

Fresno County Employees' Retirement Association

*Actuarial Valuation and Review
as of June 30, 2007*

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January 30, 2008

*Board of Retirement
Fresno County Employees' Retirement Association
1111 "H" Street
Fresno, CA 93721*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2007. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2008-2009 and analyzes the preceding year's experience.


The census and financial information were prepared by FCERA. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. In our opinion, the combined operation of the assumptions and the methods applied in this valuation fairly represent past and anticipated future experience of the Association and meet the parameters required by GASB Statement 25. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate.

We look forward to reviewing this report at your next meeting and to answering any questions.

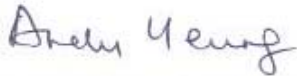
Sincerely,

THE SEGAL COMPANY

By: 

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Senior Vice President and Actuary*

SUV/hy



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SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

Purpose

This report has been prepared by The Segal Company to present a valuation of the Fresno County Employees' Retirement Association as of June 30, 2007. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement. In particular, benefits recently adopted by the County for General Tier 3 members under Section 31676.15 have been included in this valuation.
- The characteristics of covered active members, inactive vested members, retired members and beneficiaries as of June 30, 2007, provided by the Retirement Association;
- The assets of the Plan as of June 30, 2007, provided by the Retirement Association;
- Economic assumptions regarding future salary increases and investment earnings recommended by Segal and adopted by the Board for the June 30, 2007 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. that the Board has adopted based on Segal's recommendations from the June 30, 2006 triennial experience analysis.

The Fresno County Employees' Retirement Association's basic financial goal is to establish contributions that fully fund the Association's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a payment or credit to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have continued with the Board's funding policy to amortize the Association's outstanding balance of the unfunded actuarial accrued liability (UAAL) established as of June 30, 2003 over a declining 26-year period. Any new UAAL established on each subsequent actuarial valuation after the June 30, 2003 valuation as a result of actuarial gains or losses and change in

SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

actuarial assumptions has been amortized over a separate 15-year declining period. The increase in UAAL due to benefit improvements (such as moving some members from General Tier 2 to Tier 3) is amortized over 30 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2008 through June 30, 2009.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- Reference:* Pg. 33 > In this June 30, 2007 valuation, the funding ratio has decreased from 85.5% to 82.9%, and the UAAL has increased from \$405.5 million to \$539.3 million. The increase due to change in actuarial assumptions alone was \$108.9 million.
- Reference:* Pg. 17 > The aggregate employer rate calculated in this valuation has increased from 24.57% of payroll to 28.52% of payroll. The reasons for this change are: (i) changes in actuarial assumptions, (ii) higher than expected return on investments (based on valuation value of assets), (iii) one year delay in implementing employer and employee contribution rates calculated in the June 30, 2006 valuation, (iv) salary increases greater than expected and (v) other actuarial gains and losses. A reconciliation of the Association's aggregate employer rate is provided in Section 2, Subsection D (see Chart 15).
- Reference:* Pg. 18 > The aggregate member rate calculated in this valuation has increased from 7.45% of payroll to 8.49% of payroll. The reasons for this change are: (i) changes in actuarial assumptions and (ii) repayment of under contributions from General Tier 1 members. That repayment increased the General Tier 1 rate by 0.43% of payroll. A reconciliation of the Association's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).
- > The County implemented General Tier 3 in December 2007. In our letter to the Association dated November 21, 2007, we provided the employer and member contribution rates required for General Tier 3 based on modifying the results of the June 30, 2006 valuation. As stated in that report, those contribution rates were developed assuming all members in General Tier 2 would be transferring to General Tier 3 despite the fact that in practice only about 75% of all General Tier 2 members at the time were eligible for the new benefit. This was done because it was not practical to reflect the actual demographic of those not transferring to Tier 3 in that valuation. In this valuation, we have developed the General Tiers 2 and 3 rates based on the demographics of members expected to be in those Tiers.

SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

- In last year's valuation as of June 30, 2006, we identified three areas where future refinements to the membership database would result in a more accurate determination of the liabilities.
 - The Association was in the process of recalculating the final average salaries for certain retirees pursuant to a Court decision. As a result of those recalculations, benefits for some retirees had been increased while for others benefits had been decreased. Those retirees whose benefits had been increased may be entitled to lump sum retroactive payments while those retirees whose benefits had been decreased might have to repay the overpaid benefits over a number of months. The retroactive payments that were processed in June 2006 were not separately identified in the original data received for the actuarial valuation. We understand that this adjustment was made by the Association and reflected in the data reported as of June 30, 2007.
 - As a result of the change in the Board's funding policy on member COLA UAAL contributions (see below), certain refunds were made by the Association on October 15, 2007.
 - Retirees who have chosen the temporary annuity option have their survivor continuance benefits determined based on the original unmodified benefits (i.e., before the temporary annuity option adjustments). The electronic database maintained by the Association does not contain the original unmodified benefit amount.
- As the refunds of member COLA UAAL contributions were not made until October 15, 2007, we have discounted the amounts refunded to June 30, 2007 and included those as a liability in this valuation. As there was a net underpayment of contributions by General Tier 1 members after accounting for the overpayment of COLA UAAL contributions and underpayment of contributions as a result of making some revisions to the rates actually paid, we have been instructed by the Association to increase the General Tier 1 member rate calculated in this valuation in order to collect approximately the same contribution with interest from the General Tier 1 members in fiscal 2008-2009.
- The employer and member rates developed in this valuation have been determined with respect to only the Regular and the Settlement benefits. Assets and liabilities associated with the non-vested supplemental benefits (i.e., discretionary purchasing power and additional retiree health benefits) have been excluded. However, a comparison of the reserve maintained by the Board for the non-vested supplemental benefits and the annual cash payment requirement is provided in Appendix B.
- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total unrecognized investment gains as of June 30, 2007 is \$246.1 million. These investment gains will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, and will help offset any investment losses that may occur after June 30, 2007. This implies that if the Association earns the assumed net rate of investment return of 8.00% per year on a **market value** basis, it will result in investment gains on the actuarial value of assets in the next few years. So, if the actual market return is

Reference: Pg. 77

Reference: Pg. 6

SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements would decrease in each of the next few years.

Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- 1) differences between actual experience and anticipated experience;
- 2) changes in actuarial assumptions or methods;
- 3) changes in statutory provisions; and
- 4) difference between the contribution rates determined by the valuation and those adopted by the Board.

SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

Summary of Key Valuation Results

	June 30, 2007		June 30, 2006	
		Estimated		Estimated
Employer Contribution Rates:				
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	26.71%	\$87,716,000	23.36%	\$76,715,000
General Tier 2	24.86%	\$851,000	21.15%	\$723,000
General Tier 3	22.86%	\$1,725,000	21.15% ⁽²⁾	\$1,596,000
Safety Tier 1	38.56%	\$24,444,000	31.34%	\$19,867,000
Safety Tier 2	35.84%	\$544,000	29.37%	\$446,000
All categories combined	28.52%	\$115,280,000	24.57%	\$99,347,000
Average Member Contribution Rates:				
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	8.34% ⁽³⁾	\$27,389,000	7.32%	\$24,039,000
General Tier 2	5.50%	\$188,000	4.87%	\$167,000
General Tier 3	5.87%	\$443,000	4.87% ⁽²⁾	\$367,000
Safety Tier 1	9.72%	\$6,162,000	8.54%	\$5,414,000
Safety Tier 2	8.14%	\$124,000	7.43%	\$113,000
All categories combined	8.49%	\$34,306,000	7.45%	\$30,100,000
Funded Status:				
Actuarial accrued liability ⁽⁴⁾		\$3,149,570,000		\$2,803,990,000
Valuation value of assets ⁽⁵⁾		\$2,610,269,000 ⁽⁶⁾		\$2,398,454,000
Funded percentage		82.9%		85.5%
Unfunded actuarial accrued liability		\$539,301,000 ⁽⁶⁾		\$405,536,000
Key Economic Assumptions:				
Interest rate		8.00%		8.16%
Inflation rate		3.75%		4.00%
Across-the-board salary increase		0.25%		0.00%

(1) Based on June 30, 2007 projected annual compensation.

(2) General Tier 3 rates were not determined until after the June 30, 2006 valuation. The employer and member rates calculated subsequent to the June 30, 2006 valuation were 21.80% and 6.40%, respectively.

(3) Includes additional 0.43% due to underpayment of General Tier 1 member contributions.

(4) Excludes liabilities for non-vested supplemental benefits.

(5) Excludes non-valuation reserves: supplemental COLA, contingency reserve and retiree health insurance reserve.

(6) After decreasing assets by \$3,169,000 for a net overpayment of member contributions discounted to June 30, 2007.

SECTION 1: Valuation Summary for the Fresno County Employees' Retirement Association

Summary of Key Valuation Demographic and Financial Data

	June 30, 2007	June 30, 2006	Percentage Change
Active Members:			
Number of members	7,802	7,686	1.5%
Average age	43.2	43.3	N/A
Average service	9.8	9.9	N/A
Projected total compensation	\$404,277,000	\$376,270,000	7.4%
Average projected compensation	\$51,817	\$48,955	5.8%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,001	3,736	7.1%
Disability retired	306	288	6.3%
Beneficiaries	524	555	-5.6%
Total	4,831	4,579	5.5%
Average age	68.1	68.0	N/A
Average monthly benefit ⁽¹⁾	\$2,243	\$2,160	3.8%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	1,393	1,333	4.5%
Average age	47.9	48.0	N/A
Summary of Financial Data:			
Market value of assets	\$2,938,652,293 ⁽³⁾	\$2,529,664,106	16.2%
Return on market value of assets	17.46%	9.78%	N/A
Actuarial value of assets	\$2,692,591,031 ⁽³⁾	\$2,462,840,662	9.3%
Return on actuarial value of assets	10.61%	6.92%	N/A
Valuation value of assets	\$2,613,438,213 ⁽³⁾	\$2,398,454,407	9.0%
Return on valuation value of assets	9.95%	6.91%	N/A

⁽¹⁾ Benefits include regular and settlement benefits but exclude non-vested supplemental benefits.

⁽²⁾ Includes members who left their contributions on deposit even though they have less than five years of service.

⁽³⁾ Does not reflect reduction of \$3,169,000 for net overpayment of member contributions discounted to June 30, 2007.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

A. MEMBER DATA

The actuarial valuation and review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the member population has changed over the past three valuations can be seen in this chart.

CHART 1
Member Population: 2005 – 2007

Year Ended June 30	Active Members	Vested Terminated Members*	Retired Members and Beneficiaries	Ratio of Non-Actives to Actives
2005	7,644	1,326	4,418	0.75
2006	7,686	1,333	4,579	0.77
2007	7,802	1,393	4,831	0.80

**Includes terminated members due a refund of member contributions*

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 7,802 active members with an average age of 43.2 years, average years of service of 9.8 and average compensation of \$51,817. The 7,686 active members in the prior valuation had an average age of 43.3 years, average service of 9.9 and average compensation of \$48,955.

Among the active members, there were none with unknown age.

Inactive Members

In this year's valuation, there were 1,393 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 1,333 in the prior valuation

These graphs show a distribution of active members by age and by years of service.

CHART 2
Distribution of Active Members by Age as of June 30, 2007

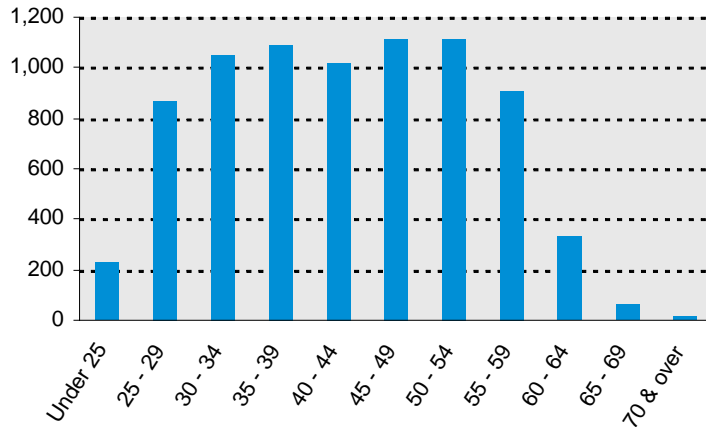
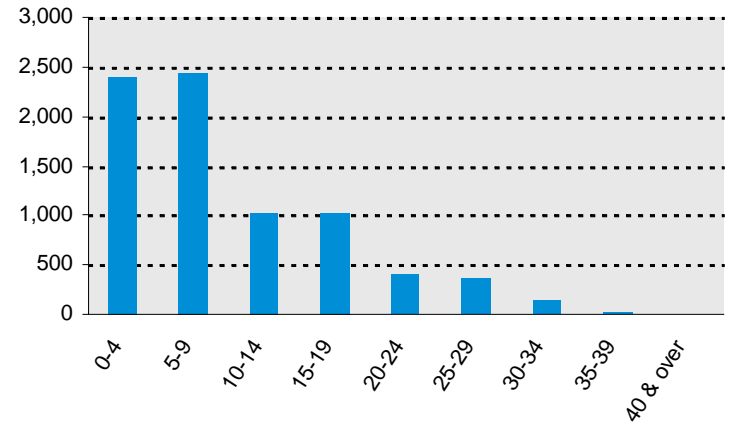


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2007



SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Retired Members and Beneficiaries

As of June 30, 2007, 4,307 retired members and 524 beneficiaries were receiving total monthly benefits of \$10,836,000. For comparison, in the previous valuation, there were 4,024 retired members and 555 beneficiaries receiving monthly benefits of \$9,892,000. These monthly benefits exclude non-vested supplemental benefits (i.e., discretionary purchasing power and additional health benefits).

These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.

