CalSavers

(CalSavers Retirement Savings Trust – Program Fund)

BASIC FINANCIAL STATEMENTS
June 30, 2021 and 2020
(With Independent Auditor's Report Thereon)

(CalSavers Retirement Savings Trust – Program Fund)

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INDEPENDENT AUDITORS' REPORT

Members of the CalSavers Retirement Savings Board
CalSavers Retirement Savings Trust – Program Fund
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of fiduciary net position and statement of changes in fiduciary net position of the CalSavers Retirement Savings Trust – Program Fund (the Program), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred above present fairly, in all material respects, the fiduciary net position of the Program as of June 30, 2021 and 2020, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the Program is a private purpose trust fund of the State of California and is one of two funds that comprise the CalSavers Retirement Savings Trust (the Trust). These basic financial statements present only the activities and balances attributable to the Program Fund and do not purport to, and do not, present fairly the financial position or changes in financial position or where applicable, cash flows of the State of California or the Trust. Our opinion is not modified with respect to this matter.

Other Matters

Contributions

The CalSavers Retirement Savings Trust Act (the Act) requires employers that do not offer a qualified retirement plan (as defined in the Act) to facilitate the Program by providing their eligible employees with the opportunity to save for retirement through payroll deductions. We did not perform any procedures to determine that every employer required by the Act to offer the Program to employees is actually doing so. Additionally, we did not perform any audit procedures to obtain an understanding of the design and implementation of internal control over payroll processing, calculation of employee contributions and remittance of employee contributions were accurately calculated based on participating employee contribution elections, that amounts remitted to the Program Administrator were complete and accurate, or that all eligible employees who had not opted out were participating.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
July 28, 2022

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Management's Discussion and Analysis

(Unaudited)

(CalSavers Retirement Savings Trust – Program Fund)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021 and 2020

This management's discussion and analysis is intended to provide readers an objective discussion of the financial statements of the **CalSavers Retirement Savings Trust – Program Fund,** also known as **CalSavers** (Program). This discussion and analysis, which is supplementary information required by the Governmental Accounting Standards Board (GASB), is intended to provide a highly summarized overview of the Program's assets, liabilities, fiduciary net position and changes in fiduciary net position and should be read in conjunction with the Program's financial statements and notes thereto, which are included on pages 15 through 27.

* * * * *

The CalSavers Retirement Savings Trust Act (SB 1234) (Act) established the CalSavers Retirement Savings Trust (Trust) to be administered by the CalSavers Retirement Savings Board (Board). The Act requires eligible employers to offer a payroll deposit retirement savings arrangement so that eligible employees are able to contribute a portion of their salary or wages to a retirement savings program account in the Program, unless the employer already offers a qualified retirement plan. Eligible employees are automatically enrolled in the Program, unless the employee opts out, within 30 days of receipt of Program information. Employee participation in the Program is completely voluntary, and employees can opt out at any time. Employers make no contribution to participant accounts and are prohibited from encouraging or discouraging employee participation in the Program, requiring employee participation in the Program, or restricting employee participation in the Program.

The Board consists of nine members, with the California State Treasurer serving as chair. The other members include the Director of Finance (or the director's designee), the State Controller (or the Controller's designee), an individual with retirement savings and investment expertise appointed by the Senate Committee on Rules, an employee representative appointed by the Speaker of the Assembly, a small business representative appointed by the Governor, a public member appointed by the Governor, and two additional members appointed by the Governor. The Board and the program administrator and staff, including contracted administrators and consultants, must discharge their duties as fiduciaries with respect to the Trust solely in the interest of the Program participants.

The Trust shall be administered by the Board for the purpose of promoting greater retirement savings for California private employees in a convenient, voluntary, low-cost and portable manner. Any contributions paid by employees into the Trust shall be used exclusively for the purpose of paying benefits to the participants of the Program, for the cost of administration of the Program and for investments made for the benefit of the Program. The Trust is an instrumentality of the State of California (State).

(CalSavers Retirement Savings Trust – Program Fund)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021 and 2020

The Program is designed as a payroll-deduction, automatic-enrollment program which utilizes individual retirement accounts to hold participant contributions. Participant accounts are portable and remain the sole possession of the individual participant. Contributions held within the Trust shall not be commingled with any other State funds. The State has no claim to or against, or interest in, assets held in the Trust.

