

Fresno County Employees' Retirement Association

*Actuarial Valuation and Review
as of June 30, 2009*

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January 12, 2010

*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, 2009. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2010-2011 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 it is our understanding that they 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. The undersigned are Members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

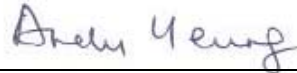
We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: 

*Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary*



*Andy Yeung, ASA, MAAA, EA
Vice President and Associate Actuary*

MYM/kek

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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, 2009. 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;
- The characteristics of covered active members, inactive vested members, retired members and beneficiaries as of June 30, 2009, provided by the Retirement Association;
- The assets of the Plan as of June 30, 2009, provided by the Retirement Association;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions which 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 24-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 actuarial assumptions has been amortized over separate 15-year declining periods. 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.

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

Please note that the Actuarial Standards Board has recently adopted a revised Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines that actuaries have to follow when selecting actuarial assumptions. For a plan such as that offered by the Retirement Association that may utilize excess earnings to provide contribution rate offsets and additional settlement and non-statutory benefits, we are required to indicate in the valuation report that the possible impact of any such application of future excess earnings on the future financial condition of the plan has not been explicitly measured in the valuation.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2010 through June 30, 2011.

Significant Issues in Valuation Year

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

- Reference:* Pg. 33 > On June 30, 2009, after crediting interest to the various reserve accounts and reestablishing the 1% Statutory Contingency Reserve that was drained on December 31, 2008, there was a balance of \$179.0 million remaining in “Available Earnings.” Following the Board’s interest crediting policy, the \$179.0 million in Available Earnings were applied to reduce the balance of the Contra Tracking Account from \$354.3 million on December 31, 2008 to \$175.3 million on June 30, 2009.
- Reference:* Pg. 34 > In this June 30, 2009 valuation, the funding ratio has decreased from 82.0% to 78.6%, and the UAAL has increased from \$617.6 million to \$779.8 million. A reconciliation of the Association’s unfunded actuarial accrued liability is provided in Section 3, Exhibit H.
- Reference:* Pg. 16 > The aggregate employer rate calculated in this valuation has increased from 29.99% of payroll to 33.91% of payroll. The reasons for this change are: (i) lower than expected return on investments (based on valuation value of assets), (ii) one year delay in implementing employer and employee contribution rates calculated in the June 30, 2008 valuation, (iii) salary increases less than expected, (iv) increase in UAAL rate due to lesser than expected increase in total payroll, (v) change in FCERA’s ordinary disability benefit formula, and (vi) other actuarial gains and losses. A reconciliation of the Association’s aggregate employer rate is provided in Section 2, Subsection D (see Chart 15).

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

- Reference:* Pg. 17
- The aggregate member rate calculated in this valuation has decreased from 8.02% of payroll to 7.99% of payroll. The change in the member rate is due to the change in membership demographics for the June 30, 2009 valuation. A reconciliation of the Association's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).
- Reference:* Pg. 41
- As adopted by the Board, any investment gains/losses will continue to be recognized over five years (i.e., ten six-month interest crediting periods) and the actuarial value of assets will be further adjusted, if necessary, to be within 30% of the market value of assets. A description of the actuarial assumptions and methods can be found in Section 4, Exhibit IV of this report.
- Reference:* Pg. 71
- The employer and member rates developed in this valuation have been determined only with respect to 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 from the development of the employer and member rates. 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.
- Reference:* Pg. 5
- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total unrecognized investment loss as of June 30, 2009 is \$712.9 million before the application of the 130% market value corridor and \$678.6 million after the application of the market value corridor. These investment losses will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, and will offset any investment gains that may occur after June 30, 2009. This means 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 losses on the actuarial value of assets in the next few years. So, if the actual market return is equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements would increase in each of the next few years.
 - The unrecognized investment losses represent 30% of the market value of assets after the application of the 130% market value corridor. Unless offset by future investment gains or other favorable experience, the recognition of the \$678.6 million market losses is expected to have a significant impact on the Association's future funded ratio and the aggregate employer contributions. This potential impact may be illustrated as follows:
 - If the deferred losses were recognized immediately in the valuation value of assets, the funded percentage would decrease from 78.6% to 60.0%.
 - If the deferred losses were recognized immediately in the valuation value of assets, the aggregate employer contribution rate would increase from 33.91% of payroll to 48.26% of payroll.
 - For more details on the impact of the deferred losses, please refer to our asset smoothing projection study dated August 14, 2009 and our contribution projections under alternative market return scenarios study dated September 11, 2009.

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

- Reference:* Pg. 51
- On April 15, 2009, the Board decided to cease the payment of the 2.25% per year of service benefit for members eligible for ordinary disability. The new formula that we have used in this valuation for ordinary disability is 1.5% per year of service for General and 1.8% per year of service for Safety. A more detailed description of the formulas is provided in Section 4 of this report.
- Reference:* Pg. 74
- In preparing the breakdown of the total costs of the General Tier 1 plan into the cost to provide the “Regular” and the “Settlement” benefits, we have followed the Association’s practice of allocating the cost to provide a benefit under Section 31676.12 as the cost for the “Regular” benefit and allocating the difference between this “Regular” benefit cost and the cost to provide a benefit under Section 31676.14 plus Section 31627 as the “Settlement” benefit. In particular, this means that the difference between benefits under Sections 31676.12 and 31676.14 is considered “Settlement” and so under the Settlement Agreement could be funded out of future undistributed earnings. Based on discussions with Counsel, the Agreement might not be clear as to what should be considered the “Settlement” benefit. This means we will require guidance from the Board if and when the Board considers the use of any future undistributed earnings to pay the cost of the “Settlement” benefit.
 - The actuarial valuation report as of June 30, 2009 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.

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, 2009		June 30, 2008	
Employer Contribution Rates:				
	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1	31.47%	\$100,204,000	27.82%	\$88,582,000
General Tier 2	29.48%	\$2,438,000	25.64%	\$2,120,000
General Tier 3	28.08%	\$6,894,000	24.36%	\$5,982,000
Safety Tier 1	47.40%	\$31,916,000	42.19%	\$28,408,000
Safety Tier 2	46.24%	\$1,828,000	41.21%	\$1,629,000
All categories combined	33.91%	\$143,280,000	29.99%	\$126,721,000
Average Member Contribution Rates:				
	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1	7.84%	\$24,963,000	7.88%	\$25,091,000
General Tier 2	5.55%	\$459,000	5.46%	\$452,000
General Tier 3	6.08%	\$1,493,000	6.07%	\$1,490,000
Safety Tier 1	9.67%	\$6,511,000	9.70%	\$6,531,000
Safety Tier 2	8.46%	\$334,000	8.39%	\$332,000
All categories combined	7.99%	\$33,760,000	8.02%	\$33,896,000
Funded Status:				
Actuarial accrued liability ⁽²⁾	\$3,644,743,000		\$3,429,990,000	
Valuation value of assets ⁽³⁾	\$2,864,956,000		\$2,812,423,000	
Funded percentage	78.6%		82.0%	
Unfunded actuarial accrued liability	\$779,787,000		\$617,567,000	
Key Economic Assumptions:				
Interest rate	8.00%		8.00%	
Inflation rate	3.75%		3.75%	
Across-the-board salary increase	0.25%		0.25%	

(1) Based on June 30, 2009 projected annual compensation.

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

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

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

Summary of Key Valuation Demographic and Financial Data

	June 30, 2009	June 30, 2008	Percentage Change
Active Members:			
Number of members	7,407	7,740	-4.3%
Average age	43.8	43.4	N/A
Average service	10.6	10.0	N/A
Projected total compensation	\$422,519,639	\$424,083,302	-0.4%
Average projected compensation	\$57,043	\$54,791	4.1%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,444	4,183	6.2%
Disability retired	315	313	0.6%
Beneficiaries	563	550	2.4%
Total	5,322	5,046	5.5%
Average age	68.2	68.1	N/A
Average monthly benefit ⁽¹⁾	\$2,454	\$2,363	3.9%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	1,460	1,541	-5.3%
Average age	48.0	47.5	N/A
Summary of Financial Data:			
Market value of assets	\$2,261,912,405	\$2,726,605,343	-17.0%
Return on market value of assets	-16.73%	-6.51%	N/A
Actuarial value of assets	\$2,940,486,126	\$2,942,899,807	-0.1%
Return on actuarial value of assets	0.24%	10.14%	N/A
Valuation value of assets	\$2,864,956,321	\$2,812,423,157	1.9%
Return on valuation value of assets	1.93%	8.17%	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.

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 five valuations can be seen in this chart.

CHART 1
Member Population: 2005 – 2009

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
2008	7,740	1,541	5,046	0.85
2009	7,407	1,460	5,322	0.92

* 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 7,407 active members with an average age of 43.8 years, average years of service of 10.6 and average compensation of \$57,043. The 7,740 active members in the prior valuation had an average age of 43.4 years, average years of service of 10.0 and average compensation of \$54,791.

