San Bernardino County Employees' Retirement Association

2026

SCHEDULES OF

EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

A MULTIPLE-EMPLOYER PENSION TRUST FUND | SAN BERNARDINO, CA

FOR THE YEAR ENDED JUNE 30, 2025
AND THE REPORTING PERIOD OF JUNE 30, 2026

2026

SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

A Multiple-Employer Pension Trust Fund
San Bernardino, California
For the Year Ended June 30, 2025
And the Reporting Period of June 30, 2026

Debby Cherney, CPA
Chief Executive Officer

Amy McInerny, CPA
Chief Financial Officer

San Bernardino County Employees' Retirement Association

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Retirement
San Bernardino County Employees' Retirement Association
San Bernardino, California

Opinions

We have audited the accompanying schedule of employer allocations of San Bernardino County Employees' Retirement Association (SBCERA) for the year ended June 30, 2025, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) included in the accompanying schedule of pension amounts of SBCERA for the year ended June 30, 2025, and the related notes.

In our opinion, the schedule referred to above presents fairly, in all material respects, the employer allocations for the year ended June 30, 2025, and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense for all participating entities in SBCERA for the year ended June 30, 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Schedules section of our report. We are required to be independent of SBCERA 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 Financial Schedules

Management is responsible for the preparation and fair presentation of the schedules 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 schedules that are free from material misstatement, whether due to fraud or error.

In preparing the schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SBCERA's ability to continue as a going concern within one year after the date that the schedules are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Schedules

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and the specified column totals included in the schedule of pension amounts 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

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is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 schedules.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, 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 schedules.
- 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 SBCERA'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 evaluating the overall presentation of the schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SBCERA'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.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of SBCERA as of and for the year ended June 30, 2025, and our report thereon, dated November 4, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
July 23, 2026

SUMMARY OF PARTICIPATING EMPLOYERS

The legend below lists the participating employers of SBCERA as they are presented within this report.

Abbreviation Used	Employer Full Name
1 — BBFA	Big Bear Fire Authority
2 — BFPD	Barstow Fire Protection District
3 — CERTNA	California Electronic Recording Transaction Network Authority
4 — CSAC	California State Association of Counties
5 — CBBL	City of Big Bear Lake
6 — CCH	City of Chino Hills
7 — County	San Bernardino County
8 — CSD	Crestline Sanitation District
9 — DWP	Department of Water and Power of the City of Big Bear Lake
10 — HRPD	Hesperia Recreation and Park District
11 — ILS	Inland Library System
12 — LL	Law Library for San Bernardino County
13 — LAFCO	Local Agency Formation Commission
14 — MDAQMD	Mojave Desert Air Quality Management District
15 — SBCTA	San Bernardino County Transportation Authority
16 — SBCERA[1]	San Bernardino County Employees' Retirement Association[1]
17 — SCAQMD	South Coast Air Quality Management District
18 — Court	Superior Court of California, County of San Bernardino
19 — ConFIRE	Consolidated Fire Agencies

(1) SBCERA is excluded from the remainder of the report per GASB 68, see Note 4 – Proportionate Share for more information.

SCHEDULE OF EMPLOYER ALLOCATIONS

For the Year Ended June 30, 2025[1]

Employer	Employer Contributions	Employer Contribution Percentage	Total Allocated Net Pension Liability	Employer Proportionate Share
1 — BBFA	$ 3,110,427	0.517%	$ 11,316,296	0.607%
2 — BFPD	1,398,200	0.233%	5,279,064	0.283%
3 — CERTNA[2]	-	0.000%	-	0.000%
4 — CSAC	4,583,498	0.763%	13,729,822	0.738%
5 — CBBL	2,009,801	0.334%	5,822,762	0.312%
6 — CCH	5,220,352	0.869%	15,156,075	0.813%
7 — County	514,733,124	85.638%	1,577,219,777	84.620%
8 — CSD	357,916	0.060%	938,765	0.050%
9 — DWP	1,274,018	0.212%	3,697,061	0.198%
10 — HRPD	528,198	0.088%	1,504,474	0.081%
11 — ILS[3]	-	0.000%	-	0.000%
12 — LL	139,594	0.023%	293,695	0.016%
13 — LAFCO[4]	152,756	0.025%	(29,577)	(0.002)%
14 — MDAQMD	1,498,976	0.249%	4,373,253	0.235%
15 — SBCTA	1,124,455	0.187%	97,929	0.005%
17 — SCAQMD	40,346,624	6.713%	175,970,161	9.441%
18 — Court	23,285,684	3.874%	45,109,978	2.420%
19 — ConFIRE	1,291,881	0.215%	3,413,074	0.183%
EMPLOYER TOTALS	**$ 601,055,504**	**100.000%**	**$ 1,863,892,609**	**100.000%**

