

2021 - 2022



POPULAR  
ANNUAL

# FINANCIAL REPORT

For the Fiscal Year ended  
June 30, 2022

Sacramento County  
Employees' Retirement System

Sacramento, CA



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**Sacramento County Employees' Retirement System  
California**

For its Annual Financial Report  
For the Fiscal Year Ended

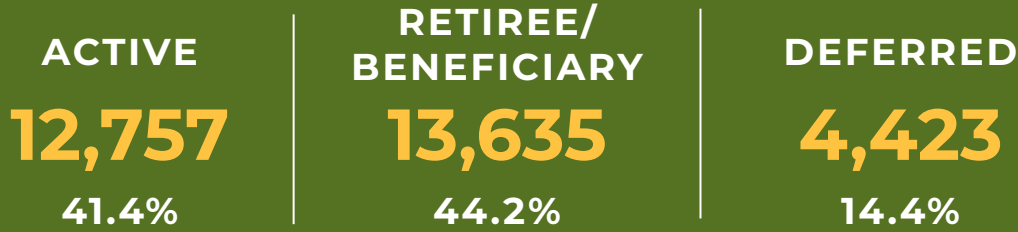
June 30, 2021

*Christopher P. Morill*  
Executive Director/CEO



# MEMBERS

SCERS' active members include permanent full-time and part-time employees of the County of Sacramento (and its Elected Officials); Superior Court of California (County of Sacramento); and nine Special Districts. Deferred members include those who have separated from active employment but not yet retired. As of June 30, 2022, SCERS had:

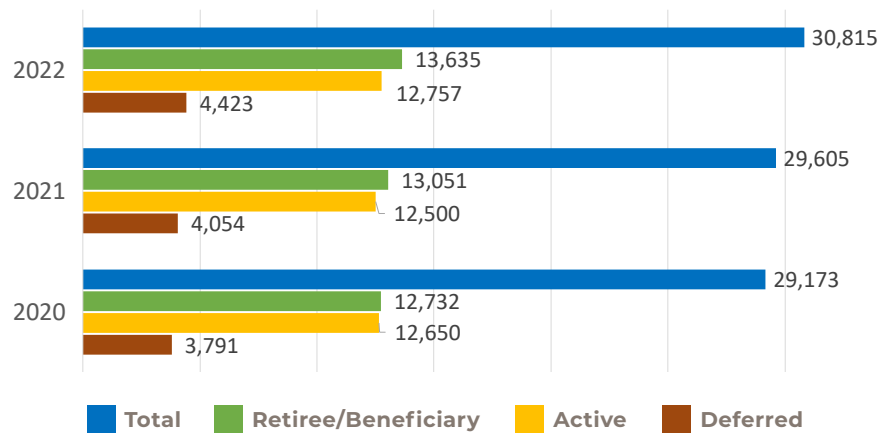


## ACCOMPLISHMENT HIGHLIGHTS

- Focused on stabilizing retirement application processing month-over-month and improving new-retiree satisfaction scores year-over-year.
- Completed a series of nine educational videos, launched a LinkedIn page, and hosted four pension planning webinars.
- Adopted a responsible-growth operating budget, completed an actuarial audit, and finished the 2021-22 Fiscal Year with a strong 87.1% funded status.
- Maintained responsible pacing of new investment opportunities in public and private markets, and adopted a new Portfolio Analytics and Risk Management platform.
- Recruited and filled key staff positions, retained a training consultant, updated office technology, and onboarded new Board trustees.
- Made considerable headway with the Pension Administration System (PAS) project with a scheduled go-live in 2023.

