciprocal Transfers

60% of General and 65% of Safety deferred vested terminated members that leave their member contributions on deposit with the Plan are assumed to be reciprocal.

Reciprocal members are assumed to remain with the reciprocal agency until retirement, and receive annual salary increases of 3.50% for General members and 4.25% for Safety members.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

12. Rates of Disability

Disability rates of active participants are shown below.

Age	Rates of Disability					
	General - Males		General - Females		Safety	
	Ordinary	Duty	Ordinary	Duty	Ordinary	Duty
20	0.000%	0.010%	0.000%	0.010%	0.000%	0.110%
21	0.000%	0.010%	0.000%	0.010%	0.000%	0.120%
22	0.000%	0.010%	0.000%	0.010%	0.000%	0.130%
23	0.000%	0.010%	0.000%	0.010%	0.000%	0.140%
24	0.000%	0.010%	0.000%	0.010%	0.000%	0.150%
25	0.010%	0.010%	0.010%	0.010%	0.050%	0.170%
26	0.010%	0.010%	0.010%	0.010%	0.050%	0.200%
27	0.010%	0.010%	0.010%	0.010%	0.050%	0.250%
28	0.010%	0.010%	0.010%	0.010%	0.050%	0.300%
29	0.010%	0.010%	0.010%	0.010%	0.050%	0.350%
30	0.010%	0.010%	0.010%	0.010%	0.050%	0.400%
31	0.010%	0.010%	0.010%	0.010%	0.050%	0.450%
32	0.010%	0.010%	0.010%	0.010%	0.050%	0.500%
33	0.010%	0.010%	0.010%	0.010%	0.050%	0.520%
34	0.010%	0.010%	0.010%	0.010%	0.050%	0.540%
35	0.020%	0.020%	0.080%	0.020%	0.050%	0.560%
36	0.020%	0.020%	0.080%	0.020%	0.050%	0.580%
37	0.020%	0.020%	0.080%	0.020%	0.050%	0.600%
38	0.030%	0.030%	0.120%	0.030%	0.050%	0.620%
39	0.030%	0.030%	0.130%	0.030%	0.050%	0.640%
40	0.030%	0.030%	0.140%	0.030%	0.075%	0.660%
41	0.040%	0.045%	0.160%	0.045%	0.075%	0.670%
42	0.040%	0.045%	0.170%	0.045%	0.080%	0.680%
43	0.040%	0.045%	0.180%	0.045%	0.085%	0.690%
44	0.050%	0.050%	0.190%	0.050%	0.090%	0.700%
45	0.050%	0.055%	0.200%	0.055%	0.095%	0.750%
46	0.050%	0.060%	0.220%	0.060%	0.100%	0.800%
47	0.060%	0.070%	0.240%	0.070%	0.150%	0.850%
48	0.070%	0.080%	0.260%	0.080%	0.200%	0.900%
49	0.080%	0.090%	0.280%	0.090%	0.250%	0.950%
50	0.090%	0.100%	0.300%	0.100%	0.300%	1.000%
51	0.100%	0.150%	0.320%	0.150%	0.350%	1.250%
52	0.120%	0.200%	0.340%	0.200%	0.400%	1.500%
53	0.140%	0.250%	0.360%	0.250%	0.450%	1.750%
54	0.160%	0.300%	0.380%	0.300%	0.500%	2.000%
55	0.180%	0.350%	0.400%	0.350%	0.550%	2.250%
56	0.200%	0.400%	0.420%	0.400%	0.600%	2.300%
57	0.220%	0.450%	0.440%	0.450%	0.650%	2.350%
58	0.240%	0.500%	0.480%	0.500%	0.700%	2.400%
59	0.260%	0.550%	0.520%	0.550%	0.750%	2.450%
60	0.280%	0.600%	0.540%	0.600%	0.000%	0.000%
61	0.300%	0.650%	0.560%	0.650%	0.000%	0.000%
62	0.320%	0.700%	0.600%	0.700%	0.000%	0.000%
63	0.340%	0.750%	0.620%	0.750%	0.000%	0.000%
64	0.360%	0.800%	0.640%	0.800%	0.000%	0.000%
65 and over	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

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13. Rates of Mortality for Healthy Lives

Mortality rates for General actives, retirees, beneficiaries (both General and Safety), terminated vested, and reciprocals are based on the sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014, with no additional changes for males and an adjustment of 10% for females to reflect Plan experience.

Mortality rates for Safety actives, retirees, terminated vested, and reciprocals are based on the sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables with blue-collar adjustment, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014, and increased by 5% for both males and females to reflect Plan experience.

14. Rates of Mortality for Retired Disabled Lives

Mortality rates for disabled retirees are based on the sex distinct Retired Pensioner (RP) 2014 Disabled Retiree Mortality Table, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014.

15. Duty-Related Deaths (Safety Employees Only)

Percentage of deaths assumed to be duty related	
Age	
20-24	37%
25-30	42%
31-34	45%
35-43	50%
44-45	52%
46-47	54%
48-49	56%
50-54	58%
55-56	60%
57-58	62%
59	63%

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16. Rates of Retirement

Rates of retirement are based on age and service according to the following below.

Age	General Years of Service		Safety Years of Service	
	Less than 30	30 or more	Less than 20	20 or more
45	0.00%	0.00%	7.00%	7.00%
46	0.00%	0.00%	7.00%	7.00%
47	0.00%	0.00%	7.00%	7.00%
48	0.00%	0.00%	7.00%	7.00%
49	0.00%	0.00%	7.00%	7.00%
50	5.00%	10.00%	7.00%	7.00%
51	5.00%	10.00%	7.00%	7.00%
52	5.00%	10.00%	7.00%	7.00%
53	5.00%	10.00%	7.00%	7.00%
54	5.00%	10.00%	7.00%	7.00%
55	6.00%	10.00%	10.00%	18.00%
56	6.00%	10.00%	10.00%	18.00%
57	6.00%	10.00%	10.00%	18.00%
58	6.00%	10.00%	10.00%	18.00%
59	6.00%	10.00%	10.00%	18.00%
60	15.00%	20.00%	20.00%	40.00%
61	15.00%	20.00%	20.00%	40.00%
62	15.00%	20.00%	20.00%	40.00%
63	15.00%	20.00%	20.00%	40.00%
64	15.00%	20.00%	20.00%	40.00%
65	35.00%	35.00%	40.00%	75.00%
66	35.00%	35.00%	40.00%	75.00%
67	35.00%	35.00%	40.00%	75.00%
68	35.00%	35.00%	40.00%	75.00%
69	35.00%	35.00%	40.00%	75.00%
70	35.00%	35.00%	100.00%	100.00%
71	35.00%	35.00%	100.00%	100.00%
72	35.00%	35.00%	100.00%	100.00%
73	35.00%	35.00%	100.00%	100.00%
74	35.00%	35.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%	100.00%

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17. Disclosures Regarding Models Used

In accordance with Actuarial Standard of Practice (ASOP) No. 56 *Modeling*, the following disclosures are made:

a. Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software program leased from Winklevoss Technologies (WinTech), to calculate liabilities and projected benefit payments. We have reviewed the underlying workings of this model to the degree feasible and consistent with ASOP No. 56 and believe them to be appropriate for the purposes of the valuation.

b. Projections

This valuation report includes projections of future contributions and funded status for the purpose of assisting the Retirement Board and the sponsors of the System with the management of the Fund.

Deterministic projections in this valuation report were developed using P-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the System. P-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because P-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent.

Stochastic projections and related calculations (including the estimation of future SRBR transfers) in this valuation report were developed using R-scan, our proprietary tool for assessing the probability of different outcomes based on a range of potential investment returns. We relied on Cheiron colleagues for the development of the model. The stochastic projections of investment returns assume that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. The standard deviation used in the stochastic projection of investment returns is based on information provided by the System's investment consultant.

The projections are based on the same census data and financial information as of June 30, 2023 as disclosed in this actuarial valuation. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of June 30, 2023 and do not reflect the impact of any changes in benefits or actuarial assumptions that may be adopted after June 30, 2023.

The projections assume that all future assumptions are met except where specifically indicated. The future outcomes become increasingly uncertain over time, and therefore the

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general trends and not the absolute values should be considered in the review of these projections. Further, for the purpose of these projections, we have only reflected the impact of new entrants entering the plan in aggregate and have not developed individual liabilities or detailed profiles related to these potential new entrants. We feel this is appropriate for the purpose of these projections, but if they were to be used for other purposes, this may not be appropriate and alternative projections may need to be developed.

18. Changes in Assumptions

There were changes in assumptions related to mortality rates, termination rates and related assumptions, family composition and benefit elections, and the longevity/promotion components of pay increases as the result of an Experience Study.

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All actuarial calculations are based on our understanding of the statutes governing the TCERA as contained in the County Employees Retirement Law (CERL) of 1937, with provisions adopted by the County Board of Supervisors, a district Board of Directors, or the TCERA Board, effective through June 30, 2023. The benefit and contribution provisions of this law are summarized briefly below, *(along with corresponding references to the State Code)*. This summary does not attempt to cover all the detailed provisions of the law.

There have been no changes to the Plan provisions since the prior valuation.

A. Membership in Retirement Plans

The County has established several defined benefit tiers based primarily on a member's date of entry into TCERA and in some cases, bargaining unit. There are two types of TCERA members:

Safety members: Employees whose principal duty is active law enforcement or active fire suppression are eligible to be Safety members. Membership in a particular tier depends upon date of entry to the system.

General members: All non-Safety employees are eligible to be General members. Membership in a particular tier depends primarily upon date of entry to the system.

Tier 1: General and Safety employees hired on or before December 31, 1979.

Tier 2: General and Safety employees hired on or after January 1, 1980 through December 31, 1989.

Tier 3: General and Safety employees hired on or after January 1, 1990 through December 31, 2012.

Tier 4 (PEPRA): All new members hired on or after January 1, 2013. Employees who transfer from and are eligible for reciprocity with another public employer will not be PEPRA members if their service in the reciprocal system was under a pre-PEPRA tier.

B. Member Contributions

Basic: Contributions are based on the entry age and class of each member and are required of all members. See Appendix F for details on this calculation. Current member rates are shown in the Appendix. (31621.5, 31621.2, 31639.5, 31639.25)

Contributions cease for all non-PEPRA members credited with 30 years of service. (31625, 31625.2)

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Tier 4: PEPRA members must contribute half of the normal cost of the Plan. Contributions for these members will be based on the Normal Cost associated with their benefits; General and Safety members will pay different rates.

Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Retirement on amounts that have been on deposit for at least six months. (31591, 31700)

Cost-of-Living: The following loads are applied to Tier 2 and 3 Basic rates to pay for the employee portion of Cost-of-Living Adjustments. For PEPRA members, the cost of COLAs is included in the normal cost, of which they contribute half. There are no more Tier 1 members currently contributing to the Plan.

Tier 2-3	
2022 Actual	25.29% (General)
	31.01% (Safety)
2023 Actual	23.27% (General)
	29.21% (Safety)

C. Employer Contributions:

The employer (County or District) contributes to the retirement fund a percentage of the total compensation provided for all members based on an actuarial investigation, valuation, and recommendation of the actuary. (31453, 31453.5, 31453.6, 31454, 31454.1, 31581)

D. Service Retirement Allowance:

Eligibility:

General Plan members:

Tiers 1-3: Age 50 with 10 years of service;
Any age with 30 years of service; or
Age 70 regardless of service. (31672, 31672.1)

Tier 4 (PEPRA): Age 52 with 5 years of service.

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Safety Plan members:

Tiers 1-3: Age 50 with 10 years of service;
Any age with 20 years of service. (31663.25)

Tier 4 (PEPRA): Age 50 with 5 years of service.

Final Compensation:

Tier 1: Monthly average of a member's highest 12 consecutive months of compensation. (31462.1)

Tiers 2-3: Monthly average of a member's highest 36 consecutive months of compensation. (31462)

Tier 4 (PEPRA): Monthly average of a member's highest 36 consecutive months of compensation, limited to the Social Security Wage Base on January 1, 2013, adjusted based on the annual change in the CPI-U each January 1 thereafter.

Compensation

Limit: The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code. (31671)

Integration with

Social Security: General and Safety Tier 1-3 members' benefits are integrated with Social Security. Benefits payable from the first \$161.54 of bi-weekly compensation are reduced by 1/3.

Monthly Allowance:

General Plan members:

Tier 1: Sum of (a) + (b):
(a) $1/60 \times \text{Final Compensation} \times \text{Plan Age Factor} \times \text{Years of Service prior to 7/1/2005}$ (31676.11); plus
(b) $1/50 \times \text{Final Compensation} \times \text{Plan Age Factor} \times \text{Years of Service after 7/1/2005}$ (31676.12)

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Tiers 2-3: Sum of (a) + (b):
 (a) $1/60 \times \text{Final Compensation} \times \text{Plan Age Factor} \times \text{Years of Service}$ prior to 7/1/2005 (31676.1); plus
 (b) $1/50 \times \text{Final Compensation} \times \text{Plan Age Factor} \times \text{Years of Service}$ after 7/1/2005 (31676.12)

Tier 4 (PEPRA): $2\% \times \text{Final Compensation} \times \text{PEPRA Age Factor} \times \text{Years of Service}$

Safety Plan members:

Tiers 1-3: $2\% \times \text{Final Compensation} \times \text{Plan Age Factor} \times \text{Years of Service}$ (31664)

Tier 4 (PEPRA): $2\% \times \text{Final Compensation} \times \text{PEPRA Age Factor} \times \text{Years of Service}$

Code Section: Label: Base: Age	Age Factors By Plan General				Safety	
	31676.11	31676.1	31676.12	PEPRA	31664	PEPRA
	1.67% @ 55	1.67% @ 57.5	2% @ 57	2% @ 62	2% @ 50	2% @ 50
41					0.6258	
42					0.6625	
43					0.7004	
44					0.7397	
45					0.7805	
46					0.8226	
47					0.8678	
48					0.9085	
49					0.9522	
50	0.7454	0.7091	0.6681		1.0000	1.0000
51	0.7882	0.7457	0.7056		1.0516	1.0500
52	0.8346	0.7816	0.7454	0.5000	1.1078	1.1000
53	0.8850	0.8181	0.7882	0.5500	1.1692	1.1500
54	0.9399	0.8556	0.8346	0.6000	1.2366	1.2000
55	1.0000	0.8954	0.885	0.6500	1.3099	1.2500
56	1.0447	0.9382	0.9399	0.7000	1.3099	1.3000
57	1.1048	0.9846	1.0000	0.7500	1.3099	1.3500
58	1.1686	1.0350	1.0447	0.8000	1.3099	1.3500
59	1.2365	1.0899	1.1048	0.8500	1.3099	1.3500
60	1.3093	1.1500	1.1686	0.9000	1.3099	1.3500
61	1.3608	1.1947	1.2365	0.9500	1.3099	1.3500
62	1.4123	1.2548	1.3093	1.0000	1.3099	1.3500
63	1.4638	1.3186	1.3093	1.0500	1.3099	1.3500
64	1.5153	1.3865	1.3093	1.1000	1.3099	1.3500
65	1.5668	1.4593	1.3093	1.1500	1.3099	1.3500
66	1.5668	1.4593	1.3093	1.2000	1.3099	1.3500
67	1.5668	1.4593	1.3093	1.2500	1.3099	1.3500

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Maximum Allowance:

Allowance may not exceed 100% of Final Compensation.

Unmodified Retirement Allowance (Normal Form):

All Plans: Life Annuity payable to retired member with 60% continuance to an eligible spouse. (31760.1)

Eligible survivor includes certain domestic partners and dependent children. (31780.2) If there is no eligible survivor, any unpaid remainder of the member's accumulated contributions will be paid to the member's designated beneficiary.

Death after Retirement:

All Plans: Upon a member's death after retirement, a special lump sum of \$5,000 is payable to an eligible survivor, or the member's estate. (31789.3)

All Allowances: All allowances are made on a pro-rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. (31600)

Supplemental Retiree Benefit Reserve:

The County has adopted the financial provisions of Article 5.5 of the 1937 Act for Tiers 1-3. The Article requires that in certain cases, a portion of investment earnings be allocated to a Supplemental Retiree Benefit Reserve (SRBR). Earnings allocated to the SRBR are to be used for the benefit of members in Tiers 1-3. Members of Tier 4 are not eligible for supplemental benefits. (31618)

Level 1: Members with at least 20 years of service are eligible for a supplemental benefit up to \$250 a month. The multiplier in effect is as follows:

Period	Multiplier
Prior to July 1, 2013	\$18.00
After July 1, 2013	\$17.00
After July 1, 2014	\$16.00
After July 1, 2015	\$15.00
After July 1, 2016	\$14.00
After July 1, 2017	\$12.50

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Members with less than 20 years of service are eligible for benefits in accordance with the schedule below:

Years of Service	Percentage of Full Benefit
Less than 10	0.00%
10	50.0%
11	55.0%
12	60.0%
13	65.0%
14	70.0%
15	75.0%
16	80.0%
17	85.0%
18	90.0%
19	95.0%

Only years of service with Tulare County are included for this benefit. 50% of member's reduced allowance is payable to an eligible spouse, or minor children if no eligible spouse exists.

Level 2: In addition to the Level 1 benefit, a supplemental COLA is available to retirees and beneficiaries who have lost more than 15% of their purchasing power, measured by their COLA Banks. The design of this COLA is to allow retirees to retain at least 85% of their purchasing power.

Level 3: 60% of a service retirement or 100% of a service-connected disability is payable to a spouse not married to the member at retirement. The spouse must be at least age 55 at the member's date of retirement, must have been married for at least two years, and the member must have elected the Unmodified Allowance retirement option to be eligible for this benefit.

E. Service-Connected Disability Retirement Allowance

Eligibility:

All Plans: Any age and length of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty. (31720, 31720.5, 31720.6, 31720.7, 31720.9)

Monthly Allowance:

All Plans: Greater of (1) 50% of final compensation, and (2) the service retirement allowance, if eligible to retire. (31727.4)

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Normal Form of Payment:

All Plans: Life Annuity payable to retired member with 100% continuance to an eligible spouse.

Death after Retirement:

All Plans: Upon a member's death after retirement, a special lump sum of \$5,000 is payable to an eligible survivor, or the member's estate. (31789.3)

F. Non-Service-Connected Disability Retirement Allowance

Eligibility:

All Plans: Any age with five (5) years of service and permanently incapacitated for the performance of duty. (31720)

Monthly Allowance:

All Plans: The monthly allowance is equal to a service retirement allowance if the member is eligible to retire and the service retirement allowance exceeds the benefits described below. Otherwise, allowance equals 20% of Final Compensation, plus 2% for each year of service over five, with a maximum allowance of 40% of Final Compensation at 15 years of service. (31727.7)

Normal Form of Payment:

All Plans: Life Annuity with 60% continuance to a surviving spouse (or eligible children). (31760.1)

Death after Retirement:

All Plans: Upon a member's death after retirement, a special lump sum of \$5,000 is payable to an eligible survivor, or the member's estate. (31789.3)

G. Service-Connected Death Benefits

Eligibility:

All Plans: Active members who die in service as a result of injury or disease arising out of and in the course of employment. (31486.7, 31787)

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Monthly Allowance:

All Plans: A monthly allowance is payable to an eligible survivor equal to the greater of the Member's Service Retirement Allowance or Non-Service-Connected Disability Allowance (if he is eligible for service retirement or non-service disability at his date of death), and (b) 50% x Final Compensation. (31787)

A lump sum is payable to an eligible survivor equal to $1/12 \times$ final 12 months' Salary x years of service (up to max of 6 years). (31781)

H. Non-Service-Connected Death Benefits

Eligibility:

All Plans: Active members who die while in service but not as a result of injury or disease arising out of and in the course of employment.

Monthly Allowance:

All Plans: If an active member is eligible for Non-Service-Connected Disability at his date of death, then a monthly allowance is payable to an eligible survivor equal to 60% x the member's non-service connected disability allowance. Otherwise, the benefit is a refund of contributions. (31781.1)

I. Deferred Vested Benefits

Eligibility:

All other Plans: Member contributions must be left on deposit and the member must have terminated with five (5) years of service or entered a reciprocal agency. Members are eligible for service retirement when they reach service retirement eligibility (based on years of service at termination plus reciprocal service, if any). (31700, 31701, 31702)

Monthly Allowance:

All other Plans: Same as service retirement allowance; payable any time after the member would have been eligible for service retirement. (31703, 31704, 31705)

J. Cost-of-Living Increases

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the average annual Consumer Price Index (CPI), rounded to the nearest $\frac{1}{2}$ of 1%. (31870, 31870.1)

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All Plans (excluding Tier 1):

Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. (31870)

Tier 1:

Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase. (31870.1)

COLA Bank:

All Plans:

When the CPI exceeds the applicable percentage, the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation (COLA Bank). It may be used in future years to provide cost-of-living increases when the CPI falls below the applicable percentage. (31874, 31874.1, 31874.2, 31874.3)

K. Optional Forms

In addition to the Unmodified Allowance, retirees may choose one of the following options:

Option 1: A slightly reduced monthly retirement allowance will be paid throughout the member's life, with the provision that accumulated contributions less the sum of the annuity portion of the payments received by the member will be paid upon death to the beneficiary.

Option 2: A reduced monthly retirement allowance will be paid to the member for life, with 100% of the allowance continued after death to the beneficiary.

Option 3: A reduced monthly retirement allowance will be paid to the member for life, with 50% of the allowance continued after death to the beneficiary.

Option 4: This option allows the member to name multiple beneficiaries and provides for a reduced monthly retirement allowance paid to the member for the member's lifetime with an actuarially calculated benefit continued throughout the life of the beneficiaries named at retirement.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX D – GLOSSARY

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

2. Actuarial Cost Method

A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

The difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

4. Actuarial Liability

The portion of the actuarial present value of projected benefits which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

6. Actuarial Valuation

The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.

8. Actuarially Equivalent

Of equal actuarial present value, determined as of a given date, with each value based on the same set of actuarial assumptions.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX D – GLOSSARY

9. Amortization Payment

The portion of the pension plan contribution which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Entry Age Normal Actuarial Cost Method

A method under which 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.

11. Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Liability.

12. Normal Cost

That portion of the actuarial present value of pension plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

13. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of actuarial assumptions, taking into account such items as increases in future compensation and service credits.

14. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

Assumptions used to develop member contribution rates match valuation assumptions detailed in Appendix B, other than mortality which is static for member contribution rates (projected to the year 2047 using MP-2021). Additionally, only service retirement benefits are included in Tiers 2-3 member basic rate development.

There are no longer any Tier 1 members making contributions to the Plan. The table below shows the applicable Code Section for Tier 2-3 member contribution rates as well as the corresponding annuity funded by the member.

Plan/Tier	Code Section	Member Contribution Provides Average Annuity	FAS Period
General Tier 2	31621.2	1/100 of Final Average Salary (FAS) at age 60	3 years
General Tier 3	31621.2	1/100 of Final Average Salary (FAS) at age 60	3 years
Safety Tier 2	31639.25	1/100 of Final Average Salary (FAS) at age 50	3 years
Safety Tier 3	31639.25	1/100 of Final Average Salary (FAS) at age 50	3 years

For Tiers 2 and 3, the COLA loads were applied to the Basic rates as described in the Summary of Plan Provisions. For PEPRAs, the cost of COLAs is included in the normal cost, of which they contribute half.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

2023 Member Contribution Rates (for fiscal year ending 2025)

Entry Age	General Tiers 2 and 3		Safety Tiers 2 and 3		Tier 4 Members	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	General	Safety
16	4.29%	6.44%	7.09%	10.64%	4.73%	9.98%
17	4.39%	6.58%	7.09%	10.64%	4.73%	9.98%
18	4.47%	6.71%	7.09%	10.64%	4.73%	9.98%
19	4.57%	6.85%	7.09%	10.64%	4.73%	9.98%
20	4.67%	7.00%	7.09%	10.64%	4.73%	9.98%
21	4.76%	7.14%	7.20%	10.80%	4.88%	10.30%
22	4.86%	7.29%	7.31%	10.96%	5.04%	10.61%
23	4.96%	7.44%	7.41%	11.12%	5.24%	10.93%
24	5.07%	7.60%	7.53%	11.29%	5.43%	11.25%
25	5.17%	7.76%	7.64%	11.46%	5.64%	11.57%
26	5.28%	7.92%	7.75%	11.63%	5.83%	11.89%
27	5.39%	8.08%	7.87%	11.81%	6.03%	12.21%
28	5.50%	8.25%	7.99%	11.98%	6.22%	12.53%
29	5.61%	8.42%	8.11%	12.16%	6.42%	12.83%
30	5.73%	8.59%	8.23%	12.35%	6.62%	13.13%
31	5.85%	8.77%	8.35%	12.53%	6.81%	13.48%
32	5.97%	8.95%	8.48%	12.72%	7.01%	13.81%
33	6.09%	9.13%	8.61%	12.92%	7.22%	14.14%
34	6.21%	9.32%	8.75%	13.12%	7.42%	14.47%
35	6.34%	9.51%	8.88%	13.32%	7.64%	14.81%
36	6.47%	9.71%	9.02%	13.53%	7.86%	15.15%
37	6.61%	9.91%	9.17%	13.75%	8.09%	15.47%
38	6.75%	10.12%	9.32%	13.98%	8.34%	15.81%
39	6.89%	10.33%	9.47%	14.21%	8.60%	16.15%
40	7.03%	10.55%	9.64%	14.46%	8.87%	16.52%
41	7.19%	10.78%	9.82%	14.73%	9.15%	16.91%
42	7.34%	11.01%	9.99%	14.98%	9.43%	17.32%
43	7.49%	11.23%	10.14%	15.21%	9.74%	17.75%
44	7.63%	11.45%	10.25%	15.37%	10.08%	18.22%
45	7.77%	11.65%	10.29%	15.43%	10.43%	18.69%
46	7.91%	11.86%	10.25%	15.38%	10.81%	19.06%
47	8.05%	12.08%	10.10%	15.15%	11.21%	19.43%
48	8.21%	12.31%	10.43%	15.64%	11.52%	19.82%
49	8.37%	12.55%	10.77%	16.16%	11.83%	20.21%
50	8.53%	12.79%	10.77%	16.16%	12.14%	20.21%
51	8.68%	13.02%	10.77%	16.16%	12.47%	20.21%
52	8.82%	13.23%	10.77%	16.16%	12.78%	20.21%
53	8.94%	13.41%	10.77%	16.16%	13.06%	20.21%
54	9.01%	13.52%	10.77%	16.16%	13.32%	20.21%
55	9.03%	13.54%	10.77%	16.16%	13.53%	20.21%
56	8.97%	13.45%	10.77%	16.16%	13.76%	20.21%
57	8.84%	13.26%	10.77%	16.16%	13.94%	20.21%
58	9.13%	13.70%	10.77%	16.16%	14.06%	20.21%
59	9.43%	14.15%	10.77%	16.16%	14.08%	20.21%
Assumptions:						
Interest:	7.00%		7.00%		7.00%	
Salary:	3.00% plus promotion		3.00% plus promotion		3.00% plus promotion	
COLA:	2.00%		2.00%		2.00%	
Mortality:	<p>For General: Retired Pensioner (RP) 2014 Combined Healthy Table, projected to 2047 using MP-2021, unadjusted for males and increased by 10.0% for females to reflect Plan experience, and blended 30% male and 70% female</p> <p>For Safety: Retired Pensioner (RP) 2014 Combined Healthy Table with blue-collar adjustment, projected to 2047 using MP-2021, increased by 5.0% for both males and females to reflect Plan experience, and blended 75% male and 25% female</p>					

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

The tables on the next four pages show the 2023 member contribution rates split into the Basic and COLA components, by tier.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

General Tiers 2 and 3						
Entry Age	Basic Rate		COLA Rate		Total Rate	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
16	3.48%	5.22%	0.81%	1.22%	4.29%	6.44%
17	3.56%	5.34%	0.83%	1.24%	4.39%	6.58%
18	3.63%	5.44%	0.84%	1.27%	4.47%	6.71%
19	3.70%	5.56%	0.86%	1.29%	4.57%	6.85%
20	3.79%	5.68%	0.88%	1.32%	4.67%	7.00%
21	3.86%	5.79%	0.90%	1.35%	4.76%	7.14%
22	3.94%	5.91%	0.92%	1.38%	4.86%	7.29%
23	4.02%	6.04%	0.94%	1.40%	4.96%	7.44%
24	4.11%	6.17%	0.96%	1.43%	5.07%	7.60%
25	4.20%	6.29%	0.98%	1.47%	5.17%	7.76%
26	4.28%	6.42%	1.00%	1.50%	5.28%	7.92%
27	4.37%	6.55%	1.02%	1.53%	5.39%	8.08%
28	4.46%	6.69%	1.04%	1.56%	5.50%	8.25%
29	4.55%	6.83%	1.06%	1.59%	5.61%	8.42%
30	4.65%	6.97%	1.08%	1.62%	5.73%	8.59%
31	4.74%	7.11%	1.10%	1.66%	5.85%	8.77%
32	4.84%	7.26%	1.13%	1.69%	5.97%	8.95%
33	4.94%	7.41%	1.15%	1.72%	6.09%	9.13%
34	5.04%	7.56%	1.17%	1.76%	6.21%	9.32%
35	5.14%	7.71%	1.20%	1.80%	6.34%	9.51%
36	5.25%	7.88%	1.22%	1.83%	6.47%	9.71%
37	5.36%	8.04%	1.25%	1.87%	6.61%	9.91%
38	5.47%	8.21%	1.27%	1.91%	6.75%	10.12%
39	5.59%	8.38%	1.30%	1.95%	6.89%	10.33%
40	5.71%	8.56%	1.33%	1.99%	7.03%	10.55%
41	5.83%	8.74%	1.36%	2.04%	7.19%	10.78%
42	5.95%	8.93%	1.39%	2.08%	7.34%	11.01%
43	6.07%	9.11%	1.41%	2.12%	7.49%	11.23%
44	6.19%	9.29%	1.44%	2.16%	7.63%	11.45%
45	6.30%	9.45%	1.47%	2.20%	7.77%	11.65%
46	6.41%	9.62%	1.49%	2.24%	7.91%	11.86%
47	6.53%	9.80%	1.52%	2.28%	8.05%	12.08%
48	6.66%	9.99%	1.55%	2.32%	8.21%	12.31%
49	6.79%	10.18%	1.58%	2.37%	8.37%	12.55%
50	6.92%	10.38%	1.61%	2.41%	8.53%	12.79%
51	7.04%	10.56%	1.64%	2.46%	8.68%	13.02%
52	7.15%	10.73%	1.67%	2.50%	8.82%	13.23%
53	7.25%	10.88%	1.69%	2.53%	8.94%	13.41%
54	7.31%	10.97%	1.70%	2.55%	9.01%	13.52%
55	7.32%	10.98%	1.70%	2.56%	9.03%	13.54%
56	7.27%	10.91%	1.69%	2.54%	8.97%	13.45%
57	7.17%	10.76%	1.67%	2.50%	8.84%	13.26%
58	7.41%	11.11%	1.72%	2.59%	9.13%	13.70%
59	7.65%	11.48%	1.78%	2.67%	9.43%	14.15%
Assumptions:						
Interest:	7.00%					
Salary:	3.00% plus promotion					
COLA:	2.00%					
Mortality:	Retired Pensioner (RP) 2014 Combined Healthy Table, projected to 2047 using MP-2021, unadjusted for males and increased by 10.0% for females to reflect Plan experience, and blended 30% male and 70% female					

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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APPENDIX E – MEMBER CONTRIBUTION RATES

General Tier 4			
Entry Age	Basic Rate	COLA Rate	Total Rate
16	3.85%	0.88%	4.73%
17	3.85%	0.88%	4.73%
18	3.85%	0.88%	4.73%
19	3.85%	0.88%	4.73%
20	3.85%	0.88%	4.73%
21	3.97%	0.91%	4.88%
22	4.10%	0.94%	5.04%
23	4.27%	0.97%	5.24%
24	4.43%	1.00%	5.43%
25	4.60%	1.04%	5.64%
26	4.76%	1.07%	5.83%
27	4.93%	1.10%	6.03%
28	5.09%	1.13%	6.22%
29	5.26%	1.16%	6.42%
30	5.43%	1.19%	6.62%
31	5.59%	1.22%	6.81%
32	5.76%	1.25%	7.01%
33	5.93%	1.29%	7.22%
34	6.11%	1.31%	7.42%
35	6.29%	1.35%	7.64%
36	6.48%	1.38%	7.86%
37	6.67%	1.42%	8.09%
38	6.88%	1.46%	8.34%
39	7.10%	1.50%	8.60%
40	7.33%	1.54%	8.87%
41	7.56%	1.59%	9.15%
42	7.80%	1.63%	9.43%
43	8.06%	1.68%	9.74%
44	8.35%	1.73%	10.08%
45	8.64%	1.79%	10.43%
46	8.95%	1.86%	10.81%
47	9.28%	1.93%	11.21%
48	9.56%	1.96%	11.52%
49	9.83%	2.00%	11.83%
50	10.10%	2.04%	12.14%
51	10.40%	2.07%	12.47%
52	10.67%	2.11%	12.78%
53	10.93%	2.13%	13.06%
54	11.17%	2.15%	13.32%
55	11.37%	2.16%	13.53%
56	11.59%	2.17%	13.76%
57	11.77%	2.17%	13.94%
58	11.90%	2.16%	14.06%
59	11.95%	2.13%	14.08%
Assumptions:			
Interest:	7.00%		
Salary:	3.00% plus promotion		
COLA:	2.00%		
Mortality:	Retired Pensioner (RP) 2014 Combined Healthy Table, projected to 2047 using MP-2021, unadjusted for males and increased by 10.0% for females to reflect Plan experience, and blended 30% male and 70% female		

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

Safety Tiers 2 and 3						
Entry Age	Basic Rate		COLA Rate		Total Rate	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
16	5.49%	8.23%	1.60%	2.41%	7.09%	10.64%
17	5.49%	8.23%	1.60%	2.41%	7.09%	10.64%
18	5.49%	8.23%	1.60%	2.41%	7.09%	10.64%
19	5.49%	8.23%	1.60%	2.41%	7.09%	10.64%
20	5.49%	8.23%	1.60%	2.41%	7.09%	10.64%
21	5.57%	8.36%	1.63%	2.44%	7.20%	10.80%
22	5.66%	8.48%	1.65%	2.48%	7.31%	10.96%
23	5.74%	8.61%	1.68%	2.51%	7.41%	11.12%
24	5.83%	8.74%	1.70%	2.55%	7.53%	11.29%
25	5.91%	8.87%	1.73%	2.59%	7.64%	11.46%
26	6.00%	9.00%	1.75%	2.63%	7.75%	11.63%
27	6.09%	9.14%	1.78%	2.67%	7.87%	11.81%
28	6.18%	9.27%	1.81%	2.71%	7.99%	11.98%
29	6.27%	9.41%	1.83%	2.75%	8.11%	12.16%
30	6.37%	9.56%	1.86%	2.79%	8.23%	12.35%
31	6.47%	9.70%	1.89%	2.83%	8.35%	12.53%
32	6.56%	9.84%	1.92%	2.88%	8.48%	12.72%
33	6.67%	10.00%	1.95%	2.92%	8.61%	12.92%
34	6.77%	10.15%	1.98%	2.97%	8.75%	13.12%
35	6.87%	10.31%	2.01%	3.01%	8.88%	13.32%
36	6.98%	10.47%	2.04%	3.06%	9.02%	13.53%
37	7.09%	10.64%	2.07%	3.11%	9.17%	13.75%
38	7.21%	10.82%	2.11%	3.16%	9.32%	13.98%
39	7.33%	11.00%	2.14%	3.21%	9.47%	14.21%
40	7.46%	11.19%	2.18%	3.27%	9.64%	14.46%
41	7.60%	11.40%	2.22%	3.33%	9.82%	14.73%
42	7.73%	11.59%	2.26%	3.39%	9.99%	14.98%
43	7.85%	11.77%	2.29%	3.44%	10.14%	15.21%
44	7.93%	11.90%	2.32%	3.47%	10.25%	15.37%
45	7.96%	11.94%	2.33%	3.49%	10.29%	15.43%
46	7.94%	11.90%	2.32%	3.48%	10.25%	15.38%
47	7.82%	11.73%	2.28%	3.42%	10.10%	15.15%
48	8.07%	12.10%	2.36%	3.54%	10.43%	15.64%
49	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
50	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
51	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
52	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
53	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
54	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
55	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
56	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
57	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
58	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
59	8.34%	12.51%	2.44%	3.65%	10.77%	16.16%
assumptions:						
Interest:	7.00%					
Salary:	3.00% plus promotion					
COLA:	2.00%					
Mortality:	Retired Pensioner (RP) 2014 Combined Healthy Table with blue-collar adjustment, projected to 2047 using MP-2021, increased by 5.0% for both males and females to reflect Plan experience, and blended 75% male and 25% female					

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

Safety Tier 4			
Entry Age	Basic Rate	COLA Rate	Total Rate
16	7.98%	2.00%	9.98%
17	7.98%	2.00%	9.98%
18	7.98%	2.00%	9.98%
19	7.98%	2.00%	9.98%
20	7.98%	2.00%	9.98%
21	8.24%	2.06%	10.30%
22	8.49%	2.12%	10.61%
23	8.75%	2.18%	10.93%
24	9.01%	2.24%	11.25%
25	9.28%	2.29%	11.57%
26	9.54%	2.35%	11.89%
27	9.80%	2.41%	12.21%
28	10.06%	2.47%	12.53%
29	10.31%	2.52%	12.83%
30	10.56%	2.57%	13.13%
31	10.85%	2.63%	13.48%
32	11.12%	2.69%	13.81%
33	11.40%	2.74%	14.14%
34	11.67%	2.80%	14.47%
35	11.96%	2.85%	14.81%
36	12.24%	2.91%	15.15%
37	12.51%	2.96%	15.47%
38	12.79%	3.02%	15.81%
39	13.08%	3.07%	16.15%
40	13.39%	3.13%	16.52%
41	13.71%	3.20%	16.91%
42	14.05%	3.27%	17.32%
43	14.41%	3.34%	17.75%
44	14.79%	3.43%	18.22%
45	15.19%	3.50%	18.69%
46	15.52%	3.54%	19.06%
47	15.85%	3.58%	19.43%
48	16.20%	3.62%	19.82%
49	16.56%	3.65%	20.21%
50	16.56%	3.65%	20.21%
51	16.56%	3.65%	20.21%
52	16.56%	3.65%	20.21%
53	16.56%	3.65%	20.21%
54	16.56%	3.65%	20.21%
55	16.56%	3.65%	20.21%
56	16.56%	3.65%	20.21%
57	16.56%	3.65%	20.21%
58	16.56%	3.65%	20.21%
59	16.56%	3.65%	20.21%
Assumptions:			
Interest:	7.00%		
Salary:	3.00% plus promotion		
COLA:	2.00%		
Mortality:	Retired Pensioner (RP) 2014 Combined Healthy Table with blue-collar adjustment, projected to 2047 using MP-2021, increased by 5.0% for both males and females to reflect Plan experience, and blended 75% male and 25% female		

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX E – MEMBER CONTRIBUTION RATES

2022 Member Contribution Rates (for fiscal year ending 2024)

Entry Age	General Tier 1		General Tiers 2 and 3		Safety Tier 1		Safety Tiers 2 and 3		Tier 4 Members	
	First	Over	First	Over	First	Over	First	Over	General	Safety
	\$161.54	\$161.54	\$161.54	\$161.54	\$161.54	\$161.54	\$161.54	\$161.54		
16	2.69%	4.03%	4.34%	6.51%	4.65%	6.97%	6.95%	10.43%	4.42%	9.63%
17	2.75%	4.12%	4.43%	6.64%	4.65%	6.97%	6.95%	10.43%	4.42%	9.63%
18	2.81%	4.21%	4.52%	6.78%	4.65%	6.97%	6.95%	10.43%	4.42%	9.63%
19	2.86%	4.29%	4.62%	6.93%	4.65%	6.97%	6.95%	10.43%	4.42%	9.63%
20	2.92%	4.38%	4.71%	7.07%	4.65%	6.97%	6.95%	10.43%	4.42%	9.63%
21	2.99%	4.48%	4.81%	7.22%	4.73%	7.09%	7.07%	10.60%	4.67%	10.01%
22	3.05%	4.57%	4.91%	7.37%	4.81%	7.21%	7.19%	10.78%	4.92%	10.39%
23	3.11%	4.66%	5.01%	7.52%	4.89%	7.33%	7.31%	10.96%	5.17%	10.77%
24	3.17%	4.76%	5.12%	7.68%	4.97%	7.45%	7.43%	11.14%	5.43%	11.16%
25	3.24%	4.86%	5.23%	7.84%	5.05%	7.57%	7.55%	11.33%	5.69%	11.55%
26	3.31%	4.96%	5.33%	8.00%	5.13%	7.70%	7.68%	11.52%	5.91%	11.92%
27	3.37%	5.06%	5.44%	8.16%	5.22%	7.83%	7.81%	11.72%	6.13%	12.29%
28	3.45%	5.17%	5.55%	8.33%	5.31%	7.96%	7.94%	11.91%	6.35%	12.66%
29	3.51%	5.27%	5.67%	8.50%	5.40%	8.10%	8.07%	12.11%	6.58%	13.01%
30	3.59%	5.38%	5.79%	8.68%	5.49%	8.24%	8.21%	12.32%	6.80%	13.36%
31	3.66%	5.49%	5.91%	8.86%	5.59%	8.38%	8.35%	12.53%	7.01%	13.74%
32	3.74%	5.61%	6.03%	9.04%	5.68%	8.52%	8.50%	12.75%	7.22%	14.12%
33	3.81%	5.72%	6.15%	9.23%	5.78%	8.67%	8.65%	12.97%	7.44%	14.49%
34	3.89%	5.84%	6.28%	9.42%	5.88%	8.82%	8.79%	13.19%	7.66%	14.87%
35	3.97%	5.96%	6.41%	9.61%	5.99%	8.98%	8.95%	13.43%	7.89%	15.25%
36	4.05%	6.08%	6.54%	9.81%	6.09%	9.14%	9.11%	13.67%	8.12%	15.61%
37	4.14%	6.21%	6.68%	10.02%	6.21%	9.31%	9.29%	13.93%	8.36%	15.96%
38	4.23%	6.34%	6.81%	10.22%	6.33%	9.49%	9.46%	14.19%	8.62%	16.32%
39	4.31%	6.47%	6.96%	10.44%	6.45%	9.67%	9.65%	14.47%	8.88%	16.69%
40	4.41%	6.61%	7.11%	10.66%	6.58%	9.87%	9.81%	14.72%	9.13%	17.09%
41	4.50%	6.75%	7.26%	10.89%	6.73%	10.09%	9.97%	14.95%	9.40%	17.48%
42	4.60%	6.90%	7.41%	11.12%	6.82%	10.23%	10.11%	15.16%	9.66%	17.89%
43	4.70%	7.05%	7.57%	11.35%	6.92%	10.38%	10.22%	15.33%	9.99%	18.36%
44	4.81%	7.21%	7.71%	11.57%	7.04%	10.56%	10.33%	15.49%	10.33%	18.83%
45	4.89%	7.33%	7.85%	11.77%	7.11%	10.66%	10.37%	15.56%	10.67%	19.31%
46	4.98%	7.47%	7.99%	11.99%	7.20%	10.80%	10.35%	15.52%	11.09%	19.70%
47	5.07%	7.60%	8.14%	12.21%	7.19%	10.79%	10.19%	15.28%	11.51%	20.11%
48	5.17%	7.75%	8.29%	12.44%	7.15%	10.73%	10.52%	15.78%	11.85%	20.53%
49	5.27%	7.90%	8.45%	12.68%	6.99%	10.48%	10.87%	16.31%	12.19%	20.95%
50	5.38%	8.07%	8.62%	12.93%	6.99%	10.48%	10.87%	16.31%	12.52%	20.95%
51	5.49%	8.24%	8.77%	13.16%	6.99%	10.48%	10.87%	16.31%	12.86%	20.95%
52	5.60%	8.40%	8.91%	13.37%	6.99%	10.48%	10.87%	16.31%	13.18%	20.95%
53	5.70%	8.55%	9.03%	13.55%	6.99%	10.48%	10.87%	16.31%	13.50%	20.95%
54	5.80%	8.70%	9.11%	13.66%	6.99%	10.48%	10.87%	16.31%	13.79%	20.95%
55	5.87%	8.80%	9.12%	13.68%	6.99%	10.48%	10.87%	16.31%	14.03%	20.95%
56	5.91%	8.86%	9.06%	13.59%	6.99%	10.48%	10.87%	16.31%	14.29%	20.95%
57	5.88%	8.82%	8.93%	13.40%	6.99%	10.48%	10.87%	16.31%	14.49%	20.95%
58	5.82%	8.73%	9.23%	13.84%	6.99%	10.48%	10.87%	16.31%	14.64%	20.95%
59	5.71%	8.57%	9.53%	14.30%	6.99%	10.48%	10.87%	16.31%	14.71%	20.95%
Assumptions:										
Interest:	7.00%		7.00%		7.00%		7.00%		7.00%	
Salary:	3.00% plus promotion		3.00% plus promotion		3.00% plus promotion		3.00% plus promotion		3.00% plus promotion	
COLA:	2.60%		2.00%		2.60%		2.00%		2.00%	
Mortality:	For General: Retired Pensioner (RP) 2014 Combined Healthy Table, with 20-year Generational improvement using Projection Scale MP-2019, increased by 2.2% for males and 8.0% for females to reflect Plan experience, and blended 30% male and 70% female For Safety: Retired Pensioner (RP) 2014 Combined Healthy Table with blue-collar adjustment, with 20-year Generational improvement using Projection Scale MP-2019, increased by 4.5% for males to reflect Plan experience, and blended 75% male and 25% female									

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX F – SUPPLEMENTAL TABLES FOR REPORTING PURPOSES

The tables on this page and the next three pages show selected demographic assumption rates based on age or service as reflected in the June 30, 2023 actuarial valuation. Termination rates are assumed not to apply after eligibility for retirement.

General - Male

Demographic Assumption Rates - Age				
Age	Service Retirement Rate*	Mortality of Active Members Rate		Withdrawal (Termination) Rate**
		Ordinary	Service	
25	0.000	0.000558	0.000000	0.0900
30	0.000	0.000585	0.000000	0.0900
35	0.000	0.000730	0.000000	0.0900
40	0.000	0.000840	0.000000	0.0900
45	0.000	0.001111	0.000000	0.0900
50	0.050	0.001663	0.000000	0.0900
55	0.060	0.002664	0.000000	0.0900
60	0.150	0.004704	0.000000	0.0900
65	0.350	0.008413	0.000000	0.0900
70	0.350	0.013366	0.000000	0.0900

*The Service Retirement Rates above assume less than 30 years of service.

**The Withdrawal Rates above assume 4 years of service.

General - Female

Demographic Assumption Rates - Age				
Age	Service Retirement Rate*	Mortality of Active Members Rate		Withdrawal (Termination) Rate**
		Ordinary	Service	
25	0.000	0.000223	0.000000	0.0900
30	0.000	0.000305	0.000000	0.0900
35	0.000	0.000410	0.000000	0.0900
40	0.000	0.000513	0.000000	0.0900
45	0.000	0.000728	0.000000	0.0900
50	0.050	0.001117	0.000000	0.0900
55	0.060	0.001754	0.000000	0.0900
60	0.150	0.002741	0.000000	0.0900
65	0.350	0.004013	0.000000	0.0900
70	0.350	0.006377	0.000000	0.0900

*The Service Retirement Rates above assume less than 30 years of service.

**The Withdrawal Rates above assume 4 years of service.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX F – SUPPLEMENTAL TABLES FOR REPORTING PURPOSES

Safety - Male

Demographic Assumption Rates - Age				
Age	Service Retirement Rate*	Mortality of Active Members Rate		Withdrawal (Termination) Rate**
		Ordinary	Service	
25	0.000	0.000440	0.000318	0.0800
30	0.000	0.000461	0.000334	0.0800
35	0.000	0.000496	0.000496	0.0800
40	0.000	0.000571	0.000571	0.0800
45	0.070	0.000725	0.000785	0.0800
50	0.070	0.000949	0.001311	0.0800
55	0.100	0.001448	0.002172	0.0800
60	0.200	0.002365	0.004028	0.0800
65	0.400	0.004229	0.007202	0.0800
70	1.000	0.006477	0.011029	0.0800

**The Service Retirement Rates above assume less than 20 years of service.*

***The Withdrawal Rates above assume 4 years of service.*

Safety - Female

Demographic Assumption Rates - Age				
Age	Service Retirement Rate*	Mortality of Active Members Rate		Withdrawal (Termination) Rate**
		Ordinary	Service	
25	0.000	0.000138	0.000100	0.0800
30	0.000	0.000189	0.000137	0.0800
35	0.000	0.000220	0.000220	0.0800
40	0.000	0.000275	0.000275	0.0800
45	0.070	0.000374	0.000406	0.0800
50	0.070	0.000502	0.000694	0.0800
55	0.100	0.000751	0.001126	0.0800
60	0.200	0.001086	0.001849	0.0800
65	0.400	0.001590	0.002706	0.0800
70	1.000	0.002490	0.004241	0.0800

**The Service Retirement Rates above assume less than 20 years of service.*

***The Withdrawal Rates above assume 4 years of service.*

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX F – SUPPLEMENTAL TABLES FOR REPORTING PURPOSES

General - Male

Demographic Assumption Rates - Years of Service		
Service Retirement		Withdrawal
Service	Rate*	(Termination) Rate
5	0.150	0.080
10	0.150	0.040
15	0.150	0.025
20	0.150	0.025
25	0.150	0.025
30	0.200	0.025
35	0.200	0.025
40	0.200	0.025
45	0.200	0.025
50	0.200	0.025

**The Service Retirement Rates above apply to a member at age 60.*

General - Female

Demographic Assumption Rates - Years of Service		
Service Retirement		Withdrawal
Service	Rate*	(Termination) Rate
5	0.150	0.080
10	0.150	0.040
15	0.150	0.025
20	0.150	0.025
25	0.150	0.025
30	0.200	0.025
35	0.200	0.025
40	0.200	0.025
45	0.200	0.025
50	0.200	0.025

**The Service Retirement Rates above apply to a member at age 60.*

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2023**

APPENDIX F – SUPPLEMENTAL TABLES FOR REPORTING PURPOSES

Safety - Male

Demographic Assumption Rates - Years of Service		
	Service Retirement	Withdrawal
Service	Rate*	(Termination) Rate
5	0.200	0.060
10	0.200	0.040
15	0.200	0.025
20	0.400	0.025
25	0.400	0.025
30	0.400	0.025
35	0.400	0.025
40	0.400	0.025
45	0.400	0.025
50	0.400	0.025

**The Service Retirement Rates above apply to a member at age 60.*

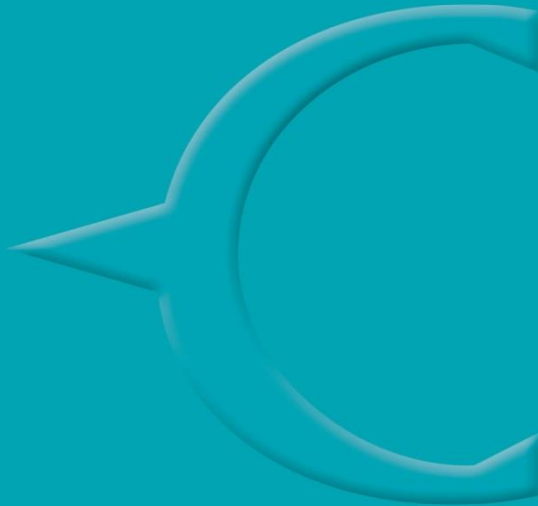
Safety - Female

Demographic Assumption Rates - Years of Service		
	Service Retirement	Withdrawal
Service	Rate*	(Termination) Rate
5	0.200	0.060
10	0.200	0.040
15	0.200	0.025
20	0.400	0.025
25	0.400	0.025
30	0.400	0.025
35	0.400	0.025
40	0.400	0.025
45	0.400	0.025
50	0.400	0.025

**The Service Retirement Rates above apply to a member at age 60.*



Classic Values, Innovative Advice



Tulare County Employees' Retirement Association

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

Produced by Cheiron

Revised – December 2023

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December 1, 2023

Board of Retirement
Tulare County Employees' Retirement Association
136 N. Akers St.
Visalia, CA 93291

Dear Members of the Board:

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

- Determination of the discount rate as of June 30, 2023,
- Disclosure of the TCERA's Total Pension Liability and Net Pension Liability as of the measurement date,
- Note disclosures and required supplementary information under GASB 67 for TCERA,
- 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 that reads "Graham A. Schmidt".

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

A handwritten signature in blue ink that reads "Steven M. Hastings".

Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary



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

SECTION I – BOARD SUMMARY

The measurement date for the Tulare County Employees' Retirement Association (TCERA) is June 30, 2023. Measurements are based on the fair value of assets as of June 30, 2023 and the Total Pension Liability as of the valuation date, June 30, 2023. 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	\$	505,018	\$ 427,018
Deferred Outflows		(175,015)	(168,633)
Deferred Inflows		85,357	118,364
Net Impact on Statement of Net Position	\$	415,360	\$ 376,749
Pension Expense/(Income)	\$	83,785	\$ 70,499
Pension Expense/(Income) (% of Payroll)		27.34%	24.43%

Numbers may not add to totals due to rounding.

Amounts in Thousands

The Net Pension Liability (NPL) increased by approximately \$78.0 million since the prior measurement date, primarily due to a large loss on liabilities during the year. These losses were partially offset by assumptions changes which reduced the NPL. Investment gains or losses are recognized over five years, and Actuarial Liability gains or losses and assumption changes are recognized over the average remaining service life, which is five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, the participating employers in TCERA would report a Net Pension Liability of \$505,018,000, collective Deferred Inflows of \$85,357,000, and collective Deferred Outflows of \$175,015,000. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to TCERA would be \$415,360,000 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, 2023, the collective annual pension expense is \$83,785,000 or 27.34% of covered payroll. This amount is not equal to the participating employers' contributions to TCERA (\$45,174,000), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$415,360,000 – \$376,749,000 + \$45,174,000). The collective pension expense as a percentage of payroll is higher than the collective expense for the prior year. A breakdown of the components of the net pension expense is shown in Section VI of the report.

