

**Alameda County Employees' Retirement Association  
(ACERA)**

**Schedule of Employer Allocations and Schedule of OPEB Amounts by  
Employer**

As of and for the Year Ended December 31, 2024

**Alameda County Employees' Retirement Association (ACERA)**  
**Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer**  
As of and for the Year Ended December 31, 2024

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## **Independent Auditor's Report**

Board of Retirement  
Alameda County Employees' Retirement Association  
Oakland, California

### **Opinion**

We have audited the accompanying schedule of employer allocations of the Alameda County Employees' Retirement Association (ACERA); and the specified column totals included in the schedule of OPEB amounts by employer of ACERA (the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources and total employer OPEB expense), as of and for the year ended December 31, 2024; and the related notes (collectively the schedules).

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense for ACERA, as of and for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Schedules section of our report. We are required to be independent of ACERA 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 Schedules**

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 ACERA's ability to continue as a going concern for twelve months beyond the date of the schedules, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the 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 OPEB amounts 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 generally accepted 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 schedules.

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**WILLIAMS, ADLEY & COMPANY-CA, LLP**

*Certified Public Accountants / Management Consultants*

7677 Oakport Street, Suite 510 • Oakland, CA 94621 • (510) 893-8114 • Fax: (510) 893-2603

<http://wacllp.com>



In performing an audit in accordance with generally accepted auditing standards, we:

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

#### **Report on the Audit of the Financial Statements**

We have audited, 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*, the financial statements of ACERA, as of and for the year ended December 31, 2024, and our report thereon, dated June 26, 2025, expressed an unmodified opinion on those financial statements.

#### **Restriction on Use**

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

A handwritten signature in black ink that reads 'Williams, Adley &amp; Company-CA, LLP'.

Oakland, California  
June 26, 2025

**Alameda County Employees' Retirement Association (ACERA)**  
**Schedule of Employer Allocations as of and for the Year Ended December 31, 2024**  
**Actual Employer Contributions by Employer and Net OPEB Liability NOL Allocation**

Employer	Actual Employer Contributions by Employer for the Year Ended December 31, 2024 <sup>1</sup>		Allocation of Net OPEB Liability as of December 31, 2024	
	Contributions	Contribution Percentage *	NOL	Contribution Percentage *
Alameda County <sup>2</sup>	\$ 298,255,244	75.817%	\$ 173,596,806	75.817%
Alameda Health System	74,315,754	18.891%	43,254,822	18.891%
Superior Court	14,604,606	3.713%	8,500,481	3.713%
First 5	2,969,817	0.755%	1,728,555	0.755%
Housing Authority	1,599,785	0.407%	931,141	0.407%
LARPD <sup>3</sup>	1,472,280	0.374%	856,927	0.374%
Office of Education (ACOE) <sup>4</sup>	169,854	0.043%	98,862	0.043%
<b>Total for All Employers</b>	<b>\$ 393,387,340</b>	<b>100.000%</b>	<b>\$ 228,967,594</b>	<b>100.000%</b>

\* The unrounded percentages are used in the allocation of the NOL amongst the employers.

**Notes:**

1. Allocated based on the actual January 1, 2024 through December 31, 2024 employer contributions in total as provided by ACERA, with an adjustment to reflect the total annual UAAL contribution ACOE would have been required to make of \$169,854 in 2024 had they not made the additional contribution in 2019 to partially pay off their UAAL for the pension plan. There is an adjustment to reflect the total annual contribution County Safety would have been required to make of \$134,157,837 in 2024 had they not made the voluntary County Safety UAAL contribution in 2021 to the pension plan. There is also an adjustment to reflect the total annual contribution LARPD would have been required to make of \$1,472,280 in 2024 had they not made the voluntary LARPD General UAAL contribution in 2021 to the pension plan.

