STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

For Employer Reporting as of June 30, 2022
Using a Measurement Date of June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Schedules

We have audited the accompanying schedule of employer allocations of Stanislaus County Employees' Retirement Association (StanCERA) for the fiscal year ended June 30, 2021, and the related notes to the schedule. We have also audited the total for all employers of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of StanCERA as of and for the fiscal year ended June 30, 2021, and the related notes to the schedule.

Management's Responsibility for the Schedules

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

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to StanCERA's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of StanCERA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations as of the fiscal year ended June 30, 2021, the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all employers in StanCERA as of and for the fiscal year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of StanCERA as of and for the fiscal years ended June 30, 2021 and 2020, and our report thereon, dated November 8, 2021, expressed an unmodified opinion on those financial statements.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
July 29, 2022

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIAITON
(Pension Trust Fund for the County of Stanislaus, California)
Schedule of Employer Allocations
For the fiscal years ended June 30, 2021

	Employer Allocations	
Employer	June 30, 2021	
	Percentage	Unfunded Liability Amortization Payment Share
Stanislaus County	89.2768%	$ 55,388,756
City of Ceres	5.2415%	3,251,929
Stanislaus Superior Court	4.5032%	2,793,874
Stanislaus County Council of Governments	0.3848%	238,733
East Side Mosquito Abatement District	0.2174%	134,880
Salida Sanitary District	0.1929%	119,696
Keyes Community Services District	0.1185%	73,495
Hills Ferry Cemetery District	0.0649%	40,257
Total	100.0000%	$ 62,041,620

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Employer Allocations

Description of System and Applicable Provisions of the Law

The Stanislaus County Employees' Retirement Association (StanCERA) 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) and the Public Employees' Pension Reform Act of 2013. StanCERA is governed by the Board of Retirement and is a cost-sharing multiple-employer defined benefit pension plan. StanCERA was established by the Stanislaus County Board of Supervisors on July 1, 1948 and was integrated with Social Security on January 1, 1956. StanCERA provides for retirement, disability, death, beneficiary, cost-of-living, and ad-hoc retirement benefits.

Summary of Significant Accounting Policies

The above schedule includes the allocation percentages for each contributing employer, reflecting a methodology that allocates the Net Pension Liability and other Pension Amounts based on each employer's share of the Unfunded Liability amortization payments, with separate amortization rates for General and Safety members. Each employer's amortized share as of June 30, 2021, is determined by multiplying the actual covered payroll reported to StanCERA by each contributing employer for the fiscal year by the employer's amortization rates for both General and Safety classifications from the most recent actuarial valuation report.

Basis of Accounting

Covered payroll for employers contributing to StanCERA is reported on an accrual basis of accounting, and related contributions are recognized when received or due pursuant to legal requirements.

Notes to the Schedule of Employer Allocations (continued)

Contribution Rates

The County Employees Retirement Law of 1937 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 of Retirement.

StanCERA's policy for contributions states that actuarially determined rates are expressed as a percentage of annual covered payroll that is required to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded liability. Annual covered payroll is the basis for determining both plan member and employer contributions, which are reported in StanCERA's basic financial statements and are the basis for the employer allocation calculation. Plan member contributions reported in StanCERA's basic financial statements include plan member contributions paid by the employer.

Use of Estimates in the Preparation of the Schedule

The preparation of this schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
(Pension Trust Fund of the County of Stanislaus, California)
Schedule of Pension Amounts by Employer
As of and for the fiscal year ended June 30, 2021

Employer	Net Pension Liability	Deferred Outflows of Resources: Differences Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Stanislaus County	$ 381,815,147	$ 27,607,913	$ 5,772,766	$ -	$ 3,435,732	$ 36,816,411
City of Ceres	22,416,620	1,620,879	338,923	-	1,678,784	3,638,586
Stanislaus Superior Court	19,259,091	1,392,567	291,183	-	572,783	2,256,533
Stanislaus County Council of Governments	1,645,696	118,995	24,882	-	375,958	519,835
East Side Mosquito Abatement District	929,767	67,229	14,057	-	90,683	171,969
Salida Sanitary District	824,986	59,652	12,473	-	105,507	177,632
Keyes Community Services District	506,796	36,645	7,662	-	48,056	92,363
Hills Ferry Cemetery District	277,562	20,070	4,197	-	33,155	57,422
Total for All Employers	$ 427,675,665	$ 30,923,950	$ 6,466,143	$ -	$ 6,340,658	$ 43,730,751

