

2024

Popular Annual Financial Report



Located in San Bernardino, California, the San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). As management of SBCERA, we offer readers of SBCERA's financial statements this Popular Annual Financial Report (PAFR). This PAFR is derived from information contained in SBCERA's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024, but does not contain detailed financial information, nor is it presented in a manner to conform to Generally Accepted Accounting Principles. The PAFR does not replace the ACFR, so readers are encouraged to consider the information presented in this report in conjunction with the entire ACFR, which is available at [SBCERA.org](https://www.sbcera.org).

[Annual Comprehensive Financial Report](#)

2023-24 IN NUMBERS



\$15.2 BILLION
TOTAL NET POSITION



50,000
MEMBERS STRONG



9.3%
FISCAL YEAR 23-24
NET RATE OF RETURN



87.3%
FUNDED (Actuarial
Value of Assets)



8.2%
5-YEAR NET RATE OF
RETURN



17
PARTICIPATING EMPLOYERS



\$4,265
AVERAGE MONTHLY BENEFIT

“SBCERA is committed to efficiently and strategically managing our resources and responsibly funding the Plan now and in the future.”

—Debby Cherney, SBCERA Chief Executive Officer

INVESTMENTS

The Board of Retirement maintains sole and exclusive control of all investments of the Plan and is responsible for the establishment of investment objectives, strategies, and policies. The Board is authorized to invest in any form or type of investment deemed prudent in the informed opinion of the Board.

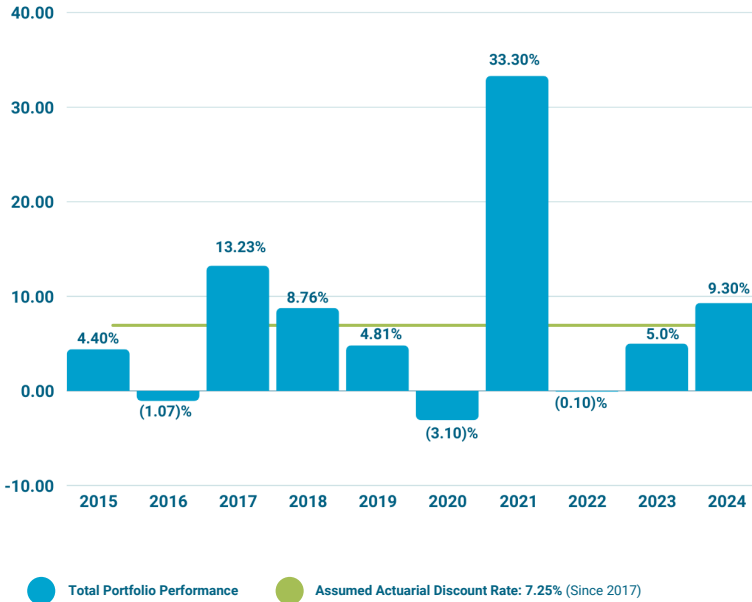
External professional investment management firms manage SBCERA's assets. The investment staff closely monitor the activity of these managers and assist the Board with the implementation of investment policies and long-term investment strategies. The Investment Plan, Policy, and Guidelines establish the investment program goals, asset allocation policies, performance objectives, investment management policies, and risk controls.

For the year ended June 30, 2024, investments provided a rate of return (net of fees) of 9.3%. The Plan's annualized rate of return (net of fees) over the five-year period ended June 30, 2024 was 8.2%. The investment return outpaced the plan's actuarial assumed rate of return and stands in contrast from recent fiscal years, where the market conditions were influenced by a variety of economic and geopolitical challenges. Our investment strategy was well-prepared to find opportunities during an improving economic climate this past year.

