

## 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. This PAFR is presented in conformity with generally accepted accounting principles (GAAP). The more detailed CAFR is available on FCERA's website at [www.fcera.org](http://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](http://www.fcera.org) or on the County's Intranet by selecting Retirement Association under the Department Sites link for more information.

### MEMBERSHIP HIGHLIGHTS FOR 2012-2013

Total membership in the Association increased by 2.11% to 14,507. The total number of active members increased by 2.97% to 6,841, and the retired membership increased by 4.15% to 6,403. Deferred membership decreased by 10.74% to 1,263.

### FINANCIAL HIGHLIGHTS

FCERA's investment portfolio is comprised of equities, fixed income securities, real assets, private equity, hedge funds, cash and cash equivalents.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 11.9%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2013 respectively, were: 10.9%, 5.7% and 7.9%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$210.7 million and refunds to terminated plan members totaled \$2.2 million. Administrative expenses totaled \$3.7 million for the year, which amounts to 0.11% of net position.

For the fiscal year ended June 30, 2013, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.

Dr. Rod Coburn, III, Chair  
Board of Retirement

Phillip Kapler  
Retirement Administrator

# Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2013

## Fresno County Employees' Retirement Association

A Component Unit of the  
County of Fresno  
Fresno, California

### FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1111 H Street  
Fresno, CA 93721-2515  
[www.fcera.org](http://www.fcera.org)

#### FCERA Board of Retirement

Dr. Rod Coburn, III, Chair  
Alan Cade, Jr., Vice Chair  
Marion Austin  
Laura P. Basua  
Judith G. Case  
Vicki Crow, CPA  
Eulalio Gomez  
Steven J. Jolly  
Regina Wheeler  
Robert Dowell, Alternate

Government Finance Officers Association



Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

Fresno County  
Employees' Retirement Association  
California

For its Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2012

  
Executive Director/CEO

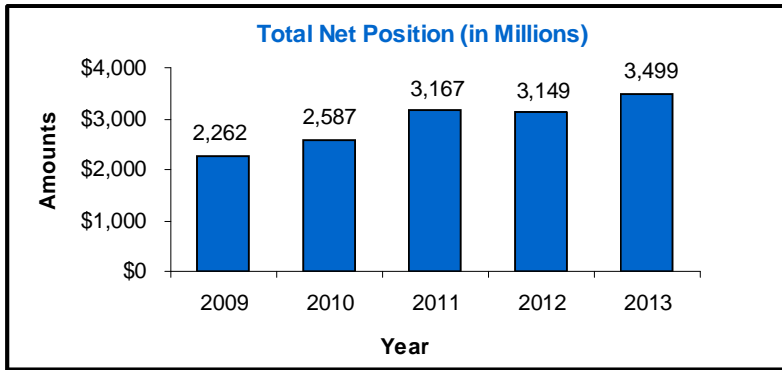
#### Popular Annual Financial Reporting Award

The Government Finance Officers Association (GFOA) awarded FCERA with the Popular Annual Financial Reporting Award (PAFR). The PAFR provides FCERA's membership with condensed and concise information in an easier to read format than presented in the CAFR. FCERA received this honor on its submission for the award for the fiscal year ended June 30, 2012.

## Total Net Position

At June 30, 2013, the Fresno County Employees' Retirement Association (FCERA) had total assets of \$4,098 million, less total liabilities of \$599 million, for total net position restricted for pension benefits of \$3,499 million compared to \$3,149 million at June 30, 2012.

The increase in FCERA's net position was primarily due to the net appreciation in the fair value of investments held by FCERA. Contributions of \$189.1 million, when combined with net investment income of \$378.5 million, generated total additions of \$567.6 million. Expenses for benefits paid and refunded contributions totaled \$213.0 million and administrative expenses of \$3.7 million resulted in a change in net position of \$350.9 million.



### Fund Revenue (in thousands)

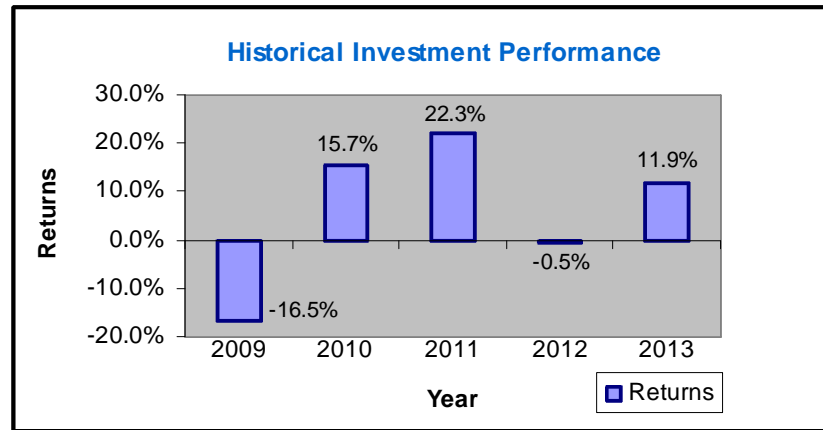
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2013	\$ 30,516	\$ 158,572	\$ 378,483
6/30/2012	32,627	157,869	(10,242)
6/30/2011	31,293	130,290	605,422
6/30/2010	32,209	126,138	341,439
6/30/2009	34,562	113,959	(451,499)