Employer	Deferred Inflows of Resources: Differences Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Stanislaus County	$ 2,173,356	$ 16,444,044	$ 197,840,603	$ 1,963,761	$ 218,421,764
City of Ceres	127,599	965,441	11,615,353	2,947,408	15,655,801
Stanislaus Superior Court	109,626	829,452	9,979,253	882,357	11,800,688
Stanislaus County Council of Governments	9,368	70,877	852,731	140,634	1,073,610
East Side Mosquito Abatement District	5,292	40,043	481,766	191,248	718,349
Salida Sanitary District	4,696	35,531	427,473	174,095	641,795
Keyes Community Services District	2,885	21,827	262,600	18,966	306,278
Hills Ferry Cemetery District	1,580	11,954	143,821	22,189	179,544
Total for All Employers	$ 2,434,402	$ 18,419,169	$ 221,603,600	$ 6,340,658	$ 248,797,829

Employer	Pension Expense Excluding That Attributable to Employer-Paid Member Contributions: Proportionate Share of Allocable Plan Pension Expense	Pension Expense Related to Specific Liabilities of Individual Employers	Net Amortization of Deferred Amounts from Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense Excluding That Attributable to Employer-Paid Member Contributions
Stanislaus County	$ 26,005,383	$ -	$ 898,699	$ 26,904,082
City of Ceres	1,526,793	-	(469,984)	1,056,809
Stanislaus Superior Court	1,311,734	-	(403,376)	908,358
Stanislaus County Council of Governments	112,088	-	33,899	145,987
East Side Mosquito Abatement District	63,326	-	(47,762)	15,564
Salida Sanitary District	56,190	-	(21,762)	34,428
Keyes Community Services District	34,518	-	5,064	39,582
Hills Ferry Cemetery District	18,905	-	5,222	24,127
Total for All Employers	$ 29,128,937	$ -	$ -	$ 29,128,937

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Pension Amounts by Employer

Summary of Significant Policies

The Total Pension Liability as of the valuation date includes the liability associated with the $5,000 lump sum death benefit. Measurements as of the reporting date are based on the fair value of assets (fiduciary net position) as of June 30, 2021, and the Total Pension Liability as of the valuation date, June 30, 2020, using update procedures to roll forward to StanCERA's fiscal year end of June 30, 2021. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the most recent actuarial experience study for the period July 1, 2015 through June 30, 2018. There were no significant events between the valuation date and the measurement date.

The components of the Net Pension Liability of StanCERA at June 30, 2021 and June 30, 2020, were as follows:

	June 30, 2021	June 30, 2020
Total Pension Liability	$ 3,158,273,535	$ 3,021,191,459
Plan Fiduciary Net Position	$(2,730,597,870)	$ (2,205,866,239)
Net Pension Liability	$ 427,675,665	$ 815,325,220
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.5%	73.0%

The increase in the Plan Fiduciary Net Position as a Percentage of the Total Pension Liability is a result of increased investment gains and as well as the plan's increased fiduciary net position relative to the prior year. The investment gains are recognized over five years and the actuarial liability gains are recognized over the average remaining service life of all members, which is also five years.

Notes to the Schedule of Pension Amounts by Employer (continued)

Actuarial Assumptions (continued)

The Total Pension Liability was determined based on the June 30, 2020 and 2019 actuarial valuations rolled forward to June 30, 2021 and 2020, respectively, using the following actuarial assumptions, applied to all periods included in the measurement

ACTUARIAL VALUATION ASSUMPTIONS

Measurement Date	June 30, 2021	June 30, 2020
Investment Rate of Return	6.75%, net of investment expenses	7.00%, net of investment expenses
Projected Salary Increases	2.75%, per year plus merit component based on employee classification and years of service	3.00%, per year plus merit component based on employee classification and years of service
Attributed to Inflation	2.50%	2.75%
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, 2.6% annual increases assumed

MORTALITY ASSUMPTIONS

Service Type	Table Used
Post-Retirement	California Public Employees' Retirement System (CalPERS) Healthy Annuitant adjusted for 97.2% for males and 104.1% for females
Pre-Retirement	
General Members	CalPERS Pre-Retirement Non-Industrially adjusted by 97.2% for males and 101.6% for females
Safety Members	CalPERS Pre-Retirement Individual Death without adjustment or projection
Non-Service Disability Retirees	CalPERS Non-Industrially Disability Annuitant adjusted by 104.5% for females and no adjustment for males
Service-Connected Disability Retirees	CalPERS Industrially Disability Annuitant adjusted by 101.9% for males and no adjustment for females
Active Member Disability	
General Members	CalPERS Public Agency Miscellaneous Non-Industrial Disability
Safety Members	CalPERS Public Agency Police Non-Industrial Disability

The mortality assumptions employ a fully generational mortality improvement projection from base year 2009 using Society of Actuaries (SOA) Scale MP-2018. For withdrawals, vested terminations and reciprocal transfers, the rates vary by age, gender and classification.