**TULARE 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 GASB 67 for the Tulare County Employees' Retirement Association (TCERA) and under GASB 68 for the employers that participate in TCERA. This report is for the use of TCERA, 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 TCERA. 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.

In preparing our report, we relied on information (some oral and some written) supplied by TCERA. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation 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

Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary

**TULARE 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 7.08%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the required rates. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the June 30, 2023 actuarial valuation. That policy includes contributions equal to the actuarially determined contribution, reflecting a payment equal to annual normal cost and an amount necessary to amortize the total June 30, 2015 Unfunded Actuarial Liability (UAL) as a level percentage of payroll over a closed 19-year period with payments as a level percentage of payroll, assuming payroll increases of 3.00% per year. Subsequent gains and losses are being amortized over new 19-year closed periods, also as a level percentage of payroll.

The UAL and contribution rates do not directly reflect any liability associated with past or future transfers to the Supplemental Retiree Benefit Reserve (SRBR), which the Board has elected not to pre-fund. However, the projection of benefit payments does include the value of the expected benefit payments to the members from the SRBR, based on both the current SRBR assets and the expected future transfers to the SRBR, as estimated using a stochastic model. Those benefit payments result in actuarial losses, which are funded through the plan's amortization policy.

The stochastic model was developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent. The stochastic model reflects a standard deviation of 12.75% for the annual investment returns, as indicated by an analysis of investment consultants' capital market expectations as described in our 2023 Experience Study report.

Based on these assumptions, TCERA's fiduciary net position was projected to be available to make projected future benefit payments for current members until FYE 2088, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.65% to the extent they are not available. The 7.15% expected return on assets is equal to the 7.00% investment return assumption used in the June 30, 2023 actuarial valuation, plus 0.15% for administrative expenses. The administrative expense adjustment results from the fact that the 7.00% valuation assumption is assumed to be net of both administrative and investment expenses, whereas GASB 67 and 68 require an expected return on assets that is net of investment expenses only. The 3.65% municipal bond rate is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2023.

The single rate that is equivalent to a 7.15% discount rate until the projected fiduciary net position is no longer available to make benefit payments (in FYE 2088), and 3.65% thereafter, is 7.08%. The discount rate used to determine the Total Pension Liability as of June 30, 2023 is therefore 7.08%. Appendix D shows the details of this calculation.

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

SECTION IV – DETERMINATION 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, 2023.

Between the June 30, 2022 and June 30, 2023 measurement dates, the discount rate reduced from 7.09% to 7.08% due to the results of the crossover test. The details of this calculation are shown in Appendix D. Additionally, the following assumptions were changed as a result of the recent Experience Study: termination rates (including rates of refunds), percent married, merit and longevity salary increases for Safety members, spouse age difference, form of payment elections, reciprocal transfer salary increase rates, adjustments to base mortality tables for healthy members, and mortality improvement scale for all members. Please see Appendix B of the June 30, 2023 actuarial valuation report for a more detailed description of the assumptions.

The TPL measurement includes the accrued portion of expected benefit payments associated with the current SRBR assets, as well as the accrued portion of expected benefit payments associated with future anticipated SRBR transfers (as determined using a stochastic model).

The impact of the assumption changes decreased the TPL measurement by approximately \$11 million as of the end of the measurement year.

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

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 6/30/2022	\$ 2,246,027	\$ 1,819,009	\$ 427,018
Changes for the year:			
Service cost	54,448		54,448
Interest	157,325		157,325
Changes of benefits	0		0
Differences between expected and actual experience	71,644		71,644
Changes of assumptions	(10,869)		(10,869)
Contributions - employer		45,174	(45,174)
Contributions - member		27,965	(27,965)
Net investment income		124,156	(124,156)
Benefit payments	(109,503)	(109,503)	0
Administrative expense		(2,747)	2,747
Net changes	<u>163,045</u>	<u>85,045</u>	<u>78,000</u>
Balances at 6/30/2023	<u>\$ 2,409,072</u>	<u>\$ 1,904,054</u>	<u>\$ 505,018</u>

Numbers may not add to totals due to rounding.

Amounts in Thousands

During the measurement year, the collective NPL increased by approximately \$78.0 million. The service cost, interest cost, actuarial experience losses, and recognition of administrative expense increased the collective NPL by approximately \$286 million while contributions and investment income decreased the collective NPL by approximately \$197 million. The actuarial losses were due primarily to larger than expected salary and retiree cost-of-living increases.

As discussed in Section IV, assumption changes decreased the TPL by approximately \$11 million. There were no changes in benefits during the year.

**TULARE 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. Table V-2 shows the sensitivity of the collective NPL to the discount rate.

Table V-2 Sensitivity of Collective Net Pension Liability to Changes in Discount Rate			
	1% Decrease 6.08%	Discount Rate 7.08%	1% Increase 8.08%
Total Pension Liability	\$ 2,747,426	\$ 2,409,072	\$ 2,132,525
Plan Fiduciary Net Position	<u>1,904,054</u>	<u>1,904,054</u>	<u>1,904,054</u>
Collective Net Pension Liability	<u><u>\$ 843,372</u></u>	<u><u>\$ 505,018</u></u>	<u><u>\$ 228,471</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.3%	79.0%	89.3%

Numbers may not add to totals due to rounding.

Amounts in Thousands

A 1% decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 67%. A 1% increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 55%.

Required Supplementary Information

The schedule on the following page shows the changes in collective NPL and related ratios required by GASB for the last 10 years.

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

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios											
	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	
Total Pension Liability											
Service cost (MOY)	\$ 54,448	\$ 56,123	\$ 54,859	\$ 49,424	\$ 49,484	\$ 46,838	\$ 38,203	\$ 38,307	\$ 35,168	\$ 39,672	
Interest (includes interest on service cost)	157,325	154,625	141,880	140,390	133,895	126,586	118,664	115,716	97,473	94,277	
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0	
Differences between expected and actual experience	71,644	(69,048)	85,474	(54,091)	(6,667)	10,342	11,936	(40,602)	7,591	0	
Changes of assumptions	(10,869)	(40,693)	2,930	70,788	(37,996)	41,149	69,608	23,923	180,187	13,588	
Benefit payments, including refunds of member contributions	(109,503)	(102,708)	(96,276)	(91,427)	(85,097)	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)	
Net change in total pension liability	\$ 163,045	\$ (1,701)	\$ 188,867	\$ 115,084	\$ 53,619	\$ 144,199	\$ 161,449	\$ 65,011	\$ 251,858	\$ 81,583	
Total pension liability - beginning	2,246,027	2,247,728	2,058,861	1,943,777	1,890,158	1,745,959	1,584,510	1,519,499	1,267,640	1,186,057	
Total pension liability - ending	\$ 2,409,072	\$ 2,246,027	\$ 2,247,728	\$ 2,058,861	\$ 1,943,777	\$ 1,890,158	\$ 1,745,959	\$ 1,584,510	\$ 1,519,499	\$ 1,267,640	
Plan fiduciary net position											
Contributions - employer	\$ 45,174	\$ 40,392	\$ 36,766	\$ 35,310	\$ 33,494	\$ 286,263	\$ 33,616	\$ 31,297	\$ 30,992	\$ 25,953	
Contributions - member	27,965	25,880	23,536	23,104	22,325	18,512	18,190	16,815	18,887	18,969	
Net investment income	124,156	(117,773)	395,079	9,515	90,779	95,857	132,865	(20,309)	122,400	179,878	
Benefit payments, including refunds of member contributions	(109,503)	(102,708)	(96,276)	(91,427)	(85,097)	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)	
Administrative expense	(2,747)	(2,967)	(2,740)	(2,853)	(2,806)	(2,666)	(2,612)	(2,616)	(2,408)	(1,639)	
Net change in plan fiduciary net position	\$ 85,045	\$ (157,176)	\$ 356,365	\$ (26,351)	\$ 58,695	\$ 317,250	\$ 105,098	\$ (47,145)	\$ 101,312	\$ 157,207	
Plan fiduciary net position - beginning	1,819,009	1,976,185	1,619,820	1,646,171	1,587,476	1,270,226	1,165,127	1,212,272	1,110,961	953,754	
Plan fiduciary net position - ending	\$ 1,904,054	\$ 1,819,009	\$ 1,976,185	\$ 1,619,820	\$ 1,646,171	\$ 1,587,476	\$ 1,270,226	\$ 1,165,127	\$ 1,212,272	\$ 1,110,961	
Net pension liability - ending	\$ 505,018	\$ 427,018	\$ 271,543	\$ 439,041	\$ 297,606	\$ 302,682	\$ 475,734	\$ 419,383	\$ 307,226	\$ 156,680	
Plan fiduciary net position as a percentage of the total pension liability	79.04%	80.99%	87.92%	78.68%	84.69%	83.99%	72.75%	73.53%	79.78%	87.64%	
Covered payroll	\$ 306,492	\$ 288,629	\$ 276,127	\$ 283,640	\$ 264,218	\$ 256,049	\$ 243,366	\$ 238,559	\$ 229,431	\$ 234,438	
Net pension liability as a percentage of covered payroll	164.77%	147.95%	98.34%	154.79%	112.64%	118.21%	195.48%	175.80%	133.91%	66.83%	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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SECTION V – GASB 67 REPORTING INFORMATION

Because an Actuarially Determined Contribution (ADC) has been calculated, the following schedule is required. An ADC is a contribution amount determined in accordance with Actuarial Standards of Practice. Information prior to FYE 2015 was determined by the prior actuary.

<p style="text-align: center;">Table V-4 Schedule of Collective Employer Contributions</p>											
	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018*	FYE 2017	FYE 2016	FYE 2015	FYE 2014	
Actuarially Determined Contribution	\$ 45,174	\$ 40,392	\$ 36,766	\$ 35,310	\$ 33,494	\$ 36,263	\$ 33,616	\$ 31,297	\$ 30,992	\$ 25,953	
Contributions in Relation to the											
Actuarially Determined Contribution	45,174	40,392	36,766	35,310	33,494	36,263	33,616	31,297	30,992	25,953	
Contribution Deficiency/(Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Covered Payroll	\$ 306,492	\$ 288,629	\$ 276,127	\$ 283,640	\$ 264,218	\$ 256,049	\$ 243,366	\$ 238,559	\$ 229,431	\$ 234,438	
Contributions as a Percentage of											
Covered Payroll	14.74%	13.99%	13.31%	12.45%	12.68%	14.16%	13.81%	13.12%	13.51%	11.07%	

Numbers may not add to totals due to rounding.

Amounts in Thousands

* For the FYE 2018, the contribution shown in this schedule does not include the additional \$250 million contribution made by the County at the end of the Fiscal Year.

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2023.

Notes to Schedule

Valuation Date	6/30/2021
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year
<u>Key Methods and Assumptions Used to Determine Contribution Rates:</u>	
Actuarial cost method	Entry Age
Asset valuation method	10-year smoothed market, with a 30% corridor around the market value
Amortization method	Level percentage of payroll with separate periods for the UAL as of June 30, 2015 (13 years remaining as of 6/30/21), and additional 19-year layers for unexpected changes in UAL after 6/30/15
Discount rate	7.00%
Amortization growth rate	3.00%
Price inflation	2.75%
Salary increases	3.00% plus merit component based on employee classification and years of service
Mortality	For General: RP-2014 Combined Healthy Sex Distinct Table, with Generational improvement using Projection Scale MP-2019, increased by 2.2% for males and 8.0% for females to reflect Plan experience
	For Safety: RP-2014 Combined Healthy Male Table with blue-collar adjustment, with Generational improvement using Projection Scale MP-2019, increased by 4.5% for males to reflect Plan experience

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023 can be found in the June 30, 2021 actuarial valuation report

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Employers that participate in TCERA were 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. For employers with a reporting date of June 30, their 2023 disclosures can be based on either the June 30, 2022 or 2023 measurement dates. If an employer elects to base its 2023 disclosures on the June 30, 2022 measurement date, the GASB 68 schedules in this report with a measurement date of June 30, 2023 will be used for its 2024 reporting date.

Because TCERA is a cost-sharing multiple-employer pension plan, each employer participating in TCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in its 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 TCERA. As of the beginning of the measurement period, this recognition period was five years. The impact of investment gains or losses is recognized over a period of five years.

The table on the following page summarizes the current balances of collective deferred outflows and deferred inflows of resources along with the net recognition over the next five years and the total amount recognized thereafter.

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

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	\$ 91,504	\$ 52,247
Changes in assumptions	15,328	33,110
Net difference between projected and actual earnings on pension plan investments	68,183	0
Total	\$ 175,015	\$ 85,357
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2024	29,741	
2025	4,203	
2026	42,654	
2027	13,060	
2028	0	
Thereafter \$	0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

The tables below provide details on the current balances of collective 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.

Table VI-2(a)										
Recognition of Experience (Gains) and Losses										
Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	2023	2024	Recognition Year			
							2025	2026	2027	Thereafter
2023	5.0	\$ 71,644	\$ 71,644	\$ 57,315	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,328	\$ 0
2022	5.0	(69,048)	(55,238)	(41,428)	(13,810)	(13,810)	(13,810)	(13,808)	0	0
2021	5.0	85,474	51,284	34,189	17,095	17,095	17,094	0	0	0
2020	5.0	(54,091)	(21,637)	(10,819)	(10,818)	(10,819)	0	0	0	0
2019	5.0	(6,667)	(1,335)	0	(1,335)	0	0	0	0	0
Deferred Outflows			122,928	91,504	31,424	31,424	31,423	14,329	14,328	0
Deferred (Inflows)			(78,210)	(52,247)	(25,963)	(24,629)	(13,810)	(13,808)	0	0
Net Change in Pension Expense			\$ 44,718	\$ 39,257	\$ 5,461	\$ 6,795	\$ 17,613	\$ 521	\$ 14,328	\$ 0

Numbers may not add to totals due to rounding.

Amounts in Thousands

Table VI-2(b)										
Recognition of Assumption Changes										
Change Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	2023	2024	Recognition Year			
							2025	2026	2027	Thereafter
2023	5.0	\$ (10,869)	\$ (10,869)	\$ (8,695)	\$ (2,174)	\$ (2,174)	\$ (2,174)	\$ (2,174)	\$ (2,173)	\$ 0
2022	5.0	(40,693)	(32,554)	(24,415)	(8,139)	(8,139)	(8,139)	(8,137)	0	0
2021	5.0	2,930	1,758	1,172	586	586	586	0	0	0
2020	5.0	70,788	28,314	14,156	14,158	14,156	0	0	0	0
2019	5.0	(37,996)	(7,600)	0	(7,600)	0	0	0	0	0
Deferred Outflows			30,072	15,328	14,744	14,742	586	0	0	0
Deferred (Inflows)			(51,023)	(33,110)	(17,913)	(10,313)	(10,313)	(10,311)	(2,173)	0
Net Change in Pension Expense			\$ (20,951)	\$ (17,782)	\$ (3,169)	\$ 4,429	\$ (9,727)	\$ (10,311)	\$ (2,173)	\$ 0

Numbers may not add to totals due to rounding.

Amounts in Thousands

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Table VI-2(c) Recognition of Investment (Gains) and Losses										
Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	2023	2024	Recognition Year			
							2025	2026	2027	Thereafter
2023	5.0	\$ 4,529	\$ 4,529	\$ 3,623	\$ 906	\$ 906	\$ 906	\$ 906	\$ 905	\$ 0
2022	5.0	257,686	206,149	154,612	51,537	51,537	51,537	51,538	0	0
2021	5.0	(280,622)	(168,374)	(112,250)	(56,124)	(56,124)	(56,126)	0	0	0
2020	5.0	110,998	44,398	22,198	22,200	22,198	0	0	0	0
2019	5.0	25,528	5,104	0	5,104	0	0	0	0	0
Net Change in Pension Expense			\$ 91,806	\$ 68,183	\$ 23,623	\$ 18,517	\$ (3,683)	\$ 52,444	\$ 905	\$ 0

Numbers may not add to totals due to rounding.

Amounts in Thousands

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 TCERA 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.

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Table VI-3 Calculation of Collective Pension Expense		
	Measurement Year Ending	
	2023	2022
Change in Net Pension Liability	\$ 78,000	\$ 155,475
Change in Deferred Outflows	(6,382)	(45,140)
Change in Deferred Inflows	(33,007)	(80,228)
Employer Contributions	45,174	40,392
Pension Expense	\$ 83,785	\$ 70,499
Pension Expense as % of Payroll	27.34%	24.43%
Operating Expenses		
Service cost	\$ 54,448	\$ 56,123
Employee contributions	(27,965)	(25,880)
Administrative expenses	2,747	2,967
Total	\$ 29,230	\$ 33,210
Financing Expenses		
Interest cost	\$ 157,325	\$ 154,625
Expected return on assets	(128,685)	(139,913)
Total	\$ 28,640	\$ 14,712
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	(3,169)	7,236
Recognition of liability gains and losses	5,461	(6,798)
Recognition of investment gains and losses	23,623	22,139
Total	\$ 25,915	\$ 22,577
Pension Expense	\$ 83,785	\$ 70,499

Numbers may not add to totals due to rounding.

Amounts in Thousands

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 TCERA for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets.

The recognition of changes will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses. The total collective pension expense increased by about \$13.3 million. In the current year pension expense, the financing expenses increased by approximately \$13.9 million and the recognition of

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

changes increased about \$3.3 million. These were offset by decreases in operating expenses of approximately \$4.0 million compared to the prior year.

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

GASB 68 requires that the proportionate share for each employer be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ...” Although not required as part of TCERA’s GASB 67 reporting requirements, TCERA is following the advice of the AICPA and making a determination of each employer’s proportionate share, which will be reviewed by TCERA’s auditor.

GASB 82, which is effective for reporting periods beginning after June 15, 2016, requires that employer-paid member contributions be classified as employee contributions for purposes of determining each employer’s proportionate share. TCERA has indicated that their auditor has determined the amount of such contributions to be immaterial for the purposes of GASB 82.

Proportionate shares for each participating employer are generally determined based on the ratio of each participating employer’s actual contributions to TCERA during the measurement year to the sum of the employer contributions. In Table VII-1, each employer’s proportionate share as of June 30, 2023 has been determined using this method.

Table VII-1 Determination of Employers' Proportionate Share					
Employer	June 30, 2023		June 30, 2022		
	Employer Contribution	Proportionate Share	Employer Contribution	Proportionate Share	
County	\$ 41,258	91.3313%	\$ 37,014	91.6370%	
Courts	3,657	8.0954%	3,129	7.7466%	
SPUD	39	0.0863%	36	0.0891%	
TCAG	220	0.4870%	213	0.5273%	
Total	\$ 45,174	100.0000%	\$ 40,392	100.0000%	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

**Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2023**

Employer	Proportionate Share	Share of NPL @ 6.08%	Share of NPL @ 7.08%	Share of NPL @ 8.08%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County	91.3313%	\$ 770,263	\$ 461,239	\$ 208,666	\$ 159,843	\$ 77,958	\$ 76,522
Courts	8.0954%	68,274	40,883	18,496	14,168	6,910	6,783
SPUD	0.0863%	728	436	197	151	74	72
TCAG	0.4870%	4,107	2,459	1,113	852	416	408
Total	100.0000%	\$ 843,372	\$ 505,018	\$ 228,471	\$ 175,015	\$ 85,357	\$ 83,785

Numbers may not add to totals due to rounding.

Amounts in Thousands

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

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

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

Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences										
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions			
	6/30/2022	6/30/2023	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Share	Difference	
County	91.6370%	91.3313%	\$ (1,305)	\$ (515)	\$ 362	\$ (1,152)	\$ 41,258	\$ 41,258	\$ 0	
Courts	7.7466%	8.0954%	1,489	588	(413)	1,314	3,657	3,657	0	
SPUD	0.0891%	0.0863%	(12)	(5)	3	(11)	39	39	0	
TCAG	0.5273%	0.4870%	(172)	(68)	48	(152)	220	220	0	
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,174	\$ 45,174	\$ 0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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	\$ 1,945	\$ 0	\$ 949	\$ 997	\$ (255)	\$ (1,152)	\$ (358)	\$ (1,049)		
Courts	246	1,314	386	1,174	(1,921)	0	(831)	(1,090)		
SPUD	44	0	15	29	(19)	(11)	(14)	(15)		
TCAG	103	0	27	76	(145)	(152)	(175)	(122)		
Total	\$ 2,339	\$ 1,314	\$ 1,377	\$ 2,276	\$ (2,339)	\$ (1,314)	\$ (1,377)	\$ (2,276)		

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE 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 shows the reconciliation of deferred outflows and inflows due to differences between the proportionate share of contributions and actual contributions made by each employer. Because the proportionate shares are determined based on each employer's share of the contributions, there should be no differences between the actual and proportionate contributions.

Table VII-5 Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences									
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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courts	0	0	0	0	0	0	0	0	0
SPUD	0	0	0	0	0	0	0	0	0
TCAG	0	0	0	0	0	0	0	0	0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE 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 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	91.3313%	\$ 83,572	\$ 13,999	\$ 62,272	\$ 997	\$ 0	
Courts	8.0954%	7,408	1,241	5,520	1,174	0	
SPUD	0.0863%	79	13	59	29	0	
TCAG	0.4870%	446	75	332	76	0	
Total	100.0000%	\$ 91,504	\$ 15,328	\$ 68,183	\$ 2,276	\$ 0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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, 2023							
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference	
County	91.3313%	\$ 47,718	\$ 30,240	\$ 0	\$ 1,049	\$ 0	
Courts	8.0954%	4,230	2,680	0	1,090	0	
SPUD	0.0863%	45	29	0	15	0	
TCAG	0.4870%	254	161	0	122	0	
Total	100.0000%	\$ 52,247	\$ 33,110	\$ 0	\$ 2,276	\$ 0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE 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 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, 2023							
Employer	Recognition for Measurement Year Ending						
	2024	2025	2026	2027	2028	Thereafter	
County	\$ 27,204	\$ 4,007	\$ 38,925	\$ 11,698	\$ 0	\$ 0	\$ 0
Courts	2,359	168	3,495	1,320	0	0	0
SPUD	36	13	32	9	0	0	0
TCAG	141	14	202	33	0	0	0
Total	\$ 29,741	\$ 4,203	\$ 42,654	\$ 13,060	\$ 0	\$ 0	\$ 0

Numbers may not add to totals due to rounding.

Amounts in Thousands

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, 2023										
Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer			Employer Contributions	Employer Pension Expense	
					Net Pension Liability	Deferred Outflows	Deferred Inflows			
County	\$ 76,522	\$ 591	\$ 0	\$ 77,113	\$ 69,933	\$ (4,365)	\$ (29,714)	\$ 41,258	\$ 77,113	
Courts	6,783	(445)	0	6,338	7,804	(2,033)	(3,090)	3,657	6,338	
SPUD	72	1	0	74	55	14	(35)	39	74	
TCAG	408	(147)	0	261	208	64	(231)	220	261	
Total	\$ 83,785	\$ 0	\$ 0	\$ 83,786	\$ 78,000	\$ (6,319)	\$ (33,070)	\$ 45,174	\$ 83,786	

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE 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	91.3313%	\$ 461,239	\$ 287,818	160.3%	79.0%	\$ 41,258	\$ 41,258	\$ 0	14.3%	
Courts	8.0954%	40,883	16,740	244.2%	79.0%	3,657	3,657	0	21.8%	
SPUD	0.0863%	436	191	228.1%	79.0%	39	39	0	20.4%	
TCAG	0.4870%	2,459	1,742	141.2%	79.0%	220	220	0	12.6%	
Total	100.0000%	\$ 505,018	\$ 306,492	164.8%	79.0%	\$ 45,174	\$ 45,174	\$ 0	14.7%	

Numbers may not add to totals due to rounding.

Amounts in Thousands

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

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE GENERAL MEMBERSHIP				
	June 30, 2022		June 30, 2023	Change
General Tier 1				
Count		7	6	-14.3%
Average Age		69.0	70.4	1.9%
Average Service		37.8	43.9	16.1%
Annual Projected Payroll	\$	490,633	\$ 404,879	-17.5%
Average Annual Pay	\$	70,090	\$ 67,480	-3.7%
General Tier 2 & 3				
Count		1,619	1,481	-8.5%
Average Age		49.6	50.4	1.5%
Average Service		17.8	18.6	4.8%
Annual Projected Payroll	\$	113,469,216	\$ 114,382,779	0.8%
Average Annual Pay	\$	70,086	\$ 77,233	10.2%
General Tier 4				
Count		1,985	2,221	11.9%
Average Age		37.8	37.7	-0.1%
Average Service		4.2	4.3	2.2%
Annual Projected Payroll	\$	113,443,582	\$ 137,689,710	21.4%
Average Annual Pay	\$	57,150	\$ 61,994	8.5%
General Total				
Count		3,611	3,708	2.7%
Average Age		43.2	42.8	-0.8%
Average Service		10.4	10.1	-2.6%
Annual Projected Payroll	\$	227,403,431	\$ 252,477,368	11.0%
Average Annual Pay	\$	62,975	\$ 68,090	8.1%

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

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE SAFETY MEMBERSHIP					
	June 30, 2022		June 30, 2023		Change
Safety Tier 1					
Count		0		0	0.0%
Average Age		0		0	0.0%
Average Service		0		0	0.0%
Annual Projected Payroll	\$	0	\$	0	0.0%
Average Annual Pay	\$	0	\$	0	0.0%
Safety Tier 2 & 3					
Count		428		389	-9.1%
Average Age		45.4		46.4	2.1%
Average Service		17.4		18.4	5.9%
Annual Projected Payroll	\$	38,249,543	\$	39,071,649	2.1%
Average Annual Pay	\$	89,368	\$	100,441	12.4%
Safety Tier 4					
Count		393		408	3.8%
Average Age		32.7		33.0	0.8%
Average Service		4.3		4.6	8.5%
Annual Projected Payroll	\$	27,791,979	\$	31,493,863	13.3%
Average Annual Pay	\$	70,710	\$	77,191	9.2%
Safety Total					
Count		821		797	-2.9%
Average Age		39.4		39.5	0.5%
Average Service		11.1		11.3	2.3%
Annual Projected Payroll	\$	66,041,522	\$	70,565,512	6.9%
Average Annual Pay	\$	80,440	\$	88,539	10.1%

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

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF INACTIVE MEMBERSHIP*				
		June 30, 2022	June 30, 2023	Change
General				
Count		2,083	2,222	6.7%
Average Age		43.9	43.8	-0.1%
Total Contribution Balance	\$	52,984,947	\$ 58,738,327	10.9%
Average Contribution Balance	\$	25,437	\$ 26,435	3.9%
Safety				
Count		384	411	7.0%
Average Age		39.3	39.4	0.3%
Total Contribution Balance	\$	15,792,000	\$ 17,477,746	10.7%
Average Contribution Balance	\$	41,125	\$ 42,525	3.4%
Total				
Count		2,467	2,633	6.7%
Average Age		43.2	43.1	-0.1%
Total Contribution Balance	\$	68,776,947	\$ 76,216,073	10.8%
Average Contribution Balance	\$	27,879	\$ 28,946	3.8%

**Includes unclaimed accounts.*

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

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF RETIRED MEMBERSHIP				
		June 30, 2022	June 30, 2023	Change
General				
Count		2,947	3,014	2.3%
Average Age		71.8	71.9	0.2%
Total Annual Allowance	\$	69,411,269	\$ 72,997,199	5.2%
Average Annual Allowance	\$	23,553	\$ 24,219	2.8%
Safety				
Count		638	668	4.7%
Average Age		65.3	65.4	0.2%
Total Annual Allowance	\$	24,727,646	\$ 26,445,626	6.9%
Average Annual Allowance	\$	38,758	\$ 39,589	2.1%
Total				
Count		3,585	3,682	2.7%
Average Age		70.6	70.8	0.2%
Total Annual Allowance	\$	94,138,915	\$ 99,442,825	5.6%
Average Annual Allowance	\$	26,259	\$ 27,008	2.9%

Please refer to the June 30, 2023 actuarial valuation report for a more complete summary of the data.

**TULARE 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. Please refer to the June 30, 2023 actuarial valuation report for a complete description of all other assumptions. The economic and demographic assumptions were selected by the Board. With the exception of the discount rate, the expected return on assets, and the administrative expense assumption, the assumptions used in this report and the June 30, 2023 actuarial valuation report reflect the results of the Experience Study performed by Cheiron covering the period July 1, 2020 through June 30, 2023.

Key Actuarial Assumptions

Expected Return on Assets	7.15% net of investment expenses as of June 30, 2023.
Municipal Bond Yield	3.65% net of investment expenses as of June 30, 2023 (Bond Buyer 20-year Bond GO Index, June 29, 2023)
Discount Rate	7.08%
Inflation	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 participants and 2% per year for all participants in Tiers 2-4. An additional COLA of 0.4% per year (for a total COLA growth rate of 3.0%) is included for Tier 1 participants in pay status to reflect their accumulated COLA banks.
Administrative Expenses	Administrative Expenses used in the cashflow projection are assumed to average 0.15% of assets annually.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure

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

1. Actuarial Cost Method

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

2. Asset Valuation Method

Beginning in fiscal year 2009, the assets are valued using a 10-year smoothed method based on the difference between the expected market value and the actual market value of the assets, net of expenses, as of June 30 and December 31 of each year. The expected market value at the end of each period is the beginning market value increased with the net increase in the cash flow of funds, all increased with interest at the expected investment return rate assumption.

A 30% asset corridor limit is applied.

3. Amortization Method

The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets. The UAL (or Surplus) is amortized as a percentage of the projected salaries of present and future members of TCERA. At its October 28, 2015 meeting, the Board adopted 19-year layered amortization of the UAL. Starting as of June 30, 2015, the UAL is amortized over a closed 19-year period as a level percentage of payroll, assuming payroll increases of 3.00% per year. Subsequent changes in the UAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

4. Contributions

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

**TULARE 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, 2023 actuarial valuation report.

Plan provisions include liabilities associated with the Supplemental Retiree Benefit Reserve (SRBR).

The county has adopted the financial provisions of Article 5.5 of the 1937 Act for Tiers 1-3. The Article requires that in certain cases, a portion of investment earnings be allocated to a Supplemental Retiree Benefit Reserve (SRBR). Earnings allocated to the SRBR are to be used for the benefit of members in Tiers 1-3. Members of Tier 4 are not eligible for supplemental benefits (31618).

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

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2024	\$ 1,904,054	\$ 51,555	\$ 27,477	\$ 2,856	\$ 133,219	\$ 134,136	\$ 1,981,146	\$ 133,219	\$ 0
2025	1,981,146	52,056	31,918	2,972	130,624	139,909	2,071,433	130,624	0
2026	2,071,433	49,819	35,658	3,107	137,149	146,183	2,162,837	137,149	0
2027	2,162,837	47,656	38,593	3,244	143,494	152,518	2,254,865	143,494	0
2028	2,254,865	45,565	41,673	3,382	149,436	158,919	2,348,204	149,436	0
2029	2,348,204	43,520	45,075	3,522	155,815	165,411	2,442,873	155,815	0
2030	2,442,873	41,558	47,872	3,664	162,966	171,953	2,537,625	162,966	0
2031	2,537,625	39,704	50,691	3,806	169,882	178,514	2,632,845	169,882	0
2032	2,632,845	37,910	54,659	3,949	176,878	185,148	2,729,733	176,878	0
2033	2,729,733	36,167	58,169	4,095	183,588	191,896	2,828,283	183,588	0
2034	2,828,283	34,468	60,615	4,242	190,407	198,724	2,927,441	190,407	0
2035	2,927,441	32,810	36,489	4,391	197,429	204,656	2,999,576	197,429	0
2036	2,999,576	31,214	33,370	4,499	203,950	209,415	3,065,125	203,950	0
2037	3,065,125	29,637	51,715	4,598	210,726	214,450	3,145,604	210,726	0
2038	3,145,604	28,062	50,943	4,718	217,590	219,876	3,222,176	217,590	0
2039	3,222,176	26,483	51,664	4,833	224,383	225,078	3,296,185	224,383	0
2040	3,296,185	24,920	45,388	4,944	231,491	229,841	3,359,899	231,491	0
2041	3,359,899	23,373	47,725	5,040	238,274	234,182	3,421,866	238,274	0
2042	3,421,866	21,834	48,118	5,133	245,056	238,331	3,479,960	245,056	0
2043	3,479,960	20,290	39,063	5,220	251,719	241,875	3,524,250	251,719	0
2044	3,524,250	18,744	34,649	5,286	258,423	244,595	3,558,529	258,423	0
2045	3,558,529	17,214	31,550	5,338	264,612	246,664	3,584,006	264,612	0
2046	3,584,006	15,694	29,949	5,376	270,725	248,160	3,601,708	270,725	0
2047	3,601,708	14,206	28,180	5,403	276,702	249,100	3,611,089	276,702	0
2048	3,611,089	12,756	25,935	5,417	282,546	249,435	3,611,253	282,546	0

* Fiduciary Net Position based on financial statements provided by TCERA dated September 29, 2023.

Amounts in Thousands

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

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2049	3,611,253	11,340	24,843	5,417	288,217	249,160	3,602,962	288,217	0
2050	3,602,962	9,971	23,804	5,404	293,787	248,287	3,585,832	293,787	0
2051	3,585,832	8,657	20,842	5,379	299,028	246,729	3,557,653	299,028	0
2052	3,557,653	7,426	18,781	5,336	303,691	244,436	3,519,268	303,691	0
2053	3,519,268	6,272	18,684	5,279	307,910	241,501	3,472,536	307,910	0
2054	3,472,536	5,198	18,356	5,209	311,384	237,991	3,417,489	311,384	0
2055	3,417,489	4,233	17,995	5,126	314,296	233,909	3,354,203	314,296	0
2056	3,354,203	3,386	17,602	5,031	316,197	229,277	3,283,240	316,197	0
2057	3,283,240	2,668	17,179	4,925	317,220	224,131	3,205,074	317,220	0
2058	3,205,074	2,069	16,730	4,808	317,387	218,504	3,120,182	317,387	0
2059	3,120,182	1,580	16,255	4,680	316,497	212,436	3,029,275	316,497	0
2060	3,029,275	1,186	15,757	4,544	314,872	205,966	2,932,769	314,872	0
2061	2,932,769	873	15,241	4,399	312,325	199,132	2,831,290	312,325	0
2062	2,831,290	634	14,709	4,247	308,962	191,972	2,725,397	308,962	0
2063	2,725,397	454	14,165	4,088	304,883	184,524	2,615,568	304,883	0
2064	2,615,568	320	13,611	3,923	300,059	176,823	2,502,339	300,059	0
2065	2,502,339	222	13,051	3,754	294,535	168,904	2,386,228	294,535	0
2066	2,386,228	151	12,487	3,579	288,371	160,802	2,267,718	288,371	0
2067	2,267,718	101	11,924	3,402	281,614	152,551	2,147,278	281,614	0
2068	2,147,278	67	11,361	3,221	274,290	144,182	2,025,377	274,290	0
2069	2,025,377	43	10,803	3,038	266,429	135,728	1,902,484	266,429	0
2070	1,902,484	27	10,251	2,854	258,056	127,222	1,779,075	258,056	0
2071	1,779,075	17	9,707	2,669	249,191	118,697	1,655,636	249,191	0
2072	1,655,636	10	9,172	2,483	239,871	110,186	1,532,650	239,871	0
2073	1,532,650	6	8,647	2,299	230,128	101,723	1,410,597	230,128	0

* Fiduciary Net Position based on financial statements provided by TCERA dated September 29, 2023.

Amounts in Thousands

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

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2074	1,410,597	3	8,132	2,116	220,004	93,340	1,289,953	220,004	0
2075	1,289,953	0	7,629	1,935	209,546	85,070	1,171,171	209,546	0
2076	1,171,171	0	7,139	1,757	198,805	76,943	1,054,691	198,805	0
2077	1,054,691	0	6,661	1,582	187,839	68,990	940,921	187,839	0
2078	940,921	0	6,197	1,411	176,707	61,236	830,234	176,707	0
2079	830,234	0	5,747	1,245	165,472	53,706	722,971	165,472	0
2080	722,971	0	5,312	1,084	154,196	46,424	619,425	154,196	0
2081	619,425	0	4,892	929	142,944	39,406	519,849	142,944	0
2082	519,849	0	4,488	780	131,779	32,670	424,449	131,779	0
2083	424,449	0	4,101	637	120,763	26,227	333,377	120,763	0
2084	333,377	0	3,732	500	109,960	20,087	246,736	109,960	0
2085	246,736	0	3,381	370	99,433	14,254	164,568	99,433	0
2086	164,568	0	3,048	247	89,245	8,730	86,854	89,245	0
2087	86,854	0	2,735	130	79,458	3,510	13,511	79,458	0
2088	13,511	0	2,441	20	70,133	0	(54,202)	13,511	56,623
2089	(54,202)	0	2,167	0	61,329	0	(59,162)	0	61,329
2090	(59,162)	0	1,913	0	53,097	0	(51,183)	0	53,097
2091	(51,183)	0	1,679	0	45,481	0	(43,802)	0	45,481
2092	(43,802)	0	1,465	0	38,519	0	(37,054)	0	38,519
2093	(37,054)	0	1,270	0	32,232	0	(30,961)	0	32,232
2094	(30,961)	0	1,095	0	26,629	0	(25,534)	0	26,629
2095	(25,534)	0	938	0	21,706	0	(20,768)	0	21,706
2096	(20,768)	0	1,134	0	17,444	0	(16,310)	0	17,444
2097	(16,310)	0	1,401	0	13,812	0	(12,411)	0	13,812
2098	(12,411)	0	1,605	0	10,768	0	(9,163)	0	10,768

* Fiduciary Net Position based on financial statements provided by TCERA dated September 29, 2023.

Amounts in Thousands

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

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2099	(9,163)	0	1,757	0	8,258	0	(6,502)	0	8,258
2100	(6,502)	0	1,867	0	6,227	0	(4,360)	0	6,227
2101	(4,360)	0	1,945	0	4,612	0	(2,667)	0	4,612
2102	(2,667)	0	1,998	0	3,353	0	(1,355)	0	3,353
2103	(1,355)	0	2,034	0	2,391	0	(357)	0	2,391
2104	(357)	0	2,056	0	1,671	14	399	0	1,671
2105	399	0	2,071	1	1,144	61	1,387	0	1,144
2106	1,387	0	2,080	2	766	145	2,844	0	766
2107	2,844	0	2,086	4	502	259	4,683	0	502
2108	4,683	0	2,091	7	321	397	6,843	0	321
2109	6,843	0	2,095	10	201	555	9,283	0	201
2110	9,283	0	2,100	14	122	733	11,980	0	122
2111	11,980	0	2,106	18	73	927	14,922	0	73
2112	14,922	0	2,112	22	42	1,139	18,109	0	42
2113	18,109	0	2,120	27	24	1,367	21,545	0	24
2114	21,545	0	2,128	32	13	1,614	25,241	0	13
2115	25,241	0	1,547	38	7	1,857	28,600	0	7
2116	28,600	0	887	43	4	2,074	31,515	0	4
2117	31,515	0	382	47	2	2,265	34,113	0	2
2118	34,113	0	7	51	1	2,437	36,506	0	1
2119	36,506	0	(261)	55	0	2,599	38,789	0	0
2120	38,789	0	(443)	58	0	2,756	41,043	0	0
2121	41,043	0	(557)	62	0	2,913	43,338	0	0
2122	43,338	0	(617)	65	0	3,075	45,730	0	0
2123	45,730	0	(637)	69	0	3,245	48,270	0	0
Discount Rate:								7.15%	3.65%
Present Value: \$								2,841,883	\$ 35,047
Total Present Value:									\$ 2,876,930
GASB Discount Rate:									7.08%

* Fiduciary Net Position based on financial statements provided by TCERA dated September 29, 2023.

Amounts in Thousands

APPENDIX E – 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.

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

APPENDIX E – 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 TCERA's benefit obligations in the event of a plan termination or other similar action.

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



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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MINUTES OF THE BOARD OF RETIREMENT ADMINISTRATIVE COMMITTEE MEETING Wednesday, November 15, 2023 @ 10:00 a.m. TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 11:05 a.m. by Jim Young, Chair

II. ROLL CALL

Trustees Present: Jim Young, Ty Inman, Roland Hill
Alternate Present: George Finney
Staff Present: Leanne Malison, Retirement Administrator
Paul Sampietro, Assistant Retirement Administrator
Melanie Tyler, Secretary II

III. PUBLIC COMMENT

None

IV. AGENDA ITEMS

1. Discussion and possible action regarding the following items:
 - a. Review of Committee Minutes from the meeting of August 23, 2023

Motion to approve minutes as presented.

Motion: Inman
Second: Hill
Motion approved unanimously.
 - a. TCERA and TCERA Property, Inc. Preliminary Fiscal Year-to-Date Financial Statements, period ending September 30, 2023.

The Committee reviewed the financial statements.

Motion to approve the TCERA and TCERA Property, Inc. Fiscal Year-to-Date Financial Statements, period ending September 30, 2023 as presented.

Motion: Inman
Second: Hill
Motion approved unanimously.
 - b. Ratify Retirement Administrator and Assistant Retirement Administrator Expenses.

Motion to ratify the expenses as presented.

Motion: Hill

Second: Inman

Motion approved unanimously.

- c. Cheiron – Addendum to Agreement for Actuarial Services.

Ms. Malison reviewed Staff's recommendation regarding the proposed three-year extension of the contract for actuarial services with Cheiron. She also reviewed information regarding previous audits of Cheiron's work, including the most recent that was concluded in 2022.

Motion to recommend to the Board of Retirement the approval of Cheiron's proposal to extend the actuarial services contract for three years and to forego an audit at this time.

Motion: Hill

Second: Inman

Motion passed unanimously.

V. UPCOMING MEETING

1. To Be Determined

VI. ADJOURN

The meeting was adjourned at 11:25 a.m.

Jim Young, Chair



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.1.d

Agenda Date: November 15, 2023

Subject: Cheiron – Addendum to Agreement for Actuarial Services

Requests:

That the Administrative Committee:

1. Review the proposal from Cheiron to extend the current Agreement for Actuarial Services for an additional three years.
2. Provide a recommendation to the Board of Retirement regarding the proposal.

Summary:

The contract with Cheiron for actuarial services expires June 30, 2024 with the June 30, 2023 actuarial valuation and three-year experience study as the last studies included in the contract. Staff requested a proposal from Cheiron for a three-year extension of the current agreement. The proposal is attached for the Committee's review.

The terms of the proposal represent a roughly 5.5% increase in non-experience study fees in the first year, followed by increases of 3.33% in year 2 and 2.5% in year 3. The last update to the agreement reflected increases of 1.7% in the last two years of the contract. Staff considers these fee adjustments to be reasonable given historical rates of inflation and the recent spike in inflation.

For extensions of actuarial contracts previously approved, the Board has considered an actuarial audit to coincide with the contract renewal. The results of the June 30, 2023 three-year experience study indicated that TCERA's assumptions are borne out in actual experience. There have been only minor changes to actuarial assumptions since the last audit that was completed in 2022. The Board was satisfied with the results of that audit. The Public Pension Coordinating Council, which awards the annual Public Pension Standards Award for Funding and Administration, requires an audit every ten years in order to be eligible for the award. With an audit completed in 2022 and no significant changes to methods or assumptions, an audit at this time may not be necessary.

TCERA Staff is very satisfied with both the accuracy of reports and the level of service provided by Cheiron. Staff would support the approval of the extension of the contract with Cheiron.

Prepared by: Leanne Malison

**ADDENDUM NO. 3
TO AGREEMENT FOR ACTUARIAL SERVICES BETWEEN
TCERA AND CHEIRON, INC.**

WHEREAS the Board of Retirement (Board) of the Tulare County Employees Retirement Association (TCERA) and Cheiron, Inc. (Actuaries) entered into an Agreement for Actuarial Services (Agreement) on or about June 9, 2015, and Addendum No. 1 to the Agreement was adopted on or about January 23, 2018, and Addendum No. 2 to the Agreement was adopted on or about June 8, 2021, and

WHEREAS Section 5 (Modification) of said Agreement states in part that any matters of the Agreement may be modified from time to time by the written consent of all the parties,

NOW THEREFORE, effective July 1, 2024 (Effective Date), the parties agree to adopt Addendum No. 3 to the Agreement to be incorporated as part thereof and to read as follows:

Addendum No. 3

1. The Agreement is extended for an additional three-year period from July 1, 2024 through June 30, 2027 (Term). In respect of the Term, this Addendum shall supersede Section 2 (Consideration) and Exhibit A (Hourly Rates for Special Projects) to the Agreement.
2. The Retainer Fee for the year ending June 30, 2025 is \$96,000 covering the following items:
 - \$63,000 for the June 30, 2024 actuarial valuation,
 - \$24,000 for information required for TCERA's Comprehensive Annual Financial Report, including GASB 67 and 68 reporting, and
 - \$9,000 to perform the Basic Consulting services described in Section 1F of the Agreement, with the same adjustment for charges above or below the quarterly fee of \$2,250, for the fiscal year ending June 30, 2025.
3. The Retainer Fee for the year ending June 30, 2026 is \$99,200 covering the following items:
 - \$65,000 for the June 30, 2025 actuarial valuation,
 - \$25,000 for information required for TCERA's Comprehensive Annual Financial Report, including GASB 67 and 68 reporting, and
 - \$9,200 to perform the Basic Consulting services described in Section 1F of the Agreement, with the same adjustment for charges above or below the quarterly fee of \$2,300, for the fiscal year ending June 30, 2026.

4. The Retainer Fee for the year ending June 30, 2027 is \$146,650 covering the following items:

- \$66,500 for the June 30, 2026 actuarial valuation,
- \$25,750 for information required for TCERA's Comprehensive Annual Financial Report, including GASB 67 and 68 reporting,
- \$9,400 to perform the Basic Consulting services described in Section 1F of the Agreement, with the same adjustment for charges above or below the quarterly fee of \$2,350, for the fiscal year ending June 30, 2027, and
- \$45,000 for the Actuarial Experience Study for July 1, 2023 through June 30, 2026.

5. Hourly rates* for special projects not covered by the retainer are as follows:

Principal Consulting Actuary	\$420 - \$540
Consulting Actuary	\$310 - \$505
Associate Actuary	\$215 - \$330
Senior Actuarial Analyst	\$200 - \$255
Actuarial Analyst	\$170 - \$215
Administrative Assistant	\$125 - \$160

*For subsequent plan years, actual inflationary increases will apply.

6. All other terms of the Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the Effective Date.

For **CHEIRON, INC.**

For **TULARE COUNTY EMPLOYEES
RETIREMENT ASSOCIATION**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Tulare County Employees' Retirement Association

Results of the Financial Statement Audit for the Fiscal Year Ended June 30, 2023

Brown Armstrong

Accountancy Corporation

4200 Truxtun Avenue, Suite 300 | Bakersfield, CA 93309 | 661.324.4971 | Fax 661.324.4997

www.ba.cpa

Presented By: Andrew Paulden, CPA
Managing Partner



**BROWN
ARMSTRONG**
CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2023

Board of Retirement
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, California 93291

We are pleased to have the opportunity to present to you the results of our audit of the Tulare County Employees' Retirement Association (TCERA) financial statements for the fiscal year ended June 30, 2023.

We look forward to presenting this information and addressing your questions.

Sincerely,

Andrew Paulden, *Partner*
Brown Armstrong Accountancy Corporation



Agenda

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➤ Audit Timeline/Critical Dates	5
➤ Audit Areas of Focus	
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➤ Results of the Audit	
• Audit Opinions Issued	8
• Required Communication	8
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➤ Thank Staff/Questions?	10

Scope of Services Recap

- ❖ Audit of TCERA's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

- ❖ Other reports and communications required by professional standards including:
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (Yellow Book)
 - Required Communication to the Board of Retirement (AKA –SAS 114)

Audit Timeline/Critical Dates

- Planning/Population and Information Requests – April 2023
- Interim Procedures – Fieldwork – week of June 5, 2023
 - Walkthroughs and Understanding of Key Accounting Areas
 - Update Minutes and Agreements
 - Participant Testing– Active & Retired
- Final Procedures – Fieldwork – week of October 9, 2023
 - Substantiate all Accounts and Balances
 - Review Confirmation Responses
 - Exit Meeting with TCERA Management
- Funding Valuation and GASB Statement No. 67 Reports Review – November 2023
- Draft Reports and Recommendations and Assist Management with Review of the Annual Comprehensive Financial Report – November 2023
- Audit Opinions Issued – issued timely on December 6, 2023

Audit Areas of Focus

Significant Risk Areas	Brown Armstrong's Response
Revenue Recognition	<ul style="list-style-type: none">•Test of controls was performed over contribution amounts as part of participant data•Substantive analytics were performed
Management Override of Controls	<ul style="list-style-type: none">•Performed walkthroughs of significant areas•Test a sample of journal entries to ensure no inappropriate or unusual entries
Information Technology (IT)	<ul style="list-style-type: none">•Walkthrough performed over General Controls•Limited scope was performed

Audit Areas of Focus (Continued)

Significant Audit Areas	Brown Armstrong's Response
Investments and Related Earnings	<ul style="list-style-type: none">•Walkthrough of controls performed•High level analytics performed on investment income•Confirmation with custodian, managers, and consultants•Reviewed GASB Statement No. 72 valuation inputs and level determinations•Obtained audited financial statements and SOC reports for traditional investments and valuation methodologies, appraisals, for private equity and real estate
Participant Data and Actuary	<ul style="list-style-type: none">•Walkthrough and test of controls•Confirmed with actuary and employers•Testing of participant data, including active and terminated members, and employer payroll•GASB Statement No. 67
Employer and Employee Contributions	<ul style="list-style-type: none">•Walkthrough and test of controls•High level analytics
Benefit Payments	<ul style="list-style-type: none">•Walkthrough and test of controls•High level analytics

Results of the Audit

Report	Summary of Opinion / Required Communication
Report on Financial Statements (Opinion)	Unmodified (Clean)
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	<ul style="list-style-type: none"> •No noncompliance noted •No material weaknesses, significant deficiencies, or control deficiencies identified
Required Communication to the Audit Committee and Board of Administration in Accordance with Statement on Auditing Standards (SAS) 114	<ul style="list-style-type: none"> •Significant Estimates and Sensitive Disclosures Reviewed <ul style="list-style-type: none"> • Fair Value of Investments • Contributions and NPL Estimates <ul style="list-style-type: none"> ✓ Based on actuary assumptions •Proposed Audit Adjustments – None •Disagreements with Management – None •New Accounting Standards – No material impact

Financial Statement Review Process

- Review Process
- Quality Control
- GFOA Award

Thank Staff/Questions?

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Bakersfield, California 93309
Phone (661) 324-4971
Website: ba.cpa



**BROWN
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Retirement
Tulare County Employees' Retirement Association
Visalia, California

Report on the Audit of the Basic Financial Statements and the Other Information

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of Tulare County Employees' Retirement Association (TCERA), a pension trust fund of the County of Tulare, as of June 30, 2023, the Statement of Changes in Fiduciary Net Position for the fiscal year then ended, and the related notes to the basic financial statements, which collectively comprise TCERA's basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations of TCERA and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals, as of and for the fiscal year ended June 30, 2023, listed as other information in the table of contents.

In our opinion, the basic financial statements and the other information referred to above present fairly, in all material respects, the fiduciary net position of TCERA as of June 30, 2023, and the respective changes in fiduciary net position for the fiscal year then ended; the Schedule of Cost Sharing Employer Allocations of TCERA for the fiscal year ended June 30, 2023; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals, as of and for the fiscal year ended June 30, 2023, listed as other information in the table of contents, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Basic Financial Statements and the Other Information section of our report. We are required to be independent of TCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Basic Financial Statements and the Other Information

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

In preparing the financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all TCERA plan amendments; administering TCERA; and determining that TCERA's transactions that are presented and disclosed in the financial statements are in conformity with the TCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Basic Financial Statements and the Other Information

Our objectives are to obtain reasonable assurance about whether the basic financial statements and the other information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements and other information.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements and other information, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements and other information.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements and other information.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise TCERA's basic financial statements. The other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the additional information included in the annual comprehensive financial report. The additional information comprises the introductory, investment, actuarial, and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the additional information and consider whether a material inconsistency exists between the additional information and the basic financial statements, or the additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

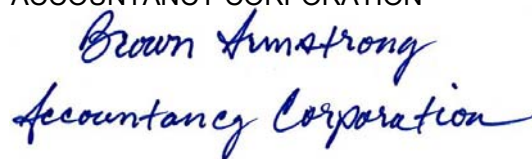
Report on Summarized Comparative Information

We have previously audited TCERA's June 30, 2022, basic financial statements and other information, and our reported dated November 29, 2022, expressed an unmodified opinion on those audited basic financial statements. In our opinion, the summarized comparative information presentation herein as of June 30, 2022, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of TCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 6, 2023

**TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

REPORT TO THE BOARD OF RETIREMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Retirement
Tulare County Employees' Retirement Association
Visalia, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tulare County Employees' Retirement Association (TCERA), a pension trust fund of the County of Tulare, as of and for the fiscal year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise TCERA's basic financial statements, and the Schedule of Cost Sharing Employer Allocations of TCERA, and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals (other information), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements and other information, we considered TCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements and other information, but not for the purpose of expressing an opinion on the effectiveness of TCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of TCERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TCERA's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TCERA's basic financial statements and other information are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the basic financial statements and other information. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCERA's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 6, 2023

**REQUIRED COMMUNICATION TO THE MEMBERS OF THE BOARD OF
RETIREMENT IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)**

Board of Retirement
Tulare County Employees' Retirement Association
Visalia, California

We have audited the basic financial statements, the Schedule of Cost Sharing Employer Allocations, and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals (other information) of Tulare County Employees' Retirement Association (TCERA), a pension trust fund of the County of Tulare, for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 12, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by TCERA are described in Note 1, Summary of Significant Accounting Policies, to the basic financial statements. As described in Note 1 to the basic financial statements, TCERA implemented Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, and Statement No. 99, *Omnibus 2022*, during the fiscal year ended June 30, 2023. We noted no transactions entered into by TCERA during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting TCERA's basic financial statements were:

Management's estimate of the fair value of investments was derived by various methods as detailed in Note 1, Summary of Significant Accounting Policies, Note 3, Deposit and Investment Risk Disclosures, and Note 4, Fair Value Measurement. We evaluated the methods, assumptions, and data used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the basic financial statements taken as a whole.