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

Inactive Members

In this year's valuation, there were 1,460 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 1,541 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, 2009

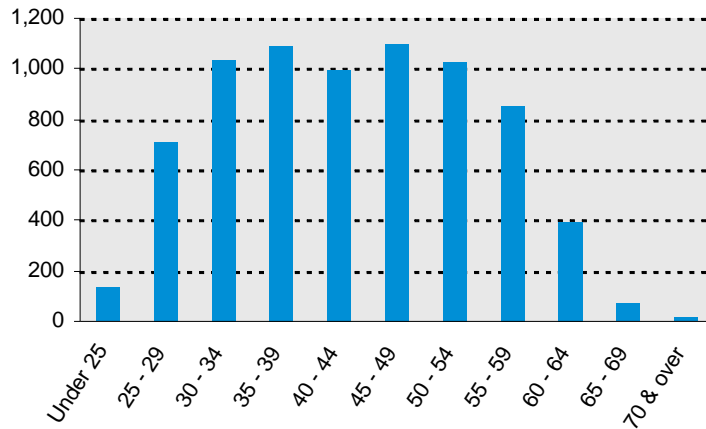
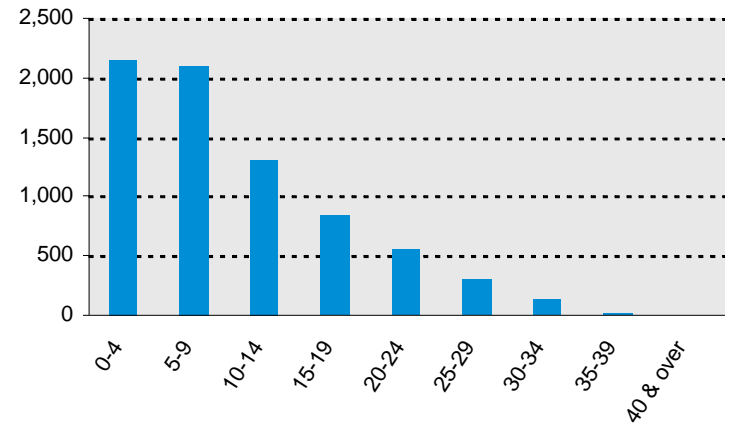


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2009



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

Retired Members and Beneficiaries

As of June 30, 2009, 4,759 retired members and 563 beneficiaries were receiving total monthly benefits of \$13,059,335. For comparison, in the previous valuation, there were 4,496 retired members and 550 beneficiaries receiving monthly benefits of \$11,924,483. 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, 2009

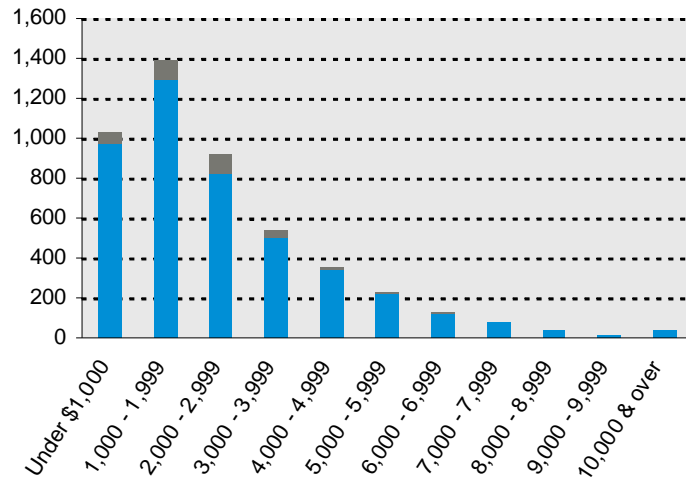
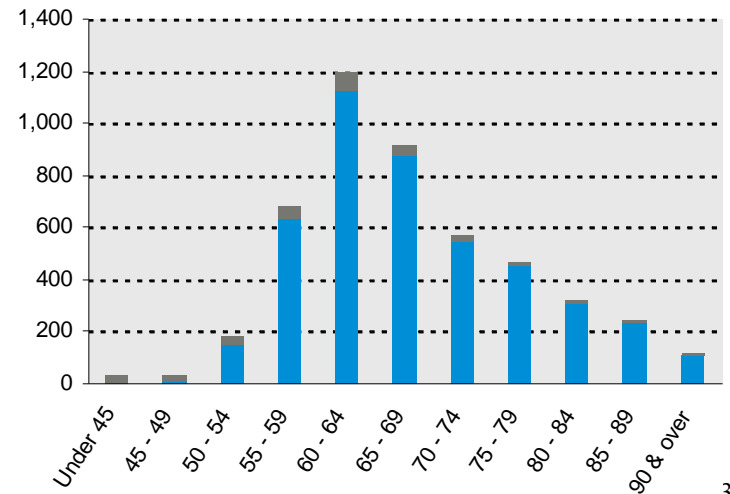


CHART 5
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of June 30, 2009



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.

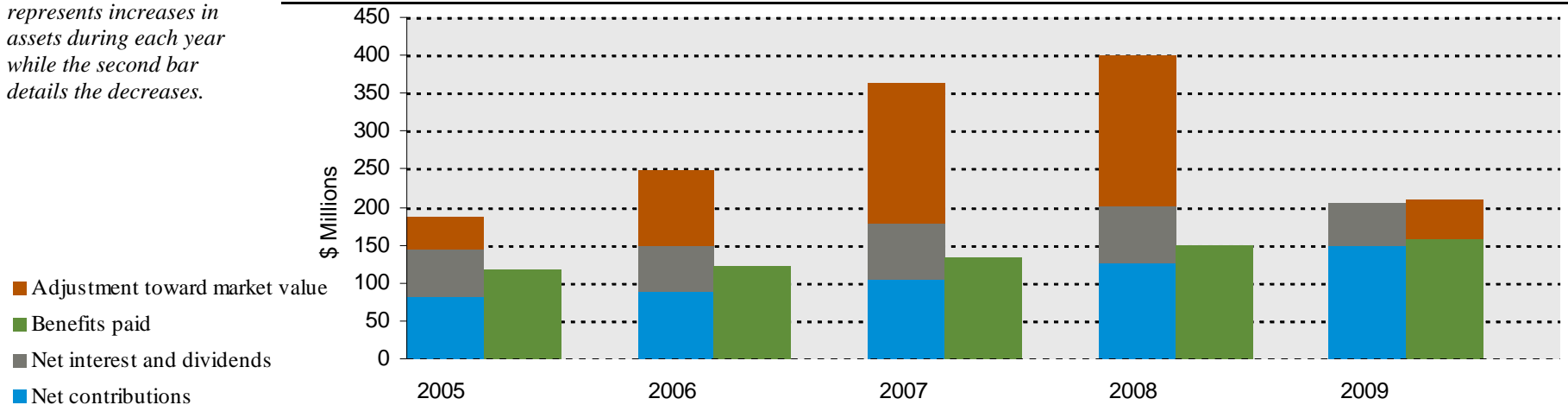
It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single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

The chart depicts the components of changes in the actuarial value of assets over the last five 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 2009



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

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2009

Six Month Period		Total Actual	Expected Market	Investment	Deferred	Deferred
From	To	Market Return (net)	Return (net)	Gain (Loss)	Factor	Return
7/1/2004	12/31/2004	\$ 196,928,404	\$ 85,270,526	\$ 111,657,878	0.0	\$ -
1/1/2005	6/30/2005	35,994,354	92,429,093	(56,434,739)	0.1	(5,643,474)
7/1/2005	12/31/2005	154,920,275	93,175,742	61,744,533	0.2	12,348,907
1/1/2006	6/30/2006	71,982,120	98,673,662	(26,691,542)	0.3	(8,007,463)
7/1/2006	12/31/2006	257,896,965	100,922,267	156,974,698	0.4	62,789,879
1/1/2007	6/30/2007	181,159,138	110,636,787	70,522,351	0.5	35,261,175
7/1/2007	12/31/2007	13,492,805	117,309,620	(103,816,815)	0.6	(62,290,089)
1/1/2008	6/30/2008	(203,972,361)	117,417,984	(321,390,346)	0.7	(224,973,242)
7/1/2008	12/31/2008	(533,520,330)	109,009,763	(642,530,093)	0.8	(514,024,075)
1/1/2009	6/30/2009	78,165,778	87,482,182	(9,316,405)	0.9	(8,384,764)

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

1. Total Deferred Return ⁽¹⁾	\$(712,923,145)
2. Net Market Value	2,261,912,405
3. Actuarial Value of Assets (Item 2 – Item 1)	2,974,835,550
4. Actuarial Value (before corridor) as a percentage of Market Value	131.5%
5. Actuarial Value of Assets – Corridor Limits:	
a. Lower Limit – 70% of Net Market Value	\$1,583,338,683
b. Upper Limit – 130% of Net Market Value	2,940,486,126
6. Actuarial Value of Assets (within corridor) ⁽²⁾	2,940,486,126
7. Non-valuation reserves and designations:	
a. Reserve for Interest Fluctuations (Contingency Reserve), Limited to No Less Than \$0	22,619,124
b. Board Contingency Reserve/Undistributed Earnings (“Available Earnings”)	0
c. Supplemental COLA	6,417,112
d. Retiree Health Insurance	46,493,569
e. Subtotal	<u>\$75,529,805</u>
8. Valuation Value of Assets (Item 6 – Item 7e)	<u>\$2,864,956,321</u>

⁽¹⁾ The amounts of deferred return that will be recognized in each subsequent valuation are as follows:

6/30/2010	\$(168,544,198)
6/30/2011	\$(172,580,476)
6/30/2012	\$(208,358,497)
6/30/2013	\$(162,508,334)
6/30/2014	\$(931,640)

Note: Results may not total properly due to rounding.

⁽²⁾ The deferred return (item 1) after the application of the 130% market value corridor is \$(678,573,721).

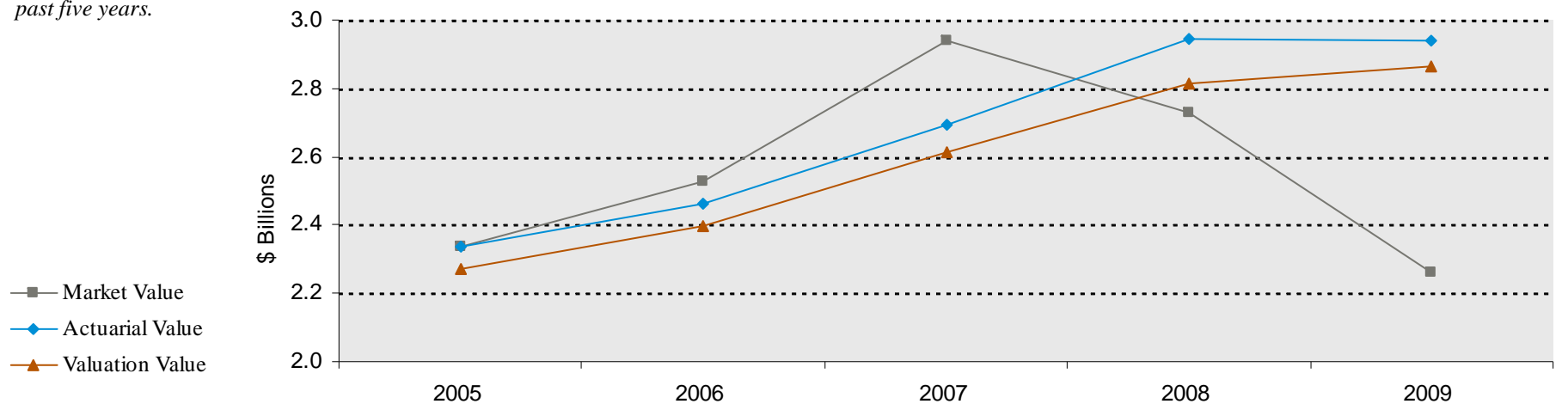
SECTION 2: Valuation Results for the Fresno County Employees' Retirement Association

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 five years.