(1) Date listed is the measurement date. See Note 2 – Summary of Significant Accounting Policies for further information.
(2) CERTNA terminated on June 30, 2021, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for CERTNA was included with the NPL for withdrawn employers and reallocated to the other employers.
(3) ILS terminated on May 31, 2019, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for ILS was included with the NPL for withdrawn employers and reallocated to the other employers.
(4) Does not include additional contributions of $54,968 made by LAFCO for the purpose of reducing its Unfunded Actuarial Accrued Liability (UAAL).

Note: Results may not total due to rounding.
The accompanying notes are an integral part of this schedule.

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

For the Year Ended June 30, 2025[1]

			Deferred Outflows of Resources			
Employer	Employer Proportionate Share	Net Pension Liability	Difference Between Expected and Actual Experience	Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
1 — BBFA	0.607%	$ 11,316,296	$ 1,693,400	$ 560,796	$ 225,617	$ 2,479,813
2 — BFPD	0.283%	5,279,064	789,973	261,612	903,327	1,954,912
3 — CERTNA²	0.000%	-	-	-	-	-
4 — CSAC	0.738%	13,729,822	2,054,566	680,402	305,167	3,040,135
5 — CBBL	0.312%	5,822,762	871,333	288,556	435,330	1,595,219
6 — CCH	0.813%	15,156,075	2,267,994	751,082	201,955	3,221,031
7 — County	84.620%	1,577,219,777	236,019,249	78,161,522	23,855,124	338,035,895
8 — CSD	0.050%	938,765	140,479	46,522	78,624	265,625
9 — DWP	0.198%	3,697,061	553,238	183,213	261,639	998,090
10 — HRPD	0.081%	1,504,474	225,133	74,556	528,242	827,931
11 — ILS³	0.000%	-	-	-	-	-
12 — LL	0.016%	293,695	43,949	14,555	58,444	116,948
13 — LAFCO⁴	(0.002)%	(29,577)	(4,426)	(1,466)	221,258	215,366
14 — MDAQMD	0.235%	4,373,253	654,425	216,723	250,849	1,121,997
15 — SBCTA	0.005%	97,929	14,654	4,853	4,173,656	4,193,163
17 — SCAQMD	9.441%	175,970,161	26,332,630	8,720,468	3,435,878	38,488,976
18 — Court	2.420%	45,109,978	6,750,374	2,235,493	5,980,514	14,966,381
19 — ConFIRE	0.183%	3,413,074	510,741	169,140	2,629,384	3,309,265
PLAN TOTAL	**100.000%**	**$ 1,863,892,609**	**$ 278,917,712**	**$ 92,368,027**	**$ 43,545,008**	**$ 414,830,747**

(1) Date listed is the measurement date. See Note 2 – Summary of Significant Accounting Policies for further information.
(2) CERTNA terminated on June 30, 2021, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for CERTNA was included with the NPL for withdrawn employers and reallocated to the other employers.
(3) ILS terminated on May 31, 2019, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for ILS was included with the NPL for withdrawn employers and reallocated to the other employers.
(4) Does not include additional contributions of $54,968 made by LAFCO for the purpose of reducing its Unfunded Actuarial Accrued Liability (UAAL).

Note: Results may not total due to rounding.
The accompanying notes are an integral part of this schedule.

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

For the Year Ended June 30, 2025[1] *(Continued)*

Employer	Deferred Inflows of Resources: Difference Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
1 — BBFA	$ 95,477	$ 306,565	$ 2,011,192	$ 2,413,234
2 — BFPD	44,540	143,013	1,420,519	1,608,072
3 — CERTNA[2]	-	-	33,903	33,903
4 — CSAC	115,840	371,948	943,700	1,431,488
5 — CBBL	49,127	157,742	295,522	502,391
6 — CCH	127,873	410,586	1,226,446	1,764,905
7 — County	13,307,175	42,727,757	6,808,381	62,843,313
8 — CSD	7,920	25,432	94,510	127,862
9 — DWP	31,193	100,155	191,298	322,646
10 — HRPD	12,693	40,757	284,733	338,183
11 — ILS[3]	-	-	-	-
12 — LL	2,478	7,956	5,181	15,615
13 — LAFCO[4]	(250)	(801)	35,999	34,948
14 — MDAQMD	36,898	118,474	974,256	1,129,628
15 — SBCTA	826	2,653	192,495	195,974
17 — SCAQMD	1,484,679	4,767,129	27,411,049	33,662,857
18 — Court	380,598	1,222,054	1,615,824	3,218,476
19 — ConFIRE	28,796	92,462	-	121,258
PLAN TOTAL	**$ 15,725,863**	**$ 50,493,882**	**$ 43,545,008**	**$ 109,764,753**