As required by statute, the Board has adopted a third-party administrator operational model that limits employer interaction and transactions with the employee to the extent feasible. The Board has contracted with Ascensus College Savings Recordkeeping Services, LLC (Ascensus) to provide Program administration and recordkeeping services. Ascensus is responsible for day-to-day Program operations, such as establishing and maintaining accounts for participating employees, processing participant instructions as directed, issuing Program account statements, responding to employer and participant inquiries, and fulfilling Internal Revenue Service (IRS) reporting requirements.

Financial Highlights

The following are financial highlights of the Program:

- For the year ended June 30, 2021, 4,358 employers remitted payroll contributions to the Program.
- For the year ended June 30, 2021, there were a total of 158,336 funded accounts in the Program, with an average account balance of approximately $570.
- For the year ended June 30, 2021, the Program's fiduciary net position totaled $90,116,505 (inclusive of $111,340 in assets that were used to seed each investment option and belong to Ascensus).
- For the year ended June 30, 2021, contributions to the Program totaled $90,116,505 with $8,245,599 distributed from participant accounts.
- Net investment income earned on the Program's investments totaled $2,933,986 for the period from July 1, 2020 through June 30, 2021.
- As of June 30, 2021 administrative fees totaled $131,108. These fees, which are calculated based on the net position of each investment option, are paid to Ascensus and the Board for performing oversight and administrative duties. See Note 4 for further information on administrative fees.

(CalSavers Retirement Savings Trust – Program Fund)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021 and 2020

Overview of the Basic Financial Statements

The Program's basic financial statements comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements. The statement of fiduciary net position presents information on the Program's assets and liabilities, with the difference between them representing net position held in trust for Program participants. The statement of changes in fiduciary net position shows how the Program's fiduciary net position changed during the reporting period. The notes to the financial statements provide additional explanatory information about the amounts presented in the financial statements. It is essential that readers of this report consider the information in the notes to obtain a full understanding of the Program's financial statements.

The Program is included in the financial reporting entity of California as a private purpose trust fund. Private purpose trust funds are a type of fiduciary fund and are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations or other governments. A fiduciary fund is used to report assets held by a government in a trust or custodial capacity for others and cannot be used to support the government's own programs.

The Program's basic financial statements are prepared in accordance with accounting and financial reporting standards for governmental entities set forth by the GASB. As required under generally accepted accounting principles applicable to fiduciary fund types, the Program's basic financial statements are prepared using the accrual basis of accounting. Mutual funds are reported at fair value. All investment transactions are recorded on a trade-date basis. Changes in the fair value of investments, along with realized gains or losses, are reported as net appreciation or depreciation on the statement of changes in fiduciary net position. Dividends and capital gain distributions are recorded on the ex-dividend date rather than when they are received. Contributions are recognized when they are received, provided enrollment in the Program has been successfully completed, and distributions are recognized when the request has been received and approved for payment. Fees are recognized in the period when the related services are provided, regardless of when cash is paid.

(CalSavers Retirement Savings Trust – Program Fund)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021 and 2020

Financial Analysis

Fiduciary Net Position

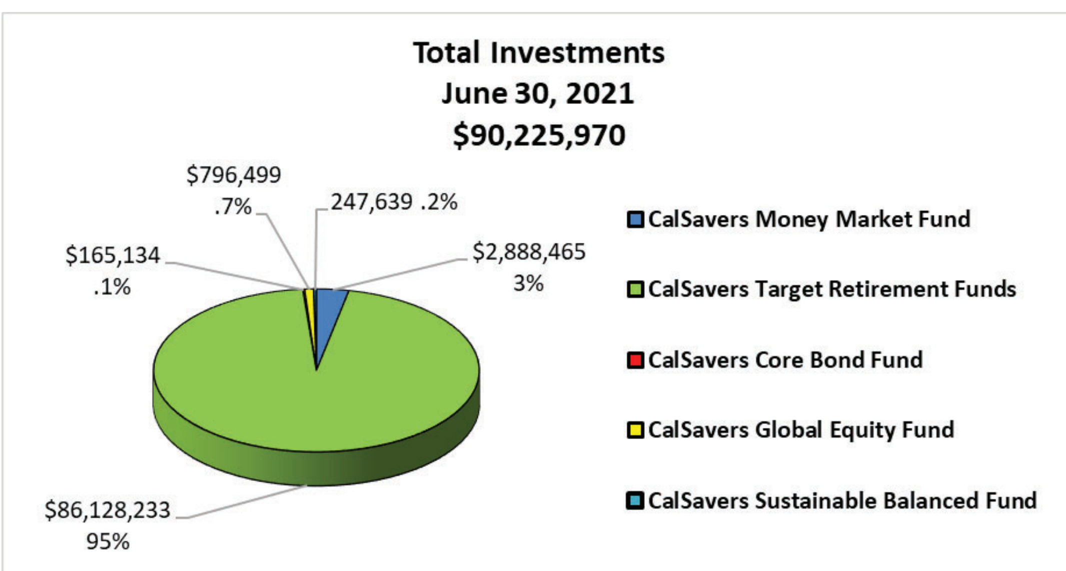
The following condensed statements of fiduciary net position provide a snapshot of the overall financial position of the Program:

	2021	2020	2019 (restated)
Total Assets	$ 90,282,556	$ 5,316,964	$ 389,936
Total Liabilities	166,051	92,173	90,305
Fiduciary Net Position	$ 90,116,505	$ 5,224,791	$ 299,631

Fiduciary net position represents the cumulative total of contributions from participants since the Program's inception, increased (decreased) by net investment income (loss), and decreased by distributions to participants and fees.

Investments, which totaled $90,280,682 as of June 30, 2021, represent over 99% of the Program's total assets. Account owners are able to direct investment of their contributions into investment options, which are invested in one or more underlying mutual funds. See the Investment Commentary on pages 10 through 13 for more information about the Program's investments.

At June 30, 2021, the Program's assets are invested in the following investment options:



Financial Analysis *(Continued)*

Fiduciary Net Position *(Continued)*

The Program's liabilities, which totaled $166,051 as of June 30, 2021, comprise accrued fees, payables for distributions approved but not yet paid and payables for underlying mutual fund purchase transactions and amounts due to administrator.

Changes in Fiduciary Net Position

The following condensed statements of changes fiduciary net position summarize how the Program's net position changed during the years ended June 30, 2021 and 2020:

	2021	2020	2019 (restated)
Contributions	$ 90,239,035	$ 5,322,712	$ 311,606
Net Investment Income	3,029,386	69,881	2,104
Distributions	(8,245,599)	(452,988)	(13,391)
Fees	(131,108)	(14,445)	(688)
Net Increase	84,891,714	4,925,160	299,631
Fiduciary Net Position (Beginning of Period)	5,224,791	299,631	-
Fiduciary Net Position (End of Period)	$ 90,116,505	$ 5,224,791	$ 299,631

Investment Commentary

The following provides a brief description of the Program's investment options. More complete information can be found in the Program disclosures, or each mutual fund's fact sheet, prospectus and annual report.

The Program offers a range of investment options from conservative to aggressive, designed to appeal to varying levels of risk tolerance, time horizons and return expectations. In exchange for contributions to the Program, participants receive units of participation in the Trust. These units are municipal securities.

Each investment option, with the exception of the CalSavers Global Equity Investment Option, invests in a single underlying mutual fund. The CalSavers Global Equity Investment Option invests in a blend of two underlying mutual funds. Participants do not invest directly in mutual funds, and they may not influence the selection of mutual funds comprising each investment option.

The Board has contracts with State Street Global Advisors Trust Company (SSGA) and Newton Investment Management Limited (Newton) to provide the underlying mutual funds that comprise each investment option in the Program.

Investment Commentary *(Continued)*

The assets of the CalSavers Money Market Fund Investment Option are invested in the State Street US Government Money Market Fund, which has an investment objective of maximizing current income, to the extent that it remains consistent with the preservation of capital and liquidity, by investing in US dollar-denominated money market securities. This option is the default investment of account owners for the first 30 days, beginning on the date of the first contribution.

The CalSavers Target Retirement Funds are investment options that correspond with the year closest to when a participant will reach the target retirement age, defined as age 65. Each Target Retirement Fund has a specific "target date" (e.g., 2035, 2045, 2055) and invests in an underlying mutual fund that is primarily composed of a mix of stock and bond funds, with some publicly-traded real estate exposure included in target date years closer to retirement. The Target Retirement Funds seek to provide for retirement outcomes based on quantitatively measured risk, and are broadly diversified across global asset allocations that automatically become more conservative over time as an investor nears target retirement age. After 30 days from the date of the account owner's first contribution, the balance in the CalSavers Money Market Fund at that time, and any future contributions, are automatically transferred to a CalSavers Retirement Fund based on the account owner's age and expected year of retirement.

The assets of the CalSavers Core Bond Fund Investment Option are invested in the State Street Aggregate Bond Index Fund, which has an investment objective of tracking as closely as possible, before fees and expenses, the total return of an index composed of the total US investment grade bond market.