2. This includes \$164,097,407 of County General actual employer contributions and \$134,157,837 of County Safety adjusted employer contributions used for purposes of determining the proportionate share of the OPEB SRBR NOL for the County. The County made voluntary County Safety contributions of \$800,000,000 on June 29, 2021 to reduce their Safety UAAL for the pension plan and associated contribution rates. The voluntary County Safety UAAL contributions are amortized to provide a UAAL contribution rate credit for County Safety over 13 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the OPEB SRBR NOL, County Safety's proportionate share of the OPEB SRBR NOL is determined by using the County Safety's actual contributions made in 2024 in the amount of \$52,983,658 plus the contribution credit applied in 2024 in the amount of \$81,174,179 for a total adjusted County Safety contribution of \$134,157,837.

3. LARPD made voluntary LARPD General contributions of \$12,611,250 on June 29, 2021 to reduce their General UAAL for the pension plan and associated contribution rates. The voluntary LARPD General UAAL contributions are amortized to provide a UAAL contribution rate credit for LARPD General over 16 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the OPEB SRBR NOL, LARPD's proportionate share of the OPEB SRBR NOL is determined by using LARPD's actual contributions made in 2024 in the amount of \$425,248 plus the contribution credit applied in 2024 in the amount of \$1,047,032 for a total adjusted LARPD contribution of \$1,472,280.

4. ACOE made a lump sum contribution of \$750,000 in 2019 to partially pay off their UAAL to the pension plan. That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. In order to have a more level allocation of the NPL and NOL to ACOE, ACERA approved an approach to determine ACOE's proportionate share of the OPEB SRBR NOL by using ACOE's required contributions determined in the December 31, 2022 valuation in the amount of \$110,000 based on an April 1, 2024 payment date plus the amortization of the remaining balance of the original \$750,000 lump sum amount (an amount of \$59,854 which represents the additional UAAL contribution ACOE would have been required to pay if they did not make the additional lump sum contribution in 2019).

See accompanying notes, pages 5 - 7.

**Alameda County Employees' Retirement Association (ACERA)**  
**Schedule of OPEB Amounts by Employer**  
As of and for the Year Ended December 31, 2024

Schedule of Employer Allocations	Deferred Outflows of Resources						Deferred Inflows of Resources					OPEB Expense		
	Net OPEB Liability	Differences Between Actual and Expected Experience	Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Actual and Projected Earnings on OPEB Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan OPEB Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer OPEB Expense
Alameda County	\$ 173,596,806	\$ -	\$ 98,490,102	\$ 19,001,720	\$ 431,245	\$ 117,923,067	\$ 52,358,732	\$ -	\$ 24,869,795	\$ 1,324,671	\$ 78,553,198	\$ 18,889,912	\$ 331	\$ 18,890,243
Alameda Health System	43,254,822	-	24,540,611	4,734,627	1,361,054	30,636,292	13,046,137	-	6,196,765	525,220	19,768,122	4,706,765	(51,419)	4,655,346
Superior Court	8,500,481	-	4,822,745	930,454	218,532	5,971,731	2,563,840	-	1,217,794	347,287	4,128,921	924,977	(15,568)	909,409
First 5 of Alameda County	1,728,555	-	980,695	189,206	286,808	1,456,709	521,352	-	247,636	-	768,988	188,092	76,225	264,317
Housing Authority	931,141	-	528,282	101,922	45,554	675,758	280,842	-	133,397	93,017	507,256	101,322	(15,119)	86,203
LARPD	856,927	-	486,178	93,798	25,250	605,226	258,459	-	122,765	85,099	466,323	93,245	(6,644)	86,601
ACOE	98,862	-	56,089	10,821	7,631	74,541	29,818	-	14,163	780	44,761	10,758	12,194	22,952
<b>Total for All Employers</b>	<b>\$ 228,967,594</b>	<b>\$ -</b>	<b>\$ 129,904,702</b>	<b>\$ 25,062,548</b>	<b>\$ 2,376,074</b>	<b>\$ 157,343,324</b>	<b>\$ 69,059,180</b>	<b>\$ -</b>	<b>\$ 32,802,315</b>	<b>\$ 2,376,074</b>	<b>\$ 104,237,569</b>	<b>\$ 24,915,071</b>	<b>\$ -</b>	<b>\$ 24,915,071</b>

See accompanying notes, pages 5 - 7.