The contribution amounts and net pension liability as detailed in Note 1, Summary of Significant Accounting Policies, and Note 9, Net Pension Liability, which are based on the actuarially presumed interest rate and assumptions. We evaluated the methods, assumptions, and data used to develop the estimates of the contribution amounts and net pension liability in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements were:

The disclosures for deposits and investments in Notes 1, 3, and 4 to the basic financial statements, Summary of Significant Accounting Policies, Deposit and Investment Risk Disclosures, and Fair Value Measurement, respectively, were derived from TCERA's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes to the basic financial statements.

Additionally, the disclosure related to the funding policies, net pension liability, and actuarial methods and assumptions in Notes 2 and 9, Plan Description and Net Pension Liability, respectively, were derived from actuarial valuations, which involved estimates of the value of reported amounts and probabilities about the occurrence of future events.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were noted during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to TCERA's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as TCERA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Returns, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Administrative Expenses, Fees, Other Investment Expenses and Payments to Consultants, and Schedule of Net Position Restricted for Pension Benefits, which accompany the basic financial statements but are not RSI. With respect to this supplemental information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplemental information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves. In our opinion, the other supplementary information is fairly stated, in all material respects to the basic financial statements as a whole.

We were not engaged to report on introductory, investment, actuarial, and statistical sections, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This communication is intended solely for the use of the Board of Retirement and management of TCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 6, 2023

Tulare County Employees' Retirement Association

A Pension Trust Fund of the County of Tulare, California

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:

***The Accounting Department
Tulare County Employees' Retirement Association***

***Leanne Malison
Retirement Administrator***

***Paul Sampietro
Assistant Retirement Administrator***

***Jake Flores
Administrative Services Officer II***

***Tulare County Employees' Retirement Association
136 N Akers Street
Visalia, California 93291
(559) 713-2900 FAX (559) 730-2631***

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION "TCERA"

***TCERA** is a retirement system, organized under the County Employees Retirement Law of 1937, which provides retirement, disability, and death benefits to the employees, retirees, and former employees of the County of Tulare, the Tulare County Superior Court, and the Strathmore Public Utility District.*

TCERA's principal responsibilities include: management of the trust fund; delivery of retirement, disability, and death benefits to eligible members; administration of cost-of-living programs; and general assistance in retirement and related benefits.

Mission Statement

To provide retirement compensation, death and disability benefits to Tulare County and outside district retirees and their beneficiaries. To provide services for plan members to assist them in planning for their retirement. To preserve and maintain the assets of the system through prudent investment of employee and employer contributions, while maintaining a sound funded status for the system.



TCERA Commitment

TCERA is committed to providing excellent service for its plan participants. The Mission is achieved through a competent, professional, impartial and open decision making process. Investments are managed to decrease risk while increasing returns. TCERA exists for the sole purpose of providing benefits to our members with the goals of maximizing member service, enhancing member communication to increase awareness of available benefits, and minimizing employer contributions.



Goals

- To enhance communications with members and employers.
- To develop an environment which improves the Retirement Board's ability to fulfill its fiduciary responsibilities.
- To improve the level and delivery of services provided to plan participants.
- To achieve and sustain top quartile investment performance as measured by the Public Fund Universe.
- To attract, develop and retain competent and professional staff.

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introductory section

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COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

Letter of Transmittal

December 6, 2023

Board of Retirement and Plan Participants
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291-5121

Dear Board Members and Plan Participants:

The Tulare County Employees' Retirement Association (TCERA) staff is submitting for your review the Annual Comprehensive Financial Report of the Tulare County Employees' Retirement Association for the fiscal year ended June 30, 2023, TCERA's 78th year of operation. The information contained in this report is designed to provide a complete and accurate review of the year's operations. The required financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Brown Armstrong Accountancy Corporation, independent auditor, has audited the financial statements. Management is responsible for the contents of this report and believes that internal controls are adequate and that the accompanying statements, schedules, and tables are fairly presented.

TCERA AND ITS SERVICES

Currently, TCERA (also referred to as the Association or the Plan) has three plan sponsors. The Plan was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by the County of Tulare (the County). On July 1, 1968, the Strathmore Public Utility District joined the members of TCERA under the Association's provisions. Effective January 1, 2004, the Tulare County Superior Court (TCSC) separated from the County. TCERA established TCSC as a separate plan sponsor, which provides inclusion in membership for new employees while retaining the prior County employees with continuing membership.

TCERA is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, other California Government Code sections applicable to TCERA, applicable sections and regulations of the United States Internal Revenue Code, and the bylaws, procedures and policies adopted by TCERA's Board of Retirement (the Board). The Tulare County Board of Supervisors may also adopt resolutions, as permitted by the County Employees Retirement Law of 1937, which may affect benefits of TCERA members.

The Board is responsible for determining TCERA's investment objectives, strategies, policies, and general management of TCERA. The Retirement Administrator is accountable for TCERA's operations and is an advisor to the nine member Board.

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

During this fiscal year our initiatives, service efforts and accomplishments have continued to reflect the five stated goals of TCERA:

Enhance Communications with Members and Employers

- TCERA continues to focus on opportunities provided to members to increase their knowledge regarding TCERA and retirement benefits by continually evaluating and updating its educational seminars presented to members. TCERA's many seminars are offered primarily through a web meeting platform. This has been successful in ensuring that participation in seminars is not limited due to space or location, allowing TCERA to accommodate more participants.
- Member benefit statements distributed annually provide not only contribution balance information, but also projected benefit estimates for vested members. This gives members an additional tool for their retirement planning. Because these statements are generated directly from TCERA's pension administration system, TCERA is able to distribute these statements quickly without relying on a third party for printing and distribution.
- *Pension Progress*, TCERA's quarterly newsletter, continues to provide up to date information for all members. Electronic distribution for active members and website access ensure timely delivery and easy access for participants.
- TCERA maintains member web services called *My TCERA*. *My TCERA* provides active members access to their demographic and balance information as well as the ability to calculate preliminary retirement benefit estimates using their current data. Retired members have access to payment acknowledgments and 1099R information and can submit updates to certain pension information. The *My TCERA* Retirement Modeler gives members the opportunity to use "what if" scenarios to assist with achieving their retirement goals. After enrolling in web services, *My TCERA* is accessible to members through a link available on TCERA's website.
- TCERA updates Facebook and Twitter communications with relevant news and information for its members. The use of social media provides yet another means of reaching TCERA members with important information.
- TCERA provides a live stream of Board of Retirement meetings via YouTube to allow the public to see and hear the information presented to the Board and the resulting actions.
- Retirement Specialists from TCERA engage with plan participants at Tulare County's annual Health Fair. This provides the opportunity for TCERA to provide answers to retirement questions and direct participants to resources available on TCERA's website as well as TCERA's local office. The Health Fair also gives the Retirement Specialists the chance to explain the benefits of enrollment in *My TCERA* web access.

Develop an Environment which Improves the Retirement Board's Ability to Fulfill its Fiduciary Responsibilities

- The Board trustees continue their focus on Board education. Trustees are encouraged to attend seminars and conferences offered through qualified outside organizations. Trustees also have the opportunity to participate in web-based presentations from investment managers and professional organizations. In addition, the Board has ramped up its internal education, offering on-site education on various administrative and investment topics. The educational opportunities in this fiscal year's education calendar covered Environmental, Social and Governance (ESG) impacts to investments, private markets investing, actuarial methods and assumptions, and parliamentary procedures. These sessions were in addition to quarterly investment education from TCERA's investment consultant. TCERA's investment managers are invited to meet with the Board on a biennial basis, providing more focused education on individual investments. The presentations from TCERA's investment managers are conducted in person to provide better interaction between the trustees and vendors.
- The Board reviews and discusses TCERA's actuarial methods and assumptions on an annual basis, including TCERA's interest rate assumption. This year, the Board elected to maintain the current compounded rate of 7.00%. This was the result of the Board's continued analysis of projected investment returns, associated risk, and the recommendations of TCERA's actuary regarding the interest rate assumption. The Board acknowledged that maintaining the rate at its current level will place the plan in a favorable position for reaching its long-term investment return goals and achieving full funding status.

- The Board acknowledged its fiduciary responsibility in administrative matters through the periodic review of Board policies and resolutions. This year the Board updated or implemented policies regarding minor child eligibility, invoice approval, performance evaluation of TCERA executive staff, hearing officer qualifications, trustee subscription allowance, and the temporary annuity benefit option. In addition, the Board updated TCERA's by-laws to reflect changes in laws and practices affecting TCERA administration. The Board also updated resolutions regarding compensable pay codes.

Improve the Level and Delivery of Services Provided to Plan Participants

- TCERA continued to enhance its Pension Administration System and develop improved processes and workflow through expanded use of the system's capabilities. Staff worked to gain efficiencies in the use of the CPAS system and to refine procedures to make the best use of the system's features.
- Administration implemented focused training in retirement law for TCERA employees to ensure that staff members interacting with members are knowledgeable about the legal aspects of pension administration in addition to the required knowledge of calculations and processes.
- The COVID pandemic was the impetus for expanding the available ways for members to receive counseling regarding retirement and other TCERA benefits. TCERA now offers in-person, phone, email, and on-line meetings via Zoom and Microsoft Teams for discussing benefits and receiving assistance with the completion of required paperwork. Providing choices ensures that members can receive important information and assistance using the medium that works best for their situation.
- TCERA implemented the use of Docusign, software designed to facilitate and document electronic signatures. As approved by the Board, this streamlines the execution of TCERA documents for members who live out of the area or are physically unable to meet with staff at the TCERA office. The use of Docusign confirmed signatures on these documents eliminate the need to use the postal system to provide documents to TCERA.

Achieve and Sustain Top Quartile Investment Performance as Measured by the Public Fund Universe

- The Board conducted its annual review of its investment policy including TCERA's strategic asset allocation. No changes were made to the allocation this year. The trustees were satisfied with the updates made last year, increasing Domestic Equity from 25% to 26%, increasing International Equity from 15% to 16%, decreasing Fixed Income from 27% to 20%, decreasing real assets from 20% to 18%, and increasing Private Markets from 10% to 17%. These changes included the addition of two new asset classes, Opportunistic Real Estate and Infrastructure, and the elimination of Global Fixed Income. This asset mix provided a slightly higher long-term forecasted return than the previous policy while maintaining an acceptable level of risk in the portfolio.
- Verus Advisory, Inc., TCERA's investment consultant with discretionary authority to build out TCERA's Private Markets portfolio, added several new investments to the portfolio. Verus continues to seek out opportunities as they work to achieve TCERA's target allocations. The discretionary contract was the result of last year's decision to increase the target percentage for investments in Private Markets. After considering the legacy Fund of Funds investment model, Fund of One, and Direct Investing, the Board determined that it would be beneficial to use Direct Investing for its Private Markets portfolio and updated the investment policy accordingly.
- TCERA's investments returned 7.0%, gross of fees (6.5% net of fees) for the fiscal year ending June 30, 2023, ranking in the 77th percentile of its peer group. The return is encouraging in that it meets TCERA's 7.0% investment return assumption, although it does represent a less favorable comparison to its peers over the prior year's ranking in the 35th percentile. The return performed better than the Plan's gross of fees policy benchmark of 6.9%. The ten-year portfolio return is 6.8%, just under the investment return assumption. All asset classes, with the exception of domestic equity, met or exceeded the returns of their benchmarks. The primary driver of TCERA's positive return was the recovery of the equity markets during the fiscal year. Interest rates, inflation, and geopolitical turmoil are expected to continue to add volatility and uncertainty in the near term. As a long-term investor, TCERA is focused on the future and expects to weather future market cycles. TCERA's goal is to achieve expected returns and improved peer rankings through the implementation of its strategic investment allocation.

- TCERA’s policy of smoothing asset returns allowed the Board to authorize the posting of positive interest for both December 31, 2022 and June 30, 2023 to all plan reserves. The fiscal year’s successful investment outcome allowed some gains to be deferred to be used in the future to act as a offset in years when TCERA does not meet the expected return. That return along with the recognition of previous gains and losses caused the smoothed rate used for interest posting to fall short of the interest assumption rate of 7.00% in effect for the fiscal year. The Board is confident that, barring unforeseen market turmoil, the implementation of its asset allocation combined with positive market environments will produce future investment performance in line with TCERA’s goals. Member accounts and applicable reserves were credited with interest as follows:

December 31, 2022	Tiers 1-3 – 2.6257% Tier 4 – 2.5016%
June 30, 2023	Tiers 1-3 – 2.8011% Tier 4 – 2.3583%

Attract, Develop, and Retain Competent and Professional Staff

- The Board authorized the review of TCERA’s Retirement Specialist positions to ensure that the job descriptions remain relevant and the compensation structure competitive. The result was an increase in the salary ranges for these positions. The Retirement Specialists are the primary contacts for member questions and are responsible for all benefit calculations and processes. Ensuring that these positions offer salaries commensurate with the responsibilities is important in attracting and retaining these valuable staff members.
- The position of Retirement Specialist Supervisor, after remaining vacant for a lengthy period of time, was offered to and accepted by a long-term employee of TCERA. The ability to promote from within is critical to retaining qualified staff. This position provides direct oversight of the Retirement Specialists, giving these positions the supervisory attention they deserve. It is also an important step in fostering an environment that will ensure that TCERA meets its goals for customer service. Developing staff for promotional opportunities is an important element in providing an attractive career path for TCERA’s employees.
- TCERA continued its focus on cross-training and professional development for all staff members. Weekly staff meetings provide an environment for exchange of information and training for issues affecting all TCERA employees. Job specific meetings and training in various aspects of pension administration and pension plan accounting are in place to provide more focused training and discussion.
- Staff members participated in on-site training and off-site seminars and roundtables to bolster their understanding of retirement principles and accounting concepts as available.

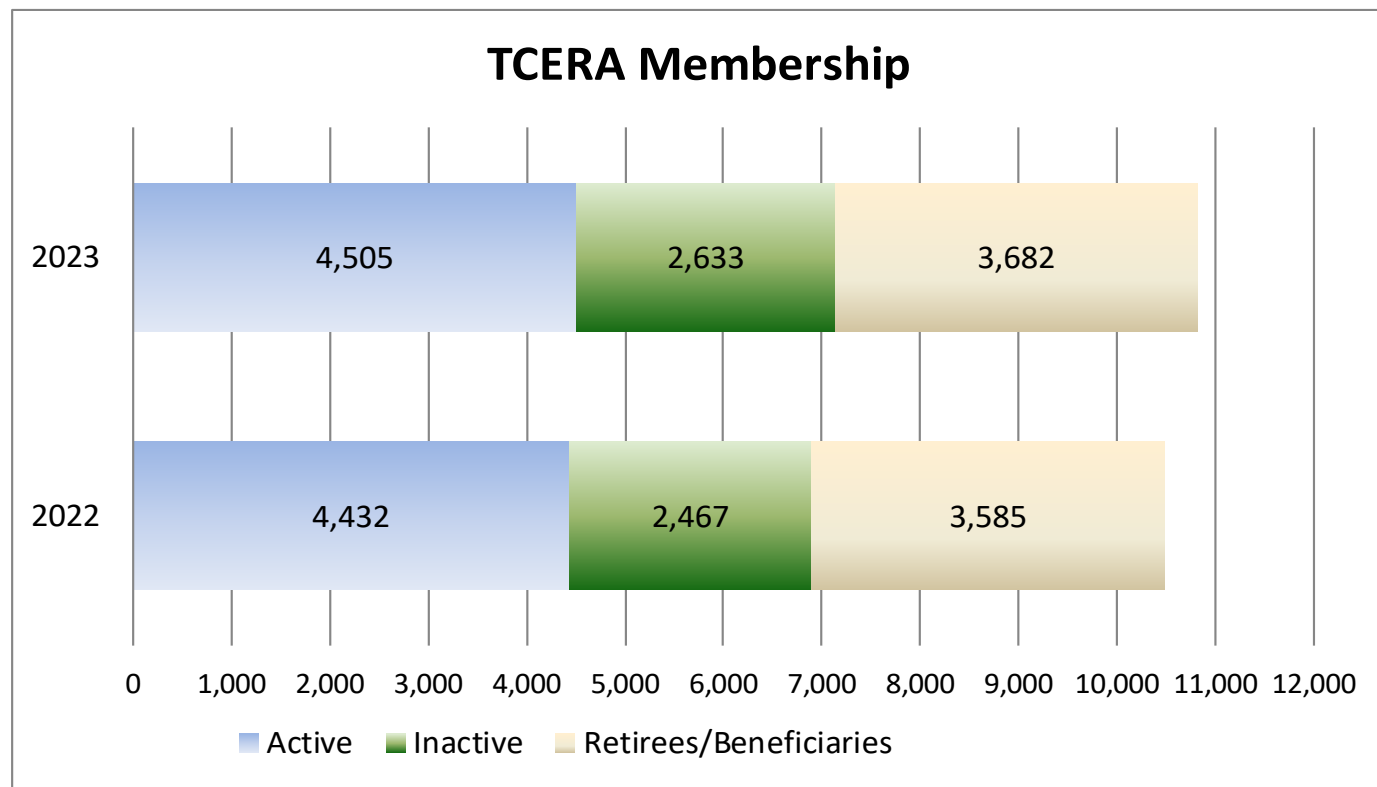
MEMBERSHIP

All permanent County, Strathmore Public Utility District, and TCSC employees working 50% or more in a regular allocated position are members of the Association.

TCERA's Membership

As of June 30, 2023 and 2022

	2023	2022
Active Plan Participants (vested/non-vested)	4,505	4,432
Inactive Participants (vested/non-vested)	2,633	2,467
Service Retirees	2,808	2,711
Disability Retirees	348	345
Survivors/Beneficiaries	526	529
Total Retirees/Beneficiaries	3,682	3,585
Total Members	10,820	10,484



The Association's membership consists of General and Safety members who participate in one of the following four tiers:

Tier 1 – Includes all members who have a membership date on or before December 31, 1979. The County pays one-half of Tier 1 members' normal contributions. Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living adjustment annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to IRS Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 – Includes all members who have a membership date from January 1, 1980 through December 31, 1989. Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2% cost-of-living adjustment annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRS Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 – Includes all members who have a membership date from January 1, 1990 through December 31, 2012. Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% cost-of-living adjustment annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 – Includes all members who have a membership date on or after January 1, 2013 and are not eligible for reciprocal membership with another qualified retirement system. Tier 4 was established in response to the provisions of the California Public Employees' Pension Reform Act of 2012 (PEPRA). Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% cost-of-living adjustment annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

The covered payroll for all tiers for fiscal years ended June 30, 2023 and 2022 as reported in the most recent actuarial Governmental Accounting Standards Board (GASB) Statement No. 67/68 report dated June 30, 2023 was \$306.49 million and \$288.63 million, respectively.

INVESTMENTS - General Authority

Article XVI, Section 17 of the Constitution of the State of California provides that “Notwithstanding any other provisions of law or this Constitution, the Retirement Board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for the investment of moneys and administration of the system...”

Article XVI, Section 17(a) of the Constitution of the State of California provides that “the Retirement Board of a public pension or retirement system shall have sole and exclusive fiduciary responsibility over the assets...”

Article XVI, Section 17(c) of the Constitution of the State of California provides that “the members of the Retirement Board of a public pension or retirement system shall discharge their duties... with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aim.” By permitting further diversification of investments within a fund, the prudent expert standard may enable a fund to reduce overall risk and increase returns. A summary of TCERA’s asset allocation can be found in the Investment Section of this report.

The prudent expert rule permits the Board to establish investment policy based upon professional advice and counsel and allows for the delegation of investment authority to professional advisors. TCERA’s Investment Policy outlines the responsibility for the investments of the fund and the degree of risk that is deemed appropriate for the fund. Investment advisors are to carry out their responsibilities in accordance with the Board’s policies and guidelines.

TCERA’s investment return calculations as reported in the Investment Section of this report are time-weighted and market value based. For the fiscal years ended June 30, 2023 and June 30, 2022, TCERA’s investments, net of fees, provided a 6.5% and -5.9% time-weighted rate of return, respectively. TCERA’s annualized rate of return net of fees over the last three years was 7.8%. For the 5-year period, the fund returned 5.9% annualized. Details regarding investment performance are included in the Investment Section of this report.

FINANCIAL INFORMATION

Internal Control

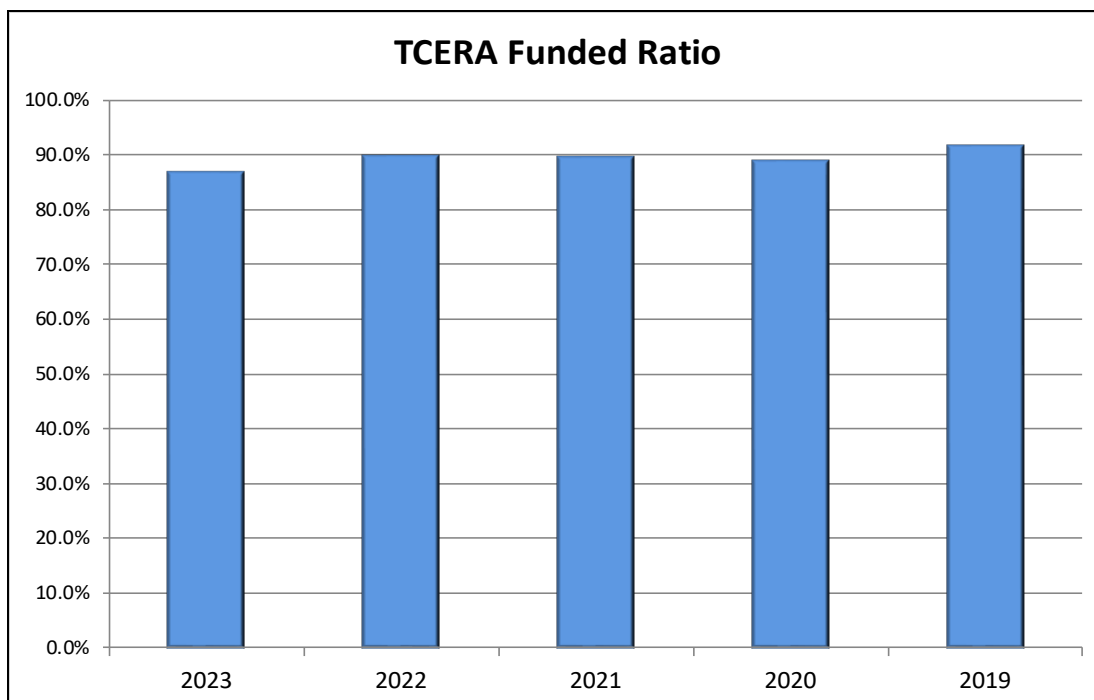
TCERA's management is responsible for implementing and sustaining internal controls designed to provide prudent assurance regarding the protection of assets and the reliability of financial records.

In developing and maintaining TCERA's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. TCERA recognizes that even sound internal controls have inherent limitations. We believe that TCERA's internal accounting controls adequately safeguard assets and provide reasonable assurance that all financial transactions are properly recorded and they are designed to provide reasonable, but not absolute, assurance that these objectives are met. These controls have been improved with the implementation of an integrated pension administration system.

Funding Status and Objective

The policy of the Board is to provide for an actuarial valuation on an annual basis, with an experience study to be conducted every three years. As of June 30, 2023, the date of the last actuarial evaluation, the actuarial value basis funded ratio for TCERA was 87.0%. Over time, TCERA seeks to reach full funding status. To further that end, TCERA has adopted a 19-year layered amortization of the unfunded actuarial liability to ensure that liabilities are fully paid over the amortization period. TCERA's primary funding objective, however, is to maintain a funded status that will allow for the payment of its long-term benefit obligations through contributions and investment income. TCERA will establish contribution rates that, to the extent possible, will remain as a level percentage of payroll over time and will fully fund the liability for each participant by the participant's retirement date. Toward that end, the following chart displays TCERA's healthy and relatively stable funded ratio over recent years:



Not displayed in the chart is the substantial increase in the funded status as of June 30, 2017 as compared to prior periods, primarily due to the issuance of \$250 million in Pension Obligation Bonds by the County. TCERA's independent actuary, Cheiron, was authorized to produce a revised valuation for June 30, 2017 that included a receivable for the expected \$250 million contribution. The bond proceeds were received by TCERA on June 30, 2018.

Additional Discussion and Analysis of Fiscal Operations for the Fiscal Year

An overview of TCERA's fiscal operations is presented in the Management's Discussion and Analysis (MD&A) preceding the financial statements. This transmittal letter, when taken into consideration with the MD&A, provides an enhanced picture of the activities of the pension fund.

CERTIFICATES OF ACHIEVEMENT AND AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TCERA for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TCERA's Popular Annual Financial Report (PAFR), designed to provide the public with an understanding of TCERA's overall financial condition and enhanced services, achieved the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the fiscal year ended June 30, 2022.

In addition, TCERA applied for and was awarded the Public Pension Standards Award for Funding and Administration for 2023. This award is presented by the Public Pension Coordinating Council in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards. The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR).

ACKNOWLEDGMENTS

The preparation of the annual report on a timely basis is made possible by the effective teamwork of TCERA staff. It is intended to provide concise and reliable information reflecting the Board's management of its fiduciary responsibility to TCERA's trust fund and participants. I would like to thank our contract auditor, Brown Armstrong Accountancy Corporation, for their guidance and assistance.

On behalf of TCERA Board of Retirement and staff, I would like to take this opportunity to express our appreciation to the advisors, consultants, and to the many people who have worked so diligently to ensure the success of TCERA.

Respectfully submitted,



Leanne Malison
Retirement Administrator

GFOA Certificate of Achievement



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tulare County Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO

Public Pension Standards Award



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2023***

Presented to

Tulare County Employees' Retirement Association

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

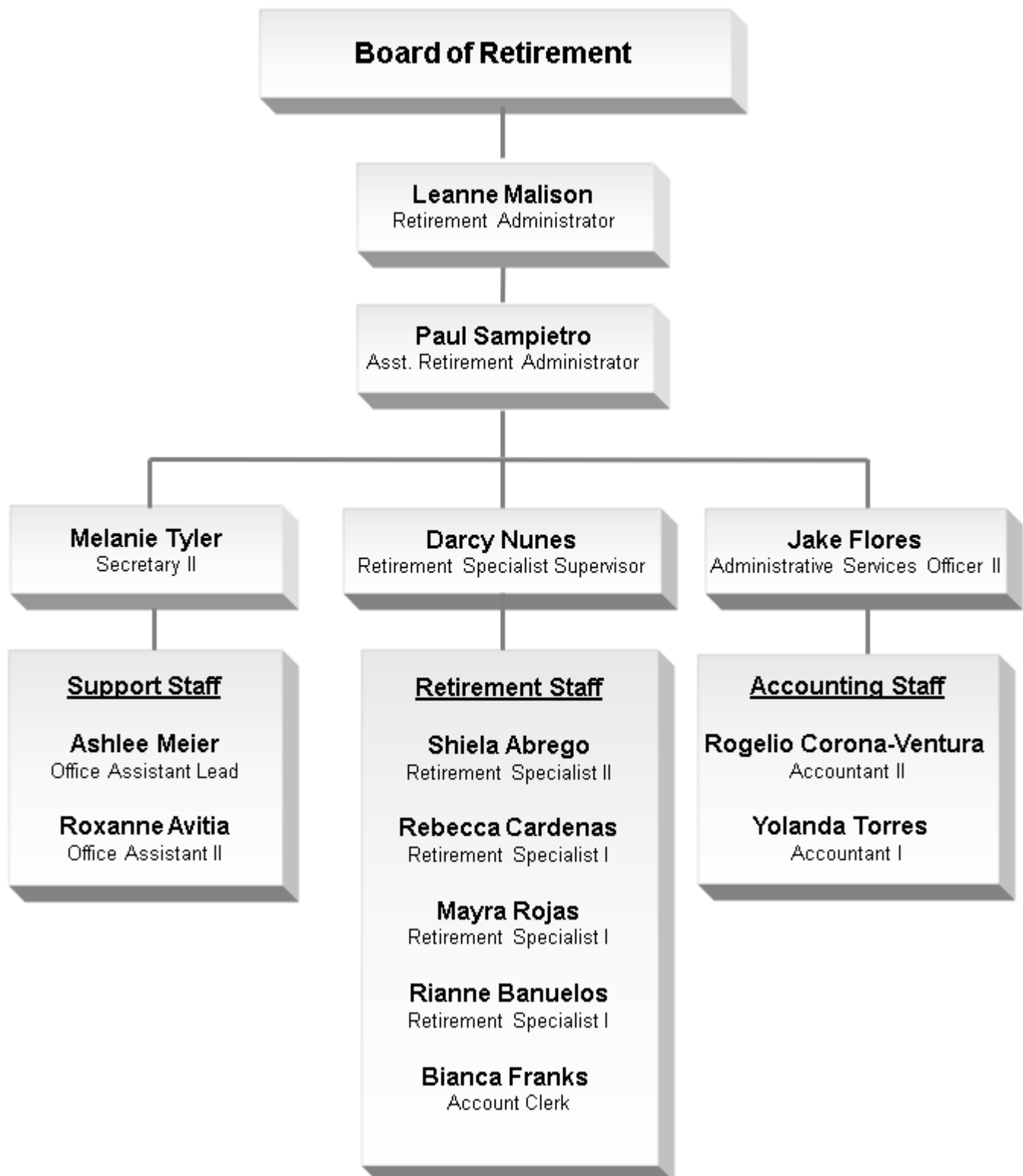
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Alan H. Winkle'.

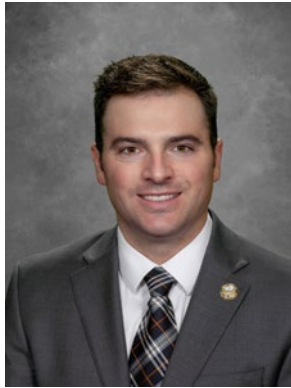
Alan H. Winkle
Program Administrator

TCERA Organizational Chart

As of June 30, 2023



Members of the Board of Retirement
At June 30, 2023



Pete Vander Poel, Chair
Appointed by the
Board of Supervisors
Present term expires 12/31/2025



James Young, Vice Chair
Appointed by the
Board of Supervisors
Present term expires 12/31/2024



Nathan Polk
Safety Membership Representative
Elected by Safety Members
Present term expires 12/31/2024



B. Ty Inman
General Membership Representative
Elected by General Members
Present term expires 12/31/2024



Laura Hernandez
General Membership Representative
Elected by General Members
Present term expires 12/31/2025



Gary Reed, Member
Appointed by the
Board of Supervisors
Present term expires 12/31/2025

Members of the Board of Retirement (Cont.)



Cass Cook, Member
Auditor-Controller/Treasurer-Tax
Collector
Ex-Officio Member



Jorge Garcia-Perez, Alternate
Ex-Officio Alternate
For Auditor/Controller/Treasurer-Tax
Collector



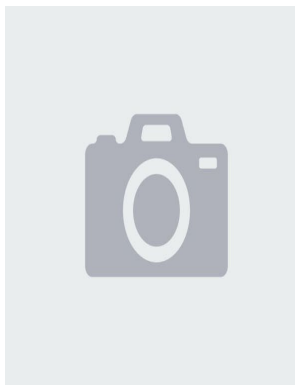
David Vasquez, Alternate
Safety Membership Representative
Elected by Safety Members
Present Term expires 12/31/2024



Roland Hill, Member
Retired
Elected by Retired Members
Present term expires 12/31/2025



George Finney, Alternate
Retired
Elected by Retired Members
Present term expires 12/31/2025



Vacant Seat
Appointed by the
Board of Supervisors
Present term expires 12/31/2024

List of Professional Consultants

AUDITOR

Brown Armstrong Accountancy Corporation

ACTUARY

Cheiron, Inc.

CUSTODIAN/SECURITIES LENDING

BNY Mellon Global Securities Services

DATA PROCESSING

Tulare County Information & Communications Technology

CUSTODIAL BANK

BNY Mellon

LEGAL COUNSEL

Tulare County Counsel

Nossaman LLP

Hanson Bridgett LLP

INVESTMENT CONSULTANT

Verus Advisory, Inc.

List of Professional Investment Managers

Additional information regarding investment managers, including asset allocation and performance, can be found in the Investment Section of this report. The Schedule of Investment Management Fees and the Brokerage Policy/Commission Recapture can be found on pages 78-79 of the Investment Section.

EQUITY: DOMESTIC

Boston Partners
State Street Global Advisors
William Blair Investment Management
PGIM Quantitative Solutions
Leeward Investments, LLC

EQUITY: INTERNATIONAL

PIMCO RAE
State Street Global Advisors
SG Advisers LP

EQUITY: GLOBAL

Kleinwort Benson Investors (KBI)

FIXED INCOME: DOMESTIC

BlackRock Financial Mgmt., Inc.
MacKay Shields, LLC
DoubleLine Capital LP
State Street Global Advisors

FIXED INCOME: GLOBAL

PGIM, Inc.

REAL ASSETS

RREEF America, LLC
Invesco Commercial Mortgage
American Realty Advisors
State Street Global Advisors
IFM Global Infrastructure, LLC
Verus Advisory, Inc.

PRIVATE EQUITY

Pantheon Ventures, Inc.
BlackRock Alternative Advisors
StepStone Group
Ocean Avenue Capital Partners
Pathway Capital Mgmt.
Verus Advisory, Inc.

PRIVATE CREDIT

Sixth Street Partners
Verus Advisory, Inc.

OPPORTUNISTIC

KKR Capital Markets, LLC
PIMCO Investments, LLC
Sixth Street Partners

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financial section

Independent Auditor’s Report



www.ba.cpa
661-324-4971

INDEPENDENT AUDITOR’S REPORT

Board of Retirement
Tulare County Employees’ Retirement Association
Visalia, California

Report on the Audit of the Basic Financial Statements and the Other Information

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of Tulare County Employees’ Retirement Association (TCERA), a pension trust fund of the County of Tulare, as of June 30, 2023, the Statement of Changes in Fiduciary Net Position for the fiscal year then ended, and the related notes to the basic financial statements, which collectively comprise TCERA’s basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations of TCERA and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals, as of and for the fiscal year ended June 30, 2023, listed as other information in the table of contents.

In our opinion, the basic financial statements and the other information referred to above present fairly, in all material respects, the fiduciary net position of TCERA as of June 30, 2023, and the respective changes in fiduciary net position for the fiscal year then ended; the Schedule of Cost Sharing Employer Allocations of TCERA for the fiscal year ended June 30, 2023; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals, as of and for the fiscal year ended June 30, 2023, listed as other information in the table of contents, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Basic Financial Statements and the Other Information section of our report. We are required to be independent of TCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Basic Financial Statements and the Other Information

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

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

In preparing the financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all TCERA plan amendments; administering TCERA; and determining that TCERA's transactions that are presented and disclosed in the financial statements are in conformity with the TCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Basic Financial Statements and the Other Information

Our objectives are to obtain reasonable assurance about whether the basic financial statements and the other information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements and other information.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements and other information, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements and other information.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements and other information.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise TCERA's basic financial statements. The other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the additional information included in the annual comprehensive financial report. The additional information comprises the introductory, investment, actuarial, and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the additional information and consider whether a material inconsistency exists between the additional information and the basic financial statements, or the additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited TCERA's June 30, 2022, basic financial statements and other information, and our reported dated November 29, 2022, expressed an unmodified opinion on those audited basic financial statements. In our opinion, the summarized comparative information presentation herein as of June 30, 2022, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of TCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 6, 2023

Management's Discussion and Analysis

We are pleased to provide this overview and analysis of the financial activities of the Tulare County Employees' Retirement Association (TCERA, the Association, or the Plan) for the fiscal year ended June 30, 2023. We encourage readers to take into account the information presented here in conjunction with additional information that we have furnished in the Letter of Transmittal beginning on page 1 in this Annual Comprehensive Financial Report.

Financial Highlights

- At the close of the fiscal year 2023, TCERA's Fiduciary Net Position restricted for pension benefits was \$1.9 billion. The Fiduciary Net Position is held in trust for the payment of pension benefits to participants and their beneficiaries and is available to meet TCERA's ongoing obligations.
- TCERA's total Fiduciary Net Position restricted for pension benefits increased by \$85.0 million, or 4.7%, primarily because of an increase in the fair value of investments.
- TCERA's primary funding objective is to maintain a funded status that will allow for the payment of its long-term benefit obligations through contributions and investment income. TCERA will establish contribution rates that, over time, will remain as a level percentage of payroll and will fully fund the liability for each participant by the participant's retirement date. As of June 30, 2023, the date of the last actuarial valuation, the funded ratio for TCERA was 87.0%. In general, this indicates that for every dollar of benefits due TCERA had approximately \$0.87 of assets available for payment as of that date.
- Revenues (additions to Fiduciary Net Position) for the fiscal year ended June 30, 2023, totaled \$197.3 million, which includes employer contributions of \$45.2 million, Plan member contributions of \$28.0 million, net investment income of \$124.1 million, and lease and other income of \$0.2 million.
- Expenses (deductions from Fiduciary Net Position) for the fiscal year ended June 30, 2023, totaled \$112.3 million, which includes retiree benefits of \$103.4 million, member refunds of \$6.1 million, and administrative expenses of \$2.8 million.

Overview of the Financial Statements

This management's discussion and analysis introduces the readers to TCERA's basic financial statements, the **Statement of Fiduciary Net Position** and the **Statement of Changes in Fiduciary Net Position**.

The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities.

The Statement of Changes in Fiduciary Net Position, conversely, provides a view of the current year additions to and deductions from the fund.

TCERA's basic financial statements and the note disclosures to the basic financial statements are in compliance with accounting principles generally accepted in the United States of America for governments (GAAP) as established by the Governmental Accounting Standards Board (GASB). GAAP requires certain disclosures and also requires entities such as TCERA to report using the full accrual method of accounting. The full accrual method of accounting is similar to a for-profit pension system's accounting as revenues are recognized when earned and expenses when incurred, regardless of when cash is transferred. TCERA complies with all material requirements of GAAP.

Management's Discussion and Analysis

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report information about TCERA's balances as of the end of the fiscal year and its activities during the year. All investment gains and losses are shown at trade date, not settlement date. In addition, both realized gains and losses are shown on investments, and all Capital Assets are depreciated over their useful lives.

These two statements summarize TCERA's Fiduciary Net Position restricted for pension benefits. Net Position restricted for pension benefits is the difference between assets and liabilities and is one way to measure the Plan's financial position. Over time, increases and decreases in TCERA's Fiduciary Net Position restricted for pension benefits serve as one indicator of whether the Plan's financial health is improving or deteriorating. Other factors, such as market conditions and funded ratio, should also be considered in measuring TCERA's overall health. (See TCERA's financial statements on pages 27-28 of this report.)

Supporting the disclosures in the financial statements are the notes to the basic financial statements. Also included in this Annual Comprehensive Financial Report, in addition to this discussion and analysis, are the introductory section, required supplemental information, other supplemental information, and investment, actuarial and statistical sections. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. (See Notes to Basic Financial Statements on pages 29-51 of this report.)

Required Supplementary and Other Supplemental Information is included in addition to the basic financial statements and accompanying notes on pages 52-56. Required supplementary information is presented due to the provisions of the Governmental Accounting Standards Board (GASB). Other supplemental information enhances the reader's understanding of TCERA's operations, as do the supporting schedules. Contained within the required supplementary information is information regarding TCERA's progress in funding its obligations to members. Page 90 of the actuarial section includes a Schedule of Funding Progress.

The Schedule of Administrative Expenses, Fees, Other Investment Expenses and Payments to Consultants, and the Schedule of Net Position Restricted for Pension Benefits are other supplemental information and are presented on pages 57-59 immediately following the required supplementary information on pensions of this report.

Other Information, which includes two schedules pertaining to GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The two schedules include the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, is provided on pages 60-62.

Financial Analysis

As previously noted, the Fiduciary Net Position may serve over time as a useful indication of TCERA's financial position (see Table 1 on the following page). The assets of TCERA exceeded its liabilities at the close of the fiscal year June 30, 2023. As of June 30, 2023, \$1.9 billion in Fiduciary Net Position was restricted for pension benefits. All of the Net Position is available to meet TCERA's ongoing obligation to plan participants and their beneficiaries.

As of June 30, 2023, Fiduciary Net Position increased by 4.7% over the prior fiscal year primarily due to an increase in the fair value of investments. The changes in total assets and total liabilities were the result of decreased cash, decreases in receivables and payables for purchases of investments, and decreased collateral and obligations under TCERA's securities lending program during the fiscal year.

Despite any challenging short-term variations in the stock market, TCERA remains in a financial position that will enable the Plan to meet its future obligations to participants and beneficiaries. TCERA remains focused on the long-term performance of the fund, dependent on a strong and successful investment program, risk management, and strategic planning.

Management's Discussion and Analysis

TCERA'S FIDUCIARY NET POSITION (Table 1)

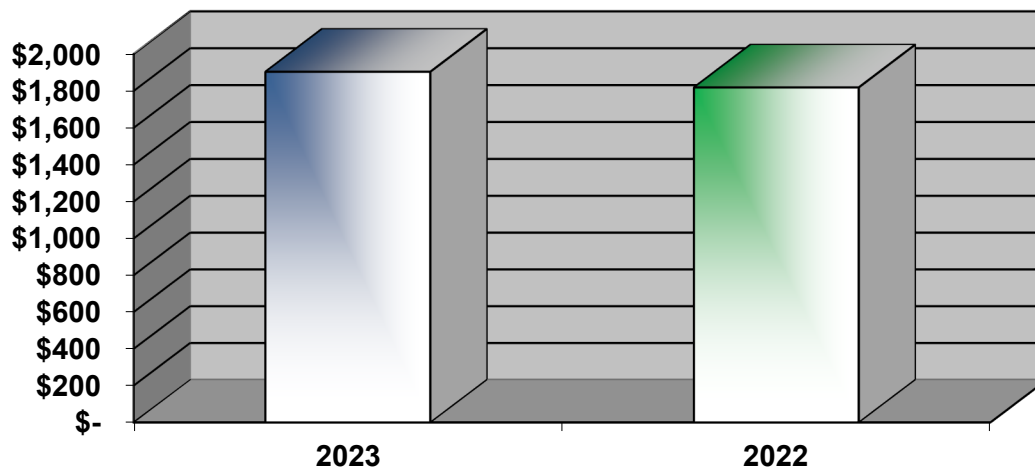
As of June 30

(dollars in thousands)

	2023	2022	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)
Current and Other Assets	\$ 34,837	\$ 47,436	\$ (12,599)	-26.56%
Investments at Fair Value	1,910,627	1,824,016	86,611	4.75%
Capital Assets, Net	1,077	1,116	(39)	-3.49%
Total Assets	1,946,541	1,872,568	73,973	3.95%
Total Liabilities	42,487	53,559	(11,072)	-20.67%
Fiduciary Net Position	\$ 1,904,054	\$ 1,819,009	\$ 85,045	4.68%

TCERA'S FIDUCIARY NET POSITION

(Dollars in Thousands)



Capital Assets

As of June 30, 2023, TCERA's investment in capital assets decreased slightly over the last fiscal year with a total of \$1.08 million (net of accumulated depreciation and amortization) compared to \$1.12 million for the prior year. This investment in capital assets includes equipment, furniture, pension administration system, and TCERA's office building. The decrease in TCERA's investment in capital assets for the current year on a percentage basis was 3.49% less than fiscal year ended June 30, 2022, reflecting a decrease in both tangible and intangible assets associated with the accumulated depreciation and amortization of those assets.

Management's Discussion and Analysis

Reserves

Reserves are not required, nor recognized, under GAAP. These are not shown separately on the Statement of Fiduciary Net Position, but they equate to, and are accounts within, the Fiduciary Net Position restricted for pension benefits and are vital to TCERA's operations.

TCERA's reserves are established from contributions and the accumulation of investment income, after satisfying investment and administrative expenses (see Table 2 below). Furthermore, TCERA has in place a ten-year smoothing methodology. Under GAAP, investments are stated at fair value instead of cost and include the recognition of the unrealized gains and losses in the current period. The difference between the fair value of assets inclusive of the cumulative unrealized gains and losses and the amounts reported from the ten-year smoothing methodology (or actuarial value) comprises the Market Stabilization Reserve. Under the ten-year smoothing methodology, a portion of these gains and losses is recognized and allocated to all other reserves.

As a result of the ten-year smoothing of investment gains and losses, the Plan credited interest at December 31, 2022 and June 30, 2023 at a rate less than investment returns and less than the actuarial assumption rate. Tiers 1, 2 and 3 were credited interest of 2.6257% for December 31, 2022 and 2.8011% for June 30, 2023. Tier 4 was credited 2.5016% for December 31, 2022 and 2.3583% for June 30, 2023. This interest crediting, combined with an increase to the Plan's contingency reserve and smoothed fair value gains in the fiscal year ended June 30, 2023, resulted in an increase in the Market Stabilization Reserve equal to \$10.4 million as of June 30, 2023.

TCERA'S RESERVES AT FAIR VALUE (Table 2)

As of June 30

(dollars in thousands)

	2023	2022
Employee Reserves	\$ 376,021	\$ 359,335
Employer Reserves	1,017,688	966,012
Retiree Reserves	461,073	460,586
Supplemental Retirement Benefit Reserves	112,702	113,702
Other Reserves	2,182	(2,421)
Market Stabilization Reserve	(124,358)	(134,802)
Contingency Reserve	57,602	55,609
TCERA Property, Inc. Retained Earnings (Holding Corporation)	1,144	988
Total Reserves at Fair Value	<u>\$ 1,904,054</u>	<u>\$ 1,819,009</u>

Changes in Fiduciary Net Position

The Fiduciary Net Position as of June 30, 2023 was \$1.9 billion compared to \$1.82 billion as of June 30, 2022. This represents an increase in Fiduciary Net Position of \$85 million, a 4.68% increase over the previous fiscal year. The increase in the Fiduciary Net Position is due primarily to an increase in investments at fair value (See Table 3 on the following page).

Additions to Fiduciary Net Position: There are three primary sources of funding for TCERA retirement benefits: earnings on investments of assets, employer contributions, and plan member contributions. An increase in employer contributions, an increase in plan member contributions and an increase in net investment income for the fiscal year ended June 30, 2023 combined for total additions of \$197.3 million (see Table 3).

Management's Discussion and Analysis

Deductions from Fiduciary Net Position: TCERA's assets are predominantly used for the payment of benefits to retirees and their beneficiaries and for refunds of contributions to terminated employees. Effective for fiscal year 2011, the County Employees Retirement Law of 1937 (the '37 Act) limits administration cost to the greater of 21/100^{ths} of 1 percent of the Association's accrued actuarial liability or \$2 million, as adjusted annually by the amount of an annual cost of living adjustment. The '37 Act also allows for some expenses (such as computer related expenses and actuarial costs) to be excluded from the calculation. TCERA's total administrative expenses for the period ended June 30, 2023 were equal to \$2.75 million, or 13/100^{ths} of 1 percent of the Association's accrued actuarial liability of \$2.2 billion. This represents a decrease in administrative expenses of 7.45% over the fiscal year ended June 30, 2022. Of the total expenses, TCERA has identified \$444.9 thousand in computer and actuarial costs that are excluded from the '37 Act administrative limits. As a result, TCERA's administrative expenses were 11/100^{ths} of 1 percent of the accrued actuarial liability, well under the statutory limit of 21/100^{ths} of 1 percent. Retiree benefits, member refunds, and administrative expenses resulted in total deductions of \$112.3 million, an increase of 6.22% over the prior fiscal year (See Table 3).

CHANGES IN FIDUCIARY NET POSITION - Condensed (Table 3)

For Fiscal Years Ended June 30

(dollars in thousands)

	2023	2022	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)
Additions				
Employer Contributions	\$ 45,174	\$ 40,392	\$ 4,782	11.84%
Plan Member Contributions	27,965	25,880	2,085	8.06%
Investment Income (Loss)	138,244	(107,392)	245,636	-228.73%
Less Investment Expense	(14,277)	(10,569)	(3,708)	-35.08%
Other Income	188	188	-	0.00%
Total Additions	<u>\$ 197,294</u>	<u>\$ (51,501)</u>	<u>\$ 248,795</u>	<u>-483.09%</u>
Deductions				
Retiree Benefits	\$ 103,392	\$ 97,762	\$ 5,630	5.76%
Member Refunds of Contributions	6,111	4,946	1,165	23.55%
Administrative Expenses	2,746	2,967	(221)	-7.45%
Total Deductions	<u>\$ 112,249</u>	<u>\$ 105,675</u>	<u>\$ 6,574</u>	<u>6.22%</u>
Changes in Fiduciary Net Position				
Beginning of Fiscal Year	1,819,009	1,976,185	(157,176)	-7.95%
Changes in Fiduciary Net Position	85,045	(157,176)	242,221	-154.11%
End of Fiscal Year	<u>\$ 1,904,054</u>	<u>\$ 1,819,009</u>	<u>\$ 85,045</u>	<u>4.68%</u>

Actuarial Funding Status

TCERA retains an independent actuarial firm, Cheiron, Inc., to conduct annual actuarial valuations to monitor the Plan's funding status. The June 30, 2023 actuarial valuation established TCERA's funding status to be 87.0% using the entry age normal method with a ten-year smoothing to determine the actuarial value of assets. The funded ratio of the Plan decreased by approximately 2.9% from 89.9% in 2022 to 87.0% in 2023 and the actuarial value of assets (excluding the Supplemental Retiree Benefit Reserve (SRBR)) increased by 4.1% from \$1.84 billion in 2022 to \$1.92 billion in 2023. During the year, the value of actuarial liabilities increased by 7.5% to \$2.2 billion. As of June 30, 2023, the Unfunded Actuarial Liability (UAL) for TCERA increased by \$79 million, from \$207.2 million to \$286.2 million. It should be noted that the actuarial funding status of the plan was significantly improved in 2017 due to the issuance of Pension Obligation Bonds by the County of Tulare (the County). The 19-year bonds were issued at coupons ranging from 3.909% to 4.445% and will require level debt service payments through the bond maturity date of June 1, 2037. Details of the bond issuance are available in the Tulare County Annual Comprehensive Financial Report available on the County's website (<https://tularecounty.ca.gov/county/>).

Management's Discussion and Analysis

Economic Factors

Multiple factors affected market conditions and performance during the fiscal year including uneven GDP growth, headwinds in the real estate market, global conflicts, inflation and the rate increases instituted by the Federal Reserve to try to curb that inflation. Though the year began well the second half of the year presented more challenges. Additional analysis of economic conditions can be found in the Investment Section. The Board of Retirement (the Board) will continue to monitor and respond to changes in economic factors in relation to its investment portfolio.

New Pension Accounting and Financial Reporting Standards

Governmental Accounting Standards Board (GASB) issued the following standards for implementation during the fiscal year ended June 30, 2023. *Statement No. 94, Public-Private and Public-Public Partnerships (PPP's) and Availability Payment Arrangements (APA's)*, objective is to improve financial reporting by addressing issues related to PPP's and provide guidance for accounting and financial reporting for APA's. *Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs)*, objective is to establish that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding SBITA. *Statement No. 99, Omnibus 2022*, objective is to enhance and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements (e.g., No. 87, 94, 96, et al.), and financial guarantees. These statements have been implemented with no material impact.

Requests for Information

The financial report is designed to provide the Board, our membership, taxpayers, investment managers and others with a general overview of TCERA's finances and to account for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

TCERA
136 N. Akers Street
Visalia, CA 93291-5121

Respectfully submitted,



Leanne Malison
Retirement Administrator

Statement of Fiduciary Net Position

As of June 30, 2023, with Comparative Totals

(dollars in thousands)

	2023	2022
ASSETS		
Cash, Short-Term Investments		
Cash	\$ 21,373	\$ 27,725
Short-Term Investments	6,824	8,299
Total Cash, Short-Term Investments	28,197	36,024
Receivables		
Sales of Investments	3,071	9,575
Interest and Dividends	1,981	839
Employee and Employer Contributions	1,579	998
Other Receivables	9	-
Total Receivables	6,640	11,412
Investments, at Fair Value		
U.S. Government Obligations	45,990	56,832
Municipal Bonds	459	521
Global Bonds	4,708	8,031
Domestic Corporate Bonds	288,124	298,025
Domestic Stocks	526,889	484,974
International Stocks	364,530	312,591
Real Assets	393,413	393,078
Alternative Investments (Private Equity, Private Credit)	262,074	241,242
Collateral on Loaned Securities	24,440	28,722
Total Investments, at Fair Value	1,910,627	1,824,016
Capital Assets		
Land	370	370
Building, Office Equipment & Furniture, net of accumulated depreciation of \$752 and \$707, respectively	707	746
Pension Administration System, net of accumulated amortization of \$2,755 and \$2,755, respectively	-	-
Total Capital Assets, net	1,077	1,116
TOTAL ASSETS	\$ 1,946,541	\$ 1,872,568
LIABILITIES		
Current Liabilities		
Purchase of Investments	\$ 9,161	\$ 17,507
Obligations under Securities Lending Program	24,440	28,722
Refunds Payable	5,715	4,102
Accounts Payable	3,057	3,122
Total Current Liabilities	42,373	53,453
Long-Term Liabilities		
Compensated Absences	114	106
Total Long-Term Liabilities	114	106
TOTAL LIABILITIES	\$ 42,487	\$ 53,559
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 1,904,054	\$ 1,819,009

The accompanying notes are an integral part of these basic financial statements.