CHART 8

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2005 – 2009



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 \$155.1 million, a loss of \$170.7 million from investments and a gain of \$15.6 million from all other sources. This does not include an additional \$1.1 million decrease in UAAL from the change in the ordinary disability benefit formula. The net experience variation from individual sources other than investments was 0.4% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

CHART 9

Actuarial Experience for Year Ended June 30, 2009

1. Net gain/(loss) from investments ⁽¹⁾	\$(170,717,000)
2. Net gain/(loss) from other experience ⁽²⁾	<u>15,624,000</u>
3. Net experience gain/(loss): (1) + (2)	\$(155,093,000)

⁽¹⁾ Details in Chart 10.

⁽²⁾ See Section 3, Items (6b) through (6c) in Exhibit H.

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

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 FCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets was 8.00% (based on June 30, 2008 valuation). The actual rate of return on a valuation basis for the 2008/2009 plan year was 1.93%.

Since the actual return for the year was less than the assumed return, FCERA experienced an actuarial loss during the year ended June 30, 2009 with regard to its investments.

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

CHART 10
Investment Experience for Year Ended June 30, 2009 – Valuation Value of Assets

	Valuation Value
1. Actual return	\$54,209,327
2. Average value of assets	2,811,585,075
3. Actual rate of return: (1) ÷ (2)	1.93%
4. Assumed rate of return	8.00%
5. Expected return: (2) x (4)	224,926,806
6. Actuarial gain/(loss): (1) – (5)	<u>\$(170,717,479)</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 five years.

CHART 11

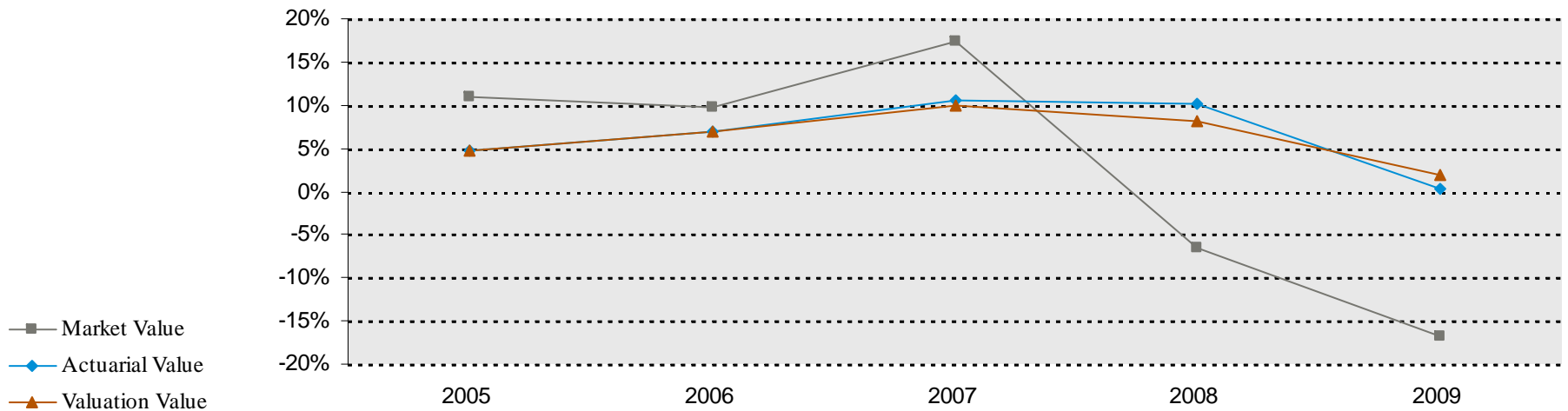
Investment Return – Actuarial Value, Valuation Value and Market Value: 2005 – 2009

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%
2008	212,997,330	8.17%	271,876,171	10.14%	(190,479,656)	(6.51%)
2009	54,209,327	1.93%	6,924,705	0.24%	(455,354,552)	(16.73%)
Five-Year Average Return		6.31%		6.47%		2.18%

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 - 2009



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 gain from this other experience for the year ended June 30, 2009 amounted to \$15.6 million which is 0.4% 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 24-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 separate 15-year declining periods. The increase in UAAL due to benefit improvements 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 1/200 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 60 for all General Tiers 1 and 2, 55 for all General Tier 3 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, 2009						June 30, 2008	
	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	12.84%	\$40,884	3.91%	\$12,450	16.75%	\$53,334	16.80%	\$53,493
UAAL	<u>11.79%</u>	<u>37,540</u>	<u>2.93%</u>	<u>9,330</u>	<u>14.72%</u>	<u>46,870</u>	<u>11.02%</u>	<u>35,089</u>
Total Contribution	24.63%	\$78,424	6.84%	\$21,780	31.47%	\$100,204	27.82%	\$88,582
General Tier 2 Members								
Normal Cost	14.58%	\$1,206	0.18%	\$15	14.76%	\$1,221	14.62%	\$1,209
UAAL	<u>11.79%</u>	<u>975</u>	<u>2.93%</u>	<u>242</u>	<u>14.72%</u>	<u>1,217</u>	<u>11.02%</u>	<u>911</u>
Total Contribution	26.37%	\$2,181	3.11%	\$257	29.48%	\$2,438	25.64%	\$2,120
General Tier 3 Members								
Normal Cost	13.14%	\$3,226	0.22%	\$54	13.36%	\$3,280	13.34%	\$3,276
UAAL	<u>11.79%</u>	<u>2,895</u>	<u>2.93%</u>	<u>719</u>	<u>14.72%</u>	<u>3,614</u>	<u>11.02%</u>	<u>2,706</u>
Total Contribution	24.93%	\$6,121	3.15%	\$773	28.08%	\$6,894	24.36%	\$5,982
Safety Tier 1 Members								
Normal Cost	19.79%	\$13,325	3.88%	\$2,613	23.67%	\$15,938	23.64%	\$15,918
UAAL	<u>21.05%</u>	<u>14,174</u>	<u>2.68%</u>	<u>1,804</u>	<u>23.73%</u>	<u>15,978</u>	<u>18.55%</u>	<u>12,490</u>
Total Contribution	40.84%	\$27,499	6.56%	\$4,417	47.40%	\$31,916	42.19%	\$28,408
Safety Tier 2 Members								
Normal Cost	22.38%	\$884	0.13%	\$6	22.51%	\$890	22.66%	\$896
UAAL	<u>21.05%</u>	<u>832</u>	<u>2.68%</u>	<u>106</u>	<u>23.73%</u>	<u>938</u>	<u>18.55%</u>	<u>733</u>
Total Contribution	43.43%	\$1,716	2.81%	\$112	46.24%	\$1,828	41.21%	\$1,629
All Categories Combined								
Normal Cost	14.09%	\$59,525	3.58%	\$15,138	17.67%	\$74,663	17.70%	\$74,792
UAAL	<u>13.35%</u>	<u>56,416</u>	<u>2.89%</u>	<u>12,201</u>	<u>16.24%</u>	<u>68,617</u>	<u>12.29%</u>	<u>51,929</u>
Total Contribution	27.44%	\$115,941	6.47%	\$27,339	33.91%	\$143,280	29.99%	\$126,721

*Amounts are in thousands and are based on June 30, 2009 projected annual compensation (also in thousands):

General Tier 1	\$318,409
General Tier 2	8,270
General Tier 3	24,554
Safety Tier 1	67,334
Safety Tier 2	3,952
Total Compensation	<u>\$422,519</u>

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

CHART 14

Breakdown of Employer Contribution Rate Into Basic and COLA

	June 30, 2009					June 30, 2008				
	General			Safety		General			Safety	
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2
Normal Cost										
Regular - Basic	10.49%	12.25%	10.86%	15.88%	18.25%	10.54%	12.10%	10.85%	15.86%	18.27%
Regular - COLA	2.35%	2.33%	2.28%	3.91%	4.13%	2.33%	2.34%	2.26%	3.89%	4.21%
Section 6	3.61%	0.00%	0.00%	3.65%	0.00%	3.63%	0.00%	0.00%	3.65%	0.00%
Section 8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Section 9	0.30%	0.18%	0.22%	0.23%	0.13%	0.30%	0.18%	0.23%	0.24%	0.18%
UAAL										
Regular – Basic	7.32%	7.32%	7.32%	9.17%	9.17%	5.17%	5.17%	5.17%	5.88%	5.88%
Regular – COLA	4.47%	4.47%	4.47%	11.88%	11.88%	3.61%	3.61%	3.61%	11.12%	11.12%
Section 6	2.48%	2.48%	2.48%	2.23%	2.23%	1.95%	1.95%	1.95%	1.26%	1.26%
Section 8	0.09%	0.09%	0.09%	0.09%	0.09%	0.01%	0.01%	0.01%	0.01%	0.01%
Section 9	0.36%	0.36%	0.36%	0.36%	0.36%	0.28%	0.28%	0.28%	0.28%	0.28%

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, 2009 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, 2008 to June 30, 2009 (Dollars in Thousands)

	Contribution Rate	Estimated Amount ⁽¹⁾
Recommended Contribution Rate as of June 30, 2008	29.99%	\$126,721
Effect of actuarial experience during 2008/2009:		
1. Effect of investment loss on valuation value of assets	3.61%	\$15,253
2. Effect of one year delay in implementing employer and employee contribution rates calculated in June 30, 2008 valuation	0.10%	423
3. Effect of salary increases less than expected during 2008/2009	-0.49%	-2,070
4. Effect of increase in UAAL rate due to lesser than expected increase in total payroll	0.71%	3,000
5. Effect of change in ordinary disability benefit formula	-0.05%	-211
6. Effect of other experience (gain)/loss	0.04%	164
Subtotal	3.92%	\$16,559
Recommended Contribution Rate as of June 30, 2009	33.91%	\$143,280

⁽¹⁾ Based on June 30, 2009 projected annual compensation of \$422,519.

