



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
April 26, 2023
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Public Comment (3 minutes/speaker).
3. Approve minutes from the March 22, 2023 meeting. (Action Item)
4. Consider and take possible action to retain Cordatus for consulting services associated with selecting and implementing a portfolio and risk analytics solution. (Action Item)
5. Review of report on liquidity sub-portfolio. (Presentation Item)
 - a. Presentation from staff
 - b. Presentation from Dimensional Fund Advisors
6. Pension administration system project update: (Presentation Item)
 - a. Update from staff
 - b. Presentation from Segal
 - c. Presentation from Sagitec
7. Consider and take possible action to authorize the CCCERA delegate to vote on the SACRS 2021-2022 Annual Audit Report. (Action Item)
8. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
March 22, 2023
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

Present: Candace Andersen, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan, and Samson Wong

Absent: Dennis Chebotarev and Russell Watts

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel

Outside Professional Support:
Reid Earhart
Jennifer Meza
Andrew Brown
Ariel Goldblatt
Marcel Schindler

Representing:
Milliman
Public Agency Retirement Services (PARS)
Public Agency Retirement Services (PARS)
StepStone
StepStone

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Approval of minutes

It was **M/S/C** to approve the minutes of the February 22, 2023 meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Wong).

4. Consider and take possible action to accept the actuarial valuation report of Other Post-Employment Benefits (OPEB).

It was **M/S/C** to accept the actuarial valuation report of Other Post-Employment Benefits (OPEB). (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Wong).

5. **Presentation from PARS (Public Agency Retirement Services) regarding the I.R.C. Section 115 Trust for Other Post-Employment Benefits for CCCERA Employees**

Meza and Brown presented the I.R.C. Section 115 Trust for Other Post-Employment Benefits (OPEB).

6. **Review of private credit by StepStone**

Price reviewed the role of private credit in CCCERA's portfolio and the key participants in the program and their functions.

Schindler gave an update on the firm and reviewed the team.

Goldblatt reviewed the private debt program, CCCERA's pricing analysis and the private debt performance.

7. **Consider authorizing the attendance of Board:**

It was **M/S/C** to authorize the attendance of 1 Board Member at the 2023 CRCEA Spring Conference, April 23-26, 2023, Ontario, CA.

(Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Wong).

8. **Miscellaneous**

- a. Staff Report – Strohl reported that CCCERA was impacted by the recent storms and resulting power outages, which required CCCERA to close its office on the afternoon of March 14 and the day of March 15.

Price shared about the events surrounding the Silicon Valley Bank.

- b. Outside Professionals' Report – None

- c. Trustees' Comments – Kroll provided a compliment to staff.

Phillips reported on the CALAPRS General Assembly conference.

Gordan and MacDonald attended the investment due diligence on-site visit to Genstar.

MacDonald encouraged other trustees to attend on-site visits.

It was **M/S/C** to adjourn the meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Wong)

Scott W. Gordon, Chairman

Jerry R. Holcombe, Secretary



MEMORANDUM

Date: April 26, 2023

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Recommendation to retain Cordatius to assist in risk dashboard implementation

Background

The CCCERA Investment Office issued an RFI for integrated investment portfolio analytics and risk management solution providers in January 2022. The goal was to identify a platform that could receive investment position and trade data from our custodian, fund administrators, general partners and other sources and consolidate the data across public and private markets, debt and equity in something close to real time. With this consolidated data, we should be able to drive new insights into positioning across strategies, measure contribution to risk from various strategies and conduct what-if analyses with greater ease.

After receiving the RFI responses, we spent several months reviewing various solutions, from off the shelf software to highly customized data warehouses. We knew what we wanted the platform to deliver in terms of clean, consolidated data that we could use to make better and more timely investment decisions, but the technical aspects of the various platforms were beyond the capabilities of the investment team to vet. In December 2022, CCCERA hired Cordatius, a technology consultant, to assist us with vetting of our finalists and to provide technical insights during our review. This limited project was established using the CEO delegated authority as outlined in the Procurement of Products and Services Policy.

We have now worked with Cordatius to narrow the list of candidates and conduct proof of concept testing with a subset of vendors. This has led us to identify a single candidate as the preferred vendor. The next step will be to move forward with the selection process and the need for technical assistance remains as we look to craft a scope of work, negotiate a contract and ultimately go through the implementation process.

I recommend that CCCERA hires Cordatius, led by Ken Akoundi, as a technology consultant to assist with scoping, contracting, and implementation of a new risk dashboard platform.

Why this matters

The need for an effective risk dashboard platform cannot be overstated. As we navigate through a constantly evolving market landscape, it is imperative that we have access to real-time risk analytics that provide us with a comprehensive view of our investment risks. The risk dashboard platform offered by the preferred vendor has been proven to be a leading tool in the market, and by implementing it, we will be taking a significant step towards improving our risk management and investment decision-making processes.

However, implementing a new technology platform is never a straightforward process. There are several factors to consider, including the scoping and contracting process, as well as the actual implementation and integration of the platform into our existing systems. This is where Cordatius comes in. With their expertise in technology consulting, they will be able to guide us through the process and ensure that we are able to fully leverage the capabilities of the risk dashboard platform.

Cordatius

Ken Akoundi, the founder of Cordatius, is an expert in the field of data aggregation, modeling and analysis for multi-asset class investment portfolios. Cordatius is a management consulting firm focused on identifying technology driven solutions for public and private investment offices. With over 20 years of experience in leading technology consulting firms, including co-founding Risk Metrics in 1998 (acquired by MSCI), Mr. Akoundi has a wealth of knowledge that he brings to the table. His expertise in managing complex technology projects and implementing multi-asset class portfolio and risk management systems will be invaluable in ensuring a smooth and successful implementation of CCCERA's risk and portfolio analytics dashboard.

In addition, Cordatius has a proven track record of delivering technology projects for their clients. They have worked with a variety of institutional investors including public and private pension plans, family offices and endowments. Their experience in delivering successful technology projects, combined with their deep knowledge of institutional investing, makes Cordatius well-suited to guide us through the implementation process.

Scope of Project

Top-level tasks to be provided by Cordatius will include:

- Price Negotiation, Contract Negotiation, and Contract Signing.
 - Price negotiation with focus on
 - License cost
 - Service cost
 - Fair pricing
 - Payment schedule
 - Most-favorite nation
 - Contract terms negotiation

- Focus on Functionality, and Services
- Favorable payment schedule and timing, and contract/services initiation date
- Obtain a fair contract that protects the client
- Assist the client’s external counsel in achieving reasonable terms
- Incorporate intersystem connectivity
- Incorporate “promised” functionality by vendor with reasonable dates
- Cover items of key person risk
- Statement of Work
 - Draft /review/advise/finalize on the Statement of Work.
- Implementation
 - Act as overall program manager
 - Review implementation proposal
 - Monitor progress
 - Monitor vendor requests
 - Provide guidance on implementation issues/bottlenecks
 - Communicate with client and vendor on resolving issues/ bottlenecks
 - Advise on potential missteps
 - Manage the implementation to completion (Best effort - vendor dependent)
- Overall Monitoring:
 - Monitor overall progress and provide expertise during the process. Cordatius is also responsible for scheduling, documenting, and disseminating periodic project plan updates

Pricing

Description	Monthly Price	Duration	Total Costs
Scope of Work, Best and Final Offer, Contract Negotiation	\$20,000	Months 1-3	\$60,000
Implementation and Onboarding Support	\$10,000	Months 4-7	\$40,000

Next steps

If the Board approves the expanded role of Cordatius, we will launch the scope of work project and fine tune the expected engagement with the preferred risk dashboard vendor. Once that work is complete and we have a best and final offer from the preferred vendor, we will bring that proposal before the Board for consideration and approval. Cordatius will then work with staff to ensure a successful implementation and onboarding process.

Recommendation

I recommend that the Board approve an engagement with Cordatius for a seven-month project to assist with the scoping, contracting, and implementation of a new risk dashboard platform

for a not to exceed price of \$100,000. Their expertise in technology consulting, coupled with their proven track record of delivering successful technology projects, makes them the ideal partner to guide us through this process. By engaging Cordatius, we will be able to fully leverage the capabilities of the selected risk dashboard platform, and ultimately improve our risk management and investment decision-making processes.

Meeting Date
04/26/2023
Agenda Item
#5a.



Timothy Price, CFA

Chief Investment Officer

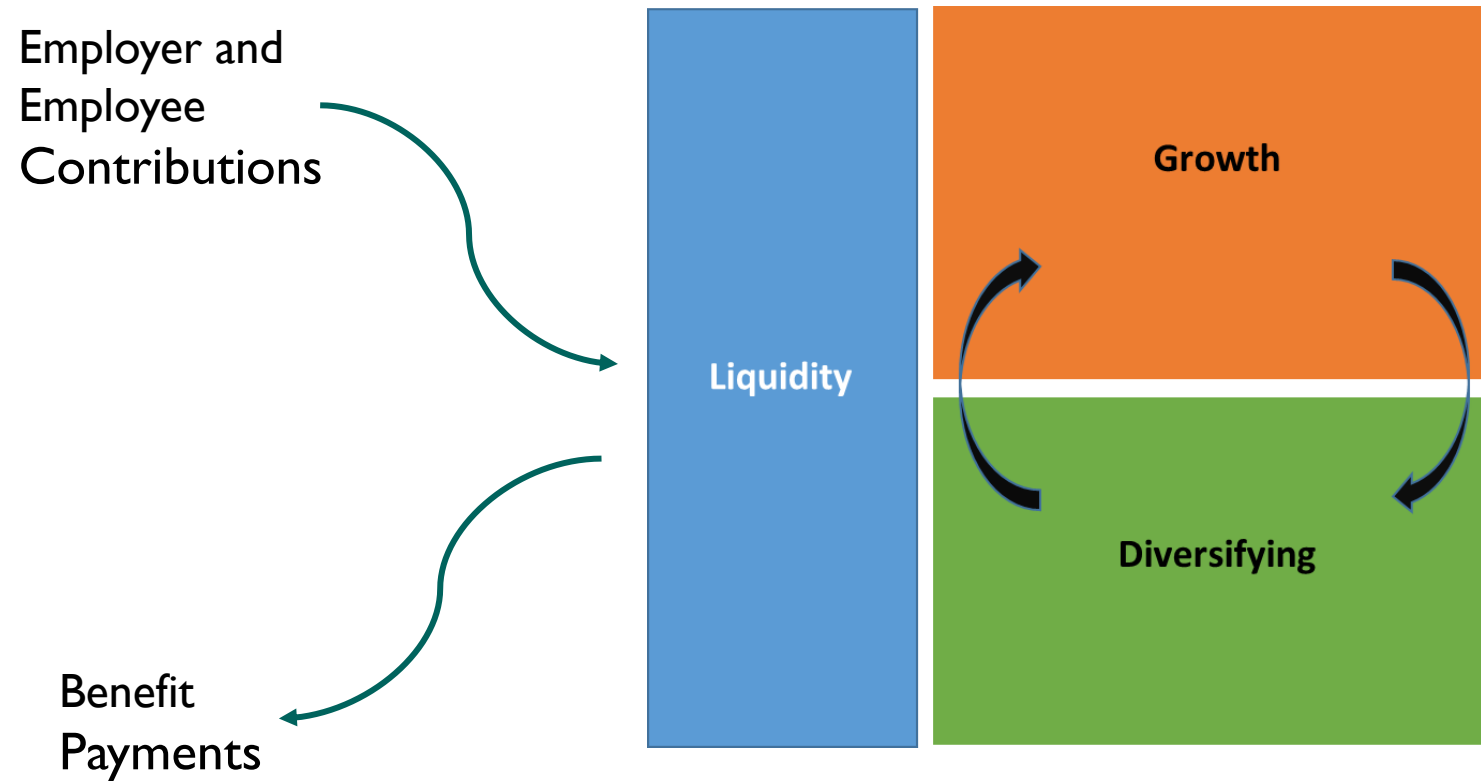
Mitch Taylor, CFA

Investment Officer

Liquidity Sub-portfolio Review

April 26, 2023

Role of Liquidity in CCCERA Portfolio



Liquidity

- The Liquidity Sub-Portfolio is the cornerstone of the FFP
- Using actuarial projections, we model each month's projected benefit payment
- The benefit payment cash flow model is then used to build the investment program
- Through contractual income, trading and maturing debt, the Liquidity sub-portfolio provides the necessary monthly cash flow to make benefit payments

Objectives

Match 2-3 years of benefit payments with high certainty

Produce cash flow to match monthly benefit payment

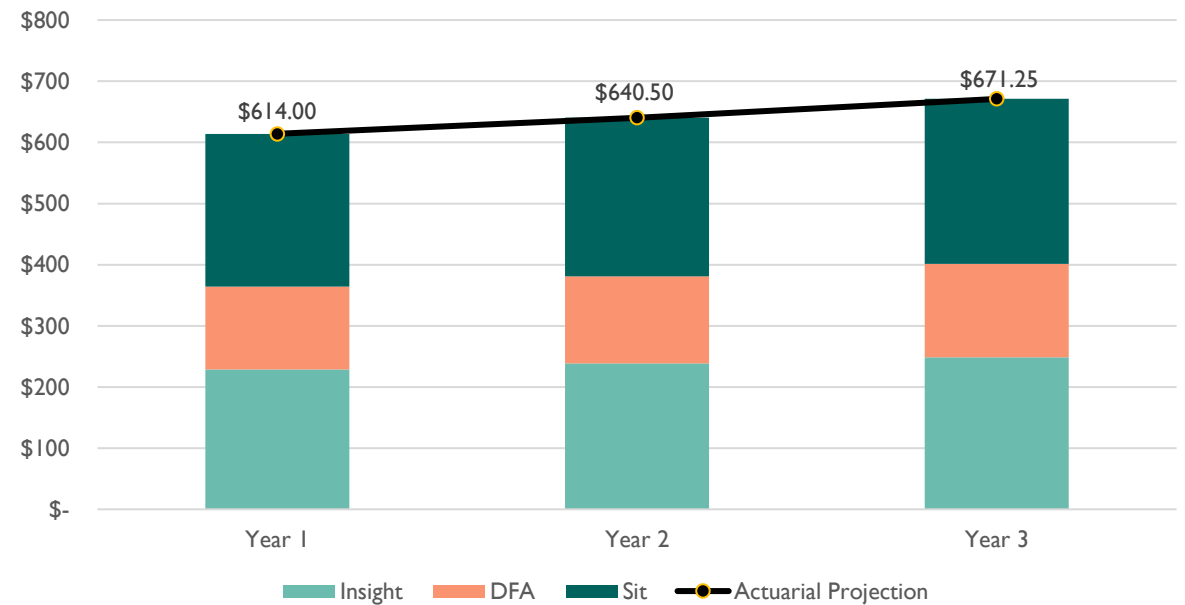
Liquidity Sub-Portfolio Characteristics

- **Highly Liquid.** Tight bid ask spread, relative easy to sell in a down market
- **High Credit Quality.** All assets are A-rated or better, high credit quality provides resilience in downturns
- **Short Duration.** All assets are short maturities, short duration and thus less sensitive to rate shocks

Manager Structure

- Utilizes a multi-manager approach to produce unique income and liquidity profile
- Current Manager Roles
 - Sit Fixed Income: ~40% allocation when fully funded. Invests in seasoned government-guaranteed securities that pay robust coupons. Income stream pulled monthly and we can liquidate assets on an as-needed basis.
 - DFA: ~22% allocation when fully funded. Invests across a wide range of fixed income assets in order to build characteristics and behaviors into the aggregate portfolio. We pull a set amount from the portfolio monthly and give DFA discretion on where and how to raise the necessary cash.
 - Insight: ~38% allocation when fully funded. Invests in a “buy and maintain” portfolio of short-duration, high quality securities designed to complete the needed CCCERA cash flows monthly. Insights builds and maintains the CCCERA cash flow profile based upon actuarial projections.

Liquidity Program
Manager Contribution to Annual Benefit Payments



Inflation and Rates Higher

Inflation still well above 2.0% target

- Inflation, measured by core PCE, increased from 1.49% in February of 2021 to a peak of 5.4% in June of 2022 and declined to 4.6% in February of 2023

Fed Hikes from 0.25% to 5.0% in 12 months

- At 4.6% is still well off the Fed's 2.0% target

Asset Values Tumble

- The 10-year UST is the risk-free rate used to value assets.
- All else equal, as rates increase asset value decrease
- **60/40 Portfolio down 16%; Liquidity Sub-Portfolio down 3.6%.**

Asset Returns 2022

- Commodities alone provided positive returns: SPGSCI commodity index end up 8.7%
- TIPS narrowly outperformed treasuries but were still down 12.2%
- Leveraged Loans, a zero duration asset, with no rate risk due to floating rate coupons ended close to flat

Asset Returns 2022	
Asset	2022 Return
S&P 500	-19.4%
NASDAQ	-33.1%
Euro Equity	-11.7%
Japan Equity	-9.4%
China Equity	-15.5%
Oil	6.9%
Copper	-14.4%
Nat Gas	19.0%
Gold	-0.3%
10-Year TIPS	-12.2%
7-10 Year Treasury	-16.7%
Investment Grade Bonds	-15.2%
High Yield Bonds	-10.6%
Levered Loan	0.2%

Macro Factors: Forecasts versus Actual

Consensus Economic Forecasts significantly overestimated GDP and underestimated inflation leading to rate increases not seen since the 70s in terms of magnitude and pace

2022 Forecasts and Actuals					
	2022 Forecast*	2022 Actual	Delta (Fcast-Actual)		2023 Forecast**
GDP (2021 5.9%)	3.9%	2.1%	1.8%		1.0%
Unemployment	3.9%	3.6%	0.3%		3.9%
CPI	4.3%	8.0%	-3.7%		4.3%
Fed Funds Rate	0.6%	4.5%	-3.9%		5.1%
2-Year UST	1.1%	4.8%	-3.7%		3.9%
10-Year UST	2.0%	4.4%	-2.4%		3.5%

* as of 12/31/2021

** as of 4/12/2023

Source: Bloomberg



Liquidity Sub-Portfolio 2022 Returns: -3.6%

- Liquidity Portfolio outperformance driven by short duration less rate sensitive assets
- Liquidity Portfolio is of high credit quality but credit risk was not a significant driver of returns
- Lower yielding assets mature and are replaced with higher yielding assets returns increasing portfolio returns

	Liquidity Sub-Portfolio Returns						
		3/31/2023			12/31/2022		
	YTD	1 Yr.	3 Yrs.	5 Yrs.	1 Yr.	3 Yrs.	5 Yrs.
Liquidity Sub-Portfolio	1.5%	0.3%	0.3%	1.5%	-3.6%	-0.2%	1.2%
<i>US Corp & Govt 1-3, BBB</i>	<i>1.6%</i>	<i>0.2%</i>	<i>-0.6%</i>	<i>1.2%</i>	<i>-3.8%</i>	<i>-0.4%</i>	<i>0.8%</i>
DFA	1.3%	-0.4%	-0.4%	1.0%	-5.5%	-1.1%	0.6%
<i>BofA US Corp & Govt 1-5</i>	<i>1.8%</i>	<i>-0.4%</i>	<i>-0.7%</i>	<i>1.3%</i>	<i>-5.5%</i>	<i>-0.7%</i>	<i>0.9%</i>
INSIGHT SHORT	1.2%	1.2%	1.5%	1.9%	-1.2%	0.7%	1.6%
<i>BBG US Agg Govt Credit 1-3</i>	<i>1.5%</i>	<i>0.3%</i>	<i>-0.4%</i>	<i>1.3%</i>	<i>-3.7%</i>	<i>-0.3%</i>	<i>0.9%</i>
SIT SHORT DURATION	1.9%	-0.1%	-0.9%	1.5%	-5.1%	-0.4%	1.1%
<i>BBG US Gov 1-3 Years</i>	<i>1.6%</i>	<i>0.2%</i>	<i>-0.8%</i>	<i>1.1%</i>	<i>-3.8%</i>	<i>-0.5%</i>	<i>0.7%</i>