### Fund Expenses (in thousands)

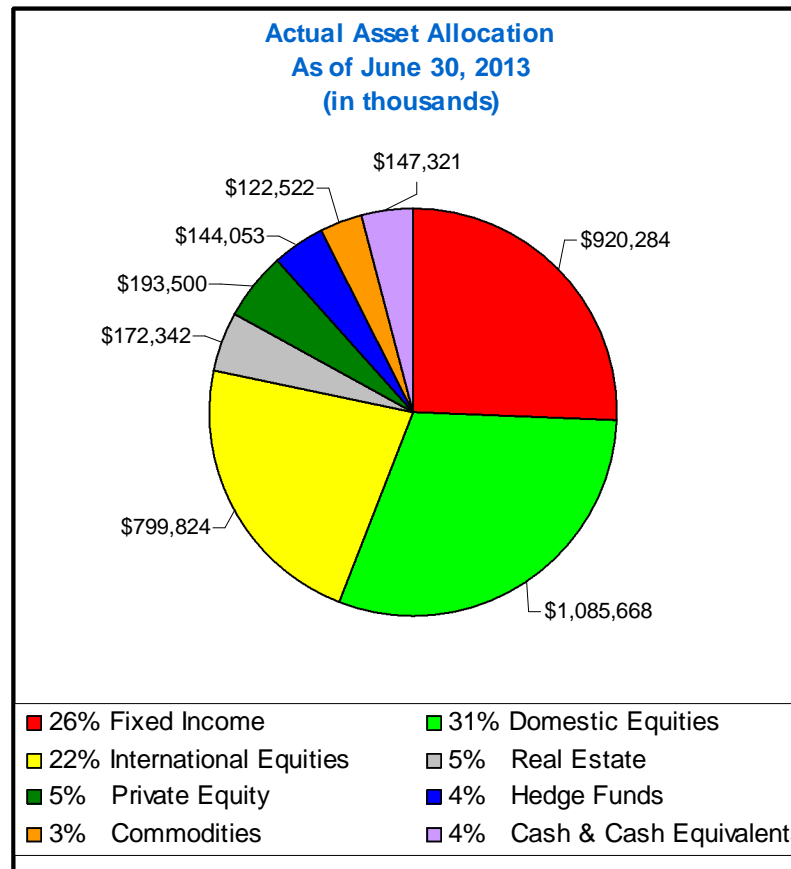
Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2013	\$ 210,745 *	\$ 2,211	\$ 3,676
6/30/2012	193,535	1,786	3,597
6/30/2011	180,363	2,044	4,108
6/30/2010	169,526	1,915	3,570
6/30/2009	155,783	2,077	3,855

\* The change in FCERA's retiree benefits for the year ended June 30, 2013 was primarily due to the additional normal retirements and cost of living increases.

## Investments



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2009 through 2013 are reported net of fees.



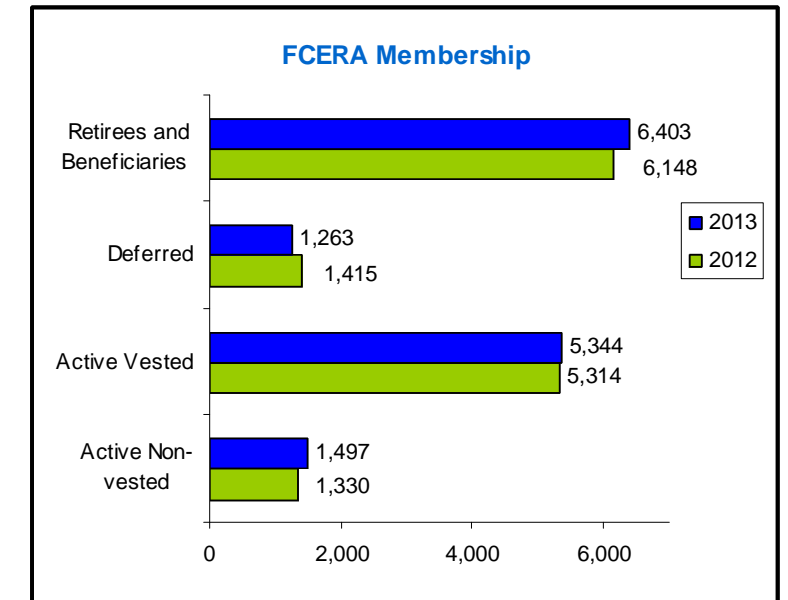
## Funded Status

FCERA's funding status is determined annually with the completion of the actuarial valuation report. The actuarial valuation as of June 30, 2012, reports an increased ratio of valuation assets to actuarial accrued liabilities from 73.5% to 76.1%. This ratio indicates that FCERA has approximately \$0.76 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	Actuarial Value of	Actuarial Accrued	Funded Ratio
6/30/2012	\$ 3,305,045	\$ 4,345,402	76.1%
6/30/2011	3,114,483	4,237,961	73.5%
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%



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](http://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.