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

The member contribution rates as of June 30, 2009 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, 2008 to June 30, 2009
(Dollar Amounts in Thousands)**

	Contribution Rate	Estimated Amount ⁽¹⁾
Average Contribution Rate as of June 30, 2008	8.02%	\$33,896
1. Effect of demographic changes	-0.03%	-136
Average Contribution Rate as of June 30, 2009	7.99%	\$33,760

⁽¹⁾ Based on June 30, 2009 projected compensation of \$422,519.

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

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 valuation 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

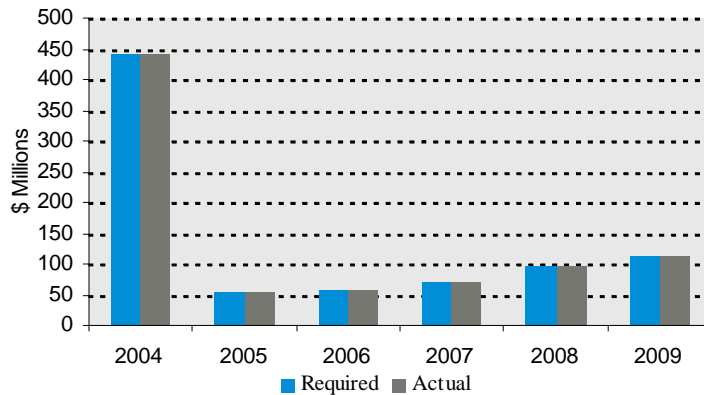
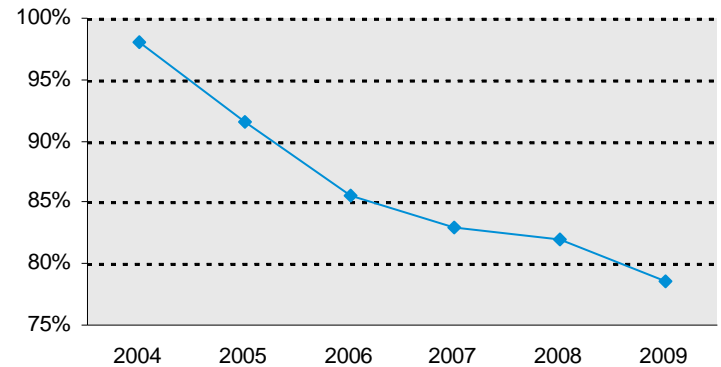


CHART 18
Funded Ratio



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
	2009	2008	
Active members in valuation			
Number	5,723	6,117	-6.4%
Average age	45.3	44.8	N/A
Average service	11.5	10.8	N/A
Projected total compensation ⁽¹⁾	\$318,409,447	\$329,751,680	-3.4%
Projected average compensation ⁽¹⁾	\$55,637	\$53,907	3.2%
Member account balances	\$188,774,281	\$177,167,612	6.6%
Vested terminated members			
Number	1,330	1,398	-4.9%
Average age	48.5	48.1	N/A
Retired members			
Number in pay status	3,981	3,744	6.3%
Average age	68.6	68.5	N/A
Average monthly benefit ⁽²⁾	\$2,443	\$2,353	3.8%
Disabled members			
Number in pay status	187	190	-1.6%
Average age	65.9	65.9	N/A
Average monthly benefit ⁽²⁾	\$1,623	\$1,580	2.7%
Beneficiaries			
Number in pay status	482	471	2.3%
Average age	72.9	73.5	N/A
Average monthly benefit ⁽²⁾	\$1,369	\$1,324	3.4%

⁽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
	2009	2008	
Active members in valuation			
Number	136	123	10.6%
Average age	40.5	39.7	N/A
Average service	2.2	1.8	N/A
Projected total compensation ⁽¹⁾	\$8,270,010	\$6,639,503	24.6%
Projected average compensation ⁽¹⁾	\$60,809	\$53,980	12.7%
Member account balances	\$881,749	\$573,316	53.8%
Vested terminated members			
Number	6	7	-14.3%
Average age	43.7	42.8	N/A
Retired members			
Number in pay status	0	2	-100.0%
Average age	N/A	61.3	N/A
Average monthly benefit ⁽²⁾	\$0	\$3,025	-100.0%
Disabled members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	0	0	0.0%
Beneficiaries			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	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⁾ 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

iii. General Tier 3

Category	Year Ended June 30		Change From Prior Year
	2009	2008	
Active members in valuation			
Number	630	547	15.2%
Average age	36.1	35.2	N/A
Average service	2.3	1.6	N/A
Projected total compensation ⁽¹⁾	\$24,554,440	\$19,600,926	25.3%
Projected average compensation ⁽¹⁾	\$38,975	\$35,834	8.8%
Member account balances	\$2,684,307	\$1,444,370	85.8%
Vested terminated members			
Number	2	1	100.0%
Average age	37.7	30.2	N/A
Retired members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	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 ⁽²⁾	0	0	0.0%
Beneficiaries			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	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⁾ 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 1

Category	Year Ended June 30		Change From Prior Year
	2009	2008	
Active members in valuation			
Number	856	888	-3.6%
Average age	41.2	40.6	N/A
Average service	12.5	11.7	N/A
Projected total compensation ⁽¹⁾	\$67,334,058	\$64,592,080	4.2%
Projected average compensation ⁽¹⁾	\$78,661	\$72,739	8.1%
Member account balances	\$44,525,151	\$39,888,153	11.6%
Vested terminated members			
Number	121	134	-9.7%
Average age	43.0	42.4	N/A
Retired members			
Number in pay status	463	437	5.9%
Average age	64.4	64.0	N/A
Average monthly benefit ⁽²⁾	\$3,965	\$3,849	3.0%
Disabled members			
Number in pay status	128	123	4.1%
Average age	56.3	55.7	N/A
Average monthly benefit ⁽²⁾	\$2,909	\$2,811	3.5%
Beneficiaries			
Number in pay status	81	79	2.5%
Average age	67.3	66.4	N/A
Average monthly benefit ⁽²⁾	\$2,007	\$1,968	2.0%

⁽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⁾ *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

v. Safety Tier 2

Category	Year Ended June 30		Change From Prior Year
	2009	2008	
Active members in valuation			
Number	62	65	-4.6%
Average age	31.7	30.1	N/A
Average service	2.4	1.2	N/A
Projected total compensation ⁽¹⁾	\$3,951,684	\$3,499,113	12.9%
Projected average compensation ⁽¹⁾	\$63,737	\$53,833	18.4%
Member account balances	\$653,316	\$301,660	116.6%
Vested terminated members			
Number	1	1	0.0%
Average age	29.6	28.6	N/A
Retired members			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	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 ⁽²⁾	0	0	0.0%
Beneficiaries			
Number in pay status	0	0	0.0%
Average age	N/A	N/A	N/A
Average monthly benefit ⁽²⁾	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⁾ *Benefits include regular and settlement benefits but exclude non-vested supplemental benefits.*

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, 2009**

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	63	61	2	--	--	--	--	--	--	--
	\$33,113	\$32,967	\$37,553	--	--	--	--	--	--	--
25 - 29	400	298	101	1	--	--	--	--	--	--
	43,659	42,941	45,688	\$52,928	--	--	--	--	--	--
30 - 34	728	285	372	71	--	--	--	--	--	--
	50,792	47,640	52,892	52,441	--	--	--	--	--	--
35 - 39	796	170	357	227	42	--	--	--	--	--
	54,684	48,463	54,271	59,939	\$54,977	--	--	--	--	--
40 - 44	758	133	250	206	128	41	--	--	--	--
	57,696	51,871	54,880	62,464	60,796	\$60,130	--	--	--	--
45 - 49	874	120	228	187	183	130	23	3	--	--
	57,642	52,071	55,134	57,806	62,411	60,598	\$54,059	\$69,345	--	--
50 - 54	888	87	189	173	149	123	117	48	2	--
	59,625	49,646	54,723	60,084	56,644	68,718	65,491	67,430	\$49,691	--
55 - 59	779	63	174	136	121	133	85	59	8	--
	59,892	49,210	57,698	57,090	58,967	61,236	67,983	70,096	69,836	--
60 - 64	361	21	94	90	63	55	24	9	4	1
	56,174	51,403	49,039	57,325	53,678	66,221	65,260	61,857	58,384	\$49,944
65 - 69	63	8	27	15	4	5	2	2	--	--
	56,937	53,323	55,419	63,532	62,298	51,026	39,689	63,725	--	--
70 & over	13	2	4	3	2	1	--	--	1	--
	59,436	49,466	56,749	68,670	65,341	30,206	--	--	79,844	--
Total	5,723	1,248	1,798	1,109	692	488	251	121	15	1
	\$55,637	\$47,112	\$53,807	\$59,095	\$59,030	\$63,253	\$65,060	\$68,301	\$64,764	\$49,944

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, 2009**

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	3	3	--	--	--	--	--	--	--
	\$40,778	\$40,778	--	--	--	--	--	--	--
25 - 29	23	22	1	--	--	--	--	--	--
	54,604	54,721	\$52,039	--	--	--	--	--	--
30 - 34	32	31	1	--	--	--	--	--	--
	55,916	55,587	66,101	--	--	--	--	--	--
35 - 39	17	14	1	2	--	--	--	--	--
	62,733	61,408	74,631	\$66,060	--	--	--	--	--
40 - 44	12	12	--	--	--	--	--	--	--
	60,676	60,676	--	--	--	--	--	--	--
45 - 49	18	18	--	--	--	--	--	--	--
	58,496	58,496	--	--	--	--	--	--	--
50 - 54	12	10	1	1	--	--	--	--	--
	77,507	66,143	40,888	227,773	--	--	--	--	--
55 - 59	13	12	1	--	--	--	--	--	--
	78,668	81,530	44,319	--	--	--	--	--	--
60 - 64	5	4	1	--	--	--	--	--	--
	53,369	54,164	50,190	--	--	--	--	--	--
65 - 69	1	1	--	--	--	--	--	--	--
	35,348	35,348	--	--	--	--	--	--	--
70 & Over	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total	136	127	6	3	--	--	--	--	--
	\$60,809	\$59,700	\$54,695	\$119,964	--	--	--	--	--