CHART 4
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Monthly Amount as of June 30, 2007

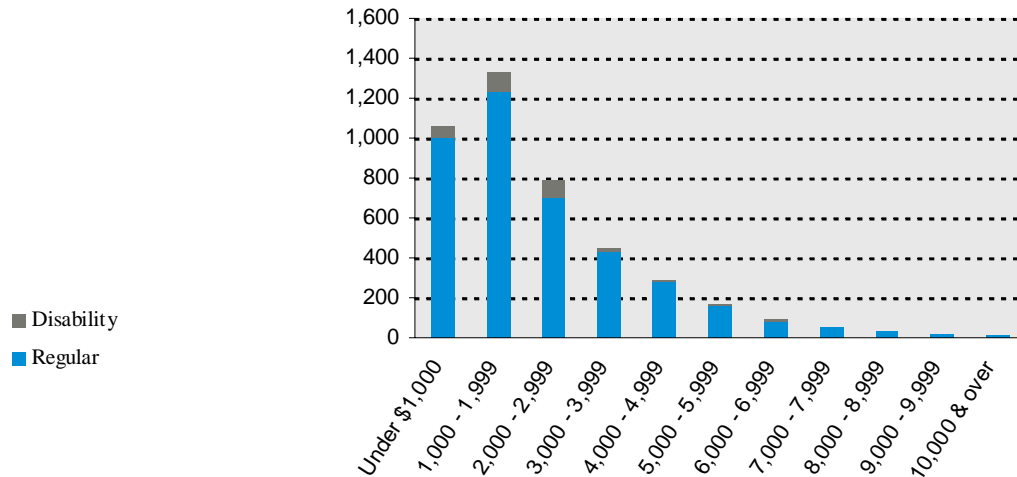
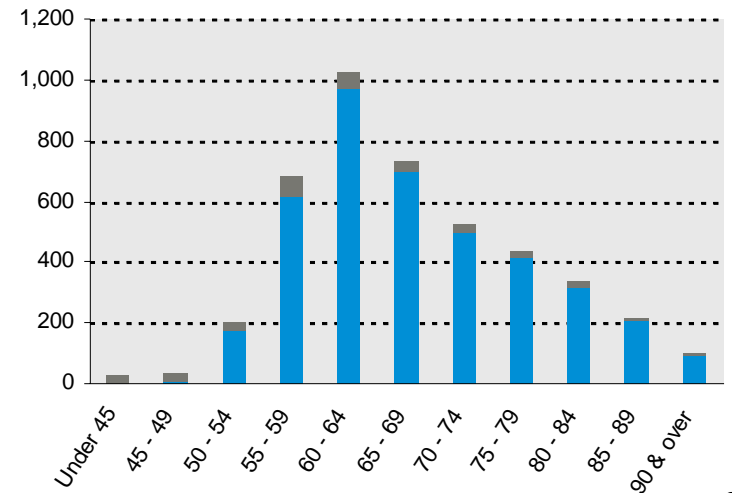


CHART 5
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of June 30, 2007



SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

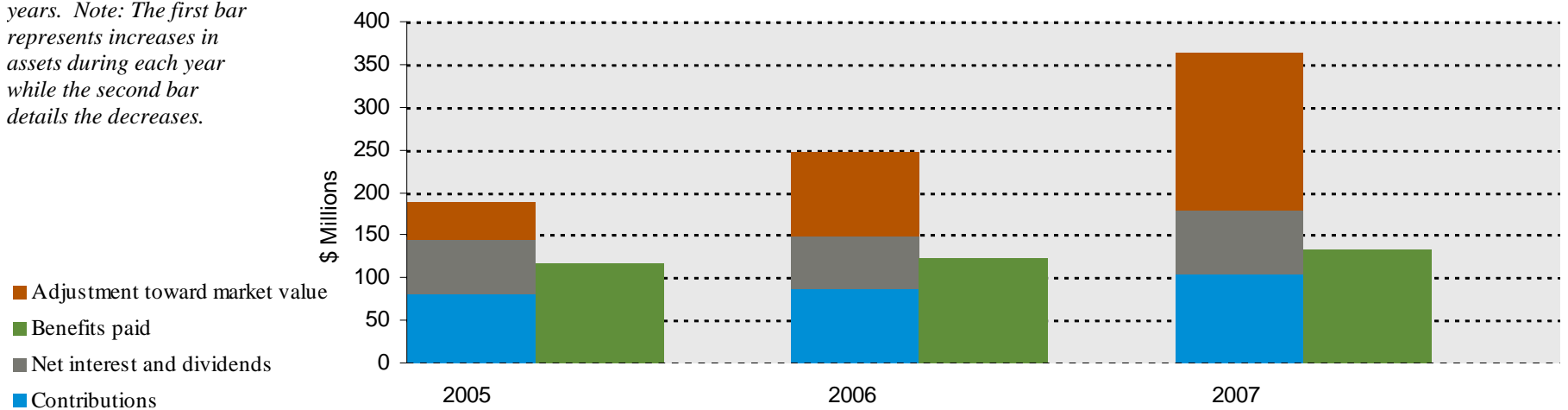
B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

The chart depicts the components of changes in the actuarial value of assets over the last three years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2005 through 2007



SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value of assets.

The determination of the Actuarial Value of Assets is provided on the following page.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2007

Six Month Period		Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
From	To					
1/1/2003	6/30/2003	\$125,217,882	\$57,386,728	\$67,831,154	0.1	\$6,783,115
7/1/2003	12/31/2003	203,061,365	61,561,683	141,499,682	0.2	28,299,936
1/1/2004	6/30/2004	33,814,444	76,748,061	(42,933,617)	0.3	(12,880,085)
7/1/2004	12/31/2004	196,928,404	85,270,526	111,657,878	0.4	44,663,151
1/1/2005	6/30/2005	35,994,354	92,429,093	(56,434,739)	0.5	(28,217,370)
7/1/2005	12/31/2005	154,920,275	93,175,742	61,744,533	0.6	37,046,720
1/1/2006	6/30/2006	71,982,120	98,673,662	(26,691,542)	0.7	(18,684,079)
7/1/2006	12/31/2006	257,896,965	100,922,267	156,974,698	0.8	125,579,758
1/1/2007	6/30/2007	181,159,138	110,636,787	70,522,351	0.9	63,470,116

The chart shows the determination of the actuarial value of assets as of the valuation date.

1. Total Deferred Return ⁽¹⁾	\$246,061,262
2. Net Market Value*	2,938,652,293
3. Actuarial Value of Assets* (Item 2 – Item 1)	2,692,591,031
4. Actuarial Value of Assets – Corridor Limits:	
a. Lower Limit – 80% of Net Market Value	2,350,921,835
b. Upper Limit – 120% of Net Market Value	3,526,382,752
5. Actuarial Value of Assets (within corridor)	2,692,591,031
6. Non-valuation reserves and designations:	
a. Reserve for Interest Fluctuations (Contingency Reserve), Limited to No Less Than \$0	15,964,770
b. Supplemental COLA	8,588,763
c. Retiree Health Insurance	54,599,285
d. Subtotal	\$79,152,818
7. Valuation Value of Assets* (Item 5 – Item 6d)	\$2,613,438,213

⁽¹⁾ The amounts of deferred return available in each subsequent valuation are as follows:

6/30/2008	\$90,050,964
6/30/2009	\$59,261,274
6/30/2010	\$46,866,534
6/30/2011	\$42,830,255
6/30/2012	\$7,052,235

Note: Results may not total properly due to rounding.

*Does not reflect reduction of \$3,169,000 for net overpayment of member contributions discounted to June 30, 2007.

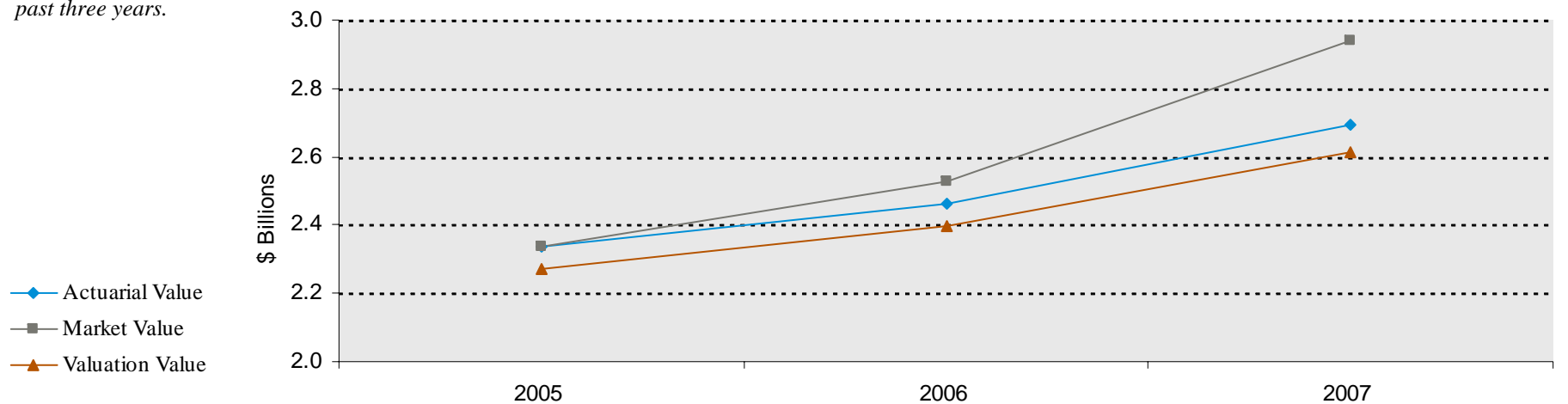
SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

The market value, actuarial value, and valuation value of assets are representations of the FCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation asset value is significant because FCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in market value, actuarial value and valuation value over the past three years.

CHART 8

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2005 – 2007



SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will

return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience loss was \$112.8 million, a gain of \$42.8 million from investments and a loss of \$41.6 million from all other sources. This does not include an additional \$108.9 million increase in UAAL from assumption changes. The net experience variation from individual sources other than investments was 1.3% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 9
Actuarial Experience for Year Ended June 30, 2007

1. Net gain/(loss) from investments ⁽¹⁾	\$42,823,000
2. Net gain/(loss) from other experience ⁽²⁾	<u>-41,583,000</u>
3. Net experience gain/(loss): (1) + (2)	<u>\$1,240,000</u>

⁽¹⁾ Details in Chart 10.

⁽²⁾ See Section 3, Items (6c) and (6f) in Exhibit H.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the FCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets was 8.16% (based on June 30, 2006 valuation). The actual rate of return on a valuation basis for the 2006/2007 plan year was 9.95%.

Since the actual return for the year was more than the assumed return, the FCERA experienced an actuarial gain during the year ended June 30, 2007 with regard to its investments.

This chart shows the gain/(loss) due to investment experience.

CHART 10

Investment Experience for Year Ended June 30, 2007 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Actual return	\$237,613,613	\$259,818,285
2. Average value of assets	2,387,139,504	2,447,806,704
3. Actual rate of return: (1) ÷ (2)	9.95%	10.61%
4. Assumed rate of return	8.16%	8.16%
5. Expected return: (2) x (4)	194,790,584	199,741,027
6. Actuarial gain/(loss): (1) – (5)	<u>\$42,823,029</u>	<u>\$60,077,258</u>

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last three years.

CHART 11

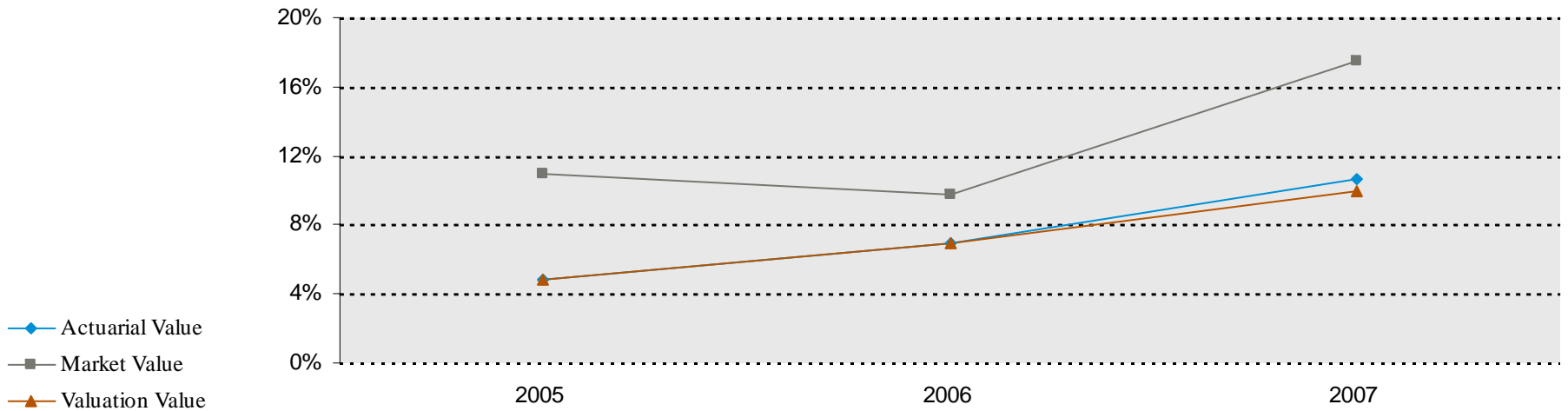
Investment Return – Actuarial Value, Valuation Value and Market Value: 2005 – 2007

Year Ended June 30	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2005	\$104,235,839	4.79%	\$107,850,996	4.80%	\$232,922,758	10.97%
2006	155,867,582	6.91%	160,474,530	6.92%	226,902,394	9.78%
2007	237,613,613	9.95%	259,818,285	10.61%	439,056,103	17.46%

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

CHART 12
Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2005 - 2007



SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- actual turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),

- the number of disability retirements, and
- salary increases different than assumed.