The assets of the CalSavers Global Equity Fund Investment Option are invested in the State Street Global Equity ex-US Index Fund and the State Street Equity 500 Index Fund. The goal of the CalSavers Global Equity Fund is to provide investment results that, before fees and expenses, correspond generally to the total return performance of a broad-based index of domestic and foreign equity markets. As mentioned, the CalSavers Global Equity Fund Investment Option is the only investment option that invests in more than one underlying fund. Rather, it consists of a US investment offering as well as a non-US investment offering with weights of each assigned based on the US/Non-US components of the MSCI ACWI Index.

The assets of the CalSavers Sustainable Balanced Fund Investment Option are invested in the BNY Mellon Sustainable Balanced Fund. The investment strategy of the CalSavers Sustainable Balance Fund seeks to generate capital appreciation by investing in the equity securities of global companies that demonstrate sustainable business practices and issuers of U.S. investment grade fixed income securities that satisfy certain environmental, social and governance (ESG) criteria.

Investment Commentary *(Continued)*

Portfolio Performance

With the exception of two investment options, all have an inception date of January 2, 2019. The CalSavers Sustainable Balanced Fund (Environmental, Social, Governance) has an inception date of July 1, 2019, and the CalSavers Target Retirement Fund 2070 has an inception date of April 17, 2020. During the period from July 1, 2020 through June 30, 2021, all underlying investments, with one exception (the State Street Aggregate Bond Index), experienced positive returns. During the investment period observed, both the financial markets and real economy continued to experience an exceptional recovery following the extreme disruption brought on by the onset of the global COVID-19 pandemic in early 2020. The equity markets saw solid and steady returns during all four quarters of the period observed. Domestic markets delivered total returns over 44%, while non-US markets delivered returns over 36%. This led to significant positive returns across the Target Retirement Funds, with only the Money Market Fund and Core Bond Fund seeing performance negatively impacted by the interest-rate environment.

Returns for each of the investment options and their associated underlying mutual fund(s) for the period from inception through June 30, 2021 are listed in the following table. Returns are net of investment manager fees only:

Investment Option and Underlying Fund(s)	Return
CalSavers Money Market Fund	**-0.10%**
State Street Instl US Gov MM Fund – GVMXX	0.04%
CalSavers Core Bond Fund	**-1.57%**
State Street Agg Bond Index Fund - SSFEX	-0.56%
CalSavers Global Equity Fund	**37.90%**
State Street Equity 500 Index Fund – SSYX	40.55%
State Street Global ex-US Index Fund - SSGLX	36.55%
CalSavers Sustainable Balanced Fund	**20.43%**
BNY Mellon Sustainable Balance K - DRAKX	21.43%
CalSavers Target Retirement Fund	**14.42%**
State Street Target Ret Fund – SSFOX	15.30%
CalSavers Target Retirement Fund 2020	**18.65%**
State Street Target Ret 2020 Fund – SSBOX	19.58%

Investment Commentary *(Continued)*

Portfolio Performance *(Continued)*

Investment Option and Underlying Fund(s)	Return
CalSavers Target Retirement Fund 2025	**22.68%**
State Street Target Ret 2025 Fund – SSBSX	23.73%
CalSavers Target Retirement Fund 2030	**25.68%**
State Street Target Ret 2030 Fund – SSBYX	26.63%
CalSavers Target Retirement Fund 2035	**28.43%**
State Street Target Ret 2035 Fund – SSCKX	29.40%
CalSavers Target Retirement Fund 2040	**31.05%**
State Street Target Ret 2040 Fund – SSCQX	32.09%
CalSavers Target Retirement Fund 2045	**33.58%**
State Street Target Ret 2045 Fund – SSDEX	34.63%
CalSavers Target Retirement Fund 2050	**35.02%**
State Street Target Ret 2050 Fund – SSDLX	36.13%
CalSavers Target Retirement Fund 2055	**34.99%**
State Street Target Ret 2055 Fund – SSDQX	36.08%
CalSavers Target Retirement Fund 2060	**35.05%**
State Street Target Ret 2060 Fund – SSDYX	36.11%
CalSavers Target Retirement Fund 2065	**34.10%**
State Street Target Ret 2065 Fund – SSFKX	35.17%
CalSavers Target Retirement Fund 2070	**34.15%**
State Street Target Ret 2065 Fund – SSFKX	35.17%

Basic Financial Statements

(CalSavers Retirement Savings Trust – Program Fund)

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Investments	90,280,682	5,312,676
Receivables	1,874	4,288
Total Assets	90,282,556	5,316,964
LIABILITIES		
Accrued fees	54,711	2,937
Due to administrator	111,340	89,236
Total Liabilities	166,051	92,173
FIDUCIARY NET POSITION, RESTRICTED FOR PROGRAM PARTICIPANTS	$ 90,116,505	$ 5,224,791