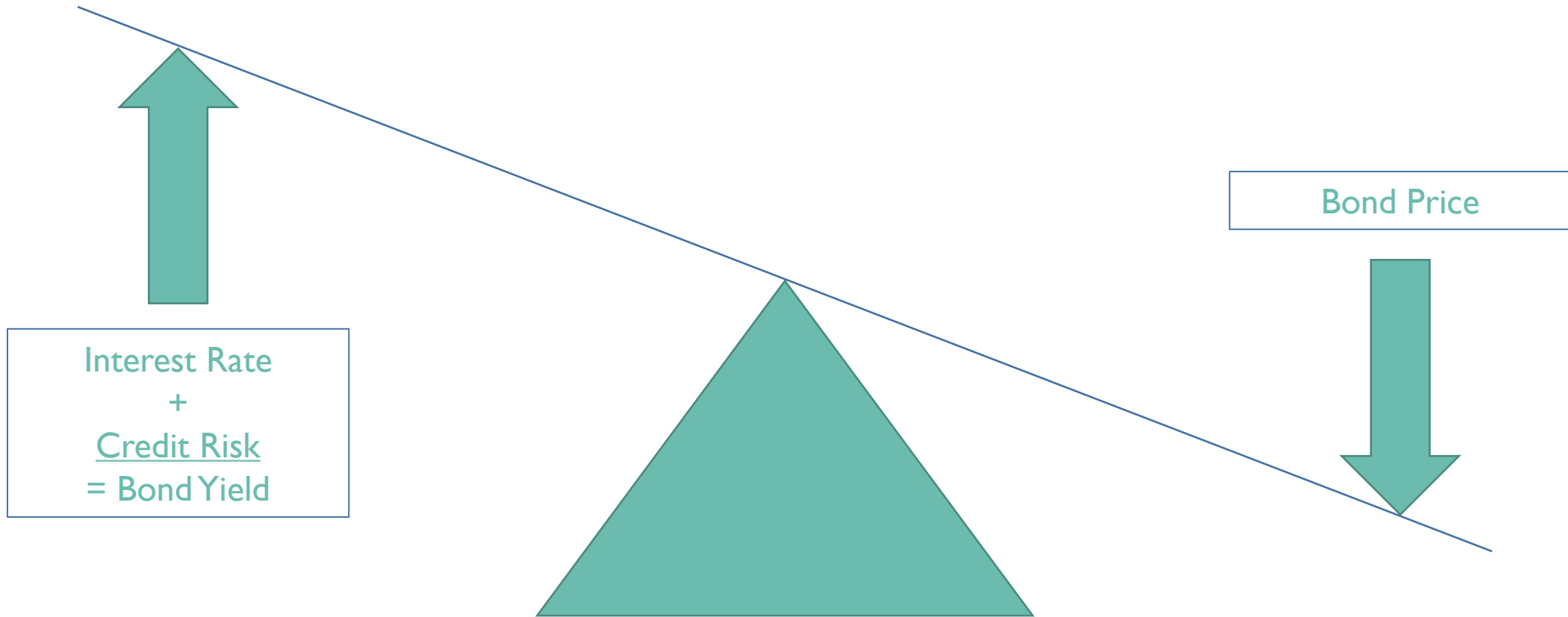
Bonds have three risks: Credit, Rates and Liquidity

All three impact bond yields and prices

- **Interest Rate Risk.** The risk-free rate, or the yield on the 10-year US treasury (UST) increases or decreases.
- **Credit Risk.** The borrower goes bankrupt and defaults on its debt. The borrower is purchased by a more credit worthy borrower.
- **Liquidity Risk.** Willing sellers and buyers cannot agree on a price; sellers outnumber buyers, or too many buyers and not enough assets.

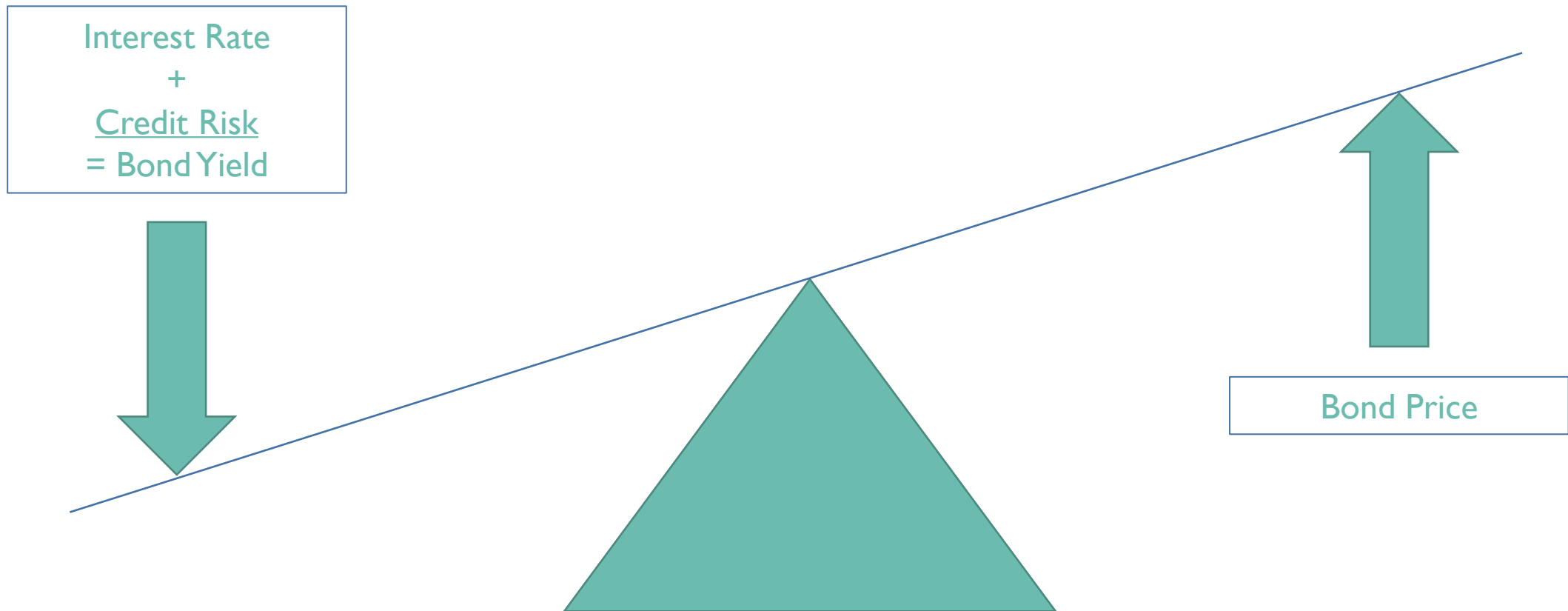
Bond prices and bond yields are inversely related

Bond yield is the sum of the risk-free rate and credit risk



Bond prices and bond yields are inversely related

Bond yield is the sum of the risk-free rate and credit risk



Two main drivers of corporate bond pricing: Interest rate risk and credit risk

Case study: Disney 2.65% 2030 A-Rated Bond

- Recall the 10-year US Treasury yield is the risk-free rate used to price all financial assets
- May 2020. The 10-year Treasury yield was 0.9%
- May 2020, Disney issued a 10-year, 2.65% coupon bond due in 2030 at par
- Disney issued at a 1.75% spread to treasuries, compensation for the additional risk of Disney over the treasury bond

Disney 2.65% Bond due 2030	
10-Year Treasury	0.90%
+ Spread to Treasury or Credit Risk	1.75%
= Coupon	2.65%
Dollar Price, par	100

Interest Rate Risk

10-year UST yield increased 2.55% from 0.90% to 3.45%

- Disney's Bond yield increased from 2.65% to 4.30%, isn't more yield good?
- No! The coupon is unchanged, the \$100 bond purchased in 2020 pays \$2.65 in interest; today's investor gets 5.2% or \$5.20? How is that? **Today's investor only paid \$83.90!**
- Bond prices and yields are inversely related! Yield increased → price decreased.

Disney 2.65% Bond due 2030			
	5/10/2020	4/10/2023	Delta
Rating	A	A	
Duration	10	7	
Coupon	2.65%	2.65%	0.00%
10-Year UST	0.90%	3.45%	2.55%
+ Spread to Treasury	1.75%	1.75%	0.00%
=Bond Yield	2.65%	5.20%	2.55%
Price	100.0	83.9	-16.1%

Liquidity Managers: Relevant Statistics

Metric	Description
Credit Quality	<p>Credit quality informs investors of a bond or bond portfolio's credit worthiness or risk of default.</p> <p>Independent rating services such as Standard & Poor's, Moody's Investors Service and Fitch Ratings Inc. provide evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion.</p>
Duration	Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Duration is a gauge of sensitivity to interest rate changes roughly equal to bond maturity.
Coupon	A coupon is the annual interest rate paid on a bond, expressed as a percentage of the face value.

Characteristics as of 12/31/22			
	Sit	Insight	DFA
Credit Quality	AAA	A+	A
Duration	2.9	1.2	2.0
Coupon	5.8%	2.8%	2.4%
Yield to Maturity	5.4%	5.2%	5.3%

Conclusion

- Liquidity Sub-Portfolio matches benefit payments to limit liquidity demands on the Growth Sub-Portfolio
 - Matched funding from asset managers to benefit payments; LTM \$583MM in funding against \$583.1MM in benefits paid
 - No forced selling of risk assets to fund benefits
- Liquidity Sub-Portfolio performed as expected in a volatile year characterized by negative macro surprises
- Year-over-year, the weighted average yield to maturity for the Liquidity Sub-Portfolio increased from 1.8% to 5.3%.

Presentation: Dimensional Fund Advisors

- Ted Simpson
- Doug Longo

Appendix

Board Input

The Board's input is needed for critical aspects of the liquidity sub-portfolio

1. Duration of benefit payments to be matched. This will be reviewed every 3-5 years.
2. Board approved a reduction from 4 years to 3 years of matching benefit payments in December of 2020.
3. Decision to reduce benefit payments by one year for rebalancing in extraordinary market environments. This is referred to in the Investment Policy Statement as "Zone 2" rebalancing and is subject to Board approval.

Board Decisions

Board chose to match 3 years of benefit payments

Zone 2 rebalancing has not been utilized to date

Providing Benefit Payments

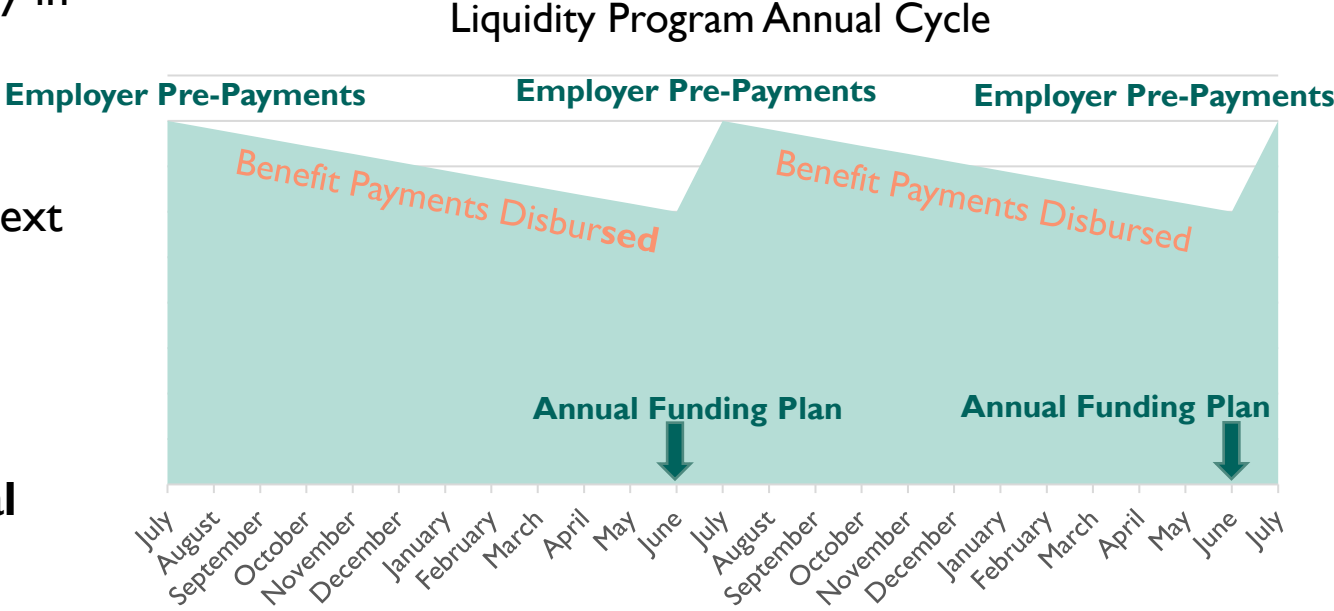
- Benefit payments are accounted for over the year, and follow a process of dollar value estimation, which flows to liquidity program sizing and the annual funding plan, through to the accounting function of disbursement

Annual	Semi-Annual	Monthly
<p>CCCERA receives updates to benefit projections from actuaries</p> <p>Updated benefit projections are reviewed by Insight, which seeks to match each discrete benefit payment</p> <p>CCCERA Investment Staff “tops up” the liquidity program during the Annual Funding Process</p>	<p>CCCERA Investment Staff reviews tracking of actual benefit payment sizing versus initial estimate, and adjusts subsequent six months of liquidity program cash flows accordingly</p> <p>Several months of benefit payments are scheduled at custodial bank</p>	<p>Benefit payments are disbursed from bank</p>



Refreshing the Program

- The Liquidity Sub-Portfolio is topped up annually in July in conjunction with the employer pre-payments
- The Portfolio operates in a drawdown mode for the next 11 months before the process starts again
- The game plan for how to refresh the Liquidity Sub-Portfolio is communicated to the Board in the **Annual Funding Plan** which is presented annually

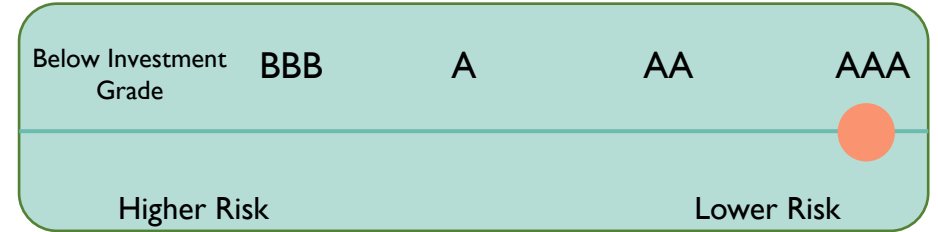


Sit

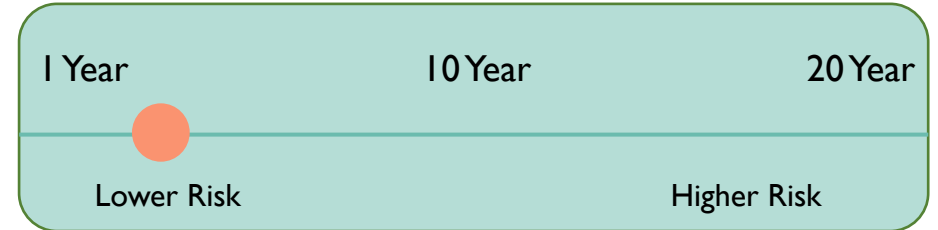
Summary

Liquidity Program Role	Sit invests in high yielding, government backed mortgages. The cash flow from these securities is harvested monthly to make up a portion of CCCERA's monthly benefit payment.
Key Personnel	Bryce Doty, Senior Portfolio Manager Mark Book, Portfolio Manager Chris Rasmussen, Portfolio Manager
Fee Structure	Estimated Annual Fee: 15 basis points
CCCERA AUM as of 3-31-2023	\$573.4MM
2022 Cash Flow, ended 7/23	\$241.0MM
Projected 2023 Cash Flow	\$249.8MM

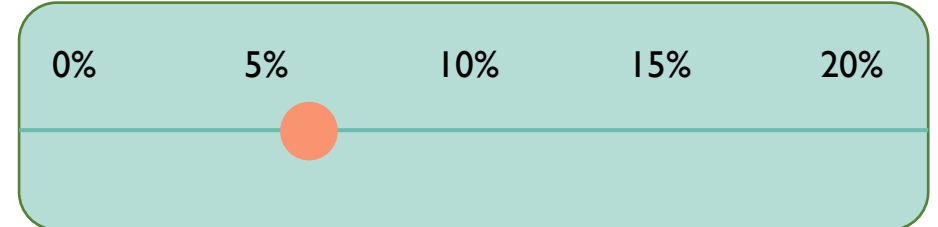
Credit Quality



Duration



Coupon

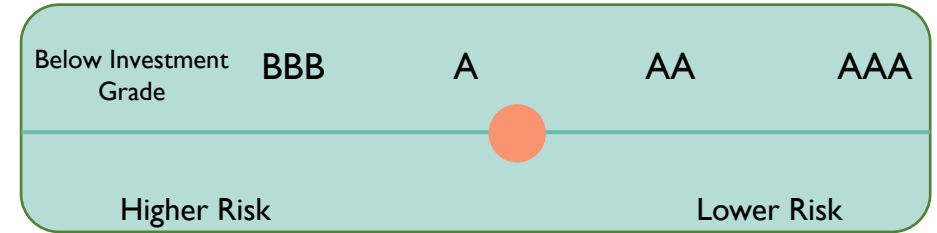


Insight

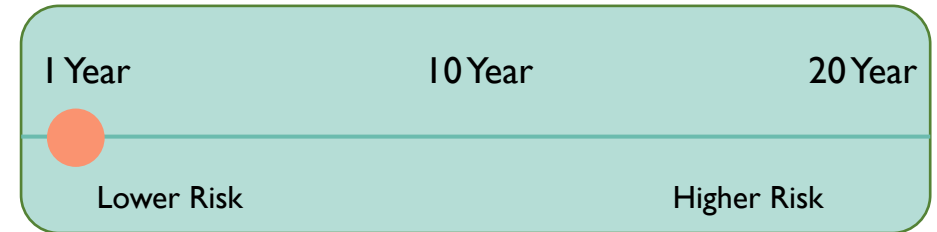
Summary

Liquidity Program Role	Insight plays a completion role in the liquidity program, matching out liabilities with short duration government and corporate fixed income securities.
Key Personnel	Gerry Berrigan, Senior Portfolio Manager Kevin Loescher, Asset Liability Solutions
Fee Structure	Estimated Annual Fee: 6 basis points
CCCERA AUM 3-31-2023	\$510.8MM
2022 Cash Flow, ended 7/23	\$220.0MM
Projected 2023 Cash Flow	\$229.0MM

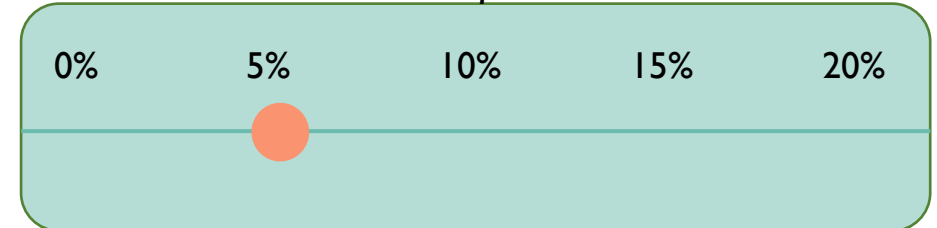
Credit Quality



Duration



Coupon

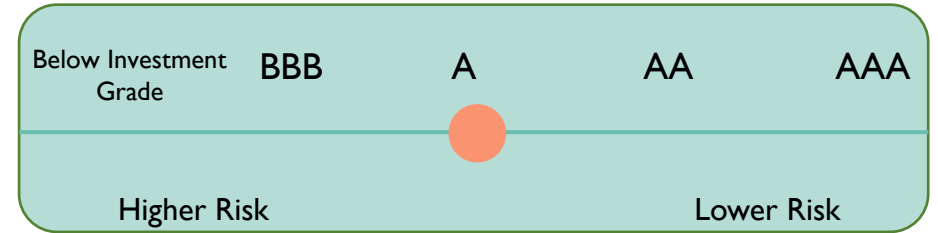


DFA

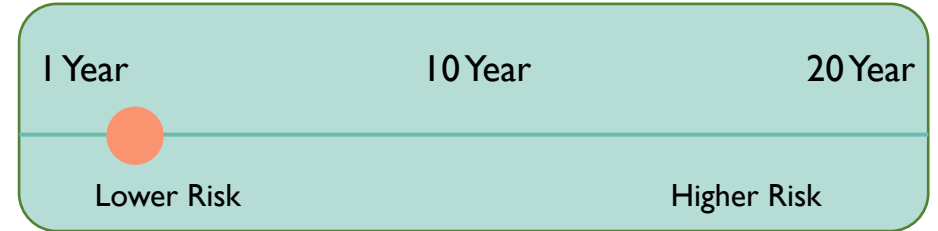
Summary

Liquidity Program Role	Dimensional Fund Advisors runs a strategy that focuses on obtaining fixed income exposures via the most liquid securities available. DFA contributes to the Liquidity Program by selling securities at regular intervals to pay a portion of CCCERA's monthly benefit payment.
Key Personnel	Joseph Kolerich, Senior Portfolio Manager David Plecha, Global Head of Fixed Income
Fee Structure	Estimated Annual Fee: 11 basis points
CCCERA AUM as of 3-31-2022	\$315.5MM
2022 Cash Flow, ended 7/23	\$129.3MM
Projected 2022 Cash Flow	\$135.3MM