(1) Date listed is the measurement date. See Note 2 – Summary of Significant Accounting Policies for further information.
(2) CERTNA terminated on June 30, 2021, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for CERTNA was included with the NPL for withdrawn employers and reallocated to the other employers.
(3) ILS terminated on May 31, 2019, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for ILS was included with the NPL for withdrawn employers and reallocated to the other employers.
(4) Does not include additional contributions of $54,968 made by LAFCO for the purpose of reducing its Unfunded Actuarial Accrued Liability (UAAL).

Note: Results may not total due to rounding.
The accompanying notes are an integral part of this schedule.

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

For the Year Ended June 30, 2025[1] *(Continued)*

	Employer Pension Expense		
Employer	**Allocatable 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 Employer Pension Expense**
1 — BBFA	$ 999,286	$ (957,347)	$ 41,939
2 — BFPD	305,589	880,598	1,186,187
3 — CERTNA[2]	-	(68,936)	(68,936)
4 — CSAC	1,431,665	(784,893)	646,772
5 — CBBL	654,888	(232,265)	422,623
6 — CCH	1,594,228	(1,203,925)	390,303
7 — County	165,092,950	12,587,109	177,680,059
8 — CSD	100,970	(54,804)	46,166
9 — DWP	398,688	(69,314)	329,374
10 — HRPD	98,505	36,863	135,368
11 — ILS[3]	-	(466)	(466)
12 — LL	29,598	(2,548)	27,050
13 — LAFCO[4]	21,487	(12,596)	8,891
14 — MDAQMD	507,350	(525,266)	(17,916)
15 — SBCTA	396,831	767,627	1,164,458
17 — SCAQMD	18,315,222	(9,814,518)	8,500,704
18 — Court	5,351,503	(1,272,034)	4,079,469
19 — ConFIRE	475,668	726,715	1,202,383
PLAN TOTAL	**$ 195,774,428**	**$ -**	**$ 195,774,428**

(1) Date listed is the measurement date. See Note 2 – Summary of Significant Accounting Policies for further information.
(2) CERTNA terminated on June 30, 2021, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for CERTNA was included with the NPL for withdrawn employers and reallocated to the other employers.
(3) ILS terminated on May 31, 2019, and therefore was not allocated any Net Pension Liability (NPL) as of June 30, 2025. Any NPL for ILS was included with the NPL for withdrawn employers and reallocated to the other employers.
(4) Does not include additional contributions of $54,968 made by LAFCO for the purpose of reducing its Unfunded Actuarial Accrued Liability (UAAL).

Note: Results may not total due to rounding.
The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025

NOTE 1 — PLAN DESCRIPTION

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (Plan). SBCERA was established in 1945 and operates under the provisions of the California County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA) and the regulations, procedures, and policies adopted by SBCERA's Board of Retirement (Board). The Plan's provisions may be amended by the California state legislature and in some cases require approval by the San Bernardino County Board of Supervisors and/or the SBCERA Board.

SBCERA provides retirement, disability, death, and survivor benefits to its members, who are employed by 17 active Plan sponsors (participating employers), and five withdrawn employers.

Fiduciary oversight of SBCERA is vested with the SBCERA Board, which consists of nine voting members and three alternate members. Four members are appointed by the County of San Bernardino's Board of Supervisors, six members (which include two alternates) are elected by the members of SBCERA (General members elect two members, Safety members elect one member and one alternate, and Retired members elect one member and one alternate), and the County of San Bernardino Treasurer (County Treasurer) is an ex-officio member who has one delegate.

SBCERA publishes its own Annual Comprehensive Financial Report (ACFR), which is available on SBCERA's website at www.SBCERA.org.