The net loss from this other experience for the year ended June 30, 2007 amounted to \$41.6 million which is 1.3% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

Contribution to the Unfunded

Actuarial Accrued Liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual inflation rate of 4.00% (i.e., 3.75% inflation plus 0.25% real across-the-board salary increase). The UAAL established as of the June 30, 2003 valuation is being amortized over a declining 26-year period. Any new UAAL established on each subsequent valuation after June 30, 2003 as a result of actuarial gains or losses and changes in actuarial assumptions has been amortized over a separate 15-year declining period. The increase in UAAL due to benefit improvements (such as moving some members from General Tier 2 to Tier 3) is amortized over 30 years.

The recommended employer contributions are provided on Chart 13.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

Member Contributions

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively.

The basic contribution rate for the Regular benefit is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/240 of One-Year Average Final Compensation for General Tiers 1 and 2, 1/200 of Three-Year Average Final Compensation for General Tier 3 and 1/200 of One-Year Average Final Compensation for Safety Tiers 1 and 2. That age is 55 for all General Tiers 1 and 3, 60 for all General Tier 2 and 50 for Safety Tiers 1 and 2. In addition, as a result of the Settlement Agreement, General Tier 1 and Safety Tier 1 members are required to make additional basic contributions in order to receive the Settlement Benefit. The total basic Regular plus Settlement rate is 1/160 of One-Year Average Final Compensation at retirement age 55 for General Tier 1 and 1/160 of One-Year Average Final Compensation at retirement age 50 for Safety Tier 1.

It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions, members pay one-half of the total normal cost necessary to fund their cost-of-living benefits. Accumulation includes semi-annual crediting of interest at the assumed investment earning rate.

The member contribution rates are provided in Appendix A.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

CHART 13

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

	June 30, 2007						June 30, 2006	
	REGULAR		SETTLEMENT		TOTAL		REGULAR & SETTLEMENT	
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
General Tier 1 Members								
Normal Cost	13.01%	\$42,725	3.83%	\$12,578	16.84%	\$55,303	15.66%	\$51,428
UAAL	<u>7.91%</u>	<u>25,977</u>	<u>1.96%</u>	<u>6,436</u>	<u>9.87%</u>	<u>32,413</u>	<u>7.70%</u>	<u>25,287</u>
Total Contribution	20.92%	\$68,702	5.79%	\$19,014	26.71%	\$87,716	23.36%	\$76,715
General Tier 2 Members								
Normal Cost	14.23%	\$487	0.76%	\$26	14.99%	\$513	13.45%	\$460
UAAL	<u>7.91%</u>	<u>271</u>	<u>1.96%</u>	<u>67</u>	<u>9.87%</u>	<u>338</u>	<u>7.70%</u>	<u>263</u>
Total Contribution	22.14%	\$758	2.72%	\$93	24.86%	\$851	21.15%	\$723
General Tier 3 Members **								
Normal Cost	12.70%	\$958	0.29%	\$22	12.99%	\$980	13.45%	\$1,015
UAAL	<u>7.91%</u>	<u>597</u>	<u>1.96%</u>	<u>148</u>	<u>9.87%</u>	<u>745</u>	<u>7.70%</u>	<u>581</u>
Total Contribution	20.61%	\$1,555	2.25%	\$170	22.86%	\$1,725	21.15%	\$1,596
Safety Tier 1 Members								
Normal Cost	19.91%	\$12,621	3.94%	\$2,498	23.85%	\$15,119	21.19%	\$13,433
UAAL	<u>13.79%</u>	<u>8,742</u>	<u>0.92%</u>	<u>583</u>	<u>14.71%</u>	<u>9,325</u>	<u>10.15%</u>	<u>6,434</u>
Total Contribution	33.70%	\$21,363	4.86%	\$3,081	38.56%	\$24,444	31.34%	\$19,867
Safety Tier 2 Members								
Normal Cost	20.92%	\$318	0.21%	\$3	21.13%	\$321	19.22%	\$292
UAAL	<u>13.79%</u>	<u>209</u>	<u>0.92%</u>	<u>14</u>	<u>14.71%</u>	<u>223</u>	<u>10.15%</u>	<u>154</u>
Total Contribution	34.71%	\$527	1.13%	\$17	35.84%	\$544	29.37%	\$446
All Categories Combined								
Normal Cost	14.13%	\$57,109	3.74%	\$15,127	17.87%	\$72,236	16.48%	\$66,628
UAAL	<u>8.85%</u>	<u>35,796</u>	<u>1.80%</u>	<u>7,248</u>	<u>10.65%</u>	<u>43,044</u>	<u>8.09%</u>	<u>32,719</u>
Total Contribution	22.98%	\$92,905	5.54%	\$22,375	28.52%	\$115,280	24.57%	\$99,347

*Amounts are in thousands and are based on June 30, 2007 projected annual compensation (also in thousands):

General Tier 1	\$328,403
General Tier 2	3,420
General Tier 3	7,544
Safety Tier 1	63,392
Safety Tier 2	1,518
Total Compensation	<u>\$404,277</u>

**General Tier 3 rates were not determined until after the June 30, 2006 valuation.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

CHART 14

Breakdown of Employer Contribution Rate Into Basic and COLA

	June 30, 2007					June 30, 2006				
	General			Safety		General		Safety		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	
Normal Cost										
Regular - Basic	10.68%	12.42%	10.44%	15.99%	17.02%	10.06%	11.00%	14.22%	15.44%	
Regular - COLA	2.33%	2.37%	2.30%	3.92%	3.90%	2.20%	2.19%	3.47%	3.60%	
Section 6	3.52%	0.00%	0.00%	3.67%	0.00%	3.13%	0.00%	3.26%	0.00%	
Section 8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Section 9	0.31%	0.20%	0.25%	0.27%	0.21%	0.27%	0.26%	0.24%	0.18%	
UAAL										
Regular - Basic	2.00%	2.00%	2.00%	2.22%	2.22%	1.55%	1.55%	0.71%	0.71%	
Regular - COLA	5.91%	5.91%	5.91%	11.57%	11.57%	5.14%	5.14%	9.28%	9.28%	
Section 6	1.67%	1.67%	1.67%	0.63%	0.63%	0.75%	0.75%	-0.10%	-0.10%	
Section 8	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	
Section 9	0.25%	0.25%	0.25%	0.25%	0.25%	0.22%	0.22%	0.22%	0.22%	

Note: Please refer to Section 4, Exhibit V for definition of Regular and Settlement Sections 6, 8 and 9 benefits.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

The employer contribution rates as of June 30, 2007 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Employer Contribution

The chart below details the changes in the recommended employer contribution from the prior valuation to the current year's valuation.

The chart reconciles the employer contribution from the prior valuation to the amount determined in this valuation.

CHART 15

Reconciliation of Recommended Employer Contribution from June 30, 2006 to June 30, 2007 (Dollars in Thousands)

	Contribution Rate	Estimated Amount ⁽¹⁾
Recommended Contribution Rate as of June 30, 2006	24.57%	\$99,347
Effect of actuarial experience during 2006/2007:		
1. Effect of change in actuarial assumptions ⁽²⁾	3.75%	\$15,160
2. Effect of investment gain on valuation value of assets	-0.95%	-3,841
3. Effect of one year delay in implementing employer and employee contribution rates calculated in June 30, 2006 valuation	0.50%	2,021
4. Effect of demographic changes (decrease in normal cost rate)	-0.09%	-364
5. Effect of assumed transfers from General Tier 2 to General Tier 3	0.01%	40
6. Effect of salary increases greater than expected during 2006/2007	0.91%	3,679
7. Effect of other experience (gain)/loss	-0.18%	-762
Subtotal	3.95%	\$15,933
Recommended Contribution Rate as of June 30, 2007	28.52%	\$115,280

⁽¹⁾ Based on June 30, 2007 projected annual compensation.

⁽²⁾ Approximately 49%, 19%, 18% and 14% of this rate increase is due to the change in interest rate assumption, mortality assumption, salary scale assumption and other assumptions, respectively.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

The member contribution rates as of June 30, 2007 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Member Contribution Rate

The chart below details the changes in the recommended member contribution rate from the prior valuation to the current year's valuation.

CHART 16
Reconciliation of Recommended Member Contribution from June 30, 2006 to June 30, 2007 (Dollar Amounts in Thousands)

The chart reconciles the member contribution from the prior valuation to the amount determined in this valuation.

	Contribution Rate	Estimated Amount ⁽¹⁾
Average Contribution Rate as of June 30, 2006	7.45%	\$30,100
1. Effect of change in actuarial assumptions ⁽²⁾	0.67%	2,709
2. Effect of General Tier 1 repayment of under contributions (0.43% of General Tier 1 payroll)	0.35%	1,415
3. Effect of assumed transfers from General Tier 2 to General Tier 3	0.01%	42
4. Effect of demographic changes	0.01%	40
Average Contribution Rate as of June 30, 2007	8.49%	\$34,306

⁽¹⁾ Based on June 30, 2007 projected compensation.

⁽²⁾ Approximately 42%, 16%, 30% and 12% of this rate increase is due to the change in interest rate assumption, mortality assumption, salary scale assumption and other assumptions, respectively.

SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

E. INFORMATION REQUIRED BY GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the plan as calculated under GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits I, II, and III.

These graphs show key GASB factors.

CHART 17
Required Versus Actual Contributions

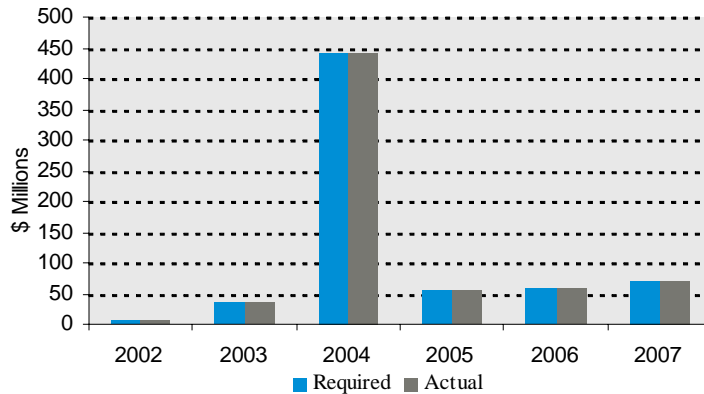
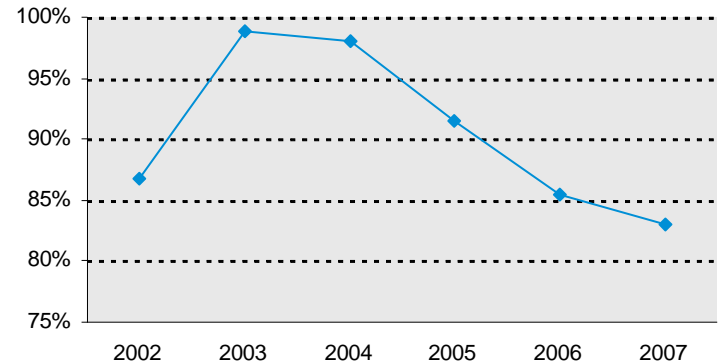


CHART 18
Funded Ratio



SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2007	2006	
Active members in valuation			
Number	6,537	6,559	-0.3%
Average age	44.1	44.0	N/A
Average service	10.0	9.9	N/A
Projected total compensation ⁽¹⁾	\$328,402,533	\$310,006,779	5.9%
Projected average compensation ⁽¹⁾	\$50,237	\$47,264	6.3%
Member account balances	\$166,988,993	\$152,825,676	9.3%
Vested terminated members			
Number	1,296	1,243	4.3%
Average age	48.2	48.3	N/A
Retired members			
Number in pay status	3,590	3,362	6.8%
Average age	68.5	68.4	N/A
Average monthly benefit ⁽²⁾	\$2,230	\$2,160	3.2%
Disabled members			
Number in pay status	187	175	6.9%
Average age	65.4	64.3	N/A
Average monthly benefit ⁽²⁾	\$1,515	\$1,572	-3.6%
Beneficiaries			
Number in pay status	447	483	-7.5%
Average age	73.7	73.0	N/A
Average monthly benefit ⁽²⁾	\$1,273	\$1,213	4.9%

⁽¹⁾ Projected compensation was calculated by increasing the annualized compensation by one-half of the inflation plus across-the-board salary increase plus merit.

⁽²⁾ Benefits include regular and settlement benefits but exclude non-vested supplemental benefits.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended June 30		Change From Prior Year
	2007	2006	
Active members in valuation			
Number	300 ⁽²⁾	140	114.3%
Average age	35.9	38.7	N/A
Average service	2.0	3.1	N/A
Projected total compensation ⁽¹⁾	\$10,964,638	\$5,023,513	118.3%
Projected average compensation ⁽¹⁾	\$36,549	\$35,882	1.9%
Member account balances	\$1,014,605	\$755,392	34.3%
Vested terminated members			
Number	6	1	500.0%
Average age	48.2	35.8	N/A
Retired members ⁽³⁾			
Number in pay status	2	0	N/A
Average age	60.3	N/A	N/A
Average monthly benefit	\$2,916	0	N/A
Disabled members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit	0	0	0.0%
Beneficiaries			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit	0	0	0.0%

⁽¹⁾ Projected compensation was calculated by increasing the annualized compensation by one-half of the inflation plus across-the-board salary increase plus merit.

⁽²⁾ Based on bargaining unit codes U02, U03, U04, U12, U22, U31, and U36, it is anticipated that 230 out of the 300 members will be transferred to Tier 3 effective December 2007. Their projected payroll is \$7,544,308 on June 30, 2007.

