

**2023-2024**



**POPULAR ANNUAL**

# **FINANCIAL REPORT**

**For the Fiscal Year ended June 30, 2024**

**Sacramento County Employees' Retirement System  
Sacramento, California**

**980 9th Street, Suite 1900, Sacramento, CA 95814**

**[SCERS.gov](http://SCERS.gov)**

# BOARD OF Retirement

**JAMES DIEPENBROCK**  
President

*Appointed by the Board of Supervisors*

**ROBERT AGUALLO, JR.**  
Vice President

*Appointed by the Board of Supervisors*

**KEITH DEVORE**  
Trustee

*Appointed by the Board of Supervisors*

**RONALD SUTER**  
Trustee

*Appointed by the Board of Supervisors*

**CHAD RINDE**  
Ex-Officio

*Member mandated by law*

**M. TEPA BANDA**  
Trustee

*Elected by Miscellaneous Members*

**ALINA MANGRU**  
Trustee

*Elected by Miscellaneous Members*

**JACK NOBLE**  
Trustee

*Elected by Safety Members*

**CHRIS GIBONEY**  
Alternate Safety Trustee

*Elected by Safety Members*

**MARTHA HOOVER**  
Trustee

*Elected by Retired Members*

**DAVE IRISH**  
Alternate Retiree Trustee

*Elected by Retired Members*

## MESSAGE FROM THE Chief Executive Officer

As Chief Executive Officer, I am pleased to issue the Popular Annual Financial Report (PAFR) on behalf of the Sacramento County Employees' Retirement System (SCERS or the System). The PAFR provides insight into the organization's services, financial results, investments, and membership information. The financial data presented in the PAFR is derived from SCERS' Annual Comprehensive Financial Report (ACFR) as of and for the fiscal years ended June 30, 2024 and 2023 and is presented in conformity with Generally Accepted Accounting Principles. The ACFR provides more detailed information and is available on SCERS' website at [SCERS.gov/post/annual-comprehensive-financial-report-acfr](https://scers.gov/post/annual-comprehensive-financial-report-acfr).



SCERS remains focused on maintaining a sustainable pension program for the long term. As of June 30, 2024, SCERS was 88.7% funded at the market value of assets totaling \$13.3 billion, and the total pension liability totaling \$15.0 billion. The funded status represents the percentage of future pension benefits covered by the System's assets. In general terms, this funded ratio means that as of June 30, 2024, SCERS had approximately 89 cents available for each dollar of anticipated future liability.

For the fiscal year ended June 30, 2024, SCERS' investments generated a 9.2% net return, or \$1.1 billion of net investment gain, and administrative expenses totaled \$12.4 million for the fiscal year. To our members, this continued growth and cost containment allow SCERS to put more of its assets to work for you while providing more efficient customer service.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Eric Stern". The signature is fluid and cursive, with a large initial "E" and "S".