INVESTMENT OVERVIEW

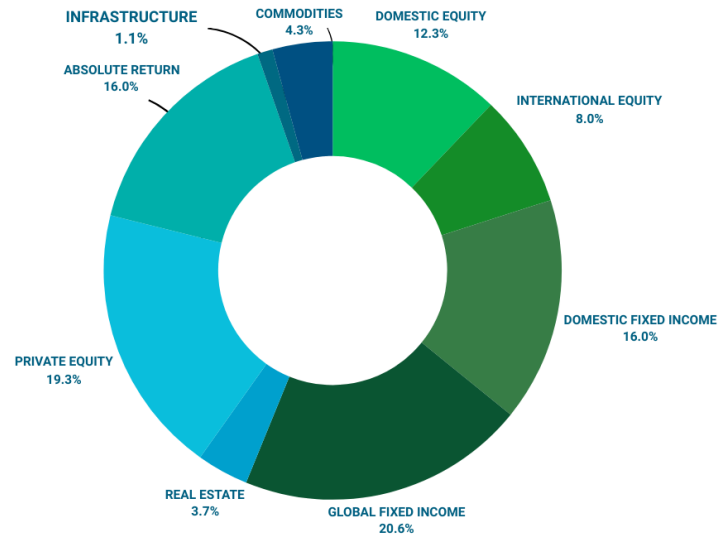
HISTORY OF INVESTMENT PERFORMANCE

FOR 10 YEARS ENDED JUNE 30, 2024 (BASED ON FAIR VALUE)