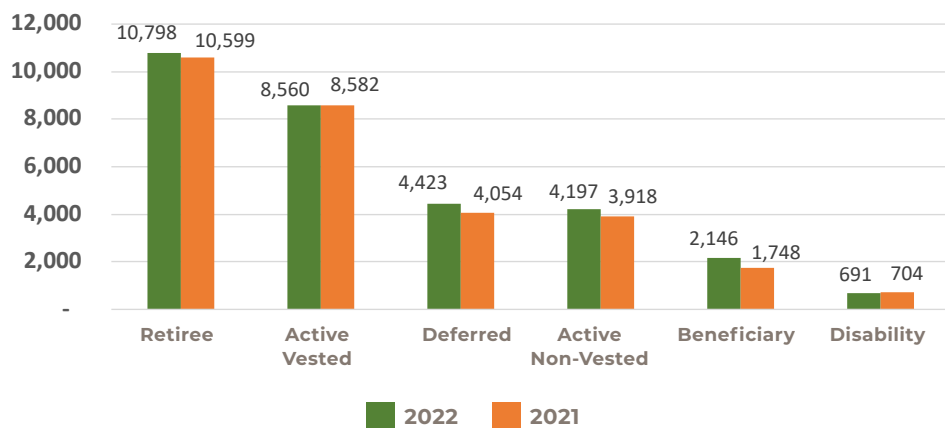
## MEMBERSHIP GROWTH

AS OF FISCAL YEAR ENDED JUNE 30



## MEMBERSHIP STATUS

AS OF FISCAL YEAR ENDED JUNE 30



# FINANCIAL SUMMARY

## STATEMENT OF FIDUCIARY NET POSITION (CONDENSED)

AS OF FISCAL YEAR ENDED JUNE 30

(Amounts Expressed in Millions)

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
<b>Assets</b>				
Cash and short-term investments	\$ 533.5	\$ 436.2	\$ 97.3	22.3%
Receivables	247.9	255.5	(7.6)	-3.0%
Investments	11,554.5	12,747.1	(1,192.6)	-9.4%
Capital assets, net	21.4	19.9	1.5	7.5%
<b>Total assets</b>	<u>12,357.3</u>	<u>13,458.7</u>	<u>(1,101.4)</u>	<u>-8.2%</u>
<b>Liabilities</b>				
Other liabilities	47.8	43.1	4.7	10.9%
Investment obligation	479.1	851.5	(372.4)	-43.7%
<b>Total liabilities</b>	<u>526.9</u>	<u>894.6</u>	<u>(367.7)</u>	<u>-41.1%</u>
<b>Net position restricted for pension benefits</b>	<u><b>\$ 11,830.4</b></u>	<u><b>\$ 12,564.1</b></u>	<u><b>\$ (733.7)</b></u>	<u><b>-5.8%</b></u>

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONDENSED)

FOR THE FISCAL YEAR ENDED JUNE 30

(Amounts Expressed in Millions)

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
<b>Additions</b>				
Member contributions	\$ 132.5	\$ 120.6	\$ 11.9	9.9%
Employer contributions	306.2	295.3	10.9	3.7%
Net investment income (loss)	(544.6)	2,756.4	(3,301.0)	-119.8%
Other additions*	32.6	32.4	0.2	0.6%
<b>Total additions</b>	<u>(73.3)</u>	<u>3,204.7</u>	<u>(3,278.0)</u>	<u>-102.3%</u>
<b>Deductions</b>				
Retirement benefit payments and refunds	618.8	578.4	40.4	7.0%
Administrative expenses	9.0	9.2	(0.2)	-2.2%
Other deductions*	32.6	32.4	0.2	0.6%
<b>Total deductions</b>	<u>660.4</u>	<u>620.0</u>	<u>40.4</u>	<u>6.5%</u>
<b>Net increase (decrease) in net position</b>	<u>(733.7)</u>	<u>2,584.7</u>	<u>(3,318.4)</u>	<u>-128.4%</u>
<b>Net position beginning of year</b>	<u>12,564.1</u>	<u>9,979.4</u>	<u>2,584.7</u>	<u>25.9%</u>
<b>Net position ending of year</b>	<u><b>\$ 11,830.4</b></u>	<u><b>\$ 12,564.1</b></u>	<u><b>\$ (733.7)</b></u>	<u><b>-5.8%</b></u>

\*Other additions/deductions include retiree health care premiums (for health care benefits that are provided by the County of Sacramento) that are deducted from retirement benefits for remittance purposes only.

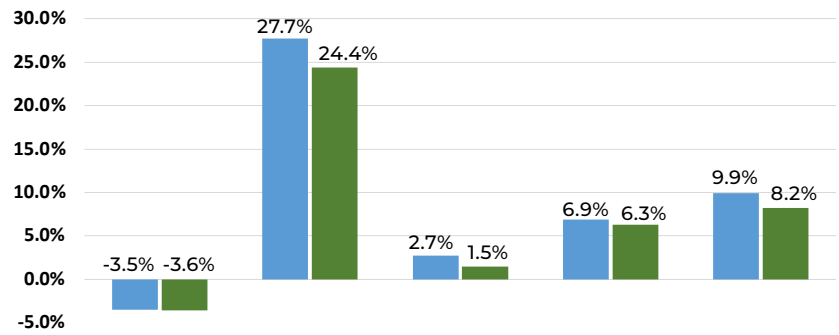
# INVESTMENTS

For the fiscal year ended June 30, 2022, SCERS generated a -3.5% net return. The fiscal year return represents the first significant loss since the global financial crisis of 2008-09. Public market investments across equities and bonds suffered the greatest losses, while absolute return and private market investments generated positive returns. The -3.5% fiscal year return fell short of SCERS' 6.75% actuarial rate of return. Investments came in ahead of SCERS' benchmark return of -3.6% of what a similar portfolio would be expected to generate.