All benefits established by the CERL and PEPRA, as amended from time to time, are administered by SBCERA for its participating employers. SBCERA administers benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who became members prior to January 1, 2013 (effective date of PEPRA) are Tier 1 members. All other members are Tier 2. Employees become eligible for membership on their first day of regular employment, and members become fully vested after earning five years of service credit or attaining the age of 70. Additional information regarding SBCERA's benefits is included in the Summary Plan Description, also known as the Member Guide, which is available on SBCERA's website at www.SBCERA.org.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in SBCERA are required to report pension information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. The Schedule of Employer Allocations, Schedule of Pension Amounts, and the accompanying notes to these schedules (Pension Schedules) provide SBCERA participating employers with the required pension information for financial reporting.

The underlying financial information used to prepare the Pension Schedules is based on SBCERA's financial statements, which are prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental organizations. In doing so, SBCERA adheres to the reporting requirements established by GASB. Employer and member contributions are payable to SBCERA pursuant to statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

For the Pension Schedules, the net pension liability (NPL) was measured as of June 30, 2025, for the SBCERA employer reporting date of June 30, 2026.

The NPL was determined based upon the results of an actuarial valuation as of June 30, 2025. Plan fiduciary net position and the total pension liability (TPL) were valued as of the measurement date. Consistent with the provisions of GASB 68, the fiduciary net position and liabilities measured as of June 30, 2025 are not adjusted or rolled forward to the June 30, 2026 reporting date.

Results shown in the Pension Schedules exclude any employer contributions made after the measurement date of June 30, 2025.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 3 — NET PENSION LIABILITY

NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

		Measurement Date June 30, 2025
Total pension liability	a	$ 18,296,111,447
Plan fiduciary net position	b	16,432,218,838
NET PENSION LIABILITY		**$ 1,863,892,609**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**b/a**	**89.81%**

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 3 — NET PENSION LIABILITY *(Continued)*

ACTUARIAL ASSUMPTIONS

The actuarial assumptions used to determine the TPL as of June 30, 2025, were based on the results of the 2023 Triennial Actuarial Experience Study which covered the period from July 1, 2019 through June 30, 2022. Key assumptions used in the actuarial valuation are presented below.

KEY METHODS AND ASSUMPTIONS USED IN THE VALUATION OF TOTAL PENSION LIABILITY

Discount Rate	7.25%
Inflation	2.50%
"Across-the-board salary" increase	0.50%
Salary Increases	General: 4.30% to 9.50% Safety: 4.75% to 10.00%
Cost-of-Living Adjustments	Retiree COLA increases of 2.00% per year
Administrative Expenses	0.90% of payroll allocated to both the employer and member based on components of the total contribution rate (before expenses) for the employer and member

MORTALITY RATES

Mortality rates are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale. For healthy General members, the General Healthy Retiree rates (increased by 10%) were used. For healthy Safety members, the Safety Healthy Retiree rates (decreased by 5% for females) were used. For disabled General members, the Non-Safety Disabled Retiree rates (decreased by 5% for females) were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries not currently in pay status, the General Healthy Retiree rates (increased by 10%) were used. For beneficiaries currently in Pay Status, the General Contingent Survivor rates (increased by 5% for males and 15% for females) were used.

OTHER ASSUMPTIONS

Other assumptions are the same as those used in the June 30, 2025 and June 30, 2024 funding valuations. These assumptions were developed in the actuarial experience study for the period July 1, 2019 through June 30, 2022.

Detailed information regarding all actuarial assumptions can be found in the June 30, 2025 Actuarial Valuation and Review.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 4 — PROPORTIONATE SHARE

The NPL for each cost group is the TPL minus the Plan Fiduciary Net Position (FNP). The TPL for each cost group is obtained from internal valuation results based on the actual participants in each cost group. The Plan FNP for each cost group was estimated by adjusting the Valuation Value of Assets (VVA) for each cost group by the ratio of the total SBCERA Plan FNP to total SBCERA VVA. Based on this methodology, any non-valuation reserves (such as the Burial Allowance Reserve) and the Survivor Benefit Reserve are allocated amongst the cost groups based on each cost group's VVA.

The Superior Court, SCAQMD, SBCTA, and CSAC cost groups only have one active employer, so all of the NPL for those cost groups is allocated to that respective employer.

For all other cost groups, the NPL is allocated based on the actual employer contributions[1] within the cost group. The steps used are as follows:

1. Calculate ratio of employer's contributions to the total contributions for the cost group. For this purpose, the employer contributions exclude the additional contributions of $54,968 made by LAFCO, toward the reduction of its Unfunded Actuarial Accrued Liability (UAAL).