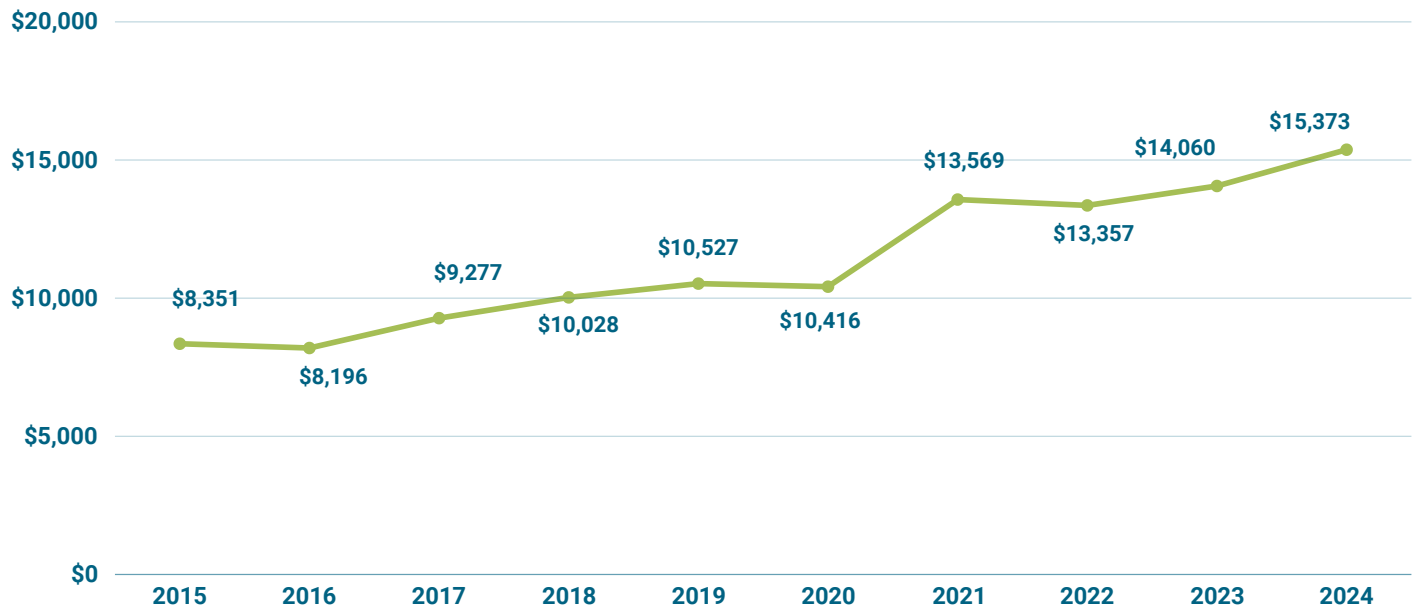
ASSET ALLOCATION

AS OF JUNE 30, 2024



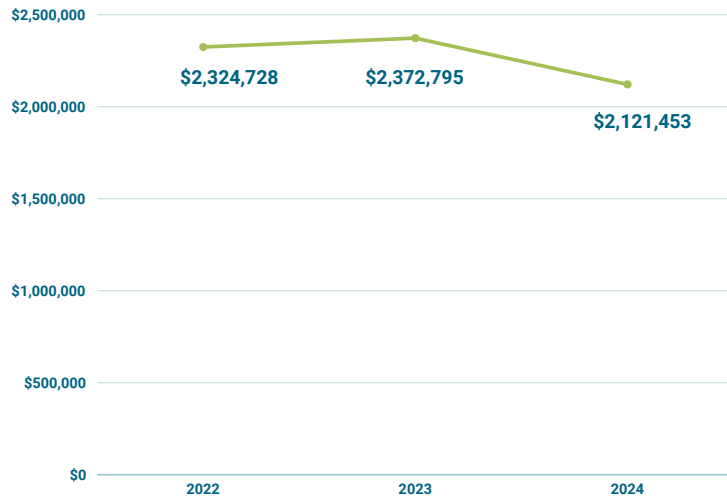
FAIR VALUE GROWTH OF PLAN ASSETS HELD FOR INVESTMENTS

FOR 10 YEARS ENDED JUNE 30, 2024 (AMOUNTS IN MILLIONS)



NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

FOR 3 YEARS ENDED JUNE 30, 2024
(AMOUNTS IN THOUSANDS)



Net Pension Liability of Participating Employers represents the excess of the total pension liability beyond the Plan's fiduciary net position, which equals assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources. It is a measurement of pension liabilities using market assets that provides a consistent and standardized methodology. This measurement increases transparency of the pension liability across all governmental entities.



FUNDED RATIO

(AMOUNTS IN THOUSANDS)

ACTUARIAL VALUATION DATE	(a) ACTUARIAL VALUE OF ASSETS	(b) ACTUARIAL ACCRUED LIABILITY (AAL)	(b-a) UNFUNDED AAL (UAAL)	(a/b) FUNDED RATIO
6/30/2022	\$13,260,596	\$15,630,124	\$2,369,528	84.84%
6/30/2023	\$14,157,370	\$16,446,672	\$2,289,302	86.08%
6/30/2024	\$15,159,420	\$17,372,252	\$2,212,832	87.26%

A **funded ratio** gives a point-in-time analysis of how assets compare to future liabilities. In other words, the funded ratio percentage tells us how our assets are projected to outlast expenses.

MEMBERSHIP

AS OF JUNE 30, 2024

ACTIVE	DEFERRED	SERVICE RETIREMENTS
GENERAL 20,429	11,005	11,980
SAFETY 2,702	RETIREES 13,723	DISABILITY RETIREMENTS 1,743
TOTAL 23,131	BENEFICIARIES 2,201	TOTAL MEMBERS 50,060

BENEFITS

FOR THE YEAR ENDED JUNE 30, 2024

BENEFITS PAID	REFUNDS PAID	AVERAGE MONTHLY BENEFIT
\$793,655	\$17,400	\$4,265
(AMOUNTS IN THOUSANDS)	(AMOUNTS IN THOUSANDS)	(RETIREES & BENEFICIARIES)

RETIREE BENEFIT PAYMENTS

This chart shows the average monthly final salary and the average monthly retirement benefit for all current payments.