## INVESTMENT PERFORMANCE

### ACTUAL RETURNS VS. BENCHMARK

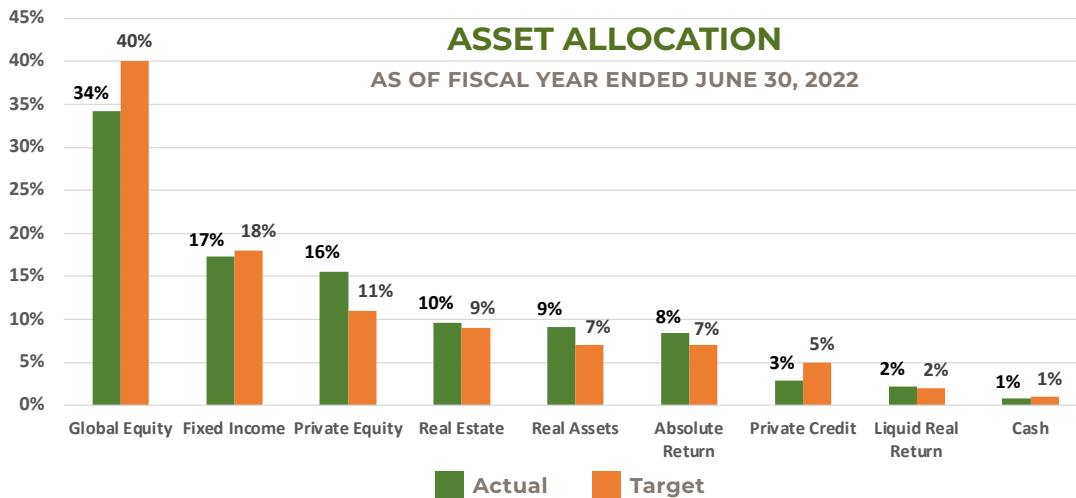
FOR THE FISCAL YEAR ENDED JUNE 30



	2022	2021	2020	2019	2018
SCERS	-3.5%	27.7%	2.7%	6.9%	9.9%
Benchmark	-3.6%	24.4%	1.5%	6.3%	8.2%

## ASSET ALLOCATION

AS OF FISCAL YEAR ENDED JUNE 30, 2022



# FUNDING RATIOS

A commonly reported piece of information regarding the System's financial status is the funded ratio. These ratios compare the Market and Actuarial Value of Assets to the Actuarial Accrued Liability of the System. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

## ACTUARIAL VALUES AND FUNDED RATIOS

AS OF FISCAL YEAR ENDED JUNE 30

(Amounts Expressed in Millions)

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets (AVA)	AVA Funded Status	Market Value of Assets (MVA)	MVA Funded Status
2022	13,579	11,648	86%	11,830	87%
2021	12,986	10,930	82%	12,564	97%
2020	12,694	10,230	81%	9,979	79%
2019	11,896	9,703	82%	9,822	83%
2018	11,213	9,123	81%	9,252	83%



## SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

980 9th Street, Suite 1900  
Sacramento, CA 95814

[SCERS.org](http://SCERS.org)

## 2022 POPULAR ANNUAL FINANCIAL REPORT

### MISSION STATEMENT

We are dedicated to providing the highest level of retirement services and managing system resources in an effective and prudent manner.

#### Core Values we are committed to:

**STEWARDSHIP** by recognizing the trust members put in us to manage assets and resources prudently, to sustain SCERS for future generations.

**COMMUNICATING** clearly and concisely, recognizing that members and employers expect us to act with integrity, transparency, and honesty.

**EXCELLENCE** by taking pride in our work, maintaining high expectations, and focusing on results.

**RESPONSIBILITY** by taking ownership of work, following through, holding ourselves accountable, and embracing ethical behavior.

**SOLUTIONS** by working with urgency to help one another succeed, fostering teamwork and collaboration, and asking for help when needed.



Answered

13,392

Telephone Calls



Processed

732

Service  
Retirements



Scanned &  
Indexed Over

10,000

Member  
Documents



Responded to

14,224

Member Emails



94%

Incoming Calls  
Completed  
Within 10 Minutes



Conducted

4

Virtual  
Pre-Retirement  
Seminars