# Alameda County Employees' Retirement Association (ACERA)

## Notes to the Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer

### As of and for the Year Ended December 31, 2024

#### 1. PLAN DESCRIPTION

ACERA administers a non-vested medical benefits program for eligible retired members. The benefits include medical, dental and vision subsidies as well as Medicare Part B premium reimbursement. The subsidies are paid from the 401(h) account in the form of a monthly medical allowance. The maximum levels of the monthly medical allowances are reviewed annually by the Board of Retirement.

Retired members with a minimum of ten years of service credit or those retired with service-connected disability are eligible to receive monthly medical, dental and vision allowance benefits if they enroll in one of the ACERA sponsored medical plans or Medicare exchange. Retired members eligible for the monthly medical allowance benefit may also be reimbursed for the lowest standard Medicare Part B premium with proof of enrollment in Medicare Part B.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

##### Basis of Accounting

ACERA follows generally accepted accounting principles and reporting guidelines set forth by the Governmental Accounting Standards Board (GASB). The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting. Employer and employee contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements.

##### Estimates

The preparation of the schedule of employer allocations and schedule of OPEB amounts by employer in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

##### Contributions

There are no legal or contractual contribution requirements for the OPEB plan. Funding for the OPEB plan relies entirely on semi-annual earnings allocations from the total fund to the Supplemental Retiree Benefits Reserve (SRBR) as mandated by Article 5.5 of the 1937 Act. The OPEB assets are held in the 401(h) account and the SRBR to pay the non-vested benefits.

#### 3. ACTUARIAL METHODS AND ASSUMPTIONS

An actuarial valuation is performed for the OPEB plan on an annual basis. ACERA retains an independent actuarial firm to conduct the actuarial valuations.

##### Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The components of the collective Net OPEB Liability of the plan as of December 31, 2024 and December 31, 2023 are as follows:

<i>(Dollars in thousands)</i>	<u>12/31/2024</u>	<u>12/31/2023</u>
Total OPEB Liability	\$ 1,330,606	\$ 1,268,808
Less: Plan Fiduciary Net Position	<u>1,101,638</u>	<u>1,060,337</u>
<b>Net OPEB Liability</b>	<b><u>\$ 228,968</u></b>	<b><u>\$ 208,471</u></b>

The Total OPEB Liability (TOL) as of December 31, 2024 was determined by rolling forward the liability results used in determining the sufficiency of the SRBR to provide medical and dental subsidy benefits as of December 31, 2023. The TOL has been adjusted to reflect the health care trend preliminary assumptions adopted for the sufficiency study for the SRBR as of December 31, 2024.

**Alameda County Employees' Retirement Association (ACERA)**  
**Notes to the Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer**  
**As of and for the Year Ended December 31, 2024**

The TOL as of December 31, 2023 was determined by rolling forward the liability results used in determining the sufficiency of the SRBR to provide medical and dental subsidy benefits as of December 31, 2022. The TOL has been adjusted to reflect the health care trend assumptions used for the sufficiency study for the SRBR as of December 2023.

The OPEB plan's Fiduciary Net Position (FNP) as of December 31, 2024 of \$1,101.6 million was determined by taking the \$1,107.3 million in the SRBR and 401(h) account set aside by the Retirement Board to pay OPEB benefits as of December 31, 2024, less the estimated implicit subsidy SRBR transfer to the Employers' Advance Reserve of \$2.5 million, less the proportionate share of the net deferred investment loss that is commensurate with the size of the OPEB SRBR reserve of \$3.2 million. The OPEB plan's FNP as of December 31, 2023 of \$1,060.3 million was determined by taking the \$1,085.2 million in the SRBR and 401(h) account set aside by the Retirement Board to pay OPEB benefits as of December 31, 2023, less the estimated implicit subsidy SRBR transfer to the Employers' Advance Reserve of \$4.1 million, less the proportionate share of the net deferred investment loss that is commensurate with the size of the OPEB SRBR reserve of \$20.8 million. The December 31, 2023 OPEB FNP also reflects a \$52.4 million one-time transfer from the OPEB SRBR to the non-OPEB SRBR the Board authorized to equalize the sufficiency period of the OPEB and non-OPEB benefits.

