




Roberto L. Peña  
Retirement Administrator

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF RETIREMENT  
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**DATE:** November 2, 2011  
**TO:** Trustees, Board of Retirement  
**FROM:** Becky Van Wyk   
Assistant Retirement Administrator

**SUBJECT:** Budget Status for the Quarter Ended September 30, 2011

The attached report (Exhibit A) represents the Retirement Association's Fiscal Year 2011-12 administrative budget, on a cash basis at September 30, 2011. The total expenditures reported as of September 30, 2011 were 15% of the adopted budget.

Expenditures were less than the expected 25%, primarily due to the timing of purchases that will occur later in the year as explained below.

Expenditures for Services and Supplies were 11% of the budget. Insurance premiums were at 10% because most insurance premiums renew in the second and fourth quarters of the fiscal year. The Board Travel and Education expenditures at 13% were due, in part, to the SACRS conference travel which is one of the largest Board travel expenditures and occurs in the second and fourth quarters. Professional and Specialized expenditures were at 9% due to appropriations for the continued implementation of the special projects of IT Roadmap, IT Conversion, Process Documentation and the Pension Administration System did not have expenditures processed in the first quarter of the Fiscal Year. Postage expenditures at 14% were lower than the expected 25% due in part to the budgeted expenditures for printing of the Comprehensive Annual Financial Report and the Popular Annual Financial Report which will occur in the second and third quarters. Some annual memberships renew in the first quarter which accounts for the used appropriations of 67%.

As requested by your Board previously, I have included additional information on the amounts paid to the investment managers and other investment related professionals (Exhibit B) and expenditures for maintenance of the Administrative Building (Exhibit C).

Please note that investment related expenses are not part of the administrative budget and are therefore not included in the analysis of the administrative budget. The information is presented as informational only.

Please contact me if you have any questions. Thank you.

FCERA  
Budget Status Report  
Fiscal Year 2011-12  
For the Quarter Ended September 30, 2011

	ADOPTED APPROPRIATIONS	ADJUSTED APPROPRIATIONS (11)	EXPENDITURES	UNEXPENDED APPROPRIATIONS	% APPROP USED	% APPROP COMMITTED
<b><u>SALARIES &amp; BENEFITS</u></b>						
Salaries	\$ 1,220,957.00	\$ 1,220,957.00	\$ 282,632.64	\$ 938,324.36	23%	23%
Extra Help	65,716.00	65,716.00	11,958.16	53,757.84	18%	18%
Overtime	61,096.00	61,096.00	7,845.50	53,250.50	13%	13%
Unemployment Insurance	7,975.00	7,975.00	1,993.75	5,981.25	25%	25%
Retirement	593,829.00	593,829.00	141,052.30	452,776.70	24%	24%
FICA Contribution	95,997.00	95,997.00	21,372.32	74,624.68	22%	22%
Workers' Compensation	4,174.00	4,174.00	1,043.50	3,130.50	25%	25%
Health Insurance	174,690.00	174,690.00	35,999.03	138,690.97	21%	21%
Management Life and Disability	1,279.00	1,279.00	247.30	1,031.70	19%	19%
Benefit Administration	2,901.00	2,901.00	725.25	2,175.75	25%	25%
<b>TOTAL SALARIES AND BENEFITS</b>	<b>2,228,614.00</b>	<b>2,228,614.00</b>	<b>504,869.75</b>	<b>1,723,744.25</b>	<b>23%</b>	<b>23%</b>
<b><u>SERVICES &amp; SUPPLIES</u></b>						
Telephone	3,200.00	3,200.00	528.70	2,671.30	17%	(1) 17%
Liability Insurance	115,386.00	115,386.00	11,177.18	104,208.82	10%	(2) 10%
Maintenance-Bldgs and Grounds	37,557.00	37,557.00	9,227.89	28,329.11	25%	25%
Memberships	6,015.00	6,015.00	4,000.00	2,015.00	67%	(3) 67%
Office Expense	50,423.00	50,423.00	11,548.07	38,874.93	23%	23%
Postage	32,334.00	32,334.00	4,637.13	27,696.87	14%	(1) 14%
PeopleSoft Human Resources	4,724.00	4,724.00	759.14	3,964.86	16%	16%
PeopleSoft Financials	14,659.00	14,659.00	2,312.15	12,346.85	16%	16%
Professional & Specialized	1,200,150.00	1,200,150.00	105,983.62	1,094,166.38	9%	(1) 9%
Data Processing	118,160.00	118,160.00	14,179.73	103,980.27	12%	(1) 12%
Other Computer Equipment	18,000.00	18,000.00	3,000.00	15,000.00	17%	17%
Utilities	27,211.00	27,211.00	5,182.65	22,028.35	19%	19%
Commissions/Advisory Boards	18,000.00	18,000.00	2,700.00	15,300.00	15%	15%
Trans, Travel & Education	31,960.00	31,960.00	7,915.77	24,044.23	25%	25%
Travel-Board	23,100.00	23,100.00	2,914.00	20,186.00	13%	(4) 13%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>1,700,879.00</b>	<b>1,700,879.00</b>	<b>186,066.03</b>	<b>1,514,812.97</b>	<b>11%</b>	<b>11%</b>
<b>TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES</b>	<b>3,929,493.00</b>	<b>3,929,493.00</b>	<b>690,935.78</b>	<b>3,238,557.22</b>	<b>18%</b>	<b>18%</b>
<b><u>FIXED ASSETS</u></b>						
Pension System, Computers, Furnishings,	825,000.00	825,000.00	10,000.00	815,000.00	1%	(5) 1%
<b>TOTAL FIXED ASSETS - FURNITURE AND EQUIPMENT</b>	<b>825,000.00</b>	<b>825,000.00</b>	<b>10,000.00</b>	<b>815,000.00</b>	<b>1%</b>	<b>1%</b>
<b>TOTAL BUDGET</b>	<b>\$ 4,754,493.00</b>	<b>\$ 4,754,493.00</b>	<b>\$ 700,935.78</b>	<b>\$ 4,053,557.22</b>	<b>15%</b>	<b>15%</b>