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, 2009**

iii. General Tier 3

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	58	58	--	--	--	--	--	--	--	--
	\$31,429	\$31,429	--	--	--	--	--	--	--	--
25 - 29	171	170	1	--	--	--	--	--	--	--
	38,607	38,594	\$40,911	--	--	--	--	--	--	--
30 - 34	129	121	6	2	--	--	--	--	--	--
	41,530	41,600	39,128	\$44,474	--	--	--	--	--	--
35 - 39	79	68	9	2	--	--	--	--	--	--
	42,905	42,059	49,647	41,354	--	--	--	--	--	--
40 - 44	59	50	6	3	--	--	--	--	--	--
	37,490	35,614	42,144	59,442	--	--	--	--	--	--
45 - 49	55	43	10	1	1	--	--	--	--	--
	37,629	36,327	39,588	43,420	\$68,212	--	--	--	--	--
50 - 54	37	32	5	--	--	--	--	--	--	--
	37,676	37,862	36,490	--	--	--	--	--	--	--
55 - 59	26	19	4	1	2	--	--	--	--	--
	40,697	39,793	39,651	64,488	39,489	--	--	--	--	--
60 - 64	15	14	1	--	--	--	--	--	--	--
	40,870	41,745	28,612	--	--	--	--	--	--	--
65 - 69	1	--	1	--	--	--	--	--	--	--
	36,244	--	36,244	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	630	575	43	9	3	--	--	--	--	--
	\$38,975	\$38,560	\$41,329	\$50,877	\$49,064	--	--	--	--	--

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, 2009**

iv. 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	--	--	--	--	--	--	--	--	--
25 - 29	84	63	21	--	--	--	--	--	--
	\$65,795	\$63,556	\$72,513	--	--	--	--	--	--
30 - 34	138	42	78	18	--	--	--	--	--
	74,483	65,658	77,315	\$82,803	--	--	--	--	--
35 - 39	189	23	79	77	10	--	--	--	--
	78,736	63,419	79,739	81,450	\$85,142	--	--	--	--
40 - 44	160	4	36	51	58	11	--	--	--
	79,607	59,517	73,395	81,209	83,226	\$80,733	--	--	--
45 - 49	148	7	15	30	46	38	11	1	--
	82,996	64,018	82,003	79,085	81,154	86,708	\$101,193	\$91,673	--
50 - 54	91	--	6	7	23	16	30	9	--
	86,856	--	75,407	74,757	77,661	82,236	99,206	94,438	--
55 - 59	33	--	6	4	12	2	6	1	2
	83,341	--	73,980	80,786	81,351	99,643	87,094	71,591	\$106,788
60 - 64	11	1	3	3	2	1	1	--	--
	75,194	57,727	65,013	80,309	70,644	81,767	110,384	--	--
65 - 69	2	--	--	2	--	--	--	--	--
	72,799	--	--	72,799	--	--	--	--	--
70 & Over	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total	856	140	244	192	151	68	48	11	2
	\$78,661	\$64,030	\$77,116	\$80,778	\$81,558	\$84,997	\$98,380	\$92,110	\$106,788

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, 2009**

v. Safety Tier 2

Age	Years of Service							
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30 & over
Under 25	8	8	--	--	--	--	--	--
	\$61,495	\$61,495	--	--	--	--	--	--
25 - 29	31	31	--	--	--	--	--	--
	63,200	63,200	--	--	--	--	--	--
30 - 34	8	8	--	--	--	--	--	--
	57,534	57,534	--	--	--	--	--	--
35 - 39	6	5	1	--	--	--	--	--
	60,222	60,331	\$59,677	--	--	--	--	--
40 - 44	3	3	--	--	--	--	--	--
	69,875	69,875	--	--	--	--	--	--
45 - 49	2	2	--	--	--	--	--	--
	71,992	71,992	--	--	--	--	--	--
50 - 54	2	2	--	--	--	--	--	--
	76,248	76,248	--	--	--	--	--	--
55 - 59	1	1	--	--	--	--	--	--
	83,018	83,018	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--
65 - 69	1	--	--	1	--	--	--	--
	89,799	--	--	\$89,799	--	--	--	--
70 & Over	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--
Total	62	60	1	1	--	--	--	--
	\$63,737	\$63,370	\$59,677	\$89,799	--	--	--	--

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

EXHIBIT C

Reconciliation of Member Data – June 30, 2008 to June 30, 2009

	Active Members	Vested Terminated Members	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2008	7,740	1,541	4,183	313	550	14,327
New members	211	0	0	0	0	211
Terminations – with vested rights	-99	99	0	0	0	0
Contributions refunds	-208	-91	0	0	0	-299
Retirements	-234	-98	332	0	0	0
New disabilities	-4	-6	-1	11	0	0
Return to work	6	-6	0	0	0	0
Died with or without beneficiary	-5	-1	-73	-8	14*	-73
Data adjustments	0	22	3	-1	-1	23
Number as of June 30, 2009	7,407	1,460	4,444	315	563	14,189

* This is the net increase in the number of beneficiaries after subtracting the number of beneficiaries who died during the year.

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,	
	2009	2008
Contribution income:		
Employer contributions	\$113,959,034	\$97,305,345
Employee contributions	<u>34,562,232</u>	<u>30,271,857</u>
Contribution income	\$148,521,266	\$127,577,202
Investment income:		
Interest, dividends and other income	\$72,262,949	\$90,975,032
Adjustment toward market value	-51,391,536	197,661,292
Less investment and administrative fees	<u>-13,946,709</u>	<u>-16,760,153</u>
Net investment income	<u>6,924,705</u>	<u>271,876,171</u>
Total income available for benefits	\$155,445,971	\$399,453,373
Less benefit payments:		
Service retirement	-\$143,643,206	-\$131,265,098
Death payments	-1,174,198	-1,101,299
Supplemental cost of living	-1,310,465	-1,466,039
Members refunds	-2,077,530	-6,072,397
Health insurance subsidies	<u>-9,654,254</u>	<u>-9,239,764</u>
Benefit payments	-\$157,859,652	-\$149,144,596
Change in reserve for future benefits	-\$2,413,681	\$250,308,776

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,	
	2009	2008
Cash equivalents	\$108,369,006	\$106,760,844
Accounts receivable:		
Investment trades	\$116,197,929	\$147,229,738
Interest and dividends	6,717,446	7,922,515
Contributions and others	6,501,907	7,655,976
Securities lending	<u>338,650</u>	<u>1,041,081</u>
Total accounts receivable	129,755,932	163,849,309
Investments:		
Equities	\$1,138,862,845	\$1,550,053,792
Fixed income	771,648,691	765,518,313
Real estate	72,481,047	105,607,492
Securities lending collateral	283,498,323	357,748,067
Capital assets	2,215,708	2,405,436
Others	<u>190,325,312</u>	<u>234,462,928</u>
Total investments at market value	<u>2,459,031,926</u>	<u>3,015,796,028</u>
Total assets	\$2,697,156,863	\$3,286,406,181
Less accounts payable:		
Investment trades	-\$149,153,223	-\$198,588,488
Cash collateral payable for securities lending	-283,498,323	-357,748,067
Securities lending bank and broker fees	-83,664	-682,924
Others	<u>-2,509,249</u>	<u>-2,781,361</u>
Total accounts payable	-\$435,244,459	-\$559,800,839
Net assets at market value	<u>\$2,261,912,405</u>	<u>\$2,726,605,343</u>
Net assets at actuarial value	<u>\$2,940,486,126</u>	<u>\$2,942,899,807</u>
Net assets at valuation value	<u>\$2,864,956,321</u>	<u>\$2,812,423,157</u>

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 the 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	Regular	Section 6	Section 8	Section 9	Total
1. Total valuation assets	\$2,254,671	\$487,714	\$94,691	\$27,880	\$2,864,956
2. Present value of future contributions by members	\$200,851	\$64,247	\$0	\$0	\$265,098
3. Present value of future employer contributions for:					
a. entry age normal cost	\$427,180	\$92,053	\$0	\$7,682	\$526,915
b. unfunded actuarial accrued liability	\$592,002	\$158,667	\$5,610	\$23,508	\$779,787
4. Total current and future assets	\$3,474,704	\$802,681	\$100,301	\$59,070	\$4,436,756
Liabilities					
5. Present value of benefits already granted	\$1,481,209	\$263,733	\$100,301	\$32,295	\$1,877,538
6. Present value of benefits to be granted - deferred members	\$128,075	\$46,817	\$0	\$2,594	\$177,486
- active members	\$1,865,420	\$492,131	\$0	\$24,181	\$2,381,732
7. Total liabilities	\$3,474,704	\$802,681	\$100,301	\$59,070	\$4,436,756

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

EXHIBIT G

Summary of Reported Asset Information as of June 30, 2009

Used in Development of Valuation Value of Assets	Reserves
<i>Regular Valuation Reserves</i>	
Members' Accumulated Contributions	\$322,631,536
Current Service Reserve	604,001,201
Annuity Pension Reserve	117,145,039
Current Service Pension Reserve	766,980,339
Cost of Living Reserve	579,619,651
Survivors' Death Benefit Reserve	84,163
Subtotal	<u>\$2,390,461,929</u>
<i>Settlement Reserves (Section 6)</i>	
Supplemental Annuity Reserve	\$354,858,226
Members' Accumulated Contributions	33,527,592
Current Service Reserve	125,538,504
Annuity Pension Reserve	4,310,261
Subtotal	<u>\$518,234,583</u>
<i>Supplemental Benefit Reserve (Section 8)</i>	\$101,610,229
<i>Retiree Health Insurance Reserve (Section 9)</i>	\$29,980,481
<i>Contra Tracking Account</i>	<u>\$(175,330,901)</u>
Total	\$2,864,956,321
Not Used in Development of Valuation Value of Assets	
<i>Supplemental COLA</i>	\$6,417,112
<i>Retiree Health Insurance Reserves</i>	46,493,569
<i>Contingency Reserve</i>	22,619,124
<i>Board Contingency Reserve/Undistributed Earnings ("Available Earnings")</i>	0
<i>Market Stabilization Reserve*</i>	<u>(678,573,721)</u>
Total	\$(603,043,916)
Grand Total	\$2,261,912,405

* The Market Stabilization Reserve is (\$712,923,145) before the application of the 130% market value corridor.

