

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Report on Examination of
Financial Statements

YEARS ENDED JUNE 30, 1986 AND 1985

Touche Ross & Co.
1550 East Shaw Avenue
Suite 107
Fresno, CA 93710-8062
Telephone: 209 226-0560

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To the Board of Retirement of the
Fresno County Employees' Retirement Association
Fresno, California

We have examined the statements of net assets available for plan benefits of the Fresno County Employees' Retirement Association as of June 30, 1986 and 1985, and the related statements of changes in net assets available for plan benefits for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Fresno County Employees' Retirement Association as of June 30, 1986 and 1985, and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Certified Public Accountants

See notes to financial statements.

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS	
EMPLOYEES' RETIREMENT ASSOCIATION	
FRESNO COUNTY	
June 30	1986
\$273,987,000	\$318,945,000
1,379,000	1,661,000
275,366,000	320,606,000
947,000	1,074,000
4,981,000	4,455,000
9,303,000	18,073,000
\$260,135,000	\$297,004,000
<p>ASSETS:</p> <p>Investments, at cost; market value of \$357,371,000 and \$282,936,000, respectively (Note C)</p> <p>Cash</p> <p>Interest and dividends receivable</p> <p>Contributions and other receivables</p>	
<p>LIABILITIES - Warrants and accounts payable</p>	
<p>NET ASSETS AVAILABLE FOR PLAN BENEFITS (Notes D and E)</p>	

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

FRESNO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

Year ended June 30	1985	1986
	\$243,949,000	\$273,987,000
		beginning of year
		NET ASSETS AVAILABLE FOR PLAN BENEFITS,
		ADDITIONS:
		Investment income:
		Interest
	21,256,000	20,004,000
	3,277,000	4,870,000
	151,000	11,655,000
	4,000	36,529,000
	24,688,000	
		Contributions:
		Employers
	17,045,000	17,263,000
	7,461,000	7,653,000
	24,506,000	24,916,000
	49,194,000	61,445,000
		DEDUCTIONS:
		Benefits paid to participants
	12,313,000	13,474,000
	1,599,000	1,869,000
	287,000	600,000
	275,000	468,000
		Investment counselor fees
		Custodial service fees
		Real estate consultant fees
		Actuarial service fees
		Fiduciary insurance premiums
		Legal fees
	18,000	8,000
	1,000	11,000
	14,493,000	16,487,000
		NET INCREASE
	34,701,000	44,958,000
		ADJUSTMENT FOR THE CUMULATIVE EFFECT OF A
		CHANGE IN ACCOUNTING METHOD (Note E)
	(4,663,000)	
		NET ASSETS AVAILABLE FOR PLAN BENEFITS,
		end of year
	\$273,987,000	\$318,945,000

See notes to financial statements.

FRESNO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1986 AND 1985

A.

The Association and its Significant Accounting Policies:

The Fresno County Employees' Retirement Association ("Association") was organized under the provisions of the 1937 County Employees Retirement Law ("Law") on January 1, 1945. It provides benefits as defined by the Law upon retirement, death, or disability of members. Members include substantially all full-time employees and permanent part-time employees who work 50% or more of the County of Fresno, Clovis Memorial District, Fresno Mosquito Abatement District, North Central Fire Protection District, and part of the Fresno County Superintendent of Schools. An employee becomes eligible for membership commencing with the pay period following the date of employment to a permanent position. The following brief description of the Association is provided for general information purposes only. Members should refer to the Law for more complete information.

Association Membership

A summary of the number of Association employee members follows:

Year ended June 30		
1985	1986	
142	148	Employee members:
1,697	1,758	Safety
32	34	General
1,871	1,940	Survivor's death
20	18	Terminated vested participants:
328	319	Safety
348	337	General
3,494	3,829	Active plan participants:
2,216	1,914	Vested
5,710	5,743	Nonvested
462	470	Active plan participants:
5,248	5,273	Safety
5,710	5,743	General
\$135,415,000	\$133,720,000	Active annual payroll