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Contributions	$ 90,239,035	$ 5,322,712
Investment income:		
Dividend income	95,400	27,870
Net appreciation in fair value of investments	2,933,986	42,011
Net investment income	3,029,386	69,881
Total Additions	93,268,421	5,392,593
DEDUCTIONS		
Distributions	8,245,599	452,988
Fees	131,108	14,445
Total Deductions	8,376,707	467,433
NET INCREASE	84,891,714	4,925,160
FIDUCIARY NET POSITION, BEGINNING OF PERIOD	5,224,791	299,631
FIDUCIARY NET POSITION, END OF PERIOD	$ 90,116,505	$ 5,224,791

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The following provides a brief description of the CalSavers Retirement Savings Trust – Program Fund, also known as CalSavers (the Program). For more information and disclosures about the Program, refer to the Program's website at www.calsavers.com or call 1-855-650-6918.

(a) General

The CalSavers Retirement Savings Trust Act (SB 1234) (the Act) established the Program as a retirement savings program in the form of an automatic enrollment payroll deduction Roth Individual Retirement Account (Roth IRA) for the purpose of promoting greater retirement savings for California private sector employees in a convenient, voluntary, low-cost and portable manner. The Program uses payroll withholding to help workers who do not have access to an employer-sponsored plan to save their own money for retirement. The Act requires certain employers to facilitate the Program by providing their eligible employees with the opportunity to save through payroll deductions, unless the employer offers a qualified plan, as specified in the Act. Eligible employees are automatically enrolled into the Program, unless they opt out of the Program within 30 days after notice of their enrollment has been provided to them. Employee participation in the Program is completely voluntary. The employers make no contributions to participant accounts. Subject to laws and regulations applicable to Roth IRA accounts, participants may make tax-free withdrawals of contributions and qualified distributions of earnings.

The CalSavers Retirement Savings Board (the Board), also established under the Act, is responsible for designing, implementing and administering the Program. The Board consists of the California State Treasurer, Director of Finance (or the director's designee), the State Controller, an individual with retirement savings and investment expertise appointed by the Senate Committee on Rules, an employee representative appointed by the Speaker of the Assembly, a small business representative appointed by the Governor, a public member appointed by the Governor and two additional members appointed by the Governor. The Board intends that the Program be operated in such a manner as to not be considered a pension plan under Title I of the Employee Retirement Income Security Act (ERISA). Changes in or interpretations of laws and regulations could have a significant impact on the structure of the Program.

Pursuant to the Act, contributions to the Program are held in the CalSavers Retirement Savings Trust (the Trust). The Board administers the Trust.

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(a) General *(Continued)*

The Trust is segregated into two funds – the Program Fund and the Administrative Fund. Any contributions paid into the Trust are held in the Program Fund to be used exclusively for the purpose of paying benefits to participants, for covering the costs of administration of the Program and for investments made for the benefit of the Program. Transfers may be made from the Program Fund to the Administrative Fund for the purpose of paying costs associated with administration of the Trust, such as Board operations costs, program administrator and investment expenses and costs associated with enforcement and compliance (see Note 4 for disclosures regarding the state fee). It is intended that the Trust be a self-sustaining trust with sufficient resources to pay all costs related to administration of the Trust; however, funding for initial staff and other operating costs totaling $9,212,021 and $6,277,122 for the years ended June 30, 2021 and 2020 respectively, have been paid by the state's General Fund. The Board is responsible for repaying such amount to the General Fund out of the Administrative Fund, and such amount is not a liability of the Program.

The Program is included in the financial reporting entity of California as a private purpose trust fund. Private purpose trust funds are a type of fiduciary fund and are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations or other governments. A fiduciary fund is used to report assets held by a government in a trust or custodial capacity for others and cannot be used to support the government's own programs.

These basic financial statements are intended to present only the fiduciary net position and changes therein of the Program and do not purport to, and do not, present balances and activities attributable to the Administrative Fund, nor do they present the fiduciary net position or changes therein of the Trust or any other fiduciary funds of the state of California.

The Program offers a range of investment options to meet the risk tolerance and investment objectives of participants. Each investment option invests in a single underlying mutual fund, except for the CalSavers Global Equity Fund Investment Option which invests in two underlying mutual funds. Participants purchase units of investment options, not shares of the underlying mutual fund. These units are municipal fund securities.

