

# Comprehensive Annual Financial Report

**For the Fiscal Years Ended  
June 30, 2020 and 2019**

**Stanislaus County Employees' Retirement Association  
(StanCERA)**

**(Pension Trust Fund of the County of Stanislaus)**

*Stanislaus County*



# **Stanislaus County Employees' Retirement Association**

**(Pension Trust Fund of the County of Stanislaus, California)**

## **Comprehensive Annual Financial Report**

**For the Years Ended  
June 30, 2020 and 2019**

**Issued By**

**Rick Santos, CFA, ASA, MAAA  
Executive Director**

**StanCERA  
Staff**

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# *Introduction Section*





## LETTER OF TRANSMITTAL

November 12, 2020

Stanislaus County Employees' Retirement Association  
Modesto, CA 95354

Dear Board Members:

Please find enclosed the Comprehensive Annual Financial Report (CAFR) of the Stanislaus County Employees' Retirement Association (StanCERA or the Plan) for the fiscal years ended June 30, 2020 and 2019. As of June 30, 2020, it is StanCERA's 72<sup>nd</sup> year of operations.

The CAFR is a detailed financial report established by the Government Finance Officers Association (GFOA) for publicly disclosing the viability of a defined benefit public retirement system. The CAFR is intended to provide users with extensive reliable information for making management decisions, determining compliance with legal provisions, and demonstrates the responsible management and stewardship of StanCERA. StanCERA management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of financial information within this CAFR, including all disclosures.

StanCERA is a multiple employer public employees' retirement system, established by Stanislaus County on July 1, 1948. StanCERA is operated and administered by the Board of Retirement (the Board) to provide retirement, disability, death and survivor benefits for its members under the California State Government Code, Section 31450 et seq. known as the County Employees Retirement Law of 1937 (CERL) and the Public Employees' Pension Reform Act (PEPRA).

### **StanCERA and Its Services**

StanCERA was established by Stanislaus County to provide retirement allowances and other benefits to general and safety members employed by Stanislaus County. Currently, Stanislaus County and seven participating agencies are members of StanCERA. The participating agencies are:

City of Ceres  
Stanislaus Council of Governments  
Stanislaus County Superior Court  
East Side Mosquito Abatement District  
Hills Ferry Cemetery District  
Keyes Community Services District  
Salida Sanitary District



## StanCERA and Its Services (continued)

StanCERA is governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL); Public Employees' Pension Reform Act; and the bylaws, regulations, policies, and procedures adopted by the Board of Retirement. The Stanislaus County Board of Supervisors may also adopt resolutions, as permitted by the CERL, which may affect benefits to Stanislaus County members.

The Board of Retirement is responsible for the management of StanCERA and is comprised of nine members and two alternate members, one of whom is a safety alternate and the other a retiree alternate. The safety alternate seat is not currently filled. Four members are appointed by the Stanislaus County Board of Supervisors, one member and the alternate safety member are elected by the safety members, two members are elected by the general members, while the retiree and alternate retiree members are elected by the retired members. The Stanislaus County Treasurer serves as an ex-officio member. Members, with the exception of the Stanislaus County Treasurer, serve three-year terms with no term limits.

## Financial Information

The accompanying financial statements are prepared using the accrual basis of accounting. Contributions from employers and members are recognized when received or when due pursuant to legal requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. Expenses are recorded when corresponding liabilities are incurred regardless of when payment is due or made. Investments are recorded at the fair value of the asset.

An overview of StanCERA's fiscal operations for the years ended June 30, 2020 and 2019, is presented in the Management's Discussion and Analysis (MD&A) located in the financial section of the CAFR. This transmittal letter, together with the MD&A, provides an expanded view of the activities of StanCERA.

Brown Armstrong Accountancy Corporation, StanCERA's independent auditor, has audited the accompanying financial statements. Management believes an adequate system of internal controls is in place and the accompanying statements, schedules, and tables are fairly presented and free from material misstatement. The concept of reasonable assurance recognizes that first, the cost of a control should not exceed the benefits likely to be derived, and that second, the valuation of the cost and benefits requires estimates and judgments by management.

Internal controls over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal controls over financial reporting are processes that involve human diligence and compliance and are subject to lapses in judgment and breakdowns resulting from human failures. Internal controls over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected within a timely basis by internal controls over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design safeguards into the process to reduce, but not eliminate, this risk.

## Net Pension Liability and Actuarial Funding

StanCERA's funding objective is to meet long-term benefit obligations by maintaining a well-funded plan status and obtaining optimum investment returns. Pursuant to the CERL, StanCERA engages an independent actuary to perform an actuarial valuation of the Plan on an annual basis. Economic assumptions are normally reviewed every three years. Additionally, every three years, a triennial experience study is conducted, at which time non-

## Net Pension Liability and Actuarial Funding (continued)

economic assumptions are also updated. The most recent triennial experience study was conducted as of June 30, 2018 by Cheiron, Inc. Cheiron, Inc. conducted the last actuarial valuation as of June 30, 2019, the results of which were rolled forward to StanCERA's fiscal year ended June 30, 2020 and determined the Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability to be 73.0% using the recommended assumptions.

## Investments

The Board of Retirement has exclusive control of all StanCERA investments and is responsible for establishing investment objectives, strategies, and policies. The California Constitution and Government Code Sections 31594 and 31595 authorize the Board of Retirement to invest in any investment deemed prudent in the Board's informed opinion.

The Board has adopted an Investment Policy, which provides a framework for the management of StanCERA's investments. This policy establishes StanCERA's investment objectives and defines the duties of the Board of Retirement, investment managers, and custodial bank. The asset allocation is an integral part of the Investment Policy and is designed to provide an optimum mix of asset classes with return expectations to ensure growth of assets to meet future liabilities, minimize employer contributions, and defray reasonable administrative costs. StanCERA engages an Investment Consultant to analyze the investment policy and strategy and to conduct periodic asset allocation and asset/liability studies on behalf of StanCERA. For the fiscal years ended June 30, 2020 and 2019, the Plan's investments provided a 1.3% and 5.1% rate of return, respectively. A summary of the asset allocation can be found in the Investment Section of this report.

## Awards

StanCERA is the recipient of several awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to StanCERA for its CAFR for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the sixteenth consecutive year StanCERA has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which meet or exceed program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for evaluation.

StanCERA received the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2019. This report provides all StanCERA members more concise and condensed information that can be found in the CAFR.

StanCERA also received the Public Pension Coordinating Council's Public Pension Standards 2019 Award, in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

## Awards (continued)

The Public Pension Coordinating Council (PPCC) is a coalition of the following associations that represent public pension funds that cover the vast majority of public employees in the U.S.:

- National Association of State Retirement Administrators (NASRA)
- National Council on Teacher Retirement (NCTR)
- National Conference on Public Employee Retirement Systems (NCPERS)

The Public Pension Standards are intended to reflect minimum expectations for public retirement systems management and administration, and serve as a benchmark by which all defined benefit public plans should be measured.

## Service Efforts and Accomplishments

Written communication for members continues to be a focus for StanCERA. Non retired members receive statements twice a year. Retirees receive printed advice notices with critical information monthly and to communicate the financial health of the fund, an easy-to-read Popular Annual Financial Report (PAFR) is distributed to all members annually.

StanCERA sponsors a one half-day pre-retirement seminar to potential retirees annually, participates in the Stanislaus County new employee orientation workshop and continues to provide group educational programs at the work site for interested employees.

In addition, StanCERA continues to increase its website presence. Audio recordings of education seminars and Board of Retirement meetings are available. Meeting agendas and minutes are posted timely. Policies, by-laws, member services and forms can be easily identified and downloaded. Members continue to visit the contribution and benefit calculators regularly.

## Acknowledgement

The compilation of this report reflects the combined efforts of many people on StanCERA's staff. It is intended to provide reliable information as the basis for making management decisions, as a means for determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of StanCERA. Both the accuracy of the data presented and the completeness and fairness of the presentation of the CAFR are the responsibility of the management of StanCERA.

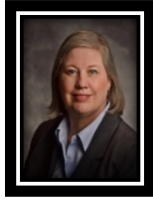
I congratulate the Board, staff and service providers of StanCERA for their commitment and for their diligent work to ensure the continued successful operation of StanCERA.

Sincerely,



Rick Santos, CFA, ASA, MAAA  
Executive Director

**BOARD OF RETIREMENT**  
**JUNE 30, 2020**



Seat # 1 **Donna Riley**  
Ex-Officio, Treasurer/Tax Collector



Seat # 2 **Mandip Dhillon**  
Trustee, Elected by Active General Membership



Seat # 3 **Jeff Mangar**  
Trustee, Elected by Active General Membership



Seat # 4 **Darin Gharat**  
Trustee, Appointed by the Board of Supervisors



Seat # 5 **Mike Lynch**  
Trustee, Appointed by the Board of Supervisors



Seat # 6 **Jim DeMartini**  
Trustee, Appointed by the Board of Supervisors

Seat # 7 **Vacant**  
Trustee, Elected by Active Safety Membership

Seat # 7a **Vacant**  
Alternate Trustee, Elected by Active Safety Membership



Seat # 8 **Michael O'Neal**  
Chair, Elected by Retired Membership



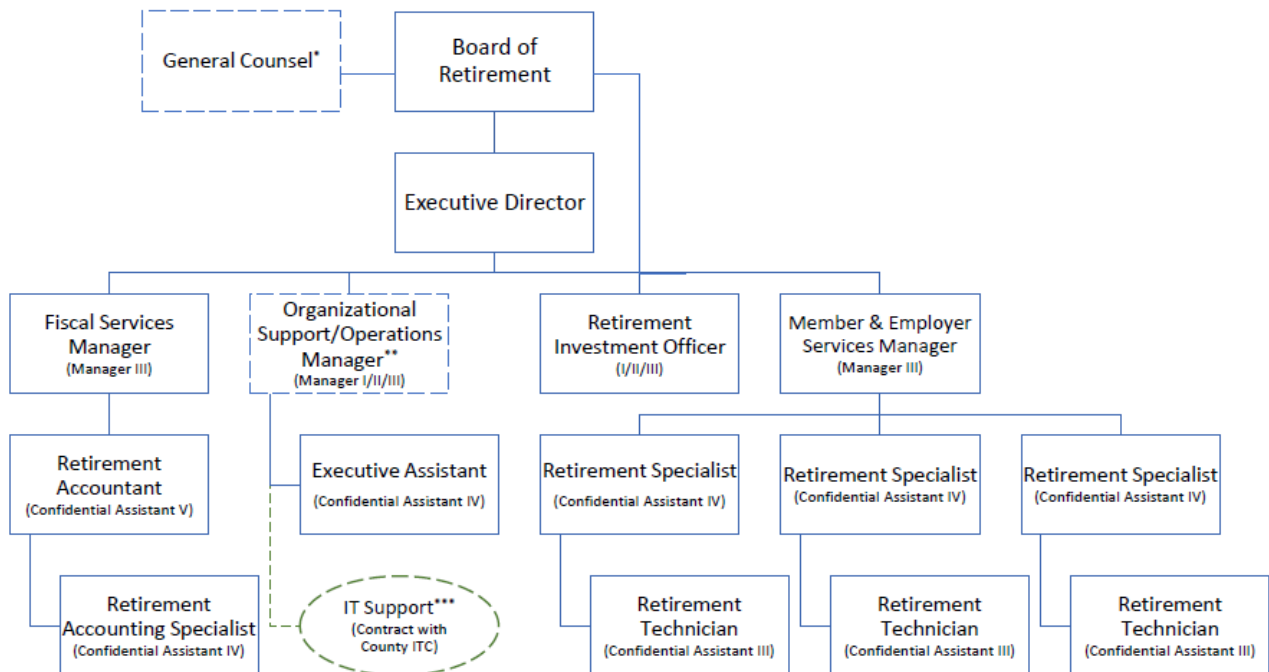
Seat # 8a **Rhonda Biesemeier**  
Alternate Trustee, Elected by Retired Membership



Seat # 9 **Jeff Grover**  
Vice Chair, Appointed by the Board of Supervisors

# StanCERA ORGANIZATIONAL CHART

## Effective 2020



\*General Counsel position is allocated for – remains vacant

\*\*Organizational Support/Operations Manager is allocated for – remains vacant

\*\*\* IT Support position is allocated for – remains vacant

\* Retirement Board utilizes private general legal counsel for administrative legal services. Private attorneys provide legal assistance for disability retirement applications.

**PROFESSIONAL CONSULTANTS**  
**JUNE 30, 2020**

**Consulting Services**

**Actuary**

Cheiron, Inc.

**Auditors**

Brown Armstrong Accountancy Corporation

**Investment Custodian**

Northern Trust

**Investment Consultant**

Verus, Inc.

**Legal Counsel**

Damrell Nelson Schrimp Pallios  
Pacher & Silva (General Legal Counsel)  
Law Office of Ted M Cabral  
Hansen Bridgett LLP  
Reed Smith LLP  
Rein & Rein

**Technical & Data Services**

Tyler, Inc.  
SBT, County of Stanislaus

**Investment Management Services\***

**Fixed Income**

Insight  
Dimensional Fund Advisors  
Northern Trust Intermediate Bond  
Northern Trust Long Term Bond

**Large Cap Value Equity**

Dodge & Cox  
BlackRock R1000 Value

**Large Cap Growth Equity**

BlackRock R1000 Growth  
Northern Trust Russell 1000

**Small Cap Value Equity**

Capital Prospects

**Investment Management Services\***

**International Equity**

LSV Asset Management (Value)  
Fidelity Asset Management (Growth)

**Real Estate Securities**

Black Rock US Real Estate Index

**Private Credit**

Medley Opportunity  
Raven Capital Management, LLC  
White Oak Global Advisors, LLC  
Owl Rock First Lien

**Private Equity**

Insight Partners XI  
Vista Foundation IV Fund

**Private Real Estate**

American Realty Advisors  
Greenfield Acquisition Partners  
Morgan Stanley Prime Property  
PGIM Real Estate U.S. Debt

**Infrastructure**

North Haven Partners II LP

**Risk Parity**

AQR  
PanAgora

\*Refer to the Investment Section for the Schedule of Investment Management Fees (Page 56) and Schedule of Investment Broker Commissions (Page 57).



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Stanislaus County  
Employees' Retirement Association  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Stanislaus County  
Employees' Retirement Association  
California**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morill*

Executive Director/CEO





Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2019***

Presented to

***Stanislaus 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)

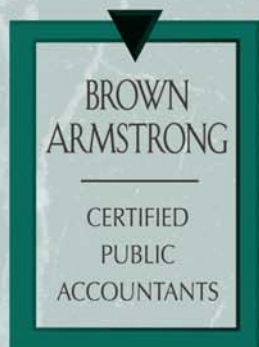
A handwritten signature in black ink, reading 'Alan H. Winkle'.

Alan H. Winkle  
Program Administrator

# *Financial Section*







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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement and Internal Governance Committee of  
Stanislaus County Employees' Retirement Association  
Modesto, California

### Report on the Basic Financial Statements

We have audited the accompanying Statements of Fiduciary Net Position of the Stanislaus County Employees' Retirement Association (StanCERA) as of June 30, 2020 and 2019, the related Statements of Changes in Fiduciary Net Position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise StanCERA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Basic Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to StanCERA's preparation and fair presentation of the basic financial statements 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 StanCERA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of StanCERA as of June 30, 2020 and 2019, and the changes in fiduciary net position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 management's discussion and analysis 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 Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise StanCERA's basic financial statements. The other supplemental information and the introductory, investment, actuarial, and statistical sections, 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.

The other supplemental 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. Such 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, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020, on our consideration of StanCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, agreements, and other matters. The purpose of that report is 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 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 StanCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Bakersfield, California  
November 12, 2020

*Brown Armstrong*  
*Accountancy Corporation*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Stanislaus County Employees' Retirement Association's (StanCERA or the Plan) financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended June 30, 2020 and 2019. Please review information presented here in conjunction with the Letter of Transmittal and additional information provided.

### Financial Highlights

- Fiduciary Net Position decreased by \$2.4 million (or 0.1%) during fiscal year 2020 as a result of the fiscal year's activities.
- Contributions (employer and member), in total, increased by \$6.0 million (or 5.2%) during fiscal year 2020.
- Net investment income (including Net Appreciation in Fair Value of Investments) decreased by \$80.8 million (or 81.4%) during fiscal year 2020.
- Benefit payments increased by \$9.1 million (or 7.1%) during fiscal year 2020 from the prior fiscal year.

### Plan Highlights

- Benefit plans for Tiers 2 and 3 were closed to new hires and Tiers 4 and 5 were adopted effective March 9, 2002, to provide retirement formulas commonly known as 2% at age 55 for active general members, and 3% at age 50 for active safety members. One district did not implement the new benefit plans. Members in the non-contributory Tier 3 were allowed to transfer into a contributory plan. Effective January 1, 2011, Tier 5 was closed and Tier 2 was re-opened for all new hires for Stanislaus County with the reduced benefit formulas of 2% at age 61 for most general members and 2% at 50 for safety members. Tier 2 was closed and Tier 6 was adopted effective January 1, 2013, for all new hires and provides 2% at 62 for general members and 2.7% at age 57 for safety members.
- In April of 2020 and 2019, a 2.5% and 3.0%, respectively, cost-of-living increase was given to all retired, disabled, and beneficiary members receiving a recurring allowance except those retirees who received pensions for service as a Tier 3 non-contributory member.

### Using the Annual Report

The financial statements reflect the activities of the Stanislaus County Employees' Retirement Association and are composed of the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position. These statements are presented on an accrual basis of accounting and reflect all trust activities as incurred.

## Overview of the Basic Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to StanCERA's basic financial statements, which are comprised of the following three components:

1. Statements of Fiduciary Net Position
2. Statements of Changes in Fiduciary Net Position
3. Notes to the Basic Financial Statements

StanCERA's basic financial statements and the note disclosures to the basic financial statements are in compliance with accounting principles generally accepted for governments (GAAP) within the United States as established by the Governmental Accounting Standards Board.

## Financial Analysis

### Statements of Fiduciary Net Position

The Statements of Fiduciary Net Position show the assets available for future payments to retirees and liabilities as of the fiscal year end. The following condensed comparative summary of Fiduciary Net Position demonstrates that the pension trust is primarily focused on the cash and investments and the restricted net position. This statement is also a good indicator of the financial strength of StanCERA.

Fiduciary Net Position, as of  
June 30, 2020, 2019, and 2018

	2020	2019	2018	\$ Change 2020-2019	\$ Change 2019-2018
Current Assets	\$ 87,551,117	\$ 70,667,937	\$ 238,347,078	\$ 16,883,180	\$ (167,679,141)
Investments	2,221,404,069	2,290,474,787	2,012,777,600	(69,070,718)	277,697,187
Capital Assets, Net	7,763,618	6,609,873	5,326,791	1,153,745	1,283,082
Total Assets	2,316,718,804	2,367,752,597	2,256,451,469	(51,033,793)	111,301,128
Total Liabilities	110,852,565	159,511,165	129,490,724	(48,658,600)	30,020,441
Total Fiduciary Net Position					
Restricted for Pension Benefits	<u>\$ 2,205,866,239</u>	<u>\$ 2,208,241,432</u>	<u>\$ 2,126,960,745</u>	<u>\$ (2,375,193)</u>	<u>\$ 81,280,687</u>

## Financial Analysis (continued)

### Statements of Changes in Fiduciary Net Position

The Statements of Changes in Fiduciary Net Position provide an account of the fiscal years' additions to and deductions from Fiduciary Net Position.

#### Additions To Fiduciary Net Position For The Fiscal Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018	\$ Change 2020-2019	\$ Change 2019-2018
Employer Contributions	\$ 92,684,609	\$ 88,589,381	\$ 76,966,471	\$ 4,095,228	\$ 11,622,910
Plan Member Contributions	29,645,645	27,742,863	26,746,289	1,902,783	996,574
Net Investment Income (Loss)	18,496,773	99,280,525	154,988,199	(80,783,751)	(55,707,674)
<i>Total Additions</i>	<b>\$ 140,827,027</b>	<b>\$ 215,612,769</b>	<b>\$ 258,700,959</b>	<b>\$ (74,785,740)</b>	<b>\$ (43,088,190)</b>

#### Deductions From Fiduciary Net Position For The Fiscal Years Ended June 30, 2020, 2019, and 2018

Benefit Payments	\$ 138,223,922	\$ 129,100,668	\$ 121,138,269	\$ 9,123,254	\$ 7,962,399
Member Refunds - Termination	1,351,779	1,826,145	1,905,488	(474,366)	(79,343)
Member Refunds/Payouts - Death	409,894	847,878	128,359	(437,984)	719,519
Administrative Expenses	3,216,625	2,557,391	2,791,409	659,234	(234,018)
<i>Total Deductions</i>	<b>\$ 143,202,220</b>	<b>\$ 134,332,082</b>	<b>\$ 125,963,525</b>	<b>\$ 8,870,137</b>	<b>\$ 8,368,557</b>

Change in Fiduciary Net  
Position Restricted for  
Pension Benefits

<b>\$ (2,375,193)</b>	<b>\$ 81,280,687</b>	<b>\$ 132,737,434</b>	<b>\$ (83,655,880)</b>	<b>\$ (51,456,747)</b>
-----------------------	----------------------	-----------------------	------------------------	------------------------

Fiduciary Net Position Restricted  
for Pension Benefits  
Beginning of Year  
End of Year

2,208,241,432	2,126,960,745	1,994,223,311	81,280,687	132,737,434
<b>\$2,205,866,239</b>	<b>\$2,208,241,432</b>	<b>\$2,126,960,745</b>	<b>\$ (2,375,193)</b>	<b>\$ 81,280,687</b>

### Additions to Fiduciary Net Position

A review of the Statement of Fiduciary Net Position shows that June 30, 2020, closed with assets exceeding liabilities by \$2.206 billion with all of the Fiduciary Net Position restricted for StanCERA's ongoing obligations to plan participants and their beneficiaries. The fiscal year ended June 30, 2019, closed with assets exceeding liabilities by \$2.208 billion. The \$2.4 million decrease and \$81.3 million increase, respectively, in Fiduciary Net Position is a direct result of the changes in the financial market over the past two years. StanCERA remains in good financial condition.