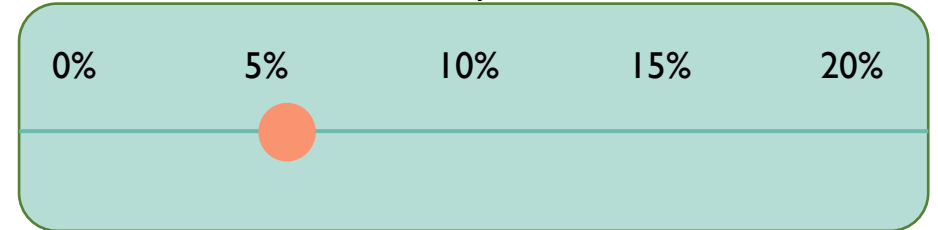
Credit Quality



Duration



Coupon

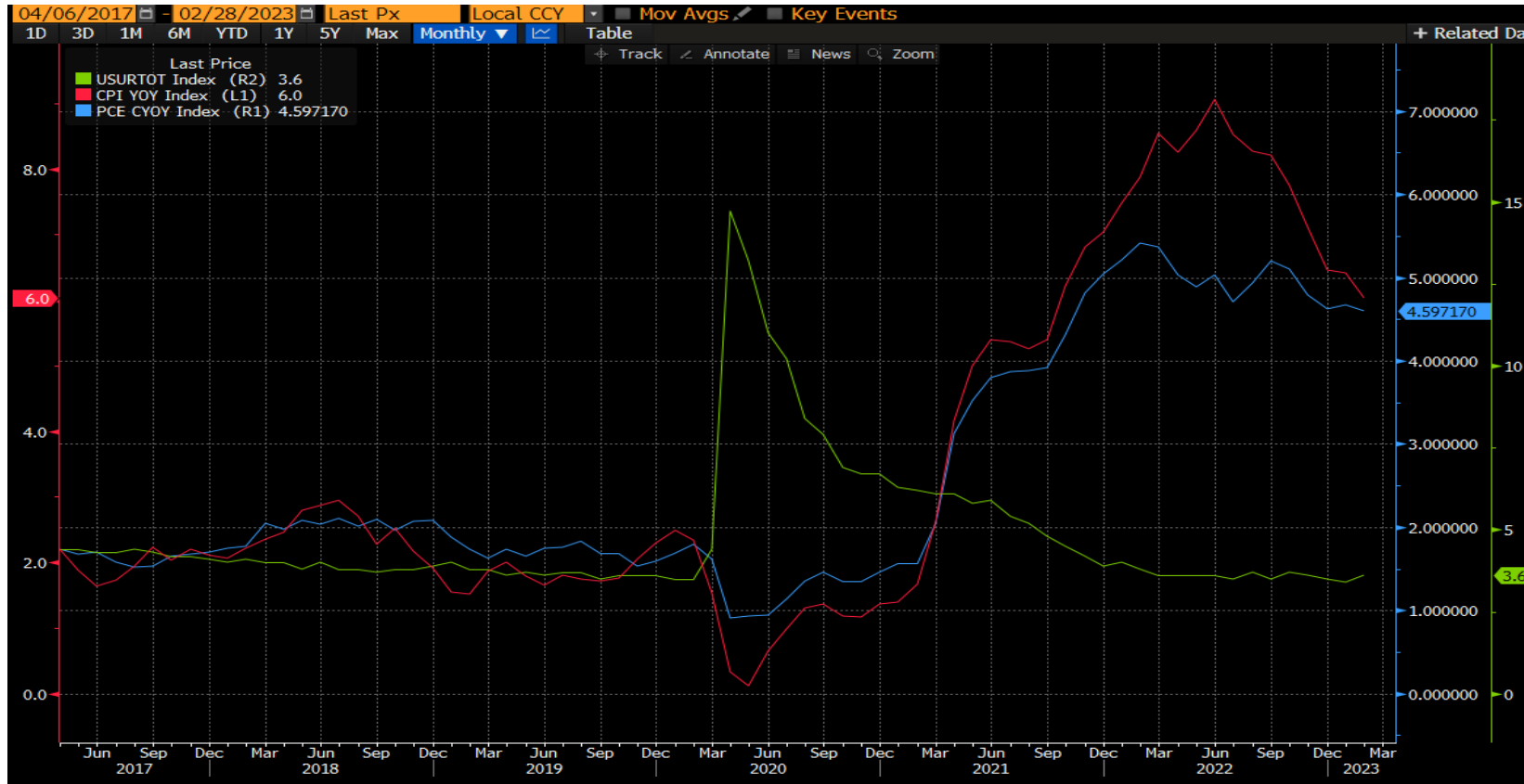


Inflation 40-years high Fed increased Rates the most in one year since the 70s and Asset Values tumbled

- Recall Taylor Rule: Simplified Fed Policy Rate is $GDP + Inflation$.
 - Unemployment was 3.6 at the 31-31-2022, matching the 3.6% pre-pandemic level of 3.6% at 12-31-2019
 - Inflation, measured by core PCE, increased from 1.49% in February of 2021 to 5.4% one year later
 - COVID and Ukraine supply disruptions
 - COVID induced monetary and fiscal accommodation
- Fed forced to counter inflation with the highest magnitude calendar year rate hike in since the 70s from 0% to 4.75%
 - Inflation, measured by Core PCE, accelerated from 1.49% in February of 2021 to 5.40% in February of 2022.
 - Bloomberg's World Interest Rate Probability predicted 3 hikes of 25bps each by February 2023 at year-end 2021; now predicts 9 more hikes after the first hike on March 16th, 2022.
- Rates and Asset Values
 - The 10-year UST is the risk-free rate used to value assets. The risk-free rate is the building block used to calculate all discount rates.
 - Bond yield = risk-free rate + credit spread; Equity Expected return = risk-free rate + equity risk premium
 - All else equal, as rates increase asset value decreases; price sensitivity to interest rates is measured by duration
 - The 10-year UST is a nominal rate equal to the real rate, a proxy for GDP growth, and inflation.

Fed's Dual Mandate

- Unemployment 3.6% (green), Headline CPI 6.0% (red) and Core PCE 4.6% (blue)
- Headline CPI peaked in June of 2022 at 9.1%



Inflation Measures

Headline. What the consumer experiences day to day

Core. Excludes more volatile food & energy components

CPI. Volatile vs PCE, components weights are consistent, based on household surveys and higher weights to shelter vs PCE.

Headline CPI used in Social Security COLAs

PCE. Less volatile, component weights can change reflecting consumer substitutions and based on business surveys. **Core PCE** is the Fed's primary inflation gauge.

Taylor Rule

Policy rate is a function of inflation and GDP

Widely used by central banks to inform monetary policy; some version of which has been used by the Fed since 1993

Taylor Rule*				
Fed Funds Policy Rate = Inflation + GDP				
	2020A	2021A	2022A	2023E
GDP	-2.8%	5.9%	2.1%	1.0%
Core PCE	1.3%	3.5%	5.0%	4.0%
Fed Funds by the Rule	-1.5%	9.4%	7.1%	5.0%
Actual Fed Funds	0.3%	0.3%	4.5%	5.0%
Delta (Rule - Actual)	-1.8%	9.2%	2.6%	0.0%

**Simplified for illustrative purposes*

Source: Bloomberg

Commodities: SPGSCI Index

- Commodity index down 30% in 1Q2023 with most commodities down on the year.
- Notable exceptions include copper up 7.4% and iron ore up 12.9% year-to-date.



Commodities Last 3-Months & 24-Months

Commodity	3-Months	24-Months
WTI Oil	-5.9%	45.5%
HH Nat Gas	-43.6%	-5.7%
Polyethylene*	0.6%	-4.4%
Aluminum	1.5%	9.1%
Copper	7.4%	2.4%
Nickel	-20.7%	48.4%
Iron Ore*	12.9%	27.4%
Corn	-2.6%	44.3%
Soybeans	-1.6%	30.3%
Wheat	-13.3%	11.4%
Cotton	-0.8%	10.1%
Coffee	2.1%	25.3%

*Not included in SPGSCI

Rate Curve: Year-end 12-31-2021 (khaki), Year-end 12-31-2022 (green)

- Upward curve shift with 10-year yield increasing from 1.5% to 3.9%
- Curve inverted with 6-month and 2-year treasuries yielding 4.8% and 4.4%, respectively.



Contra Costa County Employees' Retirement Association

April 26, 2023

Doug Longo, Head of Fixed Income Portfolio Strategists and Vice President

Ted Simpson, CFA, Regional Director and Vice President

This is a client report provided to Contra Costa County Employees' Retirement Association, an institutional investor. Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

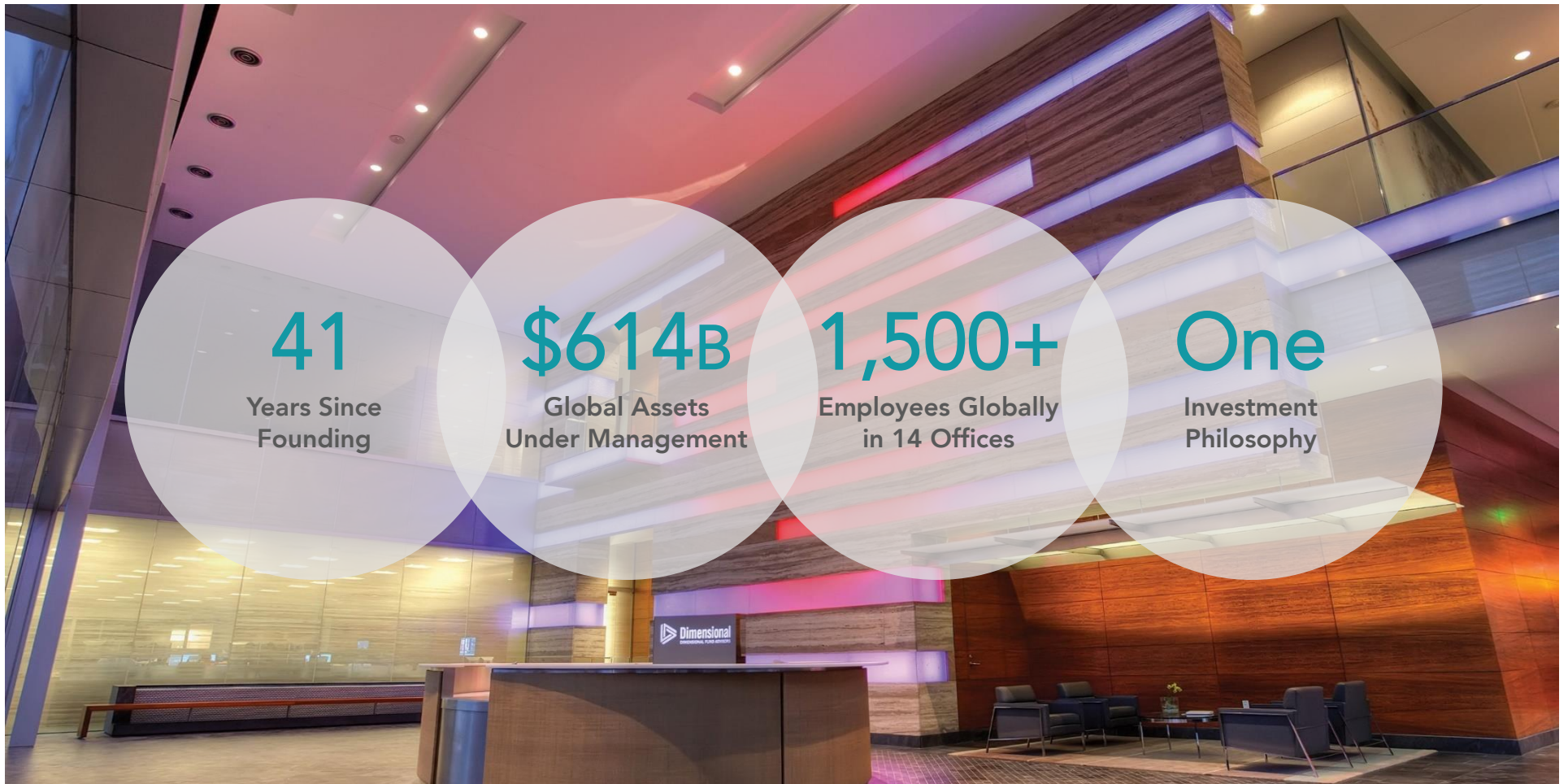
Agenda

- Dimensional
- Investment Philosophy
- Portfolio Implementation
- Market Environment
- CCCERA Separate Account Review
- Appendix

Dimensional

Dimensional at a Glance

As of March 31, 2023

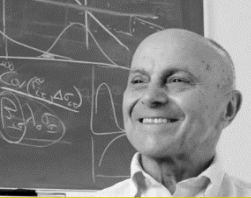





Assets in US dollars.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

A Heritage of Leading Research

The bar for research at Dimensional has been set by the best in the field

			
NOBEL LAUREATE, 2013		NOBEL LAUREATE, 1997	
Eugene Fama University of Chicago	Kenneth French Dartmouth College	Robert Merton MIT	Robert Novy-Marx University of Rochester

Dimensional Director and Consultant, Dimensional,¹ 1981–present

Consultant, Dimensional,¹ 1986–present


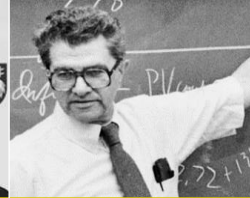

Co-Chair of the Investment Research Committee, Dimensional,¹ 2006–present

Dimensional Director, 2006–present

Director, Dimensional US Mutual Funds, 2003–2009

Resident Scientist, Dimensional Holdings Inc., 2010–present

Consultant, Dimensional¹ 2014–present

		
NOBEL LAUREATE, 2022	NOBEL LAUREATE, 1990	NOBEL LAUREATE, 1997
Douglas Diamond University of Chicago	Merton Miller University of Chicago	Myron Scholes Stanford University

Independent Director, Dimensional US Mutual Funds, 2017–2021

Lead Independent Director, Dimensional US Mutual Funds and ETF Trust, 2022–present

Independent Director, Dimensional US Mutual Funds, 1981–2000

Independent Director, Dimensional US Mutual Funds, 1981–2012

Lead Independent Director, Dimensional US Mutual Funds, 2013–2021

“At Dimensional, we don’t jump on every new idea that comes along. We’re looking for what will stand up over a long period of time.”

Eugene Fama
Nobel laureate, 2013

1. Dimensional Fund Advisors LP.

"Dimensional Directors" refers to the Board of Directors of the general partner of Dimensional Fund Advisors LP.

Implementation Requires Expertise

Adding value over benchmarks and peers through cost-efficient portfolio management, design, and trading



GERARD K. O'REILLY, PhD
Co-Chief Executive Officer
and Chief Investment Officer



Investment Solutions



MARLENA LEE, PhD
Global Head of
Investment Solutions

Research



SAVINA RIZOVA, PhD
Global Head
of Research



PETE DILLARD
Chief Data Officer and
Head of Investment
Analytics and Data

Trading



RYAN WILEY
Global Head of
Equity Trading



JASON LAPPING
Head of International
Equity Trading



DAVID LaRUSSO
Head of Fixed Income
Trading

Portfolio Management



JED FOGDALL
Global Head of
Portfolio Management



DAVE PLECHA
Global Head
of Fixed Income



PAUL FOLEY
Head of EMEA
Portfolio Management



BHANU SINGH
Chief Executive
Officer, DFA Australia
Limited and
Head of Asia Pacific
Portfolio Management



MARY PHILLIPS
Deputy Head
of Portfolio
Management,
North America



ALLEN PU, PhD
Deputy Head
of Portfolio
Management,
North America



JOEL SCHNEIDER
Deputy Head
of Portfolio
Management,
North America



JIM WHITTINGTON
Head of Responsible
Investment and
Senior Portfolio
Manager



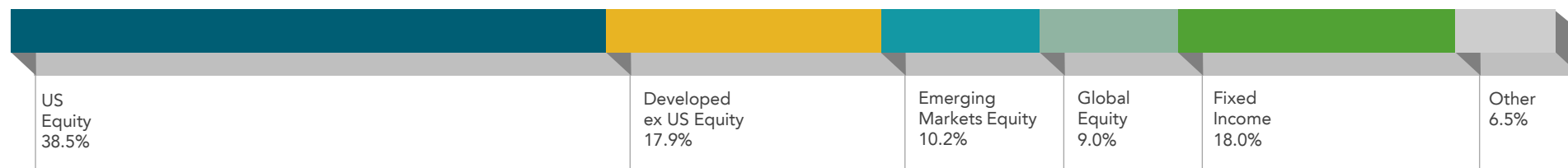
LACEY HUEBEL
Head of Responsible
Investment, North
America and Senior
Portfolio Manager



NICOLE HUNTER
Head of Capital
Markets

Dimensional Global Investment Solutions

\$614 billion in global AUM as of March 31, 2023



(in billions)

US Equity	\$236.3	Developed ex US Equity	\$109.6	Global Equity	\$55.2
All Cap Core	\$96.7	All Cap Core	\$51.1	All Cap/Large Cap	\$46.1
All Cap Value	\$8.2	All Cap Value	\$1.0	Value	\$7.1
Growth	\$3.5	Growth	\$0.9	Small/SMID Cap	\$2.0
Large Cap	\$30.0	Large Cap	\$10.7		
Large Cap Value	\$29.7	Large Cap Value	\$17.8	Fixed Income	\$110.2
SMID Cap Value	\$21.4	Small Cap	\$15.5	US	\$53.8
Small Cap	\$23.8	Small Cap Value	\$12.5	US Tax-Exempt	\$9.2
Small Cap Value	\$16.5			Non-US and Global	\$38.8
Micro Cap	\$6.5	Emerging Markets Equity	\$62.7	Inflation-Protected	\$8.5
		All Cap Core	\$34.4		
		Value	\$17.5	Other	\$39.7
		Large Cap	\$6.5	Real Estate	\$20.3
		Small Cap	\$4.2	Commodities	\$1.8
				Global Allocation	\$16.2
				Target Date	\$1.3

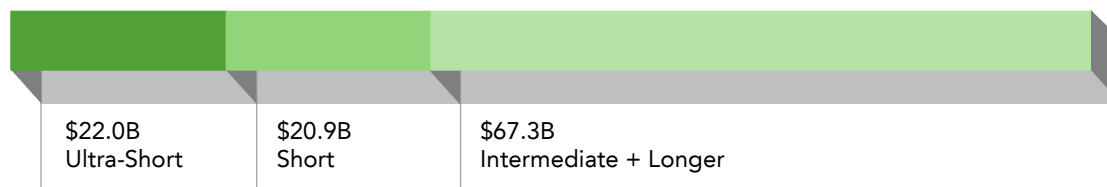
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All assets in US dollars. Numbers may not total 100% due to rounding.