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(b) Program Administration

The Board has entered into a contract with Ascensus College Savings Recordkeeping Services, LLC (ACSR), pursuant to which ACSR serves as the Program Administrator. ACSR and its affiliates are responsible for day-to-day Program operations, such as establishing accounts for participating employees, processing contributions and participant instructions as directed, issuing CalSavers account statements and fulfilling Internal Revenue Service (IRS) reporting requirements. See Note 4 for disclosures regarding compensation paid to ACSR for these services.

Certain employees of the CalSavers Retirement Savings Board (the Board) perform marketing and other administration services for the Program. Costs incurred by the Board staff related to the Program are not reported as expenses in the Program's basic financial statements.

(c) IRA Custodian

Ascensus Trust Company, an affiliate of ACSR, serves as the IRA Custodian responsible for providing a cashiering function and other responsibilities under Section 408(a) and other applicable provisions of the Internal Revenue Code.

(d) Municipal Securities Custodian

The Bank of New York Mellon is the Program's custodian of the municipal securities (i.e., the units issued to participants) and is responsible for maintaining the assets that are contributed to each investment option.

(e) Investment Managers

SSGA Funds Management, Inc. (State Street) and Newton Investment Management Limited (Newton) manage the underlying mutual funds that comprise each investment option.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), the Program's basic financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting.

(b) Income Taxes

The Program is exempt from federal and state income tax.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Estimates

The preparation of basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(d) Investments

The Program invests in mutual funds, which are reported at fair value, based on net asset value per share as of the close of the New York Stock Exchange (NYSE) on the reporting date. Net realized and unrealized gains (losses) are included in "net appreciation (depreciation) in fair value of investments" on the statement of changes in fiduciary net position. Purchases and sales of shares of mutual funds are recorded on a trade-date basis. Dividends and capital gain distributions are recorded on the ex-dividend date and are automatically reinvested in additional shares of the respective mutual fund.

Accounting standards categorize fair value measurements according to a hierarchy based on valuation inputs that are used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable. The fair values of the mutual funds in which the Program invests are determined using Level 1 inputs.

(e) Cash and Cash Equivalents

Cash and cash equivalents generally include participating employee contributions that have not yet been invested in the underlying mutual funds and/or redemption proceeds from mutual fund sales to satisfy distribution requests that have not yet been processed.

(f) Contributions

For employees who have not opted out of the Program, the employer deducts contributions from payroll based on each participating employee's current contribution elections, which can be either the default contribution elections set by the Program or alternate contribution elections selected by the employee, and transfers those payroll deductions to the Program Administrator.

Amounts deducted are required to be transmitted to the Program Administrator within seven business days after the end of the payroll period during which the amounts were deducted. Contributions that are received by the Program Administrator from employers in good order prior to the close of the New York Stock Exchange (NYSE) are credited to participant accounts and recorded as increases in fiduciary net position on the same business day.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions *(Continued)*

If an employee has not opted out of the Program or has not chosen alternate elections, he or she will be enrolled using the following default contribution elections:

- The initial rate of contribution to the Program is 5% of compensation.
- Contribution rates will be automatically increased by 1% on January 1 each year, beginning January 1, 2020, until a maximum of 8% is reached. Automatic escalation occurs for participants who have been contributing for at least 6 months. Account owners may opt-out of the automatic increase feature.
- An account owner's initial contributions will be invested in the CalSavers Money Market Fund for 30 days, beginning on the date of the first contribution After 30 days, the balance in the CalSavers Money Market Fund at that time, and any future contributions, will be automatically transferred to a CalSavers Target Retirement Fund based on the account owner's age and expected year of retirement.

Employees who do not want to enroll at the default contribution rate of 5% may change their contribution elections. The minimum contribution rate is 1%, and the maximum contribution rate is 100% of available wages, subject to federal annual contribution limits. Employees may also choose to opt out of auto-escalation.

Additionally, participants who do not want to use the default election investment options may choose the investment option(s) into which their contributions will be invested. Although participants can select the investment options in which their contributions are invested, they cannot direct the selection of the mutual funds that comprise each investment option.

Employee contributions are invested in one or more of the following investment strategies, depending upon employee contribution elections:

Money Market Fund is an investment option with the investment objective of maximizing current income, to the extent consistent with the preservation of capital and liquidity, by investing in an underlying fund that invests in US dollar denominated money market securities.