⁽³⁾ Former General Tier 1 members transferred to General Tier 2.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

iii. Safety Tier 1

Category	Year Ended June 30		Change From Prior Year
	2007	2006	
Active members in valuation			
Number	934	973	-4.0%
Average age	40.0	39.5	N/A
Average service	11.1	10.6	N/A
Projected total compensation ⁽¹⁾	\$63,391,979	\$60,661,433	4.5%
Projected average compensation ⁽¹⁾	\$67,871	\$62,345	8.9%
Member account balances	\$39,925,257	\$37,555,761	6.3%
Vested terminated members			
Number	91	89	2.2%
Average age	44.8	44.0	N/A
Retired members			
Number in pay status	409	374	9.4%
Average age	64.1	64.2	N/A
Average monthly benefit ⁽²⁾	\$3,682	\$3,497	5.3%
Disabled members			
Number in pay status	119	113	5.3%
Average age	55.2	54.3	N/A
Average monthly benefit ⁽²⁾	\$2,717	\$2,931	-7.3%
Beneficiaries			
Number in pay status	77	72	6.9%
Average age	65.0	64.6	N/A
Average monthly benefit ⁽²⁾	\$1,865	\$1,802	3.5%

⁽¹⁾ Projected compensation was calculated by increasing the annualized compensation by one-half of the inflation plus across-the-board salary increase plus merit.

⁽²⁾ Benefits include regular and settlement benefits but exclude non-vested supplemental benefits.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

iv. Safety Tier 2

Category	Year Ended June 30		Change From Prior Year
	2007	2006	
Active members in valuation			
Number	31	14	121.4%
Average age	28.1	28.9	N/A
Average service	0.9	0.4	N/A
Projected total compensation ⁽¹⁾	\$1,517,511	\$578,356	162.4%
Projected average compensation ⁽¹⁾	\$48,952	\$41,311	18.5%
Member account balances	\$94,196	\$15,136	522.3%
Vested terminated members			
Number	0	0	0.0%
Average age	N/A	N/A	N/A
Retired members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit	0	0	0.0%
Disabled members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit	0	0	0.0%
Beneficiaries			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit	0	0	0.0%

⁽¹⁾ Projected compensation was calculated by increasing the annualized compensation by one-half of the inflation plus across-the-board salary increase plus merit.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of June 30, 2007**

i. General Tier 1

Age	Total	Years of Service									
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over	
Under 25	154	154	--	--	--	--	--	--	--	--	--
	\$29,903	\$29,903	--	--	--	--	--	--	--	--	--
25 - 29	665	494	170	1	--	--	--	--	--	--	--
	39,339	38,154	\$42,738	\$46,721	--	--	--	--	--	--	--
30 - 34	819	331	451	37	--	--	--	--	--	--	--
	45,530	40,991	48,235	53,173	--	--	--	--	--	--	--
35 - 39	872	260	400	162	50	--	--	--	--	--	--
	49,962	43,875	51,861	55,463	\$48,599	--	--	--	--	--	--
40 - 44	822	199	282	159	164	15	3	--	--	--	--
	51,386	44,981	51,656	55,176	55,187	\$49,380	\$52,395	--	--	--	--
45 - 49	952	171	271	151	218	93	46	2	--	--	--
	53,503	45,828	50,821	56,864	57,440	59,079	56,960	\$51,636	--	--	--
50 - 54	1,007	138	247	151	188	98	148	35	2	--	--
	54,667	46,141	53,374	52,685	56,208	60,626	60,542	56,696	\$45,136	--	--
55 - 59	855	87	204	122	162	104	89	82	5	--	--
	55,182	50,241	50,697	51,046	54,218	57,261	59,168	72,455	58,868	--	--
60 - 64	315	35	102	49	73	28	21	4	3	--	--
	54,289	47,383	51,395	57,441	56,227	64,579	57,640	39,435	34,961	--	--
65 - 69	60	11	19	14	7	6	2	--	1	--	--
	55,589	60,386	48,019	57,816	67,532	58,015	33,936	--	60,626	--	--
70 & over	16	5	3	1	5	1	--	1	--	--	--
	58,716	65,101	50,516	27,782	63,613	43,125	--	73,438	--	--	--
Total	6,537	1,885	2,149	847	867	345	309	124	11	--	--
	\$50,237	\$41,699	\$50,226	\$54,538	\$55,650	\$58,930	\$59,164	\$66,614	\$50,011	--	--

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of June 30, 2007**

ii. General Tier 2

Age	Total	Years of Service							
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	44	44	--	--	--	--	--	--	--
	\$29,543	\$29,543	--	--	--	--	--	--	--
25 - 29	77	74	3	--	--	--	--	--	--
	35,176	35,202	\$34,542	--	--	--	--	--	--
30 - 34	41	35	6	--	--	--	--	--	--
	36,708	35,563	43,383	--	--	--	--	--	--
35 - 39	40	30	9	1	--	--	--	--	--
	36,015	33,817	42,644	\$42,300	--	--	--	--	--
40 - 44	33	23	8	2	--	--	--	--	--
	41,210	40,742	38,394	57,860	--	--	--	--	--
45 - 49	24	16	7	1	--	--	--	--	--
	39,069	38,936	33,505	80,149	--	--	--	--	--
50 - 54	21	12	6	2	1	--	--	--	--
	42,787	37,788	52,206	51,370	\$29,088	--	--	--	--
55 - 59	13	13	--	--	--	--	--	--	--
	45,425	45,425	--	--	--	--	--	--	--
60 - 64	6	6	--	--	--	--	--	--	--
	31,732	31,732	--	--	--	--	--	--	--
65 - 69	1	--	1	--	--	--	--	--	--
	33,551	--	33,551	--	--	--	--	--	--
70 & Over	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total	300	253	40	6	1	--	--	--	--
	\$36,549	\$35,409	\$40,905	\$56,818	\$29,088	--	--	--	--

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of June 30, 2007**

iii. Safety Tier 1

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	21	21	--	--	--	--	--	--	--
	\$40,723	\$40,723	--	--	--	--	--	--	--
25 - 29	109	93	16	--	--	--	--	--	--
	54,023	51,764	\$67,151	--	--	--	--	--	--
30 - 34	186	65	102	19	--	--	--	--	--
	65,006	54,923	69,743	\$74,068	--	--	--	--	--
35 - 39	175	29	70	61	15	--	--	--	--
	68,302	53,880	70,113	72,371	\$71,189	--	--	--	--
40 - 44	165	12	34	47	64	8	--	--	--
	71,070	52,528	68,357	69,269	76,033	\$81,279	--	--	--
45 - 49	136	9	15	19	48	33	12	--	--
	74,523	57,294	71,945	68,457	69,822	82,994	\$95,783	--	--
50 - 54	85	1	3	9	19	11	33	9	--
	79,621	54,024	71,380	67,115	74,674	81,456	85,871	\$83,005	--
55 - 59	42	6	5	7	13	4	6	--	1
	70,391	44,317	67,849	67,068	72,278	81,897	80,780	--	\$129,941
60 - 64	13	--	5	6	1	--	--	--	1
	67,245	--	66,643	74,885	72,762	--	--	--	18,904
65 - 69	2	--	--	2	--	--	--	--	--
	72,132	--	--	72,132	--	--	--	--	--
70 & Over	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total	934	236	250	170	160	56	51	9	2
	\$67,871	\$51,982	\$69,544	\$70,855	\$73,229	\$82,369	\$87,604	\$83,005	\$74,423

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of June 30, 2007**

iv. Safety Tier 2

Age	Years of Service						
	Total	0-4	5-9	10-14	15-19	20-24	25-29
Under 25	12	12	--	--	--	--	--
	\$49,832	\$49,832	--	--	--	--	--
25 - 29	14	14	--	--	--	--	--
	48,668	48,668	--	--	--	--	--
30 - 34	1	1	--	--	--	--	--
	38,432	38,432	--	--	--	--	--
35 - 39	2	2	--	--	--	--	--
	51,935	51,935	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
45 - 49	1	1	--	--	--	--	--
	34,615	34,615	--	--	--	--	--
50 - 54	1	1	--	--	--	--	--
	61,257	61,257	--	--	--	--	--
55 - 59	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
70 & Over	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
Total	31	31	--	--	--	--	--
	\$48,952	\$48,952	--	--	--	--	--

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT C

Reconciliation of Member Data – June 30, 2006 to June 30, 2007

	Active Members	Vested Terminated Members	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2006	7,686	1,333	3,736	288	555	13,598
New members	747	0	0	0	0	747
Terminations – with vested rights	-158	158	0	0	0	0
Contributions refunds	-290	-29	0	0	0	-319
Retirements	-179	-75	254	0	0	0
New disabilities	-6	0	-2	8	0	0
Return to work	11	-11	0	0	0	0
Died with or without beneficiary	-9	-1	-94	-6	46	-64
Data adjustments	0	18	107*	16*	-77*	64
Number as of June 30, 2007	7,802	1,393	4,001	306	524	14,026

* About 70 beneficiaries were reclassified as pensioners/disableds by FCERA.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30,	
	2007	2006
Contribution income:		
Employer contributions	\$69,996,591	\$56,663,565
Employee contributions	<u>33,528,144</u>	<u>30,569,992</u>
Contribution income	\$103,524,735	\$87,233,557
Investment income:		
Interest, dividends and other income	\$90,270,568	\$75,008,628
Adjustment toward market value	184,585,894	98,559,225
Less investment and administrative fees	<u>-15,038,177</u>	<u>-13,093,323</u>
Net investment income	<u>259,818,285</u>	<u>160,474,530</u>
Total income available for benefits	\$363,343,020	\$247,708,087
Less benefit payments:		
Service retirement	-\$119,850,689	-\$109,886,053
Death payments	-1,180,861	-825,243
Supplemental cost of living	-1,597,165	-1,749,130
Members refunds	-2,112,627	-1,185,450
Health insurance subsidies	<u>-8,851,308</u>	<u>-8,532,214</u>
Benefit payments	-\$133,592,651	-\$122,178,089
Change in reserve for future benefits	\$229,750,369	\$125,529,998

Note: Does not reflect reduction of \$3,169,000 for net overpayment of member contributions discounted to June 30, 2007.

Results may not total properly due to rounding.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT E

Summary Statement of Assets

	Year Ended June 30,	
	2007	2006
Cash equivalents	\$154,228,885	\$80,352,760
Accounts receivable:		
Investment trades	\$110,066,140	\$37,303,546
Interest and dividends	7,550,675	6,511,681
Contributions and others	15,250,092	3,454,492
Securities lending	<u>1,933,042</u>	<u>1,408,220</u>
Total accounts receivable	134,799,949	48,677,938
Investments:		
Equities	\$1,853,717,358	\$1,506,544,101
Fixed income	728,699,279	696,350,853
Real estate	103,897,729	147,104,881
Securities lending collateral	445,448,537	356,419,305
Capital assets	2,453,804	2,572,720
Others	<u>157,801,716</u>	<u>165,136,121</u>
Total investments at market value	<u>3,292,018,422</u>	<u>2,874,127,981</u>
Total assets	<u>\$3,581,047,256</u>	<u>\$3,003,158,679</u>
Less accounts payable:		
Investment trades	-\$179,298,842	-\$110,706,430
Cash collateral payable for securities lending	-445,448,537	-356,419,305
Securities lending bank and broker fees	-1,801,106	-1,292,966
Others	<u>-15,846,478</u>	<u>-5,075,872</u>
Total accounts payable	-\$642,394,962	-\$473,494,573
Net assets at market value	<u>\$2,938,652,293</u>	<u>\$2,529,664,106</u>
Net assets at actuarial value	<u>\$2,692,591,031</u>	<u>\$2,462,840,662</u>
Net assets at valuation value	<u>\$2,613,438,213</u>	<u>\$2,398,454,407</u>

Note: Does not reflect reduction of \$3,169,000 for net overpayment of member contributions discounted to June 30, 2007.

Results may not total properly due to rounding.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT F

Actuarial Balance Sheet

An overview of your Plan’s funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the “liability” of the Plan.

Second, we determine how this liability will be met. These actuarial “assets” include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments.

Actuarial Balance Sheet (Dollar Amounts in Thousands)

Assets	<u>Total</u>
1. Total valuation assets	\$2,610,269*
2. Present value of future contributions by members	\$263,415
3. Present value of future employer contributions for:	
a. entry age normal cost	\$521,792
b. unfunded actuarial accrued liability	\$539,301
4. Total current and future assets	\$3,934,777
Liabilities	
5. Present value of benefits already granted	\$1,549,822
6. Present value of benefits to be granted	\$2,384,955
7. Total liabilities	\$3,934,777

**After decreasing assets by \$3,169 for a net overpayment of member contributions discounted to June 30, 2007.*

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT G

Summary of Reported Asset Information as of June 30, 2007

	Reserves
Used in Development of Valuation Value of Assets	
<i>Regular Valuation Reserves</i>	
Members' Accumulated Contributions	\$ 307,093,653
Current Service Reserve	575,326,312
Annuity Pension Reserve	99,544,361
Current Service Pension Reserve	609,916,439
Cost of Living Reserve	459,928,607
Survivors' Death Benefit Reserve	1,816,079
Subtotal	\$ 2,053,625,451
<i>Settlement Reserves (Section 6)</i>	
Supplemental Annuity Reserve	\$ 275,136,589
Members' Accumulated Contributions	23,516,079
Current Service Reserve	126,248,828
Annuity Pension Reserve	1,646,804
Subtotal	\$ 426,548,300
<i>Supplemental Benefit Reserve (Section 8)</i>	
	\$ 101,787,740
<i>Retiree Health Insurance Reserve (Section 9)</i>	
	\$ 31,476,722
Total	\$2,613,438,213
Not Used in Development of Valuation Value of Assets	
<i>Supplemental COLA</i>	\$ 8,588,763
<i>Contingency Reserve (Limited to No Less Than \$0)</i>	15,964,770
<i>Retiree Health Insurance Reserves</i>	54,599,285
<i>Market Stabilization Reserve</i>	246,061,262
Total	\$ 325,214,080
Grand Total	\$ 2,938,652,293

Note: Does not reflect reduction of \$3,169,000 for net overpayment of member contributions discounted to June 30, 2007.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability as of June 30, 2007

	(Dollar amounts in Thousands)
1 Unfunded actuarial accrued liability at beginning of year	\$405,536
2 Gross Normal Cost payable at middle of year	93,442
3 Actual employer and member contributions	-103,525
4 Interest (full year on (1) plus half year on (2) + (3))	<u>32,681</u>
5 Expected unfunded actuarial accrued liability at end of year	\$428,134
6 Actuarial (gain)/loss due to all changes:	
a. Gain from investment return	-\$42,823
b. Change in actuarial assumptions	108,905*
c. Higher than expected salary increase	56,450
d. Net overpayment of member contributions	3,169
e. Implementation of General Tier 3	333
f. Other experience (gain)/loss	<u>-14,867</u>
g. Subtotal	\$111,167
7 Actual unfunded actuarial accrued liability at end of year (5) + (6g)	\$539,301

**Approximately 55%, 22%, 6% and 17% of this UAAL increase is due to the change in interest rate assumption, mortality assumption, salary scale assumption and other assumptions, respectively.*

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT I

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar indexed for inflation. That limit is \$180,000 for 2007 and \$185,000 for 2008. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must generally be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contributions rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

EXHIBIT J

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial

Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future net, in this case, of investment and administrative expenses.
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount of contributions required to fund the level cost allocated to the current year of service.

