



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
(STANCERA)
(PENSION TRUST FUND OF THE
COUNTY OF STANISLAUS, CALIFORNIA)**

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Stanislaus County Employees' Retirement Association

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

Annual Comprehensive Financial Report

**For the Fiscal Years Ended
June 30, 2022 and 2021**

Issued By

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

**Produced by
StanCERA
Staff**

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INTRODUCTION SECTION

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LETTER OF TRANSMITTAL

November 4, 2022

Stanislaus County Employees' Retirement Association
Modesto, CA 95354

Dear Board Trustees and Members:

Please find enclosed the Annual Comprehensive Financial Report (ACFR) of the Stanislaus County Employees' Retirement Association (StanCERA or the Plan) for the fiscal years ended June 30, 2022 and 2021. As of June 30, 2022, it is StanCERA's 74th year of operations.

The ACFR is a detailed financial report established by the Government Finance Officers Association of the United States and Canada (GFOA) for publicly disclosing the viability of a defined benefit public retirement system. The ACFR is intended to provide users with extensive, reliable information for making management decisions, determining compliance with legal provisions, and demonstrating 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 ACFR, 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 nine 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
Stanislaus Regional Transit Authority
Stanislaus Regional Water Authority

StanCERA and Its Services (continued)

StanCERA is governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL); the 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. The Stanislaus County Board of Supervisors appoints four members; the safety members elect one member and the alternate safety member; two members are elected by the general members, while the retired members elect the retiree and alternate retiree members. In addition, the Stanislaus County Treasurer serves as an ex-officio member. Members, except for 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, 2022 and 2021, is presented in the Management's Discussion and Analysis (MD&A) located in the financial section of the ACFR. 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 annually. Economic assumptions are normally reviewed every three years. Additionally, a triennial experience study is conducted every three years, at which time non-economic

Net Pension Liability and Actuarial Funding (continued)

assumptions are also updated. Cheiron, Inc. conducted the most recent valuation and triennial experience study; new assumptions went into effect on July 1, 2022. The experience study was completed as of June 30, 2021 and incorporated into the valuation for the period ending June 30, 2022 setting the contribution rates for the fiscal year beginning July 1, 2022. The Plan's Fiduciary Net Position, as a Percentage of the Total Pension Liability, is 77.4%; this may also be referred to as the Plan's fair value.

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 managing 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. It is designed to provide an optimum mix of asset classes with return expectations to ensure the 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, 2022 and 2021, the Plan's investments provided a -6.4% and 25.2% 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 ACFR for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. This was the eighteenth consecutive year StanCERA has achieved this prestigious award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, the contents of which meet or exceed program standards. In addition, the ACFR 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.

In prior years StanCERA received the Award for Outstanding Achievement for the Popular Annual Financial Report; the report for fiscal year ended June 30, 2021, is currently getting redesigned by StanCERA. This report provides members with more concise and condensed information than can be found in the ACFR.

StanCERA also received the Public Pension Coordinating Council's Public Pension Standards 2021 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. In addition, retirees receive monthly, printed advice notices which contain critical information. Annually, an easy-to-read Popular Annual Financial Report (PAFR) is distributed to all members to communicate the health of the fund.

StanCERA sponsors an annual half-day pre-retirement seminar for potential retirees, 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.

Acknowledgment

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 ACFR are the responsibility of the management of StanCERA.

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

Sincerely,



Rick Santos, CFA, ASA, MAAA
Executive Director

**BOARD OF RETIREMENT
JUNE 30, 2022**



Seat # 1 Donna Riley
Vice Chair, Treasurer/Tax Collector



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



Seat # 3 Sam Sharpe
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



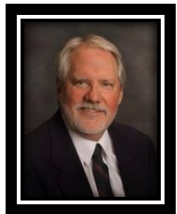
Seat # 6 Terry Withrow
Trustee, Appointed by the Board of Supervisors



Seat # 7 Joshua Clayton
Trustee, Elected by Active Safety Membership

Seat # 7a Vacant

Alternate Trustee, Elected by Active Safety Membership



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



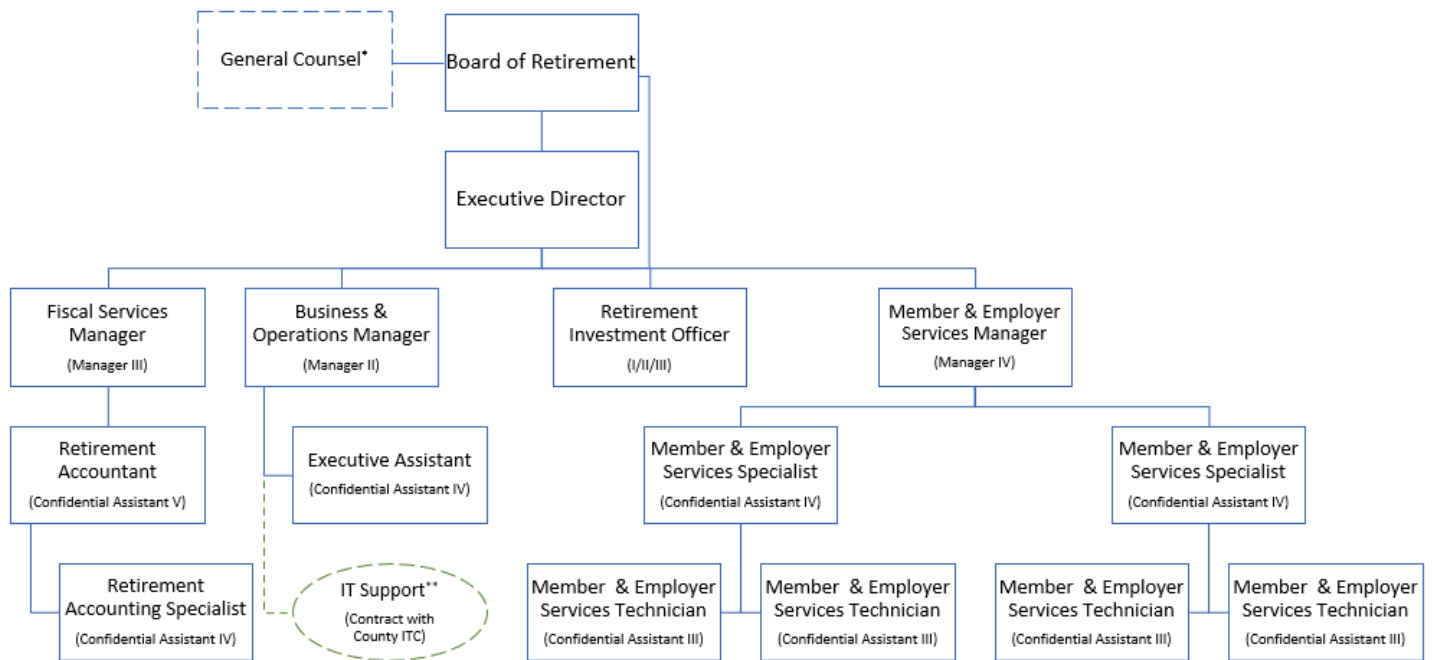
Seat # 8a Rhonda Biesemeier
Alternate Trustee, Elected by Retired Membership



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

StanCERA ORGANIZATIONAL CHART

Effective 2022



*General Counsel position is allocated for – remains vacant

** IT Support position is allocated for – StanCERA contracts with the County for onsite support two days per week

***Part-time/extra-help staff are not represented above

* Retirement Board utilizes private general legal counsel for administrative legal services.

PROFESSIONAL CONSULTANTS
JUNE 30, 2022

Consulting Services

Actuary

Cheiron, Inc.

Auditors

Brown Armstrong Accountancy Corporation

Investment Custodian

Northern Trust

Investment Consultant

Verus, Inc.
NEPC

Legal Counsel

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

Technical & Data Services

Tegrit
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

Abry VI
Medley Opportunity
Raven Capital Management, LLC Monroe
Fund IV
White Oak Global Advisors, LLC
Owl Rock First Lien
Special Situations Fund V
Black Rock High Yield

Private Equity

Blue Wolf V
Insight Partners XI
Vista Foundation IV Fund
Clayton, Dubilier & Rice XI
Genstar Capital Partners X
Great Hill VIII
Gryphon Partners VI
Northern Trust Russell 3000
Sole Source Partners II

Private Real Estate

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

Infrastructure

JP Morgan IIF
Palistar Infrastructure II
North Haven Partners II LP
NTAM Infrastructure

Risk Parity

AQR
Graham Fund I
Invesco
PanAgora

*Refer to the Investment Section for the Schedule of Investment Management Fees (Page 58) and Schedule of Investment Broker Commissions (Page 59).



Government Finance ●fficers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Stanislaus County Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2021***

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statements of Fiduciary Net Position of the Stanislaus County Employees' Retirement Association (StanCERA), a pension trust fund of the County of Stanislaus, as of June 30, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95219
209-451-4833

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with GAAS, 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 Supplemental 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, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplemental information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

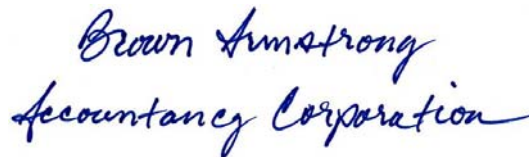
Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, 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, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of StanCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering StanCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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

Stockton, California
November 4, 2022

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, 2022 and 2021. Please review information presented here in conjunction with the Letter of Transmittal and additional information provided.

Financial Highlights

- Fiduciary Net Position decreased by \$204.2 million (or -7.5%) during fiscal year 2022 as a result of the fiscal year's activities.
- Contributions (employer and member), in total, increased by \$7.9 million (or 6.4%) during fiscal year 2022.
- Net investment income (including Net Appreciation in Fair Value of Investments) decreased by \$725.3 million (or -130.4%) during fiscal year 2022.
- Benefit payments increased by \$9.2 million (or 6.2%) during fiscal year 2022.

Plan Highlights

- Effective March 9, 2002, benefit plans for Tiers 2 and 3 were closed to new hires; Tiers 4 and 5 were adopted 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 participating agency did not implement the new benefit plans. Additionally, members in Tier 3 were allowed to transfer into a contributory plan.
- Beginning 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 age 50 for safety members.
- On January 1, 2013, Tier 2 was closed, and Tier 6 was adopted for all new hires providing the retirement formula of 2% at age 62 for general members and 2.7% at age 57 for safety members.
- In April of 2022 and 2021, a 3.0% and 2.0%, 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.
- Stanislaus Regional Transit Authority selected StanCERA as its public employees' retirement system effective July 1, 2021.
- Beginning August 1, 2021, the City of Ceres Fire Department exited the City of Ceres. This resulted in an employer rate increase for the City of Ceres which was vetted with StanCERA's actuary.
- Stanislaus Regional Water Authority selected StanCERA as its public employees' retirement system effective July 1, 2022.

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, 2022, 2021, and 2020

	2022	2021	2020	\$ Change 2022-2021	\$ Change 2021-2020
Current Assets	\$ 78,319,008	\$ 194,395,097	\$ 87,551,117	\$ (116,076,089)	\$ 106,843,980
Investments	2,536,053,321	2,708,970,681	2,221,404,069	(172,917,360)	487,566,612
Capital Assets, Net	9,861,431	9,022,200	7,763,618	839,231	1,258,582
Total Assets	2,624,233,760	2,912,387,978	2,316,718,804	(288,154,218)	595,669,174
Total Liabilities	97,808,416	181,790,108	110,852,565	(83,981,692)	70,937,543
Total Fiduciary Net Position					
Restricted for Pension Benefits	<u>\$2,526,425,344</u>	<u>\$2,730,597,870</u>	<u>\$ 2,205,866,239</u>	<u>\$ (204,172,526)</u>	<u>\$ 524,731,631</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, 2022, 2021, and 2020

	2022	2021	2020	\$ Change 2022-2021	\$ Change 2021-2020
Employer Contributions	\$ 100,768,249	\$ 93,307,629	\$ 92,684,609	\$ 7,460,620	\$ 623,020
Plan Member Contributions	29,998,079	29,553,123	29,645,645	444,956	(92,522)
Net Investment Income	(169,153,892)	556,195,649	18,496,773	(725,349,541)	537,698,876
<i>Total Additions</i>	\$ (38,387,564)	\$ 679,056,401	\$ 140,827,027	\$ (717,443,965)	\$ 538,229,374

Deductions From Fiduciary Net Position

For The Fiscal Years Ended

June 30, 2022, 2021, and 2020

Benefit Payments	\$ 158,258,447	\$ 149,015,287	\$ 138,223,922	\$ 9,243,160	\$ 10,791,365
Member Refunds - Termination	3,104,675	1,610,897	1,351,779	1,493,778	259,118
Member Refunds/Payouts - Death	946,076	304,717	409,894	641,359	(105,177)
Administrative Expenses	3,475,764	3,393,869	3,216,625	81,895	177,244
<i>Total Deductions</i>	\$ 165,784,962	\$ 154,324,770	\$ 143,202,220	\$ 11,460,192	\$ 11,122,550

Change in Fiduciary Net
Position Restricted for
Pension Benefits

\$ (204,172,526)	\$ 524,731,631	\$ (2,375,193)	\$ (728,904,157)	\$ 527,106,824
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Fiduciary Net Position Restricted
for Pension Benefits

Beginning of Year	2,730,597,870	2,205,866,239	2,208,241,432	524,731,631	(2,375,193)
End of Year	\$2,526,425,344	\$2,730,597,870	\$2,205,866,239	\$ (204,172,526)	\$ 524,731,631

Additions to Fiduciary Net Position

A review of the Statement of Fiduciary Net Position shows that June 30, 2022, closed with assets exceeding liabilities by \$2.5 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, 2021, closed with assets exceeding liabilities by \$2.7 billion. The \$204.2 million decrease and \$524.7 million increase, respectively, in Fiduciary Net Position is a direct result of the changes in the financial market. 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 the collection of member and employer contributions. The total for these income sources for the fiscal year ended June 30, 2022 resulted in a decrease of \$717.4 million, whereas the fiscal year ended June 30, 2021 resulted in an increase of \$538.2 million. The decrease is primarily a result of activity in the broad market, as discussed in the Investment Analysis below. Employer and member contributions increased by \$7.9 million (or 6.4%) from the contributions made in the fiscal year that ended June 30, 2022 due to salary increases for active members, the adjusted City of Ceres contribution rate, and acquiring a new plan sponsor, Stanislaus Regional Transit Authority.