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2023 with Comparative Totals

(dollars in thousands)

	2023	2022
ADDITIONS		
Contributions		
Employer	\$ 45,174	\$ 40,392
Plan Member	27,965	25,880
Total Contributions	73,139	66,272
Investment Activity Income/(Loss)		
Net Appreciation in Fair Value of Investments	113,150	(127,368)
Interest	5,111	3,296
Dividends	3,943	3,616
Real Asset Operating Income	13,091	7,493
Other Investment Income	1,726	5,392
Total Investment Activity Income/(Loss)	137,021	(107,571)
Less Expenses from Investing Activities	13,204	10,488
Net Investing Activity Income/(Loss)	123,817	(118,059)
From Securities Lending Activities		
Securities Lending Income	1,223	179
Less Expenses from Securities Lending Income		
Management Fee	6	8
Borrower Rebate	1,067	73
Net Securities Lending Income	150	98
Total Net Investment Activity Income/(Loss)	123,967	(117,961)
Other Income	188	188
TOTAL ADDITIONS	\$ 197,294	\$ (51,501)
DEDUCTIONS		
Retiree Benefits	\$ 103,392	\$ 97,762
Member Refunds of Contributions	6,111	4,946
Administrative Expenses	2,746	2,967
TOTAL DEDUCTIONS	\$ 112,249	\$ 105,675
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Changes in Fiduciary Net Position	85,045	(157,176)
Beginning of Fiscal Year	1,819,009	1,976,185
END OF FISCAL YEAR	\$ 1,904,054	\$ 1,819,009

The accompanying notes are an integral part of these basic financial statements.

Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Tulare County Employees' Retirement Association (TCERA, Association or the Plan) is under the exclusive management and control of the Board of Retirement (the Board) whose authority is granted by Government Code §31450 et seq., and the California Constitution. The Association is an independent department of the County of Tulare (the County). Selected financial statements and disclosures are included in the County's Annual Comprehensive Financial Report as a pension trust fund. The Association has no financial or operational relationships that meet the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statements No. 39, *The Financial Reporting Entity*, and No. 61, the *Financial Reporting Entity: Omnibus* and No. 80, *Blending Requirements for Certain Component Units* for inclusion as a component unit of the Association. *Statement No. 84 - Fiduciary Activities*. This standard is not applicable to TCERA. *Statement No. 90, Majority Equity Interests*. This standard is also not applicable to TCERA.

BASIS OF ACCOUNTING

The Association prepares its basic financial statements on the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized in the period when they are incurred. Employee and employer contributions are recognized as revenues when due pursuant to formal commitments as well as statutory or contractual agreements. Benefits and refunds of prior contributions are recognized when they are due and payable in accordance with the Plan. All investment purchases and sales are recorded on trade date. The net appreciation (depreciation) in fair value of investments held by TCERA is recorded as an increase (decrease) to investment income based on the valuation of investments monthly.

The Association follows the accounting principles and reporting guidelines as set forth by GASB.

COMPENSATED ABSENCES

The liability for accumulated annual leave earned by TCERA employees, included in other liabilities on the *Statement of Fiduciary Net Position*, is recorded when earned by the employee. Upon termination of employment, an employee receives compensation for unused annual leave limited by the contractual agreements established by the County.

INVESTMENTS

The Board has exclusive control of the investments of the Association. Statutes authorize the Board to invest, or delegate the authority to invest, the assets of the Association in any investment allowed by statute and considered prudent in the informed opinion of the Board. Investments are stated at fair value, in accordance with accounting principles generally accepted in the United State of America (GAAP). Values for stocks, publicly traded bonds, and issues of the U.S. Government and its agencies are valued according to sale prices of recognized exchanges as of the fiscal year end, with international securities reflecting currency exchange rates in effect at fiscal year end.

Private Equity and Real Assets:

Private equity and real asset partnerships are reported based on the fair value provided by the General Partner on a quarterly basis. The General Partner considers the financial conditions and operating results of the portfolio companies, the nature of the investments, marketability, and other relevant factors.

Rate of Return:

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on the Plan's investments, net of investment expense, was 6.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)RECEIVABLES

Receivables consist primarily of interest, dividends, and investments in transition, i.e., traded but not settled, and contributions owed by the employing entities as of June 30, 2023.

ESTIMATES

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CAPITAL ASSETS

Effective fiscal year July 1, 2012 through June 30, 2013, TCERA's Capitalization threshold is five thousand dollars. Capital Assets are recorded at cost. Depreciation and amortization of Capital Assets are computed on a straight-line basis over their estimated useful lives, currently ranging from three to forty years.

SECURITIES LENDING

Cash collateral received in the course of securities lending transactions is recorded as a current asset of the Association, and the obligation to repay the collateral is recorded as a current liability, in accordance with the requirements of GASB Statement No. 28. In addition, gross earnings received on invested cash collateral are reported as Other Investment Income, and borrower rebates and agent fees are recorded as Investment Expenses. In comparison, the Net Securities Income was \$150 thousand and \$98 thousand for the fiscal years ended June 30, 2023 and June 30, 2022, respectively. The increase in net securities lending income was due primarily to an increase in the borrower rebate. Non-cash collateral, and the related repayment obligation, is not recorded on the books of the Association, as there is no ability to pledge or sell the collateral absent borrower default. See Note 3 for additional information on securities lending.

IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

The following standards have been issued by GASB for implementation effective this fiscal year: GASB Statement No. 94 – *Public-Private and Public-Public Partnerships (PPP's) and Availability Payment Arrangements (APA's)*, GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*, and GASB Statement No. 99 – *Omnibus 2022*. These statements have been implemented with no material impact.

FUTURE PRONOUNCEMENTS

TCERA has reviewed GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* and GASB Statement No. 101 – *Compensated Absences*, and does believe these pronouncements will have material effect. The effective date for GASB Statement No. 100 is for fiscal years beginning after June 15, 2023, and thereafter. The effective date for GASB Statement No. 101 is for fiscal years beginning after December 15, 2023, and thereafter.

COMPARATIVE DATA

The accompanying financial statements include summarized information from the prior year's financial statements for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with TCERA's basic financial statements for the fiscal year ended June 30, 2022, from which the summarized information was derived.

Notes to Basic Financial Statements**NOTE 2 - PLAN DESCRIPTION**

TCERA was established July 1, 1945 under the provisions of the County Employees Retirement Law of 1937 (Government Code §31450 et seq.) (the '37 Act). The Association operates as a multiple-employer cost sharing defined benefit plan and provides retirement, disability and death benefits for qualified employees of the County, the Strathmore Public Utility District, and the Tulare County Superior Courts (TCSC). The Association was integrated with Social Security in 1956. A nine-member Board of Retirement (Board) administers the Association. The authority for establishing or amending benefits resides with the Tulare County Board of Supervisors.

MEMBERSHIP

All permanent County, Strathmore Public Utility District, and TCSC employees working 50% or more in a regular allocated position are members of the Association. The Association's membership consists of General and Safety members who participate in one of the following four tiers:

Tier 1 – Includes all members who have a membership date on or before December 31, 1979. The County pays one-half of Tier 1 members' normal contributions. Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living adjustment (COLA) annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Service Section (IRS) 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 – Includes all members who have a membership date from January 1, 1980 through December 31, 1989. Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2% COLA annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRS Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 – Includes all members who have a membership date from January 1, 1990 through December 31, 2012. Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% COLA annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 – Includes all members who have a membership date on or after January 1, 2013 and are not eligible for reciprocal membership with another qualified retirement system. Tier 4 was established in response to the provisions of the California Public Employees' Pension Reform Act of 2012 (PEPRA). Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% COLA annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

The covered payroll for the fiscal years ended June 30, 2023 and June 30, 2022, as calculated according to GASB Statement No. 67, GASB Statement No. 68, and GASB Statement No. 82 requirements, was \$306.49 million and \$288.63 million, respectively.

Notes to Basic Financial Statements

NOTE 2 - PLAN DESCRIPTION (Cont.)

TCERA's Membership		
<i>As of June 30</i>	2023	2022
Active Plan Participants (vested/non-vested)	4,505	4,432
Inactive Participants (vested/non-vested)	2,633	2,467
Service Retirees	2,808	2,711
Disability Retirees	348	345
Survivors/Beneficiaries	526	529
Total Retirees/Beneficiaries	3,682	3,585
Total Members	10,820	10,484

SERVICE RETIREMENT BENEFIT

Tiers 1, 2, and 3 benefits partially vest at five years of service. Full vesting requires ten years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. Members with 30 years of service (20 years for safety members), regardless of age, are eligible for retirement benefits, as are members who reach age 70, regardless of years of service. The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement. Because the Plan is integrated with Social Security, the benefit is reduced by 1/3 of the percentage multiplied by the first \$350 of monthly final average salary, per year of service credited after January 1, 1956.

Tier 4 benefits fully vest at five years of service. A minimum age of 52 for general members and 50 for safety members is required in order to receive a lifetime monthly retirement benefit. The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement.

The summary of major plan provisions, including benefit factors, is disclosed on pages 91-93 in the Actuarial Section of this document.

SUPPLEMENTAL RETIREMENT BENEFIT (Tiers 1, 2, and 3 only)

For Tiers 1, 2, and 3, a supplemental benefit of \$45.00 per month was paid to retirees through April 1988. This benefit was increased effective May 1, 1988 to include \$1.65 per month for each full year of service from 5 years to 25 years (\$8.25 per month for 5 years, up to \$41.25 per month for 25 years or more). Effective June 1, 1995, eligibility for this benefit required that retirees have at least five years of service with the County or a TCERA member outside district. Effective April 1, 1996, this benefit is available only to retirees having at least ten years of service with TCERA. This change does not affect any retirees already receiving benefits.

On July 1, 1997, all retirees and beneficiaries/survivors with a retirement date prior to April 1, 1977 received a new benefit of an additional \$3.00 per month, per year of service, not to exceed 30 years of service. Retirees received this benefit in addition to the previously granted benefit; beneficiaries/survivors only received this benefit.

Effective January 1, 1999, the Board modified the benefit to allow members to receive \$9.50 for every completed year of service. The Board also adopted a change in criteria for payment of the supplemental benefits. This benefit was only paid to those who actually worked under TCERA for a minimum of 10 years, with the benefit capped at a maximum of 20 years.

Notes to Basic Financial Statements

NOTE 2 - PLAN DESCRIPTION (Cont.)

On July 1, 2000, an increase was made to the monthly payments currently made from the Supplemental Retiree Benefit Reserve (SRBR). Actual amounts varied depending upon completed years with TCERA. Furthermore, a cash continuance was paid to survivors equal to 50% of what the original retiree was receiving as a monthly benefit from the SRBR at the time of his/her death. Additionally, a COLA was applied when the purchasing power of the member's original basic retirement allowance fell below 75% of the original basic allowance.

On November 14, 2001, the Board approved additional cash benefit payments effective on December 1, 2001 from the SRBR which provided a higher level of assistance to current and future retired members. The benefit improvements increased the current benefit from \$12.50 per year of service to \$16.00 per year of service, beginning with ten years of service and having a cap at twenty years of service.

Effective July 1, 2007, the cash benefit was increased once more to \$18.00 per year of service, retaining the ten-year minimum TCERA service requirement and the cap at twenty years of TCERA service. Furthermore, the Board continued the cash continuance paid to survivors equal to 50% of what the original retiree was receiving as a monthly benefit from the SRBR at the time of his/her death. The Board also approved an additional COLA for all retired members to apply when the purchasing power of the member's original basic retirement allowance falls below 85%.

On April 10, 2013, the Board established a reduction to the cash benefit for current and future retirees to be phased in over a five-year period in an effort to ensure that the benefit would be sustained into the foreseeable future. Pursuant to that action, the cash benefit is payable as follows:

- July 1, 2013 - \$17.00 per year of qualifying TCERA service
- July 1, 2014 - \$16.00 per year of qualifying TCERA service
- July 1, 2015 - \$15.00 per year of qualifying TCERA service
- July 1, 2016 - \$14.00 per year of qualifying TCERA service
- On or after July 1, 2017 - \$12.50 per year of qualifying TCERA service

The service requirements, purchasing power COLA, and continuance benefit as described above remain in effect.

DEATH BENEFIT

Death Before Retirement

In addition to a return of contributions, with interest, a death benefit is payable to the member's beneficiary or estate in the amount of one month's salary for each completed year of service with the Association, but not to exceed six months' salary.

In lieu of the above basic death benefit, if a member dies after becoming eligible for service retirement or non-service connected disability, an eligible spouse or minor child may elect to receive 60% of the allowance that the member would have received for retirement as of the day of the member's death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50% of the member's final average salary.

Notes to Basic Financial Statements

NOTE 2 - PLAN DESCRIPTION (Cont.)

Death After Retirement

Death benefits after retirement depend upon the type of retirement, the member’s employment status at retirement, and the retirement option selected. If the retirement was for service connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service connected disability, and the unmodified option was selected at the time of retirement, 60% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of \$5,000 is paid to the beneficiary or estate.

DISABILITY BENEFIT

In accordance with Section 31727.7 of the ‘37 Act, upon retirement for a non-service connected disability, in lieu of any other allowance, a member who has five years or more of credited service shall receive a disability allowance equal to the percentage of final compensation set forth opposite the member’s number of years credited service in the following table:

<u>Years of Service</u>	<u>Percentage of Final Compensation</u>
Five years, but less than six years	20%
Six years, but less than seven years	22
Seven years, but less than eight years	24
Eight years, but less than nine years	26
Nine years, but less than ten years	28
Ten years, but less than eleven years	30
Eleven years, but less than twelve years	32
Twelve years, but less than thirteen years	34
Thirteen years, but less than fourteen years	36
Fourteen years, but less than fifteen years	38
Fifteen or more years	40

If the disability is service connected, the member may retire regardless of length of service, and the benefit is 50% of final average salary, unless the member is also eligible for a service retirement, in which case the member receives the greater of the two amounts.

TERMINATION

Upon termination from the Association, members' accumulated contributions are refundable with interest accrued through the prior interest crediting period. Interest on member accounts is credited semiannually on June 30 and December 31. Withdrawal of such accumulated contributions results in forfeiture of all benefits.

Notes to Basic Financial Statements

NOTE 3 - DEPOSIT AND INVESTMENT RISK DISCLOSURES

SUMMARY OF INVESTMENT POLICIES

The '37 Act authorizes TCERA's Board with the exclusive control of the investment of the employees' retirement fund. By law, the Board may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

Furthermore, the law requires the Board and its officers and employees to discharge their duties with respect to the Plan:

- Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- Shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

The TCERA Investment Policy Statement encompasses the following:

- Domestic Equity Policy
- International Equity Policy
- Fixed Income Policy
- Cash and Cash Equivalents Investments Policy
- Real Asset Policy
- Private Equity Policy
- Private Credit Policy
- Securities Lending Program Policy
- Directed Brokerage Policy
- Manager Monitoring and Review Policy

CREDIT RISK

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. TCERA seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. To control credit risk, credit quality guidelines have been established and documented in TCERA's Investment Policy and individual manager contracts.

The Fixed Income Portfolio as presented in the Credit Quality Ratings chart includes the following components:

- U.S. Core/Core Plus Fixed Income – This portfolio will provide exposure to the U.S. fixed income market (maturities greater than 1 year) including, but not limited to, Treasury and government agency bonds, corporate debt, mortgage bonds (including collateralized mortgage obligations), Yankees, asset-backed securities, Eurodollar bonds, private placements and emerging market bonds. The portfolio will be comprised of both investment grade and below-investment grade issues. This category may include High Yield and U.S. TIPS investments as allowed in TCERA's investment policy and as directed by the Board.
- Global Fixed Income – The global fixed income allocation will provide broader exposure to fixed income opportunities in both domestic and international markets.

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

CREDIT QUALITY RATINGS OF INVESTMENTS IN FIXED INCOME SECURITIES

The credit quality of investments in fixed income securities as rated by nationally recognized ratings organizations as of June 30, 2023 are as follows (dollars in thousands):

Quality Ratings	Fair Value
AAA	\$ 6,802
AA	1,084
A	6,903
BAA	12,507
BA	1,414
B	605
CAA	6
FHLMC Pools	7,711
FNMA Pools	11,394
GNMA Pools	3,389
U.S. Agencies	1,976
U.S. Governments	16,151
Not Rated*	269,339
Total Investments in Fixed Income Securities	\$ 339,281

*Securities not rated include commitments to purchase FHLMC, FNMA, and GNMA reported in the Fixed Income Securities chart beginning on page 38.

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that in the event of a financial institution's failure, TCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or collateralized. Although there is no specific policy addressing custodial credit risk, TCERA has taken steps to mitigate any such risk. TCERA's deposits are not exposed to custodial credit risk as its deposits are eligible for and covered by "pass-through" insurance in accordance with applicable law and Federal Deposit Insurance Corporation (FDIC) rules and regulations. Additional insurance against loss and theft is provided through a Financial Institution Bond.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, TCERA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in TCERA's name, and held by the counterparty. TCERA's direct securities investments are not exposed to custodial credit risk because all securities are held by TCERA's custodial bank in TCERA's name.

Concentration of Credit Risk

As of June 30, 2023, TCERA did not hold any investments in any one issuer that would represent five percent or more of fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this requirement.

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board of Retirement has not adopted a formal policy related to interest rate risk. Interest rate risk is controlled through portfolio restrictions incorporated into each fixed income investment manager's guidelines.

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

FIXED INCOME SECURITIES

As of June 30, 2023, TCERA had the following investments and maturities (dollars in thousands):

Investment Type	2023	
	Fair Value	Modified Duration
Asset Backed Securities - Airplane Receivables	\$ 331	3.08
Asset Backed Securities - Car Loans	642	2.16
Asset Backed Securities - Credit Cards	1,245	3.31
Asset Backed Securities - Equipment	142	2.38
Asset Backed Securities - Utility	14	10.11
Aerospace and Defense	722	11.51
Banking & Finance	3,422	5.25
Banking & Finance - Perpetual	23	0.27
Capital Goods	86	4.39
Chemicals	12	16.67
Cleared Credit Default Swaps	(39)	N/A
CMBS - Agency	78	10.34
CMBS - Conduit	873	2.82
Commercial Services & Supplies	388	6.23
Commit to Purchase FNMA Pools	3,650	4.87
Commit to Purchase GNMA Multi Family Pools	1,434	6.68
Commit to Purchase GNMA Pools	153	6.72
Communications	793	10.16
FHLMC Multiclass	591	3.54
FHLMC Pools	7,120	5.52
FNMA Pools	11,083	5.65
FNMA REMIC	311	5.72
Food Beverage & Tobacco	354	6.45
GNMA Multi Family Pools	3,163	6.06
GNMA Remic	33	6.02

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

	2023	
<u>Investment Type</u>	<u>Fair Value</u>	<u>Modified Duration</u>
GNMA Single Family Pools	\$ 226	4.91
Health Care	1,390	11.09
Industrial	169	4.83
Insurance	321	6.47
Interest Only US Agencies	186	5.63
Interest Rate Futures - UK	(23)	(38.83)
Interest Rate Swaps	2	N/A
International Government Bond Futures	(4)	1,669.56
Materials	3	1.54
Non-U.S. Government Bonds	1,192	5.12
Oil & Gas	2,217	6.14
OIS Interest Rate Swaps	2	10.55
Paper and Forest Products	12	12.50
Principal only U.S. Agencies	135	6.59
Private Placements - ABS-CLO	2,669	0.37
Private Placements - ABS	4,031	2.11
Private Placements - MBS	2,462	4.38
Private Placements - More than 1 Year	2,542	5.45
Reits	1,457	6.54
Retail	132	5.30
Taxable Municipals	459	10.11
Technology	1,050	9.09
Transportation	360	12.07

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

	2023	
<u>Investment Type</u>	<u>Fair Value</u>	<u>Modified Duration</u>
Treasury Bonds	\$ (3)	6,040.19
Treasury Notes	(186)	(149.57)
U.S. TIPS	425	4.56
U.S. Agencies	1,472	8.35
U.S. Governments	16,152	9.93
Utility - Electric	2,299	10.44
Utility - Gas	62	6.12
Utility - Telephone	2,999	3.15
Whole Loan - Collateralized Mortgage Obligation	111	4.84
Yankee Bonds	11	9.38
SUBTOTAL	80,956	
Commingled Funds U.S. Debt	258,325	N/A
Total TCERA Fixed Income	\$ 339,281	

Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. TCERA's international equity managers are permitted to invest in authorized countries. Forward currency contracts and currency futures (maturity ranging from at least 30 days and not to exceed one year for either instrument) are permitted for defensive currency hedging. Although TCERA does not have a specific policy regarding foreign currency risk, TCERA seeks to mitigate this risk through its Investment Policy constraints.

INTERNATIONAL INVESTMENT SECURITIES AT FAIR VALUE

TCERA's Non-U.S. and global equity investments are targeted at 18% of the portfolio with a maximum investment of 30%. The majority of TCERA's international investments are in commingled funds with currency exposure managed according to the investment contract. As of June 30, 2023, there was no direct exposure to Foreign Currency Risk in U.S. Dollars.

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)DERIVATIVES

The Association invests indirectly, through its portfolio managers, in foreign currency forward transactions to limit its exposure to fluctuations in foreign currency exchange rates. Aside from net currency gains or losses reported as a component of investment income, no other amounts are recorded on the financial statements. These forward transactions typically range from one to six months. When used in a hedging strategy, a loss in value of the underlying security, due to a weakening of a foreign currency relative to the U.S. Dollar will result in an opposite gain in value of the foreign currency transaction. The reverse is true for a foreign currency, which strengthens relative to the U.S. Dollar. Fair values of currency forward contracts are obtained through TCERA's custodian bank, BNY Mellon Global Securities Services (BNY Mellon Global). BNY Mellon Global uses an independent third party pricing service for these price quotes.

The following Investment Derivatives schedule reports the fair value balances and notional amounts of derivatives outstanding as of and for the fiscal year ended June 30, 2023, classified by type. For financial reporting purposes, all TCERA derivatives are classified as investment derivatives.

Investment Derivatives*As of June 30, 2023**(dollars in thousands)*

<u>Derivative Type</u>	<u>Notional Value</u>	<u>Fair Value</u>
Counterparty Swap Exposure	\$ 2,580	\$ (39)
Total	\$ 2,580	\$ (39)

Foreign currency forward transactions are conducted with highly rated AA financial institutions, typically major worldwide commercial or investment banks. As of June 30, 2023, the maximum amount of loss that could occur due to credit risk is the fair value above. Collateral is not required by TCERA to reduce exposure to credit risk. Furthermore, TCERA is not party to master netting agreements.

Counterparty risk occurs when the financial institution (who engages in the forward transaction with the Association) has a liability due to the Association and is unable to pay. This risk is monitored on a daily basis by the investment advisors and limited to maximum levels of exposure for the entire portfolio.

SECURITIES LENDING

State statutes do not prohibit the Association from participating in securities lending transactions, and the Association has, via a Securities Lending Authorization Agreement with BNY Mellon Global, authorized BNY Mellon Global to lend its securities to broker-dealers and banks pursuant to a form of loan agreement. Any of the Association's securities may be loaned pursuant to the terms of the securities lending agreement, unless the Association notifies BNY Mellon Global otherwise. Due to the decreased liquidity in the credit markets in 2008, the Board elected to cap the Association's participation in Securities Lending at \$87,100,589, effective October 31, 2008. The Board has taken no action to remove the cap.

Notes to Basic Financial Statements

NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (Cont.)

Available securities may be loaned to any borrower selected by BNY Mellon Global in its sole discretion, provided credit quality criteria are met. Securities on loan must be collateralized with a value of not less than 100% of the fair value of the loaned securities. Collateral received may include cash, U.S. Government securities, sovereign debt rated A or better, Canadian Provincial Debt, convertible bonds, and other agreed upon collateral, with restrictions on the use of foreign collateral. At year-end, TCERA had no credit risk exposure to borrowers, because the collateral exceeded the amount borrowed.

As of June 30, 2023, the fair value of securities on loan was \$25.8 million and the value of collateral received for the securities on loan was \$26.4 million, of which \$2.0 million was non-cash collateral and \$24.4 million was cash collateral from equity and fixed income securities. This resulted in an overcollateralization with a ratio of 102.29%. Non-cash collateral, which TCERA does not have the ability to sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position. The maturities of collateral investments in the securities lending program are not structured to match the maturities of the securities lending arrangements. Lending arrangements are considered “open loans” that do not have a set maturity.

Securities Lending Program**As of June 30, 2023***(dollars in thousands)*

Securities on Loan	Fair Value of Securities on Loan	Collateral Received	Collateral Percent
Domestic Equities	\$ 18,188	\$ 18,611	
Domestic Fixed Income	5,703	5,829	
Total Cash	23,891	24,440	
Total Non-Cash	1,914	1,955	
Total Securities on Loan	\$ 25,805	\$ 26,395	102.29%

EXTERNAL INVESTMENT POOLS

The Association participates in various external investment pools, as defined by GASB Statement No. 31. The Association maintains funds on deposit with the Tulare County Treasurer. These funds are pooled with those of other agencies in the County and invested. Substantially all information required for GASB Statement No. 31 was not available at the time these financial statements were prepared. The difference between cost and fair value of investments held by the County Treasury at June 30, 2023 was determined to be immaterial. The Association's participation in the County investment pool is not mandatory.

During the fiscal year, the Association has, via a Securities Lending Authorization Agreement, authorized BNY Mellon Global to lend its securities to broker-dealers and banks pursuant to a form of loan agreement. Cash collateral received in respect of such loans was invested at the direction of the Association in the Pooled Employee ASL Short Term Fund, a pooled external investment vehicle (the Fund).

The fair value of investments held by the Fund is based upon valuations provided by a recognized pricing service. Because the Fund does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940, BNY Mellon Global has valued the Fund's investments at fair value for reporting purposes. The Fund is not registered with the Securities and Exchange Commission. BNY Mellon Global, and consequently the investment vehicles it sponsors (including the Fund), is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of the Association's position in the Fund is not the same as the value of the Fund shares. There was no involuntary participation in this external investment pool by the Association for the fiscal year.

Notes to Basic Financial Statements

NOTE 4 - FAIR VALUE MEASUREMENT

As required by GASB Statement No. 72, *Fair Value Measurement and Application*, TCERA has classified its investments according to a fair value hierarchy. The hierarchy is structured based on three types of input to develop the fair value measurements for investment.

Level 1 reflects measurements based on quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 reflects measurements based on inputs, other than quoted prices, that are observable for an asset or a liability, either directly or indirectly.

Level 3 reflects measurements based on unobservable inputs for an asset or a liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require management judgment or estimation.

The categorization of TCERA's investments within the fair value hierarchy is based upon the pricing transparency of the instrument and should not be perceived as a measure of the particular investment's risk.

Equity and Fixed Income Securities

Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets issued by pricing vendors for these securities. Debt and equity securities, classified in Level 2 of the fair value hierarchy, are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities, classified in Level 3 of the fair value hierarchy, are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by TCERA's custodian bank, BNY Mellon Global Securities Services.

Private Equity and Real Asset Funds

Investments in Private Equity, and Real Asset funds are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are valued at Net Asset Value (NAV).

Real Asset Investments

Investments in Real Assets are valued at estimated fair value, as determined in good faith by the Investment Manager. These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the Investment Manager. Properties are subject to independent third party appraisals every three years. As applicable, these assets are reported in Level 3 or at NAV.

The following two charts provide a summary of TCERA's investments as classified according to the fair value hierarchy requirements. Assets classified in Level 1 are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available from the primary vendor. When certain requirements are met, an investment may be measured at NAV. Assets meeting these criteria are reported separately with descriptions of the investments.

Notes to Basic Financial Statements

NOTE 4 - FAIR VALUE MEASUREMENT (Cont.)

FAIR VALUE MEASUREMENT

June 30, 2023

(dollars in thousands)

		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level ¹	June 30, 2023		
<i>Debt Securities</i>			
U.S. Government Obligations	\$ 46,449	\$ 16,388	\$ 30,061
Global Bonds	4,708	-	4,708
Domestic Corporate Bonds	29,799	-	29,799
<i>Equity Securities</i>			
Domestic Stocks	282,283	282,283	-
<i>Commingled Funds</i>			
Securities Lending Collateral	24,440	-	24,440
Total Investments by Fair Value	<u>\$ 387,679</u>	<u>\$ 298,671</u>	<u>\$ 89,008</u>
Investments Measured at the Net Asset Value (NAV)			
International Equity Funds	\$ 103,801		
Real Asset Funds	393,413		
Private Equity Funds	137,337		
Private Credit Funds	124,737		
<i>Commingled Funds</i>			
Domestic Corporate Bonds	258,325		
Domestic Stocks	244,606		
International Stocks	260,729		
Total Investments Measured at NAV	<u>1,522,948</u>		
Total Investments	<u>\$ 1,910,627</u>		

Note: Values derived from custodian bank and presented based on securities classification. Amounts per asset class, when aggregated, correspond to values presented in the Statement of Fiduciary Net Position.

¹ TCERA did not hold any investments classified in Level 3 as of June 30, 2023.

Notes to Basic Financial Statements

NOTE 4 - FAIR VALUE MEASUREMENT (Cont.)

INVESTMENTS MEASURED AT NET ASSET VALUE (NAV)

June 30, 2023

(dollars in thousands)

Investments Measured at NAV	June 30, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
International Equity Funds (1)	\$ 103,801	\$ -	Monthly	30 days
Real Asset Funds (2)	393,413	46,089	Quarterly, Not Eligible	45 days
Private Equity Funds (3)	137,337	108,269	Not Eligible	Not applicable
Private Credit Funds (4)	124,737	82,013	Not Eligible	Not applicable
Commingled Funds (5)	763,660	-	Not Eligible	Not applicable
Total Investments Measured at NAV	\$ 1,522,948	\$ 236,371		

- (1) **International Equity Funds.** This investment type includes one international equity fund that is considered to be commingled in nature. It is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.
- (2) **Real Asset Funds.** This portfolio includes five real asset funds, one private Real Asset Investment Trust, one closed end fund, one Infrastructure, one opportunistic Real Asset, and one Real Asset Debt fund, that invest primarily in a diversified portfolio of institutional quality multi-family, industrial, retail, and office assets in the United States. The fair values of the investments in this type have been determined using the NAV (or its equivalent) of the Plan's ownership interest in partners capital or trust. The Real Asset Investment Trust has monthly liquidity under most circumstances, while the closed end fund is ineligible for redemption.
- (3) **Private Equity Funds.** This allocation consists of investments with six fund of funds managers, three direct investments, one Private Markets Discretionary fund, and one Secondaries fund. The underlying managers within the fund of funds diversify investments throughout the various private equity strategies. The direct investments are buy-out funds.
- (4) **Private Credit Funds.** The private credit allocation is to a single manager structured to provide diversified private credit exposure across various sub-asset classes via seven funds.
- (5) **Commingled Funds.** This investment type is derived from funds TCERA invests in that are commingled with other investors rather than invested as separate accounts. These funds include domestic bonds, domestic stocks, and international stocks.

Notes to Basic Financial Statements**NOTE 5 – CONTINGENCY RESERVES**

California Government Code (§31616) requires a minimum of 1.0% of the total assets of the Plan be set aside as a contingency reserve. It was created to serve as a reserve against deficiencies in interest earnings or losses on investments in other years, and for other contingencies. The target Contingency Reserve goal set by the Board was adopted for 3.0% of total assets. TCERA's Contingency Reserve balance of 3.0% of total accounting assets, excluding securities lending collateral, as of June 30, 2023 was \$57.6 million.

NOTE 6 – ADMINISTRATIVE EXPENSES

The Board establishes an annual administrative budget as authorized by Government Code §31580.2. The annual budget for administrative expenses is limited to 21/100^{ths} of 1% of the Association's Actuarial Accrued Liability (AAL). Administrative Expenses as of June 30, 2023, excluding computer and actuarial costs, were approximately 11/100^{ths} of 1% of the Association's AAL. Employer and Employee contributions as of June 30, 2023 were insufficient to cover benefit payments and administrative expenses. The shortfall was covered by investments.

NOTE 7 – CAPITAL ASSETS

Capital Asset activity for the fiscal year ended June 30, 2023 is as follows:
(dollars in thousands)

	Beginning Balance	Additions	Disposals	Ending Balance	Estimated Useful Life in Years
Assets Not Being Depreciated					
Land	370	-	-	370	N/A
Assets Being Depreciated					
Building and Improvements	1,279	-	-	1,279	40
Less: Accumulated Depreciation	(567)	(37)		(605)	
Office Equipment and Computers	175	17	(12)	180	3 -10
Less: Accumulated Depreciation	(140)	(19)	12	(147)	
Total Tangible Assets	747	(39)	-	707	
Intangible Assets					
Pension Administration System	2,755	-	-	2,755	10
Less: Accumulated Amortization	(2,755)	-	-	(2,755)	
Total Intangible Assets	-	-	-	-	
Capital Assets, Net of Accumulated Depreciation and Amortization	1,116	(39)	-	1,077	

Depreciation and amortization expense for the fiscal year ended June 30, 2023 was \$57 thousand.

NOTE 8 – COMMITMENTS AND CONTINGENCIES**CAPITAL COMMITMENTS**

TCERA's real asset and private equity investment managers identify and acquire investments on a discretionary basis. Each manager's investment activity and discretion is controlled by TCERA's Investment Policy and the guidelines and limitations set forth in the contract, subscription agreement, limited partnership agreement and/or other contractual documents applicable to each manager. Such investments are further restricted by the amount of capital allocated or committed to each manager. TCERA's Investment Policy, contractual obligations, and capital commitments are subject to approval by the Board and may be updated as often as necessary to reflect TCERA investment preferences, as well as changes in market conditions.

Notes to Basic Financial Statements

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Cont.)**OUTSTANDING CAPITAL COMMITMENTS**

As of June 30, 2023
(dollars in thousands)

Investment Manager	Investment Type	Total Capital Commitment	Outstanding Capital Commitment
Sixth Steet Partners TAO Fund	Private Credit	\$50,000	\$23,683
Sixth Street Partners DCP Fund	Private Credit	\$160,000	\$58,330
KKR Mezzanine Partners	Private Equity	\$15,000	\$472
Ocean Avenue Fund III	Private Equity	\$20,000	\$1,400
Ocean Avenue Fund IV	Private Equity	\$26,000	\$1,560
Ocean Avenue Fund V	Private Equity	\$20,000	\$18,000
Pantheon Ventures, Inc.	Private Equity	\$15,000	\$825
Pathway Fund 8	Private Equity	\$20,000	\$1,683
Pathway Fund 9	Private Equity	\$20,000	\$3,399
Pathway Fund 10	Private Equity	\$30,000	\$8,211
StepStone Group	Private Equity	\$27,500	\$3,893
Verus Advisory, Inc.	Private Equity	\$69,000	\$68,826
Verus Advisory, Inc.	Real Asset Debt	\$47,000	\$46,089
Total Outstanding Commitments			\$236,371

NOTE 9 – NET PENSION LIABILITY

Net Pension Liability of Employers: The net pension liability (NPL) (i.e., the Plan's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) is shown below in thousands:

	<u>June 30, 2023</u>
Total Pension Liability	\$2,409,072
Plan Fiduciary Net Position	<u>(1,904,054)</u>
Employers' Net Pension Liability	<u>\$505,018</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.04%

The NPL increased by approximately \$78 million since the prior measurement date, primarily due to differences between expected and actual experience. The discount rate decreased from 7.09% to 7.08% due to the results of the crossover test. The investment gains or losses are recognized over five years, and the actuarial liability gains and assumption changes are recognized over the average remaining service life, which is also five years. Unrecognized amounts are reported as deferred inflows of resources and deferred outflows of resources.

Notes to Basic Financial Statements

NOTE 9 – NET PENSION LIABILITY (Cont.)

Actuarial Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The Total Pension Liability at the end of the measurement year, June 30, 2023, was measured as of a valuation date of June 30, 2023, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67. Key methods and assumptions used are presented below:

Inflation	The cost-of-living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Expected Return on Assets	7.15% net of investment expenses as of June 30, 2023.
Salary Increases	Payroll increases are assumed to increase 3.00% per year. Individual salaries are assumed to increase with a wage inflation component of 3.00% and a longevity/promotion component that varies by years of service and division, ranging from 0.50% to 8.00% for General Members and 1.25% to 9.00% for Safety Members.
Ad hoc Post-Employment Benefit Changes	None.
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 and 2.0 % per year for Tiers 2-4. An additional COLA of 0.4% per year (for a total COLA growth rate of 3.0%) is included for Tier 1 participants in pay status to reflect their accumulated COLA banks.
Mortality Assumptions	RP-2014 Mortality Tables with Generational improvement using Projection Scale MP-2019 and adjusted to reflect TCERA experience.
Most Recent Actuarial Experience Study	June 30, 2023 (conducted every three years).
Discount Rate	7.08% blended discount rate, net of pension plan investment expense, including inflation.
Municipal Bond Rate	3.65% net of investment expenses as of June 30, 2023 (Bond Buyer 20-year Bond GO Index, June 30, 2023).
Administrative Expenses	Administrative Expenses used in the cashflow projection are assumed to average 0.15% of assets annually.

Notes to Basic Financial Statements

NOTE 9 – NET PENSION LIABILITY (Cont.)Asset Allocation and Expected Long-Term Real Rate of Return by Asset Class:

The allocation of investment assets within the investment portfolio is approved by the Board and is incorporated into TCERA's Investment Policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following table displays the Board approved asset allocation:

Asset Class	June 30, 2023 Target Percent
Large Cap Equity	20.00%
Small Mid Cap Equity	6.00%
Non-U.S. Equity (Developed and Emerging)	16.00%
Global Equity	3.00%
US Fixed Income	17.00%
Emerging Market Debt	3.00%
Core Real Estate	3.00%
Value-Add Real Estate	4.00%
Opportunistic Real Estate	4.00%
Infrastructure	4.00%
Real Estate Debt	3.00%
Private Credit	5.00%
Private Equity	12.00%
	100.00%

The following table displays the Expected Long-Term Real Rate of Return by Asset Class:

Asset Class	Expected Long-Term Real Rate of Return
Large Cap Equity	4.00%
Small Mid Cap Equity	2.90%
Non-U.S. Equity (Developed and Emerging)	6.60%
Global Equity	4.90%
US Fixed Income	2.10%
Emerging Market Debt	5.50%
Core Real Estate	3.30%
Value-Add Real Estate	5.30%
Opportunistic Real Estate	6.30%
Infrastructure	5.30%
Real Estate Debt	2.70%
Private Credit	5.70%
Private Equity	6.70%
Total Fund	4.64%

Notes to Basic Financial Statements

NOTE 9 – NET PENSION LIABILITY (Cont.)

The long-term expected real rate of return was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation of 2.5%. Real return forecasts are from Verus Investments’ 2023 Capital Market Assumptions.

Discount Rate: The discount rate used to measure the Net Pension Liability was 7.08%.

The investment rate of return assumption used for actuarial funding was 7.00% for the fiscal year ended June 30, 2023.

GASB Statement No. 67 requires determination that the Plan’s fiduciary net position is projected to be sufficient to make projected benefit payments. The discount rate used to measure the total pension liability was 7.08%.

The projection of cash flows used to determine the discount rate assumed that TCERA contributions will be equal to the actuarially determined contributions, reflecting a payment equal to annual Normal Cost and an amount necessary to amortize the total June 30, 2015 Unfunded Actuarial Liability (UAL) as a level percentage of payroll over a closed 19-year period with payments as a level percentage of payroll, assuming payroll increases of 3.00% per year. Subsequent gains and losses are being amortized over new 19-year closed periods, also as a level percentage of payroll.

Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2088, when only a portion of the projected benefit payments can be made from the projected fiduciary net position.

Projected benefit payments are discounted at the long-term expected return on assets of 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.65% to the extent they are not available. The single equivalent rate used to determine the Net Pension Liability as of June 30, 2023 was 7.08%.

The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of TCERA as of June 30, 2023, calculated using the discount rate of 7.08%, as well as what TCERA’s net pension liability in thousands would be if it were calculated using a discount rate that is 1-percentage-point lower (6.08%) or 1-percentage-point higher (8.08%) than the current rate:

As of June 30, 2023:
(dollars in thousands)

	1% Decrease (6.08%)	Current Discount Rate (7.08%)	1% Increase (8.08%)
TCERA Net Pension Liability	\$843,372	\$505,018	\$228,471
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.3%	79.0%	89.3%

Notes to Basic Financial Statements

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to June 30, 2023 and through December 6, 2023, the date through which management evaluated subsequent events and on which the financial statements were issued, TCERA did not identify any subsequent financial events.

Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal Years June 30:

(dollars in thousands)

	2023	2022	2021	2020	2019
<u>Total Pension Liability</u>					
Service cost	\$ 54,448	\$ 56,123	\$ 54,859	\$ 49,424	\$ 49,484
Interest	157,325	154,625	141,880	140,390	133,895
Differences between expected and actual experience	71,644	(69,048)	85,474	(54,091)	(6,667)
Changes of assumptions	(10,869)	(40,693)	2,930	70,788	(37,996)
Benefit payments, including refunds of member contributions	<u>(109,503)</u>	<u>(102,708)</u>	<u>(96,276)</u>	<u>(91,427)</u>	<u>(85,097)</u>
Net Change in Total Pension Liability	163,045	(1,701)	188,867	115,084	53,619
Total Pension Liability - Beginning	<u>2,246,027</u>	<u>2,247,728</u>	<u>2,058,861</u>	<u>1,943,777</u>	<u>1,890,158</u>
Total Pension Liability - Ending (a)	<u>\$ 2,409,072</u>	<u>\$ 2,246,027</u>	<u>\$ 2,247,728</u>	<u>\$ 2,058,861</u>	<u>\$ 1,943,777</u>
<u>Plan Fiduciary Net Position</u>					
Contributions- employer	\$ 45,174	\$ 40,392	\$ 36,766	\$ 35,310	\$ 33,494
Contributions- member	27,965	25,880	23,536	23,104	22,325
Net investment income (loss)	124,156	(117,773)	395,079	9,515	90,779
Benefit Payments, including refunds of member contributions	(109,503)	(102,708)	(96,276)	(91,427)	(85,097)
Administrative expense	<u>(2,747)</u>	<u>(2,967)</u>	<u>(2,740)</u>	<u>(2,853)</u>	<u>(2,806)</u>
Net Change in Plan Fiduciary Net Position	85,045	(157,176)	356,365	(26,351)	58,695
Plan Fiduciary Net Position - Beginning	<u>1,819,009</u>	<u>1,976,185</u>	<u>1,619,820</u>	<u>1,646,171</u>	<u>1,587,476</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,904,054</u>	<u>\$ 1,819,009</u>	<u>\$ 1,976,185</u>	<u>\$ 1,619,820</u>	<u>\$ 1,646,171</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 505,018</u>	<u>\$ 427,018</u>	<u>\$ 271,543</u>	<u>\$ 439,041</u>	<u>\$ 297,606</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.04%	80.99%	87.92%	78.68%	84.69%
Covered Payroll	\$ 306,492	\$ 288,629	\$ 276,127	\$ 283,640	\$ 264,218
Net Pension Liability as a Percentage of Covered Payroll	164.77%	147.95%	98.34%	154.79%	112.64%

Note: Numbers may not add to totals due to rounding

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios (Cont.)

Fiscal Years June 30:

(dollars in thousands)

	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>					
Service cost	46,838 \$	38,203 \$	38,308 \$	35,168 \$	39,672
Interest	126,586	118,664	115,716	97,473	94,277
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience	10,342	11,936	(40,602)	7,590	-
Changes of assumptions	41,148	69,608	23,922	180,187	13,588
Benefit payments, including refunds of member contributions	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)
Net Change in Total Pension Liability	144,198	161,450	65,012	251,858	81,583
Total Pension Liability - Beginning	1,745,960	1,584,510	1,519,498	1,267,640	1,186,057
Total Pension Liability - Ending (a)	1,890,158 \$	1,745,960 \$	1,584,510 \$	1,519,498 \$	1,267,640
<u>Plan Fiduciary Net Position</u>					
Contributions- employer	286,263 \$	33,616 \$	31,297 \$	30,992 \$	25,953
Contributions- member	18,512	18,190	16,815	18,887	18,969
Net investment income	95,857	132,865	(20,309)	122,400	179,878
Benefit Payments, including refunds of member contributions	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)
Administrative expense	(2,666)	(2,612)	(2,616)	(2,408)	(1,639)
Net Change in Plan Fiduciary Net Position	317,250	105,098	(47,145)	101,311	157,207
Plan Fiduciary Net Position - Beginning	1,270,226	1,165,127	1,212,272	1,110,961	953,754
Plan Fiduciary Net Position - Ending (b)	1,587,476 \$	1,270,225 \$	1,165,127 \$	1,212,272 \$	1,110,961
Net Pension Liability - Ending (a)-(b)	302,682 \$	475,735 \$	419,383 \$	307,226 \$	156,679
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.99%	72.75%	73.53%	79.78%	87.64%
Covered Payroll	256,049 \$	243,366 \$	238,559 \$	229,431 \$	234,439
Net Pension Liability as a Percentage of Covered Payroll	118.21%	195.48%	175.80%	133.91%	66.83%

Note: Numbers may not add to totals due to rounding

Schedule of Changes in Net Pension Liability and Related Ratios (Cont.)**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Net Pension Liability – See information in Note 9 regarding the increase in the net pension liability.

Benefit Changes – All members with a membership date on or after January 1, 2013 enter the new tiers created by the California Public Employees' Pension Reform Act of 2013 (PEPRA). There were no changes in benefits during the year.

Fiduciary Net Position – The fiduciary net position is calculated based on financial information available to the actuary for the preparation of the actuarial valuation and does not include subsequent adjustments.

Scope of Schedule – The schedule is intended to show information for 10 years. Recalculations of prior years are not required. If prior years are not reported in accordance with the standards of Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Contributions

(dollars in thousands)

Fiscal Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Actuarially Determined Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	25,953	25,953	-	234,439	11.07%
2015	30,992	30,992	-	229,431	13.51%
2016	31,297	31,297	-	238,559	13.12%
2017	33,616	33,616	-	243,366	13.81%
2018 *	36,263	36,263	-	256,049	14.16%
2019	33,494	33,494	-	264,218	12.68%
2020	35,310	35,310	-	283,640	12.45%
2021	36,766	36,766	-	276,127	13.31%
2022	40,392	40,392	-	288,629	13.99%
2023	45,174	45,174	-	306,492	14.74%

* For the FYE 2018, the contribution shown in this schedule does not include the additional \$250 million contribution made by the County at the end of the Fiscal Year.

Required Supplementary Information

Schedule of Contributions (Cont.)

Notes to Schedule of Contributions:

Valuation date (1) Actuarially determined contribution rates are calculated as of **June 30, 2021**, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll with separate periods for the UAL as of June 30, 2015 (13 years remaining as of 6/30/21), and additional 19-year layers for unexpected changes in UAL after 6/30/15.
Remaining amortization period	19 years, layered
Asset valuation method	10-year smoothed market, with a 30% corridor around the market value.
Inflation	2.75%
Salary increases	3% plus merit component based on employee classification and years of service.
Investment rate of return	7.00% per annum (6.88% compounded semi-annually). The investment rate of return includes inflation.
Retirement age	Retirement age varies by membership type and tier. Refer to Note 2, Plan Description for more information.
Mortality - Retirement	For General: RP-2014 Combined Healthy Sex Distinct Table, with Generational improvement using Projection Scale MP-2019, increased by 2.2% for males and 8.0% for females to reflect Plan experience For Safety: RP-2014 Combined Healthy Male Table with blue-collar adjustment, with Generational improvement using Projection Scale MP-2019, increased by 4.5% for males to reflect Plan experience
Mortality - Disability	All Members - RP-2014 Combined Healthy Sex Distinct Table, with Generational improvement using Projection Scale MP-2019.
Cost of living adjustments	2.6% per year for Tier 1 and 2% for Tiers 2, 3, and 4.

(1) Actuarial determined contributions are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense

Fiscal Year:	2023	2022	2021	2020	2019
	6.45%	-5.79%	23.85%	0.74%	6.10%
Fiscal Year:	2018	2017	2016	2015	2014
	7.60%	11.70%	-1.30%	1.10%	17.00%

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2023

(dollars in thousands)

Personnel Services

Salaries	
General	\$ 971
Benefits	
General	437
Board Fees - Per Diem Payments	19
Total Personnel Services	1,427

Professional Services

Actuarial	87
Data Processing	357
Audit	45
Professional Services - Disability	136
Legal Counsel	
General	66
Disability	26
Total Professional Services	717

Communication

Printing	35
Communication	14
Postage	59
Total Communication	108

Rentals

Office Space	188
Total Rentals	188

Other

Training	6
Transportation and Travel	22
Maintenance	22
Insurance	74
Utilities	29
Depreciation and Amortization	57
Office	79
Other County Department Charges	17
Total Other	306

Total Administrative Expenses	\$ 2,746
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Other Supplemental Information

Fees, Other Investment Expenses and Payments to Consultants*For the Fiscal Year Ended June 30, 2023**(dollars in thousands)***Investment Activity**

Equity	
Domestic	\$ 1,074
International	1,259
Fixed Income	
Domestic	984
Alternative Investments	
Private Equity	2,683
Private Credit	1,609
Real Asset	
Real Asset Managers	4,486
Total from Investment Activity	12,095

Securities Lending Activity

Securities Lending Program Expenses	1,073
Total from Securities Lending Activity	1,073

Other Investment Expenses

Investment Custodian	286
Investment Consultant	570
Other	253
Total from Other Investment Expenses	1,109

Total Fees and Other Investment Expenses**\$ 14,277****Payments to Consultants****Nature of Service**

Actuarial	\$ 87
Audit	45
Legal Counsel	
General	66
Disability	26

Total Consulting Fees**\$ 224**

Schedule of Net Position Restricted for Pension Benefits*As of June 30, 2023**(dollars in thousands)*

Employee reserves, July 1	\$ 359,335
Contributions	27,965
Withdrawals	(6,111)
Transfers	(23,467)
Interest crediting	18,299
Employee reserves, June 30	376,021
Employer reserves, July 1	966,012
Contributions	45,174
Benefits Paid	-
Transfers	(46,576)
Interest crediting	53,078
Employer reserves, June 30	1,017,688
Retiree reserves, July 1	460,586
Benefits Paid	(96,237)
Transfers	70,017
Interest crediting	26,707
Retiree reserves, June 30	461,073
SRBR reserves, July 1	113,702
Benefits Paid	(7,155)
Interest crediting	6,155
SRBR reserves, June 30	112,702
Other reserves, July 1	(2,421)
Transfers - Intra Member Contribution Account	4,420
Interest crediting	183
Other reserves, June 30	2,182
Market Stabilization reserve, July 1	(134,802)
Net Change in Market Stabilization	10,444
Market Stabilization reserve, June 30	(124,358)
Contingency reserve, July 1	55,608
Transfers	1,994
Contingency reserve, June 30	57,602
TCERA Property, Inc. Retained Earnings (Holding Corporation), July 1	988
Net income	156
TCERA Property, Inc. Retained Earnings (Holding Corporation), June 30	1,144
Net position restricted for pension benefits	\$ 1,904,054

Other Information

Schedule of Cost Sharing Employer Allocations

For the Fiscal Year Ended June 30, 2023

(dollars in thousands)

Employer	2023 Actual Employer Contributions	2023 Employer Allocation Percentage
County of Tulare	\$ 41,258	91.33%
Tulare County Association of Governments ¹	220	0.49%
Tulare County Superior Court	3,657	8.10%
Strathmore Public Utility District	39	0.09%
Total	\$ 45,174	100.00%

¹ The Tulare County Association of Governments is a district within Tulare County.*Note: Numbers may not add to totals due to rounding****Employer Pension Amounts Allocated by Cost Sharing Plan***

June 30, 2023

(dollars in thousands)

Employer	Net Pension Liability	DEFERRED OUTFLOWS OF RESOURCES				
		Differences Between Expected and Actual Experience	Changes of Assumptions	Net Differences Between Projected and Actual Investment Earnings	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Tulare County	\$ 461,239	\$ 83,572	\$ 13,999	\$ 62,272	\$ 997	\$ 160,840
Tulare County Assn of Governments¹	2,459	446	75	332	76	929
Tulare County Superior Court	40,884	7,408	1,241	5,520	1,174	15,343
Strathmore Public Utility District Total	436	79	13	59	29	180
Total	\$ 505,018	\$ 91,505	\$ 15,328	\$ 68,183	\$ 2,276	\$ 177,292

¹ The Tulare County Association of Governments is a district within Tulare County.*Note: Numbers may not add to totals due to rounding*

Employer Pension Amounts Allocated by Cost Sharing Plan (Cont.)

Employer	DEFERRED INFLOWS OF RESOURCES				
	Differences Between Expected and Actual Economic Experience	Changes of Assumptions	Net Differences Between Projected and Actual Investment Earnings	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Tulare County	\$ 47,718	\$ 30,240	\$ -	\$ 1,049	\$ 79,007
Tulare County Assn of Governments ¹	254	161	-	122	537
Tulare County Superior Court	4,230	2,680	-	1,090	8,000
Strathmore Public Utility District Total	45	29	-	15	89
Total	\$ 52,247	\$ 33,110	\$ -	\$ 2,276	\$ 87,633

Employer	PENSION EXPENSE		
	Collective Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense Excluding That Attributable to Employer-Paid Member Contributions
Tulare County	\$ 76,522	\$ 591	\$ 77,113
Tulare County Assn of Governments ¹	408	(147)	261
Tulare County Superior Court	6,783	(445)	6,338
Strathmore Public Utility District Total	72	1	73
Total	\$ 83,785	\$ -	\$ 83,785

¹ The Tulare County Association of Governments is a district within Tulare County.
Note: Numbers may not add to totals due to rounding

Notes to Other Information

BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Employers that participate in TCERA were 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. For employers with a reporting date of June 30, their 2023 disclosures can be based on either the June 30, 2022 or 2023 measurement dates. If an employer elects to base their 2023 disclosures on the June 30, 2022 measurement date, the GASB 68 schedules in this report with a measurement date of June 30, 2023 will be used for their 2024 reporting date.