Actuarial Accrued Liability

For Actives:

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability

For Pensioners:

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Unfunded (Overfunded) Actuarial

Accrued Liability:

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan. There are many approaches to paying off the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

SECTION 3: Supplemental Information for the Fresno County Employees' Retirement Association

**Amortization of the Unfunded
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

EXHIBIT I

Supplementary Information Required by GASB – Schedule of Employer Contributions (Dollar Amounts in Millions)

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2002 ⁽¹⁾	\$8	\$8	100.0%
2003 ⁽¹⁾	34	34	100.0%
2004 ⁽¹⁾	443 ⁽²⁾	443 ⁽²⁾	100.0%
2005 ⁽¹⁾	56	56	100.0%
2006 ⁽¹⁾	57	57	100.0%
2007	70	70	100.0%

⁽¹⁾ Source: June 30, 2006 CAFR.

⁽²⁾ The employer contributions for 2004 include \$398 million in proceeds from Pension Obligation Bonds issued by Fresno County in March 2004. The regular contributions totaled \$45 million.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

EXHIBIT II

Supplementary Information Required by GASB – Schedule of Funding Progress (Dollar Amounts in Thousands)

Actuarial Valuation Date	Valuation Value of Assets⁽¹⁾ (a)	Actuarial Accrued Liability (AAL)⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (%) (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) [(b) - (a)] / (c)
6/30/2002 ⁽¹⁾	\$1,674,900	\$1,932,300	\$257,400	86.7	\$326,975	78.7
6/30/2003 ⁽¹⁾	1,922,149	1,953,490	30,841	98.9	341,981	9.0
6/30/2004 ⁽¹⁾	1,977,097	2,017,971	40,874	98.0	337,614	12.1
6/30/2005 ⁽²⁾	2,044,389	2,233,594	189,205	91.5	351,049	53.9
6/30/2006	2,398,454	2,803,990	405,536	85.5	376,270	107.8
6/30/2007	2,610,269 ⁽³⁾	3,149,570	539,301	82.9	404,277	133.4

⁽¹⁾ Source: June 30, 2006 CAFR.

⁽²⁾ Before the Board amended its funding policy to eliminate the requirement that one-half of the COLA UAAL be paid by members. After the amendment, the AAL was \$2,545,620, the VVA was \$2,270,141, the funded percentage was 89.2% and the UAAL was \$275,479.

⁽³⁾ After decreasing assets by \$3,169 for a net overpayment of member contributions discounted to June 30, 2007.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

EXHIBIT III

Supplementary Information Required by GASB

Valuation date	June 30, 2007
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll for total unfunded liability
Remaining amortization period	26 years (declining) for UAAL established as of June 30, 2003 plus 15 years (declining) for UAAL and change in actuarial assumption established on each subsequent valuation. The increase in UAAL due to benefit improvements is amortized over 30 years.
Asset valuation method	The Actuarial Value of Assets is determined by phasing in any difference between the actual and the expected market return over 10 six-month interest crediting periods. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.
Actuarial assumptions:	
Investment rate of return	8.00%
Inflation rate	3.75%
Real across-the-board salary increase	0.25%
Projected salary increases*	General: 4.90% to 10.00% and Safety: 5.25% to 10.00%
Cost of living adjustments	3.00% of retirement income
Plan membership:	
Retired members and beneficiaries receiving benefits	4,831
Terminated members entitled to, but not yet receiving benefits	1,393
Active members	<u>7,802</u>
Total	14,026

* Includes inflation at 3.75% plus real across-the-board salary increase of 0.25% plus merit and longevity increases. See Exhibit IV for these increases.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Post – Retirement Mortality Rates:

Healthy:

For General Members and all Beneficiaries: RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers.

For Safety Members: RP-2000 Healthy Annuitant Mortality, with adjustment for blue collar workers set back two years.

Disabled:

For General Members: RP-2000 Disabled Annuitant Mortality set back one year.

For Safety Members: RP-2000 Disabled Annuitant Mortality set back two years.

Employee Contribution Rates:

For General Members: RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers weighted 1/3 male and 2/3 female.

For Safety Members: RP-2000 Healthy Annuitant Mortality, with adjustment for blue collar workers set back two years, weighted 5/6 male and 1/6 female.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Termination Rates Before Retirement:

Age	Rate (%)			
	Mortality			
	General ⁽¹⁾		Safety ⁽²⁾	
	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.03	0.04	0.02
35	0.06	0.05	0.09	0.04
40	0.09	0.06	0.13	0.07
45	0.13	0.10	0.16	0.12
50	0.20	0.16	0.21	0.17
55	0.33	0.26	0.33	0.24
60	0.56	0.47	0.64	0.38
65	1.11	0.87	1.23	0.80

⁽¹⁾ All pre-retirement deaths are assumed to be non-service connected.

⁽²⁾ Rates shown are for non-service deaths. An additional 0.10% per year is used to predict service connected death for Safety members (male and female).

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Termination Rates Before Retirement (Continued):

Age	Rate (%)		
	Disability		
	General ⁽¹⁾		Safety ⁽²⁾
	Male	Female	Male and Female
20	0.01	0.01	0.01
25	0.01	0.01	0.10
30	0.02	0.02	0.20
35	0.02	0.06	0.37
40	0.05	0.10	0.60
45	0.18	0.14	0.86
50	0.31	0.18	1.20
55	0.44	0.26	2.36
60	0.92	0.42	1.20

⁽¹⁾ One-third of General disabilities are assumed to be duty disabilities. The other two-third are assumed to be ordinary disabilities.

⁽²⁾ 100% of Safety disabilities are assumed to be duty disabilities.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Termination Rates Before Retirement (Continued):

Rate (%)			
Total Termination (< 5 Years of Service)			
Years of Service	General		Safety
	Male	Female	Male and Female
0	10.00	11.00	9.00
1	7.00	9.00	6.00
2	7.00	7.00	5.00
3	6.00	6.00	4.00
4	6.00	6.00	4.00

Rate (%)			
Total Termination (5+ Years of Service)			
Age	General		Safety
	Male	Female	Male and Female
20	5.00	7.00	4.00
25	5.00	7.00	4.00
30	5.00	7.00	3.70
35	4.70	6.10	3.20
40	4.50	4.90	2.70
45	4.20	4.20	1.60
50	3.40	3.40	1.00
55	2.40	2.40	0.00
60	2.00	2.00	0.00

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Termination Rates Before Retirement (Continued):

**Proportion of Total Termination Assumed to
Receive Refunds and Deferred Vested Benefits (%)**

Years of Service	Refunds	Deferred Vested Benefits
0-4	85.00	15.00
5-9	30.00	70.00
10-14	30.00	70.00
15-19	30.00	70.00
20 or more	30.00	70.00

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Retirement Rates:

Age	Rate (%)				
	General Tier 1 Male	General Tier 1 Female	General Tier 2 Male & Female	General Tier 3 Male & Female	Safety Tiers 1 and 2 Male & Female
45	0.00	0.00	0.00	0.00	1.00
46	0.00	0.00	0.00	0.00	1.00
47	0.00	0.00	0.00	0.00	1.00
48	0.00	0.00	0.00	0.00	1.00
49	0.00	0.00	0.00	0.00	3.00
50	4.00	4.00	3.00	3.00	5.00
51	4.00	4.00	3.00	3.00	6.00
52	4.00	4.00	3.60	3.60	9.00
53	4.00	4.00	3.60	3.60	14.00
54	4.00	4.00	4.20	4.20	25.00
55	7.00	10.00	8.40	8.40	45.00
56	11.00	12.00	10.00	10.00	35.00
57	16.00	12.00	10.00	10.00	25.00
58	20.00	15.00	10.00	10.00	30.00
59	25.00	16.00	10.00	15.00	40.00
60	30.00	22.00	15.00	19.20	100.00
61	30.00	25.00	15.00	19.20	100.00
62	34.00	40.00	25.00	34.20	100.00
63	34.00	25.00	24.00	23.70	100.00
64	34.00	22.00	24.00	23.70	100.00
65	43.00	30.00	35.00	43.30	100.00
66	48.00	35.00	34.00	33.30	100.00
67	53.00	40.00	34.00	33.30	100.00
68	60.00	45.00	35.00	40.00	100.00
69	70.00	50.00	35.00	46.70	100.00
70	100.00	100.00	100.00	100.00	100.00

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Retirement Age and Benefit for Deferred Vested Members

For current deferred vested members, retirement assumptions are as follows:

General: Age 58
Safety: Age 55

We assume that 40% of future General and 55% of future Safety deferred vested members will continue to work for a reciprocal employer. For these members, we assume 4.90% and 5.25% compensation increases per annum for General and Safety members, respectively.

Future Benefit Accruals:

1.0 year of service per year of employment.

Annual Leave Conversion:

The following assumptions for service converted from unused annual leave at retirement are used:

New Annual Leave Plan:

40 hours per year of service.

Annual Leave Plan II:

25 hours per year of service.

Vacation/Sick Leave Plans:

20 hours per year of service for General and 45 hours per year of service for Safety.

Annual Leave IV Plan or

the Old Annual Leave Plan:

Based on actual hours in a member's frozen time off bank.

Unknown Data for Members:

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Inclusion of Deferred Vested Members:

All deferred vested members are included in the valuation.

Percent Married:

80% of male members; 55% of female members.

Age of Spouse:

Wives are 3 years younger than their husbands.

Net Investment Return:

8.00%, net of administration and investment expenses

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

**Employee Contribution
Crediting Rate:**

3.00%, compounded semi-annually.

Consumer Price Index:

Increase of 3.75% per year, retiree COLA increases due to CPI subject to a 3.00% maximum change per year for all General and Safety.

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.75%; an additional 0.25% “across the board” salary increases (other than inflation); plus the following Merit and Longevity increases based on age.

Service	General	Safety
0	6.00%	6.00%
1	5.50%	5.00%
2	5.25%	3.50%
3	5.00%	3.50%
4	4.75%	3.50%
5	1.50%	3.50%
6	1.25%	3.50%
7	1.00%	3.50%
8 or more	0.90%	1.25%

**Transfers from General Tier 2 to
General Tier 3:**

It is assumed that 100% of all active members with bargaining unit codes U02, U03, U04, U12, U22, U31 and U36 will be transferred from General Tier 2 to Tier 3.

Actuarial Value of Assets:

The Actuarial Value of Assets is determined by phasing in any difference between actual and expected market return over 10 six-month interest crediting periods.

Valuation Value of Assets:

The Actuarial Value of Assets reduced by the value of the non-valuation reserves.

Actuarial Cost Method:

Entry Age Normal Actuarial Cost Method. Entry Age is the age at the member’s hire date. Normal cost and Actuarial Accrued Liability are calculated on an individual basis and is based on costs allocated as a level percentage of compensation.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions: Based on the June 30, 2006 review of non-economic assumptions and the June 30, 2007 review of economic assumptions, numerous assumptions were changed. Previously, these assumptions were as follows:

Post – Retirement Mortality Rates:

Healthy:

For General Members and all Beneficiaries: RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers.

For Safety Members: RP-2000 Healthy Annuitant Mortality, with adjustment for blue collar workers.

Disabled:

For General and Safety Members: RP-2000 Disabled Annuitant Mortality.

Employee Contribution Rates:

For General members: RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers weighted 1/3 male and 2/3 female.

For Safety members: RP-2000 Healthy Annuitant Mortality, with adjustment for blue collar workers, weighted 5/6 male and 1/6 female.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

Termination Rates Before Retirement:

Rate (%)				
Mortality				
General⁽¹⁾			Safety⁽²⁾	
Age	Male	Female	Male	Female
25	0.11	0.03	0.10	0.03
30	0.12	0.04	0.12	0.03
35	0.22	0.07	0.20	0.06
40	0.30	0.10	0.28	0.08
45	0.42	0.16	0.40	0.13
50	0.60	0.24	0.56	0.20
55	0.54	0.35	0.72	0.28
60	0.66	0.56	0.00	0.00
65	1.16	0.91	0.00	0.00

⁽¹⁾ All pre-retirement deaths are assumed to be non-service connected.