**ERIC STERN**  
Chief Executive Officer

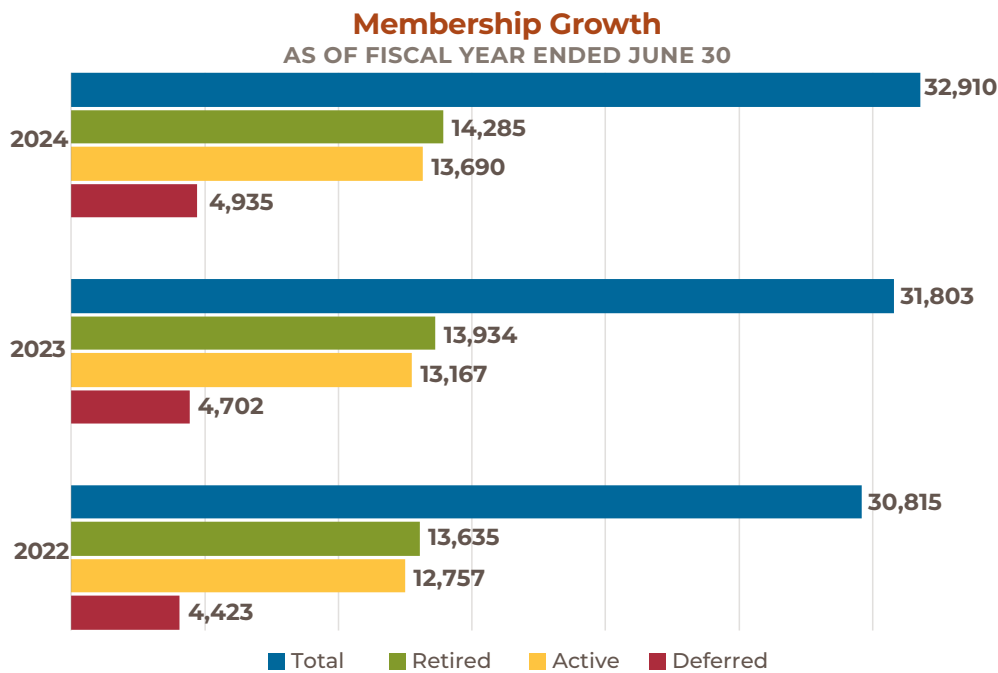
# Members

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, 2024, SCERS had:

**Active**  
**13,690**  
41.6%

**Retired**  
**14,285**  
43.4%

**Deferred**  
**4,935**  
15.0%



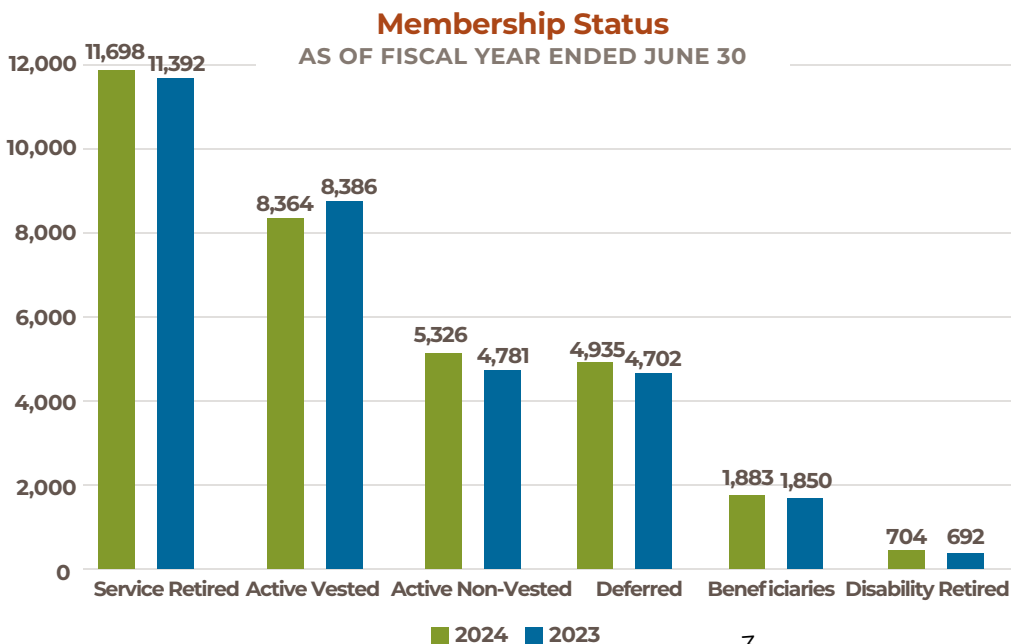
## Accomplishment Highlights

Sustained responsible pacing of investment opportunities in public and private markets generating portfolio returns of 9.2%, net of fees, which is well ahead of SCERS' 6.75% actuarial rate of return.

Maintained a strong 88.7% funded status of market value assets, adopted a responsible cost saving operating budget, and completed an actuarial audit.

Developed a digital transformation roadmap to enhance online tools for members.

Focused on improving benefits processing for all lines of business, with an emphasis on delivering a positive experience.