Extensive Fixed Income Capabilities

40 years of experience and \$110 billion in global fixed income assets under management¹

STRATEGIES BY DURATION



STRATEGIES BY REGION OF INVESTMENT



- Earliest strategy inception in 1983
- Based upon rigorous academic research
- Experienced investment team
- Consistent portfolio management and execution
- Value-added execution
- Competitively priced solutions

MANDATE CATEGORIES

Global	Regional	Government	Credit
Inflation-Linked	US Municipal	ESG-Focused	

¹ Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services. As of March 31, 2023.

All assets in US dollars. Numbers may not total 100% due to rounding.

Global Fixed Income Team

Dedicated to consistent implementation of investment strategies

PORTFOLIO MANAGEMENT		
	Years of Experience	
	Industry	Firm
Austin		
Joseph Kolerich, ¹ <i>Head of Fixed Income, Americas</i>	29	21
Lacey Huebel, CFA <i>Head of Responsible Investment, North America</i>	12	10
Alan Hutchison, <i>Senior PM</i>	16	16
Parker Dixon	<1	<1
Shawn Doty	18	4
Grace Ritch	1	1
Charlotte		
Travis Meldau, <i>Senior PM</i>	19	11
Brett Balasa, CFA	7	6
Alex Degernes	13	6
Santa Monica		
David Plecha, ^{1,2} CFA <i>Global Head of Fixed Income</i>	35	33
Alexander Fridman, PhD, CFA, FRM, <i>Senior PM</i>	17	9
David Shao, CFA, <i>Senior PM</i>	16	16
Ryan Haselton, <i>Senior PM</i>	14	7
London		
Kipp Cummins, CFA <i>Head of EMEA Fixed Income</i>	16	10
Randeep Gill	12	1
Federica Merlino	4	2
Singapore		
Joel Kim, CFA <i>CEO, Dimensional Fund Advisors Pte. Ltd. and Head of Fixed Income, International</i>	25	6
Archit Soni	13	7
Sydney		
Catherine Drysdale	5	1
Henry Herkes, CFA	4	4
Timo Zauner, CFA	15	5

TRADING		
	Years of Experience	
	Industry	Firm
Austin		
David LaRusso, <i>Head of Fixed Income Trading</i>	22	22
Quinn Kauss	6	3
Robert Richardson, <i>Senior Trader</i>	24	10
Charlotte		
Polly Weiss, CFA, FRM, <i>Senior Trader</i>	17	14
Santa Monica		
Claudette Higdon, <i>Senior Trader</i>	22	22
London		
Odin Costa, <i>Senior Trader</i>	6	3

PORTFOLIO STRATEGISTS		
	Years of Experience	
	Industry	Firm
Austin		
Douglas Longo, <i>Head of Fixed Income Portfolio Strategists</i>	20	8
Wan Kim, <i>Senior Investment Strategist</i>	24	2
Ashley Liu	2	1
Sooyeon Mirza, CFA	8	5
Jackie Pincus	15	<1

Investment Research Committee

- Long-term, strategic focus
- 13 members, including 2 Nobel laureates

Investment Committee

- Implementation and daily oversight
- 14 members
- Average 22 years of firm experience

Research

- Synthesis of client needs and financial theory into investment solutions
- 90+ professionals, including 15+ PhDs

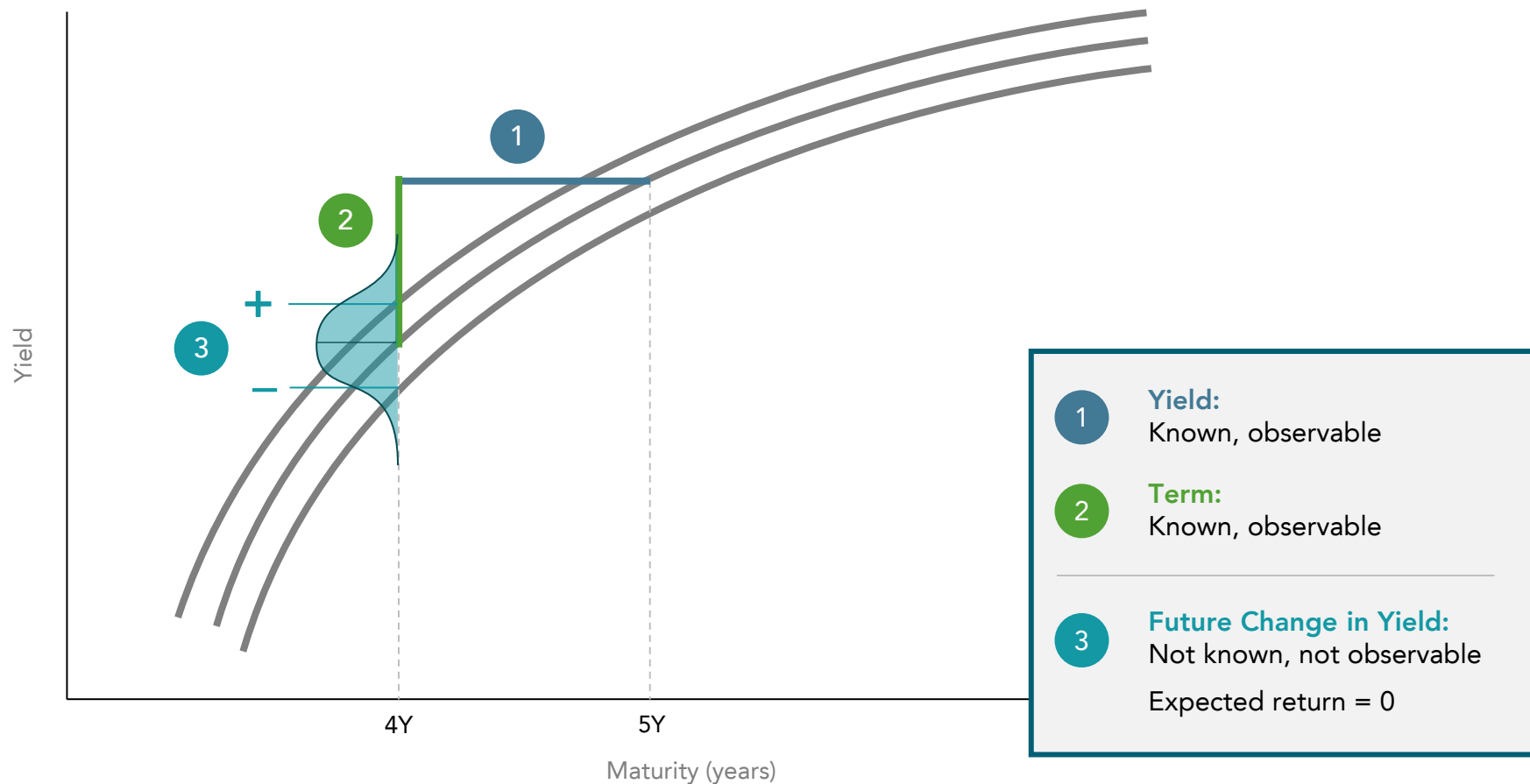
As of March 31, 2023. Years of experience based on most recent calendar year end.

1. Investment Committee member.

2. Investment Research Committee member.

Investment Philosophy

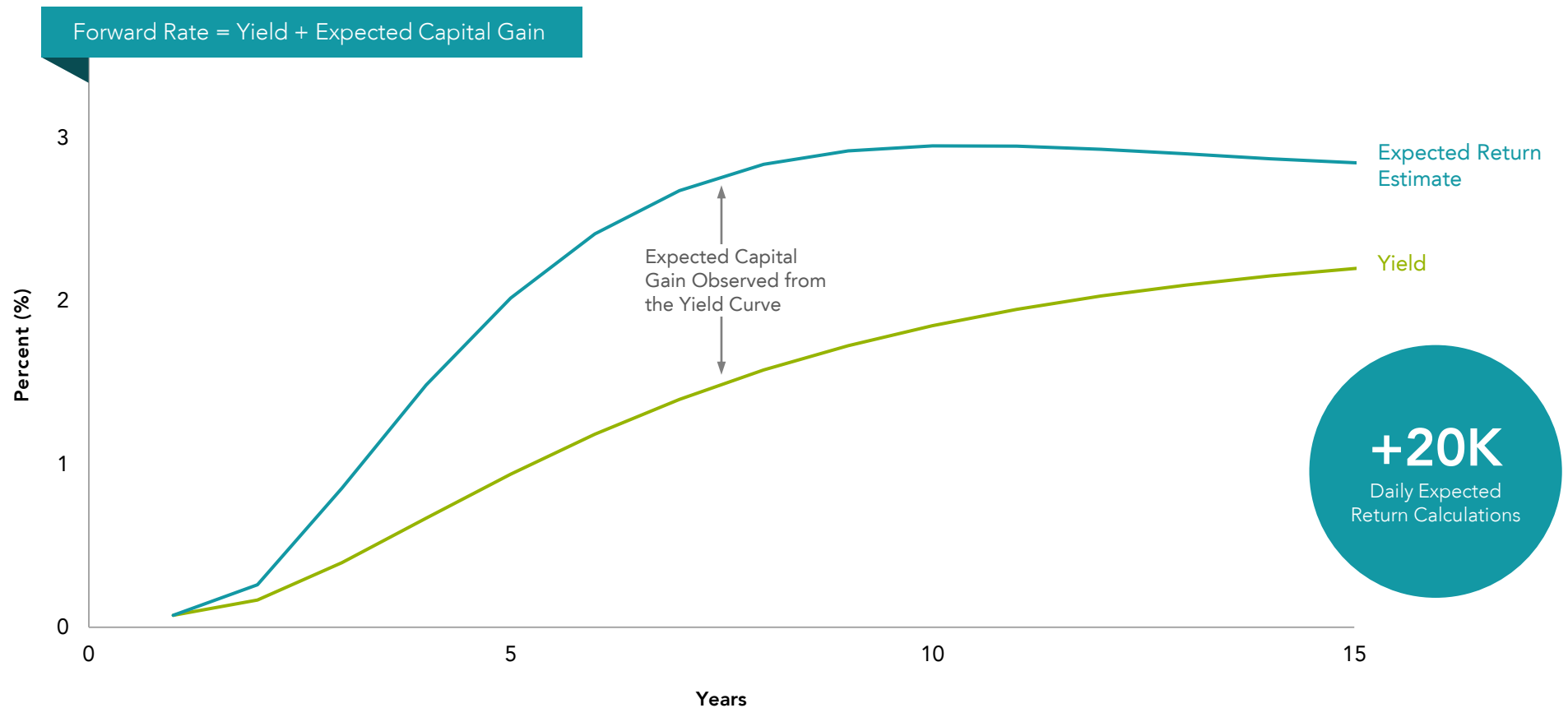
Estimating Expected Returns in Fixed Income



The current yield curve provides information about two of the components of expected return.

Prices Contain Information About Expected Returns

Forward rates predict differences in expected returns across bonds of different duration and credit quality

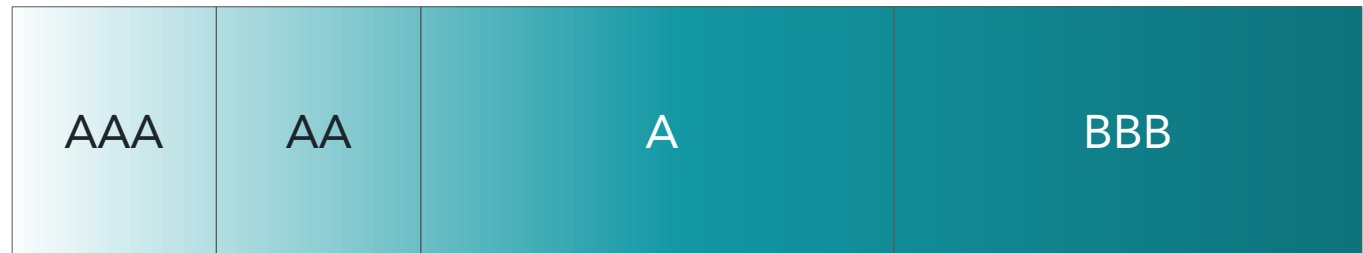


Varying Credit Exposure to Increase Expected Returns

Credit spreads inform portfolio positioning

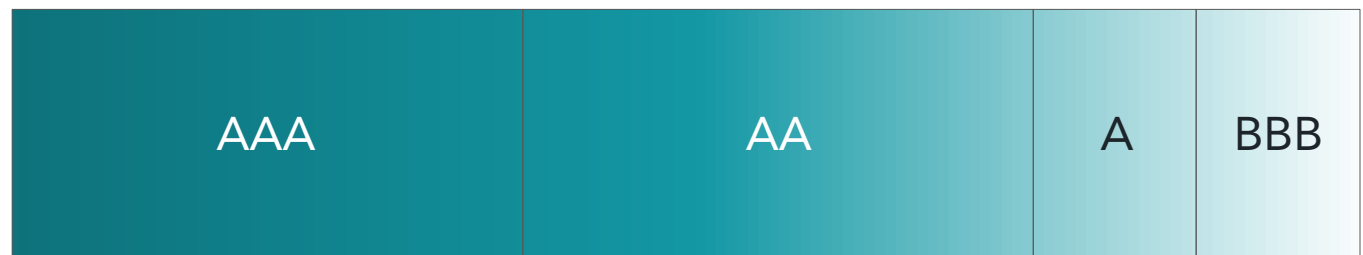
Wide Credit Spreads

Wide credit spreads generally lead to higher credit premiums.
Emphasize lower credit quality



Narrow Credit Spreads

Narrow credit spreads generally lead to lower credit premiums.
Emphasize higher credit quality



Systematic Duration and Credit Exposure

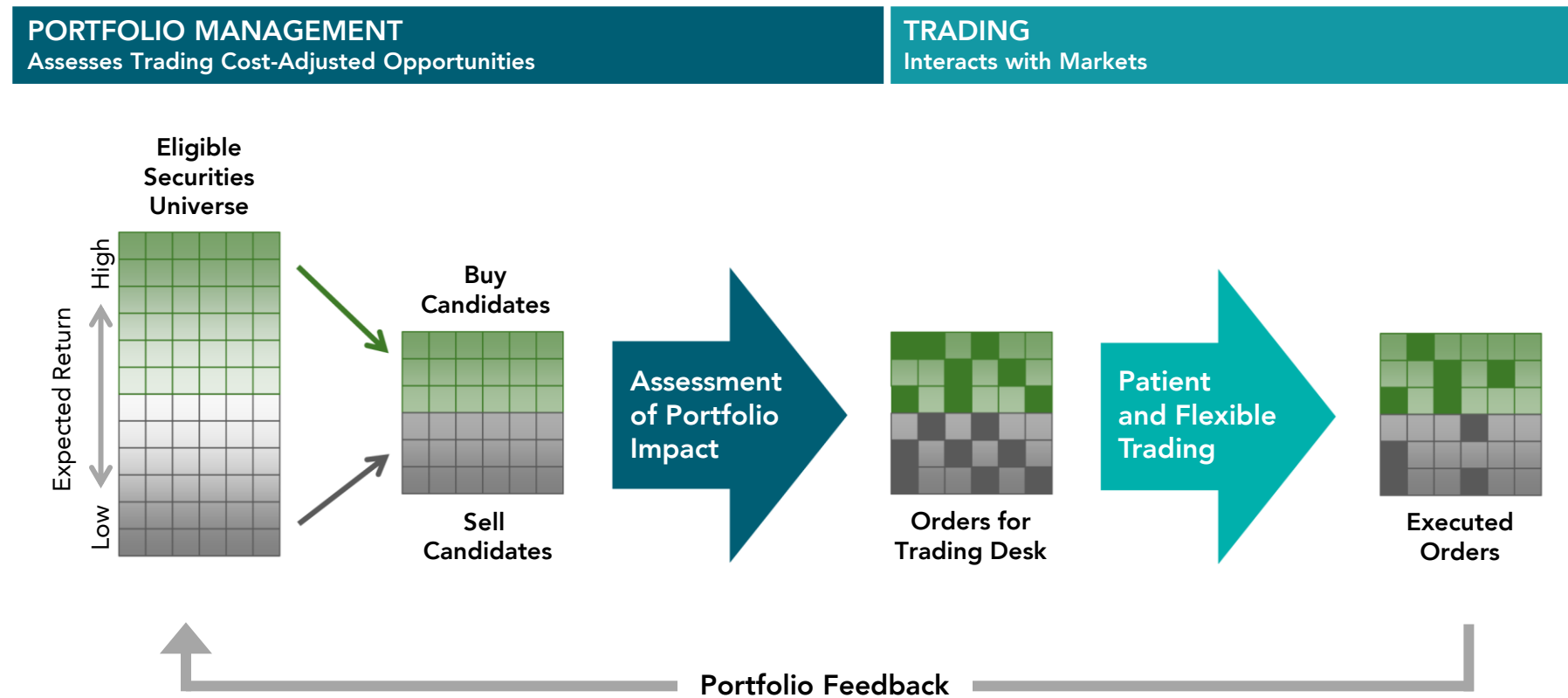
Term: Yield Curve Shape

		NORMAL	FLAT/INVERTED
Credit Spreads	WIDE	Longer duration Lower credit quality	Shorter duration Lower credit quality
	NARROW	Longer duration Higher credit quality	Shorter duration Higher credit quality

Portfolio Implementation

Integrated Fixed Income Portfolio Management and Trading

Pursuing higher expected returns and cost-effective execution



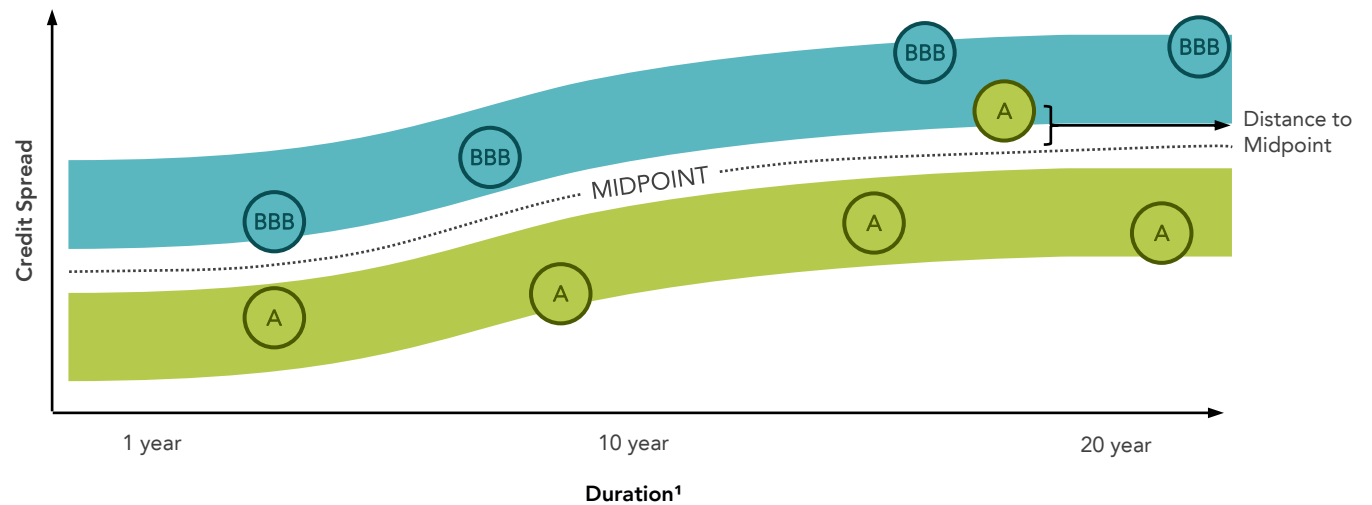
Systematic Credit Monitoring using Market Prices

Dimensional's systematic process identifies bonds with higher implied risk than their stated rating may indicate

Corporate Bonds with Spreads Above Midpoint, 1999–2019

	Average % of Names	Average % of Market Value
AAA	15	14
AA	22	23
A	15	17
BBB	11	10
BB	14	14
All	14	15