⁽²⁾ Rates shown are for non-service deaths. Rates for service connected deaths are 0.10% for all ages (males and females)

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

Termination Rates Before Retirement (Continued):

Age	Rate (%)		
	Disability		
	General ⁽¹⁾		Safety ⁽²⁾
	Male	Female	Male and Female
20	0.01	0.01	0.06
25	0.02	0.02	0.10
30	0.02	0.02	0.16
35	0.03	0.03	0.29
40	0.05	0.05	0.49
45	0.09	0.08	0.77
50	0.17	0.14	1.23
55	0.29	0.21	1.75
60	0.39	0.31	0.00

⁽¹⁾ One-third of General disabilities are assumed to be duty disabilities. The other two-third are assumed to be ordinary disabilities.

⁽²⁾ 100% of Safety disabilities are assumed to be duty disabilities.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

Termination Rates Before Retirement (Continued):

Total Termination			
Age	General		Safety
	Male	Female	Male and Female
20	7.50	8.40	7.01
25	6.80	7.56	5.13
30	6.30	6.96	5.93
35	5.80	6.36	3.93
40	5.30	5.76	2.07
45	4.80	5.16	0.80
50	4.30	4.56	0.33
55	3.80	3.96	0.00
60	3.30	3.36	0.00

**Proportion of Total Termination Assumed to
Receive Refunds and Deferred Vested Benefit (%)**

<u>Years of Service</u>	<u>Refunds</u>	<u>Deferred Vested Benefits</u>
0-4	100.00	0.00
5-9	25.00	75.00
10-14	16.70	83.30
15-19	10.00	90.00
20 or more	0.00	100.00

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

Retirement Rates:

Age	Rate(%)			
	General Tier 1 - Male	General Tier 1 - Female	General Tier 2 – Male & Female*	Safety Tiers 1 & 2 Male and Female
50	5.00	4.00	3.00	6.00**
51	3.00	4.00	3.00	7.00
52	3.00	4.00	3.60	8.00
53	3.00	4.00	3.60	15.00
54	4.50	4.00	4.20	25.00
55	6.00	10.00	8.40	50.00
56	10.00	10.00	10.00	25.00
57	15.00	10.00	10.00	25.00
58	20.00	15.00	10.00	40.00
59	25.00	17.50	10.00	40.00
60	30.00	20.00	15.00	100.00
61	30.00	20.00	15.00	100.00
62	50.00	40.00	25.00	100.00
63	30.00	20.00	24.00	100.00
64	30.00	20.00	24.00	100.00
65	40.00	45.00	35.00	100.00
66	40.00	30.00	34.00	100.00
67	40.00	30.00	34.00	100.00
68	60.00	30.00	35.00	100.00
69	80.00	30.00	35.00	100.00
70	100.00	100.00	100.00	100.00

* Determined, in part, by incorporating the retirement age assumptions currently used by another 1937 Act System that provides benefits under Section 31676.16.

**The retirement rates for Safety Tiers 1 and 2 are 3% for ages 45 through 49.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

**Retirement Age and Benefit for
Deferred Vested Members**

For current deferred vested members, retirement assumptions are as follows:

General: Age 63
Safety: Age 55

We assume that 50% of future General and Safety deferred vested members will continue to work for a reciprocal employer. For these members, we assume 4.75% and 5.00% compensation increases per annum for General and Safety members, respectively.

Annual Leave Conversion:

The following assumptions for service converted from unused annual leave at retirement are used:

New Annual Leave Plan

60 hours per year of service.

Annual Leave Plan II

30 hours per year of service.

Vacation/Sick Leave Plans

20 hours per year of service for General and 30 hours per year of service for Safety.

*Annual Leave IV Plan or
the Old Annual Leave Plan*

Based on actual hours in a member's frozen time off bank.

Percent Married:

90% of male members; 50% of female members.

Net Investment Return:

8.16%, net of administration and investment expenses

Consumer Price Index:

Increase of 4.00% per year, retiree COLA increases due to CPI subject to a 3% maximum change per year for all General and Safety.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Changes in Actuarial Assumptions (Continued)

Salary Increases:

<u>Annual Rate of Compensation Increase</u>		
Inflation: 4.00%; an additional 0.00% “across the board” salary increases (other than inflation); plus the following Merit and Longevity increases based on age.		
<u>Service</u>	<u>General</u>	<u>Safety</u>
0	5.00%	2.00%
1	5.00%	2.00%
2	5.00%	2.00%
3	5.00%	2.00%
4	5.00%	2.00%
5	0.75%	2.00%
6	0.75%	2.00%
7	0.75%	2.00%
8 or more	0.75%	1.00%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the FCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership Eligibility:

	Membership with FCERA usually begins with the first day of the pay period following the date of appointment to a permanent position of at least 50% full-time.
<i>General and Safety Tier 1</i>	All General and Safety members hired on or before June 30, 2005 and General and Safety members of certain bargaining units hired after June 30, 2005.
<i>General and Safety Tier 2</i>	General and Safety members of certain bargaining units hired after June 30, 2005 and those Tier 1 members hired on or before June 30, 2005 who elect to transfer to Tier 2.
<i>General Tier 3</i>	General members of certain bargaining units hired after December 17, 2007 and those eligible Tier 2 members hired on or before December 17, 2007 who elect to transfer to Tier 3.

Final Compensation for Benefit Determination:

<i>General and Safety Tiers 1 & 2</i>	Highest one-year average final compensation (§31462.1) (FAS1).
<i>General Tier 3</i>	Highest three-year average final compensation (§31462) (FAS3).

Service: Years of service (Yrs).

Service Retirement Eligibility:

<i>General</i>	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672).
<i>Safety</i>	Age 50 with 10 years of service, or after 20 years, regardless of age (§31663.25).

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1</i>	50	$(1.86\% \times \text{FAS1} - 1/3 \times 1.86\% \times \$350 \times 12) \times \text{Yrs}$
<i>Regular benefit under §31676.14 and Settlement benefit under §31627</i>	55	$(2.50\% \times \text{FAS1} - 1/3 \times 2.50\% \times \$350 \times 12) \times \text{Yrs}$
	60 or later	$(3.27\% \times \text{FAS1} - 1/3 \times 3.27\% \times \$350 \times 12) \times \text{Yrs}$
	Retirement Age	Benefit Formula
<i>General Tier 2 (§31676.16)</i>	50	$(1.43\% \times \text{FAS1} - 1/3 \times 1.43\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(2.00\% \times \text{FAS1} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.26\% \times \text{FAS1} - 1/3 \times 2.26\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.37\% \times \text{FAS1} - 1/3 \times 2.37\% \times \$350 \times 12) \times \text{Yrs}$
	63 or later	$(2.42\% \times \text{FAS1} - 1/3 \times 2.42\% \times \$350 \times 12) \times \text{Yrs}$
	Retirement Age	Benefit Formula
<i>General Tier 3 (§31676.15)</i>	50	$(1.49\% \times \text{FAS3} - 1/3 \times 1.49\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(2.00\% \times \text{FAS3} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.62\% \times \text{FAS3} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.82\% \times \text{FAS3} - 1/3 \times 2.82\% \times \$350 \times 12) \times \text{Yrs}$
	65 or later	$(3.13\% \times \text{FAS3} - 1/3 \times 3.13\% \times \$350 \times 12) \times \text{Yrs}$

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	Retirement Age	Benefit Formula
<i>Safety Tier 1</i>	50	$(2.50\% \times \text{FAS1} - 1/3 \times 2.50\% \times \$350 \times 12) \times \text{Yrs}$
<i>Regular benefit under §31664 and Settlement benefit under §31627</i>	55 or later	$(3.27\% \times \text{FAS1} - 1/3 \times 3.27\% \times \$350 \times 12) \times \text{Yrs}$
<i>Safety Tier 2 (§31664.2)</i>	50	$(2.29\% \times \text{FAS1} - 1/3 \times 2.29\% \times \$350 \times 12) \times \text{Yrs}$
	55 or later	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
Maximum Benefit:	100% of Highest Average Compensation (§31676.14, §31676.16, §31676.15, §31664 and §31664.2).	

Ordinary Disability:

General Tier 1, Tier 2 and Tier 3

Eligibility

Five years of service (§31720).

Benefit Formula

2.25% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 62, but the total benefit cannot be more than one-third of Final Compensation. The service retirement benefit is paid, if greater.

Safety Tier 1 and Tier 2

Eligibility

Five years of service (§31720).

Benefit Formula

2.25% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but the total benefit cannot be more than one-third of Final Compensation. The service retirement benefit is paid, if greater.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Line-of-Duty Disability:

All Members

Eligibility

No age or service requirements (§31720).

Benefit Formula

50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Pre-Retirement Death:

All Members

Eligibility

None.

Basic lump sum benefit

Refund of employee contributions with interest, plus one month's compensation for each year of service, to a maximum of six months' compensation (§31781).

Death in line of duty

50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

OR

Vested Members

Eligibility

Five years of service.

Basic benefit

60% of the greater of Service or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of the basic lump sum benefit above.

Death in line of duty

50% of Final compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

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Death After Retirement:

All Members

Service or

Ordinary Disability Retirement

60% of member's unmodified allowance continued to eligible spouse (§31760.1). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the date of retirement (§31760.1) or at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31786.1).

Line-of-Duty Disability

100% of member's allowance continued to eligible spouse (§31786).

Withdrawal Benefits:

Less than Five Years of Service

Refund of accumulated employee contributions with interest, or earned benefit at age 70 (§31628). Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund (§31629.5).

Five or More Years of Service

If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

General Tiers 1, 2 & 3 and

Safety Tiers 1 & 2

Future changes based on Consumer Price Index to a maximum of 3% per year; excess "banked" (§31870.1).

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Conversion of Annual Leave

General members

Annual Leave Plan II (5Y)	Members who entered the plan after October 10, 1983 but prior to December 13, 1998 and in bargaining groups who have agreed to this plan may convert hours in excess of 400 hours.
New Annual Leave Plan (5Y)	Members who entered the plan on or before October 10, 1983 and in bargaining groups who have agreed to this plan may convert hours in excess of 1,100 hours.
Vacation/Sick Leave Plans (5Q, 5S and 5W)	Members who entered the plan on or after December 14, 1998 and in bargaining groups who have agreed to these plans may convert all accrued sick leave hours to service upon retirement.
Annual Leave IV Plan or the Old Annual Leave Plan (5O)	Members hired on or after October 10, 1983 or prior to that date, respectively, and who are in bargaining groups who have agreed to these plans, management or are unrepresented will convert any frozen hours balance to service at retirement.

Safety members

Annual Leave Plan II (5Y)	Members who entered the plan after October 10, 1983 but prior to December 13, 1998 and in bargaining groups who have agreed to this plan may convert hours in excess of 400 hours.
New Annual Leave Plan (5Y)	Members who entered the plan on or before October 10, 1983 and in bargaining groups who have agreed to this plan may convert hours in excess of 1,100 hours.
Vacation/Sick Leave Plans (5Q, 5S and 5W)	Members who entered the plan on or after December 14, 1998 and in bargaining groups who have agreed to these plans may convert all accrued sick leave hours to service.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Annual Leave IV Plan or the Old Annual Leave Plan (50)	Members hired on or after October 10, 1983 or prior to that date, respectively, and who are in bargaining groups who have agreed to these plans, management or are unrepresented will convert any frozen hours balance to service at retirement.
County Contributions:	The amortization period for Unfunded Actuarial Accrued Liability established as of June 30, 2003 is amortized over a declining 26-year period. The amortization period for Unfunded Actuarial Accrued Liability established as a result of the Tier 3 benefit improvement is amortized over 30 years. The amortization period for UAAL established on each subsequent valuation as a result of actuarial gains or losses and changes in actuarial assumptions is a declining 15-year period.
Ventura Settlement Benefits:	
Section 6	For Tier 1 members retiring on or after January 1, 2001 – This is the difference between the regular plus settlement benefits and the regular benefit (i.e., Section 31676.14 for General Tier 1 and Section 31664 for Safety Tier 1)
Section 8	For Tier 1 members who retired prior to January 1, 2001 - \$15 per month per year of service, up to a maximum monthly benefit of \$450.
Section 9	All retired members are entitled to a \$3 per month per year of service benefit. Future increase in this benefit will be tied to the amount of future undistributed earnings. For the purpose of this valuation, it is assumed that there will be no future increase in the amount of benefit.
Non-Vested Supplemental Benefit:	Non-vested discretionary purchasing power and additional retiree health benefits are also paid to eligible retirees and beneficiaries. These benefits and the associated reserves have been excluded from the development of employer and member contribution rates in this valuation.
Member Contributions:	Please refer to Appendix A for specific rates.
<i>General Tier 1</i>	
<i>Regular Basic</i>	Provide for an average annuity at age 55 equal to 1/240 of FAS1 (§31621.3).
<i>Regular Plus Settlement Basic</i>	Provide for an average annuity at age 55 equal to 1/160 of FAS1 (§31627).
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.

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General Tier 2

Basic Provide for an average annuity at age 60 equal to 1/240 of FAS1 (§31621.4).
Cost-of-Living Provide for one-half of future Cost-of-Living costs.

General Tier 3

Basic Provide for an average annuity at age 55 equal to 1/200 of FAS3 (§31621.6 and §31630).
Cost-of-Living Provide for one-half of future Cost-of-Living costs.

Safety Tier 1

Regular Basic Provide for an average annuity at age 50 equal to 1/200 of FAS1 (§31639.5).
Regular Plus Settlement Basic Provide for an average annuity at age 50 equal to 1/160 of FAS1 (§31627).
Cost-of-Living Provide for one-half of future Cost-of-Living costs.

Safety Tier 2

Basic Provide for an average annuity at age 50 equal to 1/200 of FAS1 (§31639.5).
Cost-of-Living Provide for one-half of future Cost-of-Living costs.

Other Information:

Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for General members hired on or before March 7, 1973.