(1) First quarter billings not all received by the end of the accounting period.

(2) Insurance premiums renew in the second and fourth quarters.

(3) Some memberships renew in the first quarter and are not spread out evenly over the four quarters.

(4) Expenditures for the first major travel and education expense in the fiscal year is the SACRS Fall Conference will occur in the second quarter.

(5) Pension system expenditures have not come through by the end of the accounting period.

Detail - 7564	Type of investment	Paid Quarter ended 9/30/2011	Estimate for Prior Unpaid Quarters	Budget Year 2011-12 Expenditures	Actual Budget Year 2010-11 Expenditures*
Blackrock Institutional Trust	Alternative Investment		70,803.20 (4)	70,803.20	283,212.79 ^
Blackstone	Alternative Investment		13,700.25 (4)(1)	13,700.25	54,801.00 ^
Hamilton Lane	Alternative Investment		118,800.00 (4)(1)	118,800.00	475,200.00 ^
New Mountain (all)	Alternative Investment		67,068.75 (4)(1)	67,068.75	268,275.00 ^
Warburg (all)	Alternative Investment		85,441.25 (4)(1)	85,441.25	341,765.00 ^
Remaining Managers Net Fees with Earnings	Alternative Investment		880,484.17 (4)	880,484.17	3,521,936.66 ^
	<b>Alternative Investment</b>	<b>-</b>	<b>1,236,297.62</b>	<b>1,236,297.62</b>	<b>4,945,190.45 ^</b>
Aronson, Johnson & Ortiz	Equity		108,140.50 (4)	108,140.50	432,562.00 ^
Intech	Equity				324,778.96 ^ Closed FY 2011
Kalmar Investments	Equity	172,120.00	- (3)	172,120.00	967,778.00 ^
Mondrian Investment Group (All)	Equity		537,999.27 (4)	537,999.27	2,151,997.07 ^
Oechsle International Advisors	Equity		229,461.56 (4)	229,461.56	917,846.24 ^
Research Affiliates	Equity		5,764.22 (13)	5,764.22	23,056.88 ^ New Manager
State Street ( S&P500, TIPS, Russell 1000, 2000)	Equity		23,674.23 (4)	23,674.23	94,696.92 ^ Closed FY 2011 Russell 1000,2000
Systematic Financial Management	Equity		102,127.15 (12)	102,127.15	408,508.60 ^
Templeton	Equity				715,253.08 ^ Closed FY 2011
Waddell & Reed Investment Manager	Equity		52,872.52 (4)	52,872.52	211,490.08 ^
Wellington	Equity		113,784.84 (4)	113,784.84	455,139.37 ^
Winslow Capital Management	Equity		53,738.76 (4)	53,738.76	214,955.05 ^
	<b>Equity Total</b>	<b>172,120.00</b>	<b>1,227,563.05</b>	<b>1,399,683.05</b>	<b>6,918,062.25</b>
BlackRock	Fixed Income		87,848.60 (4)	87,848.60	351,394.39 ^
Loomis Sayles & Co. (All)	Fixed Income		164,193.47 (4)	164,193.47	656,773.86 ^
Met West TALF Mgmt fees netted out of earnings	Fixed Income		62,670.40 (4)	62,670.40	250,681.60 ^
Pimco	Fixed Income		25,717.25	25,717.25	102,869.00 ^ Closed FY 2011
Standish Mellon	Fixed Income		87,176.53 (4)	87,176.53	348,706.12 ^
Western Asset Management Co.	Fixed Income		85,041.01 (4)	85,041.01	340,164.03 ^
	<b>Fixed Income Total</b>	<b>-</b>	<b>512,647.26</b>	<b>512,647.26</b>	<b>2,050,589.00</b>
Wurts and Associates	Consulting	55,833.32	27,638.89 (14)	83,472.21	331,666.65 ^
	<b>Consulting Total</b>	<b>55,833.32</b>	<b>27,638.89</b>	<b>83,472.21</b>	<b>331,666.65</b>
Segal Company	Actuary		15,250.00 (4)	15,250.00	61,000.00 ^
	<b>Actuary Total</b>	<b>-</b>	<b>15,250.00</b>	<b>15,250.00</b>	<b>61,000.00</b>
Foster Pepper Attorneys	Investment Legal Fees	4,507.00	18,260.38 (15)	22,767.38	91,069.50 ^
Reed Smith	Investment Legal Fees		- (2)	-	-
Counsel)	Investment Legal Fees		- (2)	-	-
	<b>Investment Legal Fees Total</b>	<b>4,507.00</b>	<b>18,260.38</b>	<b>22,767.38</b>	<b>91,069.50</b>
Salaries and Benefits	Fresno Station	1,146.04	- (2)	1,146.04	12,983.12 ^
	<b>Fresno Station Total</b>	<b>1,146.04</b>	<b>-</b>	<b>1,146.04</b>	<b>12,983.12</b>
Due Diligence Visits	Other		- (2)	-	2,748.63 ^
State Street - Custodial	Other		62,402.52 (4)	62,402.52	124,805.05 ^
	<b>Other Total</b>	<b>-</b>	<b>62,402.52</b>	<b>62,402.52</b>	<b>127,553.68</b>
State Street - wire fees	Investment Wire Fees		- (2)	-	-
Fresno County wire fees	Investment Wire Fees		- (2)	-	60.00 ^
	<b>Investment Wire Fees Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.00</b>
Federal Express	Delivery of Investment Documents	28.00	- (2)	28.00	298.17 ^
Golden State Overnight	Delivery of Investment Documents		- (2)	-	-
	<b>Delivery of Investment Documents Total</b>	<b>28.00</b>	<b>-</b>	<b>28.00</b>	<b>298.17</b>
	<b>Grand Total</b>	<b>233,634.36</b>	<b>3,100,059.71</b>	<b>3,333,694.07</b>	<b>14,538,472.82</b>