# Financial Summary

## Statement of Fiduciary Net Position (condensed)

AS OF FISCAL YEAR ENDED JUNE 30

(Amounts Expressed in Millions)

	2024	Restated 2023	Increase/ (Decrease)	% Change
<b>Assets</b>				
Cash and short-term investments	\$599.5	\$591.3	\$8.2	1.4%
Receivables	373.6	296.0	77.6	26.2
Investments	13,307.6	12,194.3	1,113.3	9.1
Capital assets, net	5.1	4.9	0.2	4.1
<b>Total assets</b>	<b>14,285.8</b>	<b>13,086.5</b>	<b>1,199.3</b>	<b>9.2</b>
<b>Liabilities</b>				
Other liabilities	16.3	31.0	(14.7)	-47.4
Investment obligation	959.9	692.2	267.7	38.7
<b>Total liabilities</b>	<b>976.2</b>	<b>723.2</b>	<b>253.0</b>	<b>35.0</b>
<b>Net position</b>	<b>\$13,309.6</b>	<b>\$12,363.3</b>	<b>\$946.3</b>	<b>7.7%</b>

## Statement of Changes In Fiduciary Net Position (condensed)

FOR THE FISCAL YEAR ENDED JUNE 30

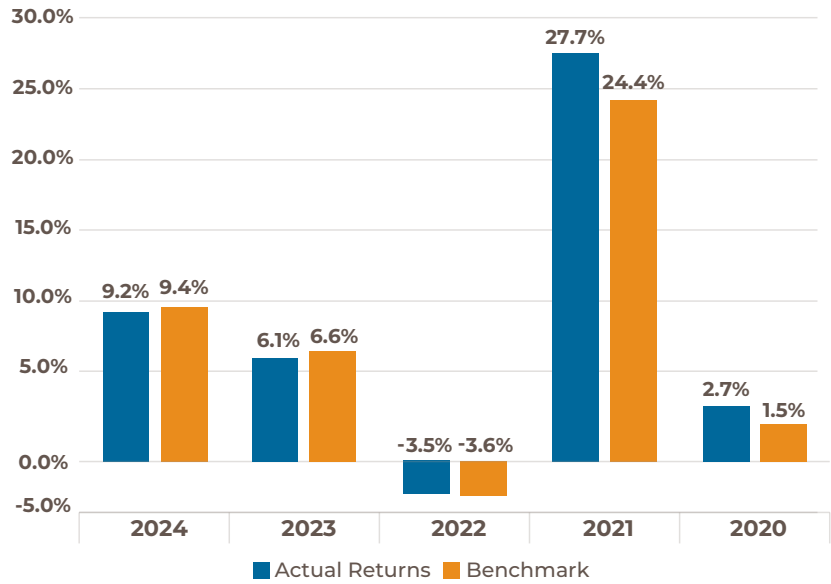
(Amounts Expressed in Millions)

	2024	2023	Increase/ (Decrease)	% Change
<b>Additions</b>				
Member contributions	\$159.6	\$139.5	\$20.1	14.4%
Employer contributions	398.0	371.2	26.8	7.2
Investment and other income	1,107.0	712.8	394.2	55.3
Health premiums collected	33.5	34.6	(1.1)	-3.2
<b>Total additions</b>	<b>1,698.1</b>	<b>1,258.1</b>	<b>440.0</b>	<b>35.0</b>
<b>Deductions</b>				
Retirement benefit payment and refunds	705.9	662.4	43.5	6.6
Administrative expenses	12.4	28.2	(15.8)	-56.0
Health premiums remitted	33.5	34.6	(1.1)	-3.2
<b>Total deductions</b>	<b>751.8</b>	<b>725.2</b>	<b>26.6</b>	<b>3.7</b>
Increase in net position	946.3	532.9	413.4	77.6
<b>Net position, beginning</b>	<b>12,363.3</b>	<b>11,830.4</b>	<b>532.9</b>	<b>4.5</b>
<b>Net position, ending</b>	<b>\$13,309.6</b>	<b>\$12,363.3</b>	<b>\$946.3</b>	<b>7.7%</b>