2. Multiply this ratio (unrounded) by the NPL for the cost group to determine the employer's proportionate share of the NPL for the cost group. For the Other General cost group, the total NPL is first increased by the balance of all additional contributions as of June 30, 2025 for LAFCO and Law Library. After the NPL has been allocated, the NPLs for LAFCO and Law Library are reduced by those same amounts.

3. The NPL associated with SBCERA (the employer) has been reallocated to the other employers as SBCERA is not considered an employer per GASB 68. Based on discussions with SBCERA and their auditors, the reallocation is based on the total actual contributions used to allocate the NPL for each cost group, excluding SBCERA actual contributions.

4. Any NPL associated with withdrawn employers that was not covered by contractual arrangements with those employers has been reallocated to the other employers. As of June 30, 2025, there is a negative NPL that was reallocated. Based on discussions with SBCERA and their auditors, the reallocation is based on the total actual contributions used to allocate the NPL for each cost group, excluding SBCERA actual contributions.

(1) The actual employer contributions include contributions toward "Survivor Benefits" and "Member Paid Employer Contributions" but exclude "Employer Paid Member Contributions", "Withdrawn Employers' Contributions" and "Additional Contributions" toward UAAL prepayments, golden handshake payments, funds deposited for purchase of service credit, etc.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 5 — EMPLOYER CONTRIBUTIONS

The employer contributions used for each measurement date is a component of the total employer contributions presented in SBCERA's Statements of Changes in Fiduciary Net Position. These actual employer contributions are the basis for allocating the employer's proportionate share by actuarial cost group.

EMPLOYER CONTRIBUTIONS

	Measurement Date June 30, 2025
Actuarially determined contributions	$ 603,340,558
Less SBCERA's employer contributions	2,285,054
ACTUAL EMPLOYER CONTRIBUTIONS[1]	**$ 601,055,504**

(1) The actual employer contributions include contributions toward "Survivor Benefits" and "Member Paid Employer Contributions" but exclude "Employer Paid Member Contributions", "Withdrawn Employers' Contributions" and "Additional Contributions" toward UAAL prepayments, golden handshake payments, funds deposited for purchase of service credit, etc.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 6 — LONG-TERM EXPECTED RATE OF RETURN AND DISCOUNT RATE

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are shown in the table below. This information was used in the derivation of the long-term expected investment rate of return assumptions in the June 30, 2025 actuarial valuation. This information will change every three years based on the actuarial experience study.

LONG-TERM EXPECTED REAL RATE OF RETURN

As of June 30, 2025

Asset Class	Investment Classification	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.50%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.50%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate Core	Real Estate	2.50%	3.86%
Real Estate Non-Core	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternatives	18.00%	9.84%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
TOTAL		**100.00%**	**7.12%**

DISCOUNT RATE

The discount rate used to measure the TPL was 7.25% for the year ended June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers and active members are made at the actuarially determined contribution rates. For this purpose, only employer and member contributions that are intended to fund benefits of current members and their beneficiaries are included.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 6 — LONG-TERM EXPECTED RATE OF RETURN AND DISCOUNT RATE *(Continued)*

DISCOUNT RATE *(Continued)*

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2025.

The table presented below presents the allocated NPL of participating employers calculated using the discount rate of 7.25% as of June 30, 2025, as well as what the allocated NPL would be if it were calculated using a discount rate that is 1% lower or higher than the current rate.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

As of June 30, 2025

		Net Pension Liability		
Employer	Employer Proportionate Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
1 — BBFA	0.607%	$ 21,848,476	$ 11,316,296	$ 2,721,756
2 — BFPD	0.283%	9,798,564	5,279,064	1,591,032
3 — CERTNA	0.000%	-	-	-
4 — CSAC	0.738%	28,942,018	13,729,822	1,316,267
5 — CBBL	0.312%	14,426,972	5,822,762	(1,198,501)
6 — CCH	0.813%	37,504,293	15,156,075	(3,080,663)
7 — County	84.620%	3,666,300,078	1,577,219,777	(127,525,151)
8 — CSD	0.050%	2,575,744	938,765	(397,053)
9 — DWP	0.198%	9,151,147	3,697,061	(753,618)
10 — HRPD	0.081%	3,766,371	1,504,474	(341,294)
11 — ILS	0.000%	-	-	-
12 — LL	0.016%	891,536	293,695	(194,159)
13 — LAFCO	(0.002)%	624,367	(29,577)	(563,213)
14 — MDAQMD	0.235%	10,789,831	4,373,253	(862,845)
15 — SBCTA	0.005%	6,521,416	97,929	(5,143,807)
17 — SCAQMD	9.441%	331,565,865	175,970,161	48,999,940
18 — Court	2.420%	143,187,905	45,109,978	(34,924,211)
19 — ConFIRE	0.183%	9,321,141	3,413,074	(1,408,065)
PLAN TOTAL	**100.000%**	**$ 4,297,215,724**	**$ 1,863,892,609**	**$ (121,763,585)**