TCERA is a cost-sharing multiple-employer pension plan, each employer participating in TCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements.

USE OF ESTIMATES IN THE PREPARATION OF THE SCHEDULES

The preparation of these schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

AMORTIZATION OF DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Proportionate shares for each participating employer are generally determined based on the ratio of each participating employer's actual contributions to TCERA during the measurement year to the sum of the employer contributions. Proportionate shares for each participating employer are generally determined based on the ratio of each participating employer's actual contributions to TCERA during the measurement year to the sum of the employer contributions.

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

The difference between projected and actual investment earnings on pension plan investments is amortized over 5 years on a straight-line basis. One-fifth was recognized in pension expense during the measurement period, and the remaining difference between projected and actual investment earnings on pension plan investments at June 30, 2023, is to be amortized over the remaining periods. The changes in assumptions and differences between expected and actual experience are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through TCERA (active and inactive employees) determined as of June 30, 2022 (the beginning of the measurement period ending June 30, 2023) and is four years. Prior period changes of assumptions and differences between expected and actual experience are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

investment section

Independent Consultant's Report



September 11, 2023

The Board of Retirement
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, California 93291

The investment portfolio of the Tulare County Employees' Retirement Association attained a total value of \$1.91 billion for the fiscal year ending June 30, 2023; the fiscal year return was 6.7%, net of investment management fees. This return was below the Plan's policy benchmark of 6.9%. Capital markets rebounded over the last year driven by decreasing inflation and a resilient economy. With that said, the U.S. continues to face inflation that is higher than the Federal Reserve's target level despite prices moderating significantly from its Summer 2022 peak. In response, the Federal Reserve continued to increase interest rates to combat rising prices which has had a volatile effect on equity and fixed income markets. Despite positive absolute performance, TCERA underperformed their policy index and ranked in the 77th percentile in a universe of public pension plans with assets greater than \$1 billion. Underperformance relative to the median peer resulted primarily from TCERA's overweight to real estate which had negative returns for the year.

Verus worked with the Board on various projects including a private markets review, asset allocation analysis, and investment manager fee analysis. Furthermore, we also met various "as-needed" tasks such as ESG education and country specific exposure.

Moving forward, we will continue to work with the Board to monitor the Plan's strategic asset allocation and its implementation for potential improvement opportunities as we jointly remain focused on ensuring the retirement of TCERA's participants is secure.

Sincerely,

A handwritten signature in blue ink, reading "Jeffrey MacLean".

Jeffrey MacLean
Chief Executive Officer, Senior Consultant

NOTE: Returns for periods greater than one year are annualized. Investment return calculations are time-weighted, market value based, and consistent with industry standards and best practices for performance measurement.

Economic Conditions and Outlook

Summary

Risks assets delivered a strong start to 2023, building off the positive momentum seen towards the end of 2022. Year-to-date performance was positive across all major asset classes outside of commodities, as was performance on a one-year basis. Despite the challenging outlook presented in our last letter, economic growth proved to be resilient, despite an ending to the large amount of stimulus introduced in response to the pandemic, and quickly rising interest rates. While earlier in the year many economists had forecast a U.S. recession in mid to late summer (especially after a series of regional bank failures, notably Silicon Valley Bank and First Republic), sentiment eased considerably as the prospect of a “soft-landing” was revived. Falling headline inflation, resilient labor market data, and the first rate pause from the Federal Reserve all contributed to a more positive macroeconomic outlook.

Despite the strong first half of 2023, challenges remain going forward. Within the U.S., inflation is still a concern. The Federal Reserve continues to face difficult policy decisions as inflation, while lower, sits above the two-percent target and economic and labor market strength persists. The FOMC paused rate hikes in June, but markets are pricing in as many as two additional hikes before the end of the current tightening cycle. Overseas, growth in advanced economies remains stunted as many central banks continue their battle against inflation. Within emerging markets, the loudest narrative has centered on China. Reopening after the pandemic provided a material boost to activity, though positive momentum has been overshadowed by mounting geopolitical tension with the United States, a lack of broader accommodative stimulus from Beijing, and a hobbling real estate market.

U.S. Equity

Shares in the U.S. outperformed relative to international developed and emerging market counterparts across both the year-to-date and one-year timeframe. The S&P 500 index rose by an outstanding 19.6% over the trailing one-year period, driven by strength seen in 2023 (16.9% gain year-to-date). Many expected a higher rate environment and slowing domestic consumer to be a ceiling on domestic equity prices, especially following a series of regional bank failures, most notably Silicon Valley Bank and First Republic Bank in March. This ceiling was quickly shattered as the prospect and development of artificial intelligence (AI) technology boosted the already technology-heavy S&P 500 index.

Following concerns over the stability of the broader U.S. financial system, a wave of AI developments fueled a rally in many U.S. technology shares. Some of the largest technology names, which have committed significant investments in research and development over past years, saw the biggest jumps. Notable year-to-date movers include Nvidia (+189.5%), Meta (+138.5%), Apple (+49.3%), and Microsoft (+42.0%).

Other Information

The significant movements of heavyweight technology names are apparent when looking at size and style factors. Large-cap equities significantly outperformed over the one-year, with the Russell 1000 index gaining 19.4% relative to a 12.3% increase in the Russell 2000 index. Growth handily outperformed value, with the Russell 1000 Growth index rising 27.1% from last year compared to an 11.5% gain from the Russell 1000 Value index.

While U.S. shares have outperformed, the earnings story remains uncertain. Per FactSet, S&P 500 companies are on track for their third straight quarter of year-over-year earnings decline. The expected decline of -7.0% in Q2 2023 reflects a volatile business environment. While earnings expectations are rosier going forward, recent gains seen from U.S. equities are by no means an indicator that the Federal Reserve has successfully achieved a “soft-landing” for the economy.

International Equity

International share performance lagged the U.S. as technology-related gains were primarily captured by large U.S. firms. Despite underperformance, both international developed and emerging market shares saw gains on a one-year horizon. While directionality was the same, performance divergence was significant between the two. The MSCI EAFE index increased 18.8% year-over-year, but the MSCI EM index posted a meager 1.7% gain.

International developed shares rebounded in Q4 of 2022, and this momentum carried into 2023, driven by strength from both European and Japanese shares. The STOXX 50, which represents the 50 largest companies in Europe, rose 36.3% from the prior year. While Europe continues to face tighter central bank policies due to high inflation (June 2023 CPI came in at 5.5% year-over-year), resilience was much better than expected, especially in comparison to the negative sentiment following Russia’s invasion of Ukraine. Japanese equities also saw strong performance due to a combination of positive economic growth, inflation (Japan has sought higher inflation for many years), and a potential shift regarding foreign shareholder prioritization. Gains in Japanese equities were mostly achieved in 2023. The TOPIX index increased 25.9% over the year-to-date, making up most of the 31.2% one-year gain.

China dominated the narrative in emerging markets, as emerging market shares initially outperformed on enthusiasm around the country’s reopening. This reopening momentum turned out to be short-lived, as negative sentiment quickly overshadowed the move away from an almost three-year “zero-covid” policy. It appears that two primary factors contributed to losses for Chinese shares. The first was a smaller-than-expected reopening wave of economic activity, with no substantial monetary or fiscal stimulus used to accelerate the reopening. This contrasted sharply to the large amounts of stimulus used in the U.S. and Europe. This smaller-than-expected reopening wave provided no reprieve to the already struggling real estate market. The second factor was growing geopolitical tension with the United States. A series of events, including a spy balloon being shot down over U.S. airspace, continued to bolster negative relations between the two global leaders, which likely hurt foreign investor sentiment. The MSCI China index fell -5.5% over the year-to-date, further adding to the -16.8% loss seen over the one-year period.

Fixed Income

Inflation and Federal Reserve action continued to be the dominant driver of fixed income performance over the past year. With the bulk of Federal Reserve rate hikes occurring in the second half of 2022, bonds received the brunt of the pain over the 2022 calendar year (Bloomberg U.S. Aggregate down -13.0%). The Federal Reserve continued to increase rates in response to inflation in 2023, but at a considerably slower pace. The upper bound of the Fed's target rate moved from 4.50% to 5.25% over the 2023 year-to-date period. Smaller hikes were likely in response to strong signs of falling inflation, as headline CPI fell to 3.0% in June of 2023. While the FOMC decided to pause their rate hikes at the June meeting, commentary from Federal Reserve Chairman Powell was very explicit that pausing was not a signal of the end of the tightening cycle. Fed funds futures (an indicator of investor expectations) are pricing in another 25-basis point rate hike at the FOMC's July meeting, as the Federal Reserve will continue to watch the path of inflation, especially when looking at the core basket (4.8% year-over-year rise in June).

Positive performance in 2023 has helped to improve one-year performance for the fixed income complex. Core fixed income (Bloomberg U.S. Aggregate) saw a 2.1% gain over the year-to-date period, bringing the one-year loss to -0.9%. In terms of duration, short maturity U.S. treasuries outperformed, with the Bloomberg U.S. Treasury 1-3 Year index gaining 0.1% over the one-year, compared to -2.1% and -6.8% losses from the U.S. Treasury index and U.S. Treasury Long index, respectively.

Expectations for worsening credit conditions may have reached a peak earlier in the year following the failure of several regional banks, as many investors expected a material pull back in credit availability. While high-yield bond and leveraged loan default rates have reached a two-year high per J.P. Morgan, the broader credit spectrum has performed strongly over the one-year period. Emerging market debt in local currency (+11.4%) was the best performer, followed by leveraged loans (+10.1%), high-yield bonds (+9.1%), and hard currency emerging market debt (+7.4%). Credit spreads compressed over the year-to-date, with the average option-adjusted spread for high-yield and investment grade bonds sitting at 390 basis points and 123 basis points, respectively. It has been surprising to see credit spread remain at low levels, despite recent rises in bond default activity, and expectations that defaults will continue to rise into 2024.

Commodities

In 2022, there was two major stories in the commodities space. First, the rapid increase in energy and grain prices—much of this due to Russia's invasion of Ukraine—was an igniting factor for global inflation issues. The second story was commodity performance. Commodities were one of the few asset classes to post a positive return during the 2022 calendar year, and the asset dominated the narrative in 2022 with some market participants calling for a new booming commodity cycle. However, commodities ended up playing a much smaller role in 2023, as a combination of easing supply pressures and lower demand hurt price performance. The Bloomberg Commodity index fell -7.8% over the year-to-date, driving the -9.6% one-year loss.

Other Information

Currency

The strong dollar theme which prevailed in the first three quarters of 2022 quickly reversed course in the fourth quarter of 2022. The dollar has broadly weakened in 2023, but movements have been relatively small. Interest rates have played a material role. As inflation in the U.S. seems to be under control, this has led to lower rate expectations relative to other major currencies such as the Euro and the British Pound. During this period, the Japanese Yen saw a small surge on speculation of changing rate policy under new Bank of Japan Governor Kazuo Ueda. However, this speculation proved to be only speculation, as the Yen weakened 8.7% against the dollar over the year-to-date. The Bloomberg Dollar index, a gauge of the U.S. dollar relative to major pairs, saw moderate losses, down -2.2% in comparison to one year ago.

Outlook

The first half of 2023 has been a strong period for most risk assets, especially across the equity and credit spectrum. Despite this strength, investor views of the future have diverged regarding whether the economy has achieved a new equilibrium (“soft landing”), or whether a material recession is in imminent. Domestic investor sentiment remains positive as inflation has shown signs of easing, real earnings growth has moved back into positive territory, and the labor market remains resilient despite the quick rise in interest rates. While strong asset performance has further boosted sentiment, risks including regional banks, commercial office real estate, and sticker inflation remain. It is important to remember that rising interest rates tend to impact the economy with a lag. We believe many effects of interest rate rises have yet to be felt, and that the economy and markets may feel some pain by early 2024. Across international developed markets, we believe growth will continue to face headwinds until inflation is under control, but for the moment, these markets have shown greater resilience than expected. Lastly, emerging markets are set to grow faster than advanced economy counterparts, but China may continue to overshadow the narrative, especially as the U.S. China relationship remains tenuous.

Written by Verus Advisory

Investment Objectives

The Board of Retirement (the Board) has adopted Investment Policies and Guidelines, which outline the Tulare County Employees' Retirement Association's (TCERA, the Association, or the Plan) investment goals and objectives. The Investment Policy Statement combines planning and philosophy and contains a Policies and Procedures section, Statement of Investment Goals, and General Investment Goals and Guidelines.

The Plan's general investment goals are broad in nature. The primary objectives are to efficiently allocate and manage the assets in order to satisfy the liabilities of the Plan. The following goals, consistent with the above-described purpose, are adopted:

- The overall goal of TCERA's investments is to provide Plan participants with retirement, disability, and death and survivor benefits, as provided for under the County Employees Retirement Law of 1937. This will be accomplished through a carefully planned and executed long-term investment program.
- The total portfolio over the long-term will be expected to:
 1. Produce a total portfolio, long-term real (above inflation) return commensurate with the target asset allocation (annualized, net of fees, over a full market cycle, normally defined as 3-5 years);
 2. Exceed the assumed actuarial rate of return over rolling five-year periods; and
 3. Exceed a weighted index of the total Plan's asset allocation policy and component benchmark over rolling five-year periods by an appropriate amount (annualized, net of fees, over a full market cycle).
- TCERA's Investment Policy has been designed to produce a total portfolio, long-term real return. Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification to meet this goal.

Asset Allocation

The Board adopts and implements an asset allocation policy that is predicated on a number of factors, including:

- Expected long-term capital market risk and return behavior;
- Projected assets, liabilities, benefit payments, and contributions provided by TCERA's actuary;
- An assessment of future economic conditions, including inflation and interest rate levels; and
- The specific investment objectives set forth by TCERA.

The Plan will be diversified both by asset class (e.g., common stocks, bonds, real estate, other alternatives) and within asset classes (e.g., within common stocks by economic sector, industry, quality, and market capitalization). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total Plan.

The basis of the data presented is fair value as of June 30, 2023 prior to adjustments for accruals and cash positions. Performance reported is based on time-weighted returns based on the market rate of return.

Target Asset Allocation

As of June 30, 2023

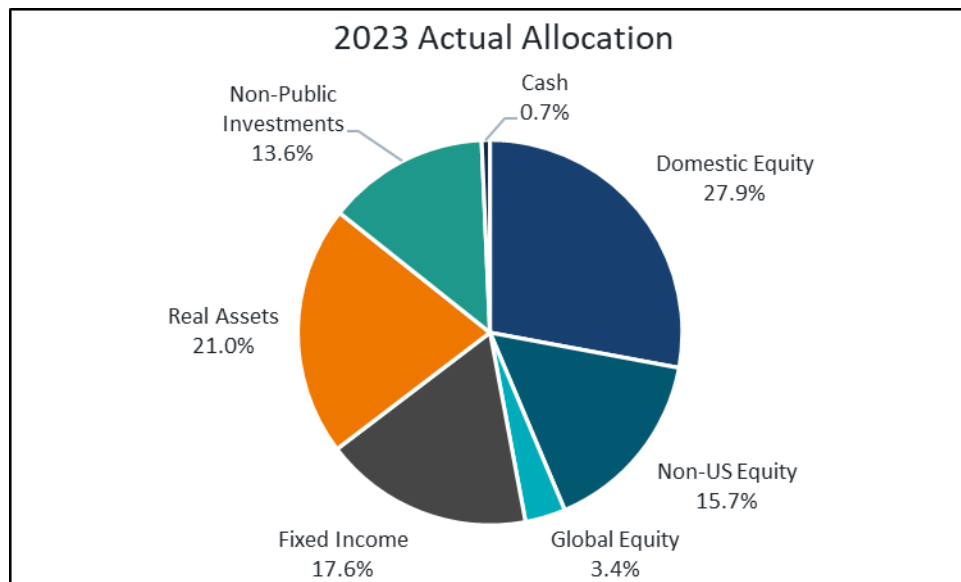
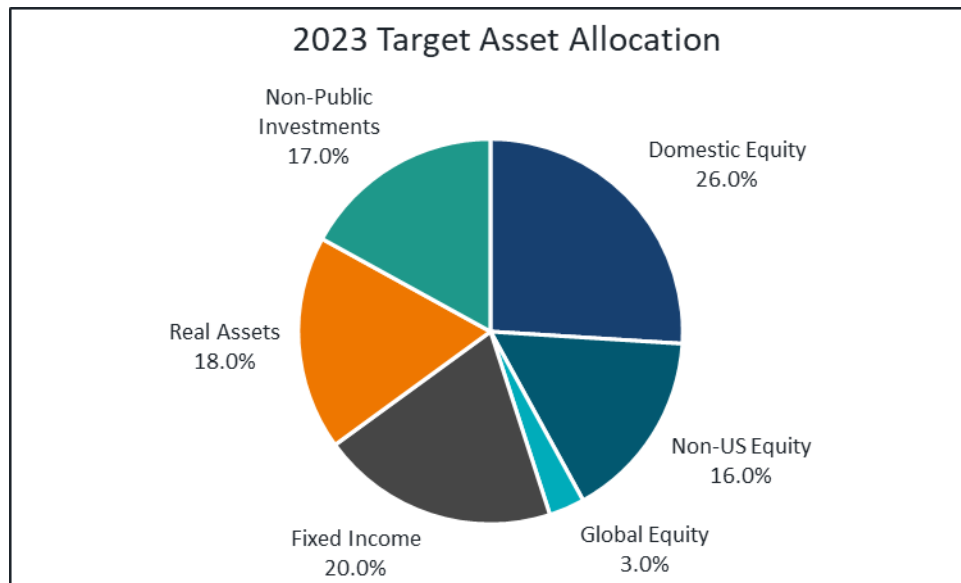
The target asset allocation for the investment portfolio is determined by the Board to facilitate the achievement of the investment program's long-term investment objectives within the established risk parameters. Due to the fact that the allocation of funds between asset classes may be the single most important determinant of the investment performance over the long run, the Plan's assets shall be divided into the following asset classes:

Asset Class	Minimum Percent	Maximum Percent	Target Percent
Domestic Equity	15%	35%	26%
<i>Large Cap</i>	<i>10%</i>	<i>25%</i>	<i>20%</i>
<i>Small Mid Cap</i>	<i>0%</i>	<i>10%</i>	<i>6%</i>
Non-U.S. Equity (Developed and Emerging)	5%	25%	16%
Global Equity	0%	5%	3%
Fixed Income	10%	35%	20%
<i>Core-Plus Fixed Income</i>	<i>10%</i>	<i>30%</i>	<i>17%</i>
<i>Emerging Market Debt</i>	<i>0%</i>	<i>6%</i>	<i>3%</i>
Real Assets	10%	30%	18%
<i>Core Real Estate</i>	<i>5%</i>	<i>10%</i>	<i>3%</i>
<i>Value-Add Real Estate</i>	<i>0%</i>	<i>10%</i>	<i>4%</i>
<i>Opportunistic Real Estate</i>	<i>0%</i>	<i>10%</i>	<i>4%</i>
<i>Infrastructure</i>	<i>0%</i>	<i>10%</i>	<i>4%</i>
<i>Real Estate Debt</i>	<i>0%</i>	<i>10%</i>	<i>3%</i>
Alternative Investments	0%	20%	17%
<i>Private Equity/VC</i>	<i>0%</i>	<i>16%</i>	<i>12%</i>
<i>Private Credit</i>	<i>0%</i>	<i>10%</i>	<i>5%</i>

Formal asset allocation studies will be conducted at least every five years, with annual evaluations of the validity of the adopted asset allocation based on updated return projections. Any change in capital market assumptions or liabilities will require consideration of revision to the asset allocation policy.

Target Asset vs. Actual Asset Allocation

As of June 30, 2023



Percentages may not equal 100% due to rounding.

Fair Value of Investments

As of June 30, 2023

Type of Investments	Fair Value	Percentage of Total Fair Value
Domestic Corporate Bonds	\$71,365,446	3.7%
MBS	\$101,674,852	5.3%
ABS	\$22,058,985	1.2%
U.S. Government/Agency Instruments	\$60,490,426	3.2%
Municipal Bonds	\$678,496	0.0%
Emerging Markets Fixed Income	\$60,329,126	3.2%
Other	\$19,748,826	1.0%
Total Bonds	\$336,346,156	17.6%
Domestic Equity	\$531,282,578	27.9%
Non-U.S. Equity	\$298,782,608	15.7%
Global Equity	\$65,746,813	3.4%
Total Equity	\$895,811,999	47.0%
Real Estate	\$317,648,886.28	16.7%
Infrastructure	\$84,128,607	4.4%
Total Real Assets	\$400,866,824.00	21.1%
Private Equity	\$136,517,371.98	7.2%
Private Credit	\$122,865,950	6.4%
Total Non-Public Investments	\$260,293,991	13.6%
Cash	\$13,605,149	0.7%
Total Investments	\$1,906,924,119	100.0%
Plan Adjustments for Accruals, Cash, Payables, Receivables and Private Equity.	3,702,881	
Net Investments	\$1,910,627,000	

Individual Categories for purposes of this report are determined by the Investment Consultant and may not reflect the categories as reported from the custodial bank in the financial statements.

Investment ResultsFor the Periods Ended June 30, 2023¹

		Annualized (%)			
Account	Current	2 Year	3 Year	4 Year	5 Year
<u>Equity</u>					
SSGA S&P 500 Flagship Fund	19.6	3.3	14.6	12.7	12.3
QMA Large Cap Core	19.1	4.1	14.8	11.9	10.8
<i>S&P 500</i>	<i>19.6</i>	<i>3.4</i>	<i>14.6</i>	<i>12.8</i>	<i>12.3</i>
Boston Partners Large Cap Value	11.5	3.6	17.1	10.0	8.9
<i>Russell 1000 Value</i>	<i>11.5</i>	<i>1.9</i>	<i>14.3</i>	<i>8.0</i>	<i>8.1</i>
William Blair Large-Cap Growth	24.8	--	--	--	--
<i>Russell 1000 Growth</i>	<i>27.1</i>	--	--	--	--
SSGA U.S. Extended Market Index	15.2	-10.1	--	--	--
<i>Dow Jones U.S. Completion Total Stock Market</i>	<i>15.0</i>	<i>-10.3</i>	--	--	--
William Blair SMID Cap Growth	20.8	-6.8	7.3	7.0	7.6
<i>Russell 2500 Growth</i>	<i>18.6</i>	<i>-10.1</i>	<i>6.6</i>	<i>7.2</i>	<i>7.0</i>
Leeward Small Cap Value	11.0	1.3	18.6	9.2	6.3
<i>Russell 2000 Value</i>	<i>6.0</i>	<i>-5.8</i>	<i>15.4</i>	<i>6.1</i>	<i>3.5</i>
Total Domestic Equity	17.9	0.7	13.6	11.2	10.4
SSGA MSCI ACWI Ex US Index Fund	12.9	-4.5	7.4	4.3	3.7
<i>MSCI ACWI ex USA Net</i>	<i>12.7</i>	<i>-4.7</i>	<i>7.2</i>	<i>4.1</i>	<i>3.5</i>
PIMCO RAE Fundamental Global Ex US Fund	16.3	-0.8	12.6	5.0	3.7
<i>MSCI ACWI ex USA Value Net</i>	<i>12.2</i>	<i>-1.1</i>	<i>10.4</i>	<i>3.3</i>	<i>2.7</i>
SGA International Growth	19.3	-2.9	8.2	7.7	8.3
<i>MSCI ACWI ex USA Growth Net</i>	<i>13.3</i>	<i>-8.3</i>	<i>4.0</i>	<i>4.4</i>	<i>4.1</i>
Total International Equity	16.1	-2.8	9.3	5.9	5.4
Skellig Water Fund (aka KBI)	19.2	2.3	16.3	11.0	9.1
<i>MSCI ACWI Net</i>	<i>16.5</i>	<i>-0.9</i>	<i>11.0</i>	<i>8.7</i>	<i>8.1</i>
Total Global Equity	19.2	2.3	16.3	11.0	9.1

Investment Results (Continued)For the Periods Ended June 30, 2023¹

		Annualized (%)			
Account	Current	2 Year	3 Year	4 Year	5 Year
<u>Fixed Income</u>					
BlackRock Fixed Income	-0.8	-6.1	-4.0	-0.9	0.8
Doubleline Core Plus	0.2	-5.1	-2.5	-0.9	0.6
MacKay Shields Core Plus	-0.5	-6.4	-3.2	-0.4	1.1
<i>BBgBarc US Aggregate TR</i>	<i>-0.9</i>	<i>-5.7</i>	<i>-4.0</i>	<i>-0.9</i>	<i>0.8</i>
PGIM Emerging Markets Debt	12.5	-4.8	0.0	--	--
<i>50% JPM EMBI Global Div/50% JPM GBI EM Global Div</i>	<i>9.4</i>	<i>-6.6</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>
Total Fixed Income	1.4	-5.9	-3.2	-0.7	0.9
<u>Real Estate</u>					
RREEF America II	-11.6	9.7	7.1	6.7	6.7
American Realty	-1.8	8.6	6.9	--	--
SSGA US REIT Index	-0.7	--	--	--	--
Invesco Commercial Mortgage Income Fund	-1.7	--	--	--	--
KSL Capital Partners Fund VI (Closed-End Fund)	--	--	--	--	--
<i>NCREIF-ODCE</i>	<i>-10.7</i>	<i>7.0</i>	<i>7.0</i>	<i>5.6</i>	<i>5.6</i>
Total Real Estate	-7.2	7.6	5.8	5.6	5.8
<u>Private Equity</u>					
Ocean Avenue Fund III	-0.7	28.9	27.7	24.0	26.2
Ocean Avenue Fund IV	13.1	28.4	30.7	--	--
Ocean Avenue Fund V	--	--	--	--	--
Pantheon Ventures	-7.2	-16.7	-10.2	-13.4	-9.9
Pathway Private Equity Fund Investors 8	-16.1	2.0	20.3	16.3	18.2
Pathway Private Equity Fund Investors 9	-5.1	10.6	28.6	20.7	21.0
Pathway Private Equity Fund Investors 10	-0.8	11.1	21.9	--	--
Stepstone Secondary Opportunities Fund II	-16.7	-11.9	-1.7	-1.4	-0.7
Altas Partners Holdings III	--	--	--	--	--
Total Private Equity	-3.4	12.4	21.7	17.4	17.5
<u>Private Credit</u>					
Sixth Street DCP (fmrly TSSP DCP)	2.7	5.1	12.3	7.9	8.5
Total Private Credit	2.7	5.1	12.3	7.9	8.5

Investment Results (Continued)

Investment Section

For the Periods Ended June 30, 2023¹

	Annualized (%)				
Account	Current	2 Year	3 Year	4 Year	5 Year
<u>Opportunistic</u>					
Sixth Street TAO Contingent (fmrly TSSP TAO Contingent)	1.7	4.3	12.5	17.3	--
PIMCO Bravo	--	--	--	--	--
KKR Mezzanine Partners	13.7	-2.3	-6.2	-6.5	-4.9
Total Opportunistic	5.0	10.4	11.9	7.1	4.3
Total Fund	6.5	0.6	7.8	5.9	5.9
<i>Policy Index²</i>	<i>6.9</i>	<i>0.4</i>	<i>7.1</i>	<i>6.1</i>	<i>6.2</i>

1-Time-Weighted Return Based on the Market Rate of Return.

2-Policy Index: 26% Russell 3000, 16% MSCI ACWI ex US, 3% MSCI ACWI, 17% Bloomberg US Aggregate, 3% JPM EMBI Global/JPM GBI EM Index, 13.4% NCREIF ODCE, 7% Private Equity returns, 5% Private Credit returns, 5% Russell 2000, 4.6% MSCI REIT

List of Largest Stock and Bond Holdings

As of June 30, 2023

Largest Stock Holdings (by fair value)

	Shares	Stock	Fair Value
1	48,659	MICROSOFT CORP	\$16,570,336
2	84,053	ALPHABET INC	\$10,061,144
3	59,727	AMAZON.COM INC	\$7,786,012
4	31,380	APPLE INC	\$6,086,779
5	10,883	UNITED HEALTH GROUP INC	\$5,230,805
6	12,987	MASTERCARD INC	\$5,107,787
7	11,822	NVIDIA CORP	\$5,000,942
8	10,241	BERSHIRE HATHAWAY INC	\$3,492,181
9	22,324	JPMORGAN CHASE & CO	\$3,246,803
10	10,215	ACCENTURE PLC	\$3,152,145

Largest Bond Holdings (by fair value)

	Par	Bond	Fair Value
1	2,415,000	U S TREASURY BOND 3.00% 11/15/2045 DD 11/15/15	\$2,032,271
2	1,886,000	U S TREASURY NOTE 4.625% 03/15/2026 DD 03/15/23	\$1,887,697
3	1,595,000	SPRINT LLC 7.875% 09/15/2023 DD 12/31/22	\$1,598,828
4	1,515,000	U S TREASURY NOTE 4.250% 12/31/2024 DD 12/31/22	\$1,493,578
5	893,000	COMMIT TO PUR FNMA SF MTG 4.000% 07/01/2053 DD 07/01/23	\$837,920
6	809,000	U S TREASURY BOND 4.000% 11/15/2052 DD 11/15/22	\$829,605
7	640,000	U S TREASURY BOND 4.375% 02/15/2038 DD 02/15/08	\$679,923
8	610,000	U S TREASURY BOND 4.000% 11/15/2042 DD 11/15/22	\$605,138
9	630,000	VIPER ENERGY PARTNERS LP 144A 5.375% 11/01/2027 DD 10/16/19	\$604,624
10	533,000	COMMIT TO PUR GNMA II JUMBOS 4.500% 07/20/2053 DD 07/01/23	\$514,782

A complete list of portfolio holdings is available upon request.

Schedule of Investment Management Fees

For the Fiscal Year Ended June 30, 2023
(dollars in thousands)

Domestic Equity	
Robeco Boston Partners	\$ 301
State Street	42
QMA	22
Leeward Investments	208
William Blair	501
Total Domestic Equity	<u>\$ 1,074</u>
International	
State Street	\$ 46
PIMCO RAE	495
Kleinwort Benson Investors	506
SG Advisers	212
Total International	<u>\$ 1,259</u>
Fixed Income	
BlackRock	\$ 233
PGIM	205
Mackay Shields	266
DoubleLine	280
Total Fixed Income	<u>\$ 984</u>
Private Equity	
KKR Mezzanine Partners	\$ 19
StepStone	206
Pathway Capital Mgmt	554
Ocean Avenue Capital	1,615
Verus Advisory, Inc	289
Total Private Equity	<u>\$ 2,683</u>
Private Credit	
SSP	\$ 1,609
Total Private Credit	<u>\$ 1,609</u>
Real Asset	
DSW RREEF	\$ 1,670
Invesco	688
State Street	3
American Realty Advisers	785
IFM Global Infrastructure	772
Verus Advisory, Inc	568
Total Real Asset	<u>4,486</u>
Total Investment Manager Fees	<u>\$ 12,095</u>

Schedule of Investment Management Fees (Cont.)

For the Fiscal Year Ended June 30, 2023

(dollars in thousands)

Securities Lending Activity	
Management Fee	\$ 6
Borrower Rebate	1,067
Total Securities Lending Activity	<u>\$ 1,073</u>
Other Investment Expenses	
Investment Custodian	\$ 286
Investment Consultant	570
Other	253
Total Other Investment Expenses	<u>\$ 1,109</u>
Total Fees and Other Investment Expenses	<u>\$ 14,277</u>

Brokerage Policy/Commission Recapture

TCERA charges its investment managers with the optimization of transaction expense, including commissions and execution costs, for the lowest possible transaction cost. TCERA encourages active equity managers to direct a specific percentage of brokerage transactions for Plan assets under their management through designated commission recapture brokers only when best execution can be assured. TCERA also encourages its fixed income managers, on a “best effort” basis, to utilize the services of designated commission recapture brokerage firms. Commission recapture brokerage firms must provide the best price and execution consistent with market conditions, bearing in mind the best interest of the Plan’s beneficiaries and considering all relevant factors.

Commissions and Rebates for the Fiscal Year Ended June 30, 2023:
(dollars in thousands)

Base Commissions	\$ 66
Base Volume	\$ 272,671
Total Shares	4,351
Commissions/Share	\$ -
Commission Recapture Rebates	\$ -

actuarial section

Actuary's Certification Letter



Classic Values, Innovative Advice.

Via Electronic Mail

October 30, 2023

Actuarial Certification

This is the Actuary's Certification Letter for the Actuarial Section of the Annual Comprehensive Financial Report (ACFR) for the Tulare County Employees' Retirement Association (the Plan) as of June 30, 2023. This letter includes references to two documents produced by Cheiron for the Plan: the actuarial valuation report as of June 30, 2023 (transmitted October 20, 2023) and the GASB 67/68 report as of June 30, 2023 (transmitted October 23, 2023).

Actuarial Valuation Report as of June 30, 2023

The purpose of the annual actuarial valuation report as of June 30, 2023 is to determine the actuarial funding status of the Plan on that date and to calculate recommended contribution rates for the participating employers and Plan members for the Fiscal Year 2024-2025. The prior review was conducted as of June 30, 2022 and included recommended contribution rates for the Fiscal Year 2023-2024.

Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the Unfunded Actuarial Liability (UAL). As of the valuation date (June 30, 2023), the amortization policy specifies layered 19-year amortization. The UAL as of June 30, 2015 was amortized over a closed 19-year period and subsequent gains or losses are being amortized over new closed 19-year periods.

The funding objective of the Plan is to accumulate sufficient assets over each Member's working life to provide for Plan benefits after termination of employment or retirement. For actuarial valuation purposes, Plan assets are valued at actuarial value. Under this method, the assets used to determine employer contribution rates take into account market value by spreading all investment gains and losses (returns above or below expected returns) over a period of 10 years, limited by a corridor that restrains the actuarial value to within 30% of the Market Value of Assets. Note that the Actuarial Value of Assets excludes the Supplemental Retiree Benefit Reserve (SRBR).

The Board of Retirement is responsible for establishing and maintaining the funding policy of the Plan.

We prepared the following schedules, which we understand will be included in the Actuarial Section of the ACFR, based on the June 30, 2023 actuarial valuation. All historical information prior to the June 30, 2015 actuarial valuation shown in these schedules is based on information reported by Buck Consultants.

- Schedule of Retirants and Beneficiaries Added to and Removed from Payroll
- Schedule of Funded Liabilities by Type
- Schedule of Funding Progress
- Schedule of Employer Contributions

The TCERA Board has the authority to select economic and demographic assumptions for the Plan. The assumptions used in the actuarial valuation report reflect the results of an Experience Study performed by Cheiron covering the period July 1, 2020 through June 30, 2023, and adopted by the Board at their October 11, 2023 meeting. Based on this study, a number of demographic assumptions were updated. A summary of the assumptions is provided in the actuarial valuation report as of June 30, 2023. The assumptions used in the valuation are intended to produce results that, in the aggregate, reasonably approximate the anticipated future experience of the Plan. The next experience analysis is expected to cover the years through 2026.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the requirements of the Actuarial Standards of Practice, including Standards No. 4, 27, 35, and 44. The actuarial cost method and the actuarial assumptions used for funding purposes are the same as those used for financial reporting purposes, with the exception of the discount rate, which is calculated as prescribed by GASB 67/68, and the treatment of assets and liabilities associated with the SRBR. The assets and liabilities associated with the SRBR are included in the GASB 67/68 report, but they are excluded from the assets and liabilities used for funding purposes, though they are disclosed separately in the actuarial valuation report.

GASB 67/68 Report as of June 30, 2023

The purpose of the GASB 67/68 Report as of June 30, 2023 is to provide accounting and financial reporting information under GASB 67 for the Plan and under GASB 68 for the County of Tulare and other participating employers. This report is not appropriate for other purposes, including the measurement of funding requirements for the Plan.

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, 2023. The TPL at the beginning of the measurement year, June 30, 2022 was measured as of a valuation date of June 30, 2022.

Please refer to our GASB 67/68 report as of June 30, 2023 for additional information related to the financial reporting of the System. We prepared the following schedules for inclusion in the Financial Section of the ACFR based on the June 30, 2023 GASB 67/68 report:

- Change in Collective Net Pension Liability
- Sensitivity of Collective Net Pension Liability to Changes in Discount Rate
- Schedule of Changes in Collective Net Pension Liability and Related Ratios
- Schedule of Collective Employer Contributions
- Notes to the Schedule of Employer Contributions

We certify that the report was performed in accordance with generally 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. In particular, the assumptions and methods used for disclosure purposes have been prepared in accordance with our understanding of generally accepted accounting principles as promulgated by the GASB.

Disclaimers

In preparing our reports, we relied on information (some oral and some written) supplied by the Tulare County Employees' Retirement Association. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect our reports.

These reports are for the use of the Plan and the Plan auditor in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of these reports is not an intended user and is considered a third party, and Cheiron assumes no duty or liability to any such party.

We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. These reports do not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Respectfully Submitted,
Cheiron



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Summary of Actuarial Assumptions and Methods

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions. The Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2015 is being amortized over a closed 19-year period as a level percentage of payroll. Subsequent changes in the UAAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

- | | |
|--|---|
| 1. Interest: | 7.00% per annum (6.88% compounded semi-annually). |
| 2. Interest Credited to Employee Accounts: | 7.00% per annum net of investment and administrative expenses (6.88% compounded semi-annually). |
| 3. Inflation: | 2.75% per annum. |
| 4. Asset Valuation: | Smoothed actuarial value (over 10 years) beginning with fiscal year 2009, with 30% corridor around fair value. |
| 5. Salary Scale: | Salary increase assumptions includes a wage inflation component of 3% and a longevity/ promotion component that varies by years of service and division, ranging from 0.5% to 8% for General Members and 1.25% to 9% for Safety Members. |
| 6. Rates of Termination of Employment: | See "Probability of Occurrence" on page 89. |
| 7. Spouses and Dependents: | 80% of General male, 55% of General female and 80% of Safety male, 55% of Safety female active employees assumed married at Retirement, with spouses of male members assumed to be female and 2 years younger and spouses of female members assumed to be male and 2 years older. |
| 8. Years of Life Expectancy After Retirement: | <p>General - RP-2014 Generational Mortality Table for Males/Females with MP-2021 projection.</p> <p>Safety - RP-2014 Generational Mortality Table for Males with blue-collar adjustment and MP-2021 projection.</p> <p>General mortality rates had no additional changes for males and an adjustment of 10% for females to reflect TCERA experience; Safety mortality rates are increased by 5.0% for both males and females to reflect TCERA experience.</p> |
| 9. Years of Life Expectancy After Disability Retirement: | RP-2014 Generational Disabled Annuitant Mortality Table for Males/Females, with MP2021 projection. |

Summary of Actuarial Assumptions and Methods (Cont.)

10. Reciprocity Assumption: 60% of General and 65% of Safety members who terminate with a vested benefit are assumed to enter a reciprocal system. Salaries are assumed to increase by 3.5% for General and 4.25% for Safety members per year.
11. Deferral Age for Vested Terminations: Age 60 for General members, age 55 for Safety members.
12. Duty-Related Deaths: Percentages of Safety employee deaths assumed to be duty-related:

Age	Percentage
20-24	37%
25-30	42%
31-34	45%
35-43	50%
44-45	52%
46-47	54%
48-49	56%
50-54	58%
55-56	60%
57-58	62%
59	63%

Retirants and Beneficiaries Added to and Removed from Payroll

For the Fiscal Years Ended June 30, 2014 through June 30, 2023

Plan Year Ended June 30	At Beginning of Year	Added During Year	Annual Allowances Added to the Rolls	Removed During Year	Annual Allowances Removed from the Rolls	At End of Year	Annual Retiree Payroll	Percent Increase in Annual Retiree Payroll	Average Annual Allowance
2014	2,542	224	\$ 4,198,797	75	\$ 659,212	2,691	\$ 56,776,851	6.65%	\$ 21,099
2015	2,691	218	\$ 4,360,151	88	\$ 1,432,880	2,821	\$ 59,960,567	5.61%	\$ 21,255
2016	2,821	185	\$ 4,540,356	66	\$ 986,150	2,940	\$ 64,292,378	7.22%	\$ 21,868
2017	2,940	191	\$ 4,483,587	59	\$ 895,529	3,072	\$ 68,669,924	6.81%	\$ 22,353
2018	3,072	178	\$ 5,487,994	58	\$ 830,938	3,192	\$ 73,731,771	7.37%	\$ 23,099
2019	3,192	174	\$ 4,705,555	54	\$ 1,098,384	3,312	\$ 78,971,061	7.11%	\$ 23,844
2020	3,312	163	\$ 4,626,973	67	\$ 925,421	3,408	\$ 84,412,237	6.89%	\$ 24,769
2021	3,408	141	\$ 3,908,186	77	\$ 1,434,138	3,472	\$ 88,623,368	4.99%	\$ 25,525
2022	3,472	178	\$ 5,109,979	65	\$ 1,181,524	3,585	\$ 94,138,915	6.22%	\$ 26,259
2023	3,585	176	\$ 5,106,635	79	\$ 1,576,004	3,682	\$ 99,442,825	5.63%	\$ 27,008

Active Member Valuation Data

For the Fiscal Years Ended June 30, 2014 through June 30, 2023

Valuation Date	Plan Type	Number	Annual Payroll	Monthly Average Pay	Percent Increase in Average Pay*
6/30/2014	General	3,514	\$ 177,150,423	\$ 4,201	0.70%
	Safety	900	57,418,578	5,317	1.05%
	Total	4,414	\$ 234,569,001	\$ 4,429	0.87%
6/30/2015	General	3,506	\$ 180,978,576	\$ 4,302	2.40%
	Safety	899	58,076,191	5,383	1.24%
	Total	4,405	\$ 239,054,767	\$ 4,522	2.10%
6/30/2016	General	3,605	\$ 189,379,500	\$ 4,378	1.77%
	Safety	891	59,134,379	5,531	2.75%
	Total	4,496	\$ 248,513,879	\$ 4,606	1.86%
6/30/2017	General	3,660	\$ 195,555,207	\$ 4,453	1.71%
	Safety	876	59,385,565	5,649	2.13%
	Total	4,536	\$ 254,940,772	\$ 4,684	1.69%
6/30/2018	General	3,708	\$ 203,019,596	\$ 4,563	2.47%
	Safety	873	59,694,221	5,698	0.87%
	Total	4,581	\$ 262,713,817	\$ 4,779	2.03%
6/30/2019	General	3,726	\$ 209,592,852	\$ 4,688	2.74%
	Safety	893	62,822,741	5,863	2.90%
	Total	4,619	\$ 272,415,593	\$ 4,915	2.85%
6/30/2020	General	3,736	\$ 218,605,089	\$ 4,876	4.01%
	Safety	869	65,666,913	6,297	7.40%
	Total	4,605	\$ 284,272,002	\$ 5,144	4.66%
6/30/2021	General	3,638	\$ 221,223,225	\$ 5,067	3.92%
	Safety	846	65,663,142	6,468	2.72%
	Total	4,484	\$ 286,886,367	\$ 5,332	3.65%
6/30/2022	General	3,611	\$ 227,403,431	\$ 5,248	3.57%
	Safety	821	66,041,522	6,703	3.63%
	Total	4,432	\$ 293,444,953	\$ 5,518	3.49%
6/30/2023	General	3,708	\$ 252,477,368	\$ 5,674	8.12%
	Safety	797	70,565,512	7,378	10.07%
	Total	4,505	\$ 323,042,880	\$ 5,976	8.30%

*Reflects the increase in average salary for members at the beginning of the year versus those at the end of the year. It does not reflect the average salary increases received by members who worked the full year.

Actuarial Solvency Test

For the Fiscal Years Ended June 30, 2014 through June 30, 2023
(dollars in thousands)

Valuation Date	Active Member Contributions	Retirees and Beneficiaries	Active Members (Employer Financed Portion)	Actuarial Accrued Liabilities
6/30/2014	\$ 252,883	\$ 660,147	\$ 358,802	\$ 1,271,832
6/30/2015	\$ 264,870	\$ 698,147	\$ 395,418	\$ 1,358,435
6/30/2016	\$ 272,740	\$ 748,703	\$ 409,993	\$ 1,431,436
6/30/2017	\$ 278,900	\$ 808,799	\$ 485,707	\$ 1,573,406
6/30/2018	\$ 287,078	\$ 869,729	\$ 499,550	\$ 1,656,357
6/30/2019	\$ 301,935	\$ 925,027	\$ 514,321	\$ 1,741,283
6/30/2020	\$ 319,562	\$ 1,008,432	\$ 547,804	\$ 1,875,797
6/30/2021	\$ 339,547	\$ 1,050,032	\$ 568,406	\$ 1,957,985
6/30/2022	\$ 359,335	\$ 1,105,920	\$ 582,095	\$ 2,047,350
6/30/2023	\$ 376,021	\$ 1,172,759	\$ 653,143	\$ 2,201,923

**Portion of Accrued Liabilities Covered by
Valuation Assets For:**

Valuation Date	Actuarial Value of Assets	Active Member Contributions	Retired/Vested Members	Active Members (Employer Financed Portion)
6/30/2014	\$ 1,101,929	100%	100%	52.6%
6/30/2015	\$ 1,156,587	100%	100%	49.0%
6/30/2016	\$ 1,192,642	100%	100%	41.8%
6/30/2017	\$ 1,461,755	100%	100%	77.0%
6/30/2018	\$ 1,523,030	100%	100%	73.3%
6/30/2019	\$ 1,598,431	100%	100%	72.2%
6/30/2020	\$ 1,670,786	100%	100%	62.6%
6/30/2021	\$ 1,759,025	100%	100%	65.0%
6/30/2022	\$ 1,840,109	100%	100%	64.4%
6/30/2023	\$ 1,915,710	100%	100%	56.2%

Numbers may not add to totals due to rounding.

Actuarial Analysis of Financial Experience

(dollars in thousands)

Plan Years	2013-14	2014-15	2015-16	2016-17	2017-18
Prior Valuation Unfunded Actuarial Liability	\$ 137,898	\$ 169,902	\$ 201,848	\$ 238,794	\$ 111,651
Expected Increase (Decrease)	-	(3,044)	1,212	(494)	(2,106)
Liability (Gain) Loss	(5,070)	(12,668)	(8,948)	(12,983)	286
Change in Actuary	-	33,161	-	-	-
Actuarial (Gain) Loss From Asset Sources	10,841	10,913	33,948	35,034	23,696
Non-Economic and Economic Assumption Changes	-	-	-	-	-
Change in Actuarial Assumptions	24,599	3,584	9,170	82,259	-
Change due to Contributions	5,138	-	1,564	(230,959)	(201)
Change Regarding Contingency Reserve	(3,504)	-	-	-	-
Ending Unfunded Actuarial Accrued Liability	<u>\$ 169,902</u>	<u>\$ 201,848</u>	<u>\$ 238,794</u>	<u>\$ 111,651</u>	<u>\$ 133,326</u>

Plan Years	2018-19	2019-20	2020-21	2021-22	2022-23
Prior Valuation Unfunded Actuarial Liability	\$ 133,326	\$ 142,851	\$ 205,011	\$ 198,960	\$ 207,241
Expected Increase (Decrease)	(2,726)	(3,378)	(4,668)	(5,555)	(6,634)
Liability (Gain) Loss	(161)	5,587	(9,840)	(1,920)	76,717
Change in Actuary	-	-	-	-	-
Actuarial (Gain) Loss From Asset Sources	10,746	15,577	(2,068)	11,008	22,555
Non-Economic and Economic Assumption Changes	-	-	-	-	-
Change in Actuarial Assumptions	-	42,435	-	-	(14,014)
Change due to Contributions	1,667	1,939	10,524	4,748	349
Change Regarding Contingency Reserve	-	-	-	-	-
Ending Unfunded Actuarial Accrued Liability	<u>\$ 142,852</u>	<u>\$ 205,011</u>	<u>\$ 198,960</u>	<u>\$ 207,241</u>	<u>\$ 286,213</u>

Numbers may not add to totals due to rounding.

Probability of Occurrence

Probabilities of Separation from Active Service

Rates of Termination

Age	General Members			Safety Members		
	Svc < 3	Svc 3 - 5	Svc > 5	Svc < 3	Svc 3 - 5	Svc > 5
20	15.00%	12.00%	10.00%	11.00%	7.00%	6.00%
25	15.00%	8.00%	8.00%	11.00%	7.00%	6.00%
30	15.00%	8.00%	6.00%	11.00%	7.00%	4.50%
35	15.00%	8.00%	5.00%	11.00%	7.00%	4.00%
40	14.25%	8.00%	5.00%	11.00%	7.00%	4.00%
45	13.50%	8.00%	5.00%	8.00%	6.00%	3.50%
50	12.75%	5.00%	5.00%	8.00%	6.00%	0.00%
55	12.00%	5.00%	5.00%	5.00%	6.00%	0.00%
60	11.25%	5.00%	5.00%	0.00%	0.00%	0.00%
>=65	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rates of Disability

Age	General Members				Safety Members	
	Males		Females		Ordinary	Service
	Ordinary	Service	Ordinary	Service		
20	0.000%	0.010%	0.000%	0.010%	0.000%	0.110%
25	0.010%	0.010%	0.010%	0.010%	0.050%	0.170%
30	0.010%	0.010%	0.010%	0.010%	0.050%	0.400%
35	0.020%	0.020%	0.080%	0.020%	0.050%	0.560%
40	0.030%	0.030%	0.140%	0.030%	0.075%	0.660%
45	0.050%	0.055%	0.200%	0.055%	0.095%	0.750%
50	0.090%	0.100%	0.300%	0.100%	0.300%	1.000%
55	0.180%	0.350%	0.400%	0.350%	0.550%	2.250%
60	0.280%	0.600%	0.540%	0.600%	0.000%	0.000%
>=65	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Rates of Retirement

Age	General Members		Safety Members	
	Svc < 30	Svc > 30	Svc < 30	Svc > 30
45	0.0%	0.00%	7.00%	7.00%
50	5.0%	10.00%	7.00%	7.00%
55	6.0%	10.00%	10.00%	18.00%
60	15.0%	20.00%	20.00%	40.00%
65	35.0%	35.00%	40.00%	75.00%
70	35.0%	35.00%	100.00%	100.00%
>=75	100.0%	100.00%	100.00%	100.00%

Note: Information compiled from Actuarial Report prepared by Cheiron dated June 30, 2023.

Schedule of Funding Progress

(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Projected Covered Payroll (c)	UAAL as a Percentage of Projected Covered Payroll ((b-a)/c)
6/30/2014	\$ 1,101,929	¹ \$ 1,271,832	\$ 169,902	86.6%	\$ 234,569	72.4%
6/30/2015	\$ 1,156,587	² \$ 1,358,435	\$ 201,848	85.1%	\$ 239,055	84.4%
6/30/2016	\$ 1,192,642	³ \$ 1,431,436	\$ 238,794	83.3%	\$ 248,514	96.1%
6/30/2017	⁴ \$ 1,461,755	⁵ \$ 1,573,406	\$ 111,651	92.9%	\$ 254,941	43.8%
6/30/2018	⁶ \$ 1,523,030	\$ 1,656,357	⁷ \$ 133,327	92.0%	\$ 262,714	50.7%
6/30/2019	\$ 1,598,431	\$ 1,741,283	⁷ \$ 142,852	91.8%	\$ 272,416	52.4%
6/30/2020	\$ 1,670,786	⁸ \$ 1,875,797	\$ 205,011	89.1%	\$ 284,272	72.1%
6/30/2021	\$ 1,759,025	\$ 1,957,985	\$ 198,960	89.8%	\$ 286,886	69.4%
6/30/2022	\$ 1,840,190	\$ 2,047,350	\$ 207,160	89.9%	\$ 293,445	70.6%
6/30/2023	\$ 1,915,710	\$ 2,201,923	\$ 286,213	87.0%	\$ 323,043	88.6%

¹ Reduction in assumed rate of return from 9.9% to 7.85%, inflation from 4.0% to 3.0%.² Reduction in assumed rate of return from 7.85% to 7.65%.³ Reduction in assumed rate of return from 7.65% to 7.60%.⁴ Information for June 30, 2017 includes an accrual for Tulare County Pension Obligation Bond proceeds of \$250 million.⁵ Reduction in assumed rate of return from 7.60% to 7.25%.⁶ Information for June 30, 2018 includes the receipt of \$250 million in Pension Obligation Bond proceeds.⁷ This value reflects the information in the Actuarial Valuation report and is off by one due to rounding.