# Investment Performance

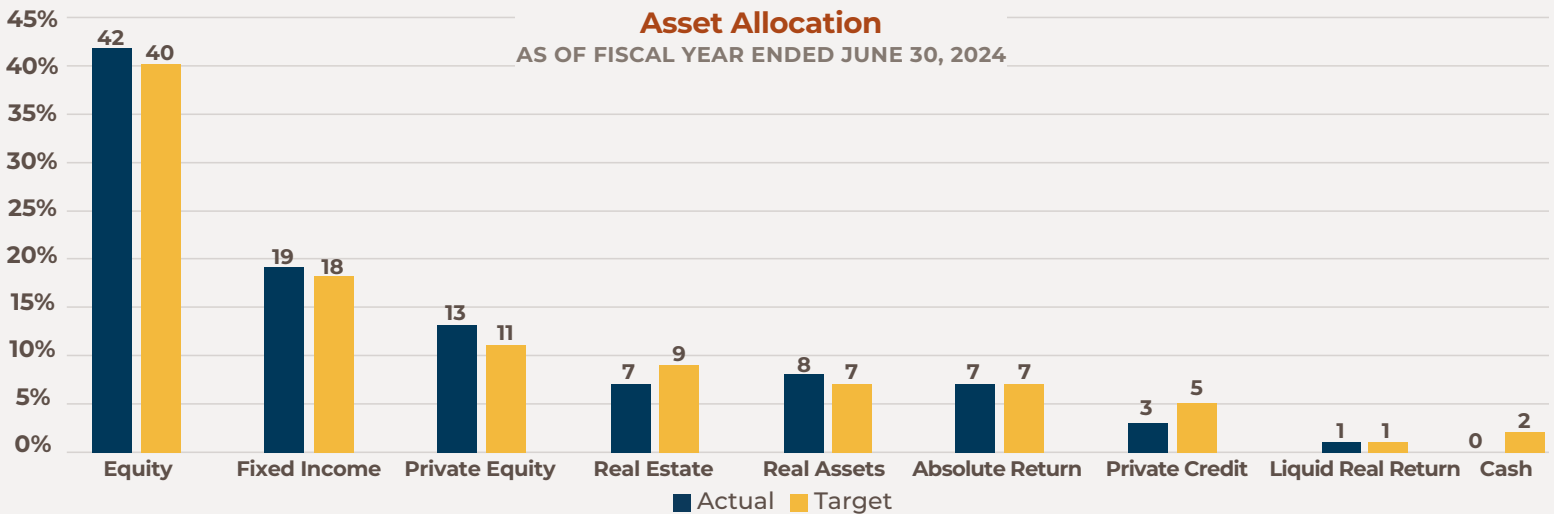
For the fiscal year ended June 30, 2024, the Sacramento County Employees' Retirement System (SCERS) generated a 9.2% net return. The strong fiscal year return was fueled by moderating inflation, resilient economic data, and anticipation of upcoming interest rate cuts by the Federal Reserve. The 9.2% fiscal year return was well above SCERS' 6.75% actuarial rate of return and came in slightly under SCERS' policy index return of 9.4%. The policy index compares SCERS' performance to the expected performance of the portfolio. Assets under management ended the fiscal year at \$13.3 billion, well ahead of the prior fiscal year's \$12.4 billion level of assets.

## Actual Returns vs. Benchmark AS OF FISCAL YEAR ENDED JUNE 30



## Asset Allocation

AS OF FISCAL YEAR ENDED JUNE 30, 2024



# Actuarial Summary

A commonly reported piece of information regarding the System's financial status is the funded ratio. These ratios compare the value of assets to the actuarial accrued liability of the System. The actuarial value of assets takes into account investment gains and losses that are smoothed over time to stabilize contribution rates, while the market value captures the point-in-time value. Higher ratios indicate a relatively well-funded plan, while lower ratios may indicate recent changes to actuarial assumptions, poor asset performance, or a variety of other causes.