## Financial Analysis (continued)

### *Additions to Fiduciary Net Position (continued)*

The primary sources to finance the benefits StanCERA provides are accumulated through return on investments and through the collection of member and employer contributions. The total for these income sources for fiscal year 2019-2020 resulted in a decrease of \$74.8 million, where fiscal year 2018-2019 resulted in a decrease of \$43.1 million. The decrease is primarily a result of the activity in the broad market, as discussed in the Investment Analysis below. Employer and member contributions increased by \$6.0 million (or 5.2%) from the contributions made in 2018-2019. Employer contribution increases in 2020 and 2019 are due mainly to changes to the economic and demographic assumptions adopted for the June 30, 2018 actuarial valuation.

### *Deductions from Fiduciary Net Position*

The primary uses of StanCERA's assets are the payment of benefits to retirees and their beneficiaries, refunds of contributions to terminated employees, and the costs of administering the Plan. These expenses for fiscal year 2019-2020 were \$143.2 million, an increase of \$8.9 million from prior year. This increase is mainly due to the increase in the number of retirees and the average amount that they are paid as well as acquiring a new pension system. For fiscal year 2018-2019, the expenses were \$134.3 million, an increase of \$8.4 million from prior year due to the increase in the number of retirees and the average amount they are paid. For fiscal year 2019-2020, administrative expense increased by 25.8% from fiscal year 2018-2019. Total administrative expense represented 0.1038% of the accrued actuarial liability (funding basis) for fiscal year 2019-2020 and 0.0828% for fiscal year 2018-2019.

## Overall Financial Condition

### *Investment Analysis*

StanCERA's investment activity is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. For the fiscal year ended June 30, 2020, StanCERA's investments were reported by the three functional portfolios per the Investment Policy restated and approved by the Board of Retirement on May 28, 2019.

The Plan's domestic equity returns for the fiscal year ended June 30, 2020, underperformed their benchmark by 433 basis points and international equity underperformed their benchmark by 87 basis points. Domestic equity returns for the fiscal year ended June 30, 2019, outperformed their benchmark by 30 basis points and international equity underperformed their benchmark by 260 basis points.

The Plan's fixed income returns for fiscal year ended June 30, 2020, underperformed their benchmark by 200 basis points. For the fiscal year ended June 30, 2019, the Plan's fixed income returns underperformed their benchmark by 140 basis points.

For the fiscal year ended June 30, 2020, StanCERA's total portfolio underperformed its policy benchmark by 200 basis points with an overall return of 1.3%. For the fiscal year ended June 30, 2019, StanCERA's total portfolio underperformed its policy benchmark by 80 basis points with an overall return of 5.1%. Management believes the Plan remains in a very strong financial position to meet its obligations to the Plan participants and beneficiaries.

## Overall Financial Condition (continued)

### *Net Pension Liability*

The primary concern to most pension plan participants is the amount of resources available to pay benefits. Historically, pension plans have been under-funded when the employer fails to make actuarially determined contributions. All StanCERA employers have traditionally contributed the actuarially determined contribution as determined by the Plan's actuary.

An indicator of funding status is the ratio of the Fiduciary Net Position to the Total Pension Liability (TPL). An increase in the percentage over time usually indicates a plan is becoming financially stronger; however, a decrease will not necessarily indicate a plan is in financial decline. Changes in actuarial assumptions can significantly impact the Net Pension Liability (NPL). Performance in the stock and bond markets can have a material impact on the fair value of assets and Fiduciary Net Position.

The NPL as of June 30, 2019, rolled forward to StanCERA's fiscal year ended June 30, 2020, was \$815.3 million using the entry age normal cost method. The Board of Retirement approves the assumptions used by the actuary to perform their calculation. As of the most recent actuarial valuation dated June 30, 2019, rolled forward to June 30, 2020, StanCERA's Fiduciary Net Position was 73.0% of the TPL. The next actuarial valuation is scheduled for June 30, 2020 to be rolled forward to fiscal year ended June 30, 2021.

### *StanCERA's Fiduciary Responsibilities*

StanCERA's Board of Retirement and management staff are fiduciaries of the pension trust fund. Under the California Constitution, the Fiduciary Net Position can only be used for the exclusive benefit of plan participants and their beneficiaries.

### *Requests for Information*

This financial report is designed to provide the Board of Retirement, plan participants, taxpayers, investment professionals and creditors with a general overview of StanCERA's financial condition and to demonstrate StanCERA's accountability for the funds under its stewardship.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rick Santos, CFA, ASA, MAAA  
Executive Director  
Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95354

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
STATEMENTS OF FIDUCIARY NET POSITION  
As of June 30, 2020 and 2019

	June 30, 2020	June 30, 2019
<b>ASSETS</b>		
<b>Cash and Cash Equivalents (Note 4):</b>	<b>\$ 73,474,225</b>	<b>\$ 56,243,082</b>
<b>Receivables:</b>		
Interest and Dividends	6,367,746	6,791,291
Securities Transactions	414,882	877,077
Contributions (Note 3)	7,270,478	6,666,983
Total Receivables	<u>14,053,106</u>	<u>14,335,351</u>
<b>Prepaid Items</b>	23,786	89,504
<b>Capital Assets, Net (Note 2):</b>	<b>7,763,618</b>	<b>6,609,873</b>
<b>Investments at Fair Value (Note 4):</b>		
U.S. Government and Agency Obligations	114,025,363	128,247,054
Corporate Bonds	199,848,144	231,402,588
Emerging Market / Non-US Bonds	130,606,093	120,066,422
Domestic Stocks	139,456,101	149,746,709
Domestic Equity Index Fund	403,321,743	280,245,220
International Equity	463,894,174	553,218,608
Real Estate Securities	17,918,244	37,095,763
Private Credit	85,029,245	95,094,309
Private Real Estate	218,955,534	197,966,376
Private Equity	2,354,578	-
Infrastructure	36,156,708	43,388,166
Risk Parity	313,455,483	309,627,036
Securities Lending Collateral	96,382,659	144,376,536
Total Investments	<u>2,221,404,069</u>	<u>2,290,474,787</u>
<b>Total Assets</b>	<u><b>2,316,718,804</b></u>	<u><b>2,367,752,597</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	13,167,410	12,596,100
Securities Transactions	907,496	2,143,529
Securities Lending Obligation (Note 4)	96,382,659	144,376,536
Total Current Liabilities	<u>110,457,565</u>	<u>159,116,165</u>
<b>Long Term Liabilities:</b>		
Grant Deed Extension Fee	<u>395,000</u>	<u>395,000</u>
<b>Total Liabilities</b>	<u><b>110,852,565</b></u>	<u><b>159,511,165</b></u>
<b>Fiduciary Net Position Restricted For Pension Benefits (Note 6)</b>	<u><b>\$ 2,205,866,239</b></u>	<u><b>\$ 2,208,241,432</b></u>

The accompanying notes are an integral part of these financial statements.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
For the Fiscal Years Ended June 30, 2020 and 2019

	June 30, 2020	June 30, 2019
<b>ADDITIONS</b>		
<b>Contributions (Note 5):</b>		
Employer	\$ 92,684,609	\$ 88,589,381
Plan Members	29,645,645	27,742,863
Total Contributions	<u>122,330,254</u>	<u>116,332,244</u>
<b>Investment Income:</b>		
Net Appreciation/(Depreciation) in Fair Value of Investments	(15,166,254)	54,084,769
Interest and Dividends	44,752,966	53,382,923
Total Investment Gain	29,586,712	107,467,692
Net Income from Commission Recapture	25,624	22,395
Less: Investment Expense (Note 4)	(11,703,204)	(9,008,420)
Net Investment Income	<u>17,909,132</u>	<u>98,481,667</u>
<b>Other Investment Income:</b>		
Net Litigation Recovery Income	982	19,915
Rental Income	102,921	101,941
Other Investment Income	127,520	202,284
Net Other Investment Income	<u>231,423</u>	<u>324,140</u>
<b>Securities Lending Activities (Note 4):</b>		
Securities Lending Income	508,646	677,888
Less: Securities Lending Expense	(152,428)	(203,170)
Net Securities Lending Income	356,218	474,718
Total Investment Income	<u>18,496,773</u>	<u>99,280,525</u>
Total Additions	<u>140,827,027</u>	<u>215,612,769</u>
<b>DEDUCTIONS</b>		
Benefit Payments and Subsidies	138,223,922	129,100,668
Member Refunds - Termination	1,351,779	1,826,145
Member Refunds - Death	409,894	847,878
Administrative Expenses (Note 2)	3,216,625	2,557,391
Total Deductions	<u>143,202,220</u>	<u>134,332,082</u>
Net Change in Fiduciary Net Position	(2,375,193)	81,280,687
<b>Fiduciary Net Position Restricted for Pension Benefits (Note 6)</b>		
Beginning of Year	2,208,241,432	2,126,960,745
End of Year	<u>\$ 2,205,866,239</u>	<u>\$ 2,208,241,432</u>

The accompanying notes are an integral part of these financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

## NOTE 1 - DESCRIPTION OF PLAN

### Description of System and Applicable Provisions of the Law

The Stanislaus County Employees' Retirement Association (StanCERA or the Plan) is an integrated public employee retirement system established under and subject to the legislative authority of the State of California as enacted and amended in the County Employees Retirement Law of 1937 (Chapter 677 Statutes of 1937) (CERL) and the Public Employees' Pension Reform Act. It is a cost-sharing multiple-employer pension plan. StanCERA was established by the County of Stanislaus Board of Supervisors on July 1, 1948, and was integrated with Social Security on January 1, 1956.

### Membership

StanCERA consists of employees from the County of Stanislaus, East Side Mosquito Abatement District, Hills Ferry Cemetery District, Keyes Community Service District, City of Ceres, Salida Sanitary District, Stanislaus County Superior Court, and Stanislaus Council of Governments. Each person entering employment full-time or permanent part-time (50% or more of the regular hours) becomes a member on the first day of employment. The structure of the Membership with StanCERA is as follows:

	June 30, 2020			June 30, 2019		
	General	Safety	Total	General	Safety	Total
<b>Active Members:</b>						
Vested & Non-vested	3,653	806	4,459	3,691	813	4,504
Total Active	<b>3,653</b>	<b>806</b>	<b>4,459</b>	<b>3,691</b>	<b>813</b>	<b>4,504</b>
<b>Inactive Members:</b>						
Deferred Members	856	210	1,066	803	211	1,014
Unclaimed Contributions	483	66	549	403	59	462
Total Inactive	<b>1,339</b>	<b>276</b>	<b>1,615</b>	<b>1,206</b>	<b>270</b>	<b>1,476</b>
<b>Retired Members:</b>						
Service Retirements	3,143	518	3,661	3,024	473	3,497
Disability Retirements	206	173	379	215	167	382
Survivor Payments	43	10	53	45	10	55
Total Retired	<b>3,392</b>	<b>701</b>	<b>4,093</b>	<b>3,284</b>	<b>650</b>	<b>3,934</b>
<b>Total</b>	<b>8,384</b>	<b>1,783</b>	<b>10,167</b>	<b>8,181</b>	<b>1,733</b>	<b>9,914</b>

### Active

StanCERA has Tiers 1, 2, 3, 4, 5 and 6 for General Members and Tiers 2, 4, 5 and 6 for Safety Members. All tiers are closed with the exception of Tier 6 for both General and Safety Members. Members of the Plan receive a 100% vested interest in the Plan after 5 years of service, except Tier 3 which requires 10 years of service.

## NOTE 1 – DESCRIPTION OF PLAN (continued)

### Benefits

StanCERA provides for retirement, disability, death, beneficiary, cost-of-living, and ad-hoc retirement benefits.

### Service Retirement Benefit

Members of Tiers 1, 2, 4, and 5 with 10 years of service, who have attained the age of 50, are eligible to retire. Tier 3 members are eligible to retire with 10 years of service at age 55. Tier 6 members are eligible to retire with 5 years of service at age 50 for Safety members, and age 52 for General members. Members of Tiers 1, 2, 4, and 5 with 30 years of service (20 years for safety), regardless of age, are eligible to retire. The benefit is a percentage of monthly final average salary (FAS) per year of service, depending on age at retirement, and is illustrated below for representative ages. Government Code Section 31462 of the CERL defines the FAS as a member's average monthly compensation earned during any consecutive 12 months (applicable to members of Tiers 1, 4, and 5). Government Code Sections 31462.1 and 7522.32 use the member's average monthly compensation earned during any 36 consecutive months (applicable to members of Tiers 2, 3, and 6). For members integrated with Social Security, the benefit is reduced by 1/3 of the percentage shown below times the first \$350 of the monthly FAS per year of service credited after January 1, 1956. Tier 6 is not integrated with Social Security.

Percentage of FAS:

Age	General						Safety		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tiers 1&2	Tiers 4&5	Tier 6
50	1.34	1.18	N/A	1.48	1.48	N/A	2.00	3.00	2.00
55	1.77	1.49	0.68*	1.95	1.95	1.30	2.62	3.00	2.50
60	2.34	1.92	1.14*	2.44	2.44	1.80	2.62	3.00	2.70
65	2.62	2.43	2.00*	2.62	2.62	2.30	N/A	N/A	2.70

\* 1% of FAS for each year of service over 35 reduced by 1/35 of Social Security Benefits at age 65 not to exceed 35 years

Retiring members may choose from 4 different beneficiary retirement allowances. Most retirees elect to receive an unmodified allowance, which includes a continuation of 60% of the allowance to the retirees' surviving spouse or registered domestic partner.

### Death Benefit-Before Retirement

#### *Employed Less Than 5 Years*

In addition to the return of contributions, a death benefit is payable to the member's beneficiary or estate equal to 1 month of salary for each completed year of service under the retirement system, based on the final year's average salary, not to exceed 6 months of salary (except Tier 3 members).

## **NOTE 1 – DESCRIPTION OF PLAN (continued)**

### **Death Benefit-Before Retirement (continued)**

#### *Employed More than 5 Years*

If a member dies while eligible for service retirement or non-service connected disability, the spouse or registered domestic partner receives 60% of the allowance that the member would have received for retirement benefits on the day of his or her death (except Tier 3 members).

If a member dies in the performance of duty, the spouse or registered domestic partner receives a monthly benefit of 50% of the member's FAS (except Tier 3 members).

### **Death Benefit-After Retirement**

If a member dies after retirement, a burial allowance of \$5,000 is paid to the beneficiary or estate (except Tier 3 members).

If the retirement benefit is for service-connected disability, 100% of the member's allowance as it was at death is continued to the surviving spouse or registered domestic partner for Tiers 1, 2, 4, 5, and 6. Tier 3 Members have no allowance continued to the surviving spouse or registered domestic partner.

If the retirement benefit is for other than service-connected disability, 60% of the member's allowance is continued to the surviving spouse or registered domestic partner for Tiers 1, 2, 4, 5, and 6, and 60% of the member's allowance is continued to the surviving spouse or registered domestic partner if the unmodified option is chosen at time of retirement.

### **Disability Benefit**

Members with 5 years of service, regardless of age, are eligible for non-service connected disability (except Tier 3 members). The benefit may be up to 1/3 of FAS. If the disability is service connected, the member may retire regardless of length of service, and the benefit is 50% of FAS (except Tier 3 members).

### **Cost-of-Living Benefit**

The current maximum increase in retirement allowance is 3% per year (except Tier 3). The increases are based on the change in the Bureau of Labor Statistics Consumer Price Index (CPI) in the San Francisco Bay area from January 1 to December 31, effective the following April 1.

### **Ad-Hoc Benefits**

Ad-hoc benefits are non-vested benefits which are determined by the Board of Retirement subject to funding availability.

## NOTE 1 – DESCRIPTION OF PLAN (continued)

### Ad-Hoc Benefits (continued)

No ad-hoc benefits are currently being paid (effective since January 1, 2010). Changes in the excess earnings policy, approved by the Board of Retirement (Board) on May 25, 2012, placed additional restrictions on the Board's ability to grant these benefits. The greatest restriction currently is the Plan must be 100% funded on a market basis prior to funding any ad-hoc benefit.

### Contribution Rates

The CERL establishes the basic obligations for employer and member contributions to the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the Board.

StanCERA's policy for contributions states that actuarially determined rates expressed as a percentage of annual covered payroll are required to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded liability. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. For funding purposes, StanCERA also uses the level entry age normal cost method with the Unfunded Actuarial Accrued Liability (UAAL) to amortize the unfunded liability. StanCERA's actuarially determined composite employer contribution rates for the fiscal years ended June 30, 2020 and June 30, 2019 were 31.65% and 29.01%, respectively, of annual payroll. Employee contribution rates are based on age of entry for Tiers 1, 2, 4 and 5 and range between 3.45% and 17.21% for the fiscal years ended June 30, 2020 and June 30, 2019. Tier 6 employer rates are based on 50% of the total normal cost. Tier 6 employee contribution rates are not based on age of entry and are a flat rate ranging between 8.63% and 14.11% for fiscal years ended June 30, 2020 and June 30, 2019.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

StanCERA is governed by the Board and is considered an independent legal entity. StanCERA is a component unit of Stanislaus County (the County) and is being reported as a Pension Trust Fund in the County's Financial Report in accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*.

### Basis of Accounting

StanCERA follows GASB accounting principles and reporting guidelines. The financial statements are prepared on a full accrual basis of accounting, which recognizes income when earned and expenses when incurred. Contributions from employers and members are recognized when received or when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.



## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and Cash Equivalents

Cash includes deposits with a financial institution and pooled cash with the Stanislaus County Treasurer. Pooled cash is reported at amortized cost, which approximates fair value. Income on pooled cash is allocated on StanCERA's average daily balance in relation to total pooled assets.

### Investments

The Board has exclusive control of the investments of StanCERA. Statutes authorize the Board to invest, or to delegate the authority to invest, 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 GASB Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Values for stocks, publicly traded bonds, issues of the U.S. Government and its agencies, and real estate securities 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 June 30, 2020 and 2019. Both domestic and international investments are denominated in U.S. currency. Private Credit Partnerships, Private Real Estate and Infrastructure investments are valued using their respective Net Asset Value (NAV) and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the partnerships on a quarterly basis and the assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

### Securities Transactions and Related Investment Income

Securities transactions are accounted for on a trade date basis. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Stock dividends or stock splits are recorded as memo items and do not affect the total value of the securities.

### Capital Assets

Capital assets, consisting of software development, the purchase of a condominium interest in one floor of an office building, and office equipment are presented at historical cost. StanCERA occupies 60% of the 6<sup>th</sup> floor of the office building, and 40% has been developed as office space which is currently leased out. Total cost of the capital assets as of June 30, 2020 and June 30, 2019 were \$9,797,084 and \$8,507,983, respectively, with accumulated depreciation of \$2,033,466 and \$1,898,110, respectively. Out of the total amount, \$4,207,583 and \$3,331,295, respectively, were not being depreciated due to the assets not being placed in service as of June 30, 2020 and June 30, 2019. Depreciation expense for the fiscal years ending June 30, 2020 and June 30, 2019 totaled \$135,356 and \$130,517, respectively. Depreciation is calculated using the straight-line method with an estimated life of 10 years for the software development, an estimated life of 99 years for the office space, an estimated life of 10 years for the leasehold improvements, and an estimated life of 5 years for office equipment.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Capital Assets (continued)

	Net Balance at June 30, 2019	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2020
<b>Capital Assets, not being depreciated</b>					
Tenant Improvements	\$ 390,438	\$ -	\$ -	\$ -	\$ 390,438
Pension Administration System	2,553,885	1,218,843	-	-	3,772,728
Rebranding Cost	-	44,417	-	-	44,417
Board Room Expansion	78,335	-	78,335	-	-
Board Room Expansion TI	245,749	-	245,749	-	-
Audio Video System	62,888	-	62,888	-	-
Total Capital Assets, not being depreciated	<b>3,331,295</b>	<b>1,263,260</b>	<b>386,972</b>	-	<b>4,207,583</b>
<b>Capital Assets, being depreciated</b>					
Tyler Software	-	-	-	-	-
Real Estate Occupied	1,630,546	-	-	18,977	1,611,569
Real Estate Leased	1,087,753	-	-	12,653	1,075,100
Leasehold Improvements	32,452	8,833	-	6,440	34,845
Office Equipment	1,789	-	-	1,022	767
Video Conferencing Equipment	2,015	-	-	864	1,151
Imaging System	520,598	-	-	57,844	462,754
Microfiche Scanner	3,425	-	-	1,111	2,314
Board Room Expansion	-	78,335	-	3,590	74,745
Board Room Expansion TI	-	249,171	-	22,841	226,330
Audio Video System	-	76,474	-	10,014	66,460
Total Capital Assets, being depreciated	<b>3,278,578</b>	<b>412,813</b>	-	<b>135,356</b>	<b>3,556,035</b>
<b>TOTAL</b>	<b>\$ 6,609,873</b>	<b>\$ 1,676,073</b>	<b>\$ 386,972</b>	<b>\$ 135,356</b>	<b>\$ 7,763,618</b>

	Net Balance at June 30, 2018	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2019
<b>Capital Assets, not being depreciated</b>					
Tenant Improvements	\$ 390,438	\$ -	\$ -	\$ -	\$ 390,438
Pension Administration System	2,010,712	1,121,615	578,442	-	2,553,885
Board Room Expansion	-	78,335	-	-	78,335
Board Room Expansion TI	-	245,749	-	-	245,749
Audio Video System	-	62,888	-	-	62,888
Total Capital Assets, not being depreciated	<b>2,401,150</b>	<b>1,508,587</b>	<b>578,442</b>	-	<b>3,331,295</b>
<b>Capital Assets, being depreciated</b>					
Tyler Software	32,342	-	-	32,342	-
Real Estate Occupied	1,650,969	-	1,446	18,977	1,630,546
Real Estate Leased	1,100,864	-	457	12,654	1,087,753
Leasehold Improvements	131,240	-	93,085	5,703	32,452
Office Equipment	2,811	-	-	1,022	1,789
Security & Monitoring Equipment	-	-	-	-	-
Video Conferencing Equipment	2,879	-	-	864	2,015
Imaging System	-	578,442	-	57,844	520,598
Microfiche Scanner	4,536	-	-	1,111	3,425
Total Capital Assets, being depreciated	<b>2,925,641</b>	<b>578,442</b>	<b>94,988</b>	<b>130,517</b>	<b>3,278,578</b>
<b>TOTAL</b>	<b>\$ 5,326,791</b>	<b>\$ 2,087,029</b>	<b>\$ 673,430</b>	<b>\$ 130,517</b>	<b>\$ 6,609,873</b>

### Administrative Expenses

StanCERA's administrative expense is funded by the investment income and is limited to 0.21% of StanCERA's Actuarial Accrued Liability (AAL) pursuant to Government Code Section 31580.2. The law provides exemption from the limitation for the cost of computer consultation, hardware, and software. Total administrative expenses for the fiscal years ending June 30, 2020 and June 30, 2019 were \$3,216,625 and \$2,557,391, respectively, of which \$362,870 and \$363,841, respectively, were not subject to the administrative expense limitation.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Administrative Expenses (continued)

Administrative expenses subject to the limitation amounted to 0.1038% of AAL for the fiscal year ended June 30, 2020 and 0.0828% for the fiscal year ended June 30, 2019.