See also the Schedule of Contributions on page 54

Summary of Major Plan Provisions

Eligibility	First pay period following date of employment.
Final Average Salary	Highest 12 consecutive months of compensation earnable for Tier 1 members and highest 36 consecutive months of compensation earnable for Tier 2, Tier 3 and Tier 4 members. The compensation for Tier 4 members will be limited to the Social Security Wage Base on January 1, 2013, adjusted based on the annual change in the Consumer Price Index (CPI-U) each January 1 thereafter.
Service Retirement	<p>Early Retirement</p> <p>General Tiers 1-3 Age 50 and 10 years, or 30 years, or age 70</p> <p>General Tier 4 Age 52 and 5 years</p> <p>Safety Tiers 1-3 Age 50 and 10 years, or 20 years, or age 70</p> <p>Safety Tier 4 Age 50 and 5 years</p> <p>Benefit - General Members:</p> <p>For service prior to July 1, 2005 Tiers 1-3:</p> <p style="padding-left: 40px;">Benefits under Section 31676.11 (Tier 1) and Section 31676.1 (Tier 2 and Tier 3): 1/60 of final average salary times years of service times factor in the table on the following page.</p> <p>For service after June 30, 2005 Tiers 1-3:</p> <p style="padding-left: 40px;">Benefits under Section 31676.12 (Tiers 1-3) 1/50 of final average salary times years of service times factor in the table on the following page.</p> <p>For service for membership after December 31, 2012 Tier 4:</p> <p style="padding-left: 40px;">Benefits required by AB340 (Tier 4) of 2% of final average salary times years of service times factor on the following page.</p> <p>Benefit - Safety Members:</p> <p>For service for membership prior to January 1, 2013 (Tiers 1-3):</p> <p style="padding-left: 40px;">Benefits under Section 31664 (Tiers 1-3) of 2% of final average salary times years of service times factor on the following page.</p> <p>For service for membership after December 31, 2012 (Tier 4):</p> <p style="padding-left: 40px;">Benefits required by AB340 (Tier 4) of 2% of final average salary times years of service times factor on the following page.</p>

Summary of Major Plan Provisions (Cont.)**Benefit Factors:**

Age	General Tier 1 31676.11	General Tiers 2 & 3 31676.1	General Tiers 1-3 31676.12	General Tier 4 AB340	Safety Tiers 1-3 31664	Safety Tier 4 AB340
41	n/a	n/a	n/a	n/a	0.6258	n/a
42	n/a	n/a	n/a	n/a	0.6625	n/a
43	n/a	n/a	n/a	n/a	0.7004	n/a
44	n/a	n/a	n/a	n/a	0.7397	n/a
45	n/a	n/a	n/a	n/a	0.7805	n/a
46	n/a	n/a	n/a	n/a	0.8226	n/a
47	n/a	n/a	n/a	n/a	0.8678	n/a
48	n/a	n/a	n/a	n/a	0.9085	n/a
49	n/a	n/a	n/a	n/a	0.9522	n/a
50	0.7454	0.7091	0.6681	n/a	1.0000	1.0000
51	0.7882	0.7457	0.7056	n/a	1.0516	1.0500
52	0.8346	0.7816	0.7454	0.5000	1.1078	1.1000
53	0.8850	0.8181	0.7882	0.5500	1.1692	1.1500
54	0.9399	0.8556	0.8346	0.6000	1.2366	1.2000
55	1.0000	0.8954	0.8850	0.6500	1.3099	1.2500
56	1.0447	0.9382	0.9399	0.7000	1.3099	1.3000
57	1.1048	0.9846	1.0000	0.7500	1.3099	1.3500
58	1.1686	1.0350	1.0447	0.8000	1.3099	1.3500
59	1.2365	1.0899	1.1048	0.8500	1.3099	1.3500
60	1.3093	1.1500	1.1686	0.9000	1.3099	1.3500
61	1.3608	1.1947	1.2365	0.9500	1.3099	1.3500
62	1.4123	1.2548	1.3093	1.0000	1.3099	1.3500
63	1.4638	1.3186	1.3093	1.0500	1.3099	1.3500
64	1.5153	1.3865	1.3093	1.1000	1.3099	1.3500
65	1.5668	1.4593	1.3093	1.1500	1.3099	1.3500
66	1.5668	1.4593	1.3093	1.2000	1.3099	1.3500
67	1.5668	1.4593	1.3093	1.2500	1.3099	1.3500

**Non-Service Connected
Disability Retirement**

20% if 5 years of service plus 2% for each of the next ten years or service retirement benefit (if eligible).

**Service Connected
Disability Retirement**

Greater of 50% of final average salary or service retirement benefit (if eligible).

**Integration with Social
Security**

Tiers 1-3 members are integrated with Social Security. Benefits based on the first \$350 of monthly final average salary are reduced by 1/3.

Summary of Major Plan Provisions (Cont.)

Death Before Retirement	<p>If non-service connected before eligible to retire, this benefit is a refund of contributions plus 1/12 of last year's salary per year of service up to 6 years.</p> <p>If eligible for non-service connected disability or service retirement, the benefit is 60% of member's accrued allowance.</p> <p>If service connected death, the benefit is 50% of salary.</p>
Death After Retirement	<p>For service retirement or non-service connected disability, the benefit is 60% of member's allowance payable to an eligible spouse.</p> <p>For service connected disability, the benefit is 100% of member's allowance payable to an eligible spouse.</p> <p>\$5,000 lump sum benefit payable to member's beneficiary.</p>
Vesting	<p>After five years of service.</p> <p>Must leave contributions on deposit.</p>
Contributions	<p>Member contributions based on entry age. Tiers 1-3 Members with 30 or more years of service do not pay member contributions.</p>
Maximum Benefit	<p>100% of final average salary.</p>
Cost of Living Adjustments (COLA)	<p>Payable April 1. Up to 3% COLA for Tier 1 members, 2% for Tier 2, Tier 3 and Tier 4 members, depending on CPI (Riverside-San Bernardino-Ontario) changes for the prior calendar year.</p>

statistical section

Statistical Section Overview

The Statistical Section of the Annual Comprehensive Financial Report provides additional detailed information in order to promote a more comprehensive understanding of this year's financial statements, note disclosures, and supplemental information. In addition, the multi-year trend information for the financial and operating segments of the Plan provided in this section is intended to facilitate understanding of how the organization's financial activities and positions have changed over time. Information in this section is compiled from data in other sections of the Annual Comprehensive Financial Report as well as plan data maintained by TCERA.

Governmental Accounting Standards Board (GASB) Statement No. 44 establishes five categories of information to be provided in the Statistical Section: Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information. As a public pension plan engaged in only fiduciary activities, reporting is not applicable in all categories.

Financial Trends – Financial trends information is intended to assist users in understanding and assessing how a government's financial position has changed over time. Reports addressing Financial Trends for TCERA include:

- Revenues by Source and Expenses by Type
- Statement of Changes in Fiduciary Net Position
- Benefit and Refund Deductions from Fiduciary Net Position by Type

Revenue Capacity – Entities engaged only in fiduciary activities are not required to present revenue capacity schedules.

Debt Capacity – The Plan has no long-term debt and therefore does not present debt capacity schedules.

Demographic and Economic Information – Entities engaged only in fiduciary activities are not required to present demographic and economic statistics schedules.

Operating Information – Operating Information is intended to provide additional details regarding the Plan's retired member benefits and principal participating employers. Reports addressing Operating Information for TCERA include:

- Retired Members by Type of Retirement
- Schedule of Average Benefit Payments
- Participating Employers and Active Members
- Retired Members by Type of Benefit
- Benefit and Refund Deductions from Fiduciary Net Position
- Average Benefit Payment

Revenues by Source and Expenses by Type

For the Fiscal Years Ended June 30, 2014 through June 30, 2023

Revenues by Source

(dollars in thousands)

Fiscal Year Ended June 30	Employee Contributions	Employer Contributions	% of Annual Covered Payroll ¹	Investment Income (Loss)	Other Income	Total
2014	\$ 18,969	\$ 25,953	11.06%	\$ 176,828	\$ 56	\$ 221,806
2015	\$ 18,888	\$ 30,992	12.96%	\$ 10,877	\$ 166	\$ 60,923
2016	\$ 16,814	\$ 31,297	12.59%	\$ (20,474)	\$ 166	\$ 27,803
2017	\$ 18,190	\$ 33,616	13.19%	\$ 132,699	\$ 166	\$ 184,671
2018	\$ 18,512	\$ 286,263	108.96%	\$ 95,670	\$ 187	\$ 400,632
2019	\$ 22,325	\$ 33,494	12.30%	\$ 90,590	\$ 189	\$ 146,598
2020	\$ 23,104	\$ 35,310	12.42%	\$ 9,327	\$ 188	\$ 67,929
2021	\$ 23,536	\$ 36,766	12.82%	\$ 394,891	\$ 188	\$ 455,381
2022	\$ 25,880	\$ 40,392	13.76%	\$ (117,961)	\$ 188	\$ (51,501)
2023	\$ 27,965	\$ 45,174	13.98%	\$ 123,967	\$ 188	\$ 197,294

Expenses by Type

(dollars in thousands)

Fiscal Year Ended June 30	Administrative Expenses	Refunds	Pension Benefits	Death Benefits	Total Benefits	Total
2014	\$ 2,049	\$ 3,300	\$ 62,199	\$ 455	\$ 62,654	\$ 68,003
2015	\$ 2,408	\$ 3,081	\$ 65,192	\$ 287	\$ 65,479	\$ 70,968
2016	\$ 2,616	\$ 3,198	\$ 68,166	\$ 968	\$ 69,134	\$ 74,948
2017	\$ 2,612	\$ 3,519	\$ 72,742	\$ 700	\$ 73,442	\$ 79,573
2018	\$ 2,666	\$ 3,633	\$ 76,644	\$ 439	\$ 77,083	\$ 83,382
2019	\$ 2,806	\$ 2,861	\$ 81,715	\$ 521	\$ 82,236	\$ 87,903
2020	\$ 2,853	\$ 3,534	\$ 87,311	\$ 582	\$ 87,893	\$ 94,280
2021	\$ 2,740	\$ 3,586	\$ 92,179	\$ 511	\$ 92,690	\$ 99,016
2022	\$ 2,967	\$ 4,946	\$ 97,150	\$ 612	\$ 97,762	\$ 105,675
2023	\$ 2,746	\$ 6,111	\$ 102,624	\$ 768	\$ 103,392	\$ 112,249

¹ Annual Covered Payroll for purposes of this calculation is the actual pensionable compensation for the fiscal year.

Statement of Changes in Fiduciary Net Position

For the Fiscal Years Ended June 30, 2014 through June 30, 2023

(dollars in thousands)

	2014	2015	2016	2017	2018
ADDITIONS					
Contributions					
Employer Contributions	\$ 25,953	\$ 30,992	\$ 31,297	\$ 33,616	\$ 286,263
Plan Member Contributions	18,969	18,887	16,815	18,190	18,512
Total Contributions	44,922	49,879	48,112	51,806	304,775
Investment Income (Loss) (net of expense)	176,828	10,877	(20,474)	132,699	95,670
Other Income	56	166	165	166	187
TOTAL ADDITIONS (DECLINES) TO FIDUCIARY NET POSITION	\$ 221,806	\$ 60,922	\$ 27,803	\$ 184,671	\$ 400,632
DEDUCTIONS (See Benefit and Refund Deductions from Fiduciary Net Position by Type)					
Benefits	\$ 62,654	\$ 65,479	\$ 69,134	\$ 73,442	\$ 77,083
Refunds of Contributions	3,300	3,081	3,198	3,519	3,633
Administrative Expense	2,049	2,408	2,616	2,612	2,666
TOTAL DEDUCTIONS FROM FIDUCIARY NET POSITION	\$ 68,003	\$ 70,968	\$ 74,948	\$ 79,573	\$ 83,382
CHANGES IN FIDUCIARY NET POSITION	\$ 153,803	\$ (10,046)	\$ (47,145)	\$ 105,098	\$ 317,250

	2019	2020	2021	2022	2023
ADDITIONS					
Contributions					
Employer Contributions	\$ 33,494	\$ 35,310	\$ 36,766	\$ 40,392	\$ 45,174
Plan Member Contributions	22,325	23,104	23,536	25,880	27,965
Total Contributions	55,819	58,414	60,302	66,272	73,139
Investment Income (Loss) (net of expense)	90,590	9,327	394,891	(117,961)	123,967
Other Income	189	188	188	188	188
TOTAL ADDITIONS (DECLINES) TO FIDUCIARY NET POSITION	\$ 146,598	\$ 67,929	\$ 455,381	\$ (51,501)	\$ 197,294
DEDUCTIONS (See Benefit and Refund Deductions from Fiduciary Net Position by Type)					
Benefits	\$ 82,236	\$ 87,893	\$ 92,690	\$ 97,762	\$ 103,392
Refunds of Contributions	2,861	3,534	3,586	4,946	6,111
Administrative Expense	2,806	2,853	2,740	2,967	2,746
TOTAL DEDUCTIONS FROM FIDUCIARY NET POSITION	\$ 87,903	\$ 94,280	\$ 99,016	\$ 105,675	\$ 112,249
CHANGES IN FIDUCIARY NET POSITION	\$ 58,695	\$ (26,351)	\$ 356,365	\$ (157,176)	\$ 85,045

Retired Members by Type of Retirement

	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Service Retirement					
General	1,815	1,899	1,989	2,039	2,111
Safety	246	262	276	284	311
Total	<u>2,061</u>	<u>2,161</u>	<u>2,265</u>	<u>2,323</u>	<u>2,422</u>
Ordinary Disability					
General	99	107	103	111	107
Safety	11	12	14	15	17
Total	<u>110</u>	<u>119</u>	<u>117</u>	<u>126</u>	<u>124</u>
Duty Disability					
General	78	81	78	94	93
Safety	87	94	99	105	113
Total	<u>165</u>	<u>175</u>	<u>177</u>	<u>199</u>	<u>206</u>
Beneficiaries					
General	287	294	303	335	347
Safety	68	72	78	89	93
Total	<u>355</u>	<u>366</u>	<u>381</u>	<u>424</u>	<u>440</u>
Total Retirement Members					
General	2,279	2,381	2,473	2,579	2,658
Safety	412	440	467	493	534
Total	<u>2,691</u>	<u>2,821</u>	<u>2,940</u>	<u>3,072</u>	<u>3,192</u>
	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Service Retirement					
General	2,188	2,226	2,262	2,333	2,405
Safety	331	348	357	378	403
Total	<u>2,519</u>	<u>2,574</u>	<u>2,619</u>	<u>2,711</u>	<u>2,808</u>
Ordinary Disability					
General	109	105	103	101	97
Safety	19	18	18	18	18
Total	<u>128</u>	<u>123</u>	<u>121</u>	<u>119</u>	<u>115</u>
Duty Disability					
General	96	102	101	103	107
Safety	111	122	120	123	126
Total	<u>207</u>	<u>224</u>	<u>221</u>	<u>226</u>	<u>233</u>
Beneficiaries					
General	356	382	399	410	405
Safety	102	105	112	119	121
Total	<u>458</u>	<u>487</u>	<u>511</u>	<u>529</u>	<u>526</u>
Total Retirement Members					
General	2,749	2,815	2,865	2,947	3,014
Safety	563	593	607	638	668
Total	<u>3,312</u>	<u>3,408</u>	<u>3,472</u>	<u>3,585</u>	<u>3,682</u>

Schedule of Average Benefit Payments

Includes Retirees and Beneficiaries

Valuation Date	Plan Type	Number	Annual Benefits	Annual Average Benefits	Percent Increase in Average Benefits
6/30/2014	General	2,279	\$43,087,370	\$ 18,912	0.77%
	Safety	412	13,689,481	33,228	0.36%
	Total	2,691	\$56,776,851	\$ 21,096	0.74%
6/30/2015	General	2,381	\$45,238,105	\$ 19,000	0.47%
	Safety	440	14,722,461	33,460	0.70%
	Total	2,821	\$59,960,566	\$ 21,255	0.75%
6/30/2016	General	2,473	\$48,616,638	\$ 19,659	3.47%
	Safety	467	15,675,740	33,567	0.32%
	Total	2,940	\$64,292,378	\$ 21,868	2.88%
6/30/2017	General	2,579	\$51,970,685	\$ 20,151	2.50%
	Safety	493	16,699,239	33,873	0.91%
	Total	3,072	\$68,669,924	\$ 22,353	2.22%
6/30/2018	General	2,658	\$55,107,749	\$ 20,733	2.89%
	Safety	534	18,624,022	34,876	2.96%
	Total	3,192	\$73,731,771	\$ 23,099	3.34%
6/30/2019	General	2,749	\$59,081,180	\$ 21,492	3.66%
	Safety	563	19,889,881	35,328	1.30%
	Total	3,312	\$78,971,061	\$ 23,844	3.23%
6/30/2020	General	2,815	\$62,618,882	\$ 22,245	3.50%
	Safety	593	21,793,355	36,751	4.03%
	Total	3,408	\$84,412,237	\$ 24,769	3.88%
6/30/2021	General	2,865	\$65,750,480	\$ 22,950	3.17%
	Safety	607	22,872,888	37,682	2.53%
	Total	3,472	\$88,623,368	\$ 25,525	3.05%
6/30/2022	General	2,947	\$69,411,269	\$ 23,553	2.63%
	Safety	638	24,727,646	38,758	2.86%
	Total	3,585	\$94,138,915	\$ 26,259	2.88%
6/30/2023	General	3,014	\$72,997,199	\$ 24,219	2.83%
	Safety	668	26,445,626	39,589	2.14%
	Total	3,682	\$99,442,825	\$ 27,008	2.85%

Participating Employers and Active Members

As of June 30

Year	County of Tulare		Tulare County Superior Court		Strathmore Public Utility District		Total Active Membership	
	Members	Percent	Members	Percent	Members	Percent	Members	Percent
2014	4,198	95.11%	213	4.82%	3	0.07%	4,414	100%
2015	4,176	94.80%	226	5.13%	3	0.07%	4,405	100%
2016	4,261	94.77%	232	5.16%	3	0.07%	4,496	100%
2017	4,302	94.84%	231	5.09%	3	0.07%	4,536	100%
2018	4,333	94.59%	245	5.35%	3	0.07%	4,581	100%
2019	4,367	94.54%	250	5.41%	2	0.04%	4,619	100%
2020	4,352	94.51%	251	5.45%	2	0.04%	4,605	100%
2021	4,243	94.63%	238	5.31%	3	0.07%	4,484	100%
2022	4,183	94.38%	246	5.55%	3	0.07%	4,432	100%
2023	4,256	94.47%	246	5.46%	3	0.07%	4,505	100%

Retired Members by Type of Benefit

As of June 30, 2023

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement ¹									
		GENERAL					SAFETY				
		1	2	3	4	5	1	2	3	4	5
Deferred	2,633										
\$1 - \$250	145	131	1	0	2	0	6	0	5	0	0
\$251 - \$500	224	197	4	1	2	2	16	1	1	0	0
\$501 - \$750	280	234	13	0	10	0	20	1	0	1	1
\$751 - \$1,000	302	237	24	0	14	0	22	1	1	2	1
\$1,001 - \$1,250	273	224	17	0	8	0	21	3	0	0	0
\$1,251 - \$1,500	284	239	17	9	4	0	10	1	1	3	0
\$1,501 - \$1,750	257	194	19	15	1	1	22	2	1	2	0
\$1,751 - \$2,000	243	181	17	17	0	2	24	0	2	0	0
Over \$2,000	1674	1070	22	81	3	1	333	11	142	9	2
TOTAL	3,682	2,707	134	123	44	6	474	20	153	17	4

Option Selected ²							
		U	1	2	3	4	CS
\$1 - \$250	144	121	1	19	0	2	1
\$251 - \$500	225	188	1	33	2	0	1
\$501 - \$750	280	247	3	24	1	0	5
\$751 - \$1,000	302	265	1	23	1	0	12
\$1,001 - \$1,250	273	233	3	33	0	0	4
\$1,251 - \$1,500	284	251	2	23	1	2	5
\$1,501 - \$1,750	257	234	3	18	0	0	2
\$1,751 - \$2,000	243	224	2	16	0	0	1
Over \$2,000	1,674	1,553	6	102	0	1	12
TOTAL	3,682	3,316	22	291	5	5	43

Notes:

¹ Type of Retirement:

- 1** Service
- 2** Non-Service Connected Disability
- 3** Service Connected Disability
- 4** Beneficiary Payment - Ordinary Death
- 5** Beneficiary Payment - Duty Death

²Option Selected:

- U** Unmodified: Eligible Surviving Spouse receives 60% continuance
The following options reduce the retired member's monthly benefit.
The Beneficiary receives:
 - 1** Funds remaining in member's account
 - 2** 100% continuance of member's reduced monthly benefit
 - 3** 50% continuance of member's reduced monthly benefit
 - 4** Continuance for multiple beneficiaries calculated by actuary

Benefit and Refund Deductions from Fiduciary Net Position

Last Ten Fiscal Years
(dollars in thousands)

Type of Benefit	2014	2015	2016	2017	2018
Age and Service Benefits:					
General	\$37,612	\$39,877	\$42,356	\$45,711	\$48,774
Safety	10,134	10,760	11,310	12,139	13,121
Disability Benefits - Service:					
General	1,799	1,924	1,868	2,129	2,110
Safety	2,567	2,733	3,016	3,183	3,418
Disability Benefits - Non-Service:					
General	1,840	1,882	1,865	1,872	1,883
Safety	239	375	371	449	512
Death Benefits - Ordinary:					
General	432	398	404	389	395
Safety	250	256	210	245	252
Death Benefits - Duty:					
General	15	16	16	62	51
Safety	355	127	129	130	129
SRBR Benefits					
General	5,718	5,626	5,409	6,130	5,706
Safety	1,238	1,217	1,212	303	293
Death Benefits	455	288	968	700	439
Total Benefits	\$62,654	\$65,479	\$69,134	\$73,442	\$77,083
Type of Refund					
Death	145	73	179	557	403
Separation	3,155	3,008	3,019	2,962	3,230
Total Refunds	\$3,300	\$3,081	\$3,198	\$3,519	\$3,633

Benefit and Refund Deductions from Fiduciary Net Position (cont.)

Last Ten Fiscal Years
(dollars in thousands)

Type of Benefit	2019	2020	2021	2022	2023
Age and Service Benefits:					
General	\$52,010	\$55,515	\$58,776	\$61,948	\$65,293
Safety	14,497	15,786	17,038	18,309	19,888
Disability Benefits - Service:					
General	2,181	2,382	2,432	2,510	2,574
Safety	3,536	3,821	3,827	4,025	4,191
Disability Benefits - Non-Service:					
General	1,892	1,863	1,885	1,844	1,839
Safety	547	590	583	582	591
Death Benefits - Ordinary:					
General	429	449	469	529	577
Safety	258	265	297	336	330
Death Benefits - Duty:					
General	51	52	54	55	56
Safety	125	159	142	142	130
SRBR Benefits					
General	5,847	6,044	6,274	6,451	6,614
Safety	342	385	402	419	541
Death Benefits	521	582	511	612	768
Total Benefits	\$82,236	\$87,893	\$92,690	\$97,762	\$103,392
Type of Refund					
Death	154	125	232	375	339
Separation	2,707	3,409	3,354	4,571	5,772
Total Refunds	\$2,861	\$3,534	\$3,586	\$4,946	\$6,111

Average Benefit Payment

For the Fiscal Years Ended June 30, 2014 through June 30, 2023

Retirement Effective Dates	Years Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	\$ 597	\$ 953	\$ 1,381	\$ 1,718	\$ 2,468	\$ 4,029	\$ 4,375
Average Final Salary	\$ 7,690	\$ 4,831	\$ 4,555	\$ 4,194	\$ 4,363	\$ 6,250	\$ 5,168
Number of Retired Members	13	26	50	31	27	11	10
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	\$ 424	\$ 825	\$ 1,340	\$ 2,063	\$ 2,377	\$ 3,465	\$ 5,470
Average Final Salary	\$ 6,752	\$ 4,916	\$ 4,401	\$ 4,583	\$ 4,217	\$ 5,248	\$ 6,514
Number of Retired Members	17	29	60	30	17	14	16
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	\$ 463	\$ 917	\$ 1,575	\$ 2,053	\$ 2,633	\$ 3,421	\$ 6,764
Average Final Salary	\$ 6,520	\$ 5,713	\$ 4,886	\$ 4,662	\$ 5,009	\$ 5,364	\$ 7,578
Number of Retired Members	15	31	40	34	25	17	14
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	\$ 606	\$ 1,113	\$ 1,597	\$ 2,081	\$ 2,537	\$ 2,962	\$ 5,275
Average Final Salary	\$ 6,130	\$ 5,337	\$ 5,280	\$ 4,974	\$ 4,318	\$ 5,024	\$ 6,749
Number of Retired Members	19	24	38	28	27	16	14
Period 7/1/2017 to 6/30/2018							
Average Monthly Benefit	\$ 340	\$ 745	\$ 1,758	\$ 2,462	\$ 2,772	\$ 4,470	\$ 6,504
Average Final Salary	\$ 7,312	\$ 4,976	\$ 5,631	\$ 5,297	\$ 5,610	\$ 6,271	\$ 7,555
Number of Retired Members	19	27	38	29	26	15	17
Period 7/1/2018 to 6/30/2019							
Average Monthly Benefit	\$ 333	\$ 1,030	\$ 1,935	\$ 2,523	\$ 3,826	\$ 4,298	\$ 4,900
Average Final Salary	\$ 7,813	\$ 6,401	\$ 6,175	\$ 5,436	\$ 6,985	\$ 6,438	\$ 5,830
Number of Retired Members	18	31	32	23	25	12	23
Period 7/1/2019 to 6/30/2020							
Average Monthly Benefit	\$ 510	\$ 1,263	\$ 1,838	\$ 2,677	\$ 3,090	\$ 2,945	\$ 6,069
Average Final Salary	\$ 9,153	\$ 6,668	\$ 5,925	\$ 6,010	\$ 6,058	\$ 4,611	\$ 7,204
Number of Retired Members	17	20	26	20	25	19	25
Period 7/1/2020 to 6/30/2021							
Average Monthly Benefit	\$ 234	\$ 1,064	\$ 1,713	\$ 2,458	\$ 3,034	\$ 4,691	\$ 6,435
Average Final Salary	\$ 7,776	\$ 6,944	\$ 5,582	\$ 5,472	\$ 5,683	\$ 6,848	\$ 7,720
Number of Retired Members	15	19	24	24	21	11	19
Period 7/1/2021 to 6/30/2022							
Average Monthly Benefit	\$ 337	\$ 839	\$ 1,927	\$ 2,244	\$ 2,656	\$ 4,231	\$ 6,231
Average Final Salary	\$ 7,661	\$ 4,823	\$ 6,963	\$ 5,042	\$ 5,355	\$ 6,561	\$ 7,400
Number of Retired Members	12	37	25	19	30	23	20
Period 7/1/2022 to 6/30/2023							
Average Monthly Benefit	\$ 480	\$ 861	\$ 2,196	\$ 2,652	\$ 3,753	\$ 3,609	\$ 5,049
Average Final Salary	\$ 9,771	\$ 5,610	\$ 7,647	\$ 6,353	\$ 6,697	\$ 5,765	\$ 6,141
Number of Retired Members	20	29	19	29	39	14	16

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance in Accordance with Government Auditing Standards



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Retirement
Tulare County Employees' Retirement Association
Visalia, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tulare County Employees' Retirement Association (TCERA), a pension trust fund of the County of Tulare, as of and for the fiscal year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise TCERA's basic financial statements, and the Schedule of Cost Sharing Employer Allocations of TCERA, and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions, specified column totals (other information), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements and other information, we considered TCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements and other information, but not for the purpose of expressing an opinion on the effectiveness of TCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of TCERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TCERA's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

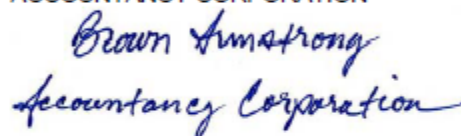
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TCERA's basic financial statements and other information are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the basic financial statements and other information. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCERA's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 6, 2023

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

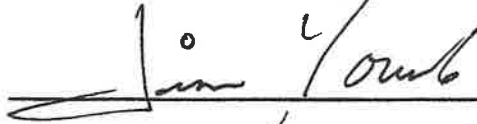
RECEIVED

SUMMARY EDUCATION REPORT

(Due at the next meeting. Attach copy of Agenda)

NOV 15 2023

NAME OF ATTENDEE:

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

CONFERENCE/SEMINAR ATTENDED:

VERUS - 4TH Q 2023 - Landscape

DATES ATTENDED:

10/30/23

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED:

1 hr

TOPICS OF DISCUSSION:

THE ECONOMIC CLIMATE - DOMESTIC ;
PROPORTION IMPACTS ; INVESTMENT CLIMATE ;
ASSET ALLOCATION ISSUES

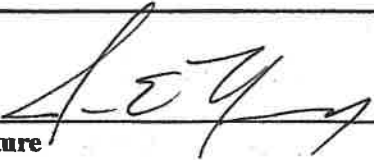
REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM:

IT IS GOOD TO HEAR OUR CONSULTANTS (VERUS) VIEWS ON HOW
THE FUTURE ECONOMIC INVESTMENT LANDSCAPE WILL CHANGE
HOW WE (TLCRA) CAN BENEFIT... IT LOOK A LITTLE MURKY THE
NEXT 12-24 MONTHS

RECOMMENDATION REGARDING FUTURE ATTENDANCE: (i.e., should we send a representative in the future? If so, who should attend?)

GETTING ECONOMIC UPDATES FROM
OUR CONSULTANT IS ALWAYS USEFUL.

Signature



Date

10/30/23

Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body. (Gov. Code, § 53232.3, subd. (d).)

NOTE: Attachments to this report will be held on file in the Retirement Office for review by interested parties, but will not be photocopied for the Retirement Board.

RETBD\EDUC-SUM.RPT

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RECEIVED

SUMMARY EDUCATION REPORT

NOV 15 2023

(Due at the next meeting. Attach copy of Agenda)

**TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

NAME OF ATTENDEE: George Finney

CONFERENCE/SEMINAR ATTENDED: SACRS Fall 2023 Conference

DATES ATTENDED: 11-7-23 to 11-10-23

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: 8 hrs 30 min.

TOPICS OF DISCUSSION: National economic policy, Energy security and energy transition, Innovative concepts in public pension plan Investments, Trustee Breakout-Good Governance, AI use in investments, Cyberattacks, Investment opportunities in Africa, Preparation for next "Black Swan" events

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: A nice variety of timely topics affecting public pensions were presented. A good opportunity for trustees to gain information that will help in decision making at TCERA

RECOMMENDATION REGARDING FUTURE ATTENDANCE: (i.e., should we send a representative in the future? If so, who should attend?) SACRS conference, I find, have always been helpful in learning about issues affecting public pensions. Also a good opportunity to interact w/ other 37 Act Counties.


Signature

11-15-23
Date

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TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RECEIVED

SUMMARY EDUCATION REPORT

(Due at the next meeting. Attach copy of Agenda)

NOV 20 2023

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

NAME OF ATTENDEE:

Cass Cook

CONFERENCE/SEMINAR ATTENDED:

SACRS FALL 2023 Conference

DATES ATTENDED:

11/7 - 11/10

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED:

9

TOPICS OF DISCUSSION:

Topics included the energy market, asset allocation, fiduciary responsibilities of trustees, cyber security and actuarial analysis.

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM:

This meeting was beneficial due to networking opportunities as well as a more focused line-up of topics. I was pleasantly pleased with the quality of the presentations.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: (i.e., should we send a representative in the future? If so, who should attend?)

Yes, this conference was significantly better than the previous SACRS conference. The sessions were meaningful.

Signature



Date

11/20/23

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RETBD\EDUC-SUM.RPT

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

STAFF SUMMARY EDUCATION REPORT

(Attach copy of Agenda)

NAME OF ATTENDEE: Paul Sampietro

TRAINING/SEMINAR ATTENDED: SACRS Fall Conference

DATES ATTENDED: 11/07/23 through 11/10/2023 HOURS: 13.5

TOPICS OF DISCUSSION: Ethics, Oil and Energy, Investment Officer approaches, Using AI for communication,
Private market investments, cyber security, pending and approved legislation affecting 37 act plans, changes in the
actuarial landscape.

REASON MEETING WAS BENEFICIAL: It was a great time to get to know my peers in the other 37 act systems.
It was also helpful to be exposed to the macro-level geopolitical and energy related forces that will shape the
investment landscape our managers are operating in. I also appreciated knowing each and every bill affecting
37 act systems, and how they are progressing. It is always good to be up to date on cyber-security. Finally, it was
interesting to see the current functionality and limitations of AI.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: It would be nice to see more trustees attend.


Signature

11/22/23
Date

EDUCATIONAL EVENTS - Board of Retirement

2024

1. **CALAPRS**, General Assembly – Rancho Mirage, March 2-5, 2024. Agenda Pending.
2. **SACRS**, Annual Spring Conference – Santa Barbara, May 7-10, 2024. Agenda Pending.
3. **SACRS**, Public Pension Investment Management Program – UC Berkeley, July 14-17, 2024. Agenda Pending.

County of Tulare

221 S Mooney Blvd Room 103E
Visalia, California 93291-4593



Cass Cook, CGIP
Auditor-Controller/Treasurer-Tax Collector

Jorge Garcia-Perez, Assistant Treasurer-Tax Collector

Telephone: (559) 636-5290

Fax: (559) 730-2532

www.tularecountytax.com

October 31, 2023

TREASURER'S QUARTERLY INVESTMENT REPORT QUARTER ENDING SEPTEMBER 30, 2023

Honorable Board of Supervisors:

This report reflects the investment activity for the quarter ending September 30, 2023 of pooled funds on deposit with the Treasurer and is in compliance with California Government Code §27000, etc., §53600, etc., Tulare County Ordinance 1-03-2061 and the Treasurer's Statement of Investment Policy dated July 2023.

INVESTMENT GOALS – The first and primary goal is **SAFETY** and the preservation of capital. The second goal is the continual maintenance of **LIQUIDITY**. Tulare County has the ability to convert sufficient securities to cash to cover the cash flow of the County and all of its investment agencies to meet any contingency needs during the next six months. The third goal in order of importance is **YIELD**, or earning a reasonable rate of return representative of current market conditions and the present phase of the market cycle while remaining in compliance with all state laws and the Treasurer's written investment policy.

Attached is a statement containing summaries of the portfolio composition, credit ratings, maturity distribution, portfolio master summary and other information designed to give a better understanding of the investment activity that has occurred during the quarter ending September 30, 2023.

Respectfully submitted,

Cass Cook, CGIP
Auditor-Controller/Treasurer-Tax Collector

CC/fv

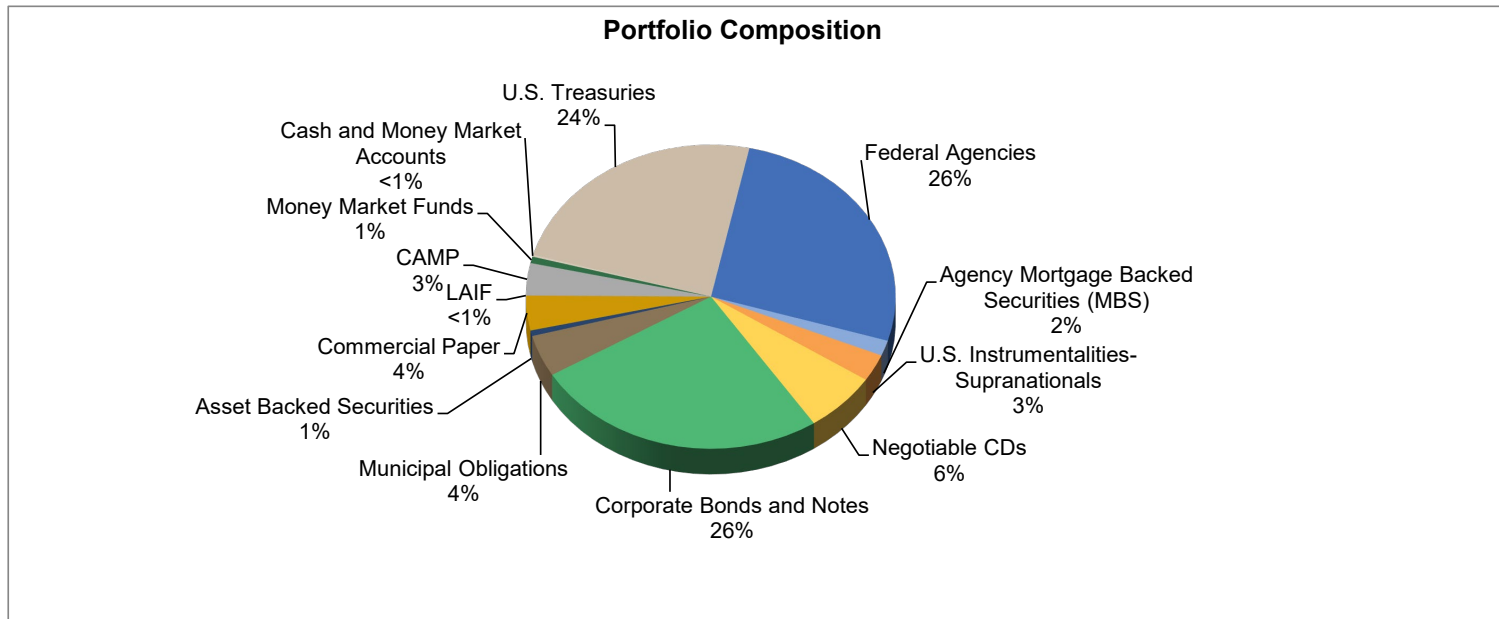
Tulare County Investment Report
September 30, 2023

A listing of Tulare County investments is shown below.

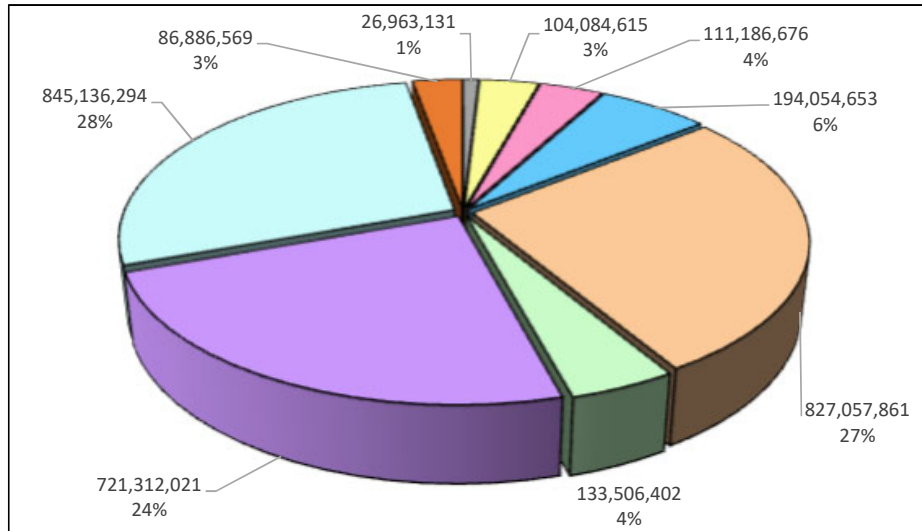
Portfolio Composition				
	Book Value	Market Value	% of Portfolio	Permitted by Policy
U.S. Treasuries	721,312,021	680,574,262	24%	100%
Federal Agencies	795,891,596	759,872,116	26%	75%
Agency Mortgage Backed Securities (MBS)	49,244,697	48,199,134	2%	
U.S. Instrumentalities-Supranationals	86,886,569	83,476,998	3%	30%
Negotiable CDs	194,054,653	193,910,572	6%	30%
Corporate Bonds and Notes	809,051,850	784,374,056	26%	30%
Municipal Obligations	133,506,402	129,827,465	4%	30%
Asset Backed Securities	18,006,011	17,446,719	1%	20%
Commercial Paper	111,186,676	111,152,527	4%	40%
Local Agency Investment Fund (LAIF)	229,112	229,112	<1%	\$75 million
California Asset Management Program (CAMP)	103,855,503	103,855,503	3%	50%
Money Market Funds	20,820,311	20,820,311	1%	15%
Cash and Money Market Accounts	6,142,820	6,142,820	<1%	100%
Total	\$3,050,188,224	\$2,939,881,595	100%	

Values provided by the County

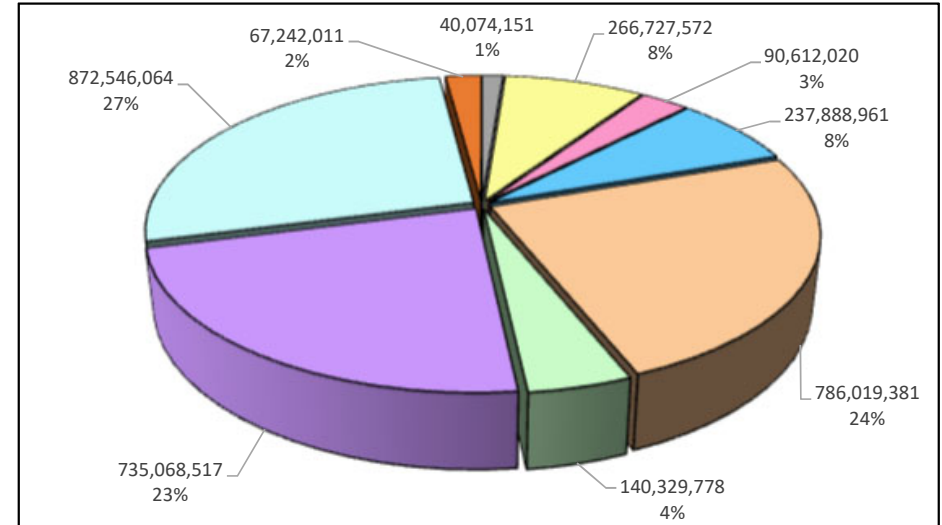
Detail may not add to total due to rounding.



SEPTEMBER 30, 2023



JUNE 30, 2023



Security Type	Book Value	% of Total
Cash / Bank Deposits	6,142,820	0.20%
Money Market Accounts	1,018,662	0.03%
Money Market Funds	19,801,650	0.65%
LAIF Managed Pool	229,112	0.01%
California Asset Management Program	103,855,503	3.40%
Commercial Paper - Discount	111,186,676	3.65%
Negotiable Certificates of Deposit	194,054,653	6.36%
Corporate Notes	809,051,850	26.52%
Corporate Asset Backed Securities	18,006,011	0.59%
Municipal Bonds	123,906,402	4.06%
Municipal Promissory Notes	9,600,000	0.31%
Treasury Securities	721,312,021	23.65%
Agency Issues	795,891,596	26.09%
Agency Mortgage Backed Securities	49,244,697	1.61%
Supranationals	86,886,569	2.85%
	3,050,188,224	100.00%

Security Type	Book Value	% of Total
Cash / Bank Deposits	8,249,665	0.25%
Money Market Accounts	9,188,319	0.28%
Money Market Funds	22,636,167	0.70%
LAIF Managed Pool	227,328	0.01%
California Asset Management Program	266,500,244	8.23%
Commercial Paper	90,612,020	2.80%
Negotiable Certificates of Deposit	237,888,961	7.35%
Corporate Notes	765,079,387	23.64%
Corporate Asset Backed Securities	20,939,995	0.65%
Municipal Bonds	130,729,778	4.04%
Municipal Promissory Notes	9,600,000	0.30%
U.S. Treasury Securities	735,068,517	22.71%
Agency Issues	867,627,779	26.81%
Agency Mortgage Backed Securities	4,918,285	0.15%
Supranationals	67,242,011	2.08%
	3,236,508,456	100.00%

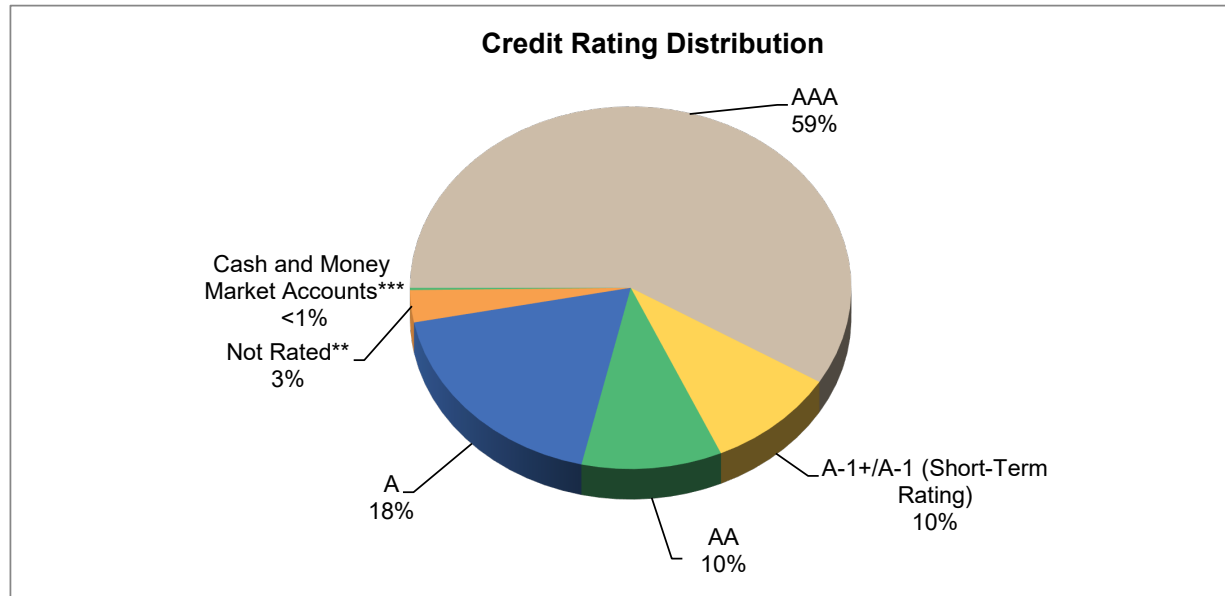
The average weighted credit rating of Tulare County's portfolio is AAA*.

Credit Ratings		
	Book Value	% of Portfolio
AAA	\$1,790,269,962	59%
A-1+/A-1 (Short-Term Rating)	\$293,241,329	10%
AA	\$313,539,192	10%
A	\$559,665,809	18%
Not Rated**	\$87,329,112	3%
Cash and Money Market Accounts***	\$6,142,820	<1%
Total	\$3,050,188,224	100%

* Average weighted credit rating was calculated using composite ratings. Cash/overnight securities were not included in the calculation.

** The portion of the portfolio that is invested in LAIF is not rated. The remaining portion not rated comprises individual securities with ratings of A- or the equivalent or better by at least one NRSRO or securities that do not require a credit rating.

*** Fully collateralized in accordance with California government code.

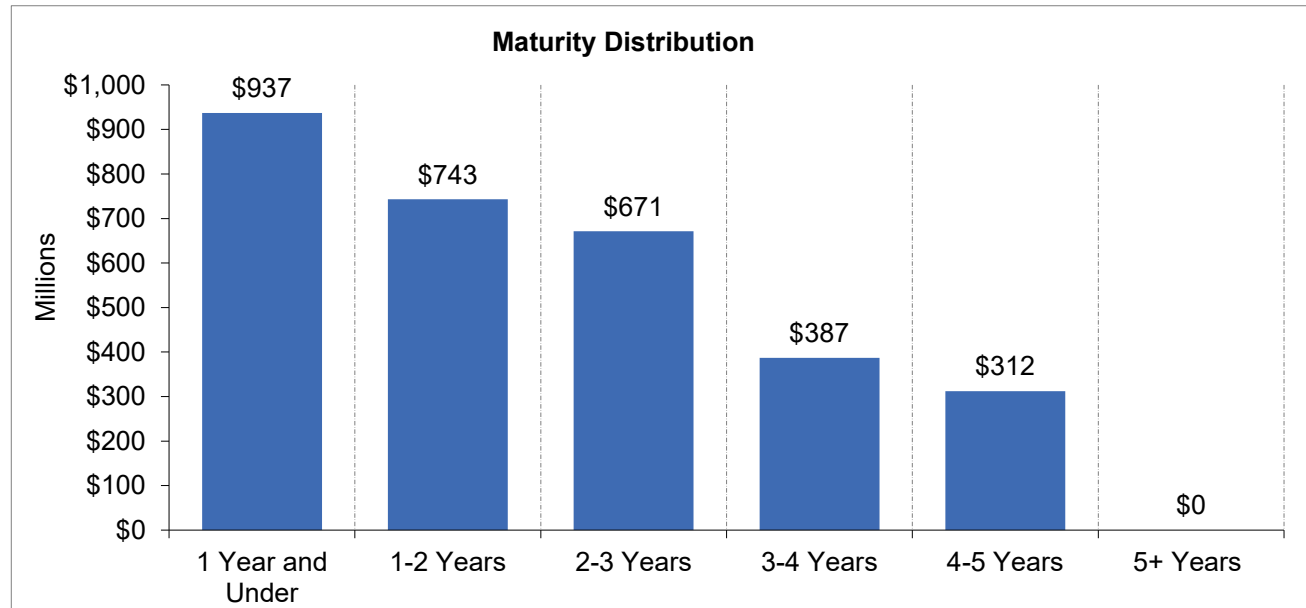


September 30, 2023

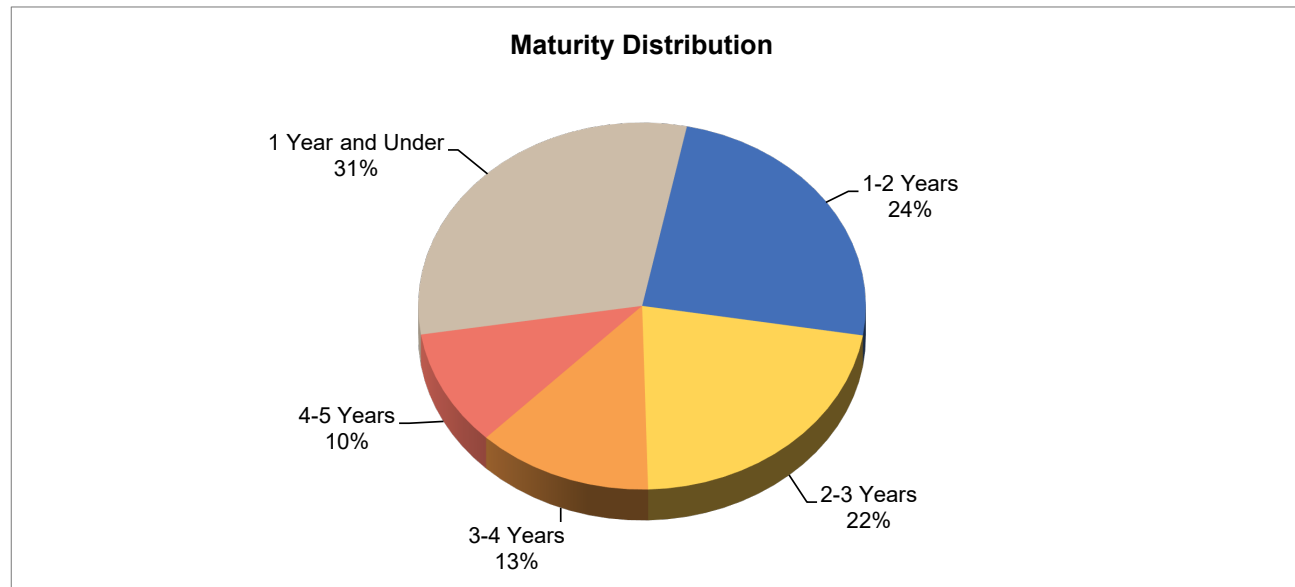
Notes:

1. Deposits with the various financial institutions are FDIC insured and/or collateralized pursuant to California Government Code.
2. The portion of the portfolio reported as not rated represents the \$229,112 deposited in LAIF. The remaining portion not rated comprises individual securities which were not rated by any of the three rating agencies. These include \$75,000,000 issued by Farmer Mac, a government-sponsored enterprise created by Congress in 1988, and a \$100 promissory note issued by the Exeter Public Cemetery District.

The portfolio has a high degree of liquidity.



* Maturity Distribution values represent Book Valuation and are rounded to the nearest million.