A-Rated bond trading Like BBB; DFA Rating: BBB

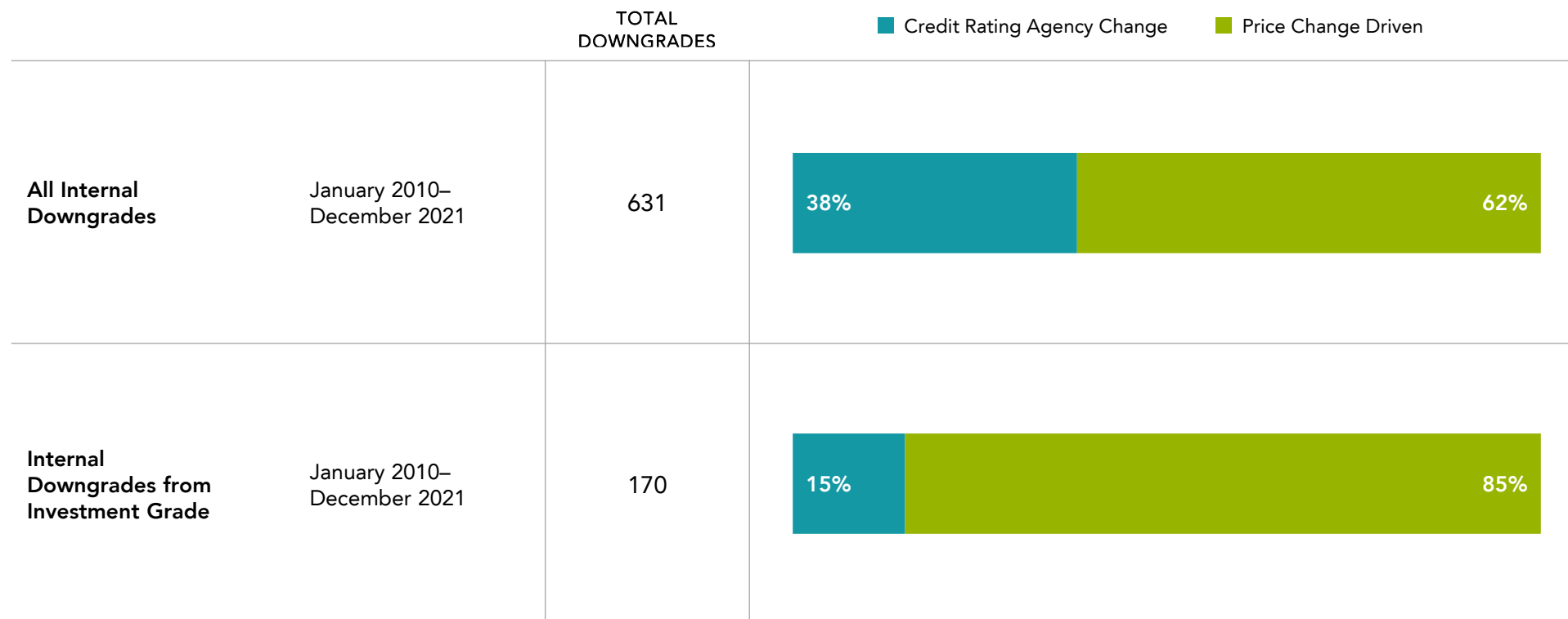


1. For illustrative purposes only.

Source: Dimensional calculation based on Bloomberg Barclays US Aggregate and US High Yield Index. Data are restricted to US corporate bonds with no optionality except for make-whole bonds. Credit Ratings are based on S&P ratings. Spread is defined as the credit spread between a corporate bond and its synthetic coupon-matched Treasury. Distance to midpoint is defined as the distance from bond's credit spread to the midpoint threshold between the bond's same-rated peer spread curve and the adjacent spread curve with lower credit rating. "Spread Above Midpoint" refers to bonds whose spreads are larger than the midpoint between the spread curve of their peer credit group and the spread curve of the next lower credit group for the same duration. See Wei, Hutchison, and Wang (2020), or Lee, Meyer-Brauns, Rizova, and Wang (2020) for details.

Credit Monitoring in Practice

Dimensional proactively manages credit risk for portfolios



Past performance is no guarantee of future results.

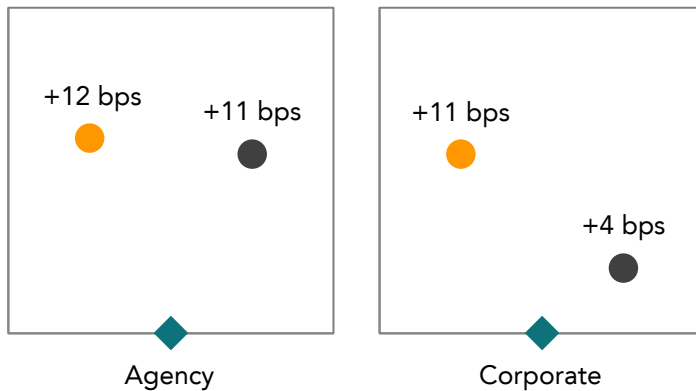
Bond ratings are intended to indicate the credit quality of a bond, considering the financial strength of its issuer, and the likelihood that it will repay the debt. Ratings range from AAA (highly unlikely to default) to D (in default). Downgrades represent full letter down grades (e.g. AAA to AA). Downgrades from Investment Grade are bonds that were initially given an investment-grade rating and subsequently reduced to junk bond status. Source: TRACE. The Trade Reporting and Compliance Engine (TRACE) is the Financial Industry Regulatory Authority, Inc. (FINRA) developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities. All broker-dealers who are FINRA member firms have an obligation to report transactions in corporate bonds to TRACE under a Securities & Exchange Commission (SEC) approved set of rules. Dimensional eligible universe data as of December 2021: ~19,000 securities, ~1,400 issuers of which: ~3,700 securities held, ~700 issuers held. Holdings are subject to change.

Relative Price Advantage of Flexible Trading

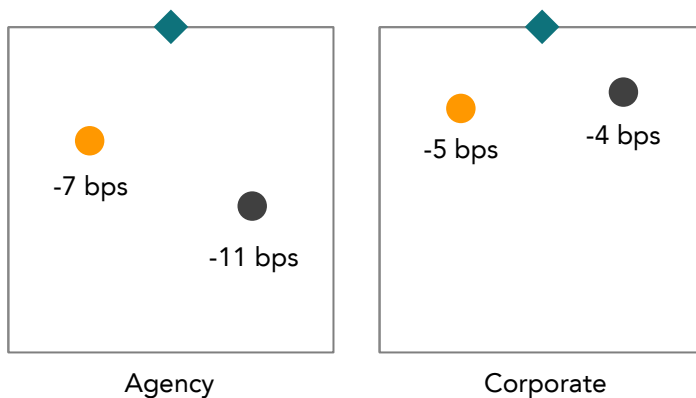
Dimensional seeks to avoid demanding immediacy when trading

◆ Dimensional Trade¹ ● Trade Before ● Trade After

PURCHASE PRICE LOWER THAN ADJACENT TRADES (MINIMUM \$100K TRADE SIZE)



SALE PRICE HIGHER THAN ADJACENT TRADES (MINIMUM \$100K TRADE SIZE)



- Our approach is based on flexibility among issues/issuers of similar term and credit characteristics.
- On average, Dimensional’s purchase price was lower than the adjacent purchase prices, and our sell price was higher than the adjacent sell prices.
- Dimensional’s flexible approach helps reduce costs.

Past performance is no guarantee of future results.

Source: TRACE. The Trade Reporting and Compliance Engine (TRACE) is the Financial Industry Regulatory Authority, Inc. (FINRA) developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities.

1. “Dimensional” refers to Dimensional Fund Advisors LP.

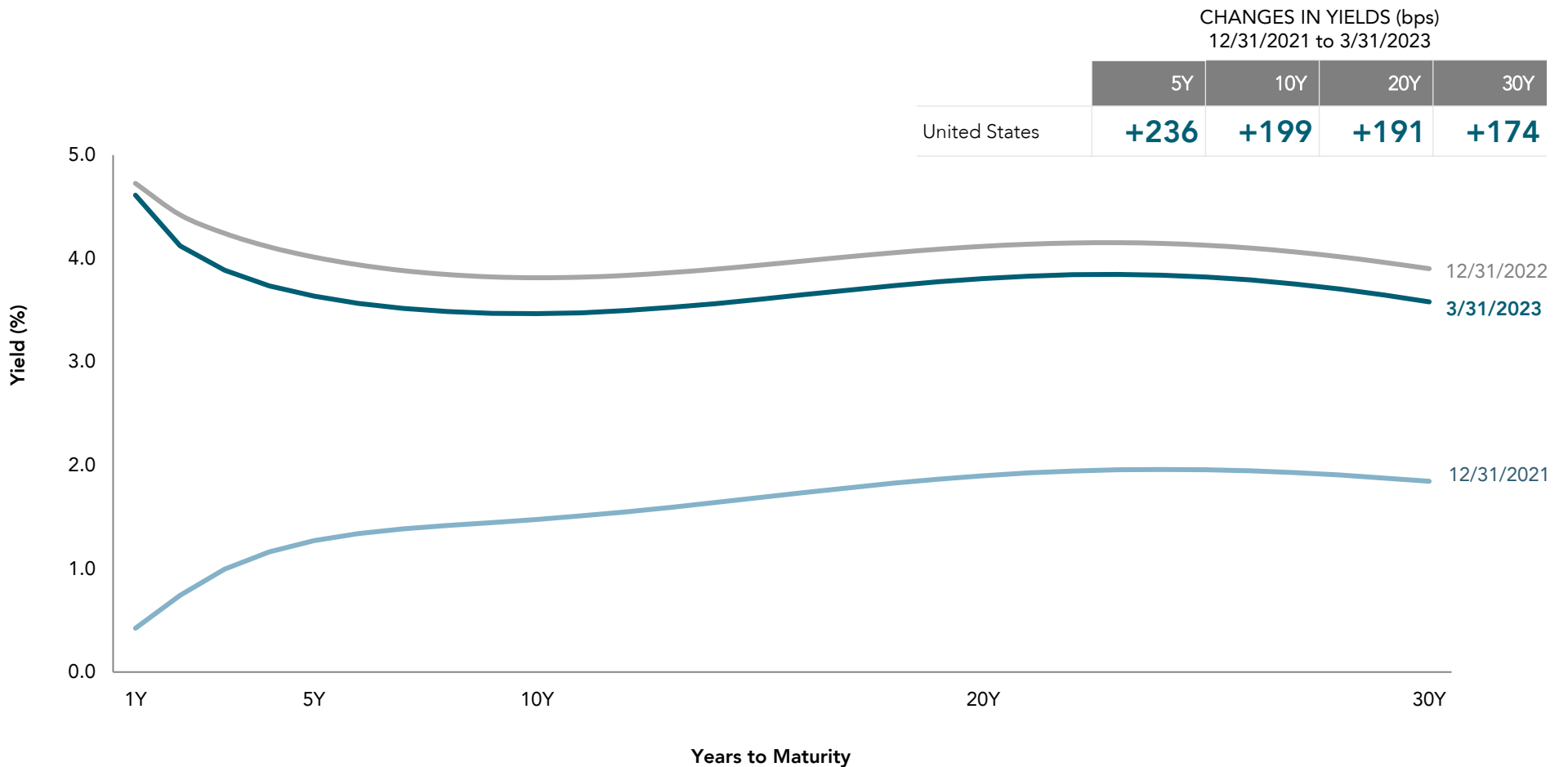
bps (basis point): One hundredth of a percentage point (0.01%). Data compiled by Dimensional. TRACE-eligible corporate and agency bond trades from January 1, 2021 to December 31, 2021.

Comparative trades (prior and post) are filtered on trade size (excluding trades with size less than 100K par). This could have a considerable effect on the relative trade prices.

Market Environment

US Nominal Yield Curve

UNITED STATES

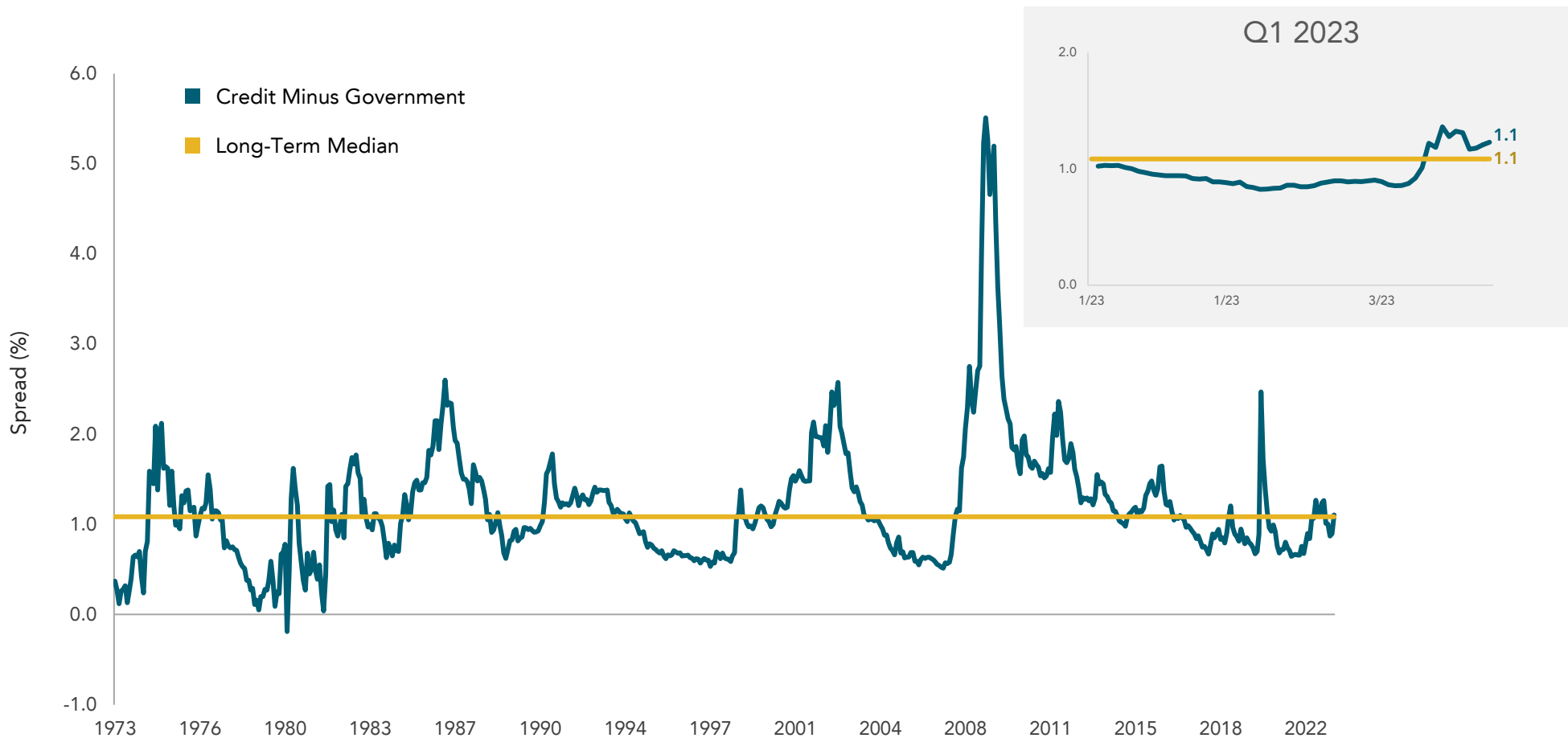


Past performance is no guarantee of future results.

Source: ICE BofA government yield. ICE BofA index data © 2023 ICE Data Indices, LLC. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

US Credit Spreads

CREDIT MINUS GOVERNMENT 1973 THROUGH Q1 2023



Past performance is no guarantee of future results.

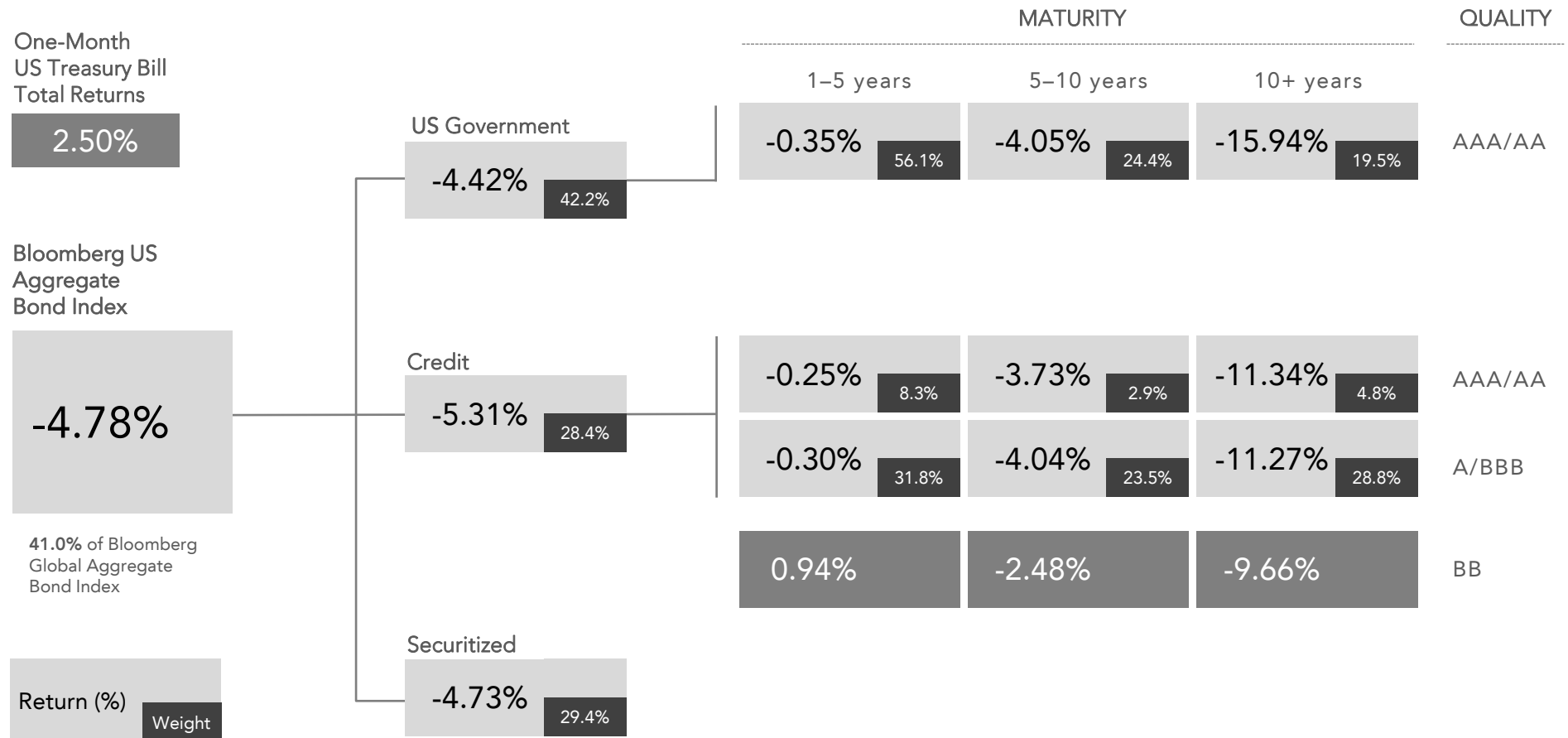
Monthly data in US dollars. Bloomberg Intermediate Indices.

Government: Bloomberg US Government Intermediate Index. Credit: Bloomberg US Intermediate Credit Index.

Bloomberg index data provided by Bloomberg. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Fixed Income Market Overview

US Market Returns (USD), 1 Year as of March 31, 2023



Past performance is no guarantee of future results.