### Income Taxes

StanCERA qualifies as a pension trust under Section 401(a) of the Internal Revenue Code. No provision for income taxes has been made in the accompanying financial statements as the Plan is exempt from Federal and State income taxes under the provisions of the Internal Revenue Code Section 501 and the California Revenue and Taxation Code Section 23701, respectively.

### Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, revenue, and expenses as of the date of the financial statements. Actual results could differ from those estimates.

### New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, was implemented during the fiscal year ended June 30, 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides. These provisions are either first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Providing governments with sufficient time to apply authoritative guidance addressed in this Statement will help safeguard the reliability of their financial statements, which in turn will benefit the users of those financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement improves accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement were originally effective for the System's financial statements for the fiscal year ending June 30, 2021. However, in light of the COVID-19 pandemic, GASB postponed implementation of this statement by one year of its effective date. Management is evaluating the requirements of this GASB Statement and its impact to StanCERA financial statements, which will be effective in fiscal year ending June 30, 2022.

### Reclassifications

Certain fiscal year 2019 amounts have been reclassified to conform with the fiscal year 2020 presentation.

### NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable represents withdrawals from employees' salaries and liabilities due by employers for retirement contributions for the month of June that were received in July. Contributions receivable as of June 30, 2020 and June 30, 2019 were \$7,270,478 and \$6,666,983, respectively.

### NOTE 4 – CASH AND INVESTMENTS

The California State Constitution and the CERL give the Board the exclusive authority to invest the assets of StanCERA and the Board may, at its discretion, invest or delegate the authority to invest, such assets through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when deemed prudent in the informed decision of the Board. StanCERA invests the assets according to a written Investment Policy established by the Board and currently employs external investment managers to manage the assets subject to the guidelines in the Investment Policy.

#### Deposits in Stanislaus County Treasury

Cash needed for StanCERA's daily operational purposes is pooled with other County funds by the County Treasurer for short-term investment purposes. The County is responsible for the control and safekeeping of all instruments of title and for all investments of the pooled funds. Investments in the County Investment Pool are managed according to the Investment Policy established by the County and are subject to regulatory oversight by the County's Treasury Oversight Committee. Participation in the County Investment Pool is not mandatory. The fair value of StanCERA's shares in the pooled funds is the same as the value of the County Investment Pool. StanCERA's cash invested with the County Treasurer is reported at amortized cost, which approximates fair value totaling \$23,197,533 and \$13,742,769 at June 30, 2020 and 2019, respectively. Cash and investments included within the County Treasurer's Pool are described in the County's Financial Report.

#### Investments

*Investment Policy* – StanCERA's policy in regards to the allocation of invested assets is established and may be amended by the Board. The investments of the Plan are trust funds and are held for the exclusive purpose of providing benefits to the participants in the Plan and their beneficiaries and defraying reasonable expenses of administering the Plan. The investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return.

StanCERA's Investment Program employs three functional sub-portfolios to construct the comprehensive asset allocation: the Liquidity Sub-portfolio, the Growth Sub-portfolio and the Diversifying Sub-portfolio. The Liquidity Sub-portfolio will ensure adequate assets are available to pay benefits over an extended timeframe. The Growth Sub-portfolio will grow the invested assets over the long-term in order to pay future benefits. The Diversifying Sub-portfolio is to offset the investment risk of the Growth Sub-portfolio. The allocations to the Liquidity, Growth and Diversifying Sub-portfolios will vary over time and will be reviewed on an annual basis. The adopted asset allocation for the three Sub-portfolios is:

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Investments (continued)

<u>Asset Class</u>	<u>June 30, 2020 Target Allocation</u>	<u>June 30, 2019 Target Allocation</u>
Domestic Equities	17.00%	17.00%
International Equities	23.00%	23.00%
Fixed Income	22.00%	22.00%
Real Estate Securities	5.00%	5.00%
Alternatives:		
Private Credit	6.00%	6.00%
Private Equity	6.00%	6.00%
Private Real Estate	5.00%	5.00%
Infrastructure	2.00%	2.00%
Risk Parity	13.00%	13.00%
Cash	1.00%	1.00%
	<u>100.00%</u>	<u>100.00%</u>

**Rate of Return** – For the fiscal years ended June 30, 2020 and June 30, 2019, the annual money-weighted rate of return on StanCERA's investments was 1.3% and 5.1%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Fair Value Measurement

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. StanCERA follows GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurement.

StanCERA classifies the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value measurements are classified according to the following hierarchy:

- Level 1 – Unadjusted quoted prices for identical investments in active markets.
- Level 2 – Quoted prices for similar investments in active markets; quoted prices for identical or similar investments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.
- Level 3 – Investments with valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy; in which case, StanCERA defaults to the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, a detailed analysis was performed of the assets and liabilities that are subject to GASB 72.

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Fair Value Measurement (continued)

The following tables present fair value measurements as of June 30, 2020 and June 30, 2019:

#### Investments Measured at Fair Value

Investments by Fair Value Level	06/30/20	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Fixed Income Securities</b>				
Corporate and Other Credit	\$ 199,848,144	\$ -	\$ 199,848,144	\$ -
Emerging Market Non-U.S. Bonds	130,606,093	-	130,606,093	-
U.S. Government Agency	75,749,356	-	75,749,356	-
U.S. Treasury	38,276,007	-	38,276,007	-
<b>Total Fixed Income Securities</b>	<b>444,479,600</b>	<b>-</b>	<b>444,479,600</b>	<b>-</b>
<b>Equity Securities</b>				
Non-U.S. Equity	394,502,195	394,502,195	-	-
U.S. Equity	139,456,101	139,456,101	-	-
Commingled Equity Funds	403,321,743	-	403,321,743	-
Emerging Market Equity	69,391,979	-	69,391,979	-
Commingled Real Estate Funds	17,918,244	-	17,918,244	-
<b>Total Equity Securities</b>	<b>1,024,590,262</b>	<b>533,958,296</b>	<b>490,631,966</b>	<b>-</b>
<b>Collateral from Securities Lending</b>	<b>96,382,659</b>	<b>-</b>	<b>96,382,659</b>	<b>-</b>
<b>Total Investments by Fair Value Level</b>	<b>\$ 1,565,452,521</b>	<b>\$ 533,958,296</b>	<b>\$ 1,031,494,225</b>	<b>\$ -</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Private Credit	\$ 85,029,245			
Private Equity	2,354,578			
Private Real Estate	218,955,534			
Infrastructure	36,156,708			
Risk Parity	313,455,483			
<b>Total Investments Measured at the NAV</b>	<b>655,951,548</b>			
<b>Total Investments</b>	<b>\$ 2,221,404,069</b>			

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Fair Value Measurement (continued)

#### Investments Measured at Fair Value

Investments by Fair Value Level	06/30/19	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Fixed Income Securities</b>				
Corporate and Other Credit	\$ 231,402,588	\$ -	\$ 231,402,588	\$ -
Emerging Market Non-U.S. Bonds	120,066,422	-	120,066,422	-
U.S. Government Agency	62,959,767	-	62,959,767	-
U.S. Treasury	65,287,287	-	65,287,287	-
<b>Total Fixed Income Securities</b>	<b>479,716,064</b>	<b>-</b>	<b>479,716,064</b>	<b>-</b>
<b>Equity Securities</b>				
Non-U.S. Equity	486,264,078	486,264,078	-	-
U.S. Equity	149,746,709	149,746,709	-	-
Commingled Equity Funds	280,245,220	-	280,245,220	-
Emerging Market Equity	66,954,530	-	66,954,530	-
Commingled Real Estate Funds	37,095,763	-	37,095,763	-
<b>Total Equity Securities</b>	<b>1,020,306,300</b>	<b>636,010,787</b>	<b>384,295,513</b>	<b>-</b>
<b>Collateral from Securities Lending</b>	<b>144,376,536</b>	<b>-</b>	<b>144,376,536</b>	<b>-</b>
<b>Total Investments by Fair Value Level</b>	<b>\$ 1,644,398,900</b>	<b>\$ 636,010,787</b>	<b>\$ 1,008,388,113</b>	<b>\$ -</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Private Credit	\$ 95,094,309			
Private Real Estate	197,966,376			
Infrastructure	43,388,166			
Risk Parity	309,627,036			
<b>Total Investments Measured at the NAV</b>	<b>646,075,887</b>			
<b>Total Investments</b>	<b>\$ 2,290,474,787</b>			

### Fixed Income Securities

Asset-Backed Securities, Mortgage-Backed Securities, and Non-U.S. Bonds are valued using a combination of the discounted cash flow income model and the matrix market model. Two proprietary discounted cash flow models are used: non-volatile tranche and volatile tranche. Prepayment speeds are derived from market participant quotes along with terms and conditions of the tranche and both are entered into the model to determine the evaluated price. Matrices are developed based on trade and quote activity of bonds with similar features including issuer, vintage and purpose of the underlying loan, prepayment speeds and credit ratings in order to identify trades and quotes for similar securities. Corporate Bonds and Municipal Bonds are valued using the matrix market model. Model inputs are derived from the market, brokers, dealer, mutual funds, and vendor client base. Model inputs include, but are not limited to:



## NOTE 4 – CASH AND INVESTMENTS (continued)

### Fair Value Measurement (continued)

spread benchmark curves, prepayment speeds, inputs to build curves/spreads, comparable trades, bid price or spread, discount rates, quotes, trade reports, and financial reports. US Government Agency and US Treasury Bills are valued using the consensus evaluation model and the matrix evaluation model. These model inputs come from market sources and integrate relative credit information, observed market movements, and sector news.

Prices are updated regularly by obtaining dealer quotes and other market information including live trading levels, when available.

### Equity Securities

Equity securities are valued using the NASDAQ Official Closing Price which determines the market specific closing price for NASDAQ listed issues. For equity securities listed on exchanges, the last trade price is used. The last trade price is the price at which a specific security was last traded on the primary exchange. If the NASDAQ Official Closing Price or the last trade price is not available, a bid, ask/offer quote, is obtained from a third-party vendor.

Commingled funds are valued using the NAV which is the fair value of all securities owned by the fund, minus its total liabilities, divided by the number of shares issued. Funds that are valued using the NAV are usually not reported within the fair value hierarchy. However, StanCERA's commingled funds are supported by audited financial statements which provide observable market data. Commingled funds are legally or contractually required to redeem at the NAV and therefore are classified as Level 2.

### Investments Measured at the NAV

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The following tables present fair value measurements as of June 30, 2020 and June 30, 2019:

Investments measured at NAV	6/30/2020 Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Remption Notice Period
Private Credit	\$ 85,029,245	\$ 18,772,135	Not Eligible	Not Applicable
Private Equity	\$ 2,354,578	\$ 32,750,000	Not Eligible	Not Applicable
Private Real Estate	218,955,534	24,972,809	Quarterly, Not Eligible	5-90 Days, Not Applicable
Infrastructure	36,156,708	7,116,066	Not Eligible	Not Applicable
Risk Parity	313,455,483	-	Monthly	5-15 Days
Total Investment Measured at NAV	<u>\$ 655,951,548</u>	<u>\$ 83,611,010</u>		



## NOTE 4 – CASH AND INVESTMENTS (continued)

### Investments Measured at the NAV (continued)

Investments measured at NAV	6/30/2019 Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Remption Notice Period
Private Credit	\$ 95,094,309	\$ 19,305,108	Not Eligible	Not Applicable
Private Real Estate	197,966,376	38,133,292	Quarterly, Not Eligible	5-90 Days, Not Applicable
Infrastructure	43,388,166	8,251,433	Not Eligible	Not Applicable
Risk Parity	309,627,036	-	Monthly	5-15 Days
Total Investment Measured at NAV	<u>\$ 646,075,887</u>	<u>\$ 65,689,833</u>		

Private Credit consist of investments in four limited partnerships. The types of partnership strategies included in these funds are venture capital, growth equity, buyouts, special situations, mezzanine, and distressed debt. These funds are not eligible for redemption. Distributions are received as the underlying funds are liquidated, which can occur over the span of three to seven years. Total commitments for these funds are \$170.0 million, of which \$18.8 million is unfunded.

Private Equity consist of investments in two limited partnerships. The types of partnership strategies included in these funds are growth equity and buyouts. These funds are not eligible for redemption. Distributions are received as the underlying funds are liquidated, which can occur over the span of ten years. Total commitments for these funds are \$35.0 million of which \$32.8 million is un-funded.

Private Real Estate consist of investments in five limited partnerships. These funds are mainly invested in US commercial real estate. Shares of three of these funds can be redeemed at the request of the shareholders after a lockout period of up to two years. Distributions from each of these funds will be received as the underlying investments are liquidated. Three of these funds are open-ended and the distributions are reinvested. Liquidation of the underlying investments for one fund can occur over time up to eight years. Total commitments for these funds are \$217.0 million, of which \$25.0 million is unfunded.

Infrastructure consist of one investment in a limited partnership. This fund is focused on opportunities in the energy, utilities and transportation sectors, and target investments in infrastructure assets globally within the Organization for Economic Cooperation and Development countries. The funds are not eligible for redemption. Distributions from this fund will be received as the underlying investments are liquidated, which can occur over the span of twelve years. Total commitments for this fund are \$50.0 million, of which \$7.1 million is unfunded.

Risk Parity are mutual funds that invest in multiple asset classes represented by equity, fixed income, and commodities strategies in order to generate attractive risk-adjusted returns over time. These are open-ended funds and shares can be redeemed at the end of any given month at the request of the shareholder. Distributions for this fund are reinvested into the fund. Total commitments for this fund are \$280.0 million, and they are fully funded.

### Securities Lending Program

The Board permits StanCERA to participate in a securities lending program. StanCERA lends bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. Transactions are collateralized at 102% of fair value for domestic securities and 105% of fair value for international securities.

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Securities Lending Program (continued)

Collateral received may include cash, letters of credit, or securities. Because the loans were terminable-at-will, their duration did not match the duration of the investments made with cash collateral. Either StanCERA or the borrower can terminate all securities loaned on demand. There are no restrictions on the amount of securities that may be lent.

StanCERA's custodial bank administers its securities lending program. The cash collateral is reported on the financial statements as an asset and as a liability of StanCERA while the non-cash collateral is reported neither as an asset nor a liability in accordance with GASB Statement No. 28. StanCERA does not have the ability to pledge or sell collateral securities delivered absent a borrower default. The contract with the securities lending agent requires them to indemnify StanCERA if the borrower fails to return the securities (or if the collateral is not sufficient to replace the securities lent) or if the borrower fails to pay StanCERA for income distributions while the securities are on loan.

Investments made with cash collateral are classified by risk category. The average maturity of the loans is one week and are rated at least "A1" or "P1" by two nationally recognized statistical rating organizations or, if unrated, be determined by the bank to be of comparable quality. As of June 30, 2020, the fair value of securities on loan was \$94.3 million, with collateral received of \$96.4 million and non-cash collateral of \$21.2 million. As of June 30, 2019, the fair value of the securities on loan was \$141.3 million, with collateral received of \$144.4 million and non-cash collateral of \$29.4 million.

As of June 30, 2020 and 2019, StanCERA had no credit risk exposure to borrowers because the amount StanCERA owes the borrower exceeds the amount the borrower owes StanCERA. StanCERA's pro-rata share of net income derived from the securities lending transactions during fiscal years 2020 and 2019 was \$356,218 and \$474,718, respectively. These are separate investments made on StanCERA's behalf and not StanCERA's share of pooled investments. At June 30, 2020 and 2019, StanCERA had the following securities out on loan:

	June 30, 2020		June 30, 2019	
	Fair Value of Securities on Loan	Collateral Received	Fair Value of Securities on Loan	Collateral Received
U.S. Equities	\$ 30,344,235	\$ 30,909,774	\$ 43,850,944	\$ 44,651,808
U.S. Corporate Fixed	42,892,732	43,822,033	39,238,000	40,126,194
U.S. Agencies	-	-	-	-
U.S. Government Fixed	13,318,027	13,607,754	50,695,450	51,669,485
Non-U.S. Equities	7,702,115	8,043,098	7,547,775	7,929,049
Non-U.S. Government Fixed	-	-	-	-
Non-U.S. Agencies	-	-	-	-
Total Securities	94,257,109	96,382,659	141,332,169	144,376,536
Total Non-Cash Collateral	20,423,240	21,172,485	28,364,054	29,410,706
<b>Total</b>	<b>\$ 114,680,349</b>	<b>\$ 117,555,144</b>	<b>\$ 169,696,223</b>	<b>\$ 173,787,242</b>

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in market interest rates. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Highly sensitive investments are certain debt investments whose terms may cause their fair value to be highly sensitive to market interest rate changes. Terms include such variables as embedded options, coupon multipliers, benchmark indices and reset dates. StanCERA's fixed income investments have embedded prepayment options that will typically cause prepayments by the obliges of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the fixed income investment.

The following table shows the effective duration of StanCERA's fixed income investments by investment type.

	June 30, 2020		June 30, 2019	
	Fair Value	Effective Duration (in years)	Fair Value	Effective Duration (in years)
Fixed Income Securities				
Corporate Bonds	\$ 199,848,144	3.2	\$ 231,402,588	2.8
Emerging Market / Non-U.S. Bonds	130,606,093	2.4	120,066,422	2.4
Government Bonds	38,276,007	1.7	65,287,287	6.3
Government Agencies	75,749,356	0.5	62,959,767	0.8
Total Fixed Income Securities	<u>\$ 444,479,600</u>		<u>\$ 479,716,064</u>	

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In cases where credit ratings differ among rating agencies, the manager shall use the lowest of the ratings provided. StanCERA's custodial bank provided ratings for Moody's Investor Service (Moody's) and Standard & Poor's (S&P). Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the Board whenever an issue falls below investment grade. Investment grade quality is defined as a Standard & Poor's rating of BBB or higher. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio. The Stanislaus County Investment Pool and the short-term investment funds held with fiscal agent are unrated.

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Credit Risk (continued)

The following table shows the quality of StanCERA's investments in fixed income securities.

S&P/Moody's Credit Rating	June 30, 2020		June 30, 2019	
	Percentage of Total Fixed Income	StanCERA's Fixed Income Securities	Percentage of Total Fixed Income	StanCERA's Fixed Income Securities
Aaa / AAA	2.58%	\$ 11,466,221	2.47%	\$ 11,830,506
Aa1 / AA+	2.02%	8,993,876	1.22%	5,831,461
Aa2 / AA	1.27%	5,635,174	0.84%	4,022,701
Aa3 / AA-	2.30%	10,236,651	6.41%	30,731,875
A1 / A+	4.41%	19,622,991	8.01%	38,444,477
A2 / A	1.43%	6,353,399	3.96%	19,013,866
A3 / A-	11.15%	49,574,360	8.54%	40,983,675
Baa1 / BBB+	16.36%	72,695,876	16.25%	77,971,974
Baa2 / BBB	20.06%	89,142,189	15.75%	75,572,514
Baa3 / BBB-	8.58%	38,149,311	7.94%	38,099,541
Ba1 / BB+	1.64%	7,286,198		
Ba2 / BB	0.19%	825,288		
N/R	0.97%	4,308,123	14.99%	71,926,187
N/A	27.04%	120,189,943	13.61%	65,287,287
<b>Total</b>	<b>100.00%</b>	<b>\$ 444,479,600</b>	<b>100.00%</b>	<b>\$ 479,716,064</b>

N/R represents securities that are not rated.

N/A represents securities that are not applicable to the rating disclosure requirements.

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements. As of June 30, 2020 and 2019, for separately managed investment accounts, StanCERA did not have investments in any one issuer representing 5% or more of the total portfolio.

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. StanCERA does not have a formal policy for custodial credit risk for deposits. Under California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local government units by pledging securities held in the form of an undivided collateral pool. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having a value of 150% of the secure public deposits. Such collateral is held by the pledging financial institution's trust department or agent in StanCERA's name. At fiscal year-end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank.

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Custodial Credit Risk (continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. StanCERA does not have a formal policy for custodial credit risk for investments. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the governmental entity's name, and held by the counter-party. StanCERA's investment securities are not exposed to custodial credit risk because all securities held by StanCERA's custodial bank are in StanCERA's name.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

American Depositary Receipts (ADR) are included in the U.S. Dollars. ADR represents underlying securities of non-U.S. companies traded on the US stock exchanges. Although the transactions are denominated in U.S. Dollars and not subject to foreign currency risk, these securities are reflected as part of the non-U.S. equities within International Equity Investments reported in the Statements of Fiduciary Net Position.