OTHER PORTFOLIO CHARACTERISTICS

	<u>LIQUID PORTFOLIO</u>	<u>PFM PORTFOLIO</u>	<u>TOTAL INVESTMENT POOL</u>
Average Daily Balance			
<u>Month</u>			
July 2023	\$ 1,895,006,362	\$ 1,256,257,786	\$ 3,151,264,148
August 2023	\$ 1,771,134,227	\$ 1,258,354,991	\$ 3,029,489,218
September 2023	\$ 1,721,537,133	\$ 1,260,489,310	\$ 2,982,026,443
<u>Quarter</u>			
Ended September 30, 2023	\$ 1,795,892,574	\$ 1,258,367,362	\$ 3,054,259,936
<u>Fiscal Year to Date</u>			
Ended September 30, 2023	\$ 1,795,892,574	\$ 1,258,367,362	\$ 3,054,259,936

Weighted Average Maturity as of September 30, 2023

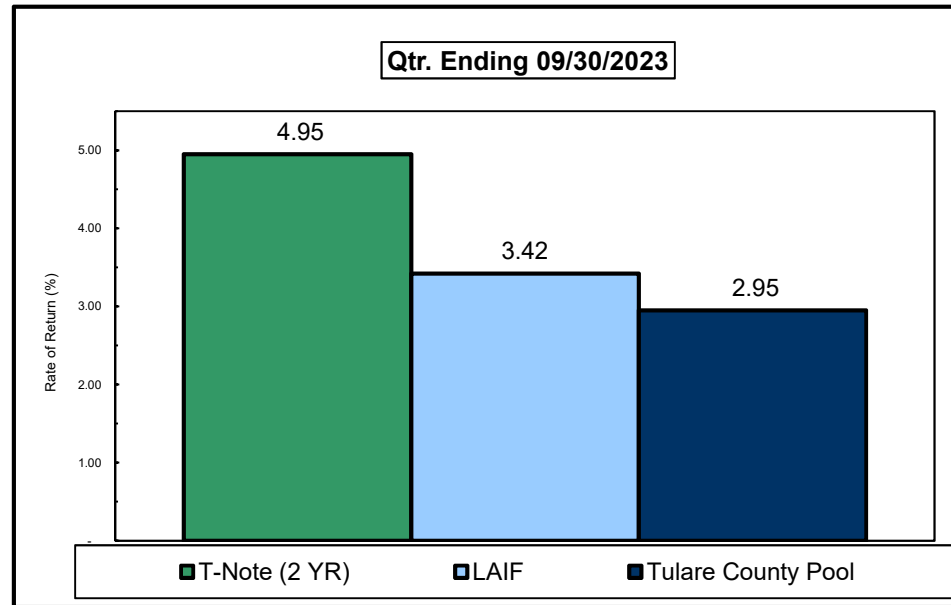
Average days to maturity:	641 days	833 days	720 days
Average years to maturity:	1.76 years	2.28 years	1.97 years

Effective Annual Return and Earnings

<u>Month</u>					
July 2023	3.73%	5,888,068	1.70%	1,798,626	2.92% 7,686,694
August 2023	3.72%	5,488,402	1.83%	1,934,796	2.93% 7,423,198
September 2023	3.81%	5,286,735	1.99%	2,033,445	3.04% 7,320,179
<u>Quarter</u>					
Ended September 30, 2023	3.74%	16,663,204	1.84%	5,766,866	2.95% 22,430,070
Treasury Fees - Quarterly					0.04% (344,423)
September 30, 2023 -- Net of Fees					2.91% 22,085,647

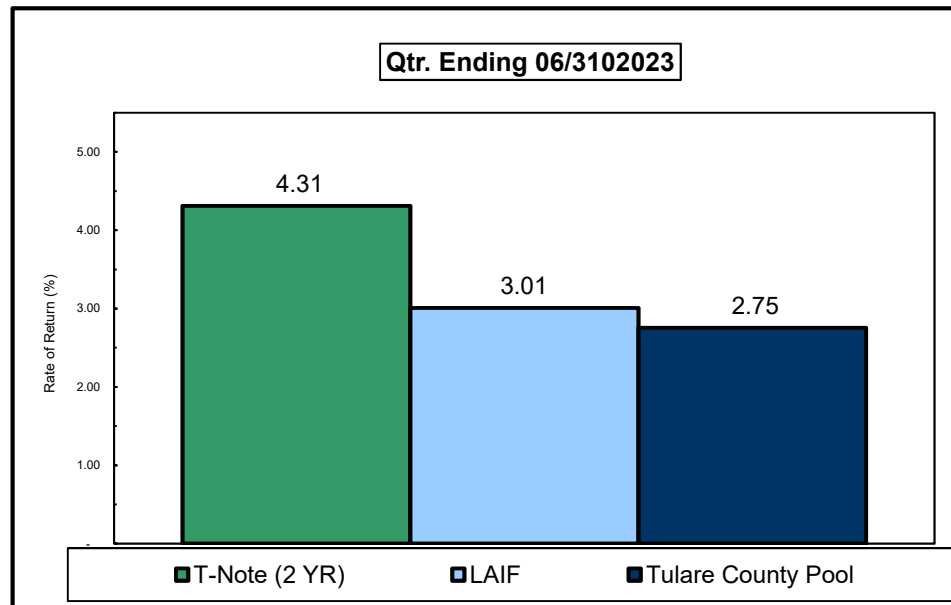
**** Detail may not add to totals due to rounding.**

**TULARE COUNTY TREASURER
INVESTMENT POOL EARNINGS COMPARISON
FOR THE QUARTER ENDING SEPTEMBER 30, 2023**



**TULARE COUNTY TREASURER
Quarter Ending 09/30/2023**

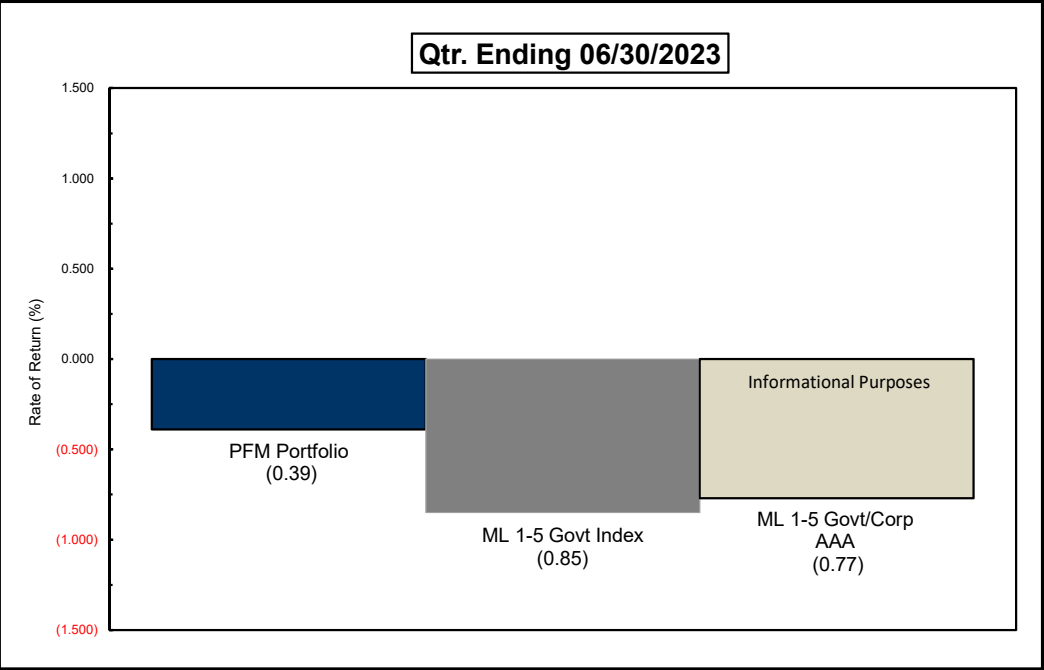
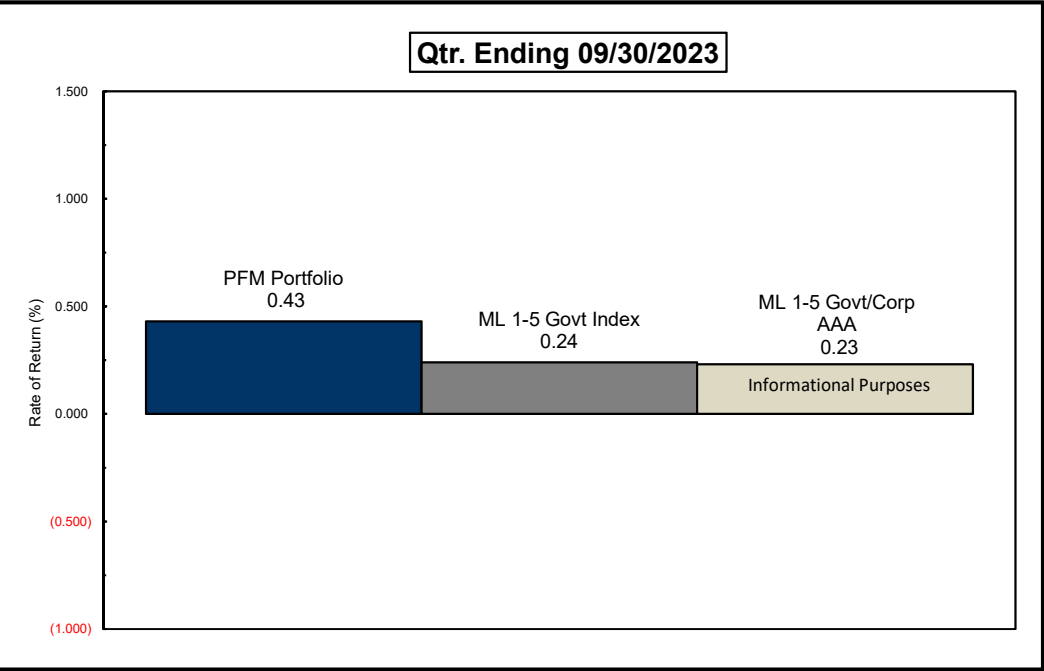
Average Daily Balance	\$ 3,054,259,936
Earning for the Quarter	\$ 22,430,070
Quarterly Rate of Return	2.95%
Weighted Avg. Yrs. to Maturity	1.97



**TULARE COUNTY TREASURER
Quarter Ending 06/30/2023**

Average Daily Balance	\$ 3,171,588,169
Earning for the Quarter	\$ 21,766,247
Quarterly Rate of Return	2.75%
Weighted Avg. Yrs. to Maturity	1.84

TULARE COUNTY TREASURER
INVESTMENT ADVISORS' BENCHMARK COMPARISON
FOR THE QUARTER ENDING SEPTEMBER 30, 2023



TOTAL RETURN

Total return measures the portfolio's performance over time. It encompasses not only the income that the portfolio generated, but also any price appreciation or depreciation that the investments may have experienced. This equates the beginning value of the portfolio with the ending value, and includes interest earnings and both realized and unrealized gains and losses on the portfolio.

COMMENTS - CURRENT QUARTER

During the quarter, interest rates continued to climb as “higher-for-longer” transformed into “higher for much longer.” Longer maturities saw bigger increases than shorter maturities which adversely affected absolute performance, both the TRIP and its benchmark still returned positive total return performance for the quarter. The TRIP outperformed the benchmark by 19 basis points (0.19%) due to a combination of positive excess returns from most non-Treasury sectors and a defensive duration posture that protected the portfolio against adverse impacts of higher absolute yields.

At quarter end, the portfolio’s benchmark was approximately 84% of the benchmark duration. While we are working to move the portfolio’s duration to be closer to the benchmark duration, hampered by the current unrealized loss positions in the portfolio and the overall cap in loss realization, we are attempting to target a duration that is slightly short and defensive of the benchmark duration, as yields keep rising and are expected to remain elevated for a longer period. Trade activity during the quarter continued to further diversify the portfolio, as the Treasury allocation was reduced, and increases were made to the portfolio’s agency commercial mortgage-backed security, negotiable CD, and corporate sectors. In addition to the shorter duration position, the portfolio’s overall diversification helped boost performance versus the benchmark with asset-backed securities, supranational, and municipal sectors outperforming Treasuries. This continues a very positive performance trend for the portfolio relative to the benchmark index.

PERFORMANCE REVIEW

	CURRENT QUARTER	ANNUALIZED		
		1 YR	3YR	07/01/2006
ICE BofAML 1-5 Govt	0.24%	2.14%	-1.74%	2.08%
PFM Portfolio	0.43%	2.70%	-1.25%	2.39%



Portfolio Summary
Tulare County
Portfolio: Combined
Reporting Date: (FY2024)
09/01/2023 - 09/30/2023
Full Accrual Basis

Par Value	
Total Par Value	\$3,086,868,627.28

Book Value	
Total Book Value	\$3,050,188,223.53

Market Value	
Total Market Value	\$2,939,881,595.18

Period Earnings Summary (30 Days)	
Net Period Earnings	\$7,320,179.15
Last FY Period Net Earnings	\$2,759,260.82
Avg Daily Book Balance	\$2,982,026,442.97
Net Effective Annual Return	3.036%

Fiscal YTD Summary (92 Days)	
Net Period Earnings	\$22,430,070.32
Last FY Period Net Earnings	\$8,787,583.57
Avg Daily Book Balance	\$3,054,259,936.41
Net Effective Annual Return	2.954%

Period Transactions	
Redemptions	16
Purchases	9
Total Activity	25

Fiscal YTD Transactions	
Redemptions	73
Purchases	41
Total Activity	114

Combined Portfolio Certification

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Cass Cook

Auditor-Controller/Treasurer-Tax Collector
Title

09/30/2023
Date

Portfolio Investments

	Par Value	Book Value	Market Value	Book Value % of Port	Book Yield	Book Yield Contribution	Days to Maturity
Pass / Bank Book	\$6,142,819.80	\$6,142,819.80	\$6,142,819.80	0.20%			1
Cash / Money Market	\$20,820,311.38	\$20,820,311.38	\$20,820,311.38	0.68%	5.10%	0.03%	1
Local Govt Inv Pools (LGIP)	\$104,084,615.30	\$104,084,615.30	\$104,084,615.30	3.41%	5.55%	0.19%	1
Negotiable CDs	\$194,045,000.00	\$194,054,652.97	\$193,910,572.00	6.36%	5.44%	0.35%	216
Commercial Paper	\$112,663,000.00	\$111,186,675.97	\$111,152,527.26	3.65%	5.50%	0.20%	86
U.S. Treasuries	\$734,121,000.00	\$721,312,021.09	\$680,574,262.20	23.65%	1.88%	0.45%	840
Supranational	\$87,595,000.00	\$86,886,569.45	\$83,476,997.60	2.85%	2.41%	0.07%	990
U.S. Agencies	\$797,905,000.00	\$795,891,596.48	\$759,872,115.95	26.09%	2.26%	0.59%	664
Corporates	\$826,274,000.00	\$809,051,850.01	\$784,374,056.06	26.52%	3.46%	0.92%	877
Municipals	\$125,750,000.00	\$123,906,402.46	\$120,227,465.20	4.06%	3.51%	0.14%	905
Promissory Notes	\$9,600,000.00	\$9,600,000.00	\$9,600,000.00	0.31%	3.75%	0.01%	730
Commercial MBS	\$49,860,946.34	\$49,244,697.28	\$48,199,133.84	1.61%	4.56%	0.07%	1,590
Asset-Backed Securities	\$18,006,934.46	\$18,006,011.34	\$17,446,718.59	0.59%	1.47%	0.01%	988
Total	\$3,086,868,627.28	\$3,050,188,223.53	\$2,939,881,595.18	100.00%		3.03%	720

Accounting ID	Ticker	Pool Description	Type	Par Value	Book Value	Market Value	Rate	% of Portfolio
007	FIVESTAR	Five Star Bank Money Market	Cash/Money Market	1,018,661.59	1,018,661.59	1,018,661.59	3.470	0.06%
012	MISXX	Morgan Stanley Treasury Portfolio	Cash/Money Market	19,000,000.00	19,000,000.00	19,000,000.00	5.203	1.06%
013	MJGXX	JPMorgan US Govt MMK	Cash/Money Market	772,369.91	772,369.91	772,369.91	4.820	0.04%
		Cash/Money Market Total		20,791,031.50	20,791,031.50	20,791,031.50		1.16%
009	CAMP	California Asset Management Program	LGIP	103,855,502.90	103,855,502.90	103,855,502.90	5.550	5.80%
010	LAIF	Local Agency Investment Fund	LGIP	229,112.40	229,112.40	229,112.40	3.470	0.01%
		LGIP Total		104,084,615.30	104,084,615.30	104,084,615.30		5.82%
002	SIERRA	Bank of the Sierra	Pass/Bank Book	262,921.09	262,921.09	262,921.09		0.01%
003	VAULTCASH	Cash in Vault	Pass/Bank Book	42,348.83	42,348.83	42,348.83		0.00%
004	JPCHECKING1	JP Morgan Checking (02C)	Pass/Bank Book	2,331,548.81	2,331,548.81	2,331,548.81		0.13%
005	JPCHECKING2	JP Morgan Checking (02D)	Pass/Bank Book	3,506,001.07	3,506,001.07	3,506,001.07		0.20%
		Pass/Bank Book Total		6,142,819.80	6,142,819.80	6,142,819.80		0.34%

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
6592	63873QZQ0	NATXNY	5.390	10/05/2023	Natixis/NY	01/05/2023	01/05/2023	20,000,000.00	20,000,000.00	19,999,600.00	5.390	0.01	4	1.12%	P-1
6543	06367CYD3	BMOCHG	5.000	10/06/2023	Bank of Montreal/CHI	10/06/2022	10/07/2022	10,000,000.00	10,000,000.00	9,998,900.00	5.000	0.02	5	0.56%	P-1
6611	13606KST4	CIBCNY	5.090	11/03/2023	Canadian Imperial Bank/NY	02/03/2023	02/06/2023	15,000,000.00	15,000,000.00	14,993,700.00	5.090	0.09	33	0.84%	P-1
6606	23344NN51	DNBNNY	5.010	11/07/2023	DNB Bank/NY	02/01/2023	02/01/2023	15,000,000.00	15,000,000.00	14,992,050.00	5.010	0.11	37	0.84%	P-1
6664	89115BCC2	TDNY	5.280	01/04/2024	Toronto Dominion Bank/NY	04/27/2023	04/28/2023	15,000,000.00	15,000,000.00	14,983,650.00	5.280	0.27	95	0.84%	P-1
6702	06051WBY9	BACNA	5.720	01/18/2024	Bank of America CD	08/18/2023	08/18/2023	20,000,000.00	20,000,000.00	20,005,000.00	5.720	0.31	109	1.12%	P-1
6618	96130ASD1	WSTNY	5.340	02/16/2024	Westpac Banking Corp/NY	02/24/2023	02/24/2023	4,200,000.00	4,198,386.12	4,193,490.00	5.440	0.39	138	0.23%	P-1
6654	06417MX34	BNSHOU	5.160	04/15/2024	Bank of Nova Scotia/HOU	04/13/2023	04/13/2023	15,000,000.00	15,000,000.00	14,939,550.00	5.160	0.55	197	0.84%	P-1
6687	96130AUE6	WSTNY	5.900	07/01/2024	Westpac Banking Corp/NY	07/13/2023	07/13/2023	15,000,000.00	15,011,266.85	14,994,900.00	5.790	0.76	274	0.84%	P-1
6677	89115BR44	TDNY	6.000	07/03/2024	Toronto Dominion Bank/NY	07/05/2023	07/05/2023	15,000,000.00	15,000,000.00	15,002,550.00	6.000	0.77	276	0.84%	P-1
6683	22536CM64	CANYCD	5.960	07/18/2024	Credit Agricole CIB NY	07/11/2023	07/12/2023	15,000,000.00	15,000,000.00	14,997,450.00	5.960	0.81	291	0.84%	P-1
6715	78015JBF3	RY	5.550	10/09/2024	Royal Bank of Canada/NY	09/27/2023	09/27/2023	15,000,000.00	15,000,000.00	14,995,200.00	5.550	1.04	374	0.84%	P-1
					Negotiable CDs			174,200,000.00	174,209,652.97	174,096,040.00				9.74%	
6617	22533UX32	CACPNY	0.000	10/03/2023	Credit Agricole CIB NY	02/24/2023	02/24/2023	10,000,000.00	9,997,205.56	9,998,500.00	5.190	0.01	2	0.56%	P-1
6613	4497W1Y34	INGFDG	0.000	11/03/2023	ING Funding USA	02/08/2023	02/08/2023	10,000,000.00	9,954,166.67	9,951,600.00	5.193	0.09	33	0.56%	P-1
6682	63873KYH4	NATXNY	0.000	11/17/2023	Natixis/NY	07/11/2023	07/11/2023	5,000,000.00	4,964,619.45	4,965,250.00	5.527	0.13	47	0.28%	P-1
6659	43851UYM9	HONIPP	0.000	11/21/2023	Honeywell International	04/18/2023	04/21/2023	15,000,000.00	14,894,600.00	14,886,600.00	5.111	0.14	51	0.83%	P-1
6656	06054PZN9	BOFACP	0.000	12/22/2023	Bank of America CP	04/18/2023	04/18/2023	15,000,000.00	14,818,916.67	14,813,100.00	5.501	0.23	82	0.83%	NR
6706	86563GA44	SUMTNY	0.000	01/04/2024	Sumitomo Mitsui/NY	08/31/2023	08/31/2023	18,000,000.00	17,737,800.00	17,735,400.00	5.629	0.26	95	0.99%	P-1
6714	62479LB12	MUFGBK	0.000	02/01/2024	MUFG Bank Ltd/NY	09/27/2023	09/27/2023	15,000,000.00	14,713,512.50	14,709,750.00	5.702	0.34	123	0.82%	P-1
6684	21687AB51	RABONY	0.000	02/05/2024	Cooperative Rabobank/NY	07/13/2023	07/13/2023	3,863,000.00	3,788,728.46	3,785,817.26	5.626	0.35	127	0.21%	P-1
6685	21687AB77	RABONY	0.000	02/07/2024	Cooperative Rabobank/NY	07/13/2023	07/13/2023	5,800,000.00	5,686,730.83	5,682,260.00	5.628	0.36	129	0.32%	P-1
6679	85324TC61	SCHART	0.000	03/06/2024	Standard Charter Bank/NY	07/06/2023	07/06/2023	15,000,000.00	14,630,395.83	14,624,250.00	5.875	0.43	157	0.82%	P-1
					Commercial Paper			112,663,000.00	111,186,675.97	111,152,527.26				6.21%	
6350	912828XT2	T	2.000	05/31/2024	U.S. Treasury Note	09/30/2021	10/01/2021	15,000,000.00	15,154,528.52	14,663,100.00	0.441	0.65	243	0.85%	Aaa
6476	91282CEU1	T	2.875	06/15/2025	U.S. Treasury Note	06/24/2022	06/27/2022	10,000,000.00	9,963,562.55	9,627,300.00	3.100	1.62	623	0.56%	Aaa
6485	912828Y79	T	2.875	07/31/2025	U.S. Treasury Note	06/28/2022	06/29/2022	15,000,000.00	14,914,150.93	14,412,900.00	3.205	1.74	669	0.83%	Aaa
6486	912828Y95	T	1.875	07/31/2026	U.S. Treasury Note	06/28/2022	06/29/2022	15,000,000.00	14,460,837.91	13,837,500.00	3.240	2.69	1,034	0.81%	Aaa
6582	9128282A7	T	1.500	08/15/2026	U.S. Treasury Note	12/28/2022	12/28/2022	15,000,000.00	13,983,929.58	13,672,800.00	4.058	2.74	1,049	0.78%	Aaa
6662	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	04/27/2023	04/27/2023	15,000,000.00	14,534,715.62	13,972,800.00	3.630	3.54	1,399	0.81%	Aaa
					U.S. Treasuries			85,000,000.00	83,011,725.11	80,186,400.00				4.64%	
6381	459058HT3	IBRD	1.626	01/15/2025	Int'l Bank for Recon and Dev	12/23/2021	12/28/2021	10,000,000.00	10,078,503.56	9,525,300.00	1.006	1.25	472	0.56%	Aaa
6480	459058EP4	IBRD	2.500	07/29/2025	Int'l Bank for Recon and Dev	06/24/2022	06/28/2022	10,000,000.00	9,879,004.22	9,524,600.00	3.200	1.74	667	0.55%	Aaa
6366	459058KC6	IBRD	0.700	11/16/2026	Int'l Bank for Recon and Dev	11/05/2021	11/16/2021	15,000,000.00	15,000,000.00	13,768,050.00	0.700	2.95	1,142	0.84%	Aaa
6528	45906M3G4	IBRD	4.000	09/09/2027	Int'l Bank for Recon and Dev	09/27/2022	09/29/2022	13,785,000.00	13,499,480.12	13,154,749.80	4.593	2.94	1,439	0.75%	Aaa
6689	45906M4E8	IBRD	4.500	06/26/2028	Int'l Bank for Recon and Dev	07/13/2023	07/14/2023	10,000,000.00	9,992,824.07	9,765,400.00	4.517	3.45	1,730	0.56%	Aaa
6686	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	07/11/2023	07/13/2023	10,000,000.00	9,630,066.31	9,474,200.00	4.370	4.28	1,746	0.54%	Aaa
					Supranational			68,785,000.00	68,079,878.28	65,212,299.80				3.81%	
6544	31422XJ78	FAMCA	4.375	10/12/2023	Federal Agricultural Mtge Corp	09/28/2022	10/12/2022	15,000,000.00	15,000,000.00	14,994,900.00	4.375	0.03	11	0.84%	NR
6379	3130APU29	FHLB	0.500	11/09/2023	Federal Home Loan Bank	12/27/2021	12/28/2021	10,000,000.00	9,997,321.31	9,948,700.00	0.756	0.11	39	0.56%	Aaa
6395	3130AQG72	FHLB	0.760	01/19/2024	Federal Home Loan Bank	12/23/2021	01/19/2022	15,000,000.00	15,000,000.00	14,787,600.00	0.760	0.30	110	0.84%	Aaa
6678	3130AUV35	FHLB	5.165	03/08/2024	Federal Home Loan Bank	07/05/2023	07/06/2023	10,000,000.00	9,985,078.51	9,981,900.00	5.517	0.37	159	0.56%	Aaa
6365	3130APT54	FHLB	0.710	05/16/2024	Federal Home Loan Bank	11/03/2021	11/16/2021	15,000,000.00	15,000,000.00	14,552,400.00	0.710	0.61	228	0.84%	Aaa
6621	3130APYA7	FHLB	1.040	06/14/2024	Federal Home Loan Bank	02/28/2023	03/01/2023	10,000,000.00	9,717,492.44	9,685,600.00	5.248	0.68	257	0.54%	Aaa
6380	3130AQEE9	FHLB	1.250	06/28/2024	Federal Home Loan Bank	12/17/2021	12/28/2021	15,000,000.00	15,000,000.00	14,544,900.00	1.250	0.72	271	0.84%	Aaa

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
6479	3133ENZS2	FFCB	3.100	06/28/2024	Federal Farm Credit Bank	06/24/2022	06/28/2022	10,000,000.00	9,999,332.50	9,830,300.00	3.109	0.72	271	0.56%	Aaa
6311	3130ANBD1	FHLB	0.500	07/26/2024	Federal Home Loan Bank	07/15/2021	07/26/2021	5,615,000.00	5,615,000.00	5,386,918.70	0.500	0.80	299	0.31%	Aaa
6312	3130ANBC3	FHLB	0.510	07/29/2024	Federal Home Loan Bank	07/15/2021	07/29/2021	4,375,000.00	4,375,000.00	4,195,931.25	0.510	0.81	302	0.24%	Aaa
6589	3130AUEY6	FHLB	4.580	07/30/2024	Federal Home Loan Bank	12/28/2022	12/30/2022	15,000,000.00	15,000,000.00	14,885,700.00	4.580	0.80	303	0.84%	Aaa
6651	3130AVN99	FHLB	4.510	07/30/2024	Federal Home Loan Bank	04/10/2023	04/12/2023	15,000,000.00	15,000,000.00	14,877,300.00	4.510	0.80	303	0.84%	Aaa
6586	3130AT3C9	FHLB	3.625	08/23/2024	Federal Home Loan Bank	12/28/2022	12/29/2022	11,225,000.00	11,131,474.59	11,043,716.25	4.600	0.87	327	0.62%	Aaa
6337	3130ANU65	FHLB	0.480	09/13/2024	Federal Home Loan Bank	09/07/2021	09/13/2021	10,000,000.00	9,999,050.00	9,527,500.00	0.490	0.93	348	0.56%	Aaa
6340	31422XMJ8	FAMCA	0.500	09/24/2024	Federal Agricultural Mtge Corp	09/01/2021	09/24/2021	15,000,000.00	15,000,000.00	14,273,850.00	0.500	0.96	359	0.84%	NR
6600	3130AUHV9	FHLB	5.160	09/27/2024	Federal Home Loan Bank	01/05/2023	01/27/2023	20,000,000.00	20,000,000.00	19,879,400.00	5.160	0.86	362	1.12%	Aaa
6359	3130APFX8	FHLB	0.750	10/28/2024	Federal Home Loan Bank	10/04/2021	10/28/2021	15,000,000.00	15,000,000.00	14,304,750.00	0.750	1.04	393	0.84%	Aaa
6402	3130AQMU4	FHLB	1.500	10/28/2024	Federal Home Loan Bank	01/12/2022	01/28/2022	10,000,000.00	10,000,000.00	9,656,900.00	1.500	1.04	393	0.56%	Aaa
6418	3130APRR8	FHLB	1.050	11/15/2024	Federal Home Loan Bank	03/02/2022	03/03/2022	5,035,000.00	4,995,238.00	4,789,140.95	1.774	1.09	411	0.28%	Aaa
6383	3130AQDM2	FHLB	1.125	12/30/2024	Federal Home Loan Bank	12/15/2021	12/30/2021	5,000,000.00	5,000,000.00	4,766,400.00	1.125	1.21	456	0.28%	Aaa
6396	3130AQFZ1	FHLB	1.500	01/21/2025	Federal Home Loan Bank	12/23/2021	01/21/2022	10,000,000.00	10,000,000.00	9,523,400.00	1.500	1.26	478	0.56%	Aaa
6419	3130AQNB5	FHLB	1.750	01/27/2025	Federal Home Loan Bank	03/02/2022	03/03/2022	2,105,000.00	2,095,402.49	2,009,454.05	1.789	1.28	484	0.12%	Aaa
6616	3130AUUQ5	FHLB	5.020	02/13/2025	Federal Home Loan Bank	02/08/2023	02/13/2023	10,000,000.00	10,000,000.00	9,906,600.00	5.020	1.10	501	0.56%	Aaa
6412	3130AQPY3	FHLB	2.000	02/14/2025	Federal Home Loan Bank	01/19/2022	02/14/2022	5,000,000.00	5,000,000.00	4,781,250.00	2.000	1.33	502	0.28%	Aaa
6321	3130ANKC3	FHLB	0.600	02/24/2025	Federal Home Loan Bank	08/19/2021	08/24/2021	3,000,000.00	3,000,000.00	2,801,760.00	0.600	1.36	512	0.17%	Aaa
6336	3130ANXV7	FHLB	0.550	03/10/2025	Federal Home Loan Bank	09/02/2021	09/10/2021	15,000,000.00	15,000,000.00	13,978,800.00	0.550	1.40	526	0.84%	Aaa
6338	3130ANVZ0	FHLB	0.800	03/14/2025	Federal Home Loan Bank	09/02/2021	09/14/2021	21,250,000.00	21,250,000.00	19,897,650.00	0.800	1.41	530	1.19%	Aaa
6633	3133EPER2	FFCB	4.000	03/28/2025	Federal Farm Credit Bank	03/24/2023	03/28/2023	10,000,000.00	9,998,732.08	9,802,700.00	4.009	1.42	544	0.56%	Aaa
6655	31422X2J0	FAMCA	4.250	04/17/2025	Federal Agricultural Mtge Corp	04/11/2023	04/17/2023	15,000,000.00	15,000,000.00	14,758,800.00	4.250	1.44	564	0.84%	NR
6447	3130ARL25	FHLB	3.500	04/25/2025	Federal Home Loan Bank	03/29/2022	04/25/2022	5,000,000.00	5,000,000.00	4,888,900.00	3.500	1.34	572	0.28%	Aaa
6688	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	07/13/2023	07/14/2023	10,000,000.00	9,312,000.00	9,246,000.00	4.755	1.66	625	0.52%	Aaa
6325	3130ANHN3	FHLB	0.670	06/26/2025	Federal Home Loan Bank	08/19/2021	08/26/2021	6,050,000.00	6,050,000.00	5,582,637.50	0.670	1.68	634	0.34%	Aaa
6575	3134GYAS1	FHLMC	4.950	07/03/2025	Federal Home Loan Mortgage	12/14/2022	12/20/2022	15,000,000.00	15,000,000.00	14,823,600.00	4.950	1.30	641	0.84%	Aaa
6357	3130APFE0	FHLB	0.810	07/14/2025	Federal Home Loan Bank	09/30/2021	10/14/2021	15,000,000.00	15,000,000.00	13,850,100.00	0.810	1.72	652	0.84%	Aaa
6356	3130APC52	FHLB	0.875	10/14/2025	Federal Home Loan Bank	10/04/2021	10/14/2021	15,000,000.00	14,996,182.29	13,742,850.00	0.888	1.96	744	0.84%	Aaa
6545	3130ATGD3	FHLB	5.000	10/20/2025	Federal Home Loan Bank	09/21/2022	10/20/2022	10,000,000.00	10,000,000.00	9,865,100.00	5.000	1.36	750	0.56%	Aaa
6399	3130AQK93	FHLB	1.000	01/26/2026	Federal Home Loan Bank	01/05/2022	01/26/2022	10,000,000.00	10,000,000.00	9,262,700.00	1.000	2.22	848	0.56%	Aaa
6631	3130ALHH0	FHLB	0.960	03/05/2026	Federal Home Loan Bank	03/24/2023	03/27/2023	10,000,000.00	9,339,543.48	9,034,700.00	3.864	2.34	886	0.52%	Aaa
6716	3130AXDN5	FHLB	5.520	06/26/2026	Federal Home Loan Bank	09/26/2023	09/29/2023	15,000,000.00	15,000,000.00	15,013,200.00	5.520	1.16	999	0.84%	Aaa
6634	3133EPET8	FFCB	3.750	07/06/2026	Federal Farm Credit Bank	03/24/2023	03/28/2023	15,000,000.00	14,992,043.38	14,574,900.00	3.772	2.56	1,009	0.84%	Aaa
6358	3130APEY7	FHLB	1.025	07/21/2026	Federal Home Loan Bank	09/29/2021	10/21/2021	10,000,000.00	10,000,000.00	8,935,000.00	1.025	2.69	1,024	0.56%	Aaa
6410	3130AQS79	FHLB	1.375	08/07/2026	Federal Home Loan Bank	01/27/2022	02/07/2022	10,000,000.00	10,000,000.00	9,168,400.00	1.375	2.70	1,041	0.56%	Aaa
6346	3130APCH6	FHLB	1.125	09/29/2026	Federal Home Loan Bank	09/29/2021	09/29/2021	10,000,000.00	10,000,000.00	8,904,000.00	1.125	2.87	1,094	0.56%	Aaa
6360	3130APHJ7	FHLB	1.625	10/28/2026	Federal Home Loan Bank	10/07/2021	10/28/2021	15,000,000.00	15,000,000.00	13,636,950.00	1.625	2.91	1,123	0.84%	Aaa
6658	31422X2M3	FAMCA	3.750	06/01/2027	Federal Agricultural Mtge Corp	04/13/2023	04/21/2023	15,000,000.00	15,000,000.00	14,451,450.00	3.750	3.32	1,339	0.84%	NR
6624	3130AV5W8	FHLB	5.400	06/03/2027	Federal Home Loan Bank	02/24/2023	03/03/2023	15,000,000.00	15,000,000.00	14,830,350.00	5.400	1.74	1,341	0.84%	Aaa
6640	31422XZ70	FAMCA	3.950	07/01/2027	Federal Agricultural Mtge Corp	03/28/2023	03/30/2023	15,000,000.00	15,000,000.00	14,539,350.00	3.950	3.39	1,369	0.84%	NR
6588	3130AUEL4	FHLB	3.970	07/15/2027	Federal Home Loan Bank	12/27/2022	12/30/2022	15,000,000.00	15,000,000.00	14,569,200.00	3.970	3.43	1,383	0.84%	Aaa
6652	3133EPFU4	FFCB	3.500	04/12/2028	Federal Farm Credit Bank	04/10/2023	04/12/2023	15,000,000.00	14,874,141.17	14,216,400.00	3.705	4.04	1,655	0.83%	Aaa
6667	3133EPHT5	FFCB	3.625	05/03/2028	Federal Farm Credit Bank	04/27/2023	05/03/2023	10,000,000.00	9,968,795.56	9,521,900.00	3.700	4.08	1,676	0.56%	Aaa
6668	3133EPHT5	FFCB	3.625	05/03/2028	Federal Farm Credit Bank	04/27/2023	05/03/2023	15,000,000.00	14,942,593.00	14,282,850.00	3.717	4.08	1,676	0.84%	Aaa
					U.S. Agencies			593,655,000.00	591,634,420.80	570,314,758.70				33.07%	
6444	166756AM8	CVX	7.250	10/15/2023	Chevron	04/20/2022	04/22/2022	12,000,000.00	12,020,141.09	12,004,320.00	2.813	0.04	14	0.67%	Aa2
6391	24422EVX4	DE	0.900	01/10/2024	John Deere	01/04/2022	01/10/2022	1,000,000.00	999,978.00	987,140.00	0.908	0.27	101	0.06%	A2
6320	06051GFB0	BAC	4.125	01/22/2024	Bank of America	08/19/2021	08/23/2021	2,793,000.00	2,823,242.40	2,778,839.49	0.583	0.30	113	0.16%	A1
6331	46625HJT8	JPM	3.875	02/01/2024	JP Morgan	09/03/2021	09/08/2021	15,000,000.00	15,168,653.53	14,893,500.00	0.478	0.33	123	0.85%	A1
6436	459200HU8	IBM	3.625	02/12/2024	IBM	03/31/2022	04/04/2022	8,984,000.00	9,019,994.23	8,910,331.20	2.490	0.36	134	0.50%	A3

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
6443	459200HU8	IBM	3.625	02/12/2024	IBM	04/14/2022	04/19/2022	5,250,000.00	5,266,451.23	5,206,950.00	2.735	0.36	134	0.29%	A3
6229	06048WL24	BAC	0.500	02/16/2024	Bank of America	02/16/2021	02/16/2021	10,000,000.00	9,998,125.00	9,775,600.00	0.400	0.37	138	0.56%	A1
6377	67066GAL8	NVDA	0.584	06/14/2024	Nvidia	12/21/2021	12/23/2021	11,330,000.00	11,297,361.91	10,937,415.50	1.000	0.69	257	0.63%	A1
6579	74368CBF0	PL	0.781	07/05/2024	Protective Life	12/20/2022	12/22/2022	8,000,000.00	7,743,381.41	7,687,520.00	5.221	0.74	278	0.43%	A1
6469	009158AV8	APD	3.350	07/31/2024	Air Products & Chemicals	06/15/2022	06/17/2022	2,250,000.00	2,244,753.78	2,209,050.00	3.643	0.80	304	0.13%	A2
6463	29449WAJ6	EQH	0.800	08/12/2024	Equitable Holdings	05/31/2022	06/02/2022	3,000,000.00	2,935,882.82	2,866,260.00	3.388	0.84	316	0.16%	A1
6326	05552JAA7	PNC	2.500	08/27/2024	PNC Bank	08/26/2021	08/30/2021	10,000,000.00	10,161,940.58	9,682,600.00	0.640	0.88	331	0.57%	A2
6477	20826FAD8	COP	3.350	11/15/2024	Conoco Phillips	06/24/2022	06/28/2022	4,120,000.00	4,106,404.48	4,015,022.40	3.659	1.06	411	0.23%	A2
6406	06048WR93	BAC	1.750	02/01/2025	Bank of America	01/24/2022	02/01/2022	5,000,000.00	5,000,000.00	4,709,350.00	1.750	1.28	489	0.28%	A1
6445	00724PAB5	ADBE	1.900	02/01/2025	Adobe Inc.	04/21/2022	04/25/2022	7,000,000.00	6,895,624.10	6,686,890.00	3.074	1.29	489	0.39%	A2
6590	87612EBL9	TGT	2.250	04/15/2025	Target	12/28/2022	12/30/2022	5,000,000.00	4,837,258.30	4,764,550.00	4.498	1.46	562	0.27%	A2
6573	037833BG4	AAPL	3.200	05/13/2025	Apple	12/14/2022	12/16/2022	5,000,000.00	4,916,996.19	4,835,100.00	4.291	1.53	590	0.27%	Aaa
6432	717081EX7	PFE	0.800	05/28/2025	Pfizer Inc	03/24/2022	03/28/2022	10,000,000.00	9,717,472.37	9,264,400.00	2.585	1.60	605	0.54%	A1
6431	532457BH0	LLY	2.750	06/01/2025	Eli Lilly & Co	03/24/2022	03/28/2022	2,000,000.00	2,001,753.28	1,916,620.00	2.690	1.57	609	0.11%	A1
6580	17275RAW2	CSCO	3.500	06/15/2025	Cisco	12/21/2022	12/23/2022	12,145,000.00	11,970,278.11	11,767,169.05	4.399	1.61	623	0.67%	A1
6332	46124HAB2	INTU	0.950	07/15/2025	Intuit	09/03/2021	09/08/2021	5,200,000.00	5,214,003.63	4,791,540.00	0.793	1.72	653	0.29%	A3
6349	46124HAB2	INTU	0.950	07/15/2025	Intuit	09/29/2021	10/01/2021	6,980,000.00	6,982,801.21	6,431,721.00	0.927	1.72	653	0.39%	A3
6434	74368CAX2	PL	1.170	07/15/2025	Protective Life	03/29/2022	03/31/2022	5,000,000.00	4,826,625.84	4,581,700.00	3.228	1.72	653	0.27%	A1
6466	46124HAB2	INTU	0.950	07/15/2025	Intuit	05/31/2022	06/02/2022	5,000,000.00	4,812,333.93	4,607,250.00	3.170	1.72	653	0.27%	A3
6467	91324PCP5	UNH	3.750	07/15/2025	United Health	05/31/2022	06/02/2022	5,000,000.00	5,055,769.37	4,864,000.00	3.090	1.69	653	0.28%	A2
6626	91324PCP5	UNH	3.750	07/15/2025	United Health	03/01/2023	03/03/2023	5,669,000.00	5,540,449.44	5,514,803.20	5.110	1.69	653	0.31%	A2
6529	459200KS9	IBM	4.000	07/27/2025	IBM	09/27/2022	09/29/2022	5,000,000.00	4,929,115.91	4,868,450.00	4.840	1.71	665	0.28%	A3
6488	458140AS9	INTC	3.700	07/29/2025	Intel	06/28/2022	06/30/2022	10,000,000.00	10,008,484.58	9,679,000.00	3.619	1.69	667	0.56%	A2
6698	46632FTA3	JPM	5.700	07/31/2025	JP Morgan	07/19/2023	07/31/2023	10,000,000.00	10,000,000.00	9,962,400.00	5.700	1.20	669	0.56%	Aa2
6512	88579YAR2	MMM	3.000	08/07/2025	3M	09/20/2022	09/22/2022	7,599,000.00	7,397,100.52	7,237,211.61	4.547	1.76	676	0.41%	A2
6353	166756AE6	CVX	0.687	08/12/2025	Chevron	10/04/2021	10/06/2021	3,258,000.00	3,247,432.19	2,991,625.92	0.864	1.81	681	0.18%	Aa2
6657	166756AE6	CVX	0.687	08/12/2025	Chevron	04/14/2023	04/18/2023	15,000,000.00	14,034,532.37	13,773,600.00	4.354	1.81	681	0.78%	Aa2
6501	194162AM5	CL	3.100	08/15/2025	Colgate-Palmolive	08/01/2022	08/09/2022	2,000,000.00	1,998,858.05	1,924,600.00	3.132	1.78	684	0.11%	Aa3
6439	857477AT0	STT	3.550	08/18/2025	State Street	04/06/2022	04/08/2022	13,900,000.00	14,027,544.56	13,350,811.00	3.032	1.78	687	0.78%	A1
6409	231021AU0	CMI	0.750	09/01/2025	Cummins	02/02/2022	02/04/2022	7,650,000.00	7,509,527.10	6,990,876.00	1.742	1.86	701	0.42%	A2
6578	231021AU0	CMI	0.750	09/01/2025	Cummins	12/20/2022	12/22/2022	9,551,000.00	8,914,968.45	8,728,085.84	4.476	1.86	701	0.50%	A2
6535	437076BK7	HD	3.350	09/15/2025	Home Depot	09/29/2022	10/03/2022	3,843,000.00	3,760,129.00	3,696,543.27	4.540	1.83	715	0.21%	A2
6570	61746BDZ6	MS	3.875	01/27/2026	Morgan Stanley	12/12/2022	12/14/2022	7,790,000.00	7,626,232.14	7,447,629.50	4.860	2.16	849	0.43%	A1
6607	037833EB2	AAPL	0.700	02/08/2026	Apple	01/31/2023	02/02/2023	4,286,000.00	3,956,737.72	3,864,214.74	4.211	2.28	861	0.22%	Aaa
6615	458140CD0	INTC	4.875	02/10/2026	Intel	02/07/2023	02/10/2023	3,000,000.00	3,000,000.00	2,964,030.00	4.875	2.18	863	0.17%	A2
6569	459200JG7	IBM	3.450	02/19/2026	IBM	12/12/2022	12/14/2022	5,000,000.00	4,872,049.34	4,766,600.00	4.615	2.24	872	0.27%	A3
6608	478160BY9	JNJ	2.450	03/01/2026	Johnson & Johnson	01/31/2023	02/02/2023	13,113,000.00	12,645,969.09	12,316,647.51	4.031	2.28	882	0.71%	Aaa
6638	742718FP9	PG	1.000	04/23/2026	Proctor & Gamble	03/27/2023	03/29/2023	7,990,000.00	7,408,531.51	7,226,875.10	4.050	2.45	935	0.41%	Aa3
6691	459200JZ5	IBM	3.300	05/15/2026	IBM	07/13/2023	07/17/2023	5,000,000.00	4,826,825.15	4,743,850.00	4.725	2.43	957	0.27%	A3
6451	717081DV2	PFE	2.750	06/03/2026	Pfizer Inc	04/26/2022	04/28/2022	9,254,000.00	9,149,887.79	8,680,807.24	3.202	2.50	976	0.51%	A1
6526	24422EVR7	DE	1.050	06/17/2026	John Deere	09/27/2022	09/29/2022	7,075,000.00	6,440,991.17	6,331,205.25	4.690	2.59	990	0.36%	A2
6717	61761J3R8	MS	3.125	07/27/2026	Morgan Stanley	09/27/2023	09/29/2023	12,722,000.00	11,839,558.09	11,816,193.60	5.824	2.62	1,030	0.66%	A1
6625	61746BCY0	MS	6.250	08/09/2026	Morgan Stanley	03/01/2023	03/03/2023	5,286,000.00	5,422,289.84	5,342,507.34	5.250	2.56	1,043	0.30%	A1
6525	039483BL5	ADM	2.500	08/11/2026	Archer-Daniels-Midland	09/27/2022	09/29/2022	6,900,000.00	6,501,150.26	6,415,482.00	4.734	2.67	1,045	0.36%	A2
6339	882508BK9	TXN	1.125	09/15/2026	Texas Instruments	09/07/2021	09/15/2021	2,000,000.00	2,000,000.00	1,785,220.00	1.125	2.83	1,080	0.11%	Aa3
6533	931142ER0	WMT	1.050	09/17/2026	Walmart	09/28/2022	09/30/2022	10,000,000.00	9,101,706.38	8,916,300.00	4.388	2.84	1,082	0.51%	Aa2
6571	931142ER0	WMT	1.050	09/17/2026	Walmart	12/12/2022	12/14/2022	10,000,000.00	9,141,212.12	8,916,300.00	4.216	2.84	1,082	0.51%	Aa2
6653	742718ER6	PG	2.450	11/03/2026	Proctor & Gamble	04/10/2023	04/12/2023	7,318,000.00	7,001,960.66	6,792,787.14	3.962	2.88	1,129	0.39%	Aa3
6558	833034AK7	SNA	3.250	03/01/2027	Snap-On	11/29/2022	12/01/2022	9,900,000.00	9,497,283.53	9,258,480.00	4.572	3.12	1,247	0.53%	A2
6470	532457AZ1	LLY	5.500	03/15/2027	Eli Lilly & Co	06/15/2022	06/17/2022	8,309,000.00	8,664,359.00	8,465,126.11	4.123	3.10	1,261	0.48%	A1
6628	09247XAN1	BLK	3.200	03/15/2027	Blackrock	03/07/2023	03/09/2023	5,000,000.00	4,741,908.71	4,677,000.00	4.862	3.19	1,261	0.27%	Aa3
6650	191216CE8	KO	2.900	05/25/2027	Coca-Cola	04/10/2023	04/12/2023	8,800,000.00	8,510,413.18	8,167,368.00	3.884	3.35	1,332	0.48%	A1

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
6596	191216CU2	KO	1.450	06/01/2027	Coca-Cola	01/06/2023	01/10/2023	10,000,000.00	9,096,789.37	8,834,400.00	4.171	3.46	1,339	0.51%	A1
6705	191216CU2	KO	1.450	06/01/2027	Coca-Cola	08/18/2023	08/22/2023	8,232,000.00	7,332,476.82	7,272,478.08	4.739	3.46	1,339	0.41%	A1
6471	06048WW63	BAC	5.000	06/22/2027	Bank of America	06/17/2022	06/22/2022	5,000,000.00	5,000,000.00	4,767,850.00	5.000	2.79	1,360	0.28%	A1
6641	459200AR2	IBM	6.220	08/01/2027	IBM	03/28/2023	03/30/2023	1,468,000.00	1,552,329.97	1,513,493.32	4.550	3.35	1,400	0.09%	A3
6527	30303M8G0	META	3.500	08/15/2027	Meta Platforms	09/27/2022	09/29/2022	5,000,000.00	4,737,037.30	4,715,550.00	5.048	3.52	1,414	0.26%	A1
6564	92826CAP7	V	0.750	08/15/2027	Visa	12/07/2022	12/09/2022	6,177,000.00	5,473,074.72	5,276,516.94	4.007	3.71	1,414	0.31%	Aa3
6537	437076BT8	HD	2.800	09/14/2027	Home Depot	09/29/2022	10/03/2022	5,000,000.00	4,679,964.82	4,579,800.00	4.630	3.63	1,444	0.26%	A2
6536	74460DAC3	PSA	3.094	09/15/2027	Public Storage	09/29/2022	10/03/2022	5,000,000.00	4,689,428.96	4,607,850.00	4.880	3.61	1,445	0.26%	A2
6576	713448DY1	PEP	3.000	10/15/2027	Pepsi	12/16/2022	12/20/2022	10,394,000.00	10,015,263.49	9,650,621.12	4.000	3.64	1,475	0.56%	A1
6559	882508BC7	TXN	2.900	11/03/2027	Texas Instruments	12/05/2022	12/07/2022	10,000,000.00	9,463,461.83	9,170,200.00	4.372	3.70	1,494	0.53%	Aa3
6557	023135CP9	AMZN	4.550	12/01/2027	Amazon	11/29/2022	12/01/2022	10,000,000.00	9,995,166.67	9,793,100.00	4.563	3.65	1,522	0.56%	A1
6622	194162AR4	CL	4.600	03/01/2028	Colgate-Palmolive	03/01/2023	03/03/2023	10,000,000.00	9,987,619.58	9,887,800.00	4.632	3.89	1,613	0.56%	Aa3
6680	231021AJ5	CMI	7.125	03/01/2028	Cummins	07/05/2023	07/07/2023	5,914,000.00	6,416,012.75	6,295,393.86	4.948	3.75	1,613	0.36%	A2
6623	24422EWV7	DE	4.900	03/03/2028	John Deere	02/28/2023	03/03/2023	10,000,000.00	9,988,502.22	9,857,400.00	4.930	3.90	1,615	0.56%	A2
6692	91324PDK5	UNH	3.850	06/15/2028	United Health	07/13/2023	07/17/2023	7,324,000.00	7,126,248.19	6,910,267.24	4.495	4.16	1,719	0.40%	A2
6711	59217GFQ7	MET	5.400	09/12/2028	MetLife	09/06/2023	09/12/2023	8,000,000.00	7,987,335.11	7,910,960.00	5.437	4.26	1,808	0.45%	Aa3
					Corporates			526,774,000.00	513,275,146.44	499,831,149.57				28.69%	
6441	13063DDG0	CA-CAS	2.250	10/01/2023	State of California	04/13/2022	04/18/2022	3,000,000.00	3,000,000.00	3,000,000.00	2.250	0.00	0	0.17%	Aa2
6364	7994082D0	CA-SRVSCD	0.688	08/01/2024	San Ramon Valley Schools	10/22/2021	11/03/2021	4,635,000.00	4,635,000.00	4,455,764.55	0.688	0.81	305	0.26%	Aa1
6460	801546QU9	CA-SCR	2.000	08/01/2024	Santa Clara County	05/27/2022	05/31/2022	13,470,000.00	13,396,225.85	13,084,758.00	2.680	0.81	305	0.75%	
6708	97705MZP3	WI-WIS	1.875	05/01/2025	State of Wisconsin	05/01/2023	05/01/2023	4,555,000.00	4,388,300.29	4,315,589.20	4.312	1.51	578	0.25%	Aa1
6709	97705MZF5	WI-WIS	1.875	05/01/2025	State of Wisconsin	05/01/2023	05/01/2023	2,325,000.00	2,239,911.79	2,197,450.50	4.312	1.51	578	0.13%	Aa1
6493	542411NK5	CA-LONHGR	2.057	08/01/2025	Long Beach Community College	07/05/2022	07/07/2022	1,775,000.00	1,738,104.12	1,671,499.75	3.257	1.76	670	0.10%	Aa2
6585	649791RB8	NY-NYS	1.500	03/15/2026	State of New York	12/27/2022	12/29/2022	6,340,000.00	5,898,568.18	5,816,379.40	4.581	2.35	896	0.33%	Aa1
6642	20772KJY6	CT-CTS	2.350	07/01/2026	State of Connecticut	03/29/2023	03/31/2023	3,975,000.00	3,781,533.69	3,690,946.50	4.263	2.59	1,004	0.21%	Aa3
6414	987388GW9	CA-YOSHGR	1.912	08/01/2026	Yosemite Community College	01/28/2022	02/17/2022	2,000,000.00	2,000,000.00	1,833,520.00	1.912	2.68	1,035	0.11%	Aa2
6472	134159A44	CA-CMESCD	0.896	08/01/2026	Campbell Union High School Dist	06/17/2022	06/22/2022	1,730,000.00	1,605,678.62	1,538,194.90	3.650	2.72	1,035	0.09%	Aa1
6495	54438CYL0	CA-LOSHGR	1.174	08/01/2026	Los Angeles Community College	07/06/2022	07/08/2022	5,270,000.00	4,971,578.96	4,704,581.70	3.327	2.71	1,035	0.28%	Aaa
6522	544351QR3	CA-LOS	5.000	09/01/2026	City of Los Angeles, CA	09/20/2022	09/28/2022	11,125,000.00	11,367,470.67	11,081,612.50	4.181	2.67	1,066	0.64%	Aa2
6566	13063D3A4	CA-CAS	5.700	10/01/2026	State of California	12/12/2022	12/14/2022	10,000,000.00	10,377,486.47	10,156,600.00	4.320	2.65	1,096	0.58%	Aa2
6584	649791PS3	NY-NYS	2.360	02/15/2027	State of New York	12/27/2022	12/29/2022	5,000,000.00	4,658,388.90	4,596,750.00	4.607	3.16	1,233	0.26%	Aa1
6639	13063D3N6	CA-CAS	4.846	03/01/2027	State of California	03/28/2023	03/30/2023	5,000,000.00	5,118,684.98	4,947,000.00	4.086	3.09	1,247	0.29%	Aa2
6555	544646A77	CA-LOSSCD	5.720	05/01/2027	Los Angeles Unified School Dist	11/09/2022	11/10/2022	10,830,000.00	11,040,471.07	10,881,225.90	5.106	3.15	1,308	0.62%	Aa3
6619	797508HG6	CA-SDTSCD	1.940	08/01/2027	San Dieguito Union School Dist	02/24/2023	02/28/2023	6,500,000.00	5,895,468.17	5,794,555.00	4.652	3.59	1,400	0.33%	Aa1
6710	798170AK2	CA-SJSDEV	3.226	08/01/2027	San Jose Redevelopment Agency	08/30/2023	09/01/2023	6,430,000.00	6,075,630.39	6,005,684.30	4.820	3.51	1,400	0.34%	
6577	20772KEY1	CT-CTS	3.850	09/15/2027	State of Connecticut	12/19/2022	12/21/2022	4,960,000.00	4,879,960.50	4,750,241.60	4.304	3.59	1,445	0.27%	Aa3
					Municipals			108,920,000.00	107,068,462.65	104,522,353.80				5.98%	
6491	TUPROM02	EXTCM	3.750	07/06/2025	Exeter Public Cemetery District	07/06/2022	07/06/2022	100,000.00	100,000.00	100,000.00	3.750	1.76	644	0.01%	NR
1200	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	10/01/2020	10/01/2020	200,000.00	200,000.00	200,000.00	3.750	2.00	731	0.01%	NR
1201	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	04/30/2021	04/30/2021	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1202	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	06/30/2021	06/30/2021	1,300,000.00	1,300,000.00	1,300,000.00	3.750	2.00	731	0.07%	NR
1203	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	12/28/2021	12/28/2021	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1204	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	01/28/2022	01/28/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1205	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	03/04/2022	03/04/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1206	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	03/30/2022	03/30/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1207	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	04/20/2022	04/20/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1208	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	05/20/2022	05/20/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR
1209	TUPROM01	LTRWT	3.750	10/01/2025	Lower Tule River Irrigation	06/21/2022	06/21/2022	1,000,000.00	1,000,000.00	1,000,000.00	3.750	2.00	731	0.06%	NR