Sustainable Balanced Fund is an investment option with the investment objective of maximizing current income, to the extent consistent with the preservation of capital and liquidity, by investing in an underlying fund that invests in US dollar denominated money market securities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions *(Continued)*

Target Retirement Funds are investment options that correspond with the year closest to when the participant will be 65 or plans to retire. Each Target Retirement Fund has a specific "target date" (e.g., 2035, 2045, 2055) and invests in an underlying fund that includes a mix of stock and bond funds. These investment options seek to provide for retirement outcomes based on quantitatively measured risk. The investment options will be broadly diversified across global asset allocations, becoming more conservative over time as an investor nears target retirement age.

Core Bond Fund is an investment option with the investment objective of tracking as closely as possible, before fees and expenses, the total return of an index composed of the total US investment grade bond market.

Global Equity Fund is an investment option that seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of a broad-based index of domestic and foreign equity markets over the long term.

(g) Distributions

Participants may request distributions from their accounts online, by phone or by mail.

Distributions are recorded as deductions from fiduciary net position on the date the request is received if such request is found to be in good order and is received prior to the close of the NYSE.

(h) Exchanges

Transfers of funds between investment options due to participants changing their investment elections are referred to as "exchanges." The amounts of contributions and distributions reported on the statement of changes in fiduciary net position do not include exchanges, as these types of transactions have no impact on the overall financial position of the Program.

(i) Unit Valuation

Each participant's full and/or fractional interest in an investment option is evidenced by a unit. The net asset value of a unit is calculated daily based on the fair value of the mutual fund(s) held in that investment option, adjusted for the effects of transactions such as accrued fees and investment income.

The value of any individual account is determined by multiplying the number of units in an investment option attributable to that participant's account by the net asset value per unit of that investment option.

(CalSavers Retirement Savings Trust – Program Fund)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3: INVESTMENTS

(a) Investments by Type

The Program's mutual funds and their respective fair values at June 30, 2021 and 2020, are as follows:

Investment Option	Underlying Mutual Fund	2021	2020
CalSavers Money Market Fund	State Street Institutional US Government Money Market Fund	$ 2,888,465	$ 3,905,578
CalSavers Target Retirement Fund	State Street Target Retirement Fund	1,682,405	37,971
CalSavers Target Retirement Fund 2020	State Street Target Retirement 2020 Fund	2,980,556	74,847
CalSavers Target Retirement Fund 2025	State Street Target Retirement 2025 Fund	6,512,698	114,855
CalSavers Target Retirement Fund 2030	State Street Target Retirement 2030 Fund	8,717,802	158,114
CalSavers Target Retirement Fund 2035	State Street Target Retirement 2035 Fund	9,234,134	113,102
CalSavers Target Retirement Fund 2040	State Street Target Retirement 2040 Fund	8,601,529	131,831
CalSavers Target Retirement Fund 2045	State Street Target Retirement 2045 Fund	9,026,601	173,231
CalSavers Target Retirement Fund 2050	State Street Target Retirement 2050 Fund	9,476,376	157,608
CalSavers Target Retirement Fund 2055	State Street Target Retirement 2055 Fund	10,813,706	173,676
CalSavers Target Retirement Fund 2060	State Street Target Retirement 2060 Fund	11,279,031	129,602
CalSavers Target Retirement Fund 2065	State Street Target Retirement 2065 Fund	7,766,999	30,843
CalSavers Target Retirement Fund 2070	State Street Target Retirement 2070 Fund	91,108	1,084
CalSavers Core Bond Fund	State Street Aggregate Bond Index Fund	165,134	29,457
CalSavers Global Equity Fund	State Street Equity 500 Index Fund	458,499	36,599
CalSavers Global Equity Fund	State Street Global Equity ex-US Index Fund	338,000	28,215
CalSavers Sustainable Balanced Fund	BNY Mellon Sustainable Balanced Fund	247,639	16,063
Total Investments		$ 90,280,682	$ 5,312,676

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk

The mutual funds in which the Program invests include in their asset holdings various investment securities, such as corporate debt and equity securities, obligations of the US government and government agencies and international equity securities. These securities are exposed to interest rate, market and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting participant balances and the amounts reported in the Program's basic financial statements.

Accounting standards require that certain disclosures be made related to the Program's investment policy and its exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The Board has adopted an investment policy statement that is intended to enable the Board to make Program investment decisions according to an established process that reflects the Board's set of investment beliefs. The policy outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options offered to participants, the underlying investments of the investment options and the selected investment managers providing the underlying investments. Specifically, the policy defines the Program's investment objectives, defines the roles and responsibilities of various parties, describes the types of investment options offered under the Program and the criteria for selecting underlying investments and investment managers, and establishes performance measurement and monitoring procedures.