StanCERA's exposure to foreign currency risk in U.S. dollars is as follows:

Currency	June 30, 2020	June 30, 2019
	Fair Value (in U.S. \$)	Fair Value (in U.S. \$)
Australian Dollar	\$ 14,513,605	\$ 24,696,796
Brazilian Real	2,141,074	6,605,690
British Pound	37,370,983	57,702,550
Canadian Dollar	27,806,723	38,168,668
Chilean Peso	1,447,634	1,501,431
Danish Krone	3,550,556	1,625,246
Euro Dollars	108,549,683	130,617,045
Hong Kong Dollar	39,516,247	44,237,396
Hungarian Forint	1,348,048	2,141,903
Indonesian Rupiah	1,269,921	2,447,002
Japanese Yen	77,771,561	83,953,251
Malaysian Renggit	431,379	1,484,859
New Israeli Shekel	843,805	208,126
New Taiwan Dollar	10,824,858	10,129,517
New Zealand Dollar	664,198	935,039
Norwegian Krone	5,403,543	5,142,485
Singapore Dollar	2,682,440	4,758,179
South African Rand	653,271	2,329,773
South Korean Won	10,571,559	12,712,983
Swedish Krona	11,608,036	10,618,115
Swiss Franc	25,917,412	32,707,910
Thailand Baht	512,845	1,590,847
Turkish Lira	1,409,977	1,875,577
U.S. Dollar	77,084,816	75,028,220
<b>TOTAL</b>	<b>\$ 463,894,174</b>	<b>\$ 553,218,608</b>

## NOTE 4 – CASH AND INVESTMENTS (continued)

### Commitments to Private Credit

At June 30, 2020 and June 30, 2019, StanCERA's total capital commitments to private credit partnerships was \$170,000,000 and \$160,000,000, respectively. Of this amount, \$18,772,135 and \$19,305,108, respectively, remained unfunded and is not recorded on StanCERA's Statements of Fiduciary Net Position.

### Commitments to Private Equity

At June 30, 2020, StanCERA's total capital commitments to private equity partnerships was \$35,000,000. Of this amount, \$32,750,000 was unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

### Commitments to Private Real Estate

At June 30, 2020 and June 30, 2019, StanCERA's total capital commitments to private real estate partnerships was \$217,000,000 for both fiscal years. Of this amount, \$24,972,809 and \$38,133,292, respectively, was unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

### Commitments to Infrastructure

At June 30, 2020 and June 30, 2019, StanCERA's total capital commitments to infrastructure was \$50,000,000 for both fiscal years. Of this amount, \$7,116,066 and \$8,251,433, respectively, was unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

### Commitments to Risk Parity

At June 30, 2020 and June 30, 2019, StanCERA's total commitments to risk parity was \$280,000,000 for both fiscal years. Risk Parity was 100% funded for both fiscal years.

### Investment Expense

Investment expense includes fees paid for investment consulting services, fund evaluation services, and securities custodian services. Fees paid are charged against the StanCERA's investment earnings pursuant to Government Code Sections 31596.1 and 31592.5.

#### Investment Expense

	June 30, 2020	June 30, 2019
Investment Managers	\$ 8,239,710	\$ 6,278,921
Investment Consultants	514,264	483,103
Custodial Fees	333,477	323,150
Investment Attorney	112,140	21,161
Other Investment Costs	2,427,312	1,758,022
Total Other Investment Expenses	\$ 11,626,903	\$ 8,864,357
Actuarial Fees	76,301	144,063
Total Investment Expenses	\$ 11,703,204	\$ 9,008,420

## NOTE 5 - CONTRIBUTIONS

### Contribution Rates

The CERL establishes the basic obligations for employer and member contributions to the retirement plan. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the Board.

StanCERA's policy for employer contributions states that actuarially determined rates expressed as a percentage of annual covered payroll are required to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. StanCERA also uses the level entry age normal cost method with an UAAL to amortize any unfunded liability.

Member basic rates are based on a formula reflecting the age at entry into the Plan. For Tier 5 Safety, the rates are such as to provide an average monthly annuity at age 50 equal to 1/100 of the FAS. Tier 1 General Members pay rates that will provide an average annuity at age 60 of 1/100 of the FAS. Tier 4 General Members pay rates that will provide an average annuity at age 55 of 1/120 of the FAS. County (and former County agency) Safety and General Members in Tiers 1 and 4 pay one half of the aforementioned rates. General Members in Tier 2 pay rates to provide an average annuity of 1/120 of FAS at age 60. General Members in Tier 3 pay no member contributions. General Members in Tier 5 pay rates to provide an average annuity at age 55 of 1/120 of FAS. Both General and Safety Tier 6 Members pay approximately half of the actuarial determined normal cost rate for the benefit.

Member cost-of-living contributions, expressed as a percentage of their basic rates, are designed to pay for one-half of the cost-of-living liabilities for future service. For members integrated with Social Security, the above contributions are reduced by 1/3 of that portion of such contribution payable with respect to the first \$350 of monthly salary. Member contributions are refundable upon termination from the retirement system.

Contributions as a percentage of covered payroll for fiscal year ended June 30, 2020, are shown in the following table:

<b>Employer</b>	<b>Employer Contributions</b>	<b>Member Contributions</b>	<b>Employer Contributions as a % of Covered Payroll</b>
Stanislaus County	\$ 82,421,316	\$ 26,410,956	27.4415%
City of Ceres	5,281,755	1,557,866	1.7585%
Stanislaus Superior Court	4,126,485	1,384,729	1.3739%
Stanislaus Council of Governments	300,600	117,414	0.1001%
East Side Mosquito Abatement District	206,310	68,984	0.0687%
Salida Sanitary District	182,768	54,719	0.0609%
Keyes Community Services District	102,249	31,230	0.0340%
Hills Ferry Cemetery District	63,125	19,747	0.0210%
	<b>\$ 92,684,609</b>	<b>\$ 29,645,645</b>	<b>30.8586%</b>
<b>Covered Payroll</b>	<b>\$ 300,352,383</b>		



## NOTE 5 – CONTRIBUTIONS (continued)

### Contribution Rates (continued)

Contributions as a percentage of covered payroll for fiscal year ended June 30, 2019, are shown in the following table:

Employer	Employer Contributions	Member Contributions	Employer Contributions as a % of Covered Payroll
Stanislaus County	\$ 78,729,628	\$ 24,763,793	27.9203%
City of Ceres	5,036,102	1,434,982	1.7860%
Stanislaus Superior Court	3,938,872	1,265,380	1.3969%
Stanislaus Council of Governments	312,482	113,457	0.1108%
East Side Mosquito Abatement District	226,594	70,279	0.0804%
Salida Sanitary District	193,792	52,061	0.0687%
Keyes Community Services District	89,528	24,969	0.0317%
Hills Ferry Cemetery District	62,383	17,942	0.0221%
	<u>\$ 88,589,381</u>	<u>\$ 27,742,863</u>	<u>31.4169%</u>
Covered Payroll	\$ 281,979,654		

## NOTE 6 – RESERVES

As required by the CERL or the Board's policies, the following reserves from Fiduciary Net Position Restricted for Pension Benefits must be established and used to account for the members' (employees and retirees) contributions.

### Active Members' Reserve

This reserve represents the cumulative contributions made by active members (employees), after deducting refunds to the members, plus the investment earnings credited to the reserve at the assumed rate of return determined by the actuary. For fiscal years ended June 30, 2020 and 2019, the actuarial assumed rate of return was 7.00%. Based on Retirement Board policy when the Plan is below 100% funded on a market basis, the percentage allocated to Active Members' Reserve is capped at the actuarial assumed rate of return and will determine the semi-annual percent of interest to be posted to individual member account balances in the subsequent fiscal year.

### Employer Reserves

These reserves represent the cumulative contributions made by the County and other employers. Interest earnings are credited to these reserves based on StanCERA's excess earnings policy.

Upon the retirement of an active member, an actuarially determined amount of the member's vested interest is transferred from the Employer Advance Reserve to the Retired Members' Pension Reserve.



## **NOTE 6 – RESERVES (continued)**

### **Retired Members' Pension Reserve**

These reserves are established to account for the unpaid retirees' pension benefits. Upon the retirement of an employee, member contributions plus the interest earnings credited to the member's account are transferred from the Active Members' Reserve account to the Retired Members' Annuity and Cost-of-Living Reserve accounts.

From these reserves, StanCERA pays the retiree benefits in an amount computed in accordance with the CERL. Interest earnings are credited to this reserve based on StanCERA's excess earnings policy.

### **Retiree Burial Allowance Reserve**

The burial allowance reserve is a benefit the Board offers which pays the family member of a deceased retiree a lump sum death benefit. This benefit is available for all retirees whose last work in a 1937 Act Retirement System or California Public Employees Retirement System (CalPERS) was with StanCERA. Interest earnings are credited to this reserve based on StanCERA's excess earnings policy.

### **Contingency Reserve**

This optional reserve represents earnings in excess of the total interest credited to contributions of the employer and employee and is funded at a minimum 1% of total valuation reserves prior to excess earnings distribution (Government Code Section 31592). It is used as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The Board set this reserve to 1% in May 2012 and it is reviewed and adjusted annually.

### **Undistributed Earnings/(Losses)**

This "designation" account was established on June 30, 2003. It was used to minimize the impact of actuarial smoothing of assets and contains an accumulation of earnings or losses, which have not been distributed to any other reserve. This reserve has undistributed losses of \$2,233,184 and \$0 as of June 30, 2020 and June 30, 2019, respectively.

## NOTE 6 – RESERVES (continued)

### Other Reserves

These reserves are for Retirees' Special Cost-of-Living, Tier 3 Disability and Legal Contingencies.

Reserve Account Balances are as follows:

	June 30, 2020	June 30, 2019
Active Members' Reserve	\$ 602,434,277	\$ 588,122,376
Employer Advance Reserve	275,348,308	292,437,886
Employer Transfer from Non-Valuation Reserve	167,007,137	167,007,137
Retired Members' Pension Reserve	1,135,722,429	1,132,162,574
Valuation Reserve (Loss)	(2,233,184)	-
Retiree Burial Allowance Reserve	3,874,727	5,085,657
Contingency Reserve	21,813,486	21,347,701
Other Reserves		
Legal Contingency Reserve	1,897,499	2,076,541
Tier 3 Disability Reserve	1,560	1,560
<b>Total Reserves</b>	<b>\$ 2,205,866,239</b>	<b>\$ 2,208,241,432</b>

## NOTE 7 – LITIGATION

StanCERA is a defendant in various lawsuits and claims arising in the ordinary course of its operations. StanCERA's management and legal counsel estimate the ultimate outcome of such litigation will not have a material effect on StanCERA's financial statements.

## NOTE 8 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

### Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2020, and the Total Pension Liability as of the valuation date, June 30, 2019, using update procedures to roll forward to StanCERA's fiscal year end of June 30, 2020. There were no significant events between the valuation date and the measurement date, so the roll forward procedures only included the addition of service cost offset by actual benefit payments.

## NOTE 8 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS (continued)

### Actuarial Assumptions (continued)

The components of the Net Pension Liability of StanCERA at June 30, 2020 and June 30, 2019 were as follows:

	June 30, 2020	June 30, 2019
Total Pension Liability	\$ 3,021,191,459	\$ 2,868,469,377
Plan Fiduciary Net Position	\$ (2,205,866,239)	\$ (2,208,241,432)
Net Pension Liability	<u>\$ 815,325,220</u>	<u>\$ 660,227,945</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.0%	77.0%

The Total Pension Liability was determined based on the June 30, 2019 and June 30, 2018 actuarial valuations rolled forward to June 30, 2020 and June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

ACTUARIAL VALUATION ASSUMPTIONS		
Measurement Date	June 30, 2020	June 30, 2019
Investment Rate of Return	7.00%, net of investment expenses	7.00%, net of investment expenses
Projected Salary Increases	3.00%, per year plus merit component based on employee classification and years of service	3.00%, per year plus merit component based on employee classification and years of service
Attributed to Inflation	2.75%	2.75%
Cost-of-Living Adjustments	100% of Consumer Price Index (CPI) up to 3.0% annually with banking, 2.6% annual increases assumed	100% of Consumer Price Index (CPI) up to 3.0% annually with banking, 2.6% annual increases assumed

Post-retirement mortality rates for active Members are specified by the California Public Employees Retirement System (CalPERS) Pre-Retirement Non-Industrial Mortality table adjusted by 97.2% for males and 101.6% for females with generational mortality improvements projected from 2009 using Scale MP-2018. Duty related mortality rates are only applicable for Safety Active Members and are based on the CalPERS Pre-Retirement Industrial Death table without adjustment or projection.

## NOTE 8 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS (continued)

### Actuarial Assumptions (continued)

Rates of mortality for retired Members and their beneficiaries are specified by the CalPERS Healthy Annuitant table adjusted by 104.5% for females and no adjustment for males with generational mortality improvements projected from 2009 using Scale MP-2018.

The long-term defined benefit pension plan return expectations were determined using a building-block approach. An inflation forecast is the baseline and various real return premiums (e.g., bonds, equities, etc.) are added to create nominal return expectations for each asset class. These expectations are combined to produce the long-term expected rate of return by weighting the expected nominal rates of return by the target asset allocation percentages and including an expected return from rebalancing uncorrelated asset classes.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 and June 30, 2019 are summarized in the following table:

Asset Class	2020	2019
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities		
U.S. Large Cap	6.30%	5.80%
U.S. Small Cap	6.80%	5.40%
International Equities		
Int'l Development	6.70%	7.70%
Emerging Market Equity	9.10%	8.60%
U.S. Fixed Income		
Core fixed income	1.30%	3.30%
U.S. Treasury	0.60%	2.70%
Short-term Gov/Credit	1.70%	2.80%
Real Estate		
Core	4.40%	6.10%
Value-add	5.30%	8.10%
Risk Parity	3.60%	7.10%
Private Equity	10.40%	8.80%
Private Credit	6.80%	7.70%
Infrastructure	5.90%	7.90%
Cash	0.60%	2.10%

### Discount Rate

The discount rate used to measure the total pension liability for the fiscal years ended June 30, 2020 and June 30, 2019 were 7.00% for both fiscal years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTE 8 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS (continued)

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of StanCERA calculated using the discount rate of 7.00% for both fiscal years, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate for fiscal years ending June 30, 2020 and 2019:

Sensitivity of Net Pension Liability to Changes in Discount Rate				
		1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
June 30, 2020	Net Pension Liability	\$ 1,237,265,070	\$ 815,325,220	\$ 470,881,948
	Fiduciary Net Position as a Percentage of Total Pension Liability	64.1%	73.0%	82.4%
		1% Decrease 6.00%	Prior Discount Rate 7.00%	1% Increase 8.00%
June 30, 2019	Net Pension Liability	\$ 1,062,692,654	\$ 660,227,945	\$ 331,678,933
	Fiduciary Net Position as a Percentage of Total Pension Liability	67.5%	77.0%	86.9%

## NOTE 9 – SUBSEQUENT EVENTS

In late July 2020, the California State Supreme Court issued its decision in a case generally referred to as the "Alameda Decision". The case combined several outstanding issues brought by various labor associations around the State regarding the inclusion of certain types of pay elements in the calculation of FAS. FAS ultimately determines the size of a member's retirement benefit and, the larger the FAS, the larger the retirement benefit.

In the Alameda Decision, the Court said that any pay element associated with on-call service should not have been or be used in the calculation of FAS and ultimately, the member's retirement benefit. This ruling may apply to current active members today and those that retired on or after January 1, 2013. It was on this date that the California Legislature enacted AB 197, which changed the definition of pensionable salary and was a companion to the PEPRA (Public Employee Pension Reform Act) legislation at that time.

At the August 20, 2020 Board of Retirement meeting, StanCERA's Board approved three action items as a result of the Alameda Decision effective September 1, 2020:

1. Immediately discontinue deducting active member contributions from pay coded as on-call to the extent that it is paid for services rendered outside normal working hours.
2. Recalculation of retiree benefits to be paid as of the next full retiree payroll cycle to members who retired on and after January 1, 2013 to eliminate that portion of the benefits attributable to on-call pay that was paid for services rendered outside normal working hours.
3. Immediately discontinue including on-call pay to the extent paid for services rendered outside normal working hours as compensation earnable for calculating the retirement benefits of members and their beneficiaries.

## REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Changes in Net Pension Liability and Related Ratios

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total Pension Liability</b>							
Service cost	\$ 63,771,013	\$ 59,957,490	\$ 58,007,036	\$ 57,465,280	\$ 55,351,509	\$ 48,242,363	\$ 46,209,346
Interest (includes interest on service cost)	198,170,462	198,460,567	190,493,637	179,875,553	171,938,615	154,850,353	147,384,248
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	30,766,201	15,206,475	(12,172,006)	28,801,984	(6,424,597)	2,148,638	-
Changes of assumptions (3)	-	(46,047,924)	-	-	269,752,272	-	-
Benefit payments, including refunds of member contributions	(139,985,594)	(131,774,689)	(123,172,116)	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
<b>Net change in total pension liability</b>	<b>152,722,082</b>	<b>95,801,919</b>	<b>113,156,551</b>	<b>149,298,959</b>	<b>382,451,989</b>	<b>103,383,198</b>	<b>98,811,123</b>
<b>Total pension liability - beginning</b>	<b>2,868,469,377</b>	<b>2,772,667,458</b>	<b>2,659,510,907</b>	<b>2,510,211,948</b>	<b>2,127,759,959</b>	<b>2,024,376,761</b>	<b>1,925,565,638</b>
<b>Total pension liability - ending</b>	<b>\$ 3,021,191,459</b>	<b>\$ 2,868,469,377</b>	<b>\$ 2,772,667,458</b>	<b>\$ 2,659,510,907</b>	<b>\$ 2,510,211,948</b>	<b>\$ 2,127,759,959</b>	<b>\$ 2,024,376,761</b>
<b>Fiduciary Net Position</b>							
Contributions - employer	\$ 92,684,609	\$ 88,589,381	\$ 76,966,471	\$ 63,024,560	\$ 58,196,310	\$ 53,849,031	\$ 46,763,996
Contributions - member (1)	29,645,645	27,742,863	26,746,289	25,463,745	23,916,508	22,960,235	21,867,911
Total investment income (loss)	18,496,772	99,280,525	154,988,199	252,309,705	(31,322,276)	68,722,781	274,896,108
Benefit payments, including refunds of member contributions	(139,985,594)	(131,774,691)	(123,172,116)	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
Administrative expense	(3,216,625)	(2,557,391)	(2,791,409)	(2,644,554)	(2,315,223)	(2,378,966)	(2,249,260)
<b>Net change in fiduciary net position</b>	<b>(2,375,193)</b>	<b>81,280,687</b>	<b>132,737,434</b>	<b>221,309,598</b>	<b>(59,690,491)</b>	<b>41,294,925</b>	<b>246,496,284</b>
<b>Fiduciary net position - beginning</b>	<b>2,208,241,432</b>	<b>2,126,960,745</b>	<b>1,994,223,311</b>	<b>1,772,913,713</b>	<b>1,832,604,204</b>	<b>1,791,309,279</b>	<b>1,544,812,995</b>
<b>Fiduciary net position - ending</b>	<b>\$ 2,205,866,239</b>	<b>\$ 2,208,241,432</b>	<b>\$ 2,126,960,745</b>	<b>\$ 1,994,223,311</b>	<b>\$ 1,772,913,713</b>	<b>\$ 1,832,604,204</b>	<b>\$ 1,791,309,279</b>
<b>Net pension liability - ending</b>	<b>\$ 815,325,220</b>	<b>\$ 660,227,945</b>	<b>\$ 645,706,713</b>	<b>\$ 665,287,596</b>	<b>\$ 737,298,235</b>	<b>\$ 295,155,755</b>	<b>\$ 233,067,482</b>
<b>Fiduciary net position as a percentage of the total pension liability</b>	<b>73.0%</b>	<b>77.0%</b>	<b>76.7%</b>	<b>75.0%</b>	<b>70.6%</b>	<b>86.1%</b>	<b>88.5%</b>
<b>Covered payroll (2)</b>	<b>\$ 300,352,383</b>	<b>\$ 281,979,654</b>	<b>\$ 268,009,042</b>	<b>\$ 255,646,515</b>	<b>\$ 245,751,576</b>	<b>\$ 237,263,160</b>	<b>\$ 221,863,110</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>271.5%</b>	<b>234.1%</b>	<b>240.9%</b>	<b>260.2%</b>	<b>300.0%</b>	<b>124.4%</b>	<b>105.1%</b>

Note: Trend Information: Schedule will ultimately show information for ten years. Additional years will be displayed as they become available.

(1) In accordance with GASB Statement No. 82, employer-paid member contributions are classified as Member Contributions.

(2) In accordance with GASB Statement No. 82, Covered Payroll is the payroll on which contributions are based.

(3) In 2016, amounts reported as changes of assumptions resulted primarily from changes to the assumed earnings rate from 7.75% to 7.25% and from adjustments to assumed life expectancies as a result of adopting mortality tables with generational improvements. In 2019, amounts reported as changes of assumptions resulted primarily from changes to the assumed earnings rate from 7.25% to 7.00% and from adjustments to mortality rates, disability rates, and retirement rates.

## REQUIRED SUPPLEMENTARY INFORMATION (continued)

### Schedule of Employer Contributions Last 10 Fiscal Years for Fiscal Years Ending June 30 (Dollar amounts in thousands)

	2020	2019	2018	2017	2016
Actuarially Determined Contributions	\$ 92,685	\$ 88,589	\$ 76,966	\$ 63,025	\$ 58,196
Contributions in Relation to the Actuarially Determined Contributions	92,685	88,589	76,966	63,025	58,196
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>(1)</sup>	\$ 300,352	\$ 281,980	\$ 268,009	\$ 255,647	\$ 245,752
Contributions as a Percentage of Covered Payroll	30.86%	31.42%	28.72%	24.65%	23.68%
	2015	2014	2013	2012	2011
Actuarially Determined Contributions	\$ 53,849	\$ 46,764	\$ 39,077	\$ 41,614	\$ 47,657
Contributions in Relation to the Actuarially Determined Contributions	53,849	46,764	39,077	41,614	47,657
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>(1)</sup>	\$ 237,263	\$ 221,863	\$ 217,491	\$ 215,057	\$ 221,541
Contributions as a Percentage of Covered Payroll	22.70%	21.08%	17.97%	19.35%	21.51%

(1) In accordance with GASB Statement No. 82, Covered Payroll is the payroll on which contributions are based.