Bond types based on original Bloomberg three-pillar government, credit, and securitized sectors classification scheme. Credit and maturity breakouts represent returns for the corresponding categories of the Bloomberg US Aggregate Index for investment grade and Bloomberg US High Yield Index for BB rated bonds. Rating categories represented use Bloomberg composite ratings. The Bloomberg category returns use parent index constituent data with corresponding maturity and credit rating ranges to internally calculate returns. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Bloomberg index data provided by Bloomberg.

CCCERA Separate Account Review

Contra Costa County ERA Short-Term US Credit

Overview as of March 31, 2023¹

PORTFOLIO OVERVIEW						
Inception Date	December 2016					
Assets Under Management	\$315.6 million					
Eligible Investments ²	Treasuries		Agencies		Corporates	
	Supranationals		Cash equivalents			
Credit Quality Eligibility	Treasury	◆	AAA	◆	A	◆
	Agency	◆	AA	◆	BBB	◆
Primary Investment Parameters ²						
Average Duration	Maximum of 3 years duration for portfolio, 5 years maturity for individual security					
Industry Constraints	Maximum of 25%					
Guarantor Constraints	5% maximum in AAA & AA, 1% in A & BBB; no limit on US guaranteed bonds					
Issuer Constraints	3% maximum in AAA & AA, 1% in A & BBB; no limit on US government-backed securities					
Currency/Country Exposure	USD Only					
Non-USD Constraints	N/A					
Hedging Instruments	N/A					
Leverage	None					
Benchmarks						
ICE BofA	1–5 Year US Corporate and Government Index					

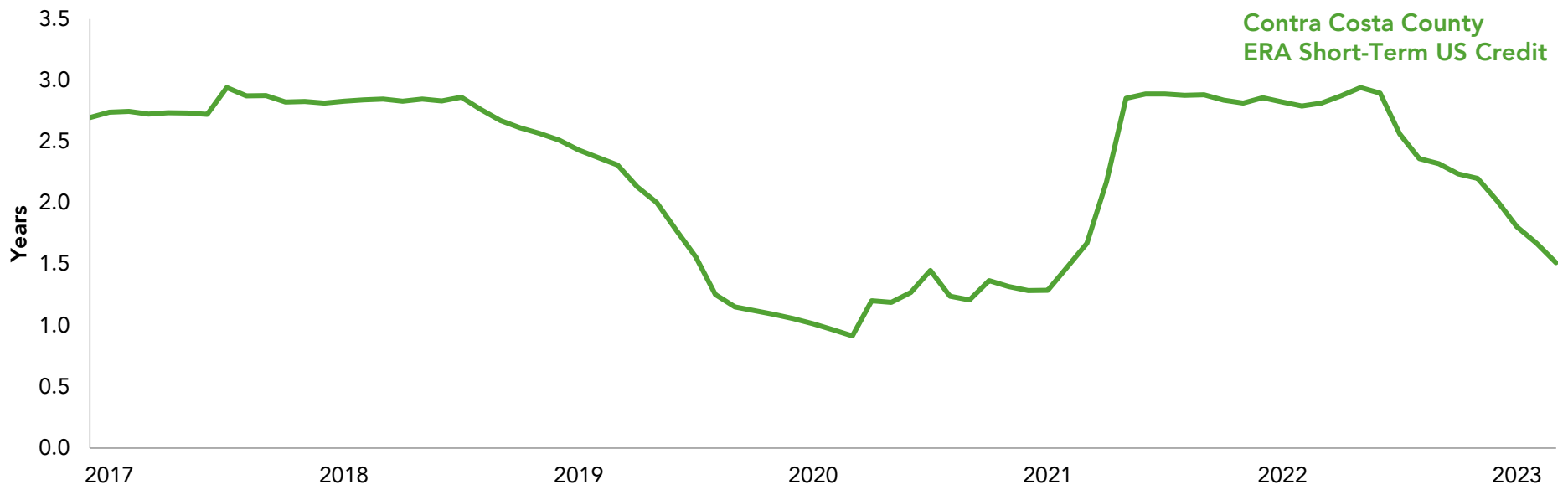
1. Subject to change.
2. Not comprehensive.

Contra Costa County ERA Short-Term US Credit

Characteristics as of March 31, 2023

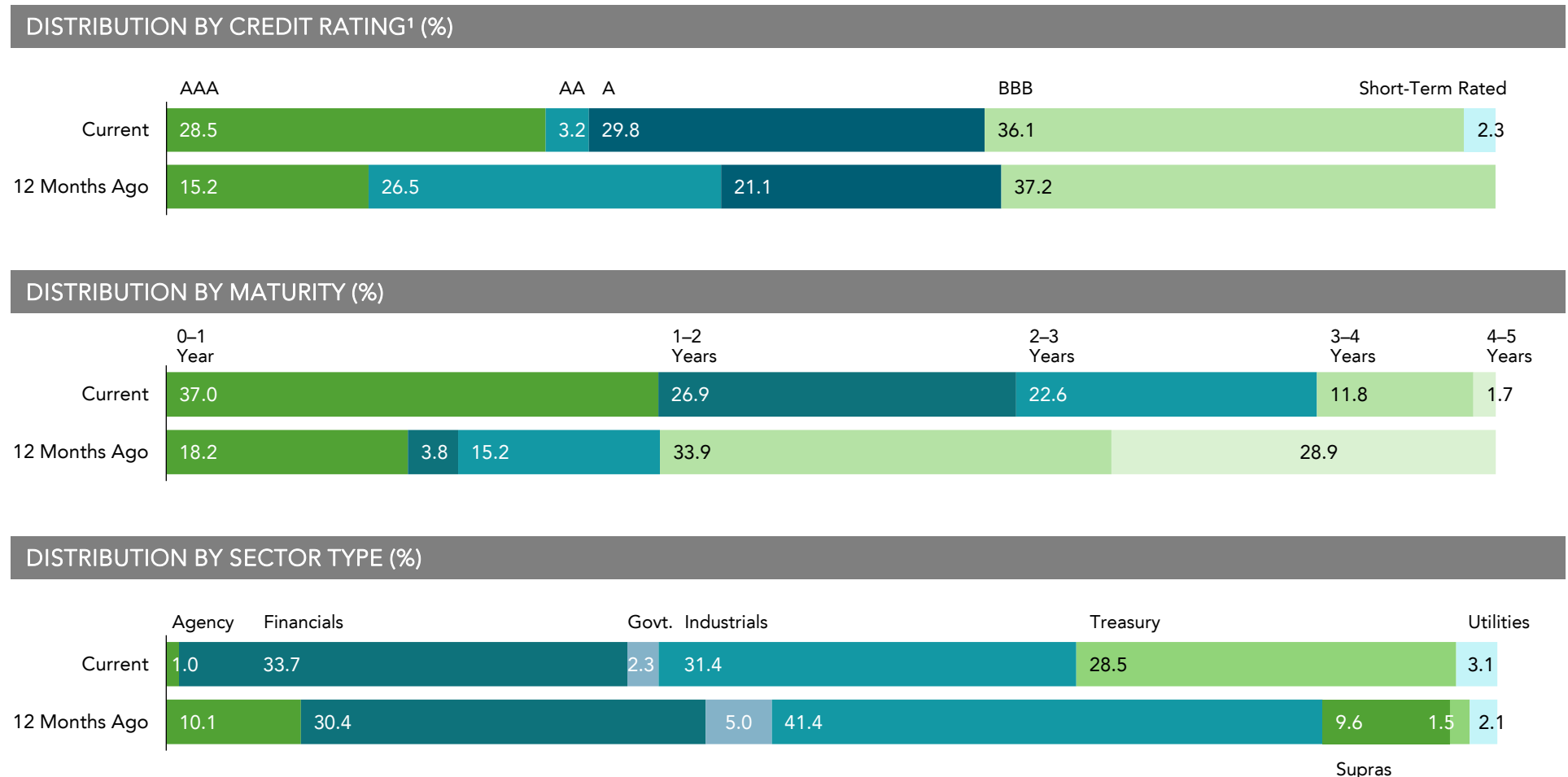
	Average Duration (Years)	Average Maturity (Years)	Average Coupon	Yield to Maturity
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT	1.51	1.61	2.38	5.36
ICE BofA 1-5 Year US Corporate & Government Index	2.59	2.78	2.40	4.36

AVERAGE DURATION (MONTHLY: DECEMBER 2016–MARCH 2023)



Contra Costa County ERA Short-Term US Credit

Characteristics as of March 31, 2023



1. Credit rating agencies Moody's Investor Service, Fitch Ratings, and Standard & Poor's Corporation rate the credit quality of debt issues. For reporting purposes, we generally assign a composite rating based on stated ratings from Nationally Recognized Statistical Ratings Organizations ("NRSROs"). For example, if Moody's, Fitch, and S&P all provide ratings, we assign the median rating. In certain instances, such as Pre-Refunded Municipals and US Treasury and Agency securities, we will assign the internal Dimensional rating. The internal Dimensional rating can only be as high as the highest stated credit rating from an NRSRO. Holdings are subject to change.

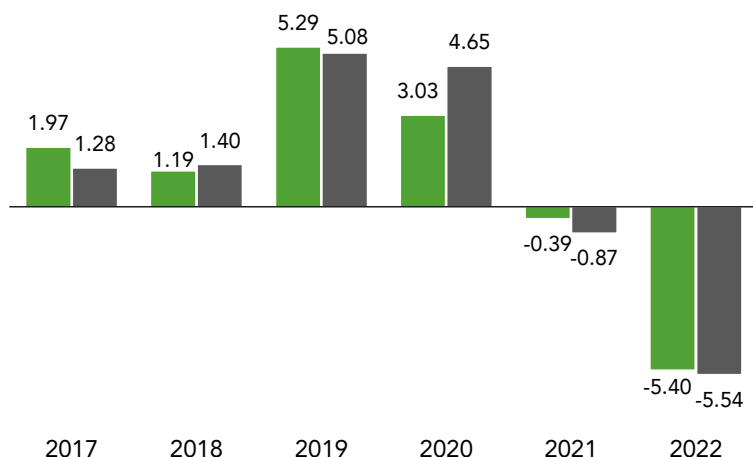
Contra Costa County ERA Short-Term US Credit

Performance as of March 31, 2023

Annualized Returns ¹ (%)	1st Quarter 2023	1 Year	3 Years	Since 1/17 Account 1st Full Month
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT (gross of fees)	1.40	-0.33	-0.26	1.08
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT (net of fees)	1.38	-0.43	-0.36	0.98
ICE BofA 1-5 Year US Corporate and Government Index	1.79	-0.38	-0.73	1.18

CALENDAR YEAR RETURNS (%)

- Contra Costa County ERA Short-Term US Credit (gross of fees)
- ICE BofA 1-5 Year US Corporate and Government Index



Account Value

CONTRA COSTA COUNTY ERA FIXED INCOME SEPARATE ACCOUNT	\$315,592,448
--	----------------------

Performance data shown represents past performance and is no guarantee of future result. Gross returns include the reinvestment of dividends and other earnings, but do not reflect the deduction of investment advisory fees or any other expenses that will be incurred in the management of the account. A client's investment return will be reduced by the advisory fees and other expenses it will incur in the management of its advisory account. For example, if a 1% annual advisory fee were deducted quarterly and a client's annual return were 10% (based on quarterly returns of approximately 2.41% each) before deduction of advisory fees, the deduction of advisory fees would result in an annual return of approximately 8.91% due, in part, to the compound effect of such fees. Dimensional's advisory fees are described in Part 2A of Dimensional's Form ADV Part 2A.s.

1. Returns for periods shorter than one year are not annualized. ICE BofA index data © 2023 ICE Data Indices, LLC. Indices are not available for direct investment.

Appendix

Fees

Contra Costa County Employees Retirement Association Separate Account	If average balance remains above \$300mm	If average balance is below \$300mm	
	Fee on all assets (%)	Fee on assets up to \$25 million (%)	Fee on assets above \$25 million (%)
	0.10	0.20	0.10

Presenters' Biographies

Doug Longo

Co-Head of Product Specialists and Vice President

Doug Longo, the Austin-based Co-Head of Product Specialists in Dimensional's Investment Solutions Group, leads a team dedicated to supporting the effective communication of Dimensional's fixed income and equity investment approaches and strategies to clients and prospective clients. He is a frequent writer on fixed income topics and a frequent speaker at industry conferences and seminars.

Doug began his career as an associate for Bear Stearns & Co. in New York City, where he gained experience trading and managing fixed income portfolios in corporate, municipal, mortgage-backed, and government debt. In April 2008, Doug transitioned to Merrill Lynch, where he continued to develop and manage fixed income portfolios.

Prior to working in finance, Doug was one of the youngest sergeants in the history of the United States Marine Corps. As a Marine, he was awarded a Navy and Marine Corps Achievement Medal for leading his platoon on multiple operations in the Middle East.

Doug holds an MBA from the University of California, Los Angeles, and a BS in finance from CW Post.

Ted Simpson, CFA

Vice President

Ted Simpson, a Vice President in the Global Client Group, is responsible for developing and maintaining relationships with public pension funds, foundations, endowments, Taft-Hartley plan sponsors, and corporate pension and defined contribution plans.

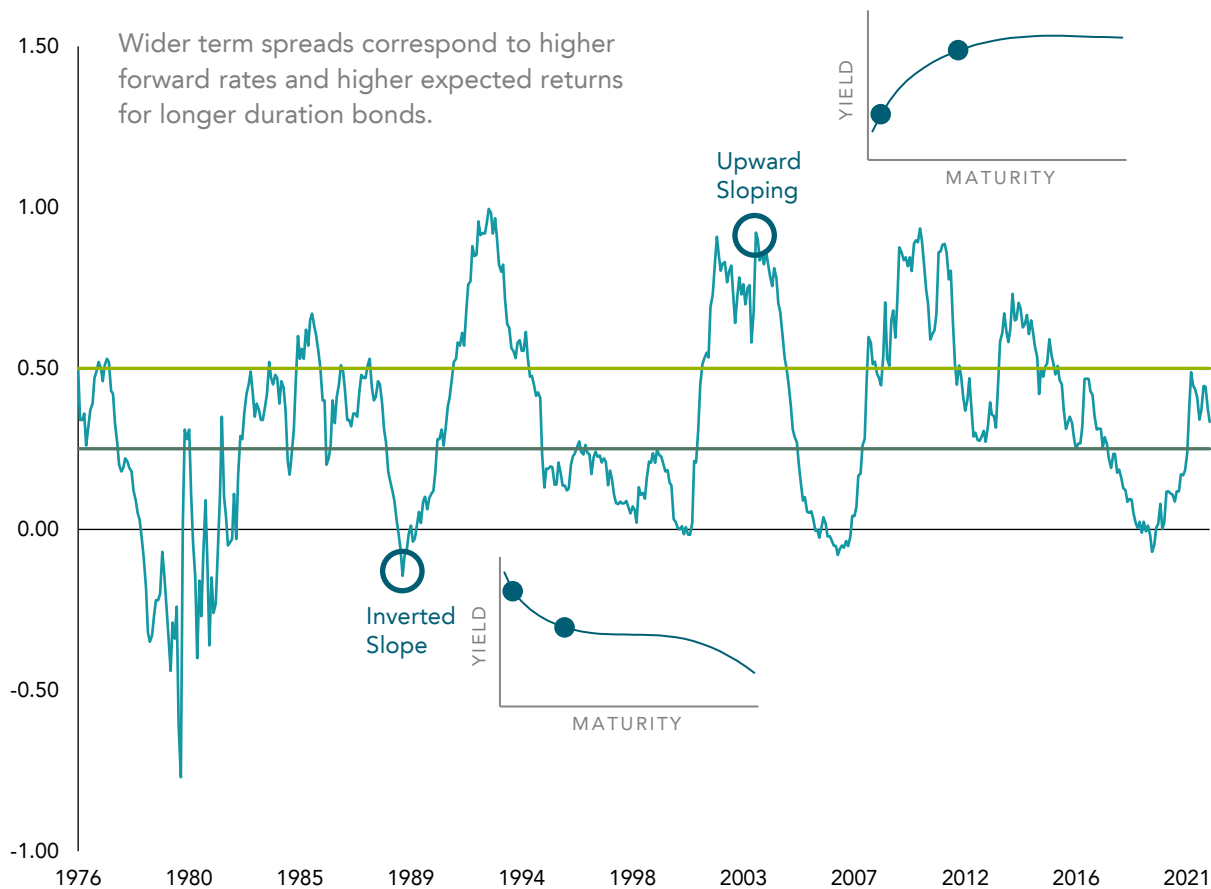
Since joining Dimensional in 2002, Ted has held a number of positions within the firm. He began as a marketing consultant before taking a leadership role in the firm's defined contribution market initiative. Later, Ted got involved with Dimensional's consultant relations effort and eventually helped manage the group. Most recently, he has shifted his attention to working directly with clients.

Prior to joining Dimensional, Ted worked for Salomon Brothers, Legal & General, Mattel, Lion Nathan, and a fee-only RIA. He earned an MBA in marketing, strategy, and organizational behavior from the Kellogg School of Management at Northwestern University and a BA in politics and economics from Princeton University. Ted is a CFA® charterholder and holds FINRA licenses 24, 7, and 63.

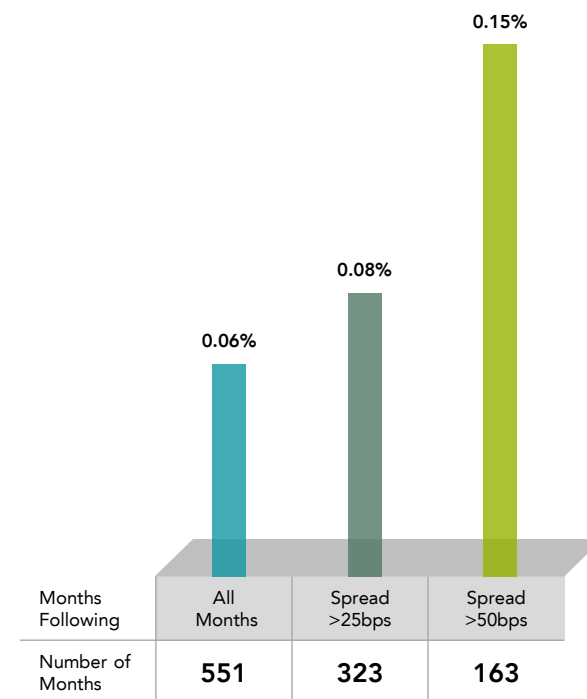
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Term Spreads and Expected Returns

US Government Intermediate Minus 1–3 Years, 1976–2021



Average Monthly Return Difference

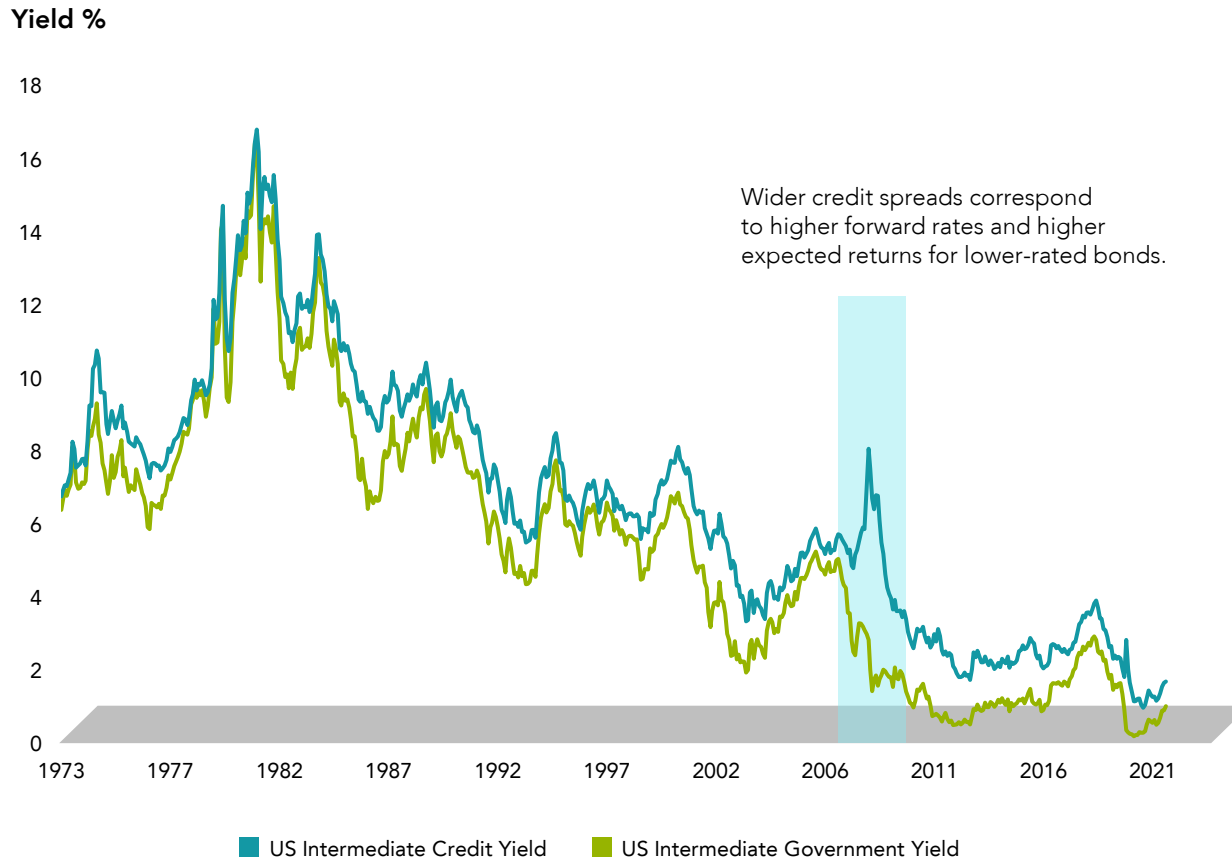


Past performance is no guarantee of future results.