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

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability as of June 30, 2009

	(Dollar amounts in Thousands)
1 Unfunded actuarial accrued liability at beginning of year	\$617,567
2 Gross Normal Cost payable at middle of year	108,914
3 Actual employer and member contributions	-148,521
4 Interest (full year on (1) plus half year on (2) + (3))	<u>47,821</u>
5 Expected unfunded actuarial accrued liability at end of year	\$625,781
6 Actuarial (gain)/loss due to all changes:	
<u>Experience (gain)/loss</u>	
a. Loss from investment return	\$170,717
b. Lower than expected salary increase	-23,365
c. Other experience (gain)/loss	<u>7,741</u>
d. Subtotal	\$155,093
<u>Other changes</u>	
e. Change in ordinary disability benefit formula	<u>-1,087</u>
f. Subtotal	-\$1,087
7 Actual unfunded actuarial accrued liability at end of year (5) + (6d) + (6f)	\$779,787

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 \$195,000 for 2009 and 2010. 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 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; and
- (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 gains and losses on the market value of assets 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
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%
2008	97	97	100.0%
2009	114	114	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 (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (a) – (b)	Funded Ratio (%) (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) [(a) – (b)] / (c)
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
6/30/2008	2,812,423	3,429,990	617,567	82.0	424,083	145.6
6/30/2009	2,864,956	3,644,743	779,787	78.6	422,519	184.6

⁽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, 2009
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll for total unfunded liability
Remaining amortization period	24 years (declining) for UAAL established as of June 30, 2003 plus 15 years (declining) for UAAL and changes 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 actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets. 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	5,322
Terminated members entitled to, but not yet receiving benefits	1,460
Active members	<u>7,407</u>
Total	14,189

* 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
and Optional Benefits:*

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

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.

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

Please note that in determining optional benefits for disabled members the RP-2000 Disabled Annuitant Mortality Table set back one year for General members and set back two years for Safety members is used instead.

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	0.82
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.

**Employee Contribution
Crediting Rate:**

3.00%, compounded semi-annually.

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

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 service.		
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%

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. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets.

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.

Changes in Actuarial Assumptions and Methods: The following are changes in actuarial assumptions and methods since the previous actuarial valuation.

Actuarial Value of Assets: In the prior valuation, the actuarial value of assets was determined by phasing in any difference between actual and expected market return over 10 six-month interest crediting periods. The actuarial value of assets was further adjusted, if necessary, to be within 20% of the market value of assets.

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).

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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 §31676.12 and</i>	55	$(2.50\% \times \text{FAS1} - 1/3 \times 2.50\% \times \$350 \times 12) \times \text{Yrs}$
<i>Settlement benefit under §31676.14 and §31627</i>	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 1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, 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 1.8% 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.

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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).

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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.

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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 24-year period. The amortization period for Unfunded Actuarial Accrued Liability established as a result of the Tier 3 benefit improvement is amortized over 27 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 31676.12 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 60 equal to 1/200 of FAS1 (§31621.5).
<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.*

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Appendix A

Member Contribution Rates

Comparison of Total Member Rate⁽¹⁾ from June 30, 2009 (New) and June 30, 2008 (Current) Valuations

General Tier 1				General Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	6.84%	6.82%	-0.02%	25	4.45%	4.43%	-0.02%
35	8.13%	8.12%	-0.01%	35	5.29%	5.26%	-0.03%
45	9.78%	9.76%	-0.02%	45	6.30%	6.27%	-0.03%

General Tier 3			
Entry Age	Current	New	Change
25	5.39%	5.38%	-0.01%
35	6.40%	6.39%	-0.01%
45	7.71%	7.70%	-0.01%

Safety Tier 1				Safety Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	9.44%	9.45%	0.01%	25	8.21%	8.18%	-0.03%
30	10.20%	10.21%	0.01%	30	8.87%	8.84%	-0.03%
35	11.06%	11.07%	0.01%	35	9.62%	9.59%	-0.03%

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

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Appendix A

Member Contribution Rates (Continued)

**General Tier 1 Members' Contribution Rates based on the June 30, 2009
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	1.70%	2.55%	1.07%	1.61%	0.78%	1.17%	0.34%	0.51%	3.89%	5.84%
16	1.70%	2.55%	1.07%	1.61%	0.78%	1.17%	0.34%	0.51%	3.89%	5.84%
17	1.73%	2.60%	1.09%	1.64%	0.79%	1.19%	0.35%	0.52%	3.96%	5.95%
18	1.76%	2.64%	1.11%	1.67%	0.81%	1.21%	0.35%	0.53%	4.03%	6.05%
19	1.79%	2.69%	1.13%	1.70%	0.82%	1.23%	0.36%	0.54%	4.10%	6.16%
20	1.82%	2.74%	1.15%	1.73%	0.83%	1.25%	0.37%	0.55%	4.17%	6.27%
21	1.86%	2.79%	1.17%	1.76%	0.85%	1.27%	0.37%	0.56%	4.25%	6.38%
22	1.89%	2.84%	1.19%	1.79%	0.86%	1.29%	0.38%	0.57%	4.32%	6.49%
23	1.92%	2.89%	1.21%	1.82%	0.88%	1.32%	0.39%	0.58%	4.40%	6.61%
24	1.96%	2.94%	1.23%	1.85%	0.89%	1.34%	0.39%	0.58%	4.47%	6.71%
25	1.99%	2.99%	1.25%	1.88%	0.91%	1.36%	0.39%	0.59%	4.54%	6.82%
26	2.03%	3.04%	1.28%	1.92%	0.92%	1.38%	0.40%	0.60%	4.63%	6.94%
27	2.06%	3.09%	1.30%	1.95%	0.94%	1.41%	0.41%	0.62%	4.71%	7.07%
28	2.10%	3.15%	1.32%	1.98%	0.95%	1.43%	0.42%	0.63%	4.79%	7.19%
29	2.14%	3.20%	1.35%	2.02%	0.97%	1.46%	0.43%	0.64%	4.89%	7.32%
30	2.17%	3.26%	1.37%	2.05%	0.99%	1.48%	0.43%	0.65%	4.96%	7.44%
31	2.21%	3.32%	1.39%	2.09%	1.00%	1.51%	0.44%	0.66%	5.04%	7.58%
32	2.25%	3.37%	1.42%	2.13%	1.02%	1.53%	0.45%	0.67%	5.14%	7.70%

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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	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
33	2.29%	3.43%	1.44%	2.16%	1.04%	1.56%	0.45%	0.68%	5.22%	7.83%
34	2.33%	3.49%	1.47%	2.20%	1.06%	1.59%	0.46%	0.69%	5.32%	7.97%
35	2.37%	3.55%	1.49%	2.24%	1.08%	1.62%	0.47%	0.71%	5.41%	8.12%
36	2.41%	3.61%	1.52%	2.28%	1.10%	1.65%	0.48%	0.72%	5.51%	8.26%
37	2.45%	3.68%	1.55%	2.32%	1.12%	1.68%	0.49%	0.73%	5.61%	8.41%
38	2.49%	3.74%	1.57%	2.36%	1.14%	1.71%	0.50%	0.75%	5.70%	8.56%
39	2.54%	3.81%	1.60%	2.40%	1.16%	1.74%	0.51%	0.76%	5.81%	8.71%
40	2.58%	3.87%	1.63%	2.44%	1.18%	1.78%	0.52%	0.78%	5.91%	8.87%
41	2.63%	3.94%	1.65%	2.48%	1.21%	1.81%	0.53%	0.79%	6.02%	9.02%
42	2.67%	4.01%	1.69%	2.53%	1.23%	1.85%	0.54%	0.81%	6.13%	9.20%
43	2.72%	4.08%	1.71%	2.57%	1.26%	1.89%	0.55%	0.83%	6.24%	9.37%
44	2.77%	4.16%	1.75%	2.62%	1.29%	1.94%	0.57%	0.85%	6.38%	9.57%
45	2.82%	4.23%	1.78%	2.67%	1.33%	1.99%	0.58%	0.87%	6.51%	9.76%
46	2.87%	4.31%	1.81%	2.72%	1.37%	2.05%	0.60%	0.90%	6.65%	9.98%
47	2.93%	4.39%	1.85%	2.77%	1.41%	2.12%	0.62%	0.93%	6.81%	10.21%
48	2.99%	4.48%	1.88%	2.82%	1.45%	2.18%	0.63%	0.95%	6.95%	10.43%
49	3.05%	4.57%	1.92%	2.88%	1.50%	2.25%	0.65%	0.98%	7.12%	10.68%
50	3.11%	4.66%	1.96%	2.94%	1.43%	2.14%	0.63%	0.94%	7.13%	10.68%
51	3.18%	4.77%	2.01%	3.01%	1.34%	2.02%	0.59%	0.88%	7.12%	10.68%
52	3.25%	4.88%	2.05%	3.08%	1.25%	1.87%	0.55%	0.82%	7.10%	10.65%
53	3.33%	4.99%	2.10%	3.15%	1.15%	1.72%	0.50%	0.75%	7.08%	10.61%
54	3.41%	5.11%	2.15%	3.22%	1.03%	1.54%	0.45%	0.67%	7.04%	10.54%

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	3.40%	5.10%	2.15%	3.22%	1.03%	1.54%	0.45%	0.67%	7.03%	10.53%
56	3.39%	5.08%	2.13%	3.20%	1.03%	1.54%	0.45%	0.67%	7.00%	10.49%
57	3.37%	5.06%	2.13%	3.19%	1.03%	1.54%	0.45%	0.67%	6.98%	10.46%
58	3.35%	5.03%	2.11%	3.17%	1.03%	1.54%	0.45%	0.67%	6.94%	10.41%
59	3.32%	4.98%	2.09%	3.14%	1.03%	1.54%	0.45%	0.67%	6.89%	10.33%

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: 63.04% for Regular Benefits, 43.71% for Settlement Benefits.