\* The information reported for Fiscal Year 2010-11 is presented on a cash basis with most including the fourth quarter accrual.

^ Alternative investment totals adjusted to actual expenditures at 6/30/2011.  
fees

which are reported in the Comprehensive Annual Financial Report each year are typically within 1-2% of the total commitment.

(2) No accrual is estimated, use actual expenditures

(3) Paid through current quarter, no accrual needed

(4) Accrual is for one quarter based on prior year fees

(5) Accrual is for two quarters based on prior year fees

(6) Accrual is for three quarters based on prior year fees

(7) Accrual is for four quarters based on prior year fees

(8) New contract or existing, accrual is for one quarter, based on actual invoice for two quarters

(9) No accrual due to closing of the contract

(10) No fees submitted through Sept 2011, executed agreement not yet received unable to accrue.

(11) Accrual is for two quarters based on an average of the prior amounts paid.

(12) Accrual is for one quarter based on an average of prior amounts paid.

(13) Accrual is for one quarter based on actual invoice

(14) Accrual is for one month based on actual invoice

(15) Accrual is for one quarter based on aprior year fees less amount paid in September

Fresno County Employees' Retirement Association  
 Budget Status Report  
 Schedule of Maintenance Expenditures  
 For quarter ended September 30, 2011

Exhibit C

	1st qtr	Total
Janitorial	\$ 3,597.00	\$ 3,597.00
Pest Control	97.02	97.02
Security	1,608.55	1,608.55
Landscaping	-	-
Other (itemized below)	3,925.32	3,925.32
	<u>\$ 9,227.89</u>	<u>\$ 9,227.89</u>
<b>Other - Itemized</b>		
Kertel Communications - labor and materials for rewiring phone lines for cubicle remodel and repair conference room phone	\$ 1,489.86	\$ 1,489.86
GSA labor - change A/C filters and stock clerk fee	282.21	282.21
GSA material - Air Conditioner Filters	62.34	62.34
GSA labor - sidewalk and parking improvements	610.83	610.83
Hirsch Charges	442.48	442.48
Superior Hardware materials and labor to repair door using a Dorma low energy operator	495.65	495.65
Kims Plumbing Toilet Repair-Womens' Restroom	482.49	482.49
GSA - labor billing to replace lights, adjust light fixtures, and diagnose the need for ballast replacement.	45.13	45.13
Material - paint for shelves	14.33	14.33
	<u>\$ 3,925.32</u>	<u>\$ 3,925.32</u>