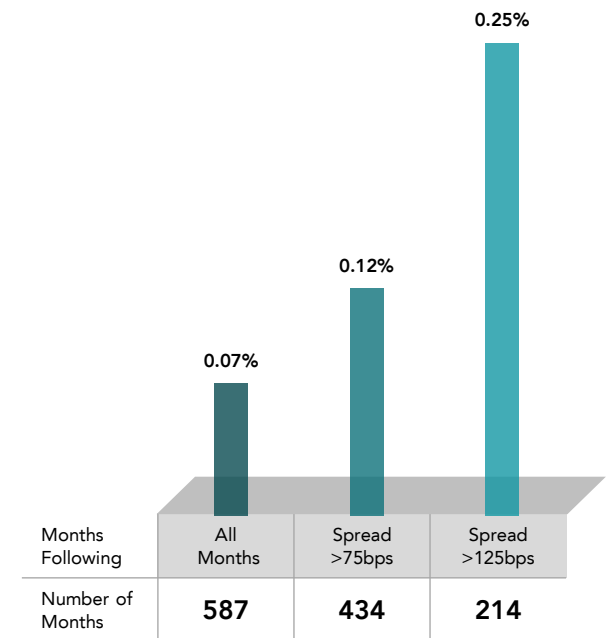
Monthly data in US dollars. Bloomberg Government 1-3 Year and Intermediate Indices Yield to worst: Intermediate and 1–3 Years. Bloomberg data provided by Bloomberg. Indices are not available for direct investment.

Credit Spreads and Expected Returns

US market, January 1973–December 2021



Average Monthly Return Difference

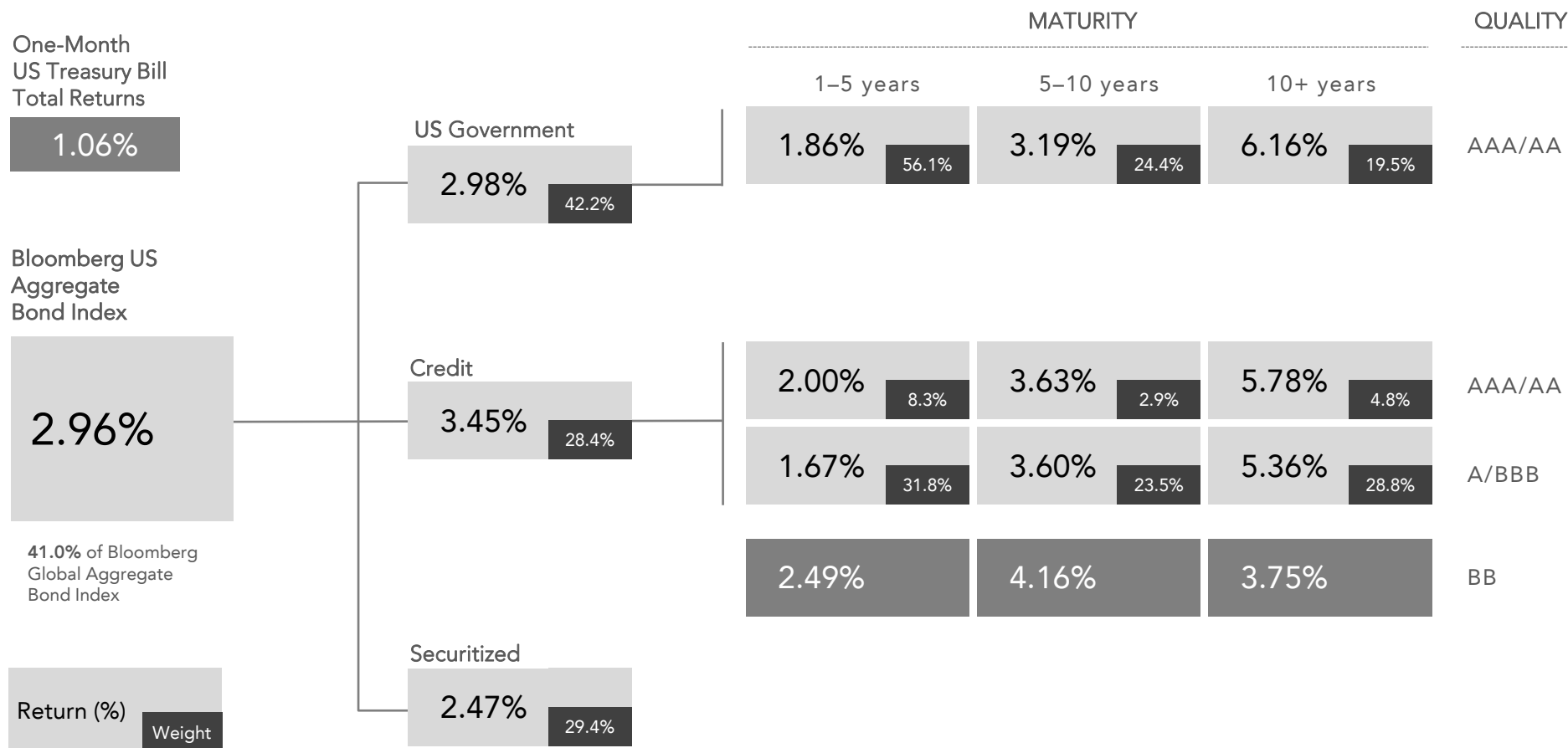


Past performance is no guarantee of future results.

Monthly data in US dollars. Bloomberg Intermediate Indices. Government: Bloomberg US Government Intermediate Index. Credit: Bloomberg US Intermediate Credit Index. Bloomberg data provided by Bloomberg. Indices are not available for direct investment.

Fixed Income Market Overview

US Market Returns (USD), 1st Quarter 2023



Past performance is no guarantee of future results.

Bond types based on original Bloomberg three-pillar government, credit, and securitized sectors classification scheme. Credit and maturity breakouts represent returns for the corresponding categories of the Bloomberg US Aggregate Index for investment grade and Bloomberg US High Yield Index for BB rated bonds. Rating categories represented use Bloomberg composite ratings. The Bloomberg category returns use parent index constituent data with corresponding maturity and credit rating ranges to internally calculate returns. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Bloomberg index data provided by Bloomberg.



Meeting Date
04/26/2023
Agenda Item
#6a.

MEMORANDUM

Date: April 26, 2023
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Pension administration system project update.

Background

On April 14, 2021, the Board authorized the Chief Executive Officer to execute an agreement with Sagitec Solutions LLC (Sagitec) to provide pension administration system software, implementation, hosting and support services.

CCCERA was recently notified by Sagitec that they are not able to meet the current November 16, 2023 go-live date for the system (unless certain items are deferred) and the February 14, 2024 go-live date for the member portal.

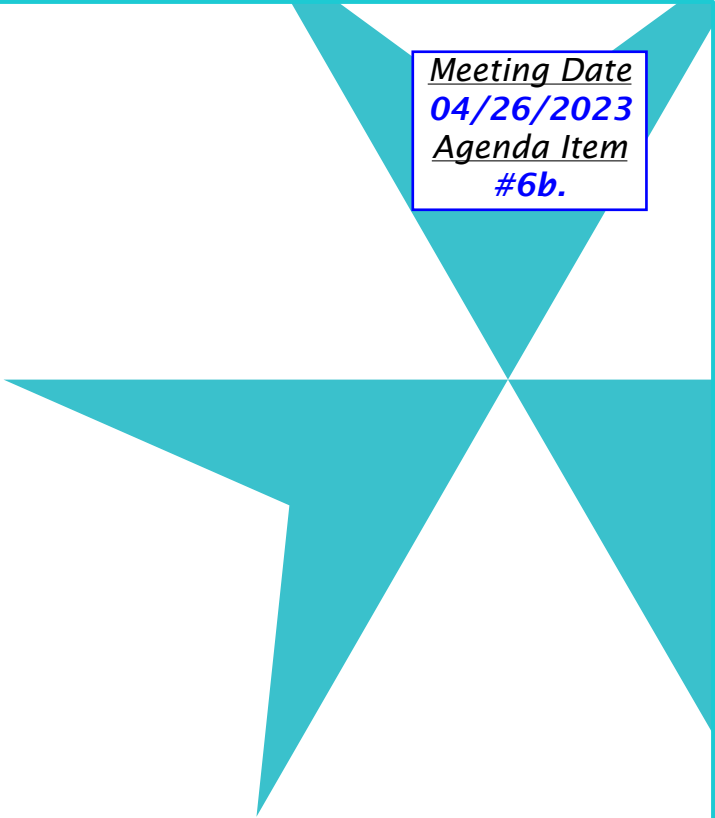
Sagitec has provided alternative options for CCCERA to consider. CCCERA requested additional information from Sagitec to review. CCCERA will be critically evaluating the options to determine the preferred alternative. Continued discussions will occur with CCCERA, Segal, and Sagitec in order to find a realistic, acceptable resolution with possible remedies. Additional information should be available at the time of the Board meeting.

There will be a project update from:

- The Segal Group, Inc., Oversight Project Manager
- Sagitec, PAS vendor

Recommendation

Informational only. No action is necessary at this time.



Meeting Date
04/26/2023
Agenda Item
#6b.

CCCERA Pension Administration System (PAS)
Modernization Project

Segal's Board Update

April 26, 2023

Board Recap as of March 8, 2023

- The project team continues to use the Sagitec “Re-Baselined” Project Plan and project activities have continued, and percent complete values have improved since the last Board update
 - Overall CCCERA PAS Project from 52% to 58%
 - Phase 5 CORS Implementation from 54% to 61%
 - Implementation: Pilot 1 from 96% to 99%
 - Implementation: Pilot 2 from 35% to 48%
 - Implementation: Pilot 3 from 16% to 21%
 - Phase 6 – Member/Retiree Self Service from 0% to 4%
- The project status remained Green and remains aggressive as we approach key milestones scheduled for April 2023
 - Pilot 3 Elaboration and design to complete this month
 - Sample electronic contributions files expected from Pilot employers in March 2023
 - User Acceptance Testing is scheduled to begin in April 2023
- Data cleansing and data conversion activities continue. There have been some delays, but the project team remains confident with the delivery dates.

Board Update as of April 7, 2023

- The project team continues to use the Sagitec “Re-Baselined” Project Plan and project activities have continued, and percent complete values have improved; except for Pilot 3 highlighted below since the last Board update
 - Overall CCCERA PAS Project from 58% to 64%
 - Phase 5 CORS Implementation from 61% to 68%
 - Implementation: Pilot 1 remains 99%
 - Implementation: Pilot 2 from 48% to 70%
 - **Implementation: Pilot 3 remains 21%**
 - Phase 6 – Member/Retiree Self Service from 4% to 11%
- Although Pilot 2 is at 70% completion, the remaining 30% is dependent on the completion of complex benefit calculations and we expect will lead to delays
- Data cleansing and data conversion activities continue with strong progress as data cleansed percentage has increased from 98.3% to 99.8%.

Board Update as of April 7, 2023

- The overall project status has recently changed to **Yellow** and is trending negative. The primary reasons for this change are the following:
 - Sagitec has encountered staffing / resource issues at their Development and Quality Assurance location.
 - Sagitec staffing turnover has led to a lack of understanding and/or a learning curve which has caused a delay to incorporate the approved software designs into application configuration and development – primarily with completion of Pilot 2 and ongoing efforts with Pilot 3 activities.
 - Sagitec’s Project Plan and associated staffing needs were not maintained sufficiently or given enough visibility to CCCERA and Segal to clearly highlight those risks and delays.
 - Sagitec underestimated the high complexity of CCCERA programs
 - Sagitec has recently provided a couple of Project Schedule options / alternatives to CCCERA and Segal. However, as a result of those options not being acceptable, Sagitec presented an option to meet the agreed upon Project Schedule of 11/16/23 by deferring some functionality and delivering it in phases during 2024. The option is under review by CCCERA & Segal.
 - Sagitec is currently evaluating and will provide more details regarding their Project Schedule options – and can provide more detail in their Board update.

Board Update – Project Plan Review

Pilot	Baseline Finish Date	Finish Date As of 3/8 Board Meeting	Completion % ¹
Pilot 1 Demographics & Employer Reporting	3/3/23	4/10/23	99%
Pilot 2 Benefit Calc & Benefit Payments	6/21/23	7/26/23	70%
Pilot 3 Tax Reporting & Annual Statements	10/2/23	11/2/23	21%
CORS Implementation	11/16/23	11/16/23 ²	68%

1. Completion as of 4/7/23
2. Under review. Proposed for core functionality only, non-core functionality deferred to 2024

Board Update – Recommended Next Steps

- Update project plan with new milestones to deliver core system functionality on 11/16/23
- Increase updates on development process
- Use results and metrics from User Acceptance Testing (UAT) Pilot 1 and evaluate impacts to project plan if any
- Discuss, review, approve plan for delivery of noncore functionality deferred from 11/16/23 Go-Live
- Continue to provide communications regarding project to stakeholders (CCCERA staff, employers, and CCCERA Board)

Questions...?



<i>Meeting Date</i> 04/26/2023
<i>Agenda Item</i> #6c.

CCCERA Online Retirement System Project Implementation Progress

April 26, 2023

- Project Overall Performance
- Project Progress
- Planned Work For Next Period
- Project Schedule/Resources

Project Phase	Initial Planned Completion Percentage	Actual Completion Percentage
Overall Status	75%	64%
Phase-1 Project Startup & Planning	100%	100%
Phase-2 Hosting Infrastructure Setup	100%	100%
Phase-3 Requirements Confirmation	100%	100%
Phase-4 Imaging Implementation and Image Migration	100%	100%
Phase-5 Line Of Business (LOB) Implementation	82%	68%
Phase-6 Member/Retiree Self Service Rollout	13%	11%

Project Go-Live dates**	Original Baseline	Re-Baselined
PAS Go Live (Line of Business Solution)	09/05/2023	11/16/2023
Member Self Service Go Live	01/08/2024	02/14/2024

**There have been delays identified in the project schedule and discussions are currently being held among CCCERA, Segal and Sagitec on the strategies and options for handling the delays.

Phase 5 – PAS Implementation

➤ Pilot 1 – Membership Related Functionality

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	10	10	0	0
Configuration/Development	10	10	0	0
Data Conversion	9	9	0	0
Testing	10	10	0	0

➤ Pilot 2 – Benefit Calculation and Pension Payment Related Functionality

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	8	8	0	0
Configuration/Development	8	3	5	0
Data Conversion	8	3	5	0
Testing	8	0	3	5

Phase 5 – PAS Implementation (contd)

➤ Pilot 3 – Benefit Adjustments, Annual Processes and Tax Reporting

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	6	6	0	0
Configuration/Development	6	0	0	6
Data Conversion	7	0	0	7
Testing	6	0	0	6

➤ Pilot 4 – CRM, Member/Retiree Self Service and Mass Communications

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	3	2	1	0
Configuration/Development	3	0	0	3
Data Conversion	0	0	0	0
Testing	3	0	0	3

➤ Phase 5

- Pilot 1
 - Completion of Integration testing
- Pilot 2
 - Completion of the Configuration of the remaining 5 modules
 - Completion of Data Mapping of all modules and 3 modules of Data Migration for Conversion
 - Completion of unit and system testing of all modules
- Pilot 3
 - Completion of the configuration of 3 modules in the Pilot
- Pilot 4
 - Obtain approval for the Elaboration and Design of the Member Self Service module

- Schedule delays have been identified
 - Discussions being held among CCCERA, Segal and Sagitec on the strategies for handling Schedule delays.

- No changes to the key project Personnel.



Thank You



Meeting Date
04/26/2023
Agenda Item
#7

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2021-2022 Annual Audit



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2022

BOARD OF DIRECTORS

Vivian Gray
President

David MacDonald
Vice President

Jordan Kaufman
Treasurer

Adele Tagaloa
Secretary

Dan McAllister
Immediate Past President

Vere Williams
Board Member

David Gilmore
Board Member

Wally Fikri
Affiliate Chair

* * * *

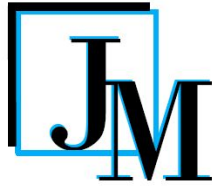
Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2022 AND 2021

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CONFERENCE SUMMARY REPORT	13



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statement State Association of County Retirement Systems (SACRS) which comprise the statement of cash receipts and disbursements for the fiscal years ended June 30, 2022 and 2021, and the related notes to the financial statement.

In our opinion, the accompanying statement of cash receipts and disbursements present fairly, in all material respects, the financial position of State Association of County Retirement Systems as of June 30, 2022 and 2021 in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 State Association of County Retirement Systems, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 statement of cash receipts and disbursements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about State Association of County Retirement Systems' ability to continue as a going concern for a period of at least twelve months from the date of the statement of cash receipts and disbursements.

Auditor's Responsibilities for the Audit of the statement of cash receipts and disbursements

Our objectives are to obtain reasonable assurance about whether the statement of cash receipts and disbursements 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these statement of cash receipts and disbursements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 statement of cash receipts and disbursements.
- 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 State Association of County Retirement Systems' 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 statement of cash receipts and disbursements
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about State Association of County Retirement Systems' 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.