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, 2009
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular First \$350 per month	Regular Over \$350 per month	First \$350 per month	Over \$350 per month
15	1.42%	2.12%	1.10%	1.65%	2.52%	3.77%
16	1.42%	2.12%	1.10%	1.65%	2.52%	3.77%
17	1.44%	2.16%	1.12%	1.68%	2.56%	3.84%
18	1.47%	2.20%	1.14%	1.71%	2.61%	3.91%
19	1.49%	2.24%	1.16%	1.74%	2.65%	3.98%
20	1.52%	2.28%	1.18%	1.77%	2.70%	4.05%
21	1.55%	2.32%	1.21%	1.81%	2.76%	4.13%
22	1.58%	2.36%	1.23%	1.84%	2.81%	4.20%
23	1.60%	2.40%	1.25%	1.87%	2.85%	4.27%
24	1.63%	2.45%	1.27%	1.90%	2.90%	4.35%
25	1.66%	2.49%	1.29%	1.94%	2.95%	4.43%
26	1.69%	2.53%	1.31%	1.97%	3.00%	4.50%
27	1.72%	2.58%	1.34%	2.01%	3.06%	4.59%
28	1.75%	2.62%	1.36%	2.04%	3.11%	4.66%
29	1.78%	2.67%	1.39%	2.08%	3.17%	4.75%

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%	1.41%	2.11%	3.22%	4.83%
31	1.84%	2.76%	1.43%	2.15%	3.27%	4.91%
32	1.87%	2.81%	1.46%	2.19%	3.33%	5.00%
33	1.91%	2.86%	1.49%	2.23%	3.40%	5.09%
34	1.94%	2.91%	1.51%	2.26%	3.45%	5.17%
35	1.97%	2.96%	1.53%	2.30%	3.50%	5.26%
36	2.01%	3.01%	1.56%	2.34%	3.57%	5.35%
37	2.04%	3.06%	1.59%	2.38%	3.63%	5.44%
38	2.08%	3.12%	1.62%	2.43%	3.70%	5.55%
39	2.11%	3.17%	1.65%	2.47%	3.76%	5.64%
40	2.15%	3.23%	1.67%	2.51%	3.82%	5.74%
41	2.19%	3.28%	1.71%	2.56%	3.90%	5.84%
42	2.23%	3.34%	1.73%	2.60%	3.96%	5.94%
43	2.27%	3.40%	1.77%	2.65%	4.04%	6.05%
44	2.31%	3.46%	1.79%	2.69%	4.10%	6.15%
45	2.35%	3.53%	1.83%	2.74%	4.18%	6.27%
46	2.39%	3.59%	1.87%	2.80%	4.26%	6.39%
47	2.44%	3.66%	1.90%	2.85%	4.34%	6.51%
48	2.49%	3.73%	1.93%	2.90%	4.42%	6.63%
49	2.54%	3.81%	1.97%	2.96%	4.51%	6.77%

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

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular	Regular	First \$350 per month	Over \$350 per month

50	2.59%	3.89%	2.01%	3.02%	4.60%	6.91%
51	2.65%	3.97%	2.06%	3.09%	4.71%	7.06%
52	2.71%	4.07%	2.11%	3.16%	4.82%	7.23%
53	2.77%	4.16%	2.16%	3.24%	4.93%	7.40%
54	2.84%	4.26%	2.21%	3.31%	5.05%	7.57%
55	2.83%	4.25%	2.21%	3.31%	5.04%	7.56%
56	2.82%	4.24%	2.20%	3.30%	5.02%	7.54%
57	2.81%	4.22%	2.19%	3.28%	5.00%	7.50%
58	2.79%	4.19%	2.17%	3.26%	4.96%	7.45%
59	2.77%	4.15%	2.15%	3.23%	4.92%	7.38%

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: 77.81% 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, 2009
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular First \$350 per month	Regular Over \$350 per month	First \$350 per month	Over \$350 per month
15	1.89%	2.84%	1.17%	1.76%	3.06%	4.60%
16	1.89%	2.84%	1.17%	1.76%	3.06%	4.60%
17	1.93%	2.89%	1.20%	1.80%	3.13%	4.69%
18	1.96%	2.94%	1.22%	1.83%	3.18%	4.77%
19	1.99%	2.99%	1.24%	1.86%	3.23%	4.85%
20	2.03%	3.04%	1.26%	1.89%	3.29%	4.93%
21	2.06%	3.10%	1.29%	1.93%	3.35%	5.03%
22	2.10%	3.15%	1.31%	1.96%	3.41%	5.11%
23	2.14%	3.21%	1.33%	1.99%	3.47%	5.20%
24	2.17%	3.26%	1.35%	2.03%	3.52%	5.29%
25	2.21%	3.32%	1.37%	2.06%	3.58%	5.38%
26	2.25%	3.38%	1.40%	2.10%	3.65%	5.48%
27	2.29%	3.44%	1.43%	2.14%	3.72%	5.58%
28	2.33%	3.50%	1.45%	2.17%	3.78%	5.67%
29	2.37%	3.56%	1.47%	2.21%	3.84%	5.77%

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

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular First \$350 per month	Regular Over \$350 per month	First \$350 per month	Over \$350 per month
30	2.41%	3.62%	1.50%	2.25%	3.91%	5.87%
31	2.45%	3.68%	1.53%	2.29%	3.98%	5.97%
32	2.50%	3.74%	1.55%	2.33%	4.05%	6.07%
33	2.54%	3.81%	1.58%	2.37%	4.12%	6.18%
34	2.58%	3.88%	1.61%	2.41%	4.19%	6.29%
35	2.63%	3.94%	1.63%	2.45%	4.26%	6.39%
36	2.68%	4.01%	1.67%	2.50%	4.35%	6.51%
37	2.72%	4.09%	1.69%	2.54%	4.41%	6.63%
38	2.77%	4.16%	1.73%	2.59%	4.50%	6.75%
39	2.82%	4.23%	1.75%	2.63%	4.57%	6.86%
40	2.87%	4.31%	1.79%	2.68%	4.66%	6.99%
41	2.93%	4.39%	1.82%	2.73%	4.75%	7.12%
42	2.98%	4.47%	1.85%	2.78%	4.83%	7.25%
43	3.04%	4.56%	1.89%	2.84%	4.93%	7.40%
44	3.10%	4.65%	1.93%	2.89%	5.03%	7.54%
45	3.17%	4.75%	1.97%	2.95%	5.14%	7.70%
46	3.23%	4.85%	2.01%	3.01%	5.24%	7.86%
47	3.30%	4.95%	2.05%	3.08%	5.35%	8.03%
48	3.34%	5.01%	2.07%	3.11%	5.41%	8.12%
49	3.35%	5.03%	2.08%	3.12%	5.43%	8.15%

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

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular First \$350 per month	Regular Over \$350 per month	First \$350 per month	Over \$350 per month
50	3.34%	5.01%	2.07%	3.11%	5.41%	8.12%
51	3.32%	4.98%	2.06%	3.09%	5.38%	8.07%
52	3.29%	4.94%	2.05%	3.07%	5.34%	8.01%
53	3.42%	5.13%	2.13%	3.19%	5.55%	8.32%
54	3.55%	5.32%	2.21%	3.31%	5.76%	8.63%

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: 62.17% 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, 2009
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%	2.09%	3.14%	0.60%	0.90%	0.39%	0.59%	5.48%	8.23%
16	2.40%	3.60%	2.09%	3.14%	0.60%	0.90%	0.39%	0.59%	5.48%	8.23%
17	2.44%	3.66%	2.13%	3.19%	0.61%	0.91%	0.40%	0.60%	5.58%	8.36%
18	2.48%	3.71%	2.16%	3.24%	0.62%	0.93%	0.41%	0.61%	5.67%	8.49%
19	2.51%	3.77%	2.19%	3.29%	0.63%	0.94%	0.41%	0.62%	5.74%	8.62%
20	2.55%	3.83%	2.23%	3.34%	0.64%	0.96%	0.42%	0.63%	5.84%	8.76%
21	2.59%	3.89%	2.26%	3.39%	0.65%	0.97%	0.43%	0.64%	5.93%	8.89%
22	2.63%	3.95%	2.29%	3.44%	0.66%	0.99%	0.43%	0.65%	6.01%	9.03%
23	2.67%	4.01%	2.33%	3.49%	0.67%	1.00%	0.44%	0.66%	6.11%	9.16%
24	2.71%	4.07%	2.37%	3.55%	0.68%	1.02%	0.45%	0.67%	6.21%	9.31%
25	2.76%	4.14%	2.40%	3.60%	0.69%	1.03%	0.45%	0.68%	6.30%	9.45%
26	2.80%	4.20%	2.44%	3.66%	0.70%	1.05%	0.46%	0.69%	6.40%	9.60%
27	2.84%	4.27%	2.48%	3.72%	0.71%	1.07%	0.47%	0.70%	6.50%	9.76%
28	2.89%	4.33%	2.51%	3.77%	0.72%	1.08%	0.47%	0.71%	6.59%	9.89%
29	2.93%	4.40%	2.55%	3.83%	0.73%	1.10%	0.48%	0.72%	6.69%	10.05%
30	2.98%	4.47%	2.59%	3.89%	0.75%	1.12%	0.49%	0.73%	6.81%	10.21%
31	3.03%	4.54%	2.64%	3.96%	0.76%	1.14%	0.49%	0.74%	6.92%	10.38%
32	3.08%	4.62%	2.68%	4.02%	0.77%	1.15%	0.51%	0.76%	7.04%	10.55%
33	3.13%	4.69%	2.73%	4.09%	0.78%	1.17%	0.51%	0.77%	7.15%	10.72%
34	3.18%	4.77%	2.77%	4.15%	0.79%	1.19%	0.52%	0.78%	7.26%	10.89%

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

Age	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Basic Settlement	Basic Settlement	COLA Settlement	COLA Settlement	Combined	Combined
	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	First \$350 per month	Over \$350 per month
35	3.23%	4.85%	2.81%	4.22%	0.81%	1.21%	0.53%	0.79%	7.38%	11.07%
36	3.29%	4.93%	2.87%	4.30%	0.82%	1.23%	0.54%	0.81%	7.52%	11.27%
37	3.35%	5.02%	2.92%	4.38%	0.84%	1.26%	0.55%	0.82%	7.66%	11.48%
38	3.41%	5.12%	2.97%	4.46%	0.85%	1.28%	0.56%	0.84%	7.79%	11.70%
39	3.48%	5.22%	3.03%	4.54%	0.87%	1.30%	0.57%	0.85%	7.95%	11.91%
40	3.55%	5.32%	3.09%	4.64%	0.89%	1.33%	0.58%	0.87%	8.11%	12.16%
41	3.63%	5.44%	3.16%	4.74%	0.91%	1.36%	0.59%	0.89%	8.29%	12.43%
42	3.64%	5.46%	3.17%	4.75%	0.91%	1.36%	0.59%	0.89%	8.31%	12.46%
43	3.65%	5.48%	3.18%	4.77%	0.91%	1.37%	0.60%	0.90%	8.34%	12.52%
44	3.66%	5.50%	3.19%	4.79%	0.92%	1.37%	0.60%	0.90%	8.37%	12.56%
45	3.68%	5.52%	3.21%	4.81%	0.92%	1.38%	0.60%	0.90%	8.41%	12.61%
46	3.70%	5.54%	3.22%	4.83%	0.92%	1.39%	0.61%	0.91%	8.45%	12.67%
47	3.72%	5.58%	3.24%	4.86%	0.93%	1.40%	0.61%	0.91%	8.50%	12.75%
48	3.71%	5.56%	3.23%	4.85%	0.93%	1.39%	0.61%	0.91%	8.48%	12.71%
49	3.68%	5.51%	3.20%	4.80%	0.92%	1.38%	0.60%	0.90%	8.40%	12.59%