Notes to the Schedule of Pension Amounts by Employer (continued)

Expected Long-Term Rate of Return by Asset Class

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, 2021, are summarized in the following table:

Asset Class	2021 Target Allocation	2021 Long-Term Expected Real Rate of Return
Domestic Equities		
U.S. Large Cap	16.00%	6.20%
U.S. Small Cap	3.50%	6.30%
International Equities		
Int'l Development	18.00%	4.83%
Emerging Market Equity	5.00%	2.07%
U.S. Fixed Income		
Core Fixed Income	7.00%	3.20%
U.S. Treasury	5.00%	2.60%
Short-term Gov/Credit	8.00%	2.90%
Real Estate		
Core	6.00%	5.60%
Value-add	5.00%	7.77%
Risk Parity	13.00%	5.10%
Private Equity	6.00%	9.90%
Private Credit	4.50%	7.80%
Infrastructure	2.00%	7.10%
Cash	1.00%	2.30%

Discount Rate

The discount rate used to measure the total pension liability was 6.75% at June 30, 2021. 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.

Notes to the Schedule of Pension Amounts by Employer (continued)

Basis of Accounting

The net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources are recognized on a full accrual basis of accounting.

Amortization of Deferred Outflows and Deferred Inflows of Resources

The difference between projected and actual investment earnings on pension plan investments is amortized over 5 years on a straight-line basis beginning with the year in which they occur. One-fifth was recognized in pension expense during the measurement period and the remaining difference between projected and actual investment earnings on pension plan investments at June 30, 2021, is to be amortized over the remaining 4 year period.

Current period changes in assumptions, differences between expected and actual experience, the differences between employer contributions and proportionate share of contributions, and the recognition of changes in proportionate share are recognized over the average of the expected remaining service lives of all active and inactive members as of June 30, 2020 (the beginning of the measurement period ending June 30, 2021), which is 5 years. The table below shows the net amount of deferred outflows and deferred inflows of resources to be recognized by each participating employer in each of the next five years.

Recognition of Deferred Outflows and Deferred Inflows of Resources
Total for All Employers
as of and for the fiscal year ended June 30

Proportionate Share of Recognition for Fiscal Year End					
2022	2023	2024	2025	2026	Thereafter
$ (44,121,928)	$ (39,447,624)	$ (44,135,945)	$ (77,361,581)	$ -	$ -

The accompanying notes are an integral part of this schedule.

Prior period changes of assumptions, differences between expected and actual experience, the differences between employer contributions and the proportionate share of the employer contributions, and the recognition of changes in proportionate share are continued to be recognized based on the expected remaining service lives of all active and inactive members calculated as of those prior measurement dates. In addition, the Schedule of Pension Amounts by Employer does not reflect contributions made to StanCERA subsequent to the measurement date as defined in Governmental Accounting Standards Board (GASB) Statement No. 68, paragraphs 54, 55, and 57 and GASB Statement No. 71. Appropriate treatment of such amounts is the responsibility of the employers.

Use of Estimates in the Preparation of the Schedule

The preparation of this schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Notes to the Schedule of Pension Amounts by Employer (continued)

Additional Financial and Actuarial Information

The components of the schedule associated with pension expense and deferred outflows and deferred inflows of resources have been determined based on the net increase in fiduciary net position for StanCERA as shown in the StanCERA's Statement of Changes in Fiduciary Net Position and in accordance with requirements promulgated by the GASB Statements No. 67, No. 68, and No. 82. The net pension liability at June 30, 2021, is reported in the Notes to StanCERA's Basic Financial Statements and Required Supplementary Information following the Notes. Additional financial and actuarial information required for GASB Statement No. 68 disclosures is located in StanCERA's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, and the StanCERA GASB 67/68 Report as of June 30, 2021, produced by Cheiron, Inc., which can be found at www.stancera.org.