NOTE: *The summary of major plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates

Comparison of Total Member Rate⁽¹⁾ from June 30, 2007 (New) and June 30, 2006 (Current) Valuations

General Tier 1				General Tier 2			
Entry Age	Current	New ⁽²⁾	Change	Entry Age	Current	New	Change
25	6.21%	7.28%	1.07%	25	4.00%	4.42%	0.42%
35	7.51%	8.57%	1.06%	35	4.84%	5.25%	0.41%
45	9.10%	10.23%	1.13%	45	5.83%	6.26%	0.43%

General Tier 3					
Entry Age	Current ⁽³⁾	Current ⁽⁴⁾	New	Change ⁽³⁾	Change ⁽⁴⁾
25	4.00%	5.30%	5.28%	1.28%	-0.02%
35	4.84%	6.41%	6.27%	1.43%	-0.14%
45	5.83%	7.83%	7.55%	1.72%	-0.28%

Safety Tier 1				Safety Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	8.30%	9.47%	1.17%	25	7.20%	8.12%	0.92%
30	9.03%	10.23%	1.20%	30	7.82%	8.77%	0.95%
35	9.84%	11.10%	1.26%	35	8.53%	9.52%	0.99%

⁽¹⁾ Contributions for the first \$350 of monthly payroll are based on 2/3 of the above rates.

⁽²⁾ Includes an additional contribution of 0.43% of all payroll for repayment of undercontributions from General Tier 1 members.

⁽³⁾ Before reflecting Tier 3 improvement.

⁽⁴⁾ After reflecting Tier 3 improvement.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

**General Tier 1 Members' Contribution Rates based on the June 30, 2007
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Basic Settlement First \$350 per month	Basic Settlement Over \$350 per month	COLA Settlement First \$350 per month	COLA Settlement Over \$350 per month	Combined* First \$350 per month	Combined* Over \$350 per month
15	2.41%	3.24%	0.78%	1.32%	0.83%	1.24%	0.32%	0.49%	4.34%	6.29%
16	2.41%	3.24%	0.78%	1.32%	0.83%	1.24%	0.32%	0.49%	4.34%	6.29%
17	2.44%	3.28%	0.80%	1.35%	0.84%	1.26%	0.33%	0.50%	4.41%	6.39%
18	2.47%	3.33%	0.82%	1.38%	0.86%	1.28%	0.33%	0.51%	4.48%	6.50%
19	2.50%	3.37%	0.84%	1.41%	0.87%	1.31%	0.34%	0.52%	4.55%	6.61%
20	2.53%	3.42%	0.86%	1.44%	0.89%	1.33%	0.35%	0.53%	4.63%	6.72%
21	2.56%	3.47%	0.88%	1.47%	0.90%	1.35%	0.35%	0.54%	4.69%	6.83%
22	2.59%	3.51%	0.90%	1.50%	0.92%	1.38%	0.36%	0.55%	4.77%	6.94%
23	2.63%	3.56%	0.92%	1.53%	0.93%	1.40%	0.37%	0.56%	4.85%	7.05%
24	2.66%	3.61%	0.94%	1.56%	0.95%	1.42%	0.37%	0.57%	4.92%	7.16%
25	2.69%	3.66%	0.96%	1.59%	0.97%	1.45%	0.38%	0.58%	5.00%	7.28%
26	2.73%	3.71%	0.98%	1.63%	0.98%	1.47%	0.39%	0.59%	5.08%	7.40%
27	2.76%	3.76%	1.00%	1.66%	1.00%	1.50%	0.39%	0.60%	5.15%	7.52%
28	2.80%	3.81%	1.03%	1.70%	1.02%	1.53%	0.40%	0.61%	5.25%	7.65%
29	2.83%	3.87%	1.05%	1.73%	1.04%	1.55%	0.41%	0.62%	5.33%	7.77%
30	2.87%	3.92%	1.08%	1.77%	1.05%	1.58%	0.41%	0.63%	5.41%	7.90%
31	2.90%	3.97%	1.10%	1.80%	1.07%	1.61%	0.42%	0.64%	5.49%	8.02%
32	2.94%	4.03%	1.12%	1.84%	1.09%	1.64%	0.43%	0.65%	5.58%	8.16%

** Includes an additional contribution of 0.43% of all payroll for repayment of undercontributions from General Tier 1 members.*

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular	Basic Regular	COLA	COLA	Basic	Basic	COLA	COLA	Combined*	Combined*
	First \$350 per month	Over \$350 per month	Regular	Regular	Settlement	Settlement	Settlement	Settlement		
			First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
33	2.98%	4.09%	1.15%	1.88%	1.11%	1.66%	0.43%	0.66%	5.67%	8.29%
34	3.02%	4.15%	1.17%	1.91%	1.13%	1.69%	0.45%	0.68%	5.77%	8.43%
35	3.06%	4.21%	1.20%	1.95%	1.15%	1.72%	0.45%	0.69%	5.86%	8.57%
36	3.10%	4.27%	1.22%	1.99%	1.17%	1.75%	0.46%	0.70%	5.95%	8.71%
37	3.14%	4.33%	1.25%	2.03%	1.19%	1.78%	0.47%	0.71%	6.05%	8.85%
38	3.18%	4.39%	1.28%	2.08%	1.21%	1.82%	0.48%	0.73%	6.15%	9.02%
39	3.23%	4.46%	1.31%	2.12%	1.23%	1.85%	0.49%	0.74%	6.26%	9.17%
40	3.27%	4.53%	1.34%	2.16%	1.26%	1.88%	0.49%	0.75%	6.36%	9.32%
41	3.32%	4.60%	1.37%	2.21%	1.28%	1.92%	0.51%	0.77%	6.48%	9.49%
42	3.37%	4.67%	1.40%	2.26%	1.30%	1.95%	0.51%	0.78%	6.58%	9.66%
43	3.42%	4.74%	1.44%	2.31%	1.33%	1.99%	0.53%	0.80%	6.72%	9.85%
44	3.47%	4.82%	1.47%	2.36%	1.35%	2.03%	0.54%	0.82%	6.83%	10.04%
45	3.53%	4.91%	1.51%	2.42%	1.38%	2.07%	0.55%	0.83%	6.97%	10.23%
46	3.59%	5.00%	1.55%	2.48%	1.41%	2.12%	0.56%	0.85%	7.11%	10.45%
47	3.65%	5.10%	1.59%	2.54%	1.45%	2.17%	0.57%	0.87%	7.26%	10.68%
48	3.72%	5.20%	1.64%	2.61%	1.48%	2.22%	0.59%	0.89%	7.43%	10.92%
49	3.79%	5.31%	1.68%	2.68%	1.52%	2.27%	0.61%	0.92%	7.60%	11.18%
50	3.79%	5.30%	1.68%	2.67%	1.51%	2.27%	0.60%	0.91%	7.58%	11.15%
51	3.78%	5.28%	1.67%	2.66%	1.51%	2.26%	0.60%	0.91%	7.56%	11.11%
52	3.76%	5.26%	1.66%	2.65%	1.50%	2.25%	0.60%	0.91%	7.52%	11.07%
53	3.74%	5.23%	1.65%	2.63%	1.49%	2.24%	0.59%	0.90%	7.47%	11.00%
54	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%

** Includes an additional contribution of 0.43% of all payroll for repayment of undercontributions from General Tier 1 members.*

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Basic Settlement First \$350 per month	Basic Settlement Over \$350 per month	COLA Settlement First \$350 per month	COLA Settlement Over \$350 per month	Combined* First \$350 per month	Combined* Over \$350 per month
55	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%
56	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%
57	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%
58	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%
59	3.72%	5.19%	1.63%	2.60%	1.48%	2.22%	0.59%	0.89%	7.42%	10.90%

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers weighted 1/3 male and 2/3 female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 65.70% for Regular Benefits, 41.14% for Settlement Benefits.

*** Includes an additional contribution of 0.43% of all payroll for repayment of undercontributions from General Tier 1 members.**

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

General Tier 2 Members' Contribution Rates based on the June 30, 2007 Actuarial Valuation as a percentage of payroll

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	1.42%	2.12%	1.09%	1.64%	2.51%	3.76%
16	1.42%	2.12%	1.09%	1.64%	2.51%	3.76%
17	1.44%	2.16%	1.11%	1.67%	2.55%	3.83%
18	1.47%	2.20%	1.13%	1.70%	2.60%	3.90%
19	1.49%	2.24%	1.15%	1.73%	2.64%	3.97%
20	1.52%	2.28%	1.18%	1.77%	2.70%	4.05%
21	1.55%	2.32%	1.20%	1.80%	2.75%	4.12%
22	1.58%	2.36%	1.22%	1.83%	2.80%	4.19%
23	1.60%	2.40%	1.24%	1.86%	2.84%	4.26%
24	1.63%	2.45%	1.26%	1.89%	2.89%	4.34%
25	1.66%	2.49%	1.29%	1.93%	2.95%	4.42%
26	1.69%	2.53%	1.31%	1.96%	3.00%	4.49%
27	1.72%	2.58%	1.33%	2.00%	3.05%	4.58%
28	1.75%	2.62%	1.35%	2.03%	3.10%	4.65%
29	1.78%	2.67%	1.38%	2.07%	3.16%	4.74%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
30	1.81%	2.72%	1.40%	2.10%	3.21%	4.82%
31	1.84%	2.76%	1.43%	2.14%	3.27%	4.90%
32	1.87%	2.81%	1.45%	2.18%	3.32%	4.99%
33	1.91%	2.86%	1.47%	2.21%	3.38%	5.07%
34	1.94%	2.91%	1.50%	2.25%	3.44%	5.16%
35	1.97%	2.96%	1.53%	2.29%	3.50%	5.25%
36	2.01%	3.01%	1.55%	2.33%	3.56%	5.34%
37	2.04%	3.06%	1.58%	2.37%	3.62%	5.43%
38	2.08%	3.12%	1.61%	2.41%	3.69%	5.53%
39	2.11%	3.17%	1.63%	2.45%	3.74%	5.62%
40	2.15%	3.23%	1.67%	2.50%	3.82%	5.73%
41	2.19%	3.28%	1.69%	2.54%	3.88%	5.82%
42	2.23%	3.34%	1.73%	2.59%	3.96%	5.93%
43	2.27%	3.40%	1.75%	2.63%	4.02%	6.03%
44	2.31%	3.46%	1.79%	2.68%	4.10%	6.14%
45	2.35%	3.53%	1.82%	2.73%	4.17%	6.26%
46	2.39%	3.59%	1.85%	2.78%	4.24%	6.37%
47	2.44%	3.66%	1.89%	2.83%	4.33%	6.49%
48	2.49%	3.73%	1.93%	2.89%	4.42%	6.62%
49	2.54%	3.81%	1.97%	2.95%	4.51%	6.76%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
50	2.59%	3.89%	2.01%	3.01%	4.60%	6.90%
51	2.65%	3.97%	2.05%	3.08%	4.70%	7.05%
52	2.71%	4.07%	2.10%	3.15%	4.81%	7.22%
53	2.77%	4.16%	2.15%	3.22%	4.92%	7.38%
54	2.84%	4.26%	2.20%	3.30%	5.04%	7.56%
55	2.83%	4.25%	2.19%	3.29%	5.02%	7.54%
56	2.82%	4.24%	2.19%	3.28%	5.01%	7.52%
57	2.81%	4.22%	2.17%	3.26%	4.98%	7.48%
58	2.79%	4.19%	2.16%	3.24%	4.95%	7.43%
59	2.77%	4.15%	2.14%	3.21%	4.91%	7.36%
Interest:	8.00% per annum					
COLA:	3.00%					
Mortality:	RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers weighted 1/3 male and 2/3 female					
Salary Increase:	Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)					
COLA Loading Factor:	77.39% for Regular Benefits					

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

General Tier 3 Members' Contribution Rates based on the June 30, 2007 Actuarial Valuation as a percentage of payroll

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	1.89%	2.84%	1.11%	1.67%	3.00%	4.51%
16	1.89%	2.84%	1.11%	1.67%	3.00%	4.51%
17	1.93%	2.89%	1.13%	1.70%	3.06%	4.59%
18	1.96%	2.94%	1.15%	1.73%	3.11%	4.67%
19	1.99%	2.99%	1.17%	1.76%	3.16%	4.75%
20	2.03%	3.04%	1.20%	1.80%	3.23%	4.84%
21	2.06%	3.10%	1.22%	1.83%	3.28%	4.93%
22	2.10%	3.15%	1.24%	1.86%	3.34%	5.01%
23	2.14%	3.21%	1.26%	1.89%	3.40%	5.10%
24	2.17%	3.26%	1.28%	1.92%	3.45%	5.18%
25	2.21%	3.32%	1.31%	1.96%	3.52%	5.28%
26	2.25%	3.38%	1.33%	1.99%	3.58%	5.37%
27	2.29%	3.44%	1.35%	2.03%	3.64%	5.47%
28	2.33%	3.50%	1.37%	2.06%	3.70%	5.56%
29	2.37%	3.56%	1.40%	2.10%	3.77%	5.66%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
30	2.41%	3.62%	1.42%	2.13%	3.83%	5.75%
31	2.45%	3.68%	1.45%	2.17%	3.90%	5.85%
32	2.50%	3.74%	1.47%	2.21%	3.97%	5.95%
33	2.54%	3.81%	1.50%	2.25%	4.04%	6.06%
34	2.58%	3.88%	1.53%	2.29%	4.11%	6.17%
35	2.63%	3.94%	1.55%	2.33%	4.18%	6.27%
36	2.68%	4.01%	1.58%	2.37%	4.26%	6.38%
37	2.72%	4.09%	1.61%	2.41%	4.33%	6.50%
38	2.77%	4.16%	1.63%	2.45%	4.40%	6.61%
39	2.82%	4.23%	1.67%	2.50%	4.49%	6.73%
40	2.87%	4.31%	1.69%	2.54%	4.56%	6.85%
41	2.93%	4.39%	1.73%	2.59%	4.66%	6.98%
42	2.98%	4.47%	1.76%	2.64%	4.74%	7.11%
43	3.04%	4.56%	1.79%	2.69%	4.83%	7.25%
44	3.10%	4.65%	1.83%	2.75%	4.93%	7.40%
45	3.17%	4.75%	1.87%	2.80%	5.04%	7.55%
46	3.23%	4.85%	1.91%	2.86%	5.14%	7.71%
47	3.30%	4.95%	1.95%	2.92%	5.25%	7.87%
48	3.34%	5.01%	1.97%	2.95%	5.31%	7.96%
49	3.35%	5.03%	1.97%	2.96%	5.32%	7.99%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
50	3.34%	5.01%	1.97%	2.95%	5.31%	7.96%
51	3.32%	4.98%	1.96%	2.94%	5.28%	7.92%
52	3.29%	4.94%	1.94%	2.91%	5.23%	7.85%
53	3.42%	5.13%	2.01%	3.02%	5.43%	8.15%
54	3.55%	5.32%	2.09%	3.14%	5.64%	8.46%