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: 87.11% for Regular Benefits, 65.55% 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, 2009
Actuarial Valuation as a percentage of payroll**

Age	Basic Regular	Basic Regular	COLA	COLA	Combined	Combined
	First \$350 per month	Over \$350 per month	Regular	Regular	First \$350 per month	Over \$350 per month
15	2.40%	3.60%	2.35%	3.52%	4.75%	7.12%
16	2.40%	3.60%	2.35%	3.52%	4.75%	7.12%
17	2.44%	3.66%	2.38%	3.57%	4.82%	7.23%
18	2.48%	3.71%	2.42%	3.63%	4.90%	7.34%
19	2.51%	3.77%	2.45%	3.68%	4.96%	7.45%
20	2.55%	3.83%	2.49%	3.74%	5.04%	7.57%
21	2.59%	3.89%	2.53%	3.80%	5.12%	7.69%
22	2.63%	3.95%	2.57%	3.86%	5.20%	7.81%
23	2.67%	4.01%	2.61%	3.92%	5.28%	7.93%
24	2.71%	4.07%	2.65%	3.98%	5.36%	8.05%
25	2.76%	4.14%	2.69%	4.04%	5.45%	8.18%
26	2.80%	4.20%	2.73%	4.10%	5.53%	8.30%
27	2.84%	4.27%	2.78%	4.17%	5.62%	8.44%
28	2.89%	4.33%	2.82%	4.23%	5.71%	8.56%
29	2.93%	4.40%	2.87%	4.30%	5.80%	8.70%
30	2.98%	4.47%	2.91%	4.37%	5.89%	8.84%
31	3.03%	4.54%	2.96%	4.44%	5.99%	8.98%
32	3.08%	4.62%	3.01%	4.51%	6.09%	9.13%
33	3.13%	4.69%	3.05%	4.58%	6.18%	9.27%
34	3.18%	4.77%	3.11%	4.66%	6.29%	9.43%

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
35	3.23%	4.85%	3.16%	4.74%	6.39%	9.59%
36	3.29%	4.93%	3.21%	4.82%	6.50%	9.75%
37	3.35%	5.02%	3.27%	4.91%	6.62%	9.93%
38	3.41%	5.12%	3.33%	5.00%	6.74%	10.12%
39	3.48%	5.22%	3.40%	5.10%	6.88%	10.32%
40	3.55%	5.32%	3.47%	5.20%	7.02%	10.52%
41	3.63%	5.44%	3.55%	5.32%	7.18%	10.76%
42	3.64%	5.46%	3.55%	5.33%	7.19%	10.79%
43	3.65%	5.48%	3.57%	5.35%	7.22%	10.83%
44	3.66%	5.50%	3.58%	5.37%	7.24%	10.87%
45	3.68%	5.52%	3.59%	5.39%	7.27%	10.91%
46	3.70%	5.54%	3.61%	5.42%	7.31%	10.96%
47	3.72%	5.58%	3.63%	5.45%	7.35%	11.03%
48	3.71%	5.56%	3.63%	5.44%	7.34%	11.00%
49	3.68%	5.51%	3.59%	5.39%	7.27%	10.90%
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:	97.70% for Regular Benefits					

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

Revised: January 27, 2010

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 taxable 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) (3)}

Total Undiscounted Benefits as of June 30, 2009: \$9,924,444
 Reserve⁽⁴⁾ as of June 30, 2009: \$6,417,112

It is anticipated that the current reserve will be sufficient to pay the current benefit only through the year 2016-2017 for the current recipients. As shown in the table below, the benefit payment stream is substantially “front loaded” as total payments are expected to decrease as the number of recipients decreases. For example, in the year 2016-2017 only about 50% of the current recipients are expected to be alive and continuing to receive benefits. Furthermore, we assume that no new members will become eligible for this benefit.

Period	Payment (undiscounted)	Period	Payment (undiscounted)
2009 - 2010	\$1,212,279	2013 - 2014	\$780,573
2010 - 2011	1,100,076	2014 - 2015	686,656
2011 - 2012	988,917	2015 - 2016	600,650
2012 - 2013	881,742	2016 - 2017 ⁽⁵⁾	166,219

Retiree Health Insurance Benefit ^{(1) (3)}

Total Undiscounted Benefits as of June 30, 2009: \$407,558,475
 Reserve⁽⁴⁾ as of June 30, 2009: \$46,493,569

It is anticipated that the current reserve will be sufficient to pay the current benefit only through the year 2015-2016. As shown in the table below, the benefit payment stream is somewhat “back loaded” as total payments are expected to increase as the number of recipients increases. For example, in the year 2015-2016 the total number of recipients is expected to be about 23% higher than at June 30, 2009.

Period	Payment (undiscounted)	Period	Payment (undiscounted)
2009 - 2010	\$6,924,746	2013 - 2014	\$7,761,365
2010 - 2011	7,131,979	2014 - 2015	7,957,065
2011 - 2012	7,340,192	2015 - 2016 ⁽⁵⁾	1,823,657
2012 - 2013	7,554,565		

- ⁽¹⁾ Assuming no change in the level of benefit provided as of June 30, 2009.
- ⁽²⁾ Including only those members receiving the benefits as of June 30, 2009.
- ⁽³⁾ Assuming no interest will be credited and no excess earnings will be transferred to this reserve.
- ⁽⁴⁾ Based on actuarial value of assets.
- ⁽⁵⁾ Payment will only be paid for part of the year.

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

Appendix C

Amortization Schedule for UAAL

**General –
Regular Benefits**

	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
June 30, 2003	Restart Amortization	N/A*	\$59,787,036	24	\$3,874,738
June 30, 2004	Actuarial Loss/POB Proceeds**	N/A*	\$(42,582,818)	10	\$(5,230,235)
June 30, 2005	Actuarial Loss	\$165,807,070	\$151,980,934	11	\$17,271,873
June 30, 2006	Actuarial Loss	\$74,355,835	\$70,224,518	12	\$7,444,782
June 30, 2006	Plan Provision Change	\$333,000	\$352,487	27	\$21,298
June 30, 2007	Actuarial Loss	\$9,736,697	\$9,446,789	13	\$940,673
June 30, 2007	Assumption Change	\$48,705,000	\$47,254,817	13	\$4,705,446
June 30, 2008	Actuarial Loss	\$37,435,443	\$36,966,179	14	\$3,477,630
June 30, 2009	Actuarial Loss	\$99,661,060	\$99,661,060	15	\$8,902,025

**General –
Settlement Benefits**

	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
June 30, 2003	Restart Amortization	N/A*	\$122,901,917	24	\$7,965,150
June 30, 2004	Actuarial Loss/POB Proceeds **	N/A*	\$(47,411,779)	10	\$(5,823,352)
June 30, 2005	Actuarial Loss	\$10,771,055	\$9,872,890	11	\$1,122,005
June 30, 2006	Actuarial Loss	\$8,282,685	\$7,822,487	12	\$829,293
June 30, 2007	Actuarial Gain	\$(162,430)	\$(157,594)	13	\$(15,693)
June 30, 2007	Assumption Change	\$37,063,000	\$35,959,457	13	\$3,580,699
June 30, 2008	Actuarial Loss	\$11,510,769	\$11,366,478	14	\$1,069,313
June 30, 2009	Actuarial Loss	\$17,637,452	\$17,637,452	15	\$1,575,430

* The initial amounts are only available for periods based on prior audit and valuation results reviewed or prepared by Segal.

** It appears that the proceeds from the Pension Obligation Bonds issued by the County were used to offset the actuarial loss in the June 30, 2004 valuation.

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Safety – Regular Benefits	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
June 30, 2003	Restart Amortization	N/A*	\$20,454,350	24	\$1,325,626
June 30, 2004	Actuarial Loss/POB Proceeds **	N/A*	\$(9,201,961)	10	\$(1,130,231)
June 30, 2005	Actuarial Loss	\$28,456,160	\$26,083,290	11	\$2,964,235
June 30, 2006	Actuarial Loss	\$36,122,657	\$34,115,630	12	\$3,616,734
June 30, 2007	Actuarial Loss	\$11,440,206	\$11,099,576	13	\$1,105,251
June 30, 2007	Assumption Change	\$18,663,000	\$18,107,313	13	\$1,803,054
June 30, 2008	Actuarial Loss	\$25,279,442	\$24,962,557	14	\$2,348,377
June 30, 2009	Actuarial Loss	\$33,290,245	\$33,290,245	15	\$2,973,584

Safety – Settlement Benefits	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
June 30, 2003	Restart Amortization	N/A*	\$20,519,930	24	\$1,329,876
June 30, 2004	Actuarial Loss/POB Proceeds **	N/A*	\$(7,535,821)	10	\$(925,587)
June 30, 2005	Actuarial Gain	\$(8,133,004)	\$(7,454,818)	11	\$(847,203)
June 30, 2006	Actuarial Loss	\$6,885,605	\$6,503,032	12	\$689,412
June 30, 2007	Actuarial Loss	\$810,988	\$786,841	13	\$78,351
June 30, 2007	Assumption Change	\$4,474,000	\$4,340,787	13	\$432,238
June 30, 2008	Actuarial Loss	\$4,845,166	\$4,784,430	14	\$450,100
June 30, 2009	Actuarial Loss	\$7,849,312	\$7,849,312	15	\$701,124

* The initial amounts are only available for periods based on prior audit and valuation results reviewed or prepared by Segal.

** It appears that the proceeds from the Pension Obligation Bonds issued by the County were used to offset the actuarial losses in the June 30, 2004 valuation.

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

Appendix D

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

	Regular Benefit	Settlement Benefit	Total
AAL	\$2,846,673	\$798,070	\$3,644,743
UAAL	\$592,002	\$187,785	\$779,787
Funded Ratio	79.2%	76.5%	78.6%

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