

**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 2014-2015**

Total membership in the Association increased by 3.47% to 17,020. The total number of active members increased by 0.65% to 6,969, and the retired membership increased by 3.28% to 6,843. Deferred membership increased by 2.57% to 1,437.

**FINANCIAL HIGHLIGHTS**

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

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was -0.2%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2015 respectively, were: 9.4%, 9.8% and 6.8%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$229.1 million and refunds to terminated plan members totaled \$2.3 million. Administrative expenses totaled \$4.3 million for the year, which amounts to 0.11% of net position.

For the fiscal year ended June 30, 2015, Brown Armstrong audited the financial statements of the Retirement Association and issued an unmodified opinion.

  
Steven J. Jolly, Chair  
Board of Retirement

  
Donald C. Kendig, CPA  
Retirement Administrator

# Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2015

# 2014 - 2015



## Fresno County Employees' Retirement Association

A Pension Trust Fund for the County of Fresno  
and Participating Employers  
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**

Steven J. Jolly, Chair  
Dr. Rod Coburn III, Vice Chair  
Laura P. Basua  
Gregory J. Baxter  
Vicki Crow, CPA  
Paul Dictos, CPA  
Robert Dowell  
Eulalio Gomez  
Vacant—appointment  
Mary Ann Rogozinski, Alternate

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.



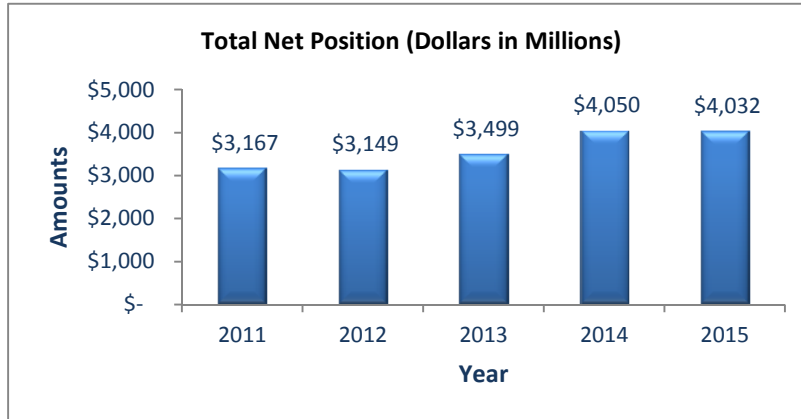
**Popular Annual Financial  
Reporting Award**

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, 2014.

## Total Net Position

At June 30, 2015, the Fresno County Employees' Retirement Association (FCERA) had total assets of \$4,282 million, less total liabilities of \$250 million, for total net position restricted for pension benefits of \$4,032 million compared to \$4,050 million at June 30, 2014.

The decrease in FCERA's net position was primarily due to the net depreciation in the fair value of investments held by FCERA. Contributions of \$217.3 million, when combined with net investment income of \$406 thousand, generated total additions of \$217.8 million. Expenses for benefits paid and refunded contributions totaled \$231.4 million and administrative expenses of \$4.3 million resulted in a decrease in net position of \$(18) million.



## Fund Revenue (in thousands)

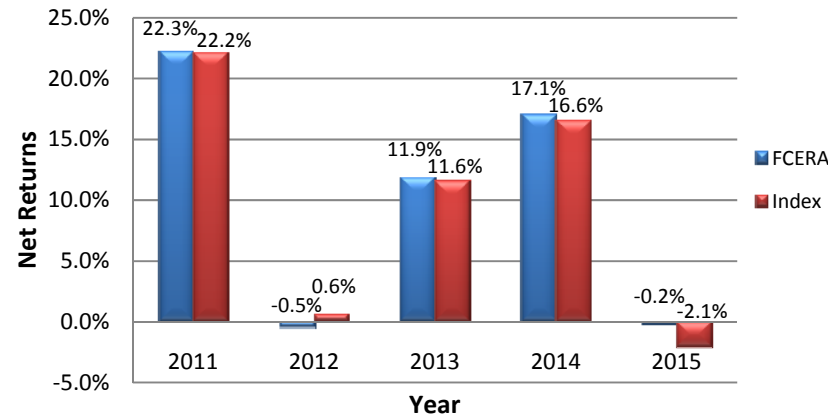
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2015	\$ 33,110	\$ 184,213	\$ 406
6/30/2014	30,154	165,309	583,169
6/30/2013	30,516	158,572	378,483
6/30/2012	32,627	157,869	(10,242)
6/30/2011	31,293	130,290	605,422

## Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2015	\$ 229,115	\$ 2,282	\$ 4,297
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

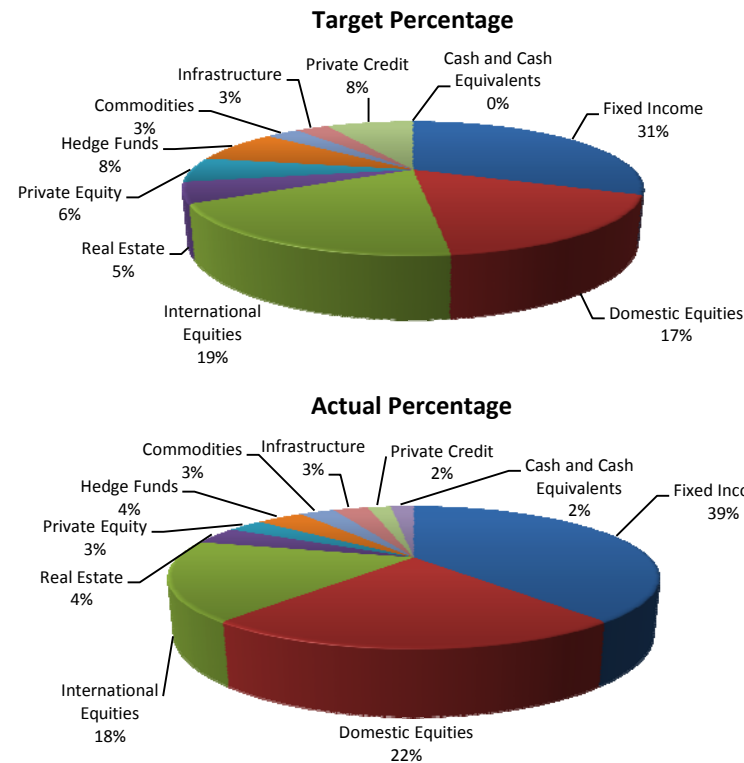
\* Restated as defined in Government code section 31580.2, excludes Information Technology expenses.

## Historical Investment Performance



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2011 through 2015 are reported net of fees. For more information about FCERA's policy index, please refer to the Investment Results Report on our website, [www.fcera.org](http://www.fcera.org).

## Asset Allocation as of June 30, 2015 (Total Fair Value of Investments \$4,002,481) (in thousands)



## Largest Equity Holdings

Name	Fair Value	Name	Fair Value
Apple Inc Com Stk	\$17,301,375	Fut Sep 15 US 2 Yr T-Note	\$26,929,312
Gilead Sciences Inc	12,409,309	Utd States Treas Nts Fltg Rt	23,292,268
Mastercard Inc CL A	11,675,652	US Treas Bonds DTD	20,453,059
Biogen Inc Com Stk	10,340,864	MFO Pimco Short Term Floating Nav	20,355,888
Home Depot Inc Com	9,929,466	Mexico (Untd Mex States)	17,051,938

## 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, 2014, reports an increased ratio of valuation assets to actuarial accrued liabilities from 75.0% to 78.4%. This ratio indicates that FCERA has approximately \$0.78 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
6/30/2014	\$ 3,824,221	\$ 4,876,754	78.4%
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%

## FCERA Membership