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 the fiscal year that ended June 30, 2022 were \$165.8 million, an increase of \$11.5 million from the prior year. This increase is due to the increased number of retirees, an increase in the average benefit payment received, and the acquisition of a new pension system. For fiscal year ended June 30, 2021, the expenses were \$154.3 million, an increase of \$11.1 million from the prior year due to the increase in the number of retirees and the average amount they are paid. For fiscal year ended June 30, 2022, administrative expenses increased by 2.4% from the prior year. As a result, total administrative expenses represented 0.1025% of the accrued actuarial liability (funding basis) for fiscal year ended June 30, 2022 and 0.1036% for fiscal year ended June 30, 2021.

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, 2022, 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, 2022, outperformed its benchmark by 40 basis points and international equity outperformed its benchmark by 140 basis points. Domestic equity returns for the fiscal year ended June 30, 2021, outperformed its benchmark by 550 basis points and international equity outperformed its benchmark by 300 basis points.

The Plan's fixed income returns for the fiscal year ended June 30, 2022, outperformed its benchmark by 40 basis points. For the fiscal year ended June 30, 2021, the Plan's fixed income returns outperformed its benchmark by 180 basis points.

For the fiscal year ended June 30, 2022, StanCERA's total portfolio outperformed its policy benchmark by 40 basis points with an overall return of -6.4%. For the fiscal year ended June 30, 2021, StanCERA's total portfolio outperformed its policy benchmark by 180 basis points with an overall return of 25.2%. Management believes the Plan remains in a strong financial position to meet its obligations to 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, 2021, rolled forward to StanCERA's fiscal year ended June 30, 2022, was \$738.1 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, 2021, rolled forward to June 30, 2022, StanCERA's Fiduciary Net Position was 77.4% of the TPL. The next actuarial valuation is scheduled for June 30, 2022 to be rolled forward to the fiscal year ended June 30, 2023.

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 12th Street, Suite 600
Modesto, CA 95354

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENTS OF FIDUCIARY NET POSITION
As of June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS		
Cash and Cash Equivalents (Note 2):	\$68,001,805	\$ 82,503,136
Receivables:		
Interest and Dividends	5,126,501	5,961,917
Securities Transactions	414,900	101,809,628
Contributions (Note 3)	4,757,769	4,093,616
Total Receivables	<u>10,299,170</u>	<u>111,865,161</u>
Prepaid Items	18,033	26,800
Capital Assets, Net (Note 2):	9,861,431	9,022,200
Investments at Fair Value (Note 4):		
U.S. Government and Agency Obligations	155,551,144	164,326,018
Corporate Bonds	84,726,107	67,775,457
Emerging Market / Non-US Bonds	28,521,437	38,949,757
Domestic Stocks	206,196,280	229,355,227
Domestic Equity Index Fund	291,928,074	361,332,537
International Equity	429,420,275	520,295,575
Real Estate Securities	40,677,468	104,485,885
Private Credit	209,333,195	216,383,761
Private Real Estate	331,827,763	237,150,895
Private Equity	144,301,733	143,759,880
Infrastructure	205,768,782	182,047,547
Risk Parity	326,684,962	376,887,462
Securities Lending Collateral	81,116,101	66,220,680
Total Investments	<u>2,536,053,321</u>	<u>2,708,970,681</u>
Total Assets	<u>2,624,233,760</u>	<u>2,912,387,978</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	15,309,238	13,927,586
Securities Transactions	988,077	101,246,842
Securities Lending Obligation (Note 4)	81,116,101	66,220,680
Total Current Liabilities	<u>97,413,416</u>	<u>181,395,108</u>
Long-Term Liabilities:		
Grant Deed Extension Fee	<u>395,000</u>	<u>395,000</u>
Total Liabilities	<u>97,808,416</u>	<u>181,790,108</u>
Fiduciary Net Position Restricted For Pension Benefits (Note 8)	<u>\$2,526,425,344</u>	<u>\$ 2,730,597,870</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, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ADDITIONS		
Contributions (Note 5):		
Employer	\$100,768,249	\$ 93,307,629
Plan Members	29,998,079	29,553,123
Total Contributions	<u>130,766,328</u>	<u>122,860,752</u>
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	(191,378,355)	528,077,801
Interest and Dividends	49,088,179	43,335,298
Total Investment Gain	(142,290,176)	571,413,099
Net Income from Commission Recapture	32,929	28,983
Less: Investment Expense (Note 4)	(27,898,500)	(15,886,559)
Net Investment Income	<u>(170,155,747)</u>	<u>555,555,523</u>
Other Investment Income:		
Net Litigation Recovery Income	22,315	50,276
Rental Income	105,862	105,372
Other Investment Income	571,747	92,064
Net Other Investment Income	<u>699,924</u>	<u>247,712</u>
Securities Lending Activities (Note 4):		
Securities Lending Income	432,050	560,422
Less: Securities Lending Expense	(130,119)	(168,008)
Net Securities Lending Income	<u>301,931</u>	<u>392,414</u>
Total Investment Income	<u>(169,153,892)</u>	<u>556,195,649</u>
Total Additions	<u>(38,387,564)</u>	<u>679,056,401</u>
DEDUCTIONS		
Benefit Payments and Subsidies	158,258,447	149,015,287
Member Refunds - Termination	3,104,675	1,610,897
Member Refunds - Death	946,076	304,717
Administrative Expenses (Note 2)	3,475,764	3,393,869
Total Deductions	<u>165,784,962</u>	<u>154,324,770</u>
Net Change in Fiduciary Net Position	(204,172,526)	524,731,631
Fiduciary Net Position Restricted for Pension Benefits (Note 8)		
Beginning of Year	2,730,597,870	2,205,866,239
End of Year	<u>\$ 2,526,425,344</u>	<u>\$ 2,730,597,870</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, Stanislaus Regional Transit Authority, 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, 2022			June 30, 2021		
	General	Safety	Total	General	Safety	Total
Active Members:						
Vested & Non-vested	3,571	757	4,328	3,549	796	4,345
Total Active	<u>3,571</u>	<u>757</u>	<u>4,328</u>	<u>3,549</u>	<u>796</u>	<u>4,345</u>
Inactive Members:						
Deferred Members	732	176	908	643	148	791
Unclaimed Contributions	884	141	1,025	764	129	893
Total Inactive	<u>1,616</u>	<u>317</u>	<u>1,933</u>	<u>1,407</u>	<u>277</u>	<u>1,684</u>
Retired Members:						
Service Retirements	3,302	564	3,866	3,185	538	3,723
Disability Retirements	206	174	380	202	174	376
Survivor Payments	44	11	55	42	11	53
Total Retired	<u>3,552</u>	<u>749</u>	<u>4,301</u>	<u>3,429</u>	<u>723</u>	<u>4,152</u>
Total	<u><u>8,739</u></u>	<u><u>1,823</u></u>	<u><u>10,562</u></u>	<u><u>8,385</u></u>	<u><u>1,796</u></u>	<u><u>10,181</u></u>

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 (Board) 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 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, 2022 and June 30, 2021 were 33.20% and 31.45%, respectively, of annual payroll. Employee contribution rates are based on age of entry for Tiers 1, 2, 4 and 5 and range between 3.59% and 17.75% for the fiscal years ended June 30, 2022 and June 30, 2021. 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 8.44% and 13.72% for fiscal years ended June 30, 2022 and June 30, 2021.

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 equivalents include deposits in the County Treasurer's commingled cash pool, Plan's custodian bank, The Northern Trust Company (Northern Trust), and other investment managers. Cash equivalents are highly liquid investments with maturities of three months or less when purchased. Short-term investments with the custodian bank include foreign currencies, cash held in short-term investment funds and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value. 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, 2022 and 2021. 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 6th 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, 2022 and June 30, 2021 were \$12,182,316 and \$11,199,744, respectively. Accumulated depreciation reported increased from \$2,177,544 to \$2,320,885 during fiscal year 2022. A portion of the total capital assets were not depreciated due to the assets not yet in use or the project completed prior to year-end. Depreciation expense for the fiscal years ending June 30, 2022 and June 30, 2021 totaled \$143,340 and \$144,078, respectively. Depreciation is calculated using the straight-line method with an estimated life of 10

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

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.

	Net Balance at June 30, 2021	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2022
Capital Assets, not being depreciated					
Tenant Improvements	\$ 390,438	\$ -	\$ -	\$ -	\$ 390,438
Pension Administration System	5,158,352	655,600	-	-	5,813,952
2022 Office Remodel	-	325,887	-	-	325,887
6th Floor Lobby Upgrade	9,516	-	9,516	-	-
Total Capital Assets, not being depreciated	5,558,306	981,487	9,516	-	6,530,277
Capital Assets, being depreciated					
Real Estate Occupied	1,592,591	-	-	18,977	1,573,614
Real Estate Leased	1,062,447	-	-	12,653	1,049,794
Leasehold Improvements	28,259	-	-	6,586	21,673
Formax Machine FD6104	6,446	-	-	1,504	4,942
Video Conferencing Equipment	287	-	-	287	-
VAV Box	-	10,600	-	177	10,423
Imaging System	404,910	-	-	57,844	347,066
Microfiche Scanner	1,203	-	-	1,111	92
Board Room Expansion	70,828	-	-	3,917	66,911
Board Room Expansion TI	201,413	-	-	24,917	176,496
Rebranding Cost	39,975	-	-	4,442	35,533
Audio Video System	55,535	-	-	10,925	44,610
Total Capital Assets, being depreciated	3,463,894	10,600	-	143,340	3,331,154
TOTAL	\$ 9,022,200	\$ 992,087	\$ 9,516	\$ 143,340	\$ 9,861,431

	Net Balance at June 30, 2020	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2021
Capital Assets, not being depreciated					
Tenant Improvements	\$ 390,438	\$ -	\$ -	\$ -	\$ 390,438
Pension Administration System	3,772,728	1,385,624	-	-	5,158,352
Rebranding Cost	44,417	-	44,417	-	-
6th Floor Lobby Upgrade	-	9,516	-	-	9,516
Total Capital Assets, not being depreciated	4,207,583	1,395,140	44,417	-	5,558,306
Capital Assets, being depreciated					
Real Estate Occupied	1,611,569	-	-	18,976	1,592,591
Real Estate Leased	1,075,100	-	-	12,653	1,062,447
Leasehold Improvements	34,845	-	-	6,586	28,259
Office Equipment	767	-	-	767	-
Formax Machine FD6104	-	7,522	-	1,076	6,446
Video Conferencing Equipment	1,151	-	-	864	287
Imaging System	462,754	-	-	57,844	404,910
Microfiche Scanner	2,314	-	-	1,111	1,203
Board Room Expansion	74,745	-	-	3,917	70,828
Board Room Expansion TI Rebranding	226,330	-	-	24,917	201,413
Cost	-	44,417	-	4,442	39,975
Audio Video System	66,460	-	-	10,925	55,535
Total Capital Assets, being depreciated	3,556,035	51,939	-	144,078	3,463,894
TOTAL	\$ 7,763,618	\$ 1,447,079	\$ 44,417	\$ 144,078	\$ 9,022,200

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022 and June 30, 2021 were \$3,475,764 and \$3,393,869, respectively, of which \$370,844 and \$392,090, respectively, were not subject to the administrative expense limitation. Administrative expenses subject to the limitation amounted to 0.1025% of AAL for the fiscal year ended June 30, 2022 and 0.1036% for the fiscal year ended June 30, 2021.

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

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 initially effective for StanCERA's financial statements for the fiscal year ending June 30, 2021. However, in light of the COVID-19 pandemic, GASB postponed the implementation of this statement by one year of its effective date. As of June 30, 2022, StanCERA consulted with the independent auditor, Brown Armstrong Accountancy Corporation, and has concluded that this procurement did not significantly impact StanCERA. Management will continue to evaluate lease agreements for future periods.

Future Accounting Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The guidance requires the recognition of a right-to-use subscription asset and a corresponding subscription liability for contracts that convey control of the right-to-use another party's information technology software alone or in conjunction with tangible capital assets for a specified time period in an exchange or exchange-like transaction. The requirements of this statement are similar to those of Statement

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements (continued)

No. 87, *Leases*. The provisions of this statement are effective with fiscal years beginning after June 15, 2022. StanCERA will implement the provisions of this statement for the fiscal year ending June 30, 2023.

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, 2022 and June 30, 2021 were \$4,757,769 and \$4,093,616, 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 title instruments and all pooled funds investments. 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 \$297,631 and \$21,518,055 on June 30, 2022 and 2021, respectively. Cash and investments included within the County Treasurer's Pool are described in the County's Financial Report.

Deposits in Northern Trust

On April 11, 2022, StanCERA began the transition of its cash account from the Stanislaus County Treasury to The Northern Trust Company. The funds held in this account are the resources needed for daily operational purposes. StanCERA is responsible for the control and safekeeping of funds; cash in Northern Trust is managed according to StanCERA's policy and is subject to regulatory oversight by external auditors. StanCERA's cash invested with Northern Trust for operational use totals \$15,248,869 and \$0 on June 30, 2022 and 2021, respectively.

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

NOTE 4 – CASH AND INVESTMENTS (continued)

Investments (continued)

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:

Asset Class	June 30, 2022 Target Allocation	June 30, 2021 Target Allocation
Domestic Equities	20.00%	19.50%
International Equities	20.00%	23.00%
Fixed Income	13.00%	20.00%
Real Estate Securities	6.50%	6.00%
Alternatives:		
Private Credit	8.00%	4.50%
Private Equity	5.00%	6.00%
Private Real Estate	6.00%	5.00%
Infrastructure	7.50%	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, 2022 and June 30, 2021, the annual money-weighted rate of return on StanCERA's investments was -6.4% and 25.2%, 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.

NOTE 4 – CASH AND INVESTMENTS (continued)

Fair Value Measurement (continued)

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.

