

**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 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 2013-2014

Total membership in the Association increased by 3.06% to 14,951. The total number of active members increased by 1.21% to 6,924, and the retired membership increased by 3.48% to 6,626. Deferred membership increased by 10.93% to 1,401.

FINANCIAL HIGHLIGHTS

FCERA's investment portfolio consists of equities, fixed income, real estate, private equity, hedge funds, private credit, cash and cash equivalents.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 17.1%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2014 respectively, were: 9.3%, 13.1% and 8.0%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$222.3 million and refunds to terminated plan members totaled \$2.1 million. Administrative expenses totaled \$3.5 million for the year, which amounts to 0.09% of net position.

For the fiscal year ended June 30, 2014, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.

Dr. Rod Coburn, III, Chair
Board of Retirement

Donald C. Kendig, CPA
Retirement Administrator

Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2014

2013 - 2014



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

FCERA Board of Retirement

Dr. Rod Coburn, III, Chair
Robert Dowell, Vice Chair
Marion Montgomery-Austin
Laura P. Basua
Judith Case-McNairy
Vicki Crow, CPA
Eulalio Gomez
Steven J. Jolly

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.



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, 2013

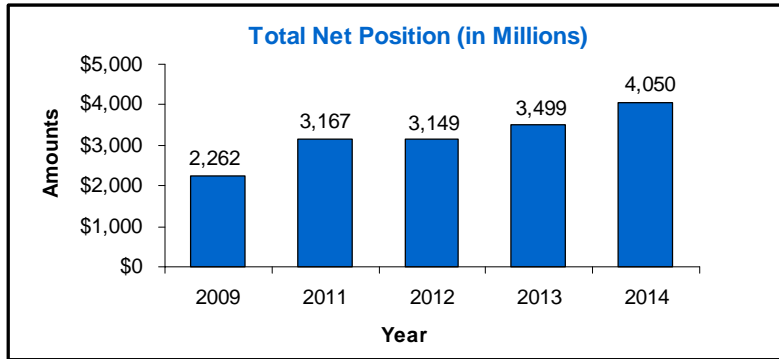
**Popular Annual Financial
Reporting Award**

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, 2013.

Total Net Position

At June 30, 2014, the Fresno County Employees' Retirement Association (FCERA) had total assets of \$4,521 million, less total liabilities of \$471 million, for total net position restricted for pension benefits of \$4,050 million compared to \$3,499 million at June 30, 2013.

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 \$195.5 million, when combined with net investment income of \$583.1 million, generated total additions of \$778.6 million. Expenses for benefits paid and refunded contributions totaled \$224.4 million and administrative expenses of \$3.5 million resulted in a change in net position of \$550.7 million.



Fund Revenue (in thousands)

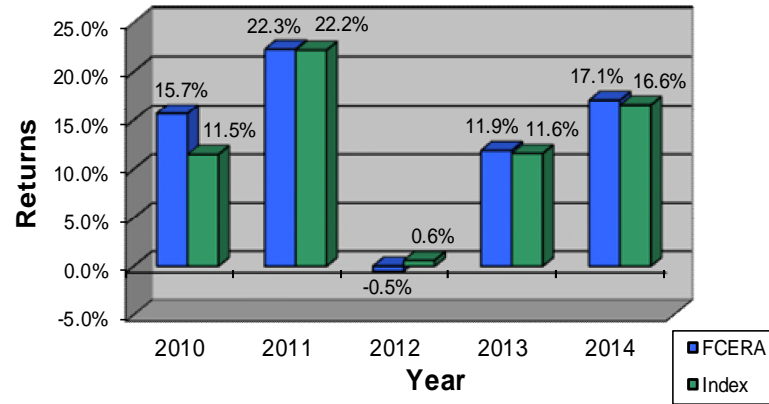
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2014	\$ 30,154	\$ 165,309	\$ 583,169
6/30/2013	30,516	158,572	378,483
6/30/2012	32,627	157,869	(10,242)
6/30/2011	31,293	130,290	605,422
6/30/2010	32,209	126,138	341,439

Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Ben-Refunds	Administrative Expenses
6/30/2014	\$ 222,289	\$ 2,103	\$ 3,542
6/30/2013	210,745	2,211	3,634 *
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

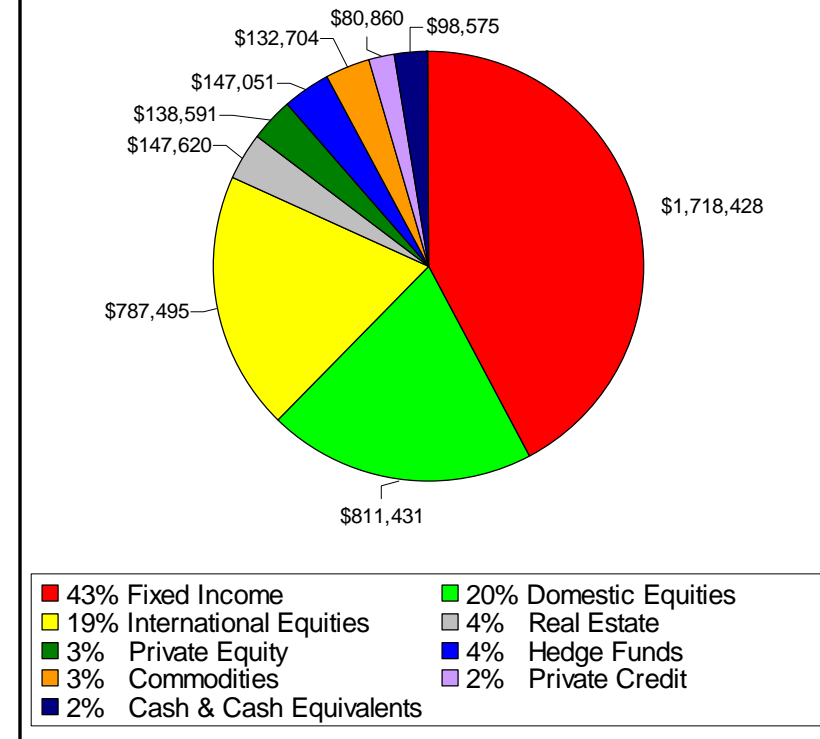
* Restated as defined in Government code Section 31580.2, excludes Information Technology expenses.

Historical Investment Performance



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2010 through 2014 are reported net of fees.

Actual Asset Allocation As of June 30, 2014 (in thousands)



Largest Equity Holdings

Name	Fair Value	Name	Fair Value
Apple Inc Com Stk	\$ 12,134,985	Wa Mortgage Backed	\$ 50,178,641
ExxonMobil Corp Com	9,409,049	Utd States Treas	35,337,242
Adr Baidu Inc	8,754,664	United States Treas Nts	34,323,415
Bayer Ag Npv	8,240,784	Utd States Treas	32,998,321
Union Pac Corp Com	7,830,375	United States Treas Bds	16,032,000

Largest Fixed Income Holdings

Funded Status

FCERA's funding status is determined annually with the completion of the actuarial valuation report. The actuarial valuation as of June 30, 2013, reports a decreased ratio of valuation assets to actuarial accrued liabilities from 76.1% to 75.0%. This ratio indicates that FCERA has approximately \$0.75 cents of assets for each \$1.00 of liabilities. FCERA's Plan Sponsors traditionally pay 100% of Annual Required Contributions. More information about FCERA's funded status can be found in the introduction section of the CAFR.

Funded Status (in thousands)

Actuarial Report Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2013	\$ 3,518,982	\$ 4,694,780	75.0%
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%