Interest:	8.00% per annum
COLA:	3.00%
Mortality:	RP-2000 Healthy Annuitant Mortality, with adjustment for white collar workers weighted 1/3 male and 2/3 female
Salary Increase:	Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
COLA Loading Factor:	59.00% for Regular Benefits

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

**Safety Tier 1 Members' Contribution Rates based on the June 30, 2007
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Basic Settlement First \$350 per month	Basic Settlement Over \$350 per month	COLA Settlement First \$350 per month	COLA Settlement Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	2.40%	3.60%	2.10%	3.15%	0.60%	0.90%	0.39%	0.59%	5.49%	8.24%
16	2.40%	3.60%	2.10%	3.15%	0.60%	0.90%	0.39%	0.59%	5.49%	8.24%
17	2.44%	3.66%	2.13%	3.20%	0.61%	0.91%	0.40%	0.60%	5.58%	8.37%
18	2.48%	3.71%	2.17%	3.25%	0.62%	0.93%	0.41%	0.61%	5.68%	8.50%
19	2.51%	3.77%	2.20%	3.30%	0.63%	0.94%	0.41%	0.62%	5.75%	8.63%
20	2.55%	3.83%	2.23%	3.35%	0.64%	0.96%	0.42%	0.63%	5.84%	8.77%
21	2.59%	3.89%	2.27%	3.40%	0.65%	0.97%	0.43%	0.64%	5.94%	8.90%
22	2.63%	3.95%	2.30%	3.45%	0.66%	0.99%	0.43%	0.65%	6.02%	9.04%
23	2.67%	4.01%	2.34%	3.51%	0.67%	1.00%	0.44%	0.66%	6.12%	9.18%
24	2.71%	4.07%	2.37%	3.56%	0.68%	1.02%	0.45%	0.67%	6.21%	9.32%
25	2.76%	4.14%	2.41%	3.62%	0.69%	1.03%	0.45%	0.68%	6.31%	9.47%
26	2.80%	4.20%	2.45%	3.67%	0.70%	1.05%	0.46%	0.69%	6.41%	9.61%
27	2.84%	4.27%	2.49%	3.73%	0.71%	1.07%	0.47%	0.70%	6.51%	9.76%
28	2.89%	4.33%	2.53%	3.79%	0.72%	1.08%	0.47%	0.71%	6.61%	9.91%
29	2.93%	4.40%	2.57%	3.85%	0.73%	1.10%	0.48%	0.72%	6.71%	10.07%
30	2.98%	4.47%	2.61%	3.91%	0.75%	1.12%	0.49%	0.73%	6.83%	10.23%
31	3.03%	4.54%	2.65%	3.97%	0.76%	1.14%	0.50%	0.75%	6.94%	10.40%
32	3.08%	4.62%	2.69%	4.04%	0.77%	1.15%	0.51%	0.76%	7.05%	10.57%
33	3.13%	4.69%	2.73%	4.10%	0.78%	1.17%	0.51%	0.77%	7.15%	10.73%
34	3.18%	4.77%	2.78%	4.17%	0.79%	1.19%	0.52%	0.78%	7.27%	10.91%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Basic Settlement First \$350 per month	Basic Settlement Over \$350 per month	COLA Settlement First \$350 per month	COLA Settlement Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
35	3.23%	4.85%	2.83%	4.24%	0.81%	1.21%	0.53%	0.80%	7.40%	11.10%
36	3.29%	4.93%	2.87%	4.31%	0.82%	1.23%	0.54%	0.81%	7.52%	11.29%
37	3.35%	5.02%	2.93%	4.39%	0.84%	1.26%	0.55%	0.83%	7.67%	11.50%
38	3.41%	5.12%	2.98%	4.47%	0.85%	1.28%	0.56%	0.84%	7.80%	11.71%
39	3.48%	5.22%	3.04%	4.56%	0.87%	1.30%	0.57%	0.86%	7.96%	11.94%
40	3.55%	5.32%	3.10%	4.65%	0.89%	1.33%	0.58%	0.87%	8.12%	12.17%
41	3.63%	5.44%	3.17%	4.76%	0.91%	1.36%	0.59%	0.89%	8.30%	12.45%
42	3.64%	5.46%	3.18%	4.77%	0.91%	1.36%	0.60%	0.90%	8.33%	12.49%
43	3.65%	5.48%	3.19%	4.79%	0.91%	1.37%	0.60%	0.90%	8.35%	12.53%
44	3.66%	5.50%	3.20%	4.80%	0.92%	1.37%	0.60%	0.90%	8.38%	12.57%
45	3.68%	5.52%	3.21%	4.82%	0.92%	1.38%	0.61%	0.91%	8.42%	12.63%
46	3.70%	5.54%	3.23%	4.85%	0.92%	1.39%	0.61%	0.91%	8.46%	12.69%
47	3.72%	5.58%	3.25%	4.88%	0.93%	1.40%	0.61%	0.92%	8.51%	12.78%
48	3.71%	5.56%	3.24%	4.86%	0.93%	1.39%	0.61%	0.91%	8.49%	12.72%
49	3.68%	5.51%	3.21%	4.82%	0.92%	1.38%	0.61%	0.91%	8.42%	12.62%

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Healthy Annuitant Mortality set back two years, with adjustment for blue collar workers weighted 5/6 male and 1/6 female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 87.43% for Regular Benefits, 65.74% for Settlement Benefits.

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

**Safety Tier 2 Members' Contribution Rates based on the June 30, 2007
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
15	2.40%	3.60%	2.31%	3.47%	4.71%	7.07%
16	2.40%	3.60%	2.31%	3.47%	4.71%	7.07%
17	2.44%	3.66%	2.35%	3.52%	4.79%	7.18%
18	2.48%	3.71%	2.39%	3.58%	4.87%	7.29%
19	2.51%	3.77%	2.42%	3.63%	4.93%	7.40%
20	2.55%	3.83%	2.46%	3.69%	5.01%	7.52%
21	2.59%	3.89%	2.49%	3.74%	5.08%	7.63%
22	2.63%	3.95%	2.53%	3.80%	5.16%	7.75%
23	2.67%	4.01%	2.57%	3.86%	5.24%	7.87%
24	2.71%	4.07%	2.61%	3.92%	5.32%	7.99%
25	2.76%	4.14%	2.65%	3.98%	5.41%	8.12%
26	2.80%	4.20%	2.69%	4.04%	5.49%	8.24%
27	2.84%	4.27%	2.74%	4.11%	5.58%	8.38%
28	2.89%	4.33%	2.78%	4.17%	5.67%	8.50%
29	2.93%	4.40%	2.83%	4.24%	5.76%	8.64%
30	2.98%	4.47%	2.87%	4.30%	5.85%	8.77%
31	3.03%	4.54%	2.91%	4.37%	5.94%	8.91%
32	3.08%	4.62%	2.96%	4.44%	6.04%	9.06%
33	3.13%	4.69%	3.01%	4.52%	6.14%	9.21%
34	3.18%	4.77%	3.06%	4.59%	6.24%	9.36%
35	3.23%	4.85%	3.11%	4.67%	6.34%	9.52%

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Age	Basic Regular First \$350 per month	Basic Regular Over \$350 per month	COLA Regular First \$350 per month	COLA Regular Over \$350 per month	Combined First \$350 per month	Combined Over \$350 per month
36	3.29%	4.93%	3.17%	4.75%	6.46%	9.68%
37	3.35%	5.02%	3.22%	4.83%	6.57%	9.85%
38	3.41%	5.12%	3.28%	4.92%	6.69%	10.04%
39	3.48%	5.22%	3.35%	5.02%	6.83%	10.24%
40	3.55%	5.32%	3.41%	5.12%	6.96%	10.44%
41	3.63%	5.44%	3.49%	5.24%	7.12%	10.68%
42	3.64%	5.46%	3.50%	5.25%	7.14%	10.71%
43	3.65%	5.48%	3.51%	5.27%	7.16%	10.75%
44	3.66%	5.50%	3.53%	5.29%	7.19%	10.79%
45	3.68%	5.52%	3.54%	5.31%	7.22%	10.83%
46	3.70%	5.54%	3.56%	5.34%	7.26%	10.88%
47	3.72%	5.58%	3.58%	5.37%	7.30%	10.95%
48	3.71%	5.56%	3.57%	5.36%	7.28%	10.92%
49	3.68%	5.51%	3.54%	5.31%	7.22%	10.82%

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Healthy Annuitant Mortality set back two years, with adjustment for blue collar workers weighted 5/6 male and 1/6 female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 96.26%

SECTION 4: Reporting Information for the Fresno County Employees' Retirement Association

Appendix B

Non-Valuation Reserves and Benefits

The Board of Retirement has established a Supplemental COLA Reserve and a Retiree Health Insurance Reserve to pay non-vested discretionary purchasing power and additional retiree health benefits. As requested by the Association, we have provided below a table of the anticipated cash payments and determined the sufficiency of current reserves to make those payments. Please note that in determining the sufficiency of the reserves, we assume no new excess earnings transfers will be made by the Board.

Supplemental COLA Benefit ⁽¹⁾ ⁽²⁾

Total Present Value of Benefits as of June 30, 2007:	\$8,187,110
Reserve ⁽³⁾ as of June 30, 2007:	\$8,588,763

As the present value of benefits is less than the reserve as of June 30, 2007, it is anticipated that the reserve will be sufficient to pay the current benefit for the remaining lifetime of the current recipients.

Retiree Health Insurance Benefit ⁽¹⁾

Total Present Value of Benefits as of June 30, 2007:	\$102,538,607
Reserve ⁽³⁾ as of June 30, 2007:	\$54,599,285

It is anticipated that the current reserve will be sufficient to pay the current benefit only through the year 2017-2018.

Period	Payment (undiscounted)
2007 - 2008	\$6,360,268
2008 - 2009	6,597,354
2009 - 2010	6,838,348
2010 - 2011	7,075,202
2011 - 2012	7,317,867
2012 - 2013	7,563,490
2013 - 2014	7,797,821
2014 - 2015	8,020,331
2015 - 2016	8,244,744
2016 - 2017	8,445,365
2017 - 2018*	8,229,847

*Payment will only be paid for part of the year.

⁽¹⁾ Assuming no change in the level of benefit provided as of June 30, 2007.

⁽²⁾ Including only those members receiving the benefits as of June 30, 2007.

⁽³⁾ Based on actuarial value of assets.

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Appendix C

Amortization Schedule for UAAL

General – Regular Benefits	Outstanding Balance as of June 30, 2007	Years Remaining as of June 30, 2007	Payment as of June 30, 2007
June 30, 2003	\$58,003,198	26	\$3,582,393
June 30, 2004	\$(45,613,073)	12	\$(4,835,625)
June 30, 2005	\$160,367,222	13	\$15,968,727
June 30, 2006	\$73,166,679	14	\$6,883,228
June 30, 2006	\$339,277	29	\$19,691
June 30, 2007	\$58,441,697	15	\$5,220,187
General – Settlement Benefits	Outstanding Balance as of June 30, 2007	Years Remaining as of June 30, 2007	Payment as of June 30, 2007
June 30, 2003	\$112,433,173	26	\$6,944,098
June 30, 2004	\$(50,785,671)	12	\$(5,383,992)
June 30, 2005	\$10,417,675	13	\$1,037,350
June 30, 2006	\$8,150,222	14	\$766,740
June 30, 2007	\$36,900,570	15	\$3,296,070

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Safety – Regular Benefits	Outstanding Balance as of June 30, 2007	Years Remaining as of June 30, 2007	Payment as of June 30, 2007
June 30, 2003	\$19,844,063	26	\$1,225,609
June 30, 2004	\$(9,856,787)	12	\$(1,044,957)
June 30, 2005	\$27,522,563	13	\$2,740,586
June 30, 2006	\$35,544,955	14	\$3,343,928
June 30, 2007	\$30,103,206	15	\$2,688,909
Safety – Settlement Benefits	Outstanding Balance as of June 30, 2007	Years Remaining as of June 30, 2007	Payment as of June 30, 2007
June 30, 2003	\$18,199,813	26	\$1,124,057
June 30, 2004	\$(8,072,082)	12	\$(855,754)
June 30, 2005	\$(7,866,174)	13	\$(783,282)
June 30, 2006	\$6,775,486	14	\$637,411
June 30, 2007	\$5,284,988	15	\$472,071

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Appendix D

Schedule of UAAL and Associated Funded Ratios (Dollar Amounts in Thousands)

	Regular Benefit	Settlement Benefit	Total
AAL	\$2,458,319	\$691,251	\$3,149,570
UAAL	\$407,863	\$131,438	\$539,301
Funded Ratio	83.4%	81.0%	82.9%

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