### Schedule of Investment Returns Last 10 Fiscal Years for Fiscal Years ending June 30

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	1.30%	5.10%	8.10%	14.40%	-1.70%
	2015	2014	2013	2012	2011
Annual money-weighted rate of return, net of investment expense	4.20%	18.20%	14.50%	0.70%	22.90%

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### Changes of benefit terms

There were no changes of benefit terms for fiscal year ended June 30, 2020.

### Changes of assumptions

There were no changes of assumptions for fiscal year ended June 30, 2020.

### Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution amounts in the schedule of employer contributions are calculated as of June 30, 2018, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

#### ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

<b>Valuation Date</b>	June 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percent of Pay
<b>Remaining Amortization Period</b>	Closed period - 18 Years
<b>Asset Valuation Method</b>	Actuarial value: Excess earnings smoothed over five years, 80% / 120% corridor around market
<b>Actuarial Assumptions</b>	
Investment Rate of Return	7.00%, net of investment expenses
Projected Salary Increases	3.00%, plus service-based rates
Attributed to Inflation	2.75%
Cost-of-Living Adjustments	100% of CPI to 3.0% annually with banking, 2.6% annual increases assumed
Mortality	<p>Rates of ordinary death for active Members are specified by the CalPERS Pre-Retirement Non-Industrial Mortality table, adjusted by 97.2% for males and 101.6% for females, with generational mortality improvements projected from 2009 using Scale MP-2018. Duty related mortality rates are only applicable for Safety Active Members, and are based on the CalPERS Pre-Retirement Individual Death table without adjustment or projection.</p> <p>Rates of mortality for healthy retired Members and their beneficiaries are specified by the CalPERS Healthy Annuitant table, adjusted by 97.2% for males and 104.1% for females, with generational mortality improvements projected from 2009 using Scale MP-2018. Separate mortality assumptions are used for disabled retirees.</p>

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2020 can be found in the June 30, 2018 actuarial valuation report located on StanCERA's website, [www.stancera.org](http://www.stancera.org).



**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF ADMINISTRATIVE EXPENSES**  
For the Fiscal Years Ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>Personnel Services:</b>		
Salaries and Employee Benefits	\$ 1,703,135	\$ 1,491,409
Total Personnel Services	<u>1,703,135</u>	<u>1,491,409</u>
<b>Professional Services:</b>		
Computer and Software Services and Support	302,702	256,265
Outside Legal Counsel	534,068	102,356
Disability Hearing Officer/Medical Exams and Reviews	6,500	10,388
External Audit Fees	48,182	47,624
Other Professional Services	9,549	1,025
Total Professional Services	<u>901,001</u>	<u>417,658</u>
<b>Office Expenses:</b>		
Office Supplies	14,654	13,160
Minor Equipment and Computer Supplies	15,078	31,473
Stanislaus County Support Services	156,540	168,869
Contract Services	54,247	32,771
Communications	72,868	56,742
Publications	6,579	4,841
Total Office Expenses	<u>319,966</u>	<u>307,856</u>
<b>Miscellaneous:</b>		
Fiduciary and Staff - Education/Travel	57,086	117,425
Fiduciary and Staff - Meetings/Other Travel	8,200	8,300
Insurance	79,187	77,852
Memberships	12,694	6,374
Depreciation	135,356	130,517
Total Miscellaneous	<u>292,523</u>	<u>340,468</u>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 3,216,625</u></b>	<b><u>\$ 2,557,391</u></b>

**OTHER SUPPLEMENTAL INFORMATION (continued)**  
**SCHEDULE OF INVESTMENT MANAGEMENT FEES**  
**AND OTHER INVESTMENT EXPENSES**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Investment Management Fees:</b>		
Domestic Equity	\$ 736,104	\$ 796,475
International Equity	1,290,164	1,338,231
Fixed Income	497,084	520,469
Private Credit	696,650	(202,297)
Private Equity	294,894	-
Private Real Estate	3,077,952	2,088,524
Infrastructure	406,933	636,451
Real Estate Securities & Special Situations	90,412	67,413
Risk Parity	1,149,517	1,033,655
Total Investment Management Fees	8,239,710	6,278,921
<b>Investment Consulting Fees</b>	514,264	483,103
<b>Investment Custodian Fees</b>	333,477	323,150
<b>Investment Legal Fees</b>	112,140	21,161
<b>Other Investment Related Expenses</b>	2,427,312	1,758,022
Total Other Investment Expenses	3,387,193	2,585,436
<b>Actuarial Fees</b>	76,301	144,063
<b>TOTAL INVESTMENT EXPENSES</b>	<b>\$ 11,703,204</b>	<b>\$ 9,008,420</b>

**SCHEDULE OF PAYMENTS TO CONSULTANTS**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Investment Professional Service Fees:</b>		
Investment Consultants	\$ 514,264	\$ 483,103
Custodial Fees	333,477	323,150
Investment Attorney	112,140	21,161
Actuarial Fees	76,301	144,063
<b>Total Investment Professional Service Fees</b>	<b>\$ 1,036,182</b>	<b>\$ 971,477</b>

<b>Administrative Professional Services Fees:</b>		
Computer and Software Services and Support	\$ 302,702	\$ 256,265
Outside Legal Counsel	534,068	102,356
Disability Hearing Officer/Medical Exams and Reviews	6,500	10,388
External Audit Fees	48,182	47,624
Other Professional Services	9,549	1,025
<b>Total Administrative Professional Services Fees</b>	<b>\$ 901,001</b>	<b>\$ 417,658</b>

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# *Investment Section*







NEPC, LLC

**Daniel Hennessy, CFA, CAIA**

Senior Consultant

September 23, 2020

Board of Retirement

Stanislaus County Employees' Retirement System

832 12<sup>th</sup> Street, Suite 600

Modesto, CA 95354

Dear Board Members:

The overall objective of the Stanislaus County Employees' Retirement System (StanCERA) is to ensure continued access to retirement, disability and survivor benefits for current and future StanCERA participants. To ensure a solid foundation for the future of the Fund, StanCERA carefully plans and implements an investment program designed to produce superior long-term investment returns, while prudently managing the risk in the portfolio. Investment policy and asset allocation are reviewed and revised by the Board of Retirement, at least annually, to reflect the Fund's actuarial assumptions, accrued liabilities, and economic and investment outlook. The following is a report on the performance of the Fund for the year ended June 30, 2020 with background on the underlying capital market environment.

#### **Market Review for the Year Ended June 30, 2020**

The fiscal year ended 2020 saw the end of the longest U.S. economic expansion on record. Economies around the world were disrupted because of COVID-19 and markets reacted with historically fast-paced declines. Governments and central banks worldwide took extraordinary measures to stimulate shuttered economies. In the U.S., fiscal stimulus reached over 12% of GDP while Germany, Japan, France and the U.K. had materially larger stimulus packages relative to the size of their economies. The Federal Reserve provided additional support by reducing the Fed Funds Rate to a targeted range of 0.00% to 0.25%, resuming quantitative easing, and flooding markets with liquidity. Similar actions were taken by other central banks. These stimulus measures, along with optimism around a potential vaccine for COVID-19 and easing of lockdown restrictions, resulted in a historically dramatic reversal in risk assets in the fourth fiscal quarter. U.S. stocks posted their eleventh consecutive year of positive returns and outperformed international equities, returning +7.5% as measured by the S&P 500 Index. International developed-markets equities (-5.1% for the year) lagged domestic equities by 12.6%. U.S. equity outperformance was primarily driven by a few large technology stocks which benefitted from a demand surge in the wake of the pandemic. Emerging markets equities returned -3.4%, underperforming U.S. equities and outperforming international-developed markets equities. Driven by declining interest rates and demand for safe-haven assets, U.S. high quality fixed income investments generated a positive 8.7% return in the fiscal year as measured by the Bloomberg Barclays U.S. Aggregate Bond Index.

#### **The StanCERA Investment Portfolio**

StanCERA's total investment portfolio return, net of fees, was +1.3% for the year ended June 30, 2020. The median fund in the Investor Force peer group universe of large public pension funds also returned 1.3% in the same period. The Fund's five-year net of fees return for the period ended June 30, 2020 was +5.3% annualized which is below the current actuarial assumed rate of 7%. However, over the last 10 years, the Fund's return of 8.3% outperforms the fund's actuarial rate of return and ranks in the 29<sup>th</sup> percentile in its peer group of large public pension funds. This relative outperformance was produced in part by a tolerance for slightly higher volatility than average for peer pension plans. The plan's 10-year standard deviation, a measure of risk, ranked in the 76<sup>th</sup> percentile in its peer group, resulting in a risk-adjusted return (as measured by the Sharpe Ratio) of 0.89, which ranked in the 60<sup>th</sup> percentile in its peer group.

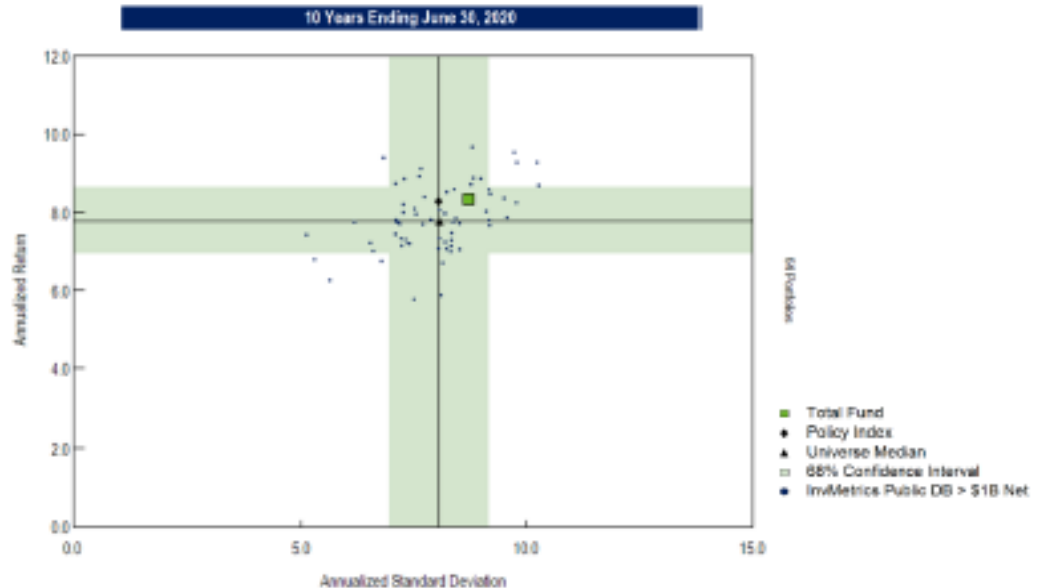
255 State Street | Boston, MA 02109 | TEL: 617.374.1300 | [www.nepc.com](http://www.nepc.com)

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO



NEPC, LLC

**InvMetrics Public Funds Greater than \$1 Billion Universe<sup>1</sup> Risk-Return Comparison (Net of Fees)**  
**10 Years Ended June 30, 2020**



While the recent performance of risk assets has been encouraging, significant headwinds still surround the global economy. We expect heightened volatility to continue across capital markets given the wide range of possible economic outcomes. We believe that thoughtful diversification across asset classes can help protect investment portfolios from significant declines, and that StanCERA's portfolio is well-positioned to take advantage of future investment opportunities.

NEPC, LLC serves as StanCERA's independent investment consultant and provides StanCERA with asset allocation guidance, quarterly economic and investment market updates and performance reviews, and investment manager monitoring and selection advice. NEPC confirmed the underlying performance data used in this report using data provided by the plan's custodian bank and investment managers. Rates of return are represented using a time-weighted rate of return methodology based upon market values.

Sincerely,

Daniel Hennessy, Senior Consultant

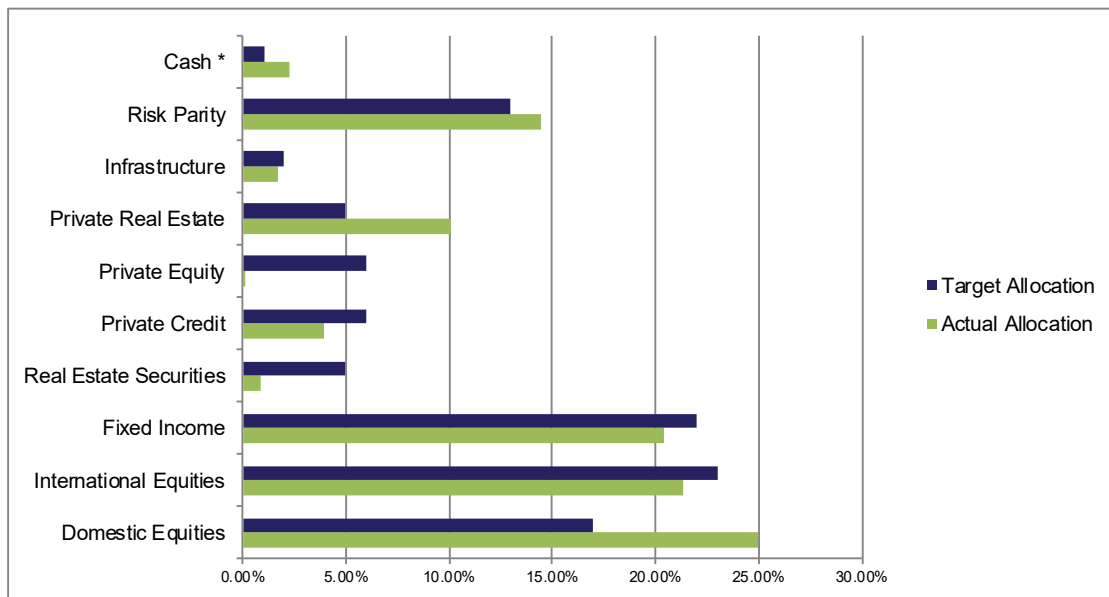
**ASSET ALLOCATION**  
**JUNE 30, 2020**

<b>Asset Class</b>	<b>Fair Value</b>	<b>Actual Allocation</b>	<b>Target Allocation</b>
Domestic Equities	\$ 542,777,843	24.97%	17.00%
International Equities	463,894,174	21.34%	23.00%
Fixed Income	444,479,601	20.44%	22.00%
Real Estate Securities	17,918,244	0.82%	5.00%
Private Credit	85,029,244	3.91%	6.00%
Private Equity	2,354,578	0.11%	6.00%
Private Real Estate	218,955,535	10.07%	5.00%
Infrastructure	36,156,708	1.66%	2.00%
Risk Parity	313,455,483	14.42%	13.00%
Cash *	49,099,734	2.26%	1.00%
<b>TOTAL PORTFOLIO**</b>	<b>\$ 2,174,121,144</b>	<b>100.00%</b>	<b>100.00%</b>

\* Excludes Pooled Cash in County Treasury of \$23,197,533.

\*\* Excludes Securities Lending Cash Collateral.

**StanCERA's Asset Allocation**





## SCHEDULE OF INVESTMENT RETURNS

As of June 30, 2020

Investment Managers	One Year	Three Year	Five Year	Ten Year
<b>DOMESTIC EQUITY</b>				
Northern Trust Russell 3000	6.5%	11.8%	11.3%	14.3%
<i>Russell 3000</i>	6.5%	10.0%	10.0%	13.7%
Dodge & Cox	-7.2%	2.3%	5.6%	11.5%
<i>Russell 1000 Value Index</i>	-8.8%	1.8%	4.6%	10.4%
BlackRock R1000 Value	-8.6%	2.0%	4.7%	10.5%
<i>Russell 1000 Value Index</i>	-8.8%	1.8%	4.6%	10.4%
BlackRock R1000 Growth	23.3%	19.0%	15.9%	17.3%
<i>Russell 1000 Growth Index</i>	23.3%	19.0%	15.9%	17.2%
Capital Prospects	-18.0%	-4.0%	1.1%	8.6%
<i>Russell 2000 Value Index</i>	-17.5%	4.3%	1.3%	7.8%
<b>FIXED INCOME</b>				
Dimensional Fund Advisors	3.9%	N/A	N/A	N/A
<i>BBgBarc US Govt/Credit 1-3yr TR</i>	4.2%	N/A	N/A	N/A
Insight	7.7%	4.8%	N/A	N/A
<i>BBgBarc US Credit Int TR</i>	7.0%	4.9%	N/A	N/A
Northern Trust Intermediate Gov't Bond	7.0%	N/A	N/A	N/A
<i>BBgBarc US Govt Int TR</i>	7.0%	N/A	N/A	N/A
Northern Trust Long Term Gov't Bond	25.0%	N/A	N/A	N/A
<i>BBgBarc US Govt Long TR</i>	25.1%	N/A	N/A	N/A
<b>INTERNATIONAL EQUITY</b>				
LSV Asset Management	-9.2%	-2.4%	0.7%	4.6%
Fidelity Asset Management	-2.2%	2.0%	2.9%	5.9%
<i>MSCI ACWI ex US Index</i>	-4.8%	1.1%	2.3%	5.0%
<b>REAL ESTATE SECURITIES</b>				
BlackRock US Real Estate Index	-17.7%	-2.0%	2.4%	N/A
<i>DJ US Select RESI TR USD</i>	-17.7%	-2.0%	2.4%	N/A
<b>PRIVATE CREDIT *</b>				
Medley Opportunity Fund II	-2.6%	N/A	N/A	N/A
<i>9% Per Year</i>	9.0%	9.0%	9.0%	N/A
Owl Rock First Lien	N/A	N/A	N/A	N/A
<i>9% Per Year</i>	N/A	N/A	N/A	N/A
Raven Opportunity Fund I	-7.2%	N/A	N/A	N/A
<i>9% Per Year</i>	9.0%	9.0%	9.0%	N/A
Raven Opportunity Fund III	4.0%	N/A	N/A	N/A
<i>9% Per Year</i>	9.0%	9.0%	9.0%	N/A
White Oak Global Advisors	6.0%	N/A	N/A	N/A
<i>9% Per Year</i>	9.0%	N/A	N/A	N/A
<b>PRIVATE EQUITY</b>				
Insight Patners XI	N/A	N/A	N/A	N/A
<i>Russell 3000 + 3bp</i>	N/A	N/A	N/A	N/A
<b>PRIVATE REAL ESTATE *</b>				
Prime Property Fund	1.6%	5.7%	N/A	N/A
<i>NCREIF ODCE</i>	2.2%	5.7%	N/A	N/A
PGIM Real Estate U.S. Debt Fund	4.9%	N/A	N/A	N/A
<i>NCREIF ODCE +1%</i>	5.9%	N/A	N/A	N/A
American Strategic Value Realty	5.4%	7.8%	9.9%	N/A
<i>NCREIF Property Index</i>	2.7%	5.4%	6.8%	N/A
Greenfield Acquisition Partners VII	12.9%	12.9%	11.9%	N/A
Greenfield Acquisition Partners VIII	23.9%	N/A	N/A	N/A
<i>NCREIF ODCE +1%</i>	3.2%	6.7%	8.4%	N/A
<b>INFRASTRUCTURE *</b>				
North Haven Partners II	8.6%	15.6%	10.3%	N/A
<i>CPI + 5%</i>	5.7%	6.8%	6.6%	N/A
<b>RISK PARITY</b>				
AQR Global Risk Premium - EL	-0.2%	N/A	N/A	N/A
<i>60% MSCI ACWI</i>	3.4%	N/A	N/A	N/A
PanAgora Risk Parity Multi Asset	2.7%	N/A	N/A	N/A
<i>60% MSCI ACWI</i>	3.4%	N/A	N/A	N/A
TOTAL FUND	1.3%	4.8%	N/A	N/A
<i>Policy Index</i>	3.3%	5.7%	6.2%	8.4%

Note: % taken from Verus Quarterly Report presented to Board of Retirement on 8/27/2019.

Using time-weighted rate of return based on the market rate of return.

Does not include Securites Lending Collateral.

\* IRR since inception is reported. One, three, five, and ten year returns are not available for these investments.

# SCHEDULE OF INVESTMENTS BY ASSET CLASS AND MANAGER

As of June 30, 2020

Investment Managers	Asset Class	Assets Under Management	% of Fund
<b>DOMESTIC EQUITY</b>			
Dodge & Cox	Large Cap Value	\$ 77,267,407	3.55%
BlackRock R1000 Value	Large Cap Value	76,931,363	3.54%
BlackRock R1000 Growth	Large Cap Growth	188,156,624	8.65%
Northern Trust Russell 1000	Large Cap Growth	-	0.00%
Northern Trust Russell 3000	Private Equity	138,233,757	6.36%
Capital Prospects	Small Cap Value	62,188,693	2.86%
<b>FIXED INCOME</b>			
Dimensional Fund Advisors	Core Bond	169,325,553	7.79%
Insight	Core Bond	205,354,870	9.45%
NT Intermediate Bond	Core Bond	49,149,570	2.26%
NT Long Term Bond	Core Bond	20,649,607	0.95%
<b>INTERNATIONAL EQUITY</b>			
LSV Asset Management	Equity Value	220,281,781	10.13%
Fidelity Asset Management	Equity Growth	243,612,393	11.21%
<b>REAL ESTATE SECURITIES</b>			
BlackRock US Real Estate	Real Estate Index	17,918,244	0.82%
<b>PRIVATE CREDIT</b>			
Medley Opportunity Fund II	Private Equity	8,504,766	0.39%
Raven Opportunity Fund I	Private Equity	4,625,221	0.21%
Raven Opportunity Fund III	Private Equity	42,510,248	1.96%
White Oak Global Advisors	Private Equity	24,365,945	1.12%
Owl Rock First Lien	Private Equity	5,023,065	0.23%
<b>PRIVATE REAL ESTATE</b>			
American Realty Advisors	Private Real Estate	68,253,503	3.14%
Greenfield Acquisition Partners VII LP	Private Real Estate	10,318,259	0.47%
Greenfield Acquisition Partners VIII LP	Private Real Estate	23,325,077	1.07%
PGIM	Private Real Estate	58,859,661	2.71%
Prime Property Fund	Private Real Estate	58,199,034	2.68%
<b>PRIVATE EQUITY</b>			
Insight Partners XI	Private Equity	2,525,420	0.12%
<sup>(1)</sup> Vista Foundation IV Fund	Private Equity	(170,842)	-0.01%
<b>INFRASTRUCTURE</b>			
North Haven Partners II LP	Infrastructure	36,156,708	1.66%
<b>RISK PARITY</b>			
AQR	Risk Parity	155,503,811	7.15%
PanAgora	Risk Parity	157,951,672	7.27%
Total Assets Under Management		2,125,021,410	
Cash and Short-Term Investments	90 Day T-Bill	49,099,734	2.26%
<b>Total Fund</b>		<b>\$ 2,174,121,144</b>	<b>100.00%</b>

Note: Does not include Securities Lending Collateral.