The following tables present fair value measurements as of June 30, 2022 and June 30, 2021:

Investments Measured at Fair Value				
Investments by Fair Value Level	06/30/22	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Securities				
Corporate and Other Credit	\$ 84,726,107	\$ -	\$ 84,726,107	\$ -
Emerging Market Non-U.S. Bonds	28,521,437	-	28,521,437	-
U.S. Government Agency	146,106,832	-	146,106,832	-
U.S. Treasury	9,444,312	-	9,444,312	-
Total Fixed Income Securities	268,798,688	-	268,798,688	-
Equity Securities				
Non-U.S. Equity	367,113,432	367,113,432	-	-
U.S. Equity	206,196,280	206,196,280	-	-
Commingled Equity Funds	291,928,074	-	291,928,074	-
Emerging Market Equity	62,306,843	-	62,306,843	-
Commingled Real Estate Funds	40,677,468	-	40,677,468	-
Total Equity Securities	968,222,097	573,309,712	394,912,385	-
Collateral from Securities Lending	81,116,101	-	81,116,101	-
Total Investments by Fair Value Level	\$ 1,318,136,886	\$ 573,309,712	\$ 744,827,174	\$ -
Investments Measured at the Net Asset Value (NAV)				
Private Credit	\$ 209,333,195			
Private Equity	144,301,733			
Private Real Estate	331,827,763			
Infrastructure	205,768,782			
Risk Parity	326,684,962			
Total Investments Measured at the NAV	1,217,916,435			
Total Investments	\$ 2,536,053,321			

NOTE 4 – CASH AND INVESTMENTS (continued)

Fair Value Measurement (continued)

Investments Measured at Fair Value

Investments by Fair Value Level	06/30/21	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Securities				
Corporate and Other Credit	\$ 70,298,973	\$ -	\$ 70,298,973	\$ -
Emerging Market Non-U.S. Bonds	38,949,757	-	38,949,757	-
U.S. Government Agency	143,847,856	-	143,847,856	-
U.S. Treasury	17,954,646	-	17,954,646	-
Total Fixed Income Securities	271,051,232	-	271,051,232	-
Equity Securities				
Non-U.S. Equity	434,280,599	434,280,599	-	-
U.S. Equity	229,355,227	229,355,227	-	-
Commingled Equity Funds	361,332,537	-	361,332,537	-
Emerging Market Equity	86,014,976	-	86,014,976	-
Commingled Real Estate Funds	104,485,885	-	104,485,885	-
Total Equity Securities	1,215,469,224	663,635,826	551,833,398	-
Collateral from Securities Lending	66,220,680	-	66,220,680	-
Total Investments by Fair Value Level	\$ 1,552,741,136	\$ 663,635,826	\$ 889,105,310	\$ -
Investments Measured at the Net Asset Value (NAV)				
Private Credit	\$ 216,383,761			
Private Equity	143,759,880			
Private Real Estate	237,150,895			
Infrastructure	182,047,547			
Risk Parity	376,887,462			
Total Investments Measured at the NAV	1,156,229,545			
Total Investments	\$ 2,708,970,681			

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 NAV 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, 2022 and June 30, 2021:

Investments Measured at NAV	6/30/2022 Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Redemption Notice Period
Private Credit	\$ 209,333,195	\$ 33,581,154	Not Eligible	Not Applicable
Private Equity	144,301,733	96,125,279	Not Eligible	Not Applicable
Private Real Estate	331,827,763	22,644,987	Quarterly, Not Eligible	5-90 Days, Not Applicable
Infrastructure	205,768,782	19,033,462	Not Eligible	Not Applicable
Risk Parity	326,684,962	27,000,000	Monthly	5-15 Days
Total Investments Measured at NAV	\$ 1,217,916,435	\$ 198,384,882		

NOTE 4 – CASH AND INVESTMENTS (continued)

Investments Measured at the NAV (continued)

Investments Measured at NAV	6/30/2021 Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Redemption Notice Period
Private Credit	\$ 216,383,761	\$ 22,274,373	Not Eligible	Not Applicable
Private Equity	143,759,880	65,119,188	Not Eligible	Not Applicable
Private Real Estate	237,150,895	18,295,430	Quarterly, Not Eligible	5-90 Days, Not Applicable
Infrastructure	182,047,547	6,666,768	Not Eligible	Not Applicable
Risk Parity	376,887,462	-	Monthly	5-15 Days
Total Investments Measured at NAV	<u><u>\$ 1,156,229,545</u></u>	<u><u>\$ 112,355,759</u></u>		

Private Credit Funds 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 as of June 30, 2022 are \$214.5 million, of which \$33.6 million is unfunded.

Private Equity consists 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 as of June 30, 2022 are \$145.0 million, of which \$96.1 million is unfunded.

Private Real Estate consists 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 as of June 30, 2022 are \$237.0 million, of which \$22.6 million is unfunded.

Infrastructure consists 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 as of June 30, 2022 are \$100.0 million, of which \$19.0 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 as of June 30, 2022 are \$362.0 million, of which \$27.0 million is unfunded.

NOTE 4 – CASH AND INVESTMENTS (continued)

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. 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, are determined by the bank to be of comparable quality. As of June 30, 2022, the fair value of securities on loan was \$78.6 million, with collateral received of \$81.1 million and non-cash collateral of \$15.7 million. As of June 30, 2021, the fair value of securities on loan was \$64.1 million, with collateral received of \$66.2 million and non-cash collateral of \$18.2 million.

As of June 30, 2022, and 2021, 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 2022 and 2021 was \$301,931 and \$392,414, respectively. These are separate investments made on StanCERA's behalf and not StanCERA's share of pooled investments. At June 30, 2022 and 2021, StanCERA had the following securities out on loan:

	June 30, 2022		June 30, 2021	
	Fair Value of Securities on Loan	Collateral Received	Fair Value of Securities on Loan	Collateral Received
U.S. Equities	\$ 36,766,292	\$ 38,105,458	\$ 29,326,175	\$ 30,248,026
U.S. Corporate Fixed	28,059,801	28,607,150	11,199,572	11,439,424
U.S. Government Fixed	6,630,241	6,769,295	12,183,766	12,449,352
Non-U.S. Equities	7,137,684	7,634,198	11,458,065	12,083,878
Total Securities	78,594,018	81,116,101	64,167,578	66,220,680
Total Non-Cash Collateral	14,132,084	15,732,923	17,398,150	18,171,887
Total	\$ 92,726,102	\$ 96,849,024	\$ 81,565,728	\$ 84,392,567

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, 2022		June 30, 2021	
	Fair Value	Effective Duration (in years)	Fair Value	Effective Duration (in years)
Fixed Income Securities				
Corporate and Other Credit	\$ 84,726,107	2.5	\$ 70,298,973	2.5
Emerging Market / Non-U.S. Bonds	28,521,437	2.2	38,949,757	2.3
Government Bonds	9,444,312	2.0	17,954,646	2.6
Government Agencies	146,106,832	0.0	143,847,856	0.0
Total Fixed Income Securities	<u>\$ 268,798,688</u>		<u>\$ 271,051,232</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, 2022		June 30, 2021	
	Percentage of Total Fixed Income	StanCERA's Fixed Income Securities	Percentage of Total Fixed Income	StanCERA's Fixed Income Securities
Aaa / AAA	2.54%	\$ 6,835,889	0.50%	\$ 1,357,865
Aa1 / AA+	0.65%	1,736,036	1.31%	3,540,914
Aa2 / AA	0.57%	1,541,953	0.59%	1,598,947
Aa3 / AA-	2.19%	5,896,214	0.41%	1,097,956
A1 / A+	3.28%	8,808,869	1.39%	3,758,427
A2 / A	3.56%	9,556,738	1.45%	3,937,971
A3 / A-	3.63%	9,745,178	4.31%	11,688,352
Baa1 / BBB+	10.80%	29,040,457	13.88%	37,628,197
Baa2 / BBB	8.73%	23,479,293	9.53%	25,821,388
Baa3 / BBB-	2.57%	6,911,280	3.39%	9,189,600
Ba1 / BB+	0.00%	-	0.00%	-
Ba2 / BB	0.00%	-	0.00%	-
N/R	57.97%	155,802,468	56.84%	154,093,196
N/A	3.51%	9,444,313	6.40%	17,338,419
Total	100.00%	\$ 268,798,688	100.00%	\$ 271,051,232

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 U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements. As of June 30, 2022 and 2021, 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, 2022	June 30, 2021
	Fair Value (in U.S. \$)	Fair Value (in U.S. \$)
Australian Dollar	\$ 17,559,620	\$ 15,885,572
Brazilian Real	2,771,857	2,883,532
British Pound	39,165,740	42,182,299
Canadian Dollar	34,248,698	37,158,510
Chilean Peso	1,090,695	834,042
Danish Krone	2,736,452	1,824,243
Euro Dollars	98,430,575	123,351,213
Hong Kong Dollar	29,631,647	44,322,242
Hungarian Forint	1,063,629	1,333,539
Indonesian Rupiah	2,462,753	1,219,020
Japanese Yen	64,279,445	77,543,468
Malaysian Renggit	536,246	636,465
Mexican Peso	852,609	158,916
New Israeli Shekel	534,435	698,096
New Taiwan Dollar	11,849,960	12,515,690
New Zealand Dollar	193,155	653,974
Norwegian Krone	3,847,668	5,893,885
Singapore Dollar	4,217,408	3,150,925
South African Rand	1,122,988	1,138,487
South Korean Won	10,169,332	13,156,049
Swedish Krona	10,145,394	13,426,127
Swiss Franc	25,625,871	23,717,217
Thailand Baht	476,747	480,632
Turkish Lira	2,210,298	1,759,192
U.S. Dollar	64,197,053	94,372,239
TOTAL	\$ 429,420,275	\$ 520,295,574

NOTE 4 – CASH AND INVESTMENTS (continued)

Commitments to Private Credit

At June 30, 2022 and June 30, 2021, StanCERA's total capital commitments to private credit partnerships was \$214,500,000 and \$179,500,000, respectively. Of this amount, \$33,581,154 and \$22,274,373, respectively, remained unfunded and is not recorded on StanCERA's Statements of Fiduciary Net Position.

Commitments to Private Equity

At June 30, 2022 and June 30, 2021, StanCERA's total capital commitments to private equity partnerships was \$145,000,000 and \$90,000,000, respectively. Of this amount, \$96,125,279 and \$65,119,188, respectively, remained unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

Commitments to Private Real Estate

At June 30, 2022 and June 30, 2021, StanCERA's total capital commitments to private real estate partnerships was \$237,000,000 and \$217,000,000, respectively. Of this amount, \$22,644,987 and \$18,295,430, respectively, was unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

Commitments to Infrastructure

At June 30, 2022 and June 30, 2021, StanCERA's total capital commitments to infrastructure was \$100,000,000 and \$50,000,000, respectively. Of this amount, \$19,033,462 and \$6,666,768, respectively, was unfunded and is not recorded in StanCERA's Statement of Fiduciary Net Position.

Commitments to Risk Parity

At June 30, 2022 and June 30, 2021, StanCERA's total commitments to risk parity was \$362,000,000 and \$280,000,000, respectively. Of this amount, \$27,000,000 is unfunded and 100% funded, respectively. The unfunded amount for 2022 is not recorded in StanCERA's Statement of Fiduciary Net Position.

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.

NOTE 4 – CASH AND INVESTMENTS (continued)

Investment Expense (continued)

Investment Expense		
	June 30, 2022	June 30, 2021
Investment Managers	\$ 21,484,664	\$ 12,437,583
Investment Consultants	501,233	524,347
Custodial Fees	242,263	342,344
Investment Attorney	130,981	179,113
Other Investment Costs	5,376,766	2,299,994
Total Other Investment Expenses	27,735,907	15,783,381
Actuarial Fees	162,593	103,178
Total Investment Expenses	\$ 27,898,500	\$ 15,886,559

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.

NOTE 5 – CONTRIBUTIONS (continued)

Contribution Rates (continued)

Contributions as a percentage of covered payroll for the fiscal year ended June 30, 2022, are shown in the following table:

Employer	Employer Contributions	Member Contributions	Employer Contributions as a % of Covered Payroll
Stanislaus County	\$ 89,628,043	\$ 26,858,915	29.5243%
City of Ceres	5,226,127	1,258,218	1.7215%
Stanislaus Superior Court	4,739,952	1,457,233	1.5614%
Stanislaus Council of Governments	429,752	150,373	0.1416%
East Side Mosquito Abatement District	230,606	72,010	0.0760%
Salida Sanitary District	214,400	60,195	0.0706%
Keyes Community Services District	111,902	32,358	0.0369%
Hills Ferry Cemetery District	72,587	20,026	0.0239%
Stanislaus Regional Transit Authority	114,880	88,751	0.0378%
	\$ 100,768,249	\$ 29,998,079	33.1940%
Covered Payroll	\$ 303,573,549		

Contributions as a percentage of covered payroll for the fiscal year ended June 30, 2021, are shown in the following table:

Employer	Employer Contributions	Member Contributions	Employer Contributions as a % of Covered Payroll
Stanislaus County	\$ 82,951,113	\$ 26,410,202	27.8318%
City of Ceres	5,217,995	1,483,294	1.7507%
Stanislaus Superior Court	4,209,592	1,344,005	1.4124%
Stanislaus Council of Governments	358,164	134,641	0.1202%
East Side Mosquito Abatement District	209,301	70,410	0.0702%
Salida Sanitary District	191,998	57,870	0.0644%
Keyes Community Services District	103,812	31,944	0.0348%
Hills Ferry Cemetery District	65,654	20,757	0.0220%
	\$ 93,307,629	\$ 29,553,123	31.3066%
Covered Payroll	\$ 298,044,207		

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 the fiscal years ended June 30, 2022 and 2021, the actuarial assumed rate of return was 6.75% for both years. 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.

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.

NOTE 6 – RESERVES (continued)

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 \$199,455,051 and \$0 as of June 30, 2022 and June 30, 2021, respectively.

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, 2022	June 30, 2021
Active Members' Reserve	\$ 663,494,768	\$ 646,410,932
Employer Advance Reserve	361,038,679	364,512,382
Employer Transfer from Non-Valuation Reserve	221,295,870	221,295,870
Retired Members' Pension Reserve	1,449,324,129	1,470,565,580
Valuation Reserve (Loss)	(199,455,051)	-
Retiree Burial Allowance Reserve	4,058,183	4,508,184
Contingency Reserve	25,190,780	21,586,063
Other Reserves		
Legal Contingency Reserve	1,476,426	1,717,299
Tier 3 Disability Reserve	1,560	1,560
Total Reserves	\$ 2,526,425,344	\$ 2,730,597,870

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2021. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2022, and the Total Pension Liability as of the valuation date, June 30, 2022, using update procedures to roll forward to StanCERA’s fiscal year-end of June 30, 2022. 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, 2022 and June 30, 2021 were as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Total Pension Liability	\$ 3,264,477,126	\$ 3,158,273,535
Plan Fiduciary Net Position	<u>\$ (2,526,425,344)</u>	<u>\$ (2,730,597,870)</u>
Net Pension Liability	<u>\$ 738,051,782</u>	<u>\$ 427,675,665</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.4%	86.5%

The Total Pension Liability was determined based on the June 30, 2021 and June 30, 2020 actuarial valuations rolled forward to June 30, 2022 and June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

ACTUARIAL VALUATION ASSUMPTIONS

Measurement Date	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Investment Rate of Return	6.75%, net of investment expenses	6.75%, net of investment expenses
Projected Salary Increases	2.75%, per year plus merit component based on employee classification and years of service	2.75%, per year plus merit component based on employee classification and years of service
Attributed to Inflation	2.50%	2.50%
Cost-of-Living Adjustments	100% of Consumer Price Index (CPI) up to 3.0% annually with banking, 2.4% annual increases assumed	100% of Consumer Price Index (CPI) up to 3.0% annually with banking, 2.4% 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 102.2% for males and 110.2% for females with generational mortality improvements projected from 2017 using Scale MP-2020. Duty related mortality rates are only applicable for Safety Active Members and are based on the 2021 CalPERS Pre-Retirement Industrial Death table, adjusted by 102.6% for males and 100.9% for females. These mortality base tables are all projected generationally from 2017 using 80% of SOA Scale MP-2020.

