

Popular Annual Financial Report

For The Fiscal Year Ended June 30, 2011

Fresno County Employees' Retirement Association



A Component Unit of the County of Fresno
Fresno, California



TO THE MEMBERS OF THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

This Popular Annual Financial Report (PAFR) summarizes the information contained in the Comprehensive Annual Financial Report (CAFR) that provides financial information on FCERA's activities. The CAFR is available on FCERA's website at www.fcera.org or from the FCERA Administrative Office for a small copy fee.

Meetings of the Board of Retirement are normally held on the first and third Wednesday of each month at 8:30 a.m. Members of the Retirement Association and the public are invited to attend these meetings.

As a member of the Retirement Association, you are encouraged to contact the Retirement Office at 1111 H Street, (559) 457-0681, regarding these summary financial statements or to obtain other information concerning the Retirement System. Members are also encouraged to visit our website at www.fcera.org or on the County's Intranet by selecting Retirement Association under the Department Sites link for more information.

MEMBERSHIP HIGHLIGHTS FOR 2010-2011

Total membership in the Association increased by 0.03% to 13,944. The total number of active members decreased by 2.78% to 6,724, while the retired membership increased by 4.72% to 5,769. Deferred membership decreased by 4.22% to 1,451.

FINANCIAL HIGHLIGHTS FOR 2010-2011

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 22.3%, net of fees, which ranked FCERA in the 35th percentile in the Independent Consultants Cooperative Public Funds Universe (ICC). The investment portfolio is comprised of equities, fixed income securities, real assets, private equity, hedge funds, cash and cash equivalents.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$180.4 million and refunds to terminated plan members totaled \$2.0 million. Administrative expenses totaled \$4.1 million for the year, which amounts to 0.13% of net assets.

For the fiscal year ended June 30, 2011, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.

Franz Criego, Chair
Board of Retirement

Becky Van Wyk
Assistant Retirement Administrator

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1111 H Street
Fresno, CA 93721-2515
www.fcera.org

FCERA Board of Retirement

Alan Cade, Chair *
Eulalio Gomez, Vice Chair
Michael Cardenas
Nick Cornacchia
Franz Criego **
Vicki Crow, CPA
Steven J. Jolly
Phil Larson
John P. Souza
Regina Wheeler, Alternate

* Alan Cade, Jr. resigned his position on the Board of Retirement on September 28, 2011.

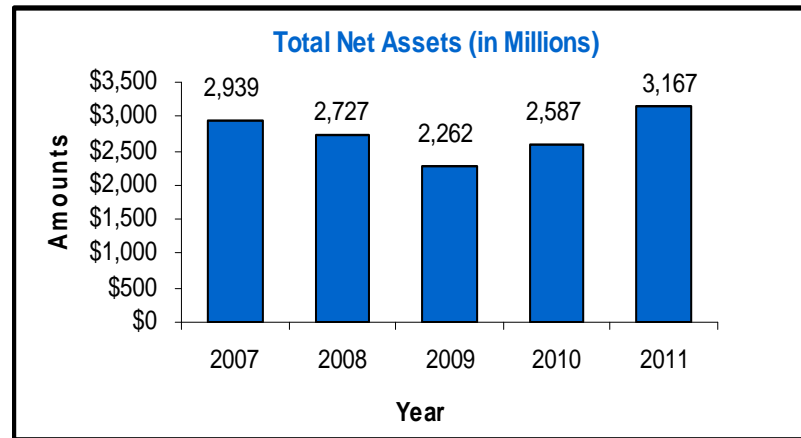
** Franz Criego was elected Chair of the Board of Retirement on October 5, 2011 for the remainder of calendar year 2011.

Photos provided by FCERA staff member, Marta Gonzalez.

Total Net Assets

At June 30, 2011, the Fresno County Employees' Retirement Association (FCERA) had total assets of \$3,515.6 million, less total liabilities of \$348.4 million, for total net assets held in trust for benefit payments of \$3,167.2 million compared to \$2,586.7 million at June 30, 2010.

The increase in FCERA's net assets was driven primarily by the overall recovery in the financial markets. Contributions of \$161.6 million, when combined with net investment income of \$605.4 million, generated total additions of \$767.0 million. Expenses for benefits paid and refunded contributions totaled \$182.4 million and administrative expenses of \$4.1 million resulted in an increase in net assets of \$580.5 million.



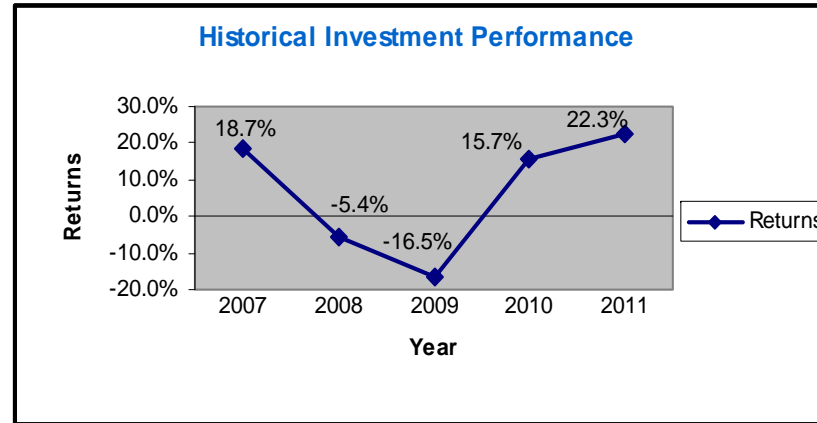
Fund Revenue (in thousands)

Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2011	\$ 31,293	\$ 130,290	\$ 605,422
6/30/2010	32,209	126,138	341,439
6/30/2009	34,562	113,959	(451,499)
6/30/2008	30,272	97,305	(186,911)
6/30/2007	33,528	69,997	442,355

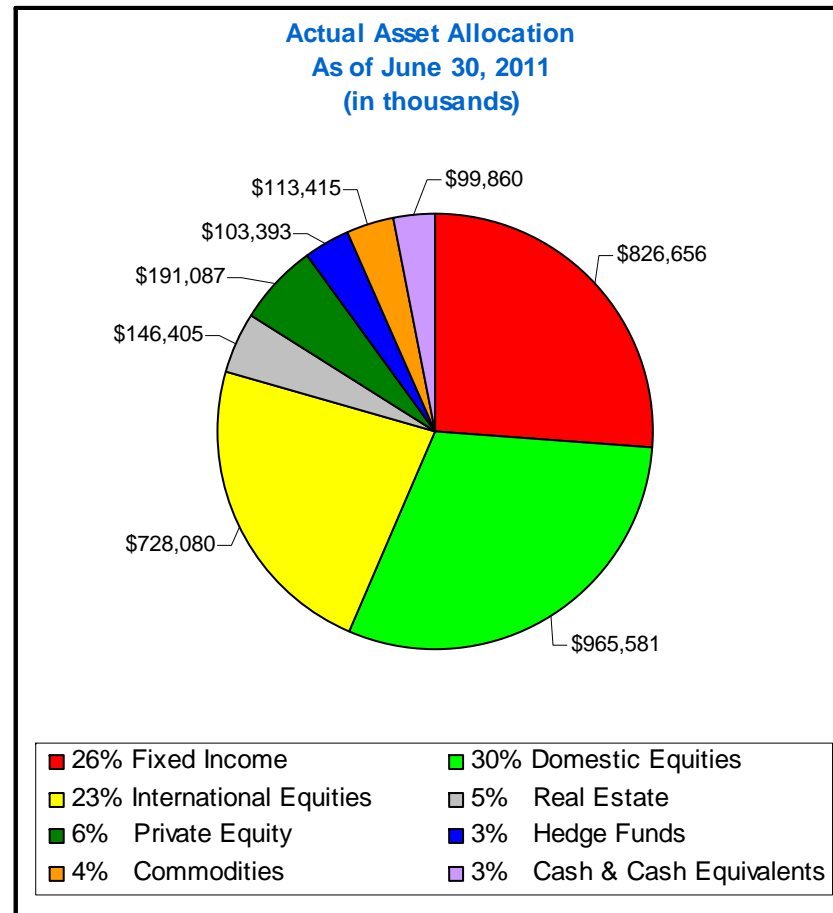
Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2011	\$ 180,363	\$ 2,044	\$ 4,108
6/30/2010	169,526	1,915	3,570
6/30/2009	155,783	2,077	3,855
6/30/2008	143,072	6,072	3,569
6/30/2007	131,480	2,114	3,298

Investments



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2007 through 2011 are reported net of fees.



- 26% Fixed Income
- 30% Domestic Equities
- 23% International Equities
- 5% Real Estate
- 6% Private Equity
- 3% Hedge Funds
- 4% Commodities
- 3% Cash & Cash Equivalents

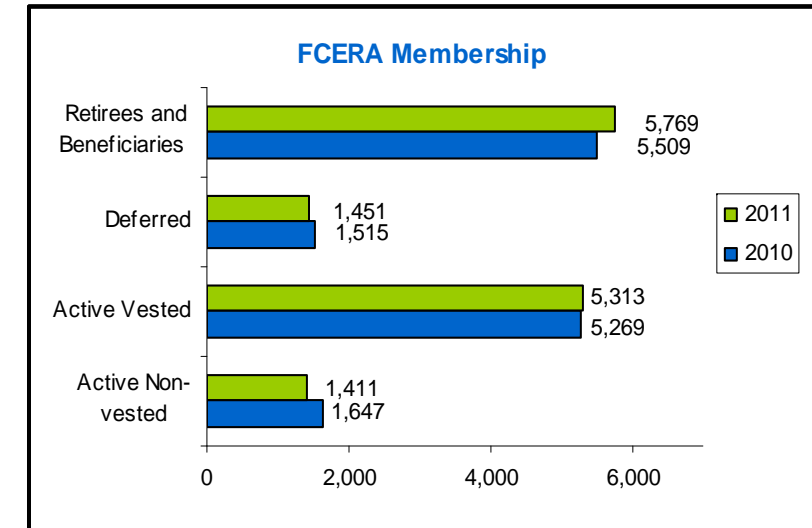
Funded Status

FCERA's funding status is determined annually with the completion of the actuarial valuation report. The actuarial valuation as of June 30, 2010, reports a decreased ratio of valuation assets to actuarial accrued liabilities from 78.6% to 72.9%. This ratio indicates that FCERA has approximately \$0.73 cents of assets for each \$1.00 of liabilities.

FCERA's Plan Sponsors traditionally pay 100% of Annual Required Contributions.

Funded Status (in thousands)

Actuarial Report Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2010	\$ 2,983,044	\$ 4,092,464	72.9%
6/30/2009	2,864,956	3,644,743	78.6%
6/30/2008	2,812,423	3,429,990	82.0%
6/30/2007	2,610,269	3,149,570	82.9%
6/30/2006	2,398,454	2,803,990	85.5%



Additional information regarding membership and retirement can be found in the Member Handbook, which can be viewed on FCERA's website at www.fcera.org or obtained from the FCERA Administrative Office. More in depth information regarding investments and FCERA's financial status can be found in the CAFR.