Does not include cash in Treasury Pool.

<sup>(1)</sup> Vista is a new fund that hasn't been funded, but incurred expenses.

**LARGEST BOND HOLDINGS (BY FAIR VALUE)**  
**JUNE 30, 2020**

Shares	Bond	Fair Value
4,185,000	BANK OF MONTREAL FRN BNDS DUE 08-27-2021	\$ 4,215,687
3,122,000	JPMORGAN CHASE & CO NT DUE 05-01-2028/10-25-2017	3,484,432
3,008,000	FIRST ENERGY CORP DUE 07-15-2027	3,402,867
2,917,000	ANHEUSER-BUSCH DUE 04-13-2028	3,366,528
2,952,000	PVTPL SANTANDER UK GROUP HLDGS DUE 09-15-2025 BEO	3,198,610
2,873,000	ANGLO AMERN CAP DUE 04-10-2027	3,197,689
2,845,000	CAMPBELL SOUP CO DUE 03-15-2025	3,195,178
2,861,000	DUKE ENERGY CORP DUE 08-15-2027	3,168,193
2,928,000	APPALACHIAN PWR CO DUE 06-01-2027	3,160,250
2,817,000	WASTE MGMT INC DEL DUE 11-15-2027	3,153,333
2,852,000	COOPERATIEVE DUE 07-21-2026	3,142,301
2,715,000	VALERO ENERGY DUE 12-15-2026	3,078,137
2,693,000	COLUMBIA PIPELN DUE 06-01-2025	3,059,053
2,641,000	THERMO FISHER DUE 12-15-2025	2,982,864
2,619,000	HSBC HLDGS PLC DUE 11-23-2026	2,917,286
2,503,000	PVTPL CIGNA CORP NEW DUE 02-25-2026	2,911,752
2,552,000	BARCLAYS PLC DUE 01-12-2026	2,873,603
2,690,000	UNITED STATES TREAS NTS WI TREASURY DUE 11-30-2023	2,866,531
2,725,000	CBS CORP NEW DUE 01-15-2027	2,860,540
2,843,000	NOBLE ENERGY INC DUE 01-15-2028	2,746,773

**LARGEST STOCK HOLDINGS (BY FAIR VALUE)**  
**JUNE 30, 2020**

Shares	Stock	Fair Value
20,600	ROCHE HLDGS AG GENUSSSCHEINE NPV	\$ 7,138,420
46,841	NESTLE SA CHF	5,177,697
14,072	ROCHE HLDGS AG GENUSSSCHEINE NPV	4,876,303
33,126	SAP SE	4,625,384
45,200	SANOFI	4,601,972
485,400	AIA GROUP LTD NPV	4,528,049
103,100	SAMSUNG ELECTRONIC	4,525,652
446,500	TECHTRONIC INDUSTR NPV	4,366,805
481,900	ENEL SPA	4,155,687
137,000	KON AHOLD DELHAIZE	3,732,924
122,400	KDDI CORP NPV	3,669,107
169,200	GLAXOSMITHKLINE ORD	3,421,534
33,372	SANOFI	3,397,722
140,600	NIPPON TELEGRAPH & TELEPHONE CORP NPV	3,278,299
20,200	FEDEX CORP COM	2,832,444
7,707	ASML HOLDING NV	2,829,685
13,600	MICROSOFT CORP COM	2,767,736
69,600	TOTAL S.E EUR2.5	2,655,868
1,825	ALPHABET INC CAP STK	2,579,838
162,200	VOLVO AB SER'B'NPV	2,540,074

A complete list of portfolio holdings is available on StanCERA's website at [www.stancera.org](http://www.stancera.org) or upon request.

## SCHEDULE OF INVESTMENT MANAGEMENT FEES

### For the Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
<b><u>Domestic Equities</u></b>		
BlackRock	\$ 55,767	\$ 22,733
Capital Prospects	537,413	601,752
Dodge & Cox	172,683	172,696
Jackson Square Partners	-	-
Legato Capital Management	-	-
Mellon Capital Management	-	-
NT Russell 1000	26,009	22,027
<b>Total Domestic Equities</b>	<b>791,872</b>	<b>819,208</b>
<b><u>International Equities</u></b>		
LSV Asset Management	602,051	663,439
Fidelity Asset Management	688,113	674,792
<b>Total International Equities</b>	<b>1,290,164</b>	<b>1,338,231</b>
<b><u>Fixed Income</u></b>		
Dimensional Fund Advisors	209,144	234,977
Dodge & Cox	-	-
Insight	259,436	259,478
NT Intermediate Bond	20,591	19,429
NT Long Term Bond	7,913	6,585
PIMCO	-	-
<b>Total Fixed Income</b>	<b>497,084</b>	<b>520,469</b>
<b><u>Real Estate Securities</u></b>		
BlackRock US Real Estate Index	34,644	44,680
<b>Total Real Estate Securities</b>	<b>34,644</b>	<b>44,680</b>
<b><u>Private Credit</u></b>		
Medley Opportunity Fund II	93,622	156,129
Raven Opportunity Fund I	72,508	230,841
Raven Opportunity Fund III	666,129	686,551
Owl Rock First	193,015	-
White Oak Global Advisors	(328,624)	(1,275,818)
<b>Total Direct Lending</b>	<b>696,650</b>	<b>(202,297)</b>
<b><u>Private Real Estate</u></b>		
American Realty Advisors	576,229	446,111
Greenfield Acquisition Partners VII	231,113	379,303
Greenfield Acquisition Partners VIII	1,244,094	465,114
Prime Property Fund	574,932	525,789
PGIM	451,584	272,207
<b>Total Private Real Estate</b>	<b>3,077,952</b>	<b>2,088,524</b>
<b><u>Private Equity</u></b>		
Insight Partners XI	150,938	-
Vista Foundation IV	143,956	-
<b>Total Private Equity</b>	<b>294,894</b>	<b>-</b>
<b><u>Infrastructure</u></b>		
North Haven Partners, LP	406,933	636,451
<b>Total Infrastructure</b>	<b>406,933</b>	<b>636,451</b>
<b><u>Risk Parity</u></b>		
AQR	600,047	544,002
PanAgora	549,470	489,653
<b>Total Infrastructure</b>	<b>1,149,517</b>	<b>1,033,655</b>
<b>Total Investment Management</b>	<b>8,239,710</b>	<b>6,278,921</b>
<b><u>Other Investment Fees and Expenses</u></b>		
Consultant Fees	514,264	483,103
Custodial Fees	333,477	323,150
Investment Attorney	112,140	21,161
Other Investment Costs	2,427,312	1,758,022
Actuarial Fees	76,301	144,063
<b>Total Other Investment Expenses</b>	<b>3,463,494</b>	<b>2,729,499</b>
<b>Total Investment Fees and Expenses</b>	<b>\$11,703,204</b>	<b>\$ 9,008,420</b>

## Schedule of Investment Broker Commissions

StanCERA participates in a commission recapture program administered by Cowen. The strategic objective of the Commission Recapture Program is to recapture a portion of trade commissions paid to brokers. The primary goal is to ensure that investment managers provide the best effort to optimize use of StanCERA's assets for the benefit of the members and beneficiaries by recapturing commissions paid on a specific percentage of trades sent to correspondent brokers on a timely basis. For fiscal years ending June 30, 2020 and 2019, Commission Recapture Income was \$25,624 and \$22,395, respectively.

Below are the commissions paid by StanCERA for fiscal year ending June 30:

		2020		
		# Shares	Commissions	Per Share
<b><u>Domestic Equities</u></b>				
Capital Prospects		570,990	\$ 15,104	\$ 0.026
Dodge & Cox		-	-	-
<b>Total Domestic Equities</b>		<b>570,990</b>	<b>15,104</b>	<b>0.026</b>
<b><u>International Equities</u></b>				
LSV Asset Management		-	-	-
Fidelity Asset Management		12,447,623	96,438	0.008
<b>Total International Equities</b>		<b>12,447,623</b>	<b>96,438</b>	<b>-</b>
<b>Total Investment Broker Commissions</b>		<b>13,018,613</b>	<b>\$ 111,542</b>	<b>\$ 0.009</b>
		2019		
		# Shares	Commissions	Per Share
<b><u>Domestic Equities</u></b>				
Capital Prospects		3,314,459	\$ 91,389	\$ 0.028
Dodge & Cox		698,941	6,146	0.009
<b>Total Domestic Equities</b>		<b>4,013,400</b>	<b>97,535</b>	<b>0.024</b>
<b><u>International Equities</u></b>				
LSV Asset Management		33,261,797	55,302	0.002
Fidelity Asset Management		21,927,235	175,868	0.008
<b>Total International Equities</b>		<b>55,189,032</b>	<b>231,170</b>	<b>0.004</b>
<b>Total Investment Broker Commissions</b>		<b>59,202,432</b>	<b>\$ 328,705</b>	<b>\$ 0.006</b>

# *Actuarial Section*





***Via Electronic Mail***

September 24, 2020

**Actuarial Certification**

This is the Actuary's Certification Letter for the Actuarial Section of the Comprehensive Annual Financial Report (CAFR) for the StanCERA Retirement Plan (the Plan) as of June 30, 2020. This letter includes references to two documents produced by Cheiron for the Plan: the Actuarial Valuation Report as of June 30, 2019 (transmitted February 19, 2020) and the GASB 67/68 Report as of June 30, 2020 (transmitted September 24, 2020).

**Actuarial Valuation Report as of June 30, 2019**

The purpose of the annual Actuarial Valuation Report as of June 30, 2019 is to determine the actuarial funding status of StanCERA on that date and to calculate recommended contribution rates for the participating employers and Plan members for the Fiscal Year 2020-2021. The prior review was conducted as of June 30, 2018, and included recommended contribution rates for the Fiscal Year 2019-2020.

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 Accrued Liability (UAAL) plus expected administrative expenses. As of the valuation date (June 30, 2019), the amortization period is 17 years.

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 five years. The actuarial value is limited to no less than 80% and no more than 120% of market value.

The Board of Retirement is responsible for establishing and maintaining the funding policy of the Plan, subject to the laws of the State of California enacted under the County Employees Retirement Law of 1937 and subsequent legislation.

We prepared the following schedules, which we understand will be included in the Actuarial Section of the CAFR, based on the June 30, 2019 actuarial valuation. All historical information prior to the June 30, 2008 actuarial valuation shown in these schedules is based on information reported by the prior actuary, Buck Consultants.

- Summary of Current Actuarial Assumptions and Methods



- Membership Information (Active, Deferred, and Retired)
- Schedule of Retirees and Beneficiaries Added to and Removed from Rolls
- Analysis of Financial Experience: Change in Unfunded Actuarial Liability
- Schedule of Funded Liabilities by Type (formerly referred to as the Solvency Test)
- Schedule of Funding Progress
- Summary of Plan Provisions

We reviewed the actuarial assumptions shown in the schedules and found them to be reasonably appropriate for use under the Plan. The assumptions used in this report reflect the results of an Experience Study performed by Cheiron covering the period from July 1, 2015 through June 30, 2018, and approved by the Board. The assumptions used in the most recent 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 2021.

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 (ASOPs), in particular ASOPs No. 4, 27, 35, and 44.

### **GASB 67/68 Report as of June 30, 2020**

The purpose of GASB 67/68 Report as of June 30, 2020 is to provide accounting and financial reporting information under GASB 67 for StanCERA and under GASB 68 for Stanislaus County and the other participating employers. This report is not appropriate for other purposes, including the measurement of funding requirements for StanCERA.

For financial reporting purposes, the Total Pension Liability is based on the June 30, 2019 actuarial valuation updated to the measurement date of June 30, 2020. There were no significant events of which we were aware between the valuation date and the measurement date so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments.

Please refer to our GASB 67/68 report as of June 30, 2020 for additional information related to the financial reporting of the System. We prepared the following schedules for inclusion in the Financial Section of the CAFR based on the June 30, 2020 GASB 67/68 report:

- Change in Net Pension Liability
- Sensitivity of Net Pension Liability to Changes in Discount Rate
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of 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. 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 StanCERA. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

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

These reports are for the use of StanCERA and its 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.

Cheiron's reports were prepared solely for StanCERA for the purposes described herein, except that the Plan's auditor may rely on these reports solely for the purpose of completing an audit related to the matters herein. They are not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

These reports and their 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 opinions contained in these reports. 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,



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## SUMMARY OF ASSUMPTIONS AND FUNDING METHODS

The following assumptions along with the post-retirement and pre-retirement demographic experiences are based on StanCERA's actuarial experience study from July 1, 2015 through June 30, 2018, approved by the StanCERA Board of Retirement on January 22, 2019. The actuarial valuation for fiscal year ending June 30, 2019 was approved by the StanCERA Board of Retirement on February 19, 2020, which incorporated the following assumptions. The purpose of the annual actuarial valuation report as of June 30, 2019 is to determine the actuarial funding status of StanCERA on that date and to calculate recommended contribution rates for the participating employers and StanCERA members for the fiscal year 2020-2021. The prior actuarial valuation conducted as of June 30, 2018 included recommended contribution rates for the fiscal year 2019-2020 which was approved by the StanCERA Board of Retirement on February 26, 2019.

### Plan Description

A summary of plan provisions can be found in Note 1 of the Notes to Basic Financial Statements.

### Actuarial Methods

#### Actuarial Cost Method

Annual contributions are computed under the Entry Age Normal Actuarial Cost Method, computed to the final decrement. A schedule of actuarially determined contributions compared to actual contributions can be found in the Required Supplementary Information section following the Notes to the Basic Financial Statements.

The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability. The liability for each valuation group is amortized as a level percentage of payroll over a closed period (17 years as of the current valuation).

#### Actuarial Value of Plan Assets

The Actuarial Value of Plan Assets is a modified market-related value. The fair value of assets is adjusted to recognize, over a five-year period, differences between actual investment earnings and the assumed investment return. The Actuarial Value of Plan Assets is limited to no less the 80% and no more than 120% of the fair value. As of June 30, 2011, the Actuarial Value was reset to equal fair value.

#### ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

Valuation Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level percent of Pay	Level percent of Pay
Remaining Amortization Period	17 Years	18 Years
Asset Valuation Method	Modified Market-Related Value smoothed over a five year period	Modified Market-Related Value smoothed over a five year period

## Actuarial Assumptions

1. Rate of Return – The annual rate of return is assumed to be 7.00% net of investment expenses.
2. Cost of Living – The cost of living is assumed to be 2.75% per year as measured by the Consumer Price Index.
3. Administrative Expenses – An allowance of \$2,903,330 has been included in the annual cost calculation.
4. Interest Credited to Employee Accounts – 0.25% annually.
5. Increases in Pay – Base salary increase is assumed at 3.00%. Assumed pay increases for active Members consist of increases due to salary adjustments (as noted above), plus service-based increases due to longevity and promotion, as shown below.

Service	Safety	General
0	7.00%	5.00%
1	6.00%	5.00%
2	5.00%	5.00%
3	4.00%	5.00%
4	3.00%	5.00%
5	2.00%	3.50%
6	1.75%	2.50%
7	1.50%	1.50%
8	1.25%	1.25%
9	1.00%	1.00%
10	0.75%	0.75%
11+	0.50%	0.50%

6. PEPRA Compensation Limit – Assumption used for increasing the compensation limit that applies to PEPRA members is 2.75%.
7. Post Retirement COLA – 100% of Consumer Price Index up to 3% annually with banking, 2.6% annual increases assumed.
8. Social Security Wage Base – For projecting the Social Security Benefit, the annual Social Security Wage Base increase is assumed to be 3.00% per year. General Tier 3 members have their benefits offset by an assumed Social Security Benefit.
9. Internal Revenue Code Section 415 Limit – have been applied to the benefits for members currently in pay status, as the limited benefits have been provided by StanCERA for valuation purposes.
10. Internal Revenue Code Section 401(a)(17) – not reflected in the valuation for funding purposes.
11. Family Composition – Spouses of male members are assumed to be three years younger than the member. Spouses of female members are assumed to be two years older than the member.

Percent Married	
Gender	Percentage
Males	80%
Females	50%

## Actuarial Assumptions (continued)

12. Accumulated Vacation Time Load – Active members' service retirement and related benefits are loaded by 1.75% for Safety Members and 1.00% for General Members.
13. Rates of Separation – Separate rates of termination are assumed among Safety and General Members. Termination rates do not apply once a member is eligible for retirement.

Service	Safety	General
	All	All
0	18.0%	18.0%
1	12.0%	14.0%
2	9.0%	11.7%
3	7.0%	9.4%
4	6.0%	7.1%
5	5.0%	5.0%
10	5.0%	3.5%
15	3.4%	2.9%
20	0.0%	1.5%
25	0.0%	1.3%
30+	0.0%	0.0%

14. Withdrawal – Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions. 50% of all General Member terminations with less than ten years of service and 20% of those with ten or more years of service are assumed to take a refund of contributions. 35% of all Safety Member terminations with less than ten years of service and 10% of those with ten or more years of service are assumed to take a refund of contributions.
15. Vested Termination – Rates of vested termination apply to active Members who terminate their employment after five years of service and leave their member contributions on deposit with the Plan. Tier 3 General Members are assumed to begin receiving benefits at age 65; all other General Members at age 58. Safety Members are assumed to begin receiving benefits at age 53. 50% of vested terminated General members are assumed to be reciprocal, and 65% of vested Safety members are assumed to be reciprocal. Reciprocal members are assumed to receive 3.75% annual pay increases from the date of transfer to the assumed retirement date.
16. Service Connected-Disability – Separate rates are assumed among Safety and General Members. Rates for both sexes for Safety Members are combined.

Service-Connected Disability			
Age	Safety	General	
	All	Female	Male
20	0.0020%	0.0002%	0.0043%
25	0.0760%	0.0004%	0.0102%
30	0.1700%	0.0008%	0.0211%
35	0.2640%	0.0024%	0.0284%
40	0.3600%	0.0056%	0.0401%
45	0.4570%	0.0101%	0.0613%
50	0.5570%	0.0162%	0.0897%
55	0.6580%	0.0249%	0.1227%
60	0.7620%	0.0349%	0.1637%
65	0.8690%	0.0000%	0.0000%

## Actuarial Assumptions (continued)

17. Non Service-Connected Disability - Separate rates are assumed among Safety and General Members. Rates for both sexes for Safety Members are combined. Rates shown are applied after five years of service.

Non Service-Connected Disability			
Age	Safety	General	
	All	Female	Male
20	0.0100%	0.0100%	0.0170%
25	0.0100%	0.0100%	0.0170%
30	0.0200%	0.0240%	0.0190%
35	0.0300%	0.0710%	0.0390%
40	0.0400%	0.1350%	0.1020%
45	0.0500%	0.1880%	0.1510%
50	0.0800%	0.1990%	0.1580%
55	0.1300%	0.1490%	0.1580%
60	0.2000%	0.1050%	0.1530%
65	0.2000%	0.0880%	0.1280%
70+	-	0.0840%	0.1020%

18. Rates for Mortality for Healthy Lives – Rates of mortality for active Members are specified by the CalPERS Pre-Retirement Non-Industrial Mortality table, adjusted by 97.2% for males and 101.6% for females, with generational mortality improvements projected from 2009 using SOA Scale MP-2018.

Mortality Rates			
Age	Duty Death	Ordinary Death - General & Safety	
	Safety All	Female	Male
20	0.0030%	0.0215%	0.0320%
25	0.0070%	0.0248%	0.0413%
30	0.0100%	0.0269%	0.0505%
35	0.0120%	0.0378%	0.0588%
40	0.0130%	0.0539%	0.0774%
45	0.0140%	0.0766%	0.1094%
50	0.0150%	0.1079%	0.1600%
55	0.0160%	0.1550%	0.2353%
60	0.0170%	0.2261%	0.3446%
65	0.0180%	0.3324%	0.4949%
70	0.0190%	0.4747%	0.6891%

## Actuarial Assumptions (continued)

### 19. Disabled Member Mortality –

Nonservice-Connected Disability Members are specified by the CalPERS Non-Industrial Disable Annuitant Mortality table, adjusted 104.5% for females, with generational mortality improvements projected from 2009 using SOA Scale MP-2018.

Service-Connected Disability Members are adjusted by 101.9% for males using the same table and scale.