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 107.6% for males and 115.3% for females with generational mortality improvements projected from 2017 using Scale MP-2020.

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, 2022 and June 30, 2021 are summarized in the following table:

Asset Class	2022	2021
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities		
U.S. Large Cap	4.50%	6.20%
U.S. Small Cap	5.10%	6.30%
International Equities		
Int'l Development	4.60%	4.83%
Emerging Market Equity	7.10%	2.07%
U.S. Fixed Income		
Core fixed income	0.00%	3.20%
U.S. Treasury	1.00%	2.60%
Short-term Gov/Credit	3.00%	2.90%
Real Estate		
Core	2.80%	5.60%
Value-add	4.30%	7.77%
Risk Parity	3.70%	5.10%
Absolute Return	3.10%	0.00%
Private Equity	7.90%	9.90%
Private Credit	6.30%	7.80%
Infrastructure	5.50%	7.10%

Discount Rate

The discount rate used to measure the total pension liability for the fiscal years ended June 30, 2022 and June 30, 2021 were 6.75% for both 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 6.75%, for both 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 (5.75%) or one percentage point higher (7.75%) than the current rate for fiscal years ending June 30, 2022 and 2021:

Sensitivity of Net Pension Liability to Changes in Discount Rate				
		1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
June 30, 2022	Net Pension Liability	\$ 1,179,281,738	\$ 738,051,782	\$ 375,638,381
	Fiduciary Net Postion as a Percentage of Total Pension Liability	68.2%	77.4%	87.1%
		1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
June 30, 2021	Net Pension Liability	\$ 867,409,238	\$ 427,675,665	\$ 68,884,070
	Fiduciary Net Postion as a Percentage of Total Pension Liability	75.9%	86.5%	97.5%

NOTE 9 – SUBSEQUENT EVENTS

Stanislaus Regional Water Authority selected StanCERA as its public employees' retirement system effective July 1, 2022. StanCERA has evaluated events through November 4, 2022, which is the date the financial statements were issued and no additional events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability									
Service cost	\$ 64,358,603	\$ 63,478,900	\$ 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)	209,931,610	208,474,350	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	42,127,626	7,977,049	30,766,201	15,206,475	(12,172,006)	28,801,984	(6,424,597)	2,148,638	-
Changes of assumptions (3)	(47,905,050)	8,082,679	-	(46,047,924)	-	-	269,752,272	-	-
Benefit payments, including refunds of member contributions	(162,309,198)	(150,930,902)	(139,985,594)	(131,774,689)	(123,172,116)	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
Net change in total pension liability	106,203,591	137,082,076	152,722,082	95,801,919	113,156,551	149,298,959	382,451,989	103,383,198	98,811,123
Total pension liability - beginning	3,158,273,535	3,021,191,459	2,868,469,377	2,772,667,458	2,659,510,907	2,510,211,948	2,127,759,959	2,024,376,761	1,925,565,638
Total pension liability - ending	\$ 3,264,477,126	\$ 3,158,273,535	\$ 3,021,191,459	\$ 2,868,469,377	\$ 2,772,667,458	\$ 2,659,510,907	\$ 2,510,211,948	\$ 2,127,759,959	\$ 2,024,376,761
Fiduciary Net Position									
Contributions - employer	\$ 100,768,249	\$ 93,307,629	\$ 92,684,609	\$ 88,589,381	\$ 76,966,471	\$ 63,024,560	\$ 58,196,310	\$ 53,849,031	\$ 46,763,996
Contributions - member (1)	29,998,079	29,553,123	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)	(169,153,892)	556,195,650	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	(162,309,198)	(150,930,902)	(139,985,594)	(131,774,691)	(123,172,116)	(116,843,858)	(108,165,810)	(101,858,156)	(94,782,471)
Administrative expense	(3,475,764)	(3,393,869)	(3,216,625)	(2,557,391)	(2,791,409)	(2,644,554)	(2,315,223)	(2,378,966)	(2,249,260)
Net change in fiduciary net position	(204,172,526)	524,731,631	(2,375,193)	81,280,687	132,737,434	221,309,598	(59,690,491)	41,294,925	246,496,284
Fiduciary net position - beginning	2,730,597,870	2,205,866,239	2,208,241,432	2,126,960,745	1,994,223,311	1,772,913,713	1,832,604,204	1,791,309,279	1,544,812,995
Fiduciary net position - ending	\$ 2,526,425,344	\$ 2,730,597,870	\$ 2,205,866,239	\$ 2,208,241,432	\$ 2,126,960,745	\$ 1,994,223,311	\$ 1,772,913,713	\$ 1,832,604,204	\$ 1,791,309,279
Net pension liability - ending	\$ 738,051,782	\$ 427,675,665	\$ 815,325,220	\$ 660,227,945	\$ 645,706,713	\$ 665,287,596	\$ 737,298,235	\$ 295,155,755	\$ 233,067,482
Fiduciary net position as a percentage of the total pension liability	77.4%	86.5%	73.0%	77.0%	76.7%	75.0%	70.6%	86.1%	88.5%
Covered payroll (2)	\$ 303,573,549	\$ 298,044,207	\$ 300,352,383	\$ 281,979,654	\$ 268,009,042	\$ 255,646,515	\$ 245,751,576	\$ 237,263,160	\$ 221,863,110
Net pension liability as a percentage of covered payroll	243.1%	143.5%	271.5%	234.1%	240.9%	260.2%	300.0%	124.4%	105.1%

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. Similarly, in 2021, the earnings rate was adjusted to 6.75% from 7.00%. In 2022, amount reported is due to changes in economic assumptions.

REQUIRED SUPPLEMENTARY INFORMATION (continued)

Schedule of Employer Contributions

Last 10 Fiscal Years for Fiscal Years Ending June 30
(Dollar amounts in thousands)

	2022	2021	2020	2019	2018
Actuarially Determined Contributions	\$ 100,768	\$ 93,308	\$ 92,685	\$ 88,589	\$ 76,966
Contributions in Relation to the Actuarially Determined Contributions	100,768	93,308	92,685	88,589	76,966
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ⁽¹⁾	\$ 303,574	\$ 298,044	\$ 300,352	\$ 281,980	\$ 268,009
Contributions as a Percentage of Covered Payroll	33.19%	31.31%	30.86%	31.42%	28.72%

	2017	2016	2015	2014	2013
Actuarially Determined Contributions	\$ 63,025	\$ 58,196	\$ 53,849	\$ 46,764	\$ 39,077
Contributions in Relation to the Actuarially Determined Contributions	63,025	58,196	53,849	46,764	39,077
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ⁽¹⁾	\$ 255,647	\$ 245,752	\$ 237,263	\$ 221,863	\$ 217,491
Contributions as a Percentage of Covered Payroll	24.65%	23.68%	22.70%	21.08%	17.97%

(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

	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	-6.40%	25.20%	1.30%	5.10%	8.10%
	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	14.40%	-1.70%	4.20%	18.20%	14.50%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of benefit terms

There were no changes of benefit terms for the fiscal year ended June 30, 2022.

Changes of assumptions

There were changes in economic assumptions for the fiscal year ended June 30, 2022.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution amounts in the schedule of employer contributions are calculated using the actuarial valuation as of June 30, 2020, 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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	Closed period - 16 Years
Asset Valuation Method	Actuarial value: Excess earnings smoothed over five years, 80% / 120% corridor around market
Actuarial Assumptions	
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 104.5% 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, 2022 can be found in the June 30, 2020 actuarial valuation report located on StanCERA's website, www.stancera.org.

OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Personnel Services:		
Salaries and Employee Benefits	\$ 1,991,845	\$ 1,981,131
Total Personnel Services	<u>1,991,845</u>	<u>1,981,131</u>
Professional Services:		
Computer and Software Services and Support	317,773	340,267
Outside Legal Counsel	506,614	438,747
Disability Hearing Officer/Medical Exams and Reviews	6,000	26,445
External Audit Fees	44,924	46,608
Other Professional Services	10,320	2,018
Total Professional Services	<u>885,631</u>	<u>854,085</u>
Office Expenses:		
Office Supplies	23,343	12,665
Stanislaus County Support Services	167,443	162,416
Contract Services	30,062	30,094
Minor Equipment and Computer Supplies	8,188	15,397
Communications	38,669	53,530
Publications	3,015	3,018
Total Office Expenses	<u>270,720</u>	<u>277,120</u>
Miscellaneous:		
Fiduciary and Staff - Education/Travel	34,945	8,406
Memberships	11,810	12,370
Fiduciary and Staff - Meetings/Other Travel	6,900	6,700
Insurance	130,572	109,979
Depreciation	143,341	144,078
Total Miscellaneous	<u>327,568</u>	<u>281,533</u>
TOTAL ADMINISTRATIVE EXPENSES	<u><u>\$ 3,475,764</u></u>	<u><u>\$ 3,393,869</u></u>

OTHER SUPPLEMENTAL INFORMATION (continued)
SCHEDULE OF INVESTMENT MANAGEMENT FEES
AND OTHER INVESTMENT EXPENSES
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Investment Management Fees:		
Domestic Equity	\$ 1,199,647	\$ 961,624
International Equity	1,885,731	1,951,169
Fixed Income	198,418	453,779
Private Credit	2,874,362	1,256,507
Private Equity	1,731,188	924,556
Private Real Estate	7,121,002	5,183,644
Infrastructure	1,226,325	433,202
Real Estate Securities	91,860	15,641
Risk Parity	5,156,131	1,257,461
Total Investment Management Fees	21,484,664	12,437,583
Investment Consulting Fees	501,233	524,347
Investment Custodian Fees	242,263	342,344
Investment Legal Fees	130,981	179,113
Other Investment Related Expenses	5,376,766	2,299,994
Total Other Investment Expenses	6,251,243	3,345,798
Actuarial Fees	162,593	103,178
TOTAL INVESTMENT EXPENSES	\$ 27,898,500	\$ 15,886,559

SCHEDULE OF PAYMENTS TO CONSULTANTS
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Investment Professional Service Fees:		
Investment Consultants	\$ 501,233	\$ 524,347
Custodial Fees	242,263	342,344
Investment Attorney	130,981	179,113
Actuarial Fees	162,593	103,178
Total Investment Professional Service Fees	\$ 1,037,070	\$ 1,148,982
Administrative Professional Services Fees:		
Computer and Software Services and Support	\$ 317,773	\$ 340,267
Outside Legal Counsel	506,614	438,747
Disability Hearing Officer/Medical Exams and Reviews	6,000	26,445
External Audit Fees	44,924	46,608
Other Professional Services	10,320	2,018
Total Administrative Professional Services Fees	\$ 885,631	\$ 854,085

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INVESTMENT SECTION

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Daniel Hennessy, CFA, CAIA
Senior Consultant

September 30, 2022

Board of Retirement
Stanislaus County Employees' Retirement System
832 12th 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, 2022 with background on the underlying capital market environment.

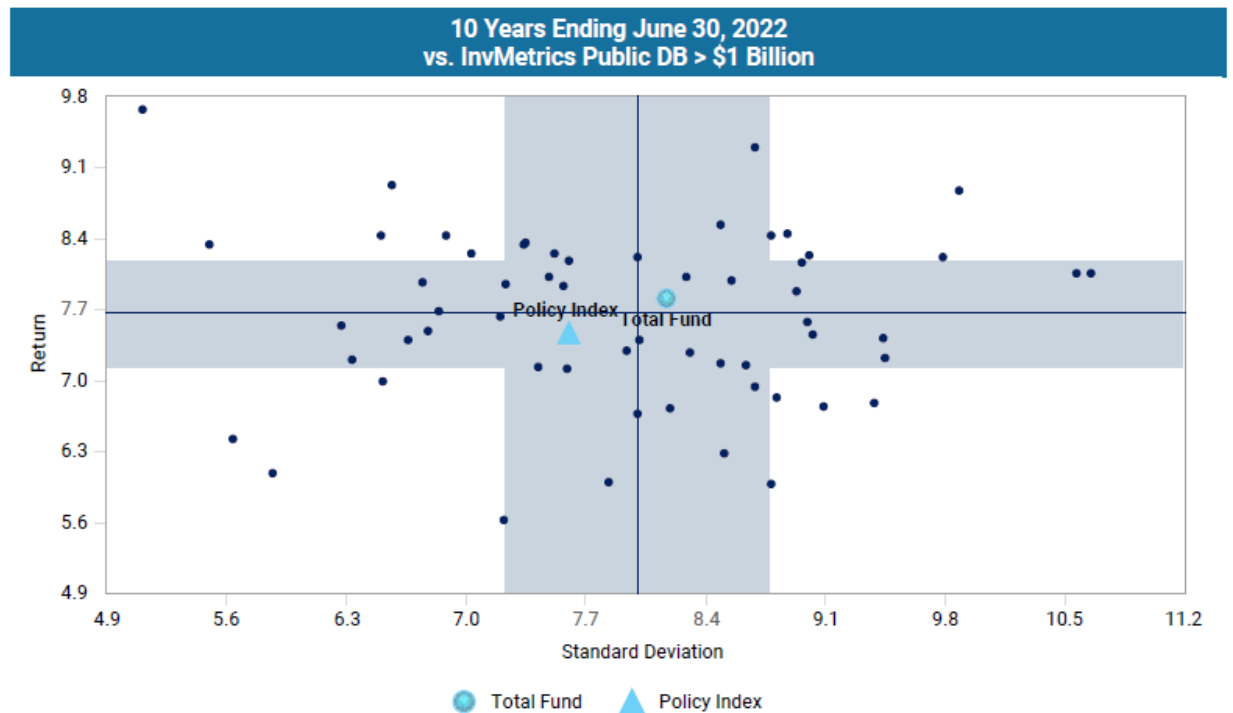
Market Review for the Year Ended June 30, 2022

With the exception of commodities and some inflation-sensitive assets, virtually all major asset classes declined in the fiscal year ended June 30, 2022. The fiscal year ended with inflation levels not seen in the U.S. for the past 40 years as the seasonally-adjusted Consumer Price Index jumped 9.1% year-over-year. The Federal Reserve, in its efforts to combat rapidly rising inflation, began implementing measures to slow the economy by raising the Fed Funds Rate to a targeted range of 1.50% - 1.75% from 0.00% - 0.25%. Similar actions were taken by many other central banks globally. These measures resulted in negative performance for both stocks and bonds. U.S. stocks posted their first year of negative returns in over a decade, returning -10.6% as measured by the S&P 500 Index. International stocks fared worse than U.S. stocks as inflationary pressures, the ongoing conflict in Europe and currency weakness led to a return of -17.8%, as measured by the MSCI EAFE Index. Emerging markets stocks declined -25.3%, underperforming both U.S. and international-developed markets. Typically considered a safe-haven asset, U.S. high quality fixed income returns were also strongly negative over the past year, as interest rate sensitive assets as represented by the Bloomberg U.S. Aggregate Bond Index posted declines of -10.3%.