These assumptions were applied to all periods included in the measurement:

<b>Valuation Date</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Investment Rate of Return</b>	7.00%, net of OPEB plan investment expense, including inflation.	7.00%, net of OPEB plan investment expense, including inflation.
<b>Inflation</b>	2.50%	2.50%
<b>Health Care Premium Trend Rates</b>	Used to project health care costs after calendar year 2025:	Used to project health care costs after calendar year 2024:
<b>Non-Medicare Medical Plan</b>	7.75% graded to ultimate 4.50% over 13 years.	8.50% in 2024, 7.50% in 2025, then graded from 7.00% in 2026 to ultimate 4.50% over 10 years
<b>Medicare Medical Plan</b>	7.50% graded to ultimate 4.50% over 12 years.	16.47% <sup>2</sup> in 2024, then graded from 7.00% in 2025 to ultimate 4.50% over 10 years.
<b>Dental</b>	6.00% in 2025, then 5.00% graded to ultimate 4.00% over 3 years.	0.00% in 2024 to reflect a two-year rate guarantee (premiums fixed at 2024 level for 2024 and 2025) and 4.00% thereafter.
<b>Vision</b>	3.00%	0.00% in 2024 to reflect a five-year rate guarantee (premiums fixed at 2021 level for 2022, 2023, 2024 and 2025) and 4.00% thereafter.
<b>Medicare Part B<sup>1</sup></b>	6.20% until 2033, then 5.75% graded to ultimate 4.50% over 6 years.	4.50%
<b>Other Assumptions</b>	Same as those proposed in the experience study for the period December 1, 2019 through November 30, 2022.	Same as those proposed in the experience study for the period December 1, 2019 through November 30, 2022.

<sup>1</sup> The actual 2024 premium increase of 5.90% reflecting the standard 2025 premium of \$185.00 per month was reflected in the current year GASB 74 valuation with December 31, 2024 measurement date. The updated Part B trend assumptions were based on the intermediate Part B premium estimates in Table V.E2 of the 2024 Medicare Trustees report. The proposed 6.20% initial trend assumption represents the average trend shown for years 2025 through 2033 of the Trustees report. The actual 2023 premium increase of 5.93% reflecting the standard 2024 premium of \$174.70 per month was reflected in the current year GASB 74 valuation with December 31, 2023 measurement date.

<sup>2</sup> The initial 16.47% trend rate reflects an estimated increase to the baseline monthly Kaiser Senior Advantage premium of \$28 (8.00%) plus a one-time estimated increase of \$30 (7.84%) due to the Inflation Reduction Act of 2022 (IRA).

**Alameda County Employees' Retirement Association (ACERA)**  
**Notes to the Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer**  
**As of and for the Year Ended December 31, 2024**

**Discount Rate**

The discount rate used to measure the TOL as of December 31, 2024 and 2023 was 7.00%. In order to reflect the provisions of Article 5.5 of the Statute, future allocations of excess earnings to the SRBR have been treated as an additional outflow against the pension plan's FNP. Based on the results of the actuary's stochastic modeling of 50% allocation of future excess earnings to the SRBR would have the same impact as an outflow that would average approximately 0.75% of pension plan assets over time. This approximated outflow along with the additional future employer contributions that would result from those future allocations of excess earnings to the SRBR were incorporated into the GASB 67 crossover test for the pension plan. The crossover test for the OPEB SRBR includes projected benefits which equal to the OPEB assets currently available in the SRBR as the remaining OPEB SRBR benefits would be paid from future excess earnings.

The projection of cash flows used to determine the discount rates assumed benefits are paid out of current OPEB SRBR assets. Based on those assumptions, the SRBR OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for the current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2024 and December 31, 2023.

**4. ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION**

Additional financial and actuarial information supporting the schedule of employer allocations and schedule of OPEB amounts by employer can be obtained from ACERA's Annual Comprehensive Financial Report for the year ended December 31, 2024, and ACERA's GASB 75 Actuarial Valuation Based on December 31, 2024 Measurement Date for Employer Reporting as of June 30, 2025.