

ANNUAL REPORT of the FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

For the Year Ending June 30, 2008



A Component Unit of the County of Fresno
Fresno, CA

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Fresno, CA 93721-2515
www.fcera.org

FCERA Board of Retirement
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TO THE MEMBERS OF THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

I have submitted the financial report of the Fresno County Employees' Retirement Association for the year ending June 30, 2008. In addition to this summary report, The Comprehensive Annual Financial Report (CAFR) which reports additional financial information on FCERA's activities 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.

MEMBERSHIP HIGHLIGHTS FOR 2007-2008

Total membership in the Association increased by 0.86% to 14,321. The total number of active members decreased by 1.7% to 7,686, while the retired membership increased by 5.25% to 5,030. Deferred membership increased by 0.44% to 1,605.

FINANCIAL HIGHLIGHTS FOR 2007-2008

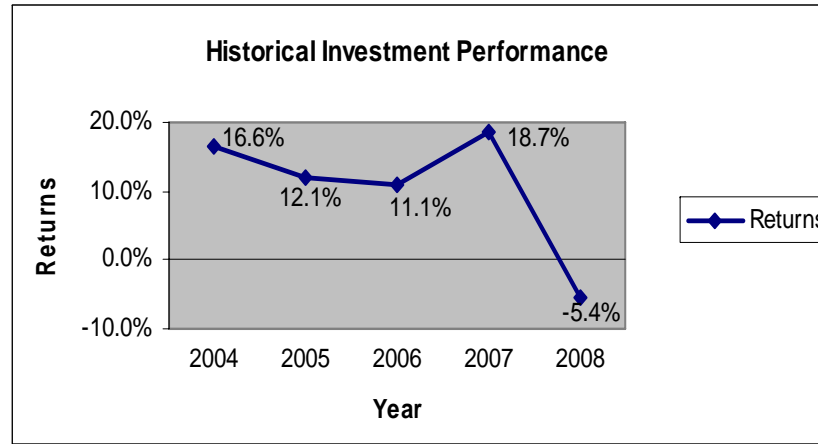
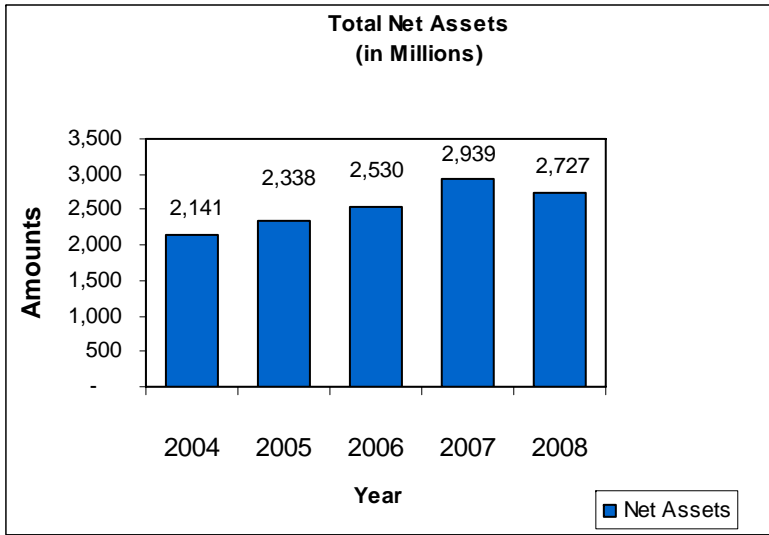
Benefit payments during the fiscal year totaled \$149,144,000 includes monthly benefit payments of \$143,072,000, refunds at termination of \$1,484,652 and refunds related to the unfunded actuarial accrued liability (UAAL) project associated with the cost of living adjustment (COLA) \$4,587,348. Administrative expenses for the year totaled \$3,569,000 which amounts to 0.13% of net assets.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was -5.4%, net of fees. The investment portfolio is comprised of equities, fixed income securities, real estate, alternative investments and cash.

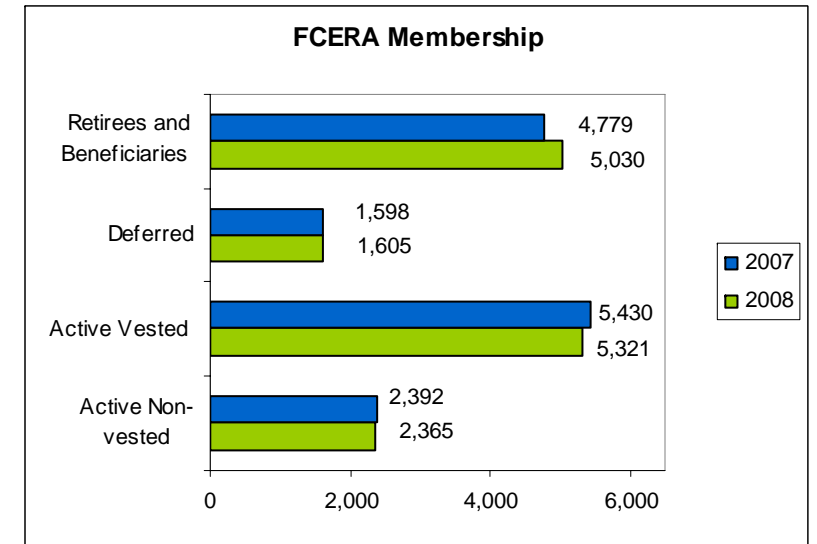
For the fiscal year ended June 30, 2008, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.

Steven Jolly, Chair
Board of Retirement

Roberto L. Peña
Retirement Administrator



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2004 and 2005 are reported gross of fees. Returns for 2006 through 2008 are reported net of fees.



Fund Revenue (in thousands)