The StanCERA Investment Portfolio

The StanCERA total investment portfolio return, net of fees, was -6.4% for the year ended June 30, 2022. The median fund in the Investment Metrics peer group universe of Public Funds greater than \$1 billion in assets returned -7.5% for the period, with StanCERA's total fund return ranking better than many peers in the 41st percentile. The Fund's five-year return for the period ended June 30, 2022 was 6.2% per year net of fees, underperforming the actuarial assumed rate of 7% and ranking in the 60th percentile of the Public Funds greater than \$1 billion peer group. The Fund's ten-year return for the period ended June 30, 2022 was +7.8% per year net of fees, outperforming the actuarial assumed rate of 7% and ranking in the 46th percentile among its peers. The Fund's ten-

year average volatility was slightly higher than the peer group median, resulting in a risk-adjusted return (as measured by the Sharpe Ratio) very close to the peer average in the 51st percentile.



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, together with investment manager monitoring and selection advice. In preparing our performance analysis for the Plan, we rely on the accuracy of financial data provided by the Plan's custodian bank and investment managers. Investment performance analysis and comparisons produced by NEPC have been calculated using standard performance evaluation methodologies and are consistent with industry standards, including calculation of returns using a time-weighted rate-of-return methodology based on market values reported by the custodian. The Plan's goals are measured against stated policy objectives, appropriate benchmarks and comparative universes over multiple time periods. This review process allows the Plan to evaluate whether established goals are being achieved on an absolute, relative, and risk-adjusted basis.

Sincerely,

Daniel Hennessy, Senior Consultant

ASSET ALLOCATION

JUNE 30, 2022

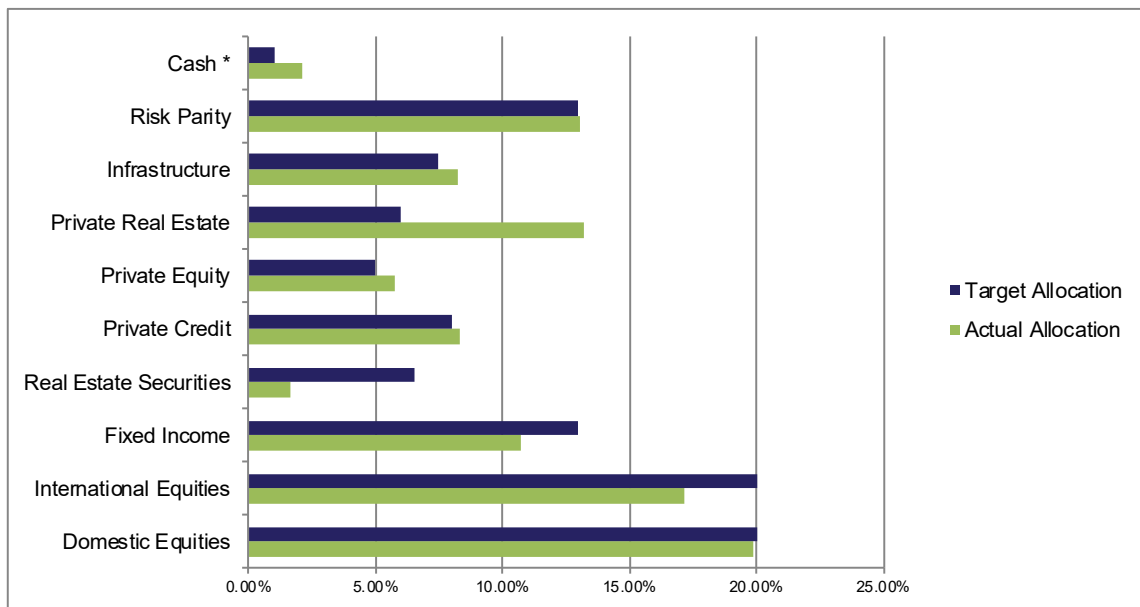
Asset Class	Fair Value	Actual Allocation	Target Allocation
Domestic Equities	\$ 498,124,355	19.86%	20.00%
International Equities	429,420,275	17.13%	20.00%
Fixed Income	268,798,689	10.72%	13.00%
Real Estate Securities	40,677,468	1.62%	6.50%
Private Credit	209,333,195	8.35%	8.00%
Private Equity	144,301,733	5.76%	5.00%
Private Real Estate	331,827,763	13.23%	6.00%
Infrastructure	205,768,782	8.21%	7.50%
Risk Parity	326,684,961	13.03%	13.00%
Cash *	52,455,305	2.09%	1.00%
TOTAL PORTFOLIO**	\$ 2,507,392,526	100.00%	100.00%

* Excludes Pooled Cash in County Treasury of \$297,631.

* Excludes Cash in Northern Trust \$15,248,869.

* Excludes Securities Lending Cash Collateral.

StanCERA's Asset Allocation



* Excludes Pooled Cash in County Treasury of \$297,631.

* Excludes Cash in Northern Trust \$15,248,869.

* Excludes Securities Lending Cash Collateral.

SCHEDULE OF INVESTMENT RETURNS As of June 30, 2022

Investment Managers	One Year	Three Year	Five Year	Ten Year
DOMESTIC EQUITY				
US Equities	-12.7%	10.1%	9.9%	12.2%
<i>Russell 3000 Index</i>	-13.9%	9.8%	10.6%	12.6%
US Large Equity	-12.8%	11.0%	11.3%	13.1%
<i>Russell 1000 Index</i>	-13.0%	10.2%	11.0%	12.8%
<i>eV US Large Cap Equity Net Rank</i>	60.00	17.00	28.00	21.00
US Small Equity	12.0%	6.7%	5.0%	9.2%
<i>Russell 2000 Index</i>	-25.2%	4.2%	5.2%	9.4%
<i>eV US Small Cap Value Equity Net Rank</i>	53.00	51.00	62.00	60.00
Dodge & Cox	-7.5%	10.6%	9.3%	12.7%
<i>Russell 1000 Value Index</i>	-6.8%	6.9%	7.2%	10.5%
<i>eV US Large Cap Value Equity Net Rank</i>	67.00	16.00	26.00	7.00
BlackRock R1000 Value	-6.9%	6.9%	7.2%	10.6%
<i>Russell 1000 Value Index</i>	-6.8%	6.9%	7.2%	10.5%
<i>eV US Large Cap Value Equity Net Rank</i>	60.00	77.00	69.00	56.00
BlackRock R1000 Growth	-18.8%	12.6%	14.3%	14.8%
<i>Russell 1000 Growth Index</i>	-18.8%	12.6%	14.3%	14.8%
<i>eV US Large Cap Growth Equity Net Rank</i>	37.00	8.00	12.00	8.00
Attucks Small Cap	-12.0%	6.7%	5.6%	9.9%
<i>Russell 2000 Value Index</i>	-16.3%	6.2%	4.9%	9.1%
<i>eV US Small Cap Value Equity Net Rank</i>	53.00	51.00	49.00	43.00
FIXED INCOME				
Northern Trust Intermediate Gov't Bond	-6.4%	-0.3%	N/A	N/A
<i>BBgBarc US Govt Int TR</i>	-6.3%	-0.3%	N/A	N/A
Northern Trust Long Term Gov't Bond	-16.1%	-2.1%	N/A	N/A
<i>BBgBarc US Govt Long TR</i>	-18.4%	-2.9%	N/A	N/A
INTERNATIONAL EQUITY				
LSV Asset Management	-12.6%	2.8%	2.2%	5.5%
<i>MSCI ACWI ex US Index</i>	-12.8%	0.6%	1.2%	3.8%
Fidelity Asset Management	-21.3%	2.6%	3.2%	5.6%
<i>MSCI ACWI ex US Index</i>	-25.8%	1.6%	3.4%	5.7%
REAL ESTATE SECURITIES				
BlackRock US Real Estate Index	-6.5%	2.4%	4.2%	N/A
<i>DJ US Select RESI TR USD</i>	-6.4%	2.5%	4.3%	N/A
PRIVATE CREDIT *				
Black Rock High Yield	-12.9%	N/A	N/A	N/A
<i>Bloomberg US High Yield TR</i>	-12.8%	0.2%	2.1%	4.5%
Medley Opportunity Fund II	-16.2%	-13.0%	-11.2%	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
Owl Rock First Lien	14.7%	N/A	N/A	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
Abry Senior Equity, VI, L.P.	N/A	N/A	N/A	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
Raven Opportunity Fund III	23.9%	10.9%	10.3%	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
Strategic Values Special Solutions Fund V, L.P.	N/A	N/A	N/A	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
White Oak Global Advisors	8.2%	4.4%	4.9%	N/A
<i>S&P/LSTA Leveraged Loan Index + 2%</i>	-0.8%	4.1%	5.0%	5.8%
PRIVATE EQUITY *				
Northern Trust Russell 3000	-13.9%	9.8%	N/A	N/A
<i>Russell 3000</i>	-13.9%	9.8%	10.6%	12.6%
Clayton, Dublier, & Rice	N/A	N/A	N/A	N/A
Genstar Capital Partners X	N/A	N/A	N/A	N/A
Gryphon Partners VI LP	N/A	N/A	N/A	N/A
Insight Patners XI	44.9%	N/A	N/A	N/A
Sole Source Capital Partners II	N/A	N/A	N/A	N/A
Vista Foundation Fund IV	5.3%	N/A	N/A	N/A
<i>Russell 3000 + 3%</i>	11.3%	13.1%	13.2%	16.0%
PRIVATE REAL ESTATE *				
Prime Property Fund	28.8%	12.0%	10.3%	N/A
<i>NCREIF ODCE</i>	29.5%	12.7%	10.5%	N/A
PGIM Real Estate U.S. Debt Fund	4.4%	4.9%	N/A	N/A
<i>BBgBarc US CMBS Investment Grade</i>	-8.9%	-0.2%	N/A	N/A
American Strategic Value Realty	22.2%	11.8%	10.7%	N/A
<i>NCREIF Property Index</i>	21.5%	10.2%	8.9%	N/A
Greenfield Acquisition Partners VII	5.8%	9.5%	10.9%	N/A
<i>NCREIF ODCE +1%</i>	30.8%	13.8%	11.6%	N/A

SCHEDULE OF INVESTMENT RETURNS (Continued)
As of June 30, 2022

<u>Investment Managers</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
PRIVATE REAL ESTATE * (Continued)				
Grandview Partners I	23.8%	30.1%	N/A	N/A
<i>NCREIF ODCE +1%</i>	30.8%	13.8%	N/A	N/A
Grandview Partners II	N/A	N/A	N/A	N/A
<i>NCREIF ODCE +1%</i>	N/A	N/A	N/A	N/A
INFRASTRUCTURE *				
JP Morgan IIF Hedged LP	N/A	N/A	N/A	N/A
Palistar Infrastructure II	N/A	N/A	N/A	N/A
<i>CPI + 5%</i>	N/A	N/A	N/A	N/A
North Haven Partners II	9.9%	7.1%	11.8%	9.1%
<i>CPI + 5%</i>	14.5%	10.2%	9.1%	8.3%
Northern Trust Infrastructure Fund	-6.7%	N/A	N/A	N/A
<i>CPI + 5%</i>	-6.7%	N/A	N/A	N/A
RISK PARITY				
AQR Global Risk Premium - EL	-10.2%	2.2%	N/A	N/A
PanAgora Risk Parity Multi Asset	-15.0%	1.8%	N/A	N/A
<i>60% MSCI ACWI</i>	-15.4%	2.6%	N/A	N/A
Graham Global Investment Fund I SPC LTD	N/A	N/A	N/A	N/A
<i>HFRI Macro Index</i>	N/A	N/A	N/A	N/A
Invesco Global	N/A	N/A	N/A	N/A
<i>30 Day T-Bill + 4%</i>	N/A	N/A	N/A	N/A
TOTAL FUND	-6.4%	5.9%	6.2%	7.8%
<i>Policy Index</i>	-6.8%	5.8%	6.2%	7.5%

Note: % taken from NEPC Quarterly Report presented to Board of Retirement on 8/23/2022.

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

Does not include Securities Lending Collateral.