## Actuarial Values and Funded Ratios

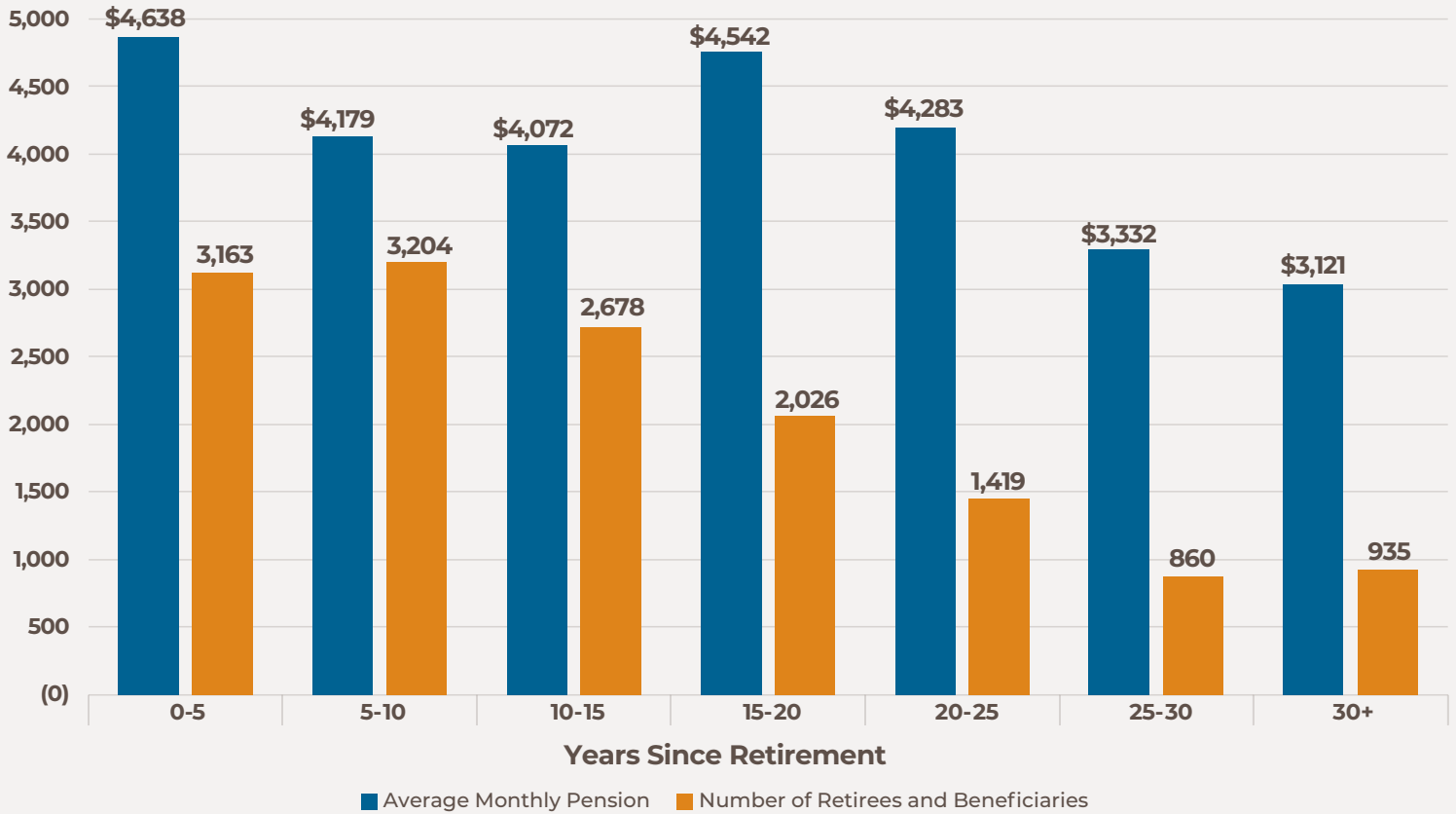
AS OF FISCAL YEAR ENDED JUNE 30

(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
2024	\$15,002	\$13,210	88%	\$13,310	89%
2023	14,359	12,423	87	12,363	86
2022	13,579	11,648	86	11,830	87
2021	12,986	10,930	84	12,564	97
2020	12,694	10,230	81	9,979	79

# Average Monthly Pension and Number Of Retirees

AS OF FISCAL YEAR ENDED JUNE 30, 2024



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