YEARS OF CREDITED SERVICE	AVERAGE FINAL MONTHLY COMPENSATION	AVERAGE MONTHLY BENEFIT
0-5	\$11,783	\$1,658
5-10	\$7,000	\$1,561
10-15	\$6,638	\$2,490
15-20	\$7,110	\$3,762
20-25	\$7,351	\$4,927
25-30	\$9,447	\$7,689
30+	\$8,783	\$8,667

Note: The average monthly benefit includes post-retirement Cost-of-Living Adjustments granted according to SBCERA policy and Board approval.



San Bernardino, CA

Located in San Bernardino, CA, SBCERA proudly serves 50,000 members, including retirees spread out across 50 states and a dozen countries.

PLAN OVERVIEW

SBCERA was established in 1945 and operates under the provisions of the California County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA) and the regulations, procedures, and policies adopted by SBCERA's Board of Retirement (Board).

SBCERA provides retirement, disability, death, and survivor benefits to its members, who are employed by 17 active Plan Sponsors (participating employers), and five withdrawn employers. These include: San Bernardino County, Barstow Fire Protection District, Big Bear Fire Authority, California State Association of Counties, City of Big Bear Lake, City of Chino Hills, Consolidated Fire Agencies, Crestline Sanitation District, Department of Water and Power of the City of Big Bear Lake, Hesperia Recreation and Park District, Law Library for San Bernardino County, Local Agency Formation Commission, Mojave Desert Air Quality Management District, SBCERA, San Bernardino County Transportation Authority, South Coast Air Quality Management, and Superior Court of California County of San Bernardino.

SBCERA BOARD

Fiduciary oversight of SBCERA is vested with the SBCERA Board, which consists of nine voting members and three alternate members. Four members are appointed by the San Bernardino County Board of Supervisors, six members (which include two alternates) are elected by the members of SBCERA (General members elect two members, Safety members elect one member and one alternate, and retired members elect one member and one alternate) and the San Bernardino County Treasurer (County Treasurer) is an ex officio member who has designated one alternate. Board members serve three-year terms, with the exception of the County Treasurer, who serves during their tenure in office. The Board meets monthly. Appointed and retired members of the Board receive compensation for meeting attendance, and all members are reimbursed for necessary business expenses pursuant to California Government Code section 31521. SBCERA's Chief Executive Officer is appointed by the Board, and implements the policies and direction set by the Board.

AWARD FOR OUTSTANDING ACHIEVEMENT IN POPULAR ANNUAL FINANCIAL REPORTING

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We expect to receive the Award for Outstanding Achievement in Popular Annual Financial Reporting for our Popular Annual Financial Report for the year ended June 30, 2023 and we believe our current report continues to conform to the Popular Annual Financial Reporting requirements, which we are submitting to GFOA to determine its eligibility for another award.

SBCERA was also awarded a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. This is the 27th consecutive year that SBCERA has achieved this prestigious award.

BOARD MEMBERS

AS OF JUNE 30, 2024

Marc Bracco, Board Chair
Executive Committee, Audit Committee,
Investment Committee (Designated Alternate)
(Elected by Safety Members)

Jean-Rene Basle, Vice Chair
Investment Committee, Executive Committee,
Audit Committee (Designated Alternate)
(Appointed by Board of Supervisors)

Louis Fiorino
Investment Committee
(Elected by General Members)

Michael Kennedy
Audit Committee (Chair)
(Appointed by Board of Supervisors)

Ensen Mason
Audit Committee
(County Treasurer/Ex-Officio Member)

Dawn Rowe
Administrative Committee
(Appointed by Board of Supervisors)

Dawn Stafford
Investment Committee, Administrative
Committee (Designated Alternate)
(Elected by Retired Members)

Neal Waner
Administrative Committee (Chair),
Executive Committee
(Appointed by Board of Supervisors)

Harry Hatch
Administrative Committee
(Alternate Elected by Retired Members)

John Johnson
Alternate Ex-Officio

Jared Newcomer
Investment Committee (Chair)
(Alternate Elected by Safety Members)