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 7 — COLLECTIVE PENSION EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Changes in the collective NPL are included in collective pension expense in the measurement period except as described below.

AVERAGE EXPECTED REMAINING SERVICE LIFE

The average expected remaining service life of all employees that are provided with benefits through the Plan is measured as of the beginning of the measurement period as follows:

1. Calculate each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest.
2. Set the remaining service life to zero for each non-active or retired member.
3. Divide the sum of the above amounts by the total number of active employees, non-active members, and retired members.

The average expected remaining service life is 5.02 years as of the measurement date of June 30, 2025. The amounts calculated from the items below are included in collective pension expense over the average expected remaining service life of all employees that are provided with benefits through the Plan, over a closed period, beginning in the current measurement period. The unamortized amounts not included in collective pension expense are reported as collective deferred outflows of resources or deferred inflows of resources.

1. Changes of assumptions.

2. Changes in proportion and differences between actual employer contributions and the proportionate share of employer contributions.

3. Differences between expected and actual experience.

AVERAGE EARNINGS ON PLAN INVESTMENTS

The difference between projected and actual earnings on Plan investments is included in collective pension expense over a closed five-year period, beginning in the current measurement period. The unamortized amount not included in collective pension expense is reported as deferred outflows of resources or deferred inflows of resources.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 8 — COMPONENTS OF COLLECTIVE PENSION EXPENSE

The components of collective pension expense, allocated to employers based on their proportionate share, for the year ended June 30, 2025 are as follows:

	Measurement Date June 30, 2025
Service Cost	$ 410,671,867
Interest on the Total Pension Liability (TPL)	1,257,872,170
Expensed portion of current-period difference between expected and actual experience in the TPL	23,638,839
SBCERA employer contributions	(2,285,054)
Member contributions[1]	(210,507,312)
Projected earnings on Plan investments	(1,103,039,049)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(29,760,372)
Administrative and other expense	20,972,796
Recognition of beginning of year deferred outflows of resources as pension expense	129,927,739
Recognition of beginning of year deferred inflows of resources as pension expense	(301,717,196)
COLLECTIVE PENSION EXPENSE	**$ 195,774,428**

(1) Includes “Employer-paid member contributions”.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 9 — AMORTIZATION OF DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following components of outstanding deferred outflows of resources and deferred inflows of resources are amortized pursuant to GASB 68, as of June 30, 2025.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

		Measurement Date June 30, 2025
Deferred Outflows of Resources:		
Net difference of actual and projected earnings on Plan investments[2]	$	92,368,027
Changes in proportion and differences between employer contributions and proportionate share of contributions[1]		43,545,008
Difference between actual and expected TPL[1]		278,917,712
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$**	**414,830,747**
Deferred Inflows of Resources:		
Changes of assumptions or other inputs[1]	$	50,493,882
Changes in proportion and differences between employer contributions and proportionate share of contributions[1]		43,545,008
Difference between actual and expected TPL[1]		15,725,863
TOTAL DEFERRED INFLOWS OF RESOURCES	**$**	**109,764,753**

RECOGNITION OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

For the Reporting Date June 30:		Measurement Date June 30, 2025
2026		N/A
2027	$	289,873,168
2028		31,754,822
2029		(10,913,243)
2030		(6,121,532)
2031		472,779

(1) Amortized over the average expected remaining service lives of all employees.
(2) Amortized over a closed five-year period.

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS

For the Year Ended June 30, 2025 *(Continued)*

NOTE 10 — ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional information supporting the preparation of the Pension Schedules is in SBCERA's ACFR, which contains audited financial statements and required supplementary information, as well as information on the Plan's actuarial valuations. The ACFR and actuarial valuations are available on SBCERA's website at www.SBCERA.org. A copy may also be obtained by submitting a request to:

San Bernardino County Employees' Retirement Association
Attn: Fiscal Services
348 West Hospitality Lane Ste 100
San Bernardino, CA 92408