There are no provisions of the policy that specifically address credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

Credit Risk

Certain mutual funds in which the Program invests may include in their asset holdings bonds issued by corporations, foreign governments, the US government and its agencies and instrumentalities. Through its investment in these mutual funds, the Program may be indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal, when due, as a result of adverse market or economic conditions.

The Program's mutual funds are not exposed to custodial credit risk, which is the risk that the Program will not recover the value of investments that are in the possession of an outside party.

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk *(Continued)*

None of the mutual funds in which the Program invests are rated by a nationally recognized statistical rating organization, except for the State Street Institutional US Government Money Market Fund, which is rated AAAm by Standard & Poor's and AAAmmf by Fitch.

Interest Rate Risk

Certain mutual funds in which the Program invests may be exposed to interest rate risk due to their underlying asset holdings being composed of bonds or other fixed income securities. Interest rate risk is the risk that changes in interest rates will adversely impact the fair value of an investment. Average maturity is the average length of time until fixed-income securities held by a fund reach maturity and will be repaid, taking into consideration the possibility that the issuer may call a bond before its maturity date. In general, the longer the average maturity, the more a fund's share price will fluctuate in response to changes in interest rates. As of June 30, 2021, the average maturity of holdings in each of the bond funds in which the Program's assets are invested are as follows:

	2021 Average Maturity	2020 Average Maturity
State Street Institutional US Government Money Market Fund	27 days	37 days
State Street Aggregate Bond Index Fund	8.6 years	7.8 years

Foreign Currency Risk

Certain mutual funds in which the Program invests may include in their asset holdings foreign debt and equity securities. There are certain inherent risks involved when investing in international securities that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention or delay of currency exchange due to foreign governmental laws or restrictions.

Fair Value Measurements

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and consists of three levels as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk *(Continued)*

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Program had the following recurring fair value measurements as of June 30:

		Fair Value Measurements		
	6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value				
Mutual Funds	$ 89,484,183	$ 89,484,183	$ -	$ -
Investments at Net Asset Value (NAV)				
CalSavers Global Equity Fund	796,499			
Total Investments	$ 90,280,682			

		Fair Value Measurements		
	6/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value				
Mutual Funds	$ 5,247,862	$ 5,247,862	$ -	$ -
Investments at Net Asset Value (NAV)				
CalSavers Global Equity Fund	64,814			
Total Investments	$ 5,312,676			

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk *(Continued)*

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds
The fair value of mutual funds is determined by quoted market price at year-end.

CalSavers Global Equity Fund
This investment is composed of holdings in two mutual funds, the State Street Global All Cap Equity ex-US Index Fund and the State Street Equity 500 Index Fund. The fair value of the investment has been determined using NAV per share of the fund as reported by the Custodial Bank.

Additionally, there were no unfunded commitments or redemption notice periods for investments measured at net asset value.

NOTE 4: FEES AND EXPENSES

Each investment option has an annualized asset-based fee that is deducted from assets in each investment option. The annualized asset-based fee reduces the return participants earn on their investments in the Program. Each participant indirectly bears a pro-rata share of the annual costs and expenses associated with each investment option in which his or her assets are invested. The annualized asset-based fee consists of the Program Administration Fee, the State Fee and the Underlying Fund Fee, as described below. These fees accrue daily and are factored into the net asset value of each investment option.

Program Administration Fee
The Program Administrator receives a fee as compensation for providing recordkeeping and administrative services to the Program. This fee, which is 0.75% of net position of each investment option, is paid from Program assets and is reflected as a reduction in fiduciary net position on the statement of changes in fiduciary net position.

State Fee
The Board receives a fee to be used to offset expenses related to establishment, oversight and administration of the Program. This fee, which is 0.05% of net position of each investment option, is paid from Program assets and is reflected as a reduction in fiduciary net position on the statement of changes in fiduciary net position.

NOTE 4: FEES AND EXPENSES (Continued)

Underlying Fund Fee

This fee includes investment advisory fees, administrative fees and other expenses of each underlying mutual fund in which Program assets are invested. The Underlying Fund Fee is paid out of the assets of the mutual fund, reducing the amount of income available for distribution to the Program, and is not paid from Program assets. As such, these fees are not reported on the statement of changes in fiduciary net position.

Fees paid from Program assets for the year ended June 30, 2021 are as follows:

Program administration fee	$ 114,124
State fee	16,984
Total fees	$ 131,108

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the CalSavers Retirement Savings Board
CalSavers Retirement Savings Trust – Program Fund

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the CalSavers Retirement Savings – Trust Program Fund (the Program) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements, and have issued our report thereon dated July 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Program's 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 Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program'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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
July 28, 2022