Other Information

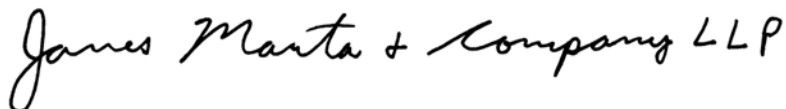
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 8 to 13, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 8 to 12, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 8 to 12 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 13, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 20, 2022

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2021-22</u>	<u>2020-21</u>
<u>Cash Receipts</u>		
Dues	\$ 321,490	\$ 422,500
Conference		
Fall	503,150	104,815
Spring	534,549	116,115
Seminars	115,650	73,000
Other admin receipts	350	60,050
Other conference receipts	350	350
Interest	-	8,519
Total cash receipts	<u>1,475,539</u>	<u>785,349</u>
<u>Cash Disbursements</u>		
Conference		
Fall - 2021 and 2020		
Hotel and meals	345,697	2,668
Audio and visual	86,293	46,888
Program materials	95,289	41,174
Spring - 2022 and 2021		
Hotel and meals	30,956	6,490
Audio and visual	122,694	39,097
Program materials	76,921	13,790
Seminars	250,832	196,257
Conference administration	31,462	22,826
Total conference disbursements	<u>1,040,144</u>	<u>369,190</u>
Administration	357,802	274,714
Lobbying	65,013	55,011
Newsletters	33,276	15,031
Committee meetings	58,157	2,033
Special projects	17,841	17,759
Interest	32,231	-
Total administration disbursements	<u>564,320</u>	<u>364,548</u>
Total Cash Disbursements	<u>1,604,464</u>	<u>733,738</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(128,925)	51,611
Cash and Investments, Beginning	<u>2,033,559</u>	<u>1,981,948</u>
Cash and Investments, Ending	<u>\$ 1,904,634</u>	<u>\$ 2,033,559</u>
<i>Supplementary Information</i>		
Cash and Investments at June 30,	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 959,810	\$ 1,054,911
Non current portion of investments	944,824	978,648
Total Cash and Investments	<u>\$ 1,904,634</u>	<u>\$ 2,033,559</u>

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Sulema Peterson & Associates, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

The Board of Directors has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	<u>2022</u>	<u>2021</u>
Bank accounts	\$ 158,389	\$ 255,570
Money market accounts	<u>801,421</u>	<u>799,341</u>
Total cash and cash equivalents	<u>\$ 959,810</u>	<u>\$ 1,054,911</u>

Cash in bank accounts at June 30, 2022 consisted of the following:

	<u>First Foundation</u>	<u>Bank of America</u>	<u>Total</u>
Per bank	\$ 149,965	\$ 46,669	\$ 196,634
Checks outstanding	<u>(38,245)</u>	-	<u>(38,245)</u>
Total bank accounts	<u>\$ 111,720</u>	<u>46,669</u>	<u>\$ 158,389</u>

Cash in bank accounts at June 30, 2021 consisted of the following:

	<u>First Foundation</u>	<u>Bank of America</u>	<u>Total</u>
Per bank	\$ 257,855	\$ 16,883	\$ 274,738
Checks outstanding	<u>(19,168)</u>	-	<u>(19,168)</u>
Total bank accounts	<u>\$ 238,687</u>	<u>16,883</u>	<u>\$ 255,570</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There was \$0 and \$7,855 in excess of FDIC coverage as of June 30, 2022 and 2021, respectively.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

2. CASH AND INVESTMENTS (Continued)

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130. The fair value balance as of June 30, 2022 and 2021 presented in the financial statement is \$944,824 and \$978,648; respectively. This balance includes reinvested interest income totaling and \$0 and \$3,329, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2022 and 2021 was \$0. The Fund is not rated or insured.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

<u>Conference</u>	<u>Cancellation Fees</u>	<u>Food and Beverage Minimums</u>	<u>Room Nights Reserved</u>	<u>Guest Room Nights Minimum</u>	<u>Rooms Attrition</u>
Fall 2022	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2023	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS’ management has evaluated subsequent events through December 20, 2022, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

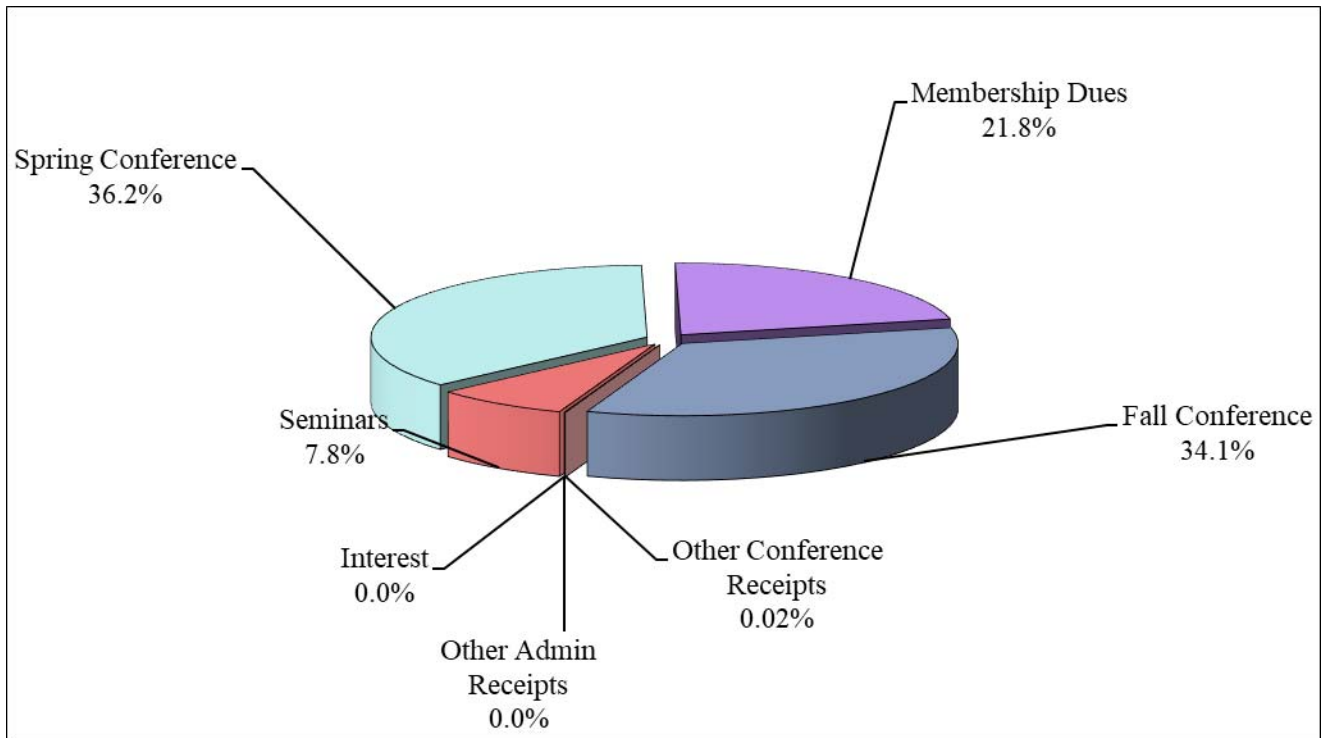
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 321,490	\$ 321,490
Conference			
Fall	503,150	-	503,150
Spring	534,549	-	534,549
Seminars	115,650		115,650
Other admin receipts	-	350	350
Other conference receipts	350	-	350
Total Cash Receipts	<u>1,153,699</u>	<u>321,840</u>	<u>1,475,539</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2021			
Hotel and meals	345,697	-	345,697
Audio and visual	86,293	-	86,293
Program materials	95,289	-	95,289
Spring - 2022			
Hotel and meals	30,956	-	30,956
Audio and visual	122,694	-	122,694
Program materials	76,921	-	76,921
Seminars	250,832	-	250,832
Conference Administration	31,462	-	31,462
Total conference disbursements	<u>1,040,144</u>	<u>-</u>	<u>1,040,144</u>
Administration	-	357,802	357,802
Lobbying	-	65,013	65,013
Newsletters	-	33,276	33,276
Committee meetings	-	58,157	58,157
Special projects	-	17,841	17,841
Interest	-	32,231	32,231
Total administration disbursements	<u>-</u>	<u>564,320</u>	<u>564,320</u>
Total Cash Disbursements	<u>1,040,144</u>	<u>564,320</u>	<u>1,604,464</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	113,555	(242,480)	(128,925)
Cash and Investments, Beginning	<u>3,006,835</u>	<u>(973,276)</u>	<u>2,033,559</u>
Cash and Investments, Ending	<u>\$ 3,120,390</u>	<u>\$ (1,215,756)</u>	<u>\$ 1,904,634</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CASH RECEIPTS BY SOURCE

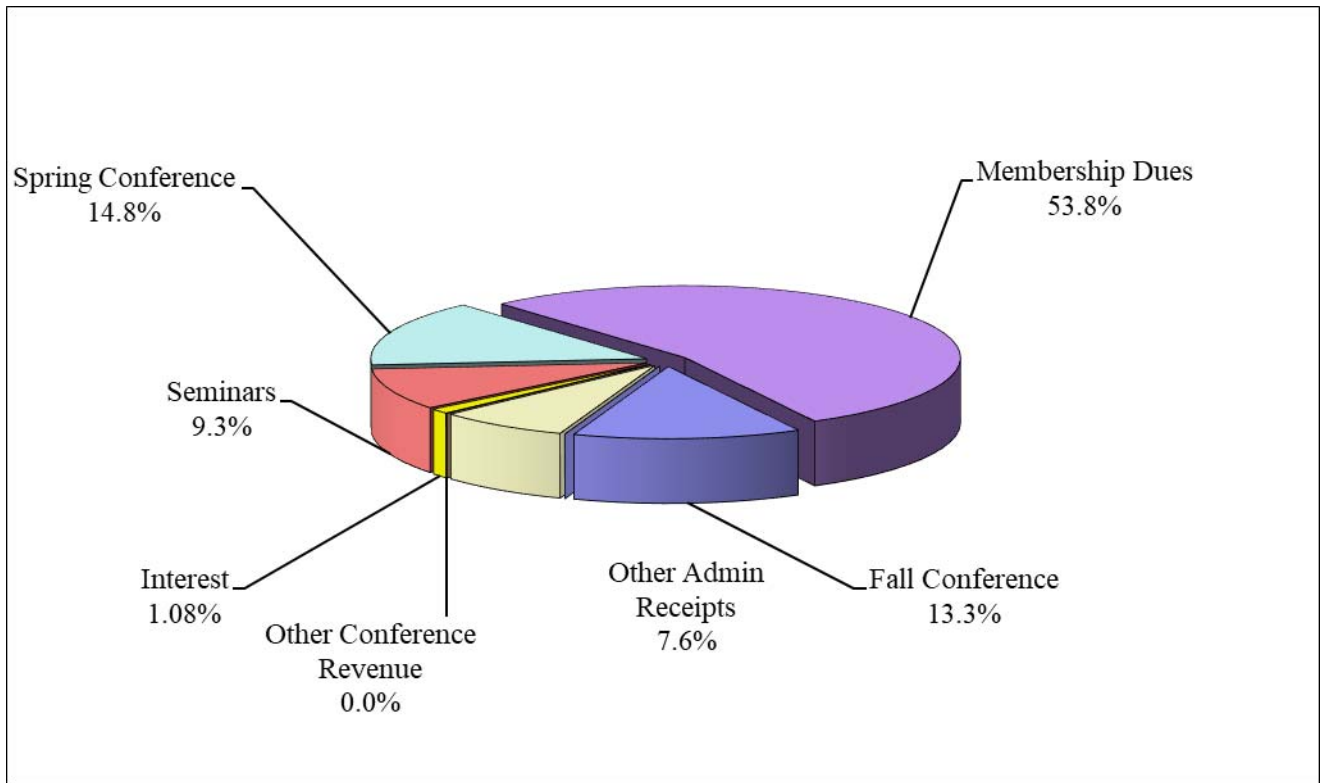


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CASH RECEIPTS BY SOURCE

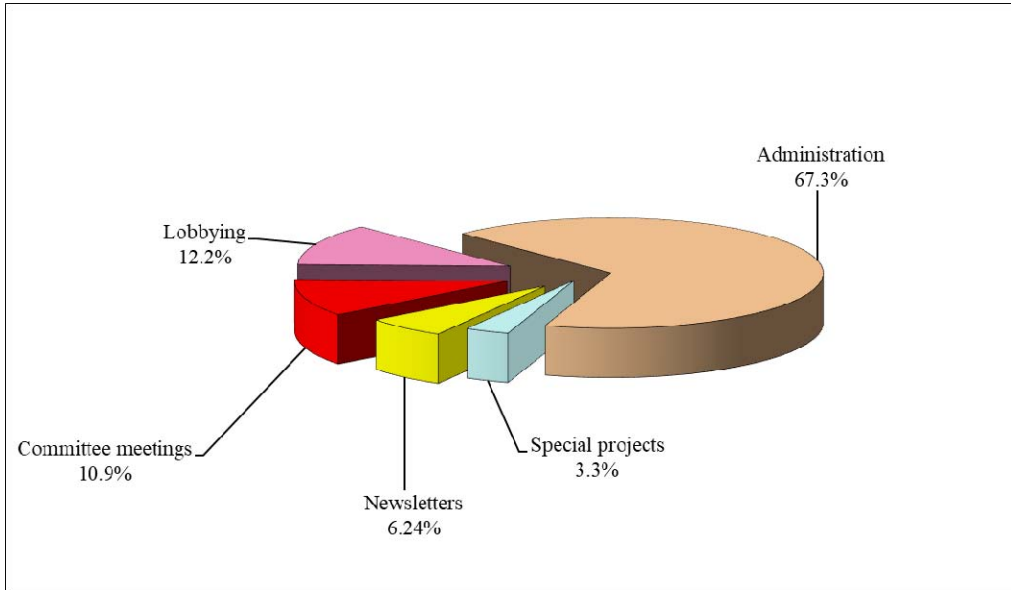


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

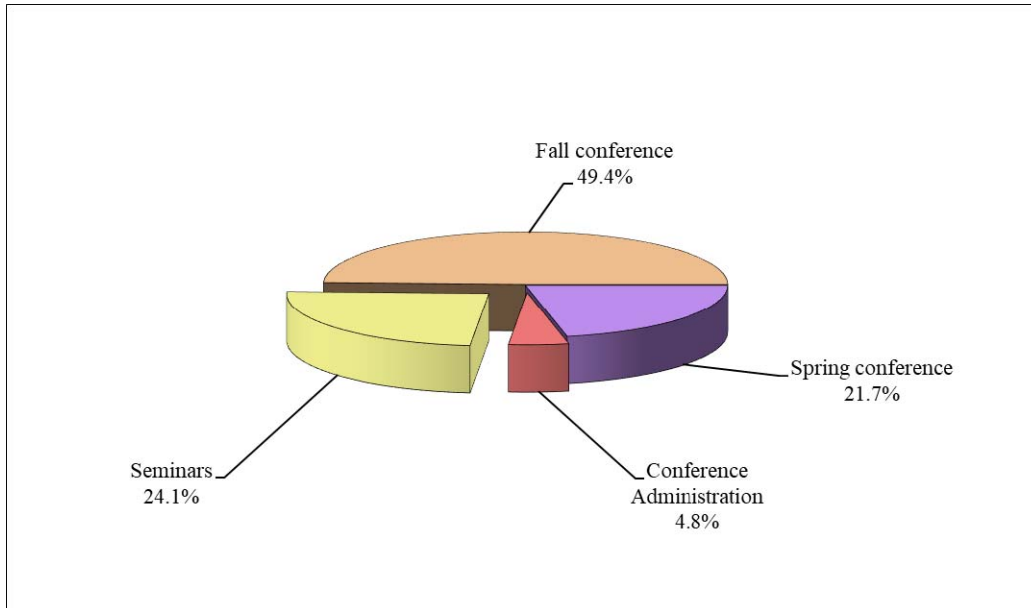
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

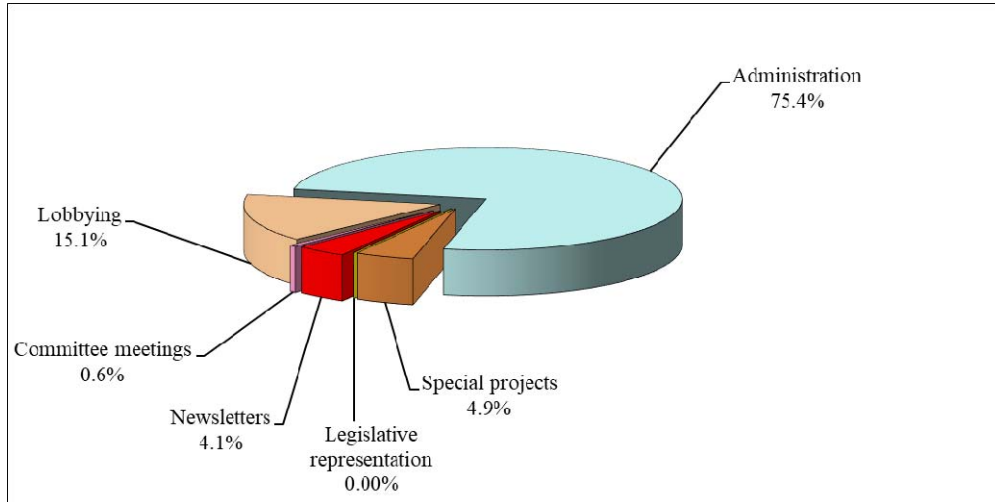


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

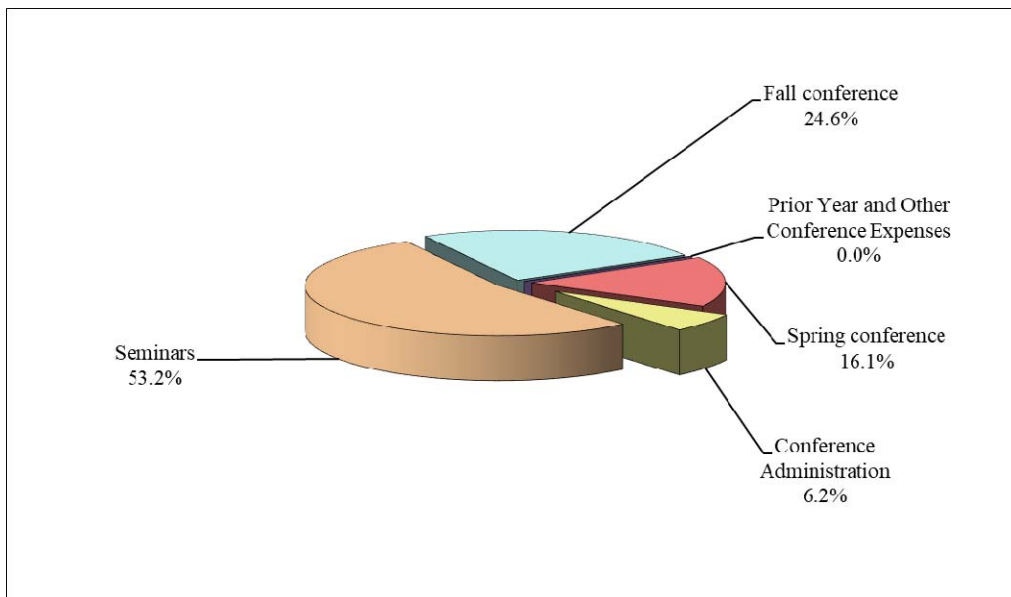
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2022	Fall 2021	Spring 2021	Fall 2020	Spring 2020	Fall 2019	Spring 2019	Fall 2018
	Rancho Mirage	Hollywood	Held Via Virtual Conference	Held Via Virtual Conference	Canceled/Held Via Webinar	Monterey	Lake Tahoe	Indian Wells
Cash receipts								
Conference	\$ 534,549	\$ 503,150	\$ 116,115	\$ 102,380	\$ -	\$ 639,270	\$ 592,590	\$ 591,530
Total cash receipts	<u>534,549</u>	<u>503,150</u>	<u>116,115</u>	<u>102,380</u>	<u>-</u>	<u>639,270</u>	<u>592,590</u>	<u>591,530</u>
Cash disbursements								
Hotel and meals	20,225	329,775	-	-	-	267,961	195,278	312,670
Audio and visual	114,145	86,293	38,975	46,888	-	56,477	57,731	52,180
Program materials	33,115	39,374	2,500	3,049	-	20,381	42,342	32,086
Program Speakers	41,750	55,915	11,290	38,125	-	63,172	39,784	74,458
Conference Administration	21,335	15,923	3,830	2,668	-	12,131	28,354	22,738
Total cash disbursements	<u>230,571</u>	<u>527,279</u>	<u>56,595</u>	<u>90,730</u>	<u>-</u>	<u>420,122</u>	<u>363,489</u>	<u>494,132</u>
Net cash provided by conference	<u>\$ 303,978</u>	<u>\$ (24,129)</u>	<u>\$ 59,520</u>	<u>\$ 11,650</u>	<u>\$ -</u>	<u>\$ 219,148</u>	<u>\$ 229,101</u>	<u>\$ 97,398</u>
Total attendees	<u>577</u>	<u>540</u>	<u>443</u>	<u>363</u>	<u>N/A</u>	<u>647</u>	<u>590</u>	<u>588</u>



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2022 and 2021 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated December 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
December 20, 2022