Diabled Mortality Rates				
	NonService Connected		Service Connected	
Age	Female	Male	Female	Male
45	0.892%	1.297%	0.298%	0.344%
50	1.285%	1.784%	0.495%	0.542%
55	1.327%	2.095%	0.460%	0.648%
60	1.578%	2.634%	0.633%	0.884%
65	2.138%	3.120%	1.066%	1.455%
70	2.941%	3.890%	1.775%	2.254%
75	4.041%	5.398%	2.952%	3.908%
80	6.287%	8.230%	4.978%	6.754%
85	10.327%	13.166%	7.959%	10.587%
90	16.806%	18.469%	12.335%	16.493%

20. Retired Member and Beneficiary Mortality - specified by the CalPERS Non-Industrial Disable Annuitant Mortality table, adjusted by 97.2% for males and 104.1% for females, with generational mortality improvements projected from 2009 using Scale MP-2018.

Retired Mortality Rates		
Age	Female	Male
45	0.221%	0.234%
50	0.515%	0.517%
55	0.479%	0.618%
60	0.556%	0.794%
65	0.779%	1.026%
70	1.317%	1.717%
75	2.283%	2.900%
80	3.847%	5.128%
85	6.949%	9.165%
90	12.841%	15.733%

21. Mortality Improvement – The mortality assumptions employ a fully generational mortality improvement projection from base year 2009 using Scale MP-2018.

## Actuarial Assumptions (continued)

22. Service Retirement – Assumed to occur among eligible members in accordance with the following table for non-PEPRA tiers 1 through 5.

Service Retirement - General				Service Retirement - Safety			
	Years of Service				Years of Service		
Age	0-9	10-29	30+	Age	0-9	10-19	20+
40-44	0.00%	0.00%	0.00%	40-48	0.00%	0.00%	5.00%
45-49	0.00%	0.00%	10.00%	49	0.00%	0.00%	20.00%
50-54	0.00%	5.00%	10.00%	50	0.00%	10.00%	30.00%
55	0.00%	7.50%	20.00%	51	0.00%	10.00%	20.00%
56	0.00%	7.50%	20.00%	52	0.00%	10.00%	20.00%
57	0.00%	7.50%	20.00%	53	0.00%	10.00%	20.00%
58	0.00%	12.50%	20.00%	54	0.00%	10.00%	20.00%
59	0.00%	12.50%	20.00%	55	0.00%	10.00%	30.00%
60	0.00%	12.50%	25.00%	56	0.00%	10.00%	30.00%
61	0.00%	20.00%	25.00%	57	0.00%	10.00%	30.00%
62	0.00%	25.00%	40.00%	58	0.00%	10.00%	30.00%
63	0.00%	20.00%	25.00%	59	0.00%	10.00%	30.00%
64	0.00%	25.00%	25.00%	60	0.00%	25.00%	100.00%
65	0.00%	35.00%	35.00%	61	0.00%	25.00%	100.00%
66	0.00%	45.00%	45.00%	62	0.00%	25.00%	100.00%
67	0.00%	20.00%	25.00%	63	0.00%	25.00%	100.00%
68	0.00%	20.00%	25.00%	64	0.00%	25.00%	100.00%
69	0.00%	20.00%	25.00%	65	0.00%	100.00%	100.00%
70	50.00%	50.00%	100.00%	66	0.00%	100.00%	100.00%
71	50.00%	50.00%	100.00%	67	0.00%	100.00%	100.00%
72	50.00%	50.00%	100.00%	68	0.00%	100.00%	100.00%
73	50.00%	50.00%	100.00%	69	0.00%	100.00%	100.00%
74	50.00%	50.00%	100.00%	70+	100.00%	100.00%	100.00%
75+	100.00%	100.00%	100.00%				



## Actuarial Assumptions (continued)

23. PEPRA – Retirement for members in PEPRA, Tier 6, are assumed to occur among eligible members in accordance with the sample rates below, from the full tables CALPERS Public Agency Miscellaneous 2% @ 62 table for General and the CALPERS Public Agency Safety Police 2.7% @ 57 table for Safety:

Service Retirement - General (PEPRA)				
	Years of Service			
Age	5	10	25	35
50-51	0.00%	0.00%	0.00%	0.00%
52	0.50%	0.80%	1.90%	3.80%
53	0.70%	1.10%	2.10%	4.80%
54	0.70%	1.10%	2.30%	5.40%
55	1.00%	1.90%	6.10%	15.20%
56	1.40%	2.60%	7.50%	16.70%
57	1.80%	2.90%	7.40%	14.30%
58	2.30%	3.50%	7.30%	13.50%
59	2.50%	3.80%	9.20%	17.50%
60	3.10%	5.10%	11.10%	18.30%
61	3.80%	5.80%	12.10%	23.20%
62	4.40%	7.40%	16.40%	27.10%
63	7.70%	10.50%	19.20%	26.60%
64	7.20%	10.10%	18.70%	27.60%
65	10.80%	14.10%	23.90%	34.80%
66	13.20%	17.20%	29.20%	42.60%
67	13.20%	17.20%	29.20%	40.50%
68	12.00%	15.60%	26.50%	38.70%
69	12.00%	15.60%	26.50%	36.80%
70	12.00%	15.60%	26.50%	38.70%
71	12.00%	15.60%	26.50%	38.70%
72	12.00%	15.60%	26.50%	38.70%
73	12.00%	15.60%	26.50%	38.70%
74	12.00%	15.60%	26.50%	38.70%
75+	100.00%	100.00%	100.00%	100.00%

Service Retirement - Safety (PEPRA)				
	Years of Service			
Age	5	10	25	35
50	5.00%	5.00%	5.00%	11.00%
51	4.00%	4.00%	5.75%	13.92%
52	3.80%	3.80%	5.80%	13.21%
53	3.80%	3.80%	7.74%	28.98%
54	3.80%	3.80%	9.31%	33.25%
55	6.84%	6.84%	13.40%	38.76%
56	6.27%	6.27%	12.28%	34.49%
57	6.00%	6.00%	11.75%	32.00%
58	8.00%	8.00%	13.75%	35.00%
59	8.00%	8.00%	14.00%	40.00%
60	15.00%	15.00%	15.00%	35.00%
61	14.40%	14.40%	14.40%	26.40%
62	15.00%	15.00%	15.00%	33.00%
63	15.00%	15.00%	15.00%	40.00%
64	15.00%	15.00%	15.00%	52.50%
65+	100.00%	100.00%	100.00%	100.00%

24. Changes in actuarial assumptions – Details of all assumption changes can be found in the Actuarial Experience Study Report on StanCERA's website at <http://www.stancera.org> for the period covering July 1, 2015 through June 30, 2018. The proposed assumptions were summarized and reviewed with the Board at the January 22, 2019 Board meeting, at which the Board provided direction to proceed with the valuation based on those assumptions.

Participant data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan staff on direction of the Executive Director on electronic media. Member data was neither verified nor audited.

**SCHEDULE OF ACTIVE MEMBER VALUATION DATA  
FOR FISCAL YEARS ENDED JUNE 30**

Valuation Date	Plan Type	Number	Annual Salary	Average Annual Salary	% Increase (Decrease) in Average Salary	Number of Employers
6/30/2010	General	3,464	\$ 202,200,198	\$ 58,372	5.26%	8
	Safety	685	46,630,275	68,073	6.64%	
	Total	4,149	\$ 248,830,473	\$ 59,974	5.45%	
6/30/2011	General	3,232	\$ 184,906,498	\$ 57,211	-1.99%	8
	Safety	637	41,800,298	65,621	-3.60%	
	Total	3,869	\$ 226,706,796	\$ 58,596	-2.30%	
6/30/2012	General	3,233	\$ 179,260,736	\$ 55,447	-3.08%	8
	Safety	661	41,657,273	63,022	-3.96%	
	Total	3,894	\$ 220,918,009	\$ 56,733	-3.18%	
6/30/2013	General	3,230	\$ 176,437,755	\$ 54,625	-1.48%	8
	Safety	694	42,590,563	61,370	-2.62%	
	Total	3,924	\$ 219,028,318	\$ 55,818	-1.61%	
6/30/2014	General	3,303	\$ 179,606,090	\$ 54,377	-0.45%	8
	Safety	689	43,422,198	63,022	2.69%	
	Total	3,992	\$ 223,028,288	\$ 55,869	0.09%	
6/30/2015	General	3,421	\$ 188,550,804	\$ 55,116	1.36%	8
	Safety	723	49,166,923	68,004	7.91%	
	Total	4,144	\$ 237,717,727	\$ 57,364	2.68%	
6/30/2016	General	3,521	\$ 198,457,059	\$ 56,364	2.26%	8
	Safety	727	52,020,521	71,555	5.22%	
	Total	4,248	\$ 250,477,580	\$ 58,964	2.79%	
6/30/2017	General	3,552	\$ 201,758,423	\$ 56,801	0.78%	8
	Safety	757	54,385,261	71,843	0.40%	
	Total	4,309	\$ 256,143,684	\$ 59,444	0.81%	
6/30/2018	General	3,658	\$ 211,919,963	\$ 57,933	1.99%	8
	Safety	794	58,835,257	74,100	3.14%	
	Total	4,452	\$ 270,755,220	\$ 60,817	2.31%	
6/30/2019	General	3,690	\$ 220,393,008	\$ 59,727	3.10%	8
	Safety	814	63,615,295	78,151	5.47%	
	Total	4,504	\$ 284,008,303	\$ 63,057	3.68%	

Note: The annual salary presented here is annualized historical salary. The covered payroll shown in the Notes to the Basic Financial Statements is actual pensionable salaries. Salary shown in the schedule of Funding Progress is based on projected salary from the actuarial valuation.

Note: The employers participating in the Plan include Stanislaus County, Stanislaus County Superior Court, City of Ceres and five small districts.

## SCHEDULE OF FUNDING PROGRESS FOR FISCAL YEARS ENDED JUNE 30

Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as a % of Covered Payroll
2010	\$ 1,325,801,000	\$ 1,737,824,000	\$ 412,023,000	76.3%	\$ 248,830,473	165.6%
2011	\$ 1,372,046,000	\$ 1,757,718,000	\$ 385,672,000	78.1%	\$ 226,706,796	170.1%
2012	\$ 1,451,764,000	\$ 1,888,713,000	\$ 436,949,000	76.9%	\$ 220,918,009	197.8%
2013	\$ 1,524,076,000	\$ 1,919,227,000	\$ 395,151,000	79.4%	\$ 219,028,318	180.4%
2014	\$ 1,644,077,000	\$ 2,026,371,000	\$ 382,294,000	81.1%	\$ 223,028,288	171.4%
2015	\$ 1,763,629,000	\$ 2,391,522,000	\$ 627,893,000	73.7%	\$ 237,717,727	264.1%
2016	\$ 1,845,764,000	\$ 2,537,067,000	\$ 691,303,000	72.8%	\$ 250,477,580	276.0%
2017	\$ 1,968,231,000	\$ 2,648,162,000	\$ 679,931,000	74.3%	\$ 256,143,684	265.4%
2018	\$ 2,100,278,000	\$ 2,749,068,000	\$ 648,790,000	76.4%	\$ 270,755,220	239.6%
2019	\$ 2,199,956,000	\$ 2,897,223,000	\$ 697,267,000	75.9%	\$ 284,008,303	245.5%

<sup>1</sup> Excludes value of Non-Valuation Reserves.

## RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM RETIREE PAYROLL FOR FISCAL YEARS ENDED JUNE 30

Actuarial Valuation Date	At Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	At End of Year	Retiree Payroll	% Increase in Retiree Payroll	Average Annual Allowance
2010	2,751	159	\$ 3,349,900	80	\$ 751,427	2,830	\$ 71,464,735	7.11%	\$ 25,334
2011	2,830	263	\$ 4,724,416	78	\$ 1,194,042	3,015	\$ 74,826,404	4.70%	\$ 25,732
2012	3,015	226	\$ 3,565,634	99	\$ 978,729	3,142	\$ 80,157,222	7.12%	\$ 26,737
2013	3,142	198	\$ 6,036,138	91	\$ 1,144,584	3,249	\$ 89,975,736	12.25%	\$ 27,694
2014	3,249	222	\$ 6,703,273	86	\$ 1,725,066	3,385	\$ 96,405,454	7.15%	\$ 28,480
2015	3,385	237	\$ 7,778,716	83	\$ 2,043,313	3,539	\$ 104,052,097	7.93%	\$ 29,402
2016	3,539	211	\$ 7,066,750	99	\$ 2,160,689	3,651	\$ 111,260,240	6.93%	\$ 30,474
2017	3,651	202	\$ 6,749,973	107	\$ 2,471,229	3,746	\$ 117,901,627	5.97%	\$ 31,474
2018	3,746	233	\$ 7,555,825	123	\$ 3,109,178	3,856	\$ 124,995,337	6.02%	\$ 32,416
2019	3,856	242	\$ 8,421,538	97	\$ 2,580,158	4,001	\$ 133,601,799	6.89%	\$ 33,392

**SCHEDULE OF FUNDED LIABILITIES BY TYPE  
SOLVENCY TEST  
FOR FISCAL YEARS ENDED JUNE 30**

Valuation Date	Actuarial Accrued Liabilities (AAL) for:			Actuarial Accrued Liabilities	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	1	2	3			1	2	3
	Active Member Contributions	Retirees & Beneficiaries	Active Members Employer Portion					
2010	\$ 323,940,000	\$ 829,323,000	\$ 584,561,000	\$ 1,737,824,000	\$ 1,325,801,000	100%	100%	30%
2011	\$ 337,201,000	\$ 897,384,000	\$ 523,133,000	\$ 1,757,718,000	\$ 1,372,046,000	100%	100%	26%
2012	\$ 351,569,000	\$ 987,546,000	\$ 549,598,000	\$ 1,888,713,000	\$ 1,451,764,000	100%	100%	20%
2013	<sup>1</sup> \$ 191,968,000	\$ 1,065,792,000	\$ 661,466,000	\$ 1,919,227,000	\$ 1,524,076,000	100%	100%	40%
2014	\$ 193,301,000	\$ 1,144,734,000	\$ 688,335,000	\$ 2,026,371,000	\$ 1,644,077,000	100%	100%	44%
2015	\$ 196,074,000	\$ 1,328,846,000	\$ 850,510,000	\$ 2,391,522,000	\$ 1,763,629,000	100%	100%	28%
2016	\$ 200,960,000	\$ 1,427,166,000	\$ 908,941,000	\$ 2,537,067,000	\$ 1,845,764,000	100%	100%	24%
2017	\$ 206,386,000	\$ 1,510,151,000	\$ 931,625,000	\$ 2,648,162,000	\$ 1,968,231,000	100%	100%	27%
2018	\$ 213,223,000	\$ 1,590,078,000	\$ 945,767,000	\$ 2,749,068,000	\$ 2,100,278,000	100%	100%	31%
2019	\$ 219,369,000	\$ 1,695,484,000	\$ 982,369,000	\$ 2,897,223,000	\$ 2,199,956,000	100%	100%	29%

<sup>1</sup> Reflects transfer as of June 30, 2008 of \$50 million from Non-Valuation to Valuation Reserves.

**ACTUARIAL ANALYSIS OF FINANCIAL EXPERIENCE  
FOR FISCAL YEARS ENDED JUNE 30**

Plan Year Ending	Actuarial (Gains)/Losses			Changes in Plan Provisions	Changes in Assumption/Methods
	Asset Sources	Liability Sources	Total		
2010	\$ (76,507,113)	\$ 37,492,978	\$ 39,014,135	\$ -	\$ (51,743,766)
2011	\$ 49,205,018	\$ (2,387,353)	\$ 46,817,665	\$ -	\$ (72,085,966)
2012	\$ (5,283,786)	\$ 6,191,029	\$ 907,243	\$ -	\$ 52,606,350
2013	\$ 10,200,000	\$ 8,500,000	\$ 18,700,000	\$ -	\$ (63,400,000)
2014	\$ (22,600,000)	\$ 6,100,000	\$ (16,500,000)	\$ -	\$ 400,000
2015	\$ (20,600,000)	\$ (5,600,000)	\$ (26,200,000)	\$ -	\$ 269,800,000
2016	<sup>1</sup> \$ 16,300,000	\$ 28,900,000	\$ 45,200,000	\$ -	\$ -
2017	\$ (20,800,000)	\$ (8,900,000)	\$ (29,700,000)	\$ -	\$ -
2018	\$ (12,400,000)	\$ 16,800,000	\$ 4,400,000	\$ -	\$ (37,800,000)
2019	\$ 28,700,000	\$ 30,800,000	\$ 59,500,000	\$ -	\$ -

<sup>1</sup> Changes due to Actuarial Audit included as Liability Loss of \$700,000.

A 10 year schedule of actuarially determined contributions compared to actual contributions can be found in the Required Supplementary Information to the Financial Statements on page 46.

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# *Statistical Section*





## STATISTICAL INFORMATION

This section provides a multi-year trend of financial and demographic information to facilitate a more comprehensive understanding of this year's financial statements, note disclosures, and supplementary information covering StanCERA's Plan. The financial and operating information provides additional perspective, context, and detail for StanCERA's Fiduciary Net Position, revenues and expenses by source, number of retirees by benefit type, payments made to retirees by benefit type, membership history, and the participating employers. The financial and operating trend information is located below and on the following pages.

### CHANGES IN FIDUCIARY NET POSITION

*Last Ten Fiscal Years ending June 30*

Additions To Fiduciary Net Position	2020	2019	2018	2017	2016
Employer Contributions	\$ 92,684,609	\$ 88,589,381	\$ 76,966,471	\$ 63,024,559	\$ 58,196,310
Plan Member Contributions	29,645,645	27,742,863	26,746,289	25,463,745	23,916,508
Net Investment Income (Loss)	18,496,773	99,280,525	154,988,199	252,309,706	(31,322,276)
<i>Total Additions</i>	<u>\$ 140,827,027</u>	<u>\$ 215,612,769</u>	<u>\$ 258,700,959</u>	<u>\$ 340,798,010</u>	<u>\$ 50,790,542</u>

Deductions From Fiduciary Net Position					
Pension Benefits	\$ 138,223,922	\$ 129,100,668	\$ 121,138,269	\$ 114,290,758	\$ 106,928,097
Refunds	1,761,673	2,674,023	2,033,847	2,553,100	1,237,713
Administrative Expense	3,216,625	2,557,391	2,791,409	2,644,554	2,315,223
<i>Total Deductions</i>	<u>\$ 143,202,220</u>	<u>\$ 134,332,082</u>	<u>\$ 125,963,525</u>	<u>\$ 119,488,412</u>	<u>\$ 110,481,033</u>

Change in Fiduciary Net Position Restricted for Pension Benefits	\$ (2,375,193)	\$ 81,280,687	\$ 132,737,434	\$ 221,309,598	\$ (59,690,491)
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Fiduciary Net Position Restricted for Pension Benefits					
Beginning of Year	2,208,241,432	2,126,960,745	1,994,223,311	1,772,913,713	1,832,604,204
End of Year	<u>\$2,205,866,239</u>	<u>\$2,208,241,432</u>	<u>\$2,126,960,745</u>	<u>\$1,994,223,311</u>	<u>\$1,772,913,713</u>

Additions To Fiduciary Net Position	2015	2014	2013	2012	2011
Employer Contributions	\$ 53,849,031	\$ 46,763,996	\$ 39,077,480	\$ 27,314,032	\$ 26,256,729
Plan Member Contributions	22,960,235	21,867,911	20,285,888	20,525,295	19,197,052
Net Investment Income (Loss)	68,722,781	274,896,108	189,988,287	3,724,754	261,842,492
<i>Total Additions</i>	<u>\$ 145,532,047</u>	<u>\$ 343,528,015</u>	<u>\$ 249,351,655</u>	<u>\$ 51,564,081</u>	<u>\$ 307,296,273</u>

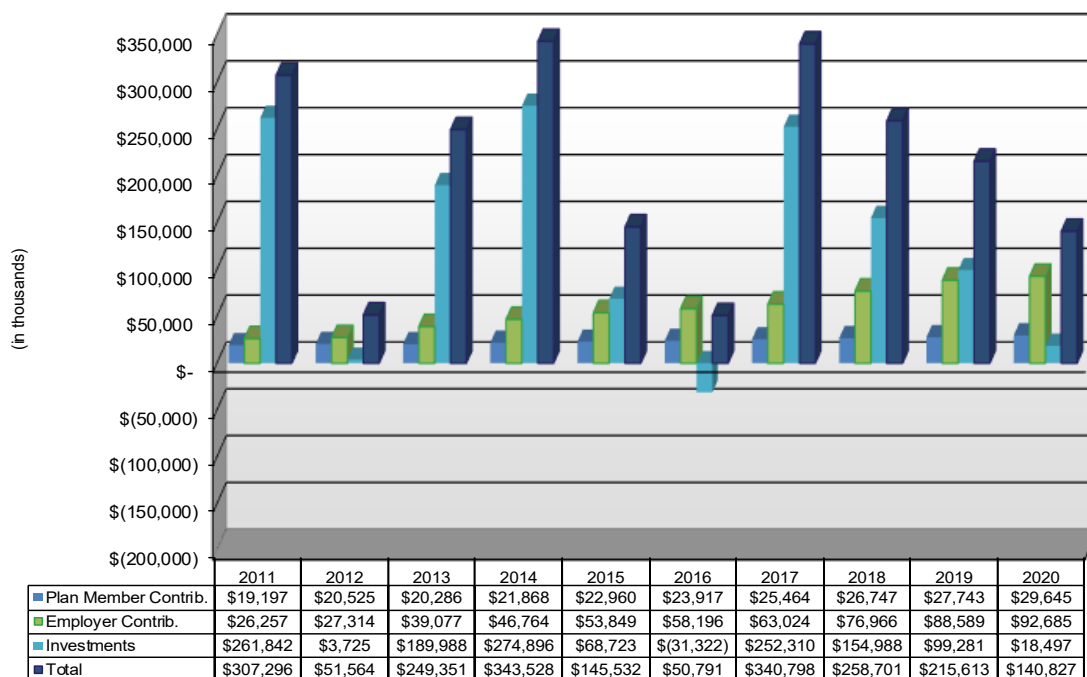
Deductions From Fiduciary Net Position					
Pension Benefits	\$ 99,811,849	\$ 93,076,127	\$ 86,722,499	\$ 80,062,975	\$ 74,725,248
Refunds	2,046,307	1,706,344	1,926,062	1,927,058	2,007,309
Administrative Expense	2,378,966	2,249,260	2,065,345	2,144,748	2,037,167
<i>Total Deductions</i>	<u>\$ 104,237,122</u>	<u>\$ 97,031,731</u>	<u>\$ 90,713,906</u>	<u>\$ 84,134,781</u>	<u>\$ 78,769,724</u>

Change in Fiduciary Net Position Restricted for Pension Benefits	\$ 41,294,925	\$ 246,496,284	\$ 158,637,749	\$ (32,570,700)	\$ 228,526,549
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Fiduciary Net Position Restricted for Pension Benefits					
Beginning of Year	1,791,309,279	1,544,812,995	1,386,175,246	1,418,745,946	1,190,219,397
End of Year	<u>\$1,832,604,204</u>	<u>\$1,791,309,279</u>	<u>\$1,544,812,995</u>	<u>\$1,386,175,246</u>	<u>\$1,418,745,946</u>

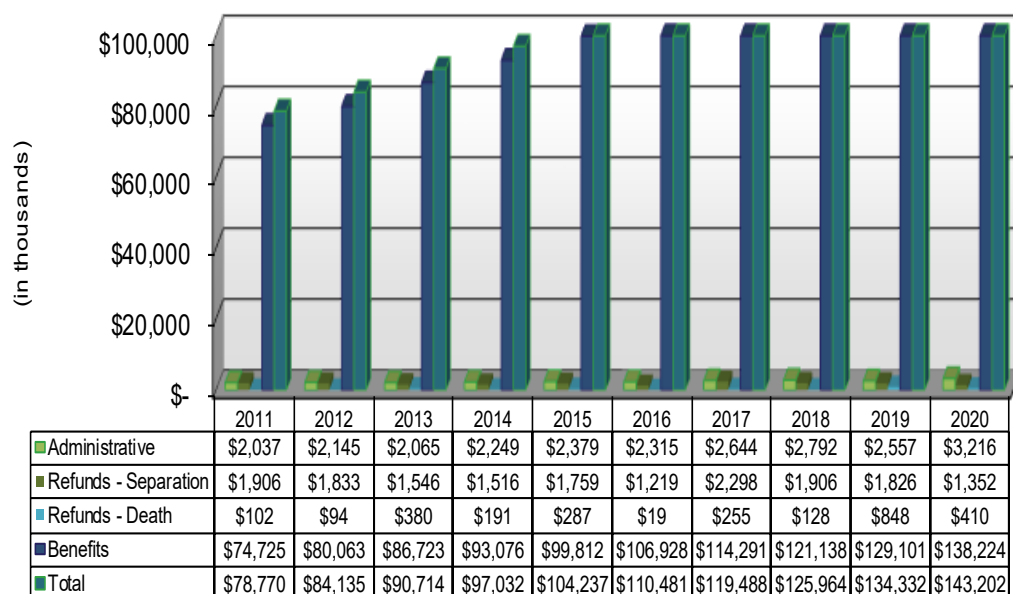


### Additions by Source (for years ending June 30)



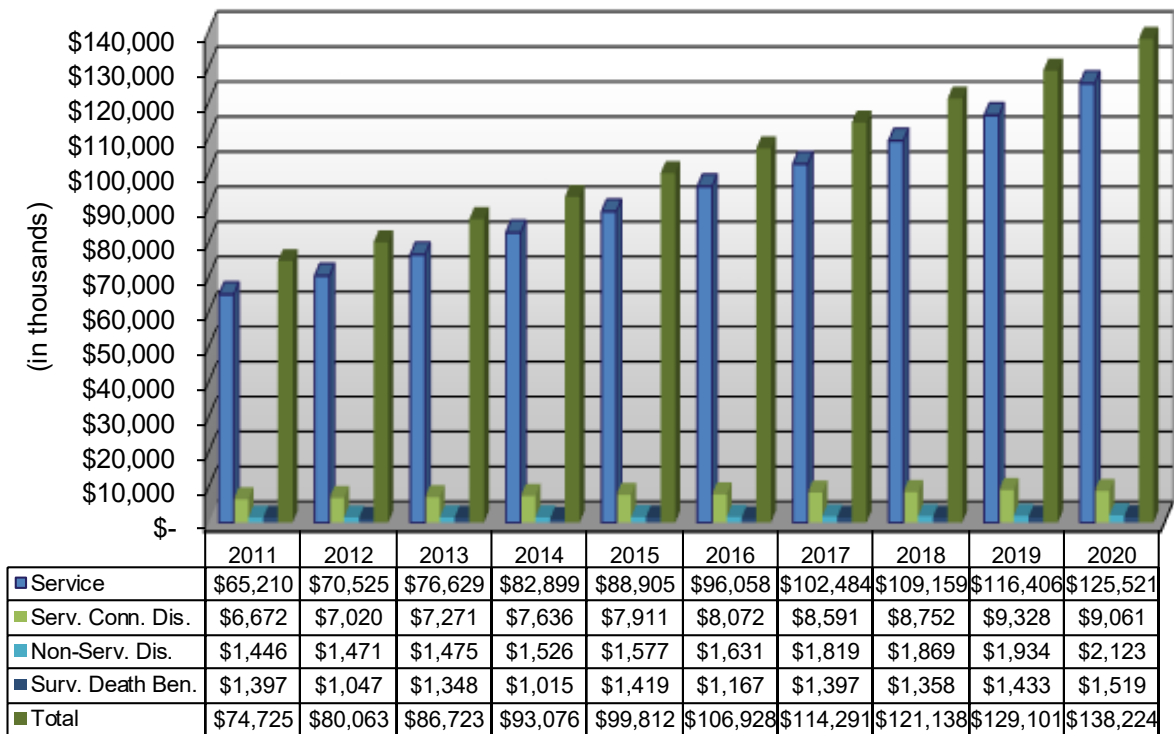
Data Source: CAFR Financial Section, Statement of Changes in Fiduciary Net Position in Management Discussion

### Deductions by Type (for years ending June 30)



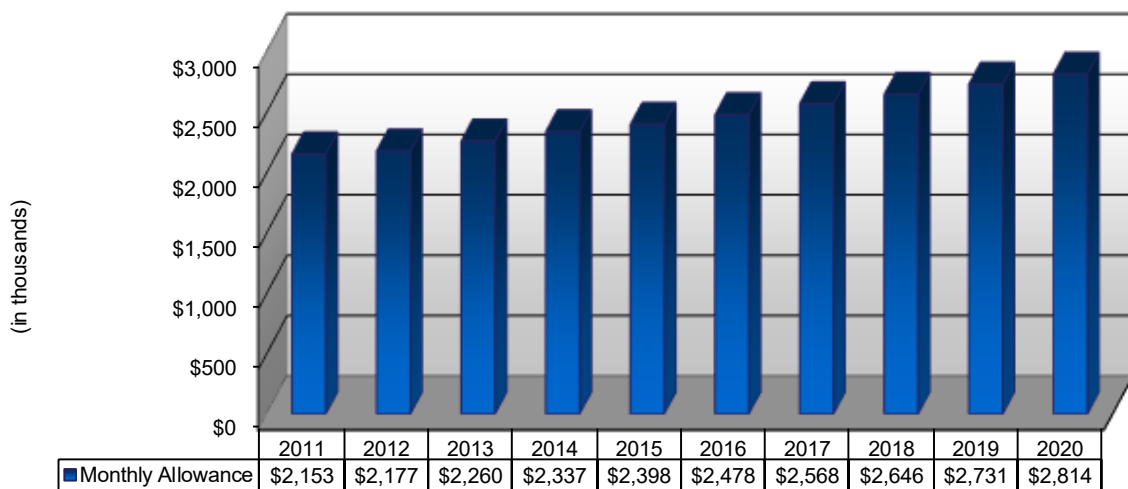
Data Source:  
CAFR Financial Section, Statement of Changes in Fiduciary Net Position

### Benefit Expense by Type (for years ending June 30)



Data Source: StanCERA Pension Administration System

### Average Monthly Retirement Benefits (for years ending June 30)



Data Source: StanCERA Pension Administration System

**RETIRED MEMBERS BY BENEFIT TYPE**  
as of June 30, 2020

Amount Monthly Benefit	Total # Retirees	Service Retirement	Service Connected Disability	Non-Service Disability	Survivors
<b>General Members</b>					
\$0-500	367	346	1	12	8
501-1,000	482	430	3	30	19
1,001-1,500	537	474	13	41	9
1,501-2,000	413	358	32	19	4
2,001-2,500	337	301	27	7	2
2,501-3,000	268	246	16	5	1
3,001-3,500	188	181	6	0	1
3,501-4,000	160	155	2	1	2
4,001-4,500	136	134	2	0	0
4,501-5,000	105	103	1	1	0
over 5,000	399	395	3	0	1
<b>Totals</b>	<b>3,392</b>	<b>3,123</b>	<b>106</b>	<b>116</b>	<b>47</b>
<b>Safety Members</b>					
\$0-500	36	18	17	1	0
501-1,000	34	26	5	1	2
1,001-1,500	38	36	0	1	1
1,501-2,000	47	38	5	4	0
2,001-2,500	47	37	6	3	1
2,501-3,000	54	25	28	0	1
3,001-3,500	95	38	55	1	1
3,501-4,000	61	37	24	0	0
4,001-4,500	53	40	12	0	1
4,501-5,000	30	28	2	0	0
over 5,000	206	188	18	0	0
<b>Totals</b>	<b>701</b>	<b>511</b>	<b>172</b>	<b>11</b>	<b>7</b>
<b>TOTALS</b>	<b>4,093</b>	<b>3,634</b>	<b>278</b>	<b>127</b>	<b>54</b>

Data Source: StanCERA Pension Administration System

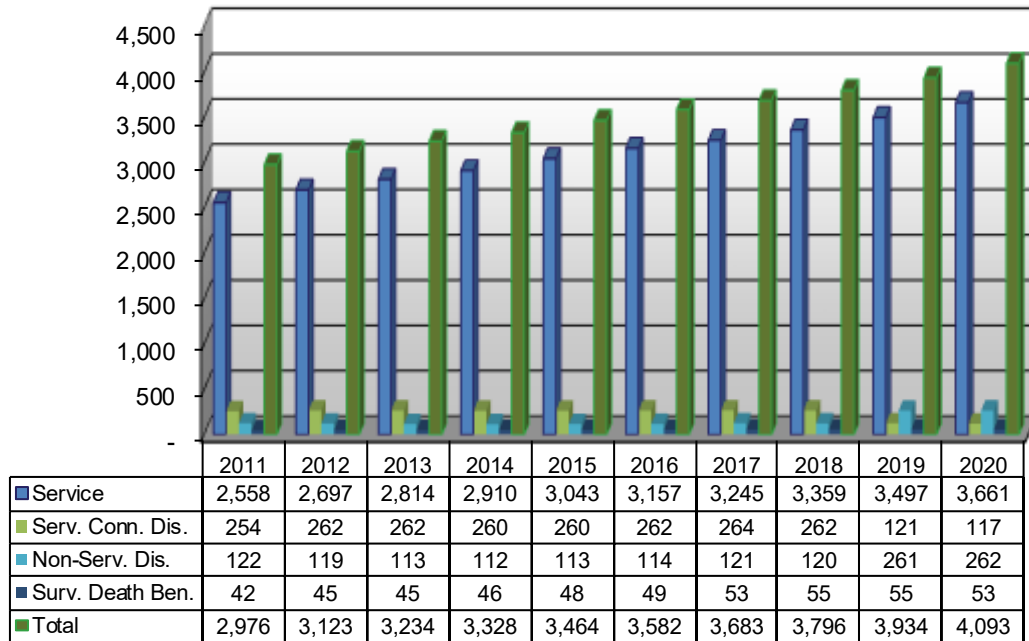
## AVERAGE BENEFIT PAYMENTS

As of Fiscal Year End June 30

	Beneficiaries		Service Years Credited					
	& Dro's	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>Fiscal Year Ending June 30, 2011</b>								
Average Monthly Benefit	\$1,362	\$621	\$1,044	\$1,192	\$1,843	\$2,581	\$3,785	\$5,260
Avg Final Average Salary	\$1,176	\$3,840	\$3,286	\$2,862	\$3,009	\$3,364	\$3,790	\$5,232
Number of Active Retirees	389	169	350	574	454	424	331	298
<b>Fiscal Year Ending June 30, 2012</b>								
Average Monthly Benefit	\$1,405	\$596	\$1,040	\$1,212	\$1,918	\$2,654	\$3,860	\$5,152
Avg Final Average Salary	\$2,612	\$4,848	\$3,857	\$3,620	\$3,963	\$4,393	\$4,812	\$5,815
Number of Active Retirees	383	176	366	606	484	446	335	320
<b>Fiscal Year Ending June 30, 2013</b>								
Average Monthly Benefit	\$1,430	\$657	\$1,100	\$1,295	\$2,003	\$2,792	\$4,007	\$5,309
Avg Final Average Salary	\$2,662	\$5,058	\$4,110	\$3,748	\$4,047	\$4,516	\$4,962	\$5,872
Number of Active Retirees	387	195	376	634	498	469	344	331
<b>Fiscal Year Ending June 30, 2014</b>								
Average Monthly Benefit	\$1,467	\$651	\$1,124	\$1,354	\$2,082	\$2,836	\$4,088	\$5,427
Avg Final Average Salary	\$2,745	\$5,272	\$4,205	\$3,927	\$4,235	\$4,596	\$5,089	\$5,948
Number of Active Retirees	389	206	394	680	524	488	353	349
<b>Fiscal Year Ending June 30, 2015</b>								
Average Monthly Benefit	\$1,508	\$638	\$1,143	\$1,403	\$2,164	\$2,938	\$4,217	\$5,566
Avg Final Average Salary	\$2,846	\$5,627	\$4,328	\$4,055	\$4,379	\$4,675	\$5,175	\$6,047
Number of Active Retirees	399	222	407	699	551	511	375	360
<b>Fiscal Year Ending June 30, 2016</b>								
Average Monthly Benefit	\$1,548	\$652	\$1,186	\$1,462	\$2,231	\$3,034	\$4,342	\$5,669
Avg Final Average Salary	\$2,901	\$5,766	\$4,535	\$4,187	\$4,513	\$4,779	\$5,297	\$6,061
Number of Active Retirees	412	230	420	699	573	525	398	380
<b>Fiscal Year Ending June 30, 2017</b>								
Average Monthly Benefit	\$1,620	\$791	\$1,203	\$1,520	\$2,338	\$3,172	\$4,482	\$5,790
Avg Final Average Salary	\$3,006	\$5,453	\$4,588	\$4,293	\$4,666	\$4,946	\$5,413	\$6,076
Number of Active Retirees	378	274	438	716	593	547	413	384
<b>Fiscal Year Ending June 30, 2018</b>								
Average Monthly Benefit	\$1,768	\$801	\$1,208	\$1,551	\$2,406	\$3,289	\$4,600	\$5,912
Avg Final Average Salary	\$3,617	\$5,738	\$4,679	\$4,379	\$4,776	\$5,123	\$5,512	\$6,102
Number of Active Retirees	333	281	461	732	614	548	430	397
<b>Fiscal Year Ending June 30, 2019</b>								
Average Monthly Benefit	\$1,851	\$891	\$1,222	\$1,616	\$2,503	\$3,493	\$4,713	\$6,057
Avg Final Average Salary	\$3,674	\$6,014	\$4,734	\$4,487	\$4,907	\$5,361	\$5,574	\$6,203
Number of Active Retirees	351	298	470	753	642	572	440	408
<b>Fiscal Year Ending June 30, 2020</b>								
Average Monthly Benefit	\$1,796	\$1,288	\$1,374	\$2,970	\$3,319	\$5,264	\$11,881	\$6,857
Avg Final Average Salary	\$3,422	\$6,235	\$4,843	\$4,592	\$5,039	\$5,495	\$5,775	\$6,290
Number of Active Retirees	445	308	486	771	665	604	464	425

## Membership History (Retired)

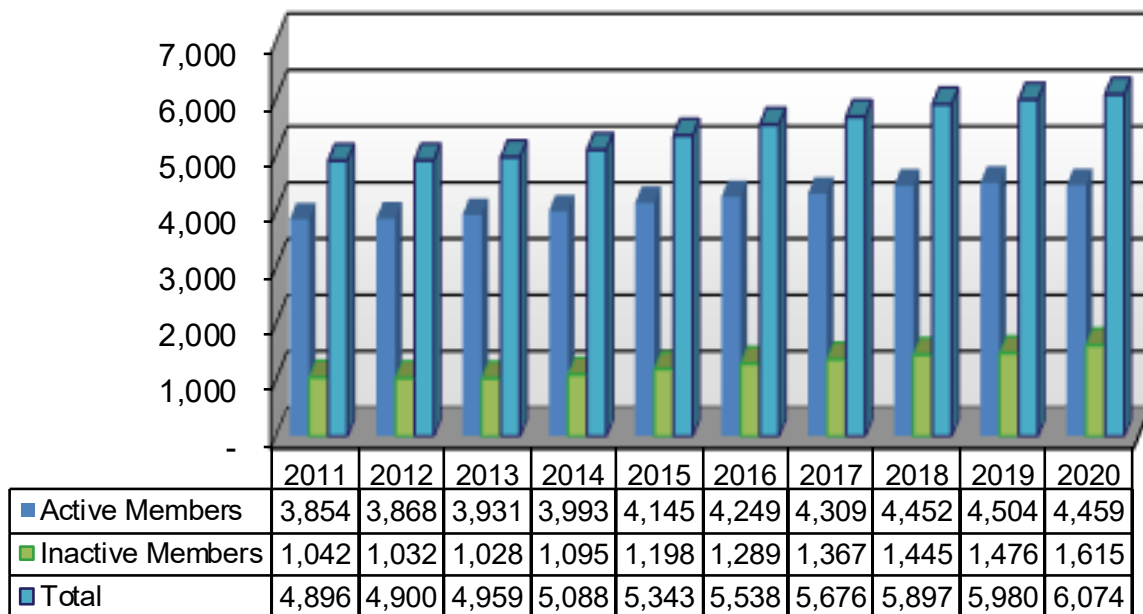
(for years ending June 30)



Data Source: StanCERA Pension Administration System

## Membership History (Active & Deferred)

(for years ending June 30)



Data Source: StanCERA Pension Administration System

**PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS  
WITH PERCENTAGE OF TOTAL SYSTEM**

for years ended June 30

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>	
<b>Stanislaus County:</b>										
General Members	3,273	73.4%	3,305	73.4%	3,307	74.3%	3,202	74.3%	3,156	74.3%
Safety Members	<u>726</u>	16.3%	<u>734</u>	16.3%	<u>721</u>	16.2%	<u>676</u>	15.7%	<u>645</u>	15.2%
<b>Total</b>	<u>3,999</u>		<u>4,039</u>		<u>4,028</u>		<u>3,878</u>		<u>3,801</u>	
<b>Participating Agencies:</b>										
Stanislaus County Superior Court	234	5.2%	239	5.3%	219	4.9%	217	5.0%	228	5.4%
City of Ceres	186	4.2%	185	4.1%	171	3.8%	180	4.2%	184	4.3%
East Side Mosquito Abatement District	9	0.2%	10	0.2%	9	0.2%	9	0.2%	10	0.2%
Hills Ferry Cemetery	3	0.1%	3	0.1%	3	0.1%	3	0.1%	3	0.1%
Keyes Community Services District	7	0.2%	7	0.2%	6	0.1%	6	0.1%	6	0.2%
Salida Sanitary District	7	0.2%	7	0.2%	6	0.1%	7	0.2%	7	0.2%
Stanislaus Council of Governments	<u>14</u>	0.3%	<u>14</u>	0.3%	<u>10</u>	0.2%	<u>9</u>	0.2%	<u>10</u>	0.2%
<b>Total</b>	<u>460</u>		<u>465</u>		<u>424</u>		<u>431</u>		<u>448</u>	
<b>Total Active Membership</b>	<u>4,459</u>		<u>4,504</u>		<u>4,452</u>		<u>4,309</u>		<u>4,249</u>	

	<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>	
<b>Stanislaus County:</b>										
General Members	3,062	73.9%	2,963	74.2%	2,903	73.8%	2,852	73.7%	2,841	73.7%
Safety Members	643	15.5%	602	15.1%	606	15.4%	574	14.8%	553	14.3%
<b>Total</b>	<b>3,705</b>		<b>3,565</b>		<b>3,509</b>		<b>3,426</b>		<b>3,394</b>	
<b>Participating Agencies:</b>										
Stanislaus County Superior Court	224	5.4%	212	5.3%	205	5.2%	229	5.9%	245	6.4%
City of Ceres	181	4.4%	181	4.5%	178	4.5%	173	4.5%	173	4.5%
East Side Mosquito Abatement District	8	0.2%	9	0.2%	10	0.3%	10	0.3%	11	0.3%
Hills Ferry Cemetery	3	0.1%	3	0.1%	4	0.1%	4	0.1%	4	0.1%
Keyes Community Services District	6	0.1%	6	0.1%	5	0.2%	6	0.2%	6	0.2%
Salida Sanitary District	7	0.2%	7	0.2%	7	0.2%	7	0.2%	7	0.2%
Stanislaus Council of Governments	11	0.3%	10	0.3%	13	0.3%	13	0.3%	14	0.4%
<b>Total</b>	<b>440</b>		<b>428</b>		<b>422</b>		<b>442</b>		<b>460</b>	
<b>Total Active Membership</b>	<b>4,145</b>		<b>3,993</b>		<b>3,931</b>		<b>3,868</b>		<b>3,854</b>	

Data Source: StanCERA Pension Administration System

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Vision:

Empowering Our Members Through Education and Technology to Play a Proactive Role in Understanding and Managing their Retirement Benefits



Mission;

Provide and Promote Comprehensive and Financially Sound Retirement in a Professional, Efficient and Courteous Manner