* Investment Rate of Return (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, 2022

Investment Managers	Asset Class	Assets Under Management	% of Fund
DOMESTIC EQUITY			
Dodge & Cox	Large Cap Value	\$ 113,835,390	4.54%
BlackRock R1000 Value	Large Cap Value	102,986,159	4.11%
BlackRock R1000 Growth	Large Cap Growth	188,941,916	7.54%
Capital Prospects	Small Cap Value	92,360,890	3.68%
FIXED INCOME			
Insight	Core Bond	123,727,894	4.93%
NT Intermediate Bond	Core Bond	101,090,473	4.03%
NT Long Term Bond	Core Bond	43,980,321	1.75%
INTERNATIONAL EQUITY			
LSV Asset Management	Equity Value	224,778,437	8.96%
Fidelity Asset Management	Equity Growth	204,641,838	8.16%
REAL ESTATE SECURITIES			
BlackRock US Real Estate	Real Estate Index	40,677,468	1.62%
PRIVATE CREDIT			
Abry VI	Private Credit	4,508,672	0.18%
BlackRock High Yield	Private Credit	97,407,289	3.88%
Medley Opportunity Fund II	Private Credit	2,047,215	0.08%
Raven Opportunity Fund I	Private Credit	(2)	0.00%
Raven Opportunity Fund III	Private Credit	57,389,616	2.29%
Monroe Fund IV	Private Credit	10,566,532	0.42%
White Oak Global Advisors	Private Credit	25,386,739	1.01%
Owl Rock First Lien	Private Credit	8,439,504	0.34%
Strategic Values Special Solutions Fund V, L.P.	Private Credit	3,587,630	0.14%
PRIVATE REAL ESTATE			
American Realty Advisors	Private Real Estate	90,647,817	3.62%
Greenfield Acquisition Partners VII LP	Private Real Estate	3,332,665	0.13%
Grandview I-A	Private Real Estate	27,724,003	1.11%
Grandview II	Private Real Estate	11,047,759	0.44%
PGIM	Private Real Estate	91,206,032	3.64%
Prime Property Fund	Private Real Estate	107,869,487	4.30%
PRIVATE EQUITY			
Blue Wolf V	Private Equity	(459,163)	0.00%
Clayton, Dubilier & Rice XI	Private Equity	8,337,868	0.33%
Genstar Capital Partners X	Private Equity	3,162,196	0.13%
Great Hill EP VIII	Private Equity	(942,150)	-0.04%
Gryphon Partners VI	Private Equity	10,120,708	0.40%
Insight Partners XI	Private Equity	23,641,503	0.94%
Northern Trust Russell 3000	Private Equity	78,230,568	3.12%
Sole Source Partners II	Private Equity	11,047,287	0.44%
Vista Foundation IV Fund	Private Equity	11,162,916	0.45%

SCHEDULE OF INVESTMENTS BY ASSET CLASS AND MANAGER (Continued)
As of June 30, 2022

Investment Managers	Asset Class	Assets Under Management	% of Fund
INFRASTRUCTURE			
Palistar Infrastructure II	Infrastructure	9,086,033	0.36%
JP Morgan IIF	Infrastructure	30,517,603	1.22%
NTAM Infrastructure	Infrastructure	136,146,806	5.43%
North Haven Partners II LP	Infrastructure	30,018,340	1.20%
RISK PARITY			
AQR	Risk Parity	122,159,372	4.87%
Graham Fund I	Risk Parity	67,472,851	2.69%
Invesco	Risk Parity	25,540,085	1.02%
PanAgora	Risk Parity	111,512,654	4.45%
Total Assets Under Management		2,454,937,221	
Cash and Short-Term Investments	90 Day T-Bill	52,455,305	2.09%
Total Fund		\$ 2,507,392,526	100.00%

Note: Does not include Securities Lending Collateral.
Does not include cash in Treasury Pool.

LARGEST BOND HOLDINGS (BY FAIR VALUE)
JUNE 30, 2022

Shares	Bond	Fair Value
2,845,000	CAMPBELL SOUP CO DUE 03-15-2025	\$ 2,837,810
2,800,000	ABBOTT LABS DUE 11-30-2026	2,814,546
2,693,000	COLUMBIA PIPELN DUE 06-01-2025	2,715,168
3,000,000	PVTPL MASSMUTUAL GLOBAL FUNDING DUE 07-16-2026	2,697,130
2,800,000	VERIZON DUE 08-15-2026	2,645,381
2,503,000	CIGNA CORP NEW DUE 02-25-2026	2,527,986
2,552,000	BARCLAYS PLC DUE 01-12-2026	2,525,726
2,600,000	BA CR CARD TR FIXED DUE 05-15-2026	2,491,558
2,700,000	AIG GLOBAL FDG SR DUE 09-22-2025	2,421,979
2,500,000	DTD 11/30/2019 DUE 11-30-2024	2,411,621
2,500,000	UTD TECHNOLOGIES DUE 05-04-2027	2,390,689
2,419,000	CAP 1 FINL CORP DUE 02-05-2025	2,352,021
2,333,000	DAIMLER FIN N AMER DUE 08-01-2024	2,302,191
2,298,000	WELLS FARGO & CO DUE 09-09-2024	2,267,153
2,193,000	GRUPO BIMBO SAB DE CV GTD NT 144A DUE 06-24-2024	2,166,596
2,204,000	STARBUCKS CORP DUE 06-15-2026	2,078,519
2,093,000	VERIZON OWNER TR 2020-C SRS 20- C CL A DUE 12-20-2025	2,046,450
2,300,000	AMAZON COM INC DUE 06-03-2027	2,046,433
2,000,000	PVTPL GMF FLOORPLAN OWNER REVOLVING TR SR 2020-1 CL A DUE 08-15-2025	1,931,837
1,853,000	CVS HEALTH CORP DUE 12-01-2022	1,851,979

LARGEST STOCK HOLDINGS (BY FAIR VALUE)
JUNE 30, 2022

Shares	Stock	Fair Value
15,200	ROCHE HLDGS AG GENUSSSCHEINE NPV	\$ 5,057,670
81,500	OCCIDENTAL PETROLEUM CORP	4,798,720
106,500	SAMSUNG ELECTRONIC	4,675,370
72,500	SCHWAB CHARLES CORP	4,580,550
107,700	WELLS FARGO & CO	4,218,609
192,600	GSK PLC	4,129,793
35,336	NESTLE SA CHF	4,113,275
47,900	NOVARTIS AG CHF	4,045,245
140,600	NIPPON TELEGRAPH & TELEPHONE CORP NPV	4,032,075
365,800	AIA GROUP LTD NPV	3,964,762
38,700	SANOFI	3,897,812
1,750	ALPHABET INC	3,828,038
14,500	CIGNA CORP	3,821,040
69,600	TOTALENERGIES SE	3,665,089
10,570	ROCHE HLDGS AG GENUSSSCHEINE NPV	3,517,077
69,500	SANOFI	3,477,085
133,700	SHELL PLC ORD	3,465,018
54,500	METLIFE INC COM	3,422,055
14,700	FEDEX CORP COM	3,332,637
31,500	CAPITAL ONE FINL CORP COM	3,281,985

A complete list of portfolio holdings is available on StanCERA's website at www.stancera.org or upon request.

SCHEDULE OF INVESTMENT MANAGEMENT FEES

For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
<u>Domestic Equities</u>		
BlackRock	\$ 119,674	\$ 46,872
Capital Prospects	800,381	658,157
Dodge & Cox	258,477	226,029
NT Russell 1000	21,115	30,566
Total Domestic Equities	1,199,647	961,624
<u>International Equities</u>		
LSV Asset Management	639,169	675,113
Fidelity Asset Management	1,246,562	1,276,056
Total International Equities	1,885,731	1,951,169
<u>Fixed Income</u>		
Dimensional Fund Advisors	-	205,991
Insight	129,116	212,990
NT Intermediate Bond	49,079	24,477
NT Long Term Bond	20,223	10,321
Total Fixed Income	198,418	453,779
<u>Real Estate Securities</u>		
BlackRock US Real Estate Index	91,860	15,641
Total Real Estate Securities	91,860	15,641
<u>Private Credit</u>		
Abry VI	145,384	-
BlackRock High Yield	113,554	-
Medley Opportunity Fund II	1,271,969	39,424
Raven Opportunity Fund III	717,012	716,407
Owl Rock First	148,917	141,916
Strategic Values Special Solutions Fund V, L.P.	126,924	-
White Oak Global Advisors	350,602	358,760
Total Private Credit	2,874,362	1,256,507
<u>Private Real Estate</u>		
American Realty Advisors	3,176,063	791,272
Greenfield Acquisition Partners VII	404,899	626,341
Grandview I-A	1,783,643	2,577,972
Grandview II	271,233	-
Prime Property Fund	975,311	715,258
PGIM	509,853	472,801
Total Private Real Estate	7,121,002	5,183,644
<u>Private Equity</u>		
Blue Wolf V	177,368	-
Clayton, Dubilier & Rice XI	93,812	195,044
Genstar X	44,302	-
Great Hill VIII	24,259	-
Gryphon Partners VI	150,229	67,287
Insight Partners XI	158,755	262,225
Sole Source Partners II	682,463	-
Vista Foundation IV	400,000	400,000
Total Private Equity	1,731,188	924,556
<u>Infrastructure</u>		
JP Morgan IIF	67,696	-
Palistar Infrastructure II	802,136	-
NTAM Infrastructure	2,224	-
North Haven Partners, LP	354,269	433,202
Total Infrastructure	1,226,325	433,202
<u>Risk Parity</u>		
AQR	579,578	639,736
Graham Fund I	3,940,148	-
Invesco	106,012	-
PanAgora	530,393	617,725
Total Risk Parity	5,156,131	1,257,461
Total Investment Management Fees	21,484,664	12,437,583
<u>Other Investment Fees and Expenses</u>		
Consultant Fees	501,233	524,347
Custodial Fees	242,263	342,344
Investment Attorney	130,981	179,113
Other Investment Costs	5,376,766	2,299,994
Actuarial Fees	162,593	103,178
Total Other Investment Fees and Expenses	6,413,836	3,448,976
Total Investment Fees and Expenses	\$27,898,500	\$15,886,559

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 the fiscal years ending June 30, 2022 and 2021, Commission Recapture Income was \$32,929 and \$28,983, respectively.

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

		2022		
		# Shares	Commissions	Per Share
<u>Domestic Equities</u>				
Capital Prospects		521,490	\$ 14,722	\$ 0.028
	Total Domestic Equities	521,490	14,722	0.028
<u>International Equities</u>				
Fidelity Asset Management		5,782,904	86,848	0.015
	Total International Equities	5,782,904	86,848	-
	Total Investment Broker Commissions	6,304,394	\$ 101,570	\$ 0.016
		2021		
		# Shares	Commissions	Per Share
<u>Domestic Equities</u>				
Capital Prospects		519,406	\$ 14,789	\$ 0.028
	Total Domestic Equities	519,406	14,789	0.028
<u>International Equities</u>				
Fidelity Asset Management		15,344,560	167,647	0.011
	Total International Equities	15,344,560	167,647	-
	Total Investment Broker Commissions	15,863,966	\$ 182,436	\$ 0.012

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ACTUARIAL SECTION

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Via Electronic Mail

September 30, 2022

Actuarial Certification

This is the Actuary's Certification Letter for the Actuarial Section of the Annual Comprehensive Financial Report for the StanCERA Retirement Plan (the Plan) as of June 30, 2022. This letter includes references to two documents produced by Cheiron for the Plan: the Actuarial Valuation Report as of June 30, 2021 (transmitted February 15, 2022) and the GASB 67/68 Report as of June 30, 2022 (transmitted September 29, 2022).

Actuarial Valuation Report as of June 30, 2021

The purpose of the annual Actuarial Valuation Report as of June 30, 2021 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 2022-2023. The prior review was conducted as of June 30, 2020 and included recommended contribution rates for the Fiscal Year 2021-2022.

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, 2021), the amortization period is 15 years. Future unexpected changes in the UAAL from actuarial gains or losses or assumption changes will be amortized over a period of 20 years as a level percentage of payroll, with new amortization layers established each year, beginning with changes emerging after June 30, 2021. Any future changes in the UAAL due to plan amendments or other plan provision changes will be amortized over a shorter period, based on the lesser of 15 years or the average future working lifetime for changes affecting active members, or the lesser of 10 years or the average remaining life expectancy for changes affecting inactive members.

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 Annual Comprehensive Financial Report, based on the June 30, 2021 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, 2018 through June 30, 2021 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 2024.

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, 2022

The purpose of GASB 67/68 Report as of June 30, 2022 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, 2021 actuarial valuation updated to the measurement date of June 30, 2022. 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, 2022 for additional information related to the financial reporting of the System. We prepared the following schedules for inclusion in the Financial Section of the Annual Comprehensive Financial Report based on the June 30, 2022 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, Data Quality.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech), to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal, have a basic understanding of it, and have used it in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report.

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, 2018 through June 30, 2021, approved by the StanCERA Board of Retirement on December 14, 2021. The actuarial valuation for the fiscal year ending June 30, 2021 was approved by the StanCERA Board of Retirement on February 15, 2022, which incorporated the following assumptions. The purpose of the annual actuarial valuation report as of June 30, 2021 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 ended June 30, 2023. The prior actuarial valuation conducted as of June 30, 2020 included recommended contribution rates for the fiscal year ended June 30, 2022 which was approved by the StanCERA Board of Retirement on January 26, 2021.

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 (15 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, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percent of Pay
Remaining Amortization Period	15 Years	16 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 6.75% net of investment expenses.
2. Cost of Living Adjustments (COLA) – The COLA is assumed to be 2.50% per year as measured by the Consumer Price Index.
3. Administrative Expenses – An allowance of \$3,100,000 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 2.75%. 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	5.00%	5.00%
1	5.00%	5.00%
2	5.00%	5.00%
3	5.00%	4.50%
4	5.00%	4.50%
5	3.50%	2.00%
6	2.50%	1.75%
7	1.50%	1.50%
8	1.25%	1.50%
9	1.00%	1.25%
10	0.75%	1.00%
11+	0.50%	1.00%

6. Public Employees' Pension Reform Act (PEPRA) Compensation Limit – Assumption used for increasing the compensation limit that applies to PEPRA members is 2.50%.
7. Post Retirement COLA – 100% of Consumer Price Index up to 3% annually with banking, 2.4% 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 2.75% 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 two 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	60%

Actuarial Assumptions (continued)

12. Accumulated Vacation Time Load – Active members' service retirement and related benefits are loaded by 3.00% for Safety Members and 3.00% 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.

Termination (all types)		
Service	Safety	General
	All	All
0	18.0%	16.0%
1	14.0%	8.0%
2	9.0%	7.0%
3	8.0%	6.0%
4	7.0%	6.0%
5	7.0%	6.0%
10	5.0%	5.0%
15	3.0%	2.0%
20	3.0%	0.0%
25	3.0%	0.0%
30+	0.0%	0.0%

14. Withdrawal – Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions. 45% of all General Member terminations with less than ten years of service and 15% 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 51. 60% of vested terminated General members are assumed to be reciprocal with less than 10 years of service, and 40% of those with 10 years or more. 75% of vested Safety members are assumed to be reciprocal with less than 10 years of service, and 70% with 10 years or more. Reciprocal members are assumed to receive annual pay increases of 3.25% for General members and 3.75% for Safety members.