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
					Promissory Notes			9,600,000.00	9,600,000.00	9,600,000.00				0.54%	
					Holdings			1,679,597,000.00	1,658,065,962.22	1,614,915,529.13				92.68%	

Accounting ID	Ticker	Pool Description	Type	Par Value	Book Value	Market Value	Rate	% of Portfolio
011	FEDERATED	Federated Govt Money Market	Cash/Money Market	29,279.88	29,279.88	29,279.88	5.180	0.00%
		Cash/Money Market Total		29,279.88	29,279.88	29,279.88		0.00%

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating
6547	89115B6F2	TDNY	5.470	10/25/2024	Toronto Dominion Bank/NY	10/27/2022	10/31/2022	7,845,000.00	7,845,000.00	7,826,172.00	5.470	1.04	390	0.62%	P-1
6694	21684LGS5	RABOBK	5.080	07/17/2026		07/17/2023	07/20/2023	12,000,000.00	12,000,000.00	11,988,360.00	5.080	2.54	1,020	0.95%	
					Negotiable CDs			19,845,000.00	19,845,000.00	19,814,532.00				1.57%	
6084	9128285P1	T	2.875	11/30/2023	U.S. Treasury Note	03/02/2020	03/04/2020	4,260,000.00	4,274,121.39	4,242,108.00	0.822	0.16	60	0.34%	Aaa
6394	9128285U0	T	2.625	12/31/2023	U.S. Treasury Note	01/14/2022	01/18/2022	6,975,000.00	7,003,728.94	6,926,523.75	0.953	0.25	91	0.56%	Aaa
5975	912828V80	T	2.250	01/31/2024	U.S. Treasury Note	06/24/2019	06/25/2019	13,200,000.00	13,220,469.79	13,062,324.00	1.764	0.33	122	1.05%	Aaa
6316	9128286G0	T	2.375	02/29/2024	U.S. Treasury Note	08/11/2021	08/12/2021	11,385,000.00	11,480,140.44	11,243,142.90	0.345	0.41	151	0.91%	Aaa
6317	9128286G0	T	2.375	02/29/2024	U.S. Treasury Note	08/11/2021	08/12/2021	11,385,000.00	11,479,996.17	11,243,142.90	0.348	0.41	151	0.91%	Aaa
5972	912828X70	T	2.000	04/30/2024	U.S. Treasury Note	06/03/2019	06/05/2019	24,490,000.00	24,503,135.51	24,007,791.90	1.903	0.56	212	1.94%	Aaa
5976	912828XX3	T	2.000	06/30/2024	U.S. Treasury Note	07/01/2019	07/03/2019	22,560,000.00	22,594,820.97	21,986,299.20	1.783	0.73	273	1.79%	Aaa
5985	9128282N9	T	2.125	07/31/2024	U.S. Treasury Note	08/01/2019	08/05/2019	8,950,000.00	8,973,099.55	8,705,933.50	1.799	0.81	304	0.71%	Aaa
6210	912828Y87	T	1.750	07/31/2024	U.S. Treasury Note	01/13/2021	01/14/2021	5,055,000.00	5,116,419.81	4,902,389.55	0.283	0.81	304	0.41%	Aaa
5996	9128282U3	T	1.875	08/31/2024	U.S. Treasury Note	09/03/2019	09/05/2019	17,775,000.00	17,860,151.42	17,206,377.75	1.333	0.89	335	1.42%	Aaa
6005	9128282Y5	T	2.125	09/30/2024	U.S. Treasury Note	10/01/2019	10/03/2019	13,745,000.00	13,827,192.89	13,304,747.65	1.501	0.97	365	1.10%	Aaa
6023	9128283D0	T	2.250	10/31/2024	U.S. Treasury Note	11/01/2019	11/05/2019	11,925,000.00	12,009,740.44	11,528,613.00	1.566	1.04	396	0.95%	Aaa
6035	912828YM6	T	1.500	10/31/2024	U.S. Treasury Note	12/02/2019	12/04/2019	9,450,000.00	9,431,167.04	9,063,117.00	1.692	1.05	396	0.75%	Aaa
6061	9128283J7	T	2.125	11/30/2024	U.S. Treasury Note	01/03/2020	01/07/2020	4,135,000.00	4,159,269.69	3,983,824.40	1.599	1.12	426	0.33%	Aaa
6314	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	08/02/2021	08/06/2021	13,780,000.00	13,708,494.81	12,573,698.80	0.524	1.86	700	1.09%	Aaa
6334	91282CAM3	T	0.250	09/30/2025	U.S. Treasury Note	09/07/2021	09/09/2021	11,060,000.00	10,968,492.17	10,064,600.00	0.670	1.94	730	0.87%	Aaa
6354	91282CAT8	T	0.250	10/31/2025	U.S. Treasury Note	10/04/2021	10/06/2021	16,600,000.00	16,420,016.27	15,052,216.00	0.780	2.02	761	1.30%	Aaa
6363	91282CAZ4	T	0.375	11/30/2025	U.S. Treasury Note	11/01/2021	11/02/2021	23,350,000.00	23,011,307.27	21,156,501.00	1.061	2.10	791	1.82%	Aaa
6452	91282CAZ4	T	0.375	11/30/2025	U.S. Treasury Note	04/29/2022	04/29/2022	6,175,000.00	5,853,656.25	5,594,920.50	2.925	2.10	791	0.46%	Aaa
6461	91282CAZ4	T	0.375	11/30/2025	U.S. Treasury Note	05/25/2022	05/31/2022	2,900,000.00	2,760,722.70	2,627,574.00	2.716	2.10	791	0.22%	Aaa
6209	91282CBC4	T	0.375	12/31/2025	U.S. Treasury Note	01/11/2021	01/13/2021	14,275,000.00	14,236,824.29	12,904,885.50	0.495	2.18	822	1.13%	Aaa
6269	91282CBC4	T	0.375	12/31/2025	U.S. Treasury Note	04/05/2021	04/07/2021	12,375,000.00	12,235,501.11	11,187,247.50	0.888	2.18	822	0.97%	Aaa
6274	91282CBC4	T	0.375	12/31/2025	U.S. Treasury Note	04/26/2021	04/26/2021	5,085,000.00	5,040,886.79	4,596,941.70	0.768	2.18	822	0.40%	Aaa
6280	91282CBC4	T	0.375	12/31/2025	U.S. Treasury Note	05/06/2021	05/10/2021	12,600,000.00	12,500,048.21	11,390,652.00	0.734	2.18	822	0.99%	Aaa
6223	9128286A3	T	2.625	01/31/2026	U.S. Treasury Note	02/04/2021	02/08/2021	19,485,000.00	20,461,369.28	18,494,772.30	0.453	2.21	853	1.62%	Aaa
6235	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	02/26/2021	02/26/2021	5,736,000.00	5,679,724.22	5,163,547.20	0.804	2.27	853	0.45%	Aaa
6306	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	07/02/2021	07/07/2021	15,500,000.00	15,347,752.73	13,953,100.00	0.804	2.27	853	1.22%	Aaa
6389	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	01/04/2022	01/06/2022	21,635,000.00	21,194,513.09	19,475,827.00	1.272	2.27	853	1.68%	Aaa
6400	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	01/26/2022	01/27/2022	7,400,000.00	7,215,535.11	6,661,480.00	1.478	2.27	853	0.57%	Aaa
6415	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	02/18/2022	02/22/2022	15,125,000.00	14,632,937.83	13,615,525.00	1.825	2.27	853	1.16%	Aaa
6453	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	05/03/2022	05/04/2022	9,650,000.00	9,104,696.52	8,686,930.00	2.950	2.27	853	0.72%	Aaa
6482	91282CBH3	T	0.375	01/31/2026	U.S. Treasury Note	06/27/2022	06/28/2022	14,350,000.00	13,436,314.14	12,917,870.00	3.291	2.27	853	1.07%	Aaa
6243	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	03/03/2021	03/05/2021	17,725,000.00	17,632,211.96	15,957,994.75	0.721	2.34	881	1.40%	Aaa
6256	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	03/25/2021	03/26/2021	2,900,000.00	2,878,709.17	2,610,899.00	0.811	2.34	881	0.23%	Aaa
6281	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	05/07/2021	05/11/2021	3,700,000.00	3,680,108.91	3,331,147.00	0.727	2.34	881	0.29%	Aaa
6371	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	12/03/2021	12/07/2021	24,365,000.00	23,990,282.35	21,936,053.15	1.155	2.34	881	1.90%	Aaa
6335	91282CBT7	T	0.750	03/31/2026	U.S. Treasury Note	09/07/2021	09/09/2021	10,850,000.00	10,847,677.10	9,811,655.00	0.759	2.41	912	0.86%	Aaa
6345	91282CBT7	T	0.750	03/31/2026	U.S. Treasury Note	09/27/2021	09/28/2021	13,000,000.00	12,948,479.10	11,755,900.00	0.912	2.41	912	1.03%	Aaa
6289	91282CCF6	T	0.750	05/31/2026	U.S. Treasury Note	06/02/2021	06/04/2021	21,160,000.00	21,135,281.15	19,003,584.40	0.795	2.57	973	1.68%	Aaa
6468	91282CCF6	T	0.750	05/31/2026	U.S. Treasury Note	06/06/2022	06/08/2022	10,575,000.00	9,983,580.91	9,497,301.75	2.992	2.57	973	0.79%	Aaa
6438	91282CCZ2	T	0.875	09/30/2026	U.S. Treasury Note	04/05/2022	04/07/2022	14,700,000.00	13,920,663.79	13,117,398.00	2.768	2.89	1,095	1.10%	Aaa
6494	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	07/05/2022	07/07/2022	5,100,000.00	5,003,437.35	4,706,127.00	2.853	3.17	1,233	0.40%	Aaa
6647	91282CEF4	T	2.500	03/31/2027	U.S. Treasury Note	03/30/2023	03/31/2023	1,165,000.00	1,116,194.23	1,082,133.55	3.803	3.28	1,277	0.09%	Aaa
6499	912828ZN3	T	0.500	04/30/2027	U.S. Treasury Note	08/03/2022	08/05/2022	9,450,000.00	8,691,000.76	8,147,695.50	2.918	3.45	1,307	0.69%	Aaa
6502	912828ZV5	T	0.500	06/30/2027	U.S. Treasury Note	08/09/2022	08/11/2022	10,200,000.00	9,321,606.12	8,738,136.00	2.987	3.61	1,368	0.74%	Aaa
6506	912828ZV5	T	0.500	06/30/2027	U.S. Treasury Note	08/31/2022	08/31/2022	3,280,000.00	2,963,829.34	2,809,910.40	3.305	3.61	1,368	0.24%	Aaa
6507	9128282R0	T	2.250	08/15/2027	U.S. Treasury Note	09/01/2022	09/06/2022	17,775,000.00	17,051,718.26	16,243,328.25	3.400	3.61	1,414	1.35%	Aaa

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moodys Rating
6532	9128282R0	T	2.250	08/15/2027	U.S. Treasury Note	09/29/2022	09/30/2022	3,440,000.00	3,227,470.54	3,143,575.20	4.022	3.61	1,414	0.26%	Aaa
6663	91282CFM8	T	4.125	09/30/2027	U.S. Treasury Note	04/26/2023	04/27/2023	4,860,000.00	4,959,075.66	4,758,814.80	3.568	3.63	1,460	0.39%	Aaa
6563	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	12/06/2022	12/08/2022	11,810,000.00	11,946,952.53	11,558,565.10	3.810	3.63	1,491	0.95%	Aaa
6604	91282CBB6	T	0.625	12/31/2027	U.S. Treasury Note	01/27/2023	01/31/2023	12,465,000.00	11,015,926.39	10,539,780.75	3.637	4.08	1,552	0.87%	Aaa
6661	91282CBB6	T	0.625	12/31/2027	U.S. Treasury Note	04/25/2023	04/26/2023	5,685,000.00	5,042,655.25	4,806,951.75	3.535	4.08	1,552	0.40%	Aaa
6665	91282CHA2	T	3.500	04/30/2028	U.S. Treasury Note	05/01/2023	05/01/2023	13,350,000.00	13,291,709.70	12,724,285.50	3.605	4.09	1,673	1.05%	Aaa
6666	91282CHA2	T	3.500	04/30/2028	U.S. Treasury Note	05/01/2023	05/02/2023	3,550,000.00	3,530,296.06	3,383,611.50	3.634	4.09	1,673	0.28%	Aaa
6673	91282CHA2	T	3.500	04/30/2028	U.S. Treasury Note	05/31/2023	05/31/2023	1,415,000.00	1,396,103.90	1,348,678.95	3.822	4.09	1,673	0.11%	Aaa
6675	91282CBZ3	T	1.250	04/30/2028	U.S. Treasury Note	06/28/2023	06/30/2023	11,030,000.00	9,770,388.23	9,496,168.20	4.018	4.31	1,673	0.77%	Aaa
6674	91282CHE4	T	3.625	05/31/2028	U.S. Treasury Note	06/01/2023	06/05/2023	21,690,000.00	21,623,438.96	20,788,563.60	3.698	4.16	1,704	1.71%	Aaa
6707	912810FE3	T	5.500	08/15/2028	U.S. Treasury Note	08/30/2023	08/31/2023	1,510,000.00	1,589,251.42	1,564,979.10	4.292	4.21	1,780	0.13%	Aaa
					U.S. Treasuries			649,121,000.00	638,300,295.98	600,387,862.20				50.61%	
6191	459058JM6	IBRD	0.250	11/24/2023	Int'l Bank for Recon and Dev	11/17/2020	11/24/2020	9,050,000.00	9,049,045.14	8,979,229.00	0.322	0.15	54	0.72%	Aaa
6341	4581X0DZ8	IADB	0.500	09/23/2024	Inter-American Development Bank	09/15/2021	09/23/2021	9,760,000.00	9,757,646.03	9,285,468.80	0.525	0.95	358	0.77%	Aaa
					Supranational			18,810,000.00	18,806,691.17	18,264,697.80				1.49%	
6213	3135G06H1	FNMA	0.250	11/27/2023	Federal National Mortgage Assoc	01/25/2021	01/26/2021	2,845,000.00	2,845,237.19	2,822,894.35	0.196	0.15	57	0.23%	Aaa
6199	3137EAF A2	FHLMC	0.250	12/04/2023	Federal Home Loan Mortgage	12/02/2020	12/04/2020	5,815,000.00	5,814,664.18	5,763,479.10	0.283	0.17	64	0.46%	Aaa
6094	3133ELVX9	FFCB	0.875	04/08/2024	Federal Farm Credit Bank	04/07/2020	04/08/2020	3,170,000.00	3,170,000.00	3,093,603.00	0.875	0.51	190	0.25%	Aaa
6085	3135G0X24	FNMA	1.625	01/07/2025	Federal National Mortgage Assoc	03/04/2020	03/05/2020	9,740,000.00	9,834,820.41	9,295,174.20	0.839	1.23	464	0.78%	Aaa
6100	3130AJHU6	FHLB	0.500	04/14/2025	Federal Home Loan Bank	04/15/2020	04/16/2020	11,935,000.00	11,916,792.95	11,101,817.65	0.601	1.49	561	0.94%	Aaa
6103	3135G03U5	FNMA	0.625	04/22/2025	Federal National Mortgage Assoc	04/22/2020	04/24/2020	15,500,000.00	15,490,037.41	14,424,920.00	0.667	1.51	569	1.23%	Aaa
6106	3135G03U5	FNMA	0.625	04/22/2025	Federal National Mortgage Assoc	04/29/2020	04/30/2020	5,345,000.00	5,348,497.19	4,974,270.80	0.582	1.51	569	0.42%	Aaa
6118	3135G03U5	FNMA	0.625	04/22/2025	Federal National Mortgage Assoc	05/22/2020	05/26/2020	3,225,000.00	3,229,517.94	3,001,314.00	0.534	1.51	569	0.26%	Aaa
6121	3135G03U5	FNMA	0.625	04/22/2025	Federal National Mortgage Assoc	06/03/2020	06/05/2020	12,500,000.00	12,520,434.83	11,633,000.00	0.519	1.51	569	0.99%	Aaa
6124	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	06/17/2020	06/19/2020	18,485,000.00	18,471,890.66	17,091,231.00	0.542	1.66	625	1.46%	Aaa
6129	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	07/02/2020	07/07/2020	7,200,000.00	7,202,865.44	6,657,120.00	0.476	1.66	625	0.57%	Aaa
6143	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	08/03/2020	08/04/2020	10,000,000.00	10,018,307.82	9,246,000.00	0.392	1.66	625	0.79%	Aaa
6158	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	09/17/2020	09/18/2020	2,145,000.00	2,147,752.43	1,983,267.00	0.424	1.66	625	0.17%	Aaa
6165	3135G04Z3	FNMA	0.500	06/17/2025	Federal National Mortgage Assoc	10/02/2020	10/05/2020	12,000,000.00	12,018,654.75	11,095,200.00	0.408	1.66	625	0.95%	Aaa
6134	3137EAEU9	FHLMC	0.375	07/21/2025	Federal Home Loan Mortgage	07/21/2020	07/23/2020	11,195,000.00	11,174,845.26	10,289,324.50	0.476	1.75	659	0.89%	Aaa
6150	3135G05X7	FNMA	0.375	08/25/2025	Federal National Mortgage Assoc	08/25/2020	08/27/2020	11,900,000.00	11,878,813.50	10,884,811.00	0.470	1.85	694	0.94%	Aaa
6174	3135G05X7	FNMA	0.375	08/25/2025	Federal National Mortgage Assoc	10/22/2020	10/23/2020	4,360,000.00	4,350,413.01	3,988,048.40	0.492	1.85	694	0.34%	Aaa
6180	3135G05X7	FNMA	0.375	08/25/2025	Federal National Mortgage Assoc	10/28/2020	10/29/2020	13,730,000.00	13,707,603.65	12,558,693.70	0.462	1.85	694	1.09%	Aaa
6505	3134GX554	FHLMC	4.050	08/28/2025	Federal Home Loan Mortgage	08/19/2022	08/30/2022	5,315,000.00	5,313,645.12	5,182,071.85	4.064	1.64	697	0.42%	Aaa
6159	3137EAE X3	FHLMC	0.375	09/23/2025	Federal Home Loan Mortgage	09/23/2020	09/25/2020	17,170,000.00	17,149,534.28	15,654,919.20	0.436	1.92	723	1.36%	Aaa
6166	3133EMB H4	FFCB	0.530	09/29/2025	Federal Farm Credit Bank	10/07/2020	10/09/2020	6,900,000.00	6,895,156.51	6,289,488.00	0.566	1.94	729	0.55%	Aaa
6185	3135G06G3	FNMA	0.500	11/07/2025	Federal National Mortgage Assoc	11/09/2020	11/12/2020	11,205,000.00	11,188,105.23	10,189,602.90	0.573	2.04	768	0.89%	Aaa
6189	3135G06G3	FNMA	0.500	11/07/2025	Federal National Mortgage Assoc	11/19/2020	11/24/2020	2,570,000.00	2,569,585.92	2,337,106.60	0.508	2.04	768	0.20%	Aaa
					U.S. Agencies			204,250,000.00	204,257,175.68	189,557,357.25				16.20%	
5957	91159HHV5	USB	3.375	02/05/2024	US Bank	04/09/2019	04/11/2019	10,000,000.00	10,016,182.93	9,904,500.00	2.860	0.34	127	0.79%	A3
5958	037833CG3	AAPL	3.000	02/09/2024	Apple	04/09/2019	04/11/2019	10,000,000.00	10,008,197.01	9,901,700.00	2.744	0.35	131	0.79%	Aaa
6275	38141GVM3	GS	4.000	03/03/2024	Goldman Sachs	04/26/2021	04/28/2021	3,500,000.00	3,547,750.24	3,470,110.00	0.729	0.41	154	0.28%	A2
5941	717081ES8	PFE	2.950	03/15/2024	Pfizer Inc	03/26/2019	03/28/2019	7,925,000.00	7,936,731.48	7,823,956.25	2.596	0.44	166	0.63%	A1
5961	57636QAB0	MA	3.375	04/01/2024	Mastercard	04/09/2019	04/11/2019	5,091,000.00	5,107,479.48	5,026,344.30	2.679	0.48	183	0.41%	Aa3
6282	023135BW5	AMZN	0.450	05/12/2024	Amazon	05/10/2021	05/12/2021	5,650,000.00	5,648,312.01	5,474,906.50	0.499	0.60	224	0.45%	A1
5974	22160KAL9	COST	2.750	05/18/2024	Costco	06/14/2019	06/18/2019	7,000,000.00	7,018,286.97	6,864,270.00	2.295	0.61	230	0.56%	Aa3
5984	91159HHX1	USB	2.400	07/30/2024	US Bank	08/01/2019	08/05/2019	5,260,000.00	5,260,727.23	5,109,301.00	2.382	0.80	303	0.42%	A3

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moodys Rating
6111	427866BC1	HSY	2.050	11/15/2024	Hershey	05/01/2020	05/05/2020	8,860,000.00	8,949,661.68	8,529,965.00	1.106	1.08	411	0.71%	A1
6425	24422EVY2	DE	1.250	01/10/2025	John Deere	03/08/2022	03/10/2022	6,500,000.00	6,430,209.50	6,159,400.00	2.122	1.24	467	0.51%	A2
6245	478160CJ1	JNJ	2.625	01/15/2025	Johnson & Johnson	03/04/2021	03/08/2021	5,000,000.00	5,116,786.16	4,837,250.00	0.703	1.24	472	0.41%	Aaa
6255	478160CJ1	JNJ	2.625	01/15/2025	Johnson & Johnson	03/23/2021	03/25/2021	1,700,000.00	1,739,152.12	1,644,665.00	0.728	1.24	472	0.14%	Aaa
6246	58933YAR6	MRK	2.750	02/10/2025	Merck	03/04/2021	03/08/2021	5,000,000.00	5,120,466.47	4,829,050.00	0.823	1.30	498	0.41%	A1
6261	58933YAR6	MRK	2.750	02/10/2025	Merck	03/25/2021	03/29/2021	3,470,000.00	3,556,329.73	3,351,360.70	0.761	1.30	498	0.28%	A1
6110	57636QAN4	MA	2.000	03/03/2025	Mastercard	05/01/2020	05/05/2020	4,380,000.00	4,433,780.15	4,174,271.40	1.096	1.37	519	0.35%	Aa3
6112	458140BP4	INTC	3.400	03/25/2025	Intel	05/01/2020	05/05/2020	8,300,000.00	8,568,148.10	8,041,621.00	1.118	1.41	541	0.68%	A2
6262	12189LAV3	BNSF	3.000	04/01/2025	Burlington Northern Santa Fe	03/25/2021	03/29/2021	3,000,000.00	3,089,055.06	2,899,350.00	0.851	1.40	548	0.24%	A3
6449	88579YBM2	MMM	2.650	04/15/2025	3M	04/21/2022	04/25/2022	5,000,000.00	4,952,832.34	4,755,000.00	3.298	1.46	562	0.39%	A2
6457	747525AF0	QCOM	3.450	05/20/2025	Qualcomm	05/17/2022	05/19/2022	5,000,000.00	5,006,483.90	4,839,050.00	3.360	1.51	597	0.40%	A2
6230	38148LAE6	GS	3.750	05/22/2025	Goldman Sachs	02/12/2021	02/17/2021	3,330,000.00	3,480,236.97	3,209,454.00	0.779	1.52	599	0.28%	A2
6333	438516CB0	HON	1.350	06/01/2025	Honeywell	09/03/2021	09/08/2021	5,750,000.00	5,800,298.59	5,381,540.00	0.804	1.60	609	0.46%	A2
6315	46647PCM6	JPM	0.768	08/09/2025	JP Morgan	08/03/2021	08/10/2021	3,875,000.00	3,875,000.00	3,690,860.00	0.768	0.84	678	0.31%	A1
6422	46647PCM6	JPM	0.768	08/09/2025	JP Morgan	03/07/2022	03/09/2022	5,000,000.00	4,887,281.79	4,762,400.00	2.550	0.84	678	0.39%	A1
6508	931142EW9	WMT	3.900	09/09/2025	Walmart	09/06/2022	09/09/2022	3,680,000.00	3,678,335.14	3,587,227.20	3.925	1.83	709	0.29%	Aa2
6398	17327CAN3	C	2.014	01/25/2026	Citigroup/Citibank NA	01/18/2022	01/25/2022	4,550,000.00	4,550,000.00	4,296,565.00	2.014	1.27	847	0.36%	A3
6411	857477BR3	STT	1.746	02/06/2026	State Street	02/02/2022	02/07/2022	1,820,000.00	1,820,000.00	1,717,443.00	1.746	1.30	859	0.14%	A1
6423	857477BR3	STT	1.746	02/06/2026	State Street	03/07/2022	03/09/2022	5,000,000.00	4,955,768.12	4,718,250.00	2.272	1.30	859	0.39%	A1
6610	713448DF2	PEP	2.850	02/24/2026	Pepsi	02/01/2023	02/03/2023	12,200,000.00	11,843,787.15	11,547,544.00	4.159	2.25	877	0.94%	A1
6426	06051GKM0	BAC	3.384	04/02/2026	Bank of America	03/17/2022	03/22/2022	9,000,000.00	9,000,000.00	8,613,900.00	3.384	1.41	914	0.71%	A1
6450	46647PCZ7	JPM	4.080	04/26/2026	JP Morgan	04/19/2022	04/26/2022	4,000,000.00	4,000,000.00	3,881,880.00	4.080	1.46	938	0.32%	A1
6704	06428CAA2	BAC	5.526	08/18/2026	Bank of America	08/17/2023	08/21/2023	3,880,000.00	3,874,396.16	3,861,182.00	5.581	2.57	1,052	0.31%	Aa1
6599	931142ER0	WMT	1.050	09/17/2026	Walmart	01/24/2023	01/26/2023	8,375,000.00	7,667,113.19	7,467,401.25	4.155	2.84	1,082	0.61%	Aa2
6397	87612EBM7	TGT	1.950	01/15/2027	Target	01/19/2022	01/24/2022	1,620,000.00	1,618,179.38	1,463,086.80	1.986	3.09	1,202	0.13%	A2
6405	87612EBM7	TGT	1.950	01/15/2027	Target	01/27/2022	01/31/2022	3,500,000.00	3,498,583.05	3,160,990.00	1.963	3.09	1,202	0.28%	A2
6424	87612EBM7	TGT	1.950	01/15/2027	Target	03/07/2022	03/09/2022	4,000,000.00	3,977,106.62	3,612,560.00	2.134	3.09	1,202	0.32%	A2
6401	06406RBA4	BK	2.050	01/26/2027	Bank of NY	01/26/2022	01/28/2022	4,000,000.00	4,004,466.30	3,574,440.00	2.014	3.11	1,213	0.32%	A1
6591	00724PAC3	ADBE	2.150	02/01/2027	Adobe Inc.	12/29/2022	12/30/2022	2,550,000.00	2,371,600.54	2,316,190.50	4.469	3.13	1,219	0.19%	A2
6603	594918BY9	MSFT	3.300	02/06/2027	Microsoft	01/27/2023	01/31/2023	6,015,000.00	5,874,001.12	5,706,851.55	4.066	3.05	1,224	0.47%	Aaa
6448	023135CF1	AMZN	3.300	04/13/2027	Amazon	04/21/2022	04/25/2022	5,965,000.00	5,938,435.33	5,612,468.50	3.438	3.20	1,290	0.47%	A1
6553	437076CN0	HD	2.875	04/15/2027	Home Depot	11/03/2022	11/07/2022	4,875,000.00	4,548,022.28	4,513,275.00	5.012	3.23	1,292	0.36%	A2
6496	023135BR6	AMZN	1.200	06/03/2027	Amazon	07/15/2022	07/19/2022	6,175,000.00	5,688,782.68	5,363,296.25	3.554	3.48	1,341	0.45%	A1
6572	61747YEC5	MS	1.512	07/20/2027	Morgan Stanley	12/12/2022	12/14/2022	4,550,000.00	4,074,967.33	4,020,334.50	5.420	2.64	1,388	0.32%	A1
6597	14913R3A3	CAT	3.600	08/12/2027	Caterpillar	01/18/2023	01/20/2023	5,000,000.00	4,913,126.04	4,717,300.00	4.097	3.51	1,411	0.39%	A2
6598	437076BT8	HD	2.800	09/14/2027	Home Depot	01/24/2023	01/26/2023	6,000,000.00	5,718,522.41	5,495,760.00	4.115	3.63	1,444	0.45%	A2
6601	437076BT8	HD	2.800	09/14/2027	Home Depot	01/25/2023	01/27/2023	2,904,000.00	2,764,163.03	2,659,947.84	4.151	3.63	1,444	0.22%	A2
6546	69353RFG8	PNC	3.100	10/25/2027	PNC Bank	10/26/2022	10/31/2022	4,800,000.00	4,422,239.04	4,323,504.00	5.329	3.66	1,485	0.35%	A2
6556	69353RFG8	PNC	3.100	10/25/2027	PNC Bank	11/29/2022	11/30/2022	3,275,000.00	3,095,494.52	2,949,890.75	4.621	3.66	1,485	0.25%	A2
6612	69371RS31	PCAR	4.600	01/10/2028	Paccar Financial Corp	02/02/2023	02/06/2023	5,000,000.00	5,099,635.94	4,876,000.00	4.080	3.77	1,562	0.40%	A1
6614	89236TKQ7	TOYOTA	4.625	01/12/2028	Toyota Motors	02/07/2023	02/09/2023	11,785,000.00	11,822,284.20	11,510,763.05	4.541	3.78	1,564	0.94%	A1
6602	06406RAF4	BK	3.400	01/29/2028	Bank of NY	01/30/2023	01/31/2023	11,900,000.00	11,397,207.92	10,940,384.00	4.501	3.88	1,581	0.90%	A1
6713	46647PCW4	JPM	2.947	02/24/2028	JP Morgan	09/14/2023	09/18/2023	5,070,000.00	4,640,422.14	4,599,250.50	5.729	3.12	1,607	0.37%	A1
6660	57636QAJ3	MA	3.500	02/26/2028	Mastercard	04/21/2023	04/25/2023	2,835,000.00	2,762,629.50	2,654,779.05	4.145	3.94	1,609	0.22%	Aa3
6671	931142FB4	WMT	3.900	04/15/2028	Walmart	05/15/2023	05/17/2023	4,915,000.00	4,908,458.82	4,692,153.90	3.932	3.99	1,658	0.39%	Aa2
6670	037833ET3	AAPL	4.000	05/10/2028	Apple	05/15/2023	05/17/2023	5,000,000.00	5,021,928.78	4,801,050.00	3.893	4.04	1,683	0.40%	Aaa
6690	24422EXB0	DE	4.950	07/14/2028	John Deere	07/11/2023	07/14/2023	1,330,000.00	1,328,103.07	1,311,632.70	4.984	4.15	1,748	0.11%	A2
6701	69371RS64	PCAR	4.950	08/10/2028	Paccar Financial Corp	08/10/2023	08/14/2023	3,940,000.00	3,949,553.86	3,895,084.00	4.893	4.22	1,775	0.31%	A1
6718	17325FBB3	C	5.803	09/29/2028	Citigroup/Citibank NA	09/26/2023	09/29/2023	1,400,000.00	1,400,000.00	1,400,196.00	5.803	4.24	1,825	0.11%	Aa3
					Corporates			299,500,000.00	295,776,703.57	284,542,906.49				23.45%	

Accounting ID	Cusip	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moodys Rating
6157	13077DMK5	CA-CASHGR	0.685	11/01/2024	California State University	08/27/2020	09/17/2020	3,050,000.00	3,050,000.00	2,896,463.00	0.685	1.05	397	0.24%	Aa2
6132	91412HGE7	CA-UNVHGR	0.883	05/15/2025	University of California	07/10/2020	07/16/2020	2,565,000.00	2,565,000.00	2,391,811.20	0.883	1.57	592	0.20%	Aa2
6133	91412HGE7	CA-UNVHGR	0.883	05/15/2025	University of California	07/14/2020	07/16/2020	1,115,000.00	1,116,355.49	1,039,715.20	0.805	1.57	592	0.09%	Aa2
6168	546417DQ6	LA-LAS	0.840	06/01/2025	State of Louisiana	10/02/2020	10/14/2020	1,000,000.00	1,000,000.00	929,410.00	0.840	1.61	609	0.08%	Aa2
6155	341271AD6	FL-FLSGEN	1.258	07/01/2025	Florida SBA	09/03/2020	09/16/2020	2,550,000.00	2,556,584.32	2,367,216.00	1.106	1.68	639	0.20%	Aa3
6156	341271AD6	FL-FLSGEN	1.258	07/01/2025	Florida SBA	09/03/2020	09/16/2020	6,550,000.00	6,550,000.00	6,080,496.00	1.258	1.68	639	0.52%	Aa3
					Municipals			16,830,000.00	16,837,939.81	15,705,111.40				1.34%	
6055	3136AJB54	FNA	3.346	03/25/2024	Fannie Mae-Aces	12/13/2019	12/18/2019	1,953,290.76	1,964,036.16	1,927,351.06	1.906	0.42	176	0.16%	Aaa
6672	3137BTUM1	FHMS	3.347	11/25/2026	Freddie Mac Multifamily	05/19/2023	05/24/2023	2,685,000.00	2,610,676.09	2,533,324.35	4.306	2.76	1,151	0.21%	Aaa
6703	3137F1G44	FHMS	3.243	04/25/2027	Freddie Mac Multifamily	08/16/2023	08/18/2023	7,232,000.00	6,832,094.96	6,785,640.96	4.964	3.20	1,302	0.54%	Aaa
6693	3137HACX2	FHMS	4.819	06/25/2028	Freddie Mac Multifamily	07/13/2023	07/20/2023	11,700,000.00	11,812,185.22	11,469,978.00	4.556	4.04	1,729	0.94%	Aaa
6697	3137HAD45	FHMS	4.777	06/25/2028	Freddie Mac Multifamily	07/19/2023	07/27/2023	9,655,655.58	9,655,422.93	9,478,763.97	4.733	3.29	1,729	0.77%	Aaa
6700	3136BQDE6	FNA	4.190	07/25/2028	Fannie Mae-Aces	07/18/2023	07/31/2023	12,100,000.00	11,901,727.82	11,578,369.00	4.551	4.21	1,759	0.94%	Aaa
6712	3137HAMH6	FHMS	4.650	08/25/2028	Freddie Mac Multifamily	09/07/2023	09/14/2023	4,535,000.00	4,468,554.10	4,425,706.50	4.973	4.19	1,790	0.35%	Aaa
					Commercial MBS			49,860,946.34	49,244,697.28	48,199,133.84				3.90%	
6063	14315XAC2	CARMX	1.890	12/16/2024	CarMax Auto Receivables	01/14/2020	01/22/2020	34,979.90	34,978.21	34,920.43	1.905	0.04	442	0.00%	
6234	43813GAC5	HAROT	0.270	04/21/2025	Honda Auto Receivables	02/17/2021	02/24/2021	918,456.44	918,453.86	902,107.92	0.271	0.31	568	0.07%	Aaa
6276	44933LAC7	HART	0.380	09/15/2025	Hyundai Auto Receivables	04/20/2021	04/28/2021	1,140,420.59	1,140,367.03	1,117,281.46	0.385	0.37	715	0.09%	
6214	14316NAC3	CARMX	0.340	12/15/2025	CarMax Auto Receivables	01/20/2021	01/27/2021	753,000.99	752,964.43	734,108.20	0.349	0.42	806	0.06%	
6343	89239BAC5	TAOT	0.430	01/15/2026	Toyota Auto Receivables	09/21/2021	09/27/2021	3,228,794.35	3,228,657.37	3,123,341.93	0.434	0.61	837	0.26%	Aaa
6271	14314QAC8	CARMX	0.520	02/17/2026	CarMax Auto Receivables	04/13/2021	04/21/2021	2,069,598.10	2,069,378.19	2,013,015.29	0.531	0.51	870	0.16%	
6367	44935FAD6	HART	0.740	05/15/2026	Hyundai Auto Receivables	11/09/2021	11/17/2021	1,426,684.09	1,426,554.25	1,378,761.77	0.751	0.65	957	0.11%	
6504	43815PAC3	HAROT	3.730	07/20/2026	Honda Auto Receivables	08/15/2022	08/24/2022	765,000.00	764,970.80	744,926.40	3.762	1.25	1,023	0.06%	
6342	254683CP8	DCENT	0.580	09/15/2026	Discover Card Receivables	09/20/2021	09/27/2021	3,450,000.00	3,449,761.62	3,279,915.00	0.588	0.92	1,080	0.27%	Aaa
6497	14318MAD1	CARMX	3.970	04/15/2027	CarMax Auto Receivables	07/12/2022	07/20/2022	4,220,000.00	4,219,925.58	4,118,340.20	4.004	1.23	1,292	0.33%	
					Asset-Backed Securities			18,006,934.46	18,006,011.34	17,446,718.59				1.43%	
					Holdings			1,276,223,880.80	1,261,074,514.83	1,193,918,319.57				100.00%	

Summary

- ▶ The third quarter was characterized by the consumer continuing to spend, supported by rising wages and a strong labor market. The potential for additional monetary policy tightening by the Federal Reserve (Fed) remains possible in light of the Fed's projections for stronger gross domestic product (GDP) growth, higher inflation, and slightly lower unemployment for the balance of the year. As interest rates climbed to recent highs, equity markets declined from calendar year highs and modest de-risking swept markets near quarter-end.
- ▶ After initially showing signs of cooling in July, U.S. inflation (as measured by CPI) posted two straight large monthly increases in August and September, rising by 0.6% and 0.4% month-over-month (MoM) respectively. The August reading was the biggest monthly increase of 2023 as higher shelter costs and rising energy prices fed much of the gain. Core inflation, which excludes food and energy, continues to moderate, rising 4.1% year-over-year, down from 4.3% in August and 4.7% in July.
- ▶ The Fed met twice during Q3, increasing the target rate 25 basis points (bps) in July to a new range of 5.25% to 5.50% while holding that range steady following the September meeting. Despite the pause in September, the post-meeting dot plot projections dominated headlines as calendar year end 2024 and 2025 median rate expectations were adjusted higher by 50 bps each, highlighting the reality of a potentially "higher for much longer" interest rate environment.
- ▶ Equity markets declined off their intra-quarter and year-to-date (YTD) highs largely in response to the increased outlook for an extended period of higher yields. The S&P 500 Index closed the quarter down 3.3%, although YTD is still up over 13%.

Economic Snapshot

- ▶ Real GDP increased at an annual rate of 2.1% in Q2 2023. Although slightly slower than the Q1 2023 final release of 2.2%, Q2 growth was much higher than originally expected in July and as a result caused the Fed to double their growth projections for calendar year 2023 to 2.1% from 1.0% three months ago.
- ▶ Consumer spending was revised significantly lower to a 0.8% annualized rate, down from the 1.7% in the previous estimate. Stronger business fixed investment helped offset the slowdown in consumer spending, buoying the headline GDP figure. The consumer's ability to continue to carry the economy remains the center of attention as headwinds begin to mount, including higher prices at the pump, increasing shelter costs, slowing wage growth, the depletion of additional savings accumulated during the pandemic, and the looming reinstatement of student loan payments.
- ▶ A strong U.S. labor market remains a tailwind to economic growth and consumer outlooks. Over the quarter, the U.S. economy added 799,000 new jobs, besting the Q2 rate of 603,000 while remaining well above the pre-COVID pace. The unemployment rate (3.8%) remains near all-time lows and the labor force participation rate also trended upward and is now at the highest level since the pandemic.

Interest Rates

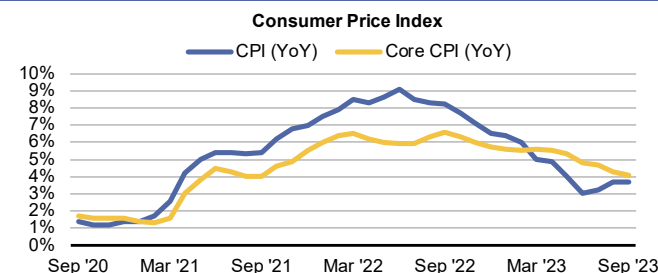
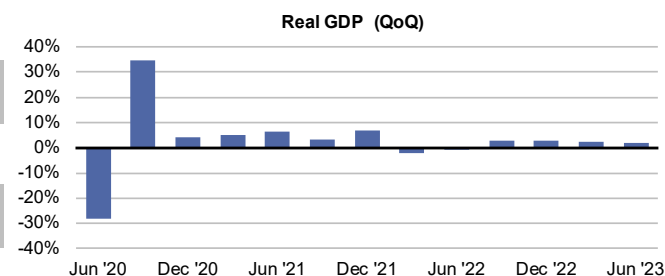
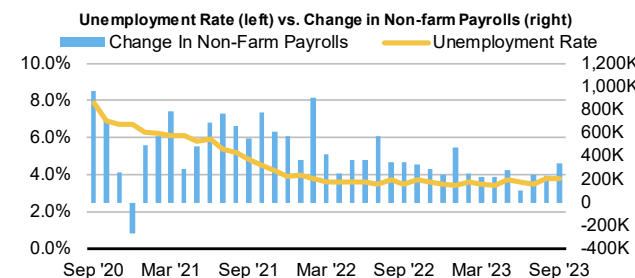
- ▶ U.S. Treasury yields increased across the entire curve during Q3, with most tenors closing the quarter at multi-decade highs. While the yield curve still remains deeply inverted due to yields on the front end reacting to several quarters of Fed rate increases, more recent yield increases have been led by longer maturities.
- ▶ Over the quarter, the yield on a 2-, 10-, and 30-year U.S. Treasury security increased 15 bps, 73 bps, and 84 bps, respectively, while the yield on a 3-month U.S. Treasury Bill increased only 5 bps. The increase in the 30-year yield marked the largest quarterly increase in more than 14 years. Along with the steepening of the curve, the inversion of the yield curve became less severe by quarter-end. After reaching a low of -108 bps in early July, the yield difference between the 2- and 10-year U.S. Treasury yield closed the quarter at -47 bps.
- ▶ As a result of higher absolute yields on longer-maturity tenors, U.S. Treasury indexes with durations greater than three years posted negative total returns in Q3. The ICE BofA 5-, 10-, and 30-year U.S. Treasury indices returned -1.26%, -5.15%, and -12.75% respectively. On the flipside, along with relatively muted rate increases over the quarter, short-duration indices posted positive total returns, as higher income more than offset negative price impacts. The ICE BofA 3-month, 1-, and 2-year U.S. Treasury indexes returned +1.31%, +1.21%, and +0.54% respectively.

Sector Performance

- ▶ Diversification away from U.S. Treasury securities was generally additive to fixed-income performance during Q3 as spreads across most sectors tightened or remained relatively stable. Broadly, lower quality and longer duration securities outperformed their higher quality and shorter-term counterparts.
- ▶ Federal agency and supranational spreads traded in a low and narrow range for the better part of the last several quarters. Incremental income from these sectors continue to benefit portfolios, especially those with government-heavy mandates.
- ▶ Investment-grade (IG) corporates eked out positive excess returns for the quarter as modest spread widening was offset by higher incremental income, underscoring the attractive total return attributes of the sector in the current environment. Even with sector spreads widening, higher yields and elevated income in the sector helped offset those negative price returns. Financial issuers and lower-rated credit issuers outperformed their industrial and higher-quality counterparts notably during Q3 as lingering spread tightening continued from mid-March waxes.
- ▶ AAA-rated asset-backed securities (ABS) performed exceedingly well in Q3 as spreads tightened marginally over the quarter on strong consumer sentiment and robust investor appetite for the sector.
- ▶ Agency mortgage-backed securities broadly underperformed during Q3 as spreads widened, approaching multi-year highs by quarter-end. Along with volatility that has remained historically high and bank balance sheet sales that further weighed on valuations, agency-backed mortgages were one of the worst performing sectors during the quarter, regardless of structure and collateral.

Economic Snapshot

Labor Market		Latest	Jun '23	Sep '22
Unemployment Rate	Sep '23	3.8%	3.6%	3.5%
Change In Non-Farm Payrolls	Sep '23	336,000	105,000	350,000
Average Hourly Earnings (YoY)	Sep '23	4.2%	4.4%	5.1%
Personal Income (YoY)	Aug '23	4.8%	5.5%	5.1%
Initial Jobless Claims (week)	10/7/23	209,000	249,000	198,000
Growth				
Real GDP (QoQ SAAR)	2023Q2	2.1%	2.2% ¹	-0.6% ²
GDP Personal Consumption (QoQ SAAR)	2023Q2	0.8%	3.8% ¹	2.0% ²
Retail Sales (YoY)	Aug '23	2.5%	1.5%	9.4%
ISM Manufacturing Survey (month)	Sep '23	49.0	46.0	51.0
Existing Home Sales SAAR (month)	Aug '23	4.04 mil.	4.16 mil.	4.68 mil.
Inflation/Prices				
Personal Consumption Expenditures (YoY)	Aug '23	3.5%	3.2%	6.6%
Consumer Price Index (YoY)	Sep '23	3.7%	3.0%	8.2%
Consumer Price Index Core (YoY)	Sep '23	4.1%	4.8%	6.6%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$90.79	\$70.64	\$79.49
Gold Futures (oz.)	Sep 30	\$1,848	\$1,929	\$1,662



1. Data as of First Quarter 2023.

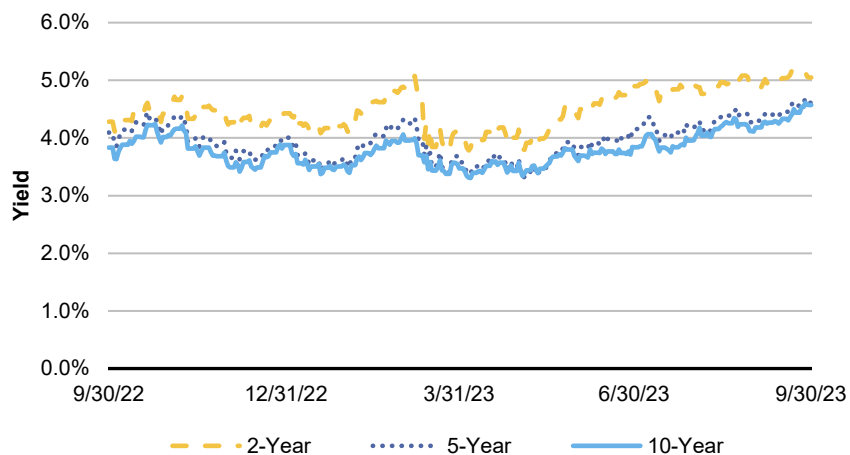
2. Data as of Second Quarter 2022.

Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

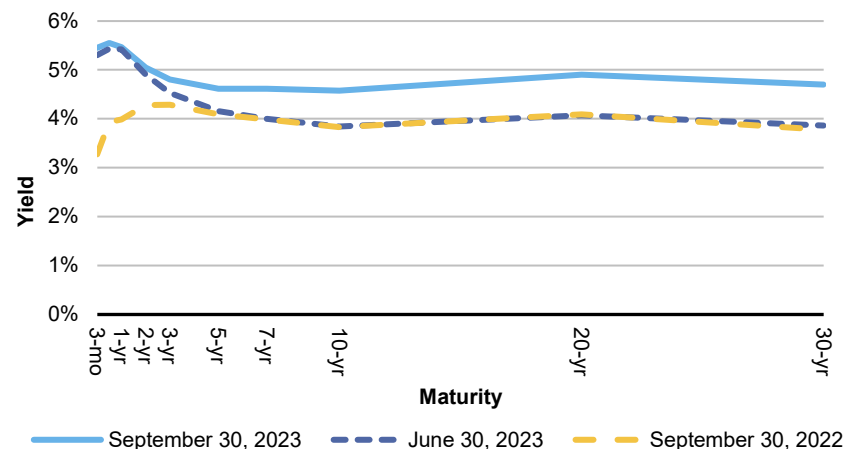
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



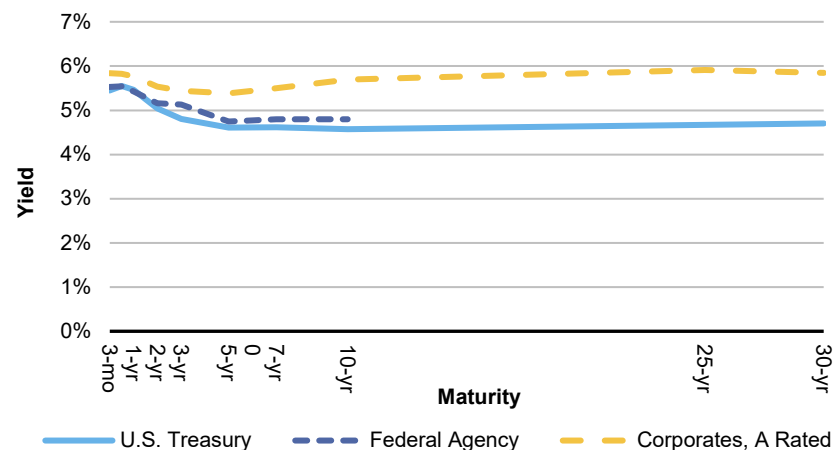
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '23	Jun '23	Change over Quarter	Sep '22	Change over Year
3-Month	5.45%	5.30%	0.15%	3.27%	2.18%
1-Year	5.46%	5.42%	0.04%	3.99%	1.47%
2-Year	5.05%	4.90%	0.15%	4.28%	0.77%
5-Year	4.61%	4.16%	0.45%	4.09%	0.52%
10-Year	4.57%	3.84%	0.73%	3.83%	0.74%
30-Year	4.70%	3.86%	0.84%	3.78%	0.92%

Yield Curves as of 09/30/2023



Source: Bloomberg.

ICE BofAML Index Returns

As of 09/30/2023		Returns for Periods ended 09/30/2023			
September 30, 2023	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.82	5.12%	0.74%	2.47%	(0.84%)
Federal Agency	1.68	5.31%	0.81%	2.85%	(0.67%)
U.S. Corporates, A-AAA rated	1.85	5.87%	0.81%	3.57%	(0.36%)
Agency MBS (0 to 3 years)	2.01	5.68%	0.29%	3.16%	(1.97%)
Taxable Municipals	1.62	5.48%	1.05%	3.57%	0.57%
1-5 Year Indices					
U.S. Treasury	2.57	4.96%	0.23%	2.13%	(1.76%)
Federal Agency	2.02	5.24%	0.52%	2.70%	(1.41%)
U.S. Corporates, A-AAA rated	2.57	5.82%	0.30%	3.76%	(1.26%)
Agency MBS (0 to 5 years)	3.32	5.64%	(1.21%)	2.18%	(2.84%)
Taxable Municipals	2.45	5.40%	0.51%	3.35%	(0.68%)
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.11	4.86%	(3.33%)	(1.05%)	(6.09%)
Federal Agency	3.29	5.18%	(0.59%)	1.93%	(2.85%)
U.S. Corporates, A-AAA rated	6.61	5.84%	(2.99%)	2.84%	(5.26%)
Agency MBS (0 to 30 years)	5.98	5.66%	(4.07%)	(0.20%)	(5.12%)
Taxable Municipals	8.91	5.69%	(4.81%)	1.37%	(6.36%)

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

Disclosures

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TCERA Board of Retirement 2024 Trustee Education/Presentation Calendar

Month	Meeting Date	Education/Presentation Topics
January	January 10 January 24	Fixed Income Manager Review - Verus
February	February 7 (due to Ag Expo) February 28	12/31/23 Investment Report – Verus BlackRock MacKay Shields
March	March 13 March 27	QMA (PGIM) PGIM Emerging Markets Debt
April	April 10 April 24	Sixth Street Ocean Avenue
May	SACRS – May 7-10 May 22	3/31/24 Investment Report – Verus Strategic Asset Allocation Review - Verus
June	June 12 June 26	William Blair KBI
July	July 10 July 24	RREEF American Realty
August	August 14 August 28	Annual Administrator Report 6/30/24 Investment Report – Verus Investment Manager Fee Review
September	September 11 September 25	

October	October 9 October 23	Preliminary Actuarial Analysis and Presentation of Three-Year Experience Study – Cheiron Joint Meeting with Board of Supervisors (tentative) Real Assets Review - Verus
November	November 6 - due to SACRS SACRS Nov 12-15 November 20 - due to Thanksgiving Holiday	Final Actuarial Valuation Report - Cheiron 9/30/24 Investment Report Private Markets (Private Equity/Private Credit) Review - Verus
December	December 11	Brown Armstrong – Audit Results

Expected 2025 Investment Manager Regular Biennial Presentations:

PIMCO RAE
SGA
Invesco
IFM
Pathway
DoubleLine
Boston Partners
Leeward