Actuarial Assumptions (continued)

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%

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%
75+	-	0.0880%	0.1020%

Actuarial Assumptions (continued)

18. Rates for Mortality for Healthy Lives – Rates of ordinary death for active General members are specified by the 2021 California Public Employees Retirement System (CalPERS) Preretirement Non-Industrial Mortality table, adjusted by 102.2% for males and 110.2% for females. Rates of ordinary death for active Safety members are specified by the 2021 CalPERS Preretirement Non-Industrial Mortality table, adjusted by 102.6% for males and 100.9% for females. Duty related mortality rates are only applicable for Safety Active Members and are based on the 2021 CalPERS Preretirement Industrial Death table, adjusted by 102.6% for males and 100.9% for females. These mortality base tables are all projected generationally from 2017 using 80% of SOA Scale MP-2020.

Mortality Rates						
Age	Ordinary Death - General		Ordinary Death - Safety		Duty Death - Safety	
	Female	Male	Female	Male	Female	Male
20	0.0154%	0.0399%	0.0141%	0.0390%	0.0020%	0.0041%
25	0.0143%	0.0337%	0.0182%	0.0349%	0.0020%	0.0041%
30	0.0209%	0.0450%	0.0252%	0.0431%	0.0030%	0.0051%
35	0.0320%	0.0593%	0.0343%	0.0492%	0.0040%	0.0051%
40	0.0430%	0.0767%	0.0424%	0.0564%	0.0050%	0.0062%
45	0.0595%	0.0950%	0.0535%	0.0677%	0.0061%	0.0072%
50	0.0893%	0.1369%	0.0737%	0.0944%	0.0081%	0.0103%
55	0.1355%	0.2024%	0.1070%	0.1416%	0.0121%	0.0154%
60	0.1973%	0.2933%	0.1524%	0.2267%	0.0172%	0.0257%
65	0.2755%	0.4119%	0.1957%	0.3550%	0.0222%	0.0390%
70	0.4452%	0.6071%	0.3612%	0.6218%	0.0404%	0.0687%

19. Disabled Member Mortality –

Non-Service Connected Disability Members are specified by the 2021 CalPERS Non-Industrial Disabled Annuitant Mortality table, no adjustment for males or females, with generational mortality improvements projected from 2017 using 80% of SOA Scale MP-2020.

Service Connected Disability Members are adjusted by 105% for females and no adjustment for males using the same table and scale.

Disabled Mortality Rates				
Age	Non-Service Connected		Service Connected	
	Female	Male	Female	Male
45	1.019%	1.120%	0.238%	0.314%
50	1.439%	1.727%	0.326%	0.437%
55	1.734%	2.217%	0.577%	0.623%
60	1.962%	2.681%	0.911%	0.935%
65	2.276%	3.332%	1.250%	1.393%
70	2.910%	4.056%	1.951%	2.189%
75	4.160%	5.465%	3.291%	3.498%
80	6.112%	8.044%	5.442%	5.932%
85	9.385%	11.695%	8.447%	10.244%
90	14.396%	16.770%	13.056%	16.739%

Actuarial Assumptions (continued)

20. Retired Member and Beneficiary Mortality - specified by the CalPERS Healthy Annuitant Mortality table, adjusted by 107.6% for males and 115.3% for females, with generational mortality improvements projected from 2017 using 80% of SOA Scale MP-2020.

Retired Mortality Rates		
Age	Female	Male
45	0.063%	0.101%
50	0.229%	0.291%
55	0.375%	0.421%
60	0.525%	0.618%
65	0.705%	0.922%
70	1.149%	1.442%
75	2.056%	2.582%
80	3.923%	4.713%
85	7.110%	8.902%
90	12.782%	15.644%

21. Mortality Improvement – The mortality assumptions employ a fully generational mortality improvement projection from base year 2017 using 80% of SOA Scale MP-2020.
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				
Age	Years of Service			Age	Years of Service			
	0-9	10-29	30+		0-9	10-14	15-19	20+
40-44	0.00%	0.00%	0.00%	40-48	0.00%	0.00%	0.00%	5.00%
45-49	0.00%	0.00%	10.00%	49	0.00%	0.00%	0.00%	20.00%
50-54	0.00%	4.00%	10.00%	50	0.00%	5.00%	25.00%	40.00%
55	0.00%	7.00%	10.00%	51	0.00%	5.00%	5.00%	25.00%
56	0.00%	7.00%	15.00%	52	0.00%	5.00%	5.00%	25.00%
57	0.00%	7.00%	15.00%	53	0.00%	5.00%	5.00%	25.00%
58	0.00%	7.00%	15.00%	54	0.00%	5.00%	5.00%	25.00%
59	0.00%	12.50%	15.00%	55	0.00%	5.00%	5.00%	40.00%
60	0.00%	12.50%	22.50%	56	0.00%	5.00%	5.00%	40.00%
61	0.00%	12.50%	30.00%	57	0.00%	5.00%	5.00%	40.00%
62	0.00%	20.00%	30.00%	58	0.00%	5.00%	5.00%	40.00%
63	0.00%	20.00%	30.00%	59	0.00%	5.00%	5.00%	40.00%
64	0.00%	20.00%	30.00%	60	0.00%	25.00%	25.00%	100.00%
65	0.00%	40.00%	30.00%	61	0.00%	25.00%	25.00%	100.00%
66	0.00%	40.00%	30.00%	62	0.00%	25.00%	25.00%	100.00%
67	0.00%	40.00%	30.00%	63	0.00%	25.00%	25.00%	100.00%
68	0.00%	25.00%	30.00%	64	0.00%	25.00%	25.00%	100.00%
69	0.00%	25.00%	30.00%	65	0.00%	100.00%	100.00%	100.00%
70	25.00%	25.00%	30.00%	66	0.00%	100.00%	100.00%	100.00%
71	25.00%	25.00%	30.00%	67	0.00%	100.00%	100.00%	100.00%
72	25.00%	25.00%	30.00%	68	0.00%	100.00%	100.00%	100.00%
73	25.00%	25.00%	30.00%	69	0.00%	100.00%	100.00%	100.00%
74	25.00%	25.00%	30.00%	70+	100.00%	100.00%	100.00%	100.00%
75+	100.00%	100.00%	100.00%					

Actuarial Assumptions (continued)

23. PEPR – Retirement for members in PEPR, Tier 6, are assumed to occur among eligible members in accordance with the sample rates below, from the full tables 2021 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 (PEPR)				
	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 (PEPR)				
	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, 2018 through June 30, 2021. The proposed assumptions were summarized and reviewed with the Board at the December 14, 2021 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
6/30/2012	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%	
6/30/2020	General	3,652	\$ 221,652,587	\$ 60,693	1.62%	8
	Safety	806	63,673,695	79,000	1.09%	
	Total	4,458	\$ 285,326,282	\$ 64,003	1.50%	
6/30/2021	General	3,555	\$ 228,145,063	\$ 64,176	5.74%	8
	Safety	766	63,505,375	82,905	4.94%	
	Total	4,321	\$ 291,650,438	\$ 67,496	5.46%	

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, Stanislaus Regional Transit Authority, City of Ceres and six small districts.

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

Actuarial Valuation Date	Valuation Assets	¹	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as a % of Covered Payroll
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%
2020	\$ 2,290,287,000		\$ 3,028,647,000	\$ 738,360,000	75.6%	\$ 285,326,282	258.8%
2021	\$ 2,483,712,000		\$ 3,153,032,000	\$ 669,320,000	78.8%	\$ 291,650,438	229.5%

¹ 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
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
2020	4,001	283	\$ 11,277,136	107	\$ 3,164,436	4,177	\$ 144,745,530	8.34%	\$ 34,653
2021	4,177	273	\$ 9,937,557	134	\$ 3,802,836	4,316	\$ 153,764,029	6.23%	\$ 35,627

**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					
2012	\$ 351,569,000	\$ 987,546,000	\$ 549,598,000	\$ 1,888,713,000	\$ 1,451,764,000	100%	100%	20%
2013	¹ \$ 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	\$ 1,337,781,000	\$ 857,667,000	\$ 2,391,522,000	\$ 1,763,629,000	100%	100%	27%
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%
2020	\$ 222,390,000	\$ 1,833,388,000	\$ 972,868,000	\$ 3,028,647,000	\$ 2,290,287,000	100%	100%	24%
2021	\$ 224,594,000	\$ 1,903,558,000	\$ 1,024,880,000	\$ 3,153,032,000	\$ 2,483,712,000	100%	100%	35%

¹ Reflects change to include only refundable contribution balance.

**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		
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	\$ 16,300,000	\$ 28,900,000	\$ 45,200,000	\$ -	\$ -
2017	\$ (20,800,000)	\$ (8,900,000)	\$ (29,700,000)	\$ -	\$ -
2018	¹ \$ (12,400,000)	\$ 16,800,000	\$ 4,400,000	\$ -	\$ (37,800,000)
2019	\$ 28,700,000	\$ 30,800,000	\$ 59,500,000	\$ -	\$ -
2020	\$ 42,100,000	\$ 7,400,000	\$ 49,500,000	\$ -	\$ -
2021	\$ (65,700,000)	\$ 33,000,000	\$ (32,700,000)	\$ -	\$ (30,100,000)

¹ 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 45.

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STATISTICAL SECTION

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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	2022	2021	2020	2019	2018
Employer Contributions	\$100,768,249	\$ 93,307,629	\$ 92,684,609	\$ 88,589,381	\$ 76,966,471
Plan Member Contributions	29,998,079	29,553,123	29,645,645	27,742,863	26,746,289
Net Investment Income (Loss)	(169,153,892)	556,195,649	18,496,773	99,280,525	154,988,199
<i>Total Additions</i>	<u>\$ (38,387,564)</u>	<u>\$ 679,056,401</u>	<u>\$ 140,827,027</u>	<u>\$ 215,612,769</u>	<u>\$ 258,700,959</u>

Deductions From Fiduciary Net Position					
Pension Benefits	\$ 158,258,447	\$ 149,015,287	\$ 138,223,922	\$ 129,100,668	\$ 121,138,269
Refunds	4,050,751	1,915,614	1,761,673	2,674,023	2,033,847
Administrative Expense	3,475,764	3,393,869	3,216,625	2,557,391	2,791,409
<i>Total Deductions</i>	<u>\$ 165,784,962</u>	<u>\$ 154,324,770</u>	<u>\$ 143,202,220</u>	<u>\$ 134,332,082</u>	<u>\$ 125,963,525</u>

Change in Fiduciary Net Position Restricted for Pension Benefits	\$ (204,172,526)	\$ 524,731,631	\$ (2,375,193)	\$ 81,280,687	\$ 132,737,434
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Fiduciary Net Position Restricted for Pension Benefits					
Beginning of Year	2,730,597,870	2,205,866,239	2,208,241,432	2,126,960,745	1,994,223,311
End of Year	<u>\$2,526,425,344</u>	<u>\$2,730,597,870</u>	<u>\$2,205,866,239</u>	<u>\$2,208,241,432</u>	<u>\$2,126,960,745</u>

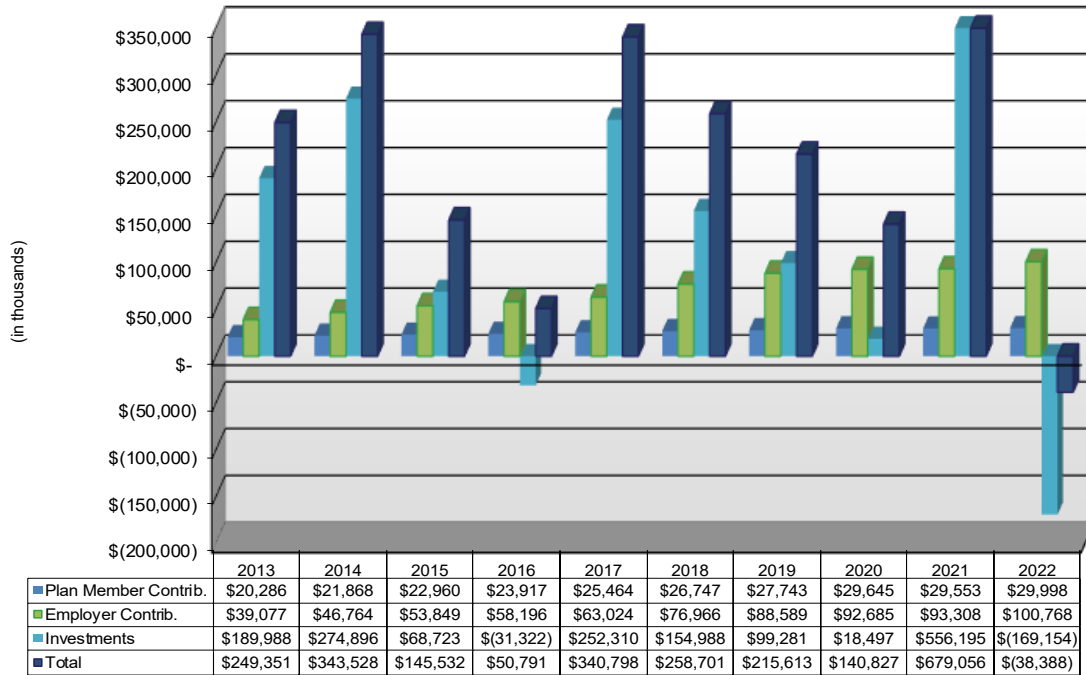
Additions To Fiduciary Net Position	2017	2016	2015	2014	2013
Employer Contributions	\$ 63,024,559	\$ 58,196,310	\$ 53,849,031	\$ 46,763,996	\$ 39,077,480
Plan Member Contributions	25,463,745	23,916,508	22,960,235	21,867,911	20,285,888
Net Investment Income (Loss)	252,309,706	(31,322,276)	68,722,781	274,896,108	189,988,287
<i>Total Additions</i>	<u>\$ 340,798,010</u>	<u>\$ 50,790,542</u>	<u>\$ 145,532,047</u>	<u>\$ 343,528,015</u>	<u>\$ 249,351,655</u>

Deductions From Fiduciary Net Position					
Pension Benefits	\$ 114,290,758	\$ 106,928,097	\$ 99,811,849	\$ 93,076,127	\$ 86,722,499
Refunds	2,553,100	1,237,713	2,046,307	1,706,344	1,926,062
Administrative Expense	2,644,554	2,315,223	2,378,966	2,249,260	2,065,345
<i>Total Deductions</i>	<u>\$ 119,488,412</u>	<u>\$ 110,481,033</u>	<u>\$ 104,237,122</u>	<u>\$ 97,031,731</u>	<u>\$ 90,713,906</u>

Change in Fiduciary Net Position Restricted for Pension Benefits	\$ 221,309,598	\$ (59,690,491)	\$ 41,294,925	\$ 246,496,284	\$ 158,637,749
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Fiduciary Net Position Restricted for Pension Benefits					
Beginning of Year	1,772,913,713	1,832,604,204	1,791,309,279	1,544,812,995	1,386,175,246
End of Year	<u>\$1,994,223,311</u>	<u>\$1,772,913,713</u>	<u>\$1,832,604,204</u>	<u>\$1,791,309,279</u>	<u>\$1,544,812,995</u>

Additions by Source
(for fiscal years ending June 30)



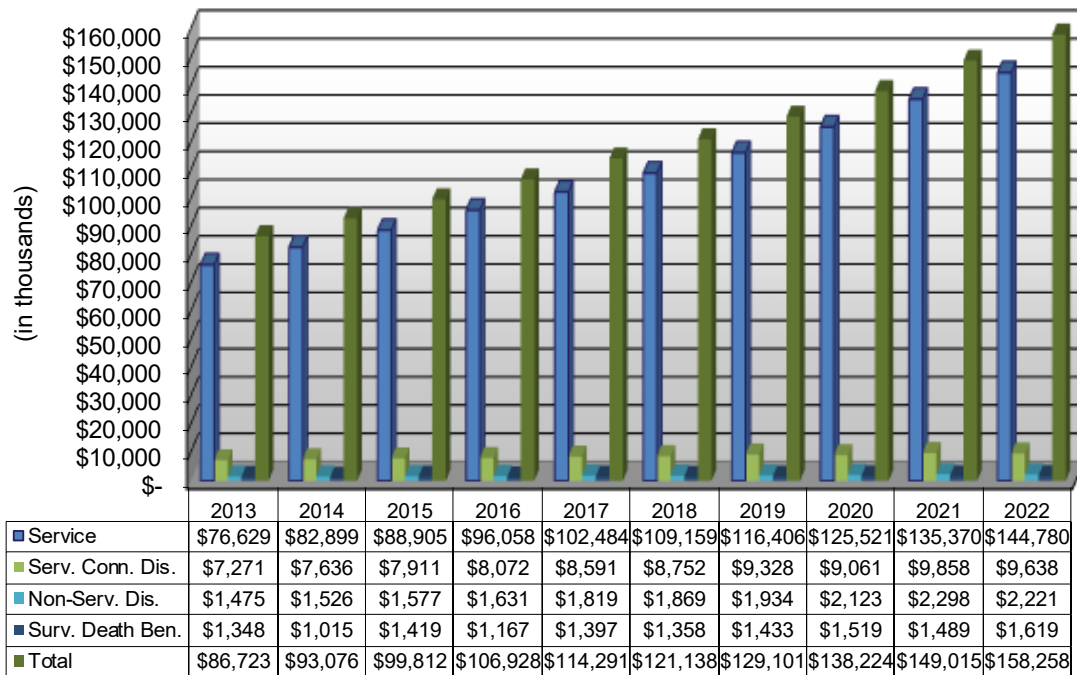
Data Source: ACFR Financial Section, Statement of Changes in Fiduciary Net Position

Deductions by Type
(for fiscal years ending June 30)



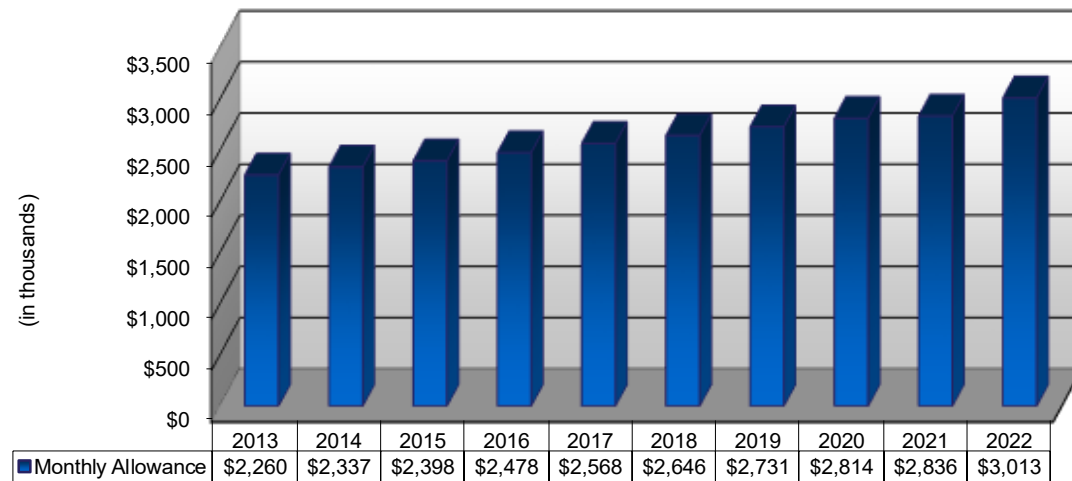
Data Source: ACFR Financial Section, Statement of Changes in Fiduciary Net Position

Benefit Expenses by Type (for fiscal years ending June 30)



Data Source: StanCERA Pension Administration System

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



Data Source: StanCERA Pension Administration System

RETIRED MEMBERS BY BENEFIT TYPE
as of June 30, 2022

Amount Monthly Benefit	Total # Retirees	Service Retirement	Service Connected Disability	Non-Service Disability	Survivors
General Members					
\$0-500	334	323	4	6	1
501-1,000	417	377	0	22	18
1,001-1,500	515	458	9	34	14
1,501-2,000	428	375	21	30	2
2,001-2,500	378	340	26	9	3
2,501-3,000	287	261	20	4	2
3,001-3,500	232	218	10	3	1
3,501-4,000	182	178	4	0	0
4,001-4,500	159	157	0	0	2
4,501-5,000	117	115	2	0	0
over 5,000	503	500	1	1	1
Totals	3,552	3,302	97	109	44
Safety Members					
\$0-500	31	15	15	1	0
501-1,000	25	19	3	1	2
1,001-1,500	32	31	0	1	0
1,501-2,000	38	33	2	2	1
2,001-2,500	46	37	4	4	1
2,501-3,000	37	24	11	1	1
3,001-3,500	86	41	44	1	0
3,501-4,000	89	38	47	0	4
4,001-4,500	59	45	14	0	0
4,501-5,000	46	35	10	0	1
over 5,000	260	246	13	0	1
Totals	749	564	163	11	11
TOTALS	4,301	3,866	260	120	55

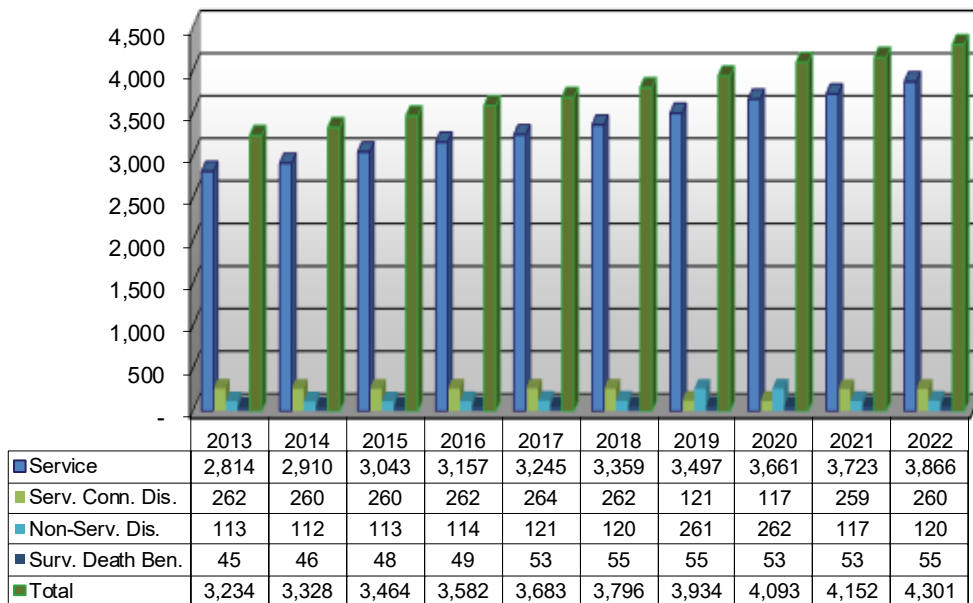
Data Source: StanCERA Pension Administration System

AVERAGE BENEFIT PAYMENTS

As of Fiscal Year-End June 30

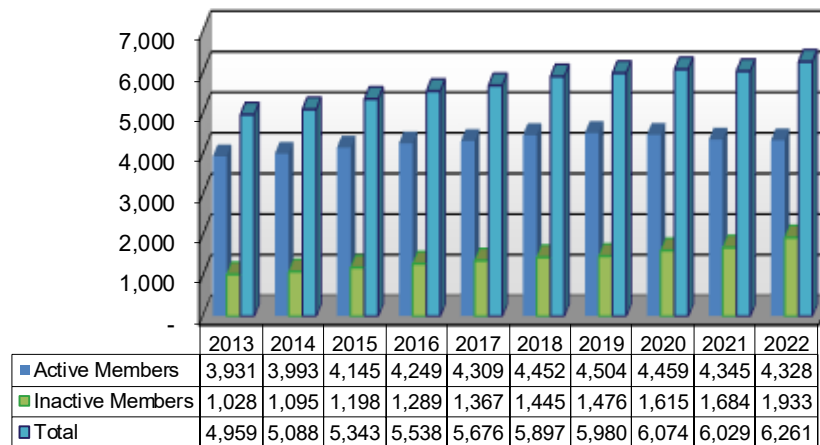
	Beneficiaries		Service Years Credited					
	& Dro's	0-5	5-10	10-15	15-20	20-25	25-30	30+
Fiscal Year Ending June 30, 2013								
Average Monthly Benefit	\$1,430	\$657	\$1,100	\$1,295	\$2,003	\$2,792	\$4,007	\$5,309
Avg Final Average Salary	\$2,662	\$5,058	\$4,110	\$3,748	\$4,047	\$4,516	\$4,962	\$5,872
Number of Active Retirees	387	195	376	634	498	469	344	331
Fiscal Year Ending June 30, 2014								
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
Fiscal Year Ending June 30, 2015								
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
Fiscal Year Ending June 30, 2016								
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
Fiscal Year Ending June 30, 2017								
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
Fiscal Year Ending June 30, 2018								
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
Fiscal Year Ending June 30, 2019								
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
Fiscal Year Ending June 30, 2020								
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
Fiscal Year Ending June 30, 2021								
Average Monthly Benefit	\$1,979	\$1,040	\$1,272	\$1,791	\$2,710	\$3,839	\$5,161	\$6,547
Avg Final Average Salary	\$4,109	\$5,958	\$4,898	\$4,751	\$5,156	\$5,636	\$5,885	\$6,447
Number of Active Retirees	501	284	488	770	669	617	462	435
Fiscal Year Ending June 30, 2022								
Average Monthly Benefit	\$2,021	\$1,076	\$1,292	\$1,843	\$2,799	\$3,984	\$5,310	\$6,772
Avg Final Average Salary	\$3,789	\$5,937	\$5,077	\$4,822	\$5,253	\$5,816	\$6,018	\$6,570
Number of Active Retirees	533	302	514	772	687	647	476	453

Membership History (Retired) (for fiscal years ending June 30)



Data Source: StanCERA Pension Administration System

Membership History (Active & Deferred) (for fiscal years ending June 30)



Data Source: StanCERA Pension Administration System

**PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS
WITH PERCENTAGE OF TOTAL SYSTEM
for fiscal years ending June 30**

	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
Stanislaus County:										
General Members	3,181	73.5%	3,181	73.2%	3,273	73.4%	3,305	73.4%	3,307	74.3%
Safety Members	<u>706</u>	16.3%	<u>717</u>	16.5%	<u>726</u>	16.3%	<u>734</u>	16.3%	<u>721</u>	16.2%
Total	<u>3,887</u>		<u>3,898</u>		<u>3,999</u>		<u>4,039</u>		<u>4,028</u>	
Participating Agencies:										
Stanislaus County Superior Court	230	5.3%	225	5.2%	234	5.2%	239	5.3%	219	4.9%
City of Ceres	161	3.7%	182	4.2%	186	4.2%	185	4.1%	171	3.8%
East Side Mosquito Abatement District	9	0.2%	9	0.2%	9	0.2%	10	0.2%	9	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%	7	0.2%	7	0.2%	6	0.1%
Stanislaus Regional Transit Authority	11	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Salida Sanitary District	7	0.2%	7	0.2%	7	0.2%	7	0.2%	6	0.1%
Stanislaus Council of Governments	<u>13</u>	0.3%	<u>14</u>	0.3%	<u>14</u>	0.3%	<u>14</u>	0.3%	<u>10</u>	0.2%
Total	<u>441</u>		<u>447</u>		<u>460</u>		<u>465</u>		<u>424</u>	
Total Active Membership	<u>4,328</u>		<u>4,345</u>		<u>4,459</u>		<u>4,504</u>		<u>4,452</u>	
	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>	
Stanislaus County:										
General Members	3,202	74.3%	3,156	74.3%	3,062	73.9%	2,963	74.2%	2,903	73.8%
Safety Members	<u>676</u>	15.7%	<u>645</u>	15.2%	<u>643</u>	15.5%	<u>602</u>	15.1%	<u>606</u>	15.4%
Total	<u>3,878</u>		<u>3,801</u>		<u>3,705</u>		<u>3,565</u>		<u>3,509</u>	
Participating Agencies:										
Stanislaus County Superior Court	217	5.0%	228	5.4%	224	5.4%	212	5.3%	205	5.2%
City of Ceres	180	4.2%	184	4.3%	181	4.4%	181	4.5%	178	4.5%
East Side Mosquito Abatement District	9	0.2%	10	0.2%	8	0.2%	9	0.2%	10	0.3%
Hills Ferry Cemetery	3	0.1%	3	0.1%	3	0.1%	3	0.1%	4	0.1%
Keyes Community Services District	6	0.1%	6	0.2%	6	0.1%	6	0.1%	5	0.2%
Salida Sanitary District	7	0.2%	7	0.2%	7	0.2%	7	0.2%	7	0.2%
Stanislaus Council of Governments	<u>9</u>	0.2%	<u>10</u>	0.2%	<u>11</u>	0.3%	<u>10</u>	0.3%	<u>13</u>	0.3%
Total	<u>431</u>		<u>448</u>		<u>440</u>		<u>428</u>		<u>422</u>	
Total Active Membership	<u>4,309</u>		<u>4,249</u>		<u>4,145</u>		<u>3,993</u>		<u>3,931</u>	

Data Source: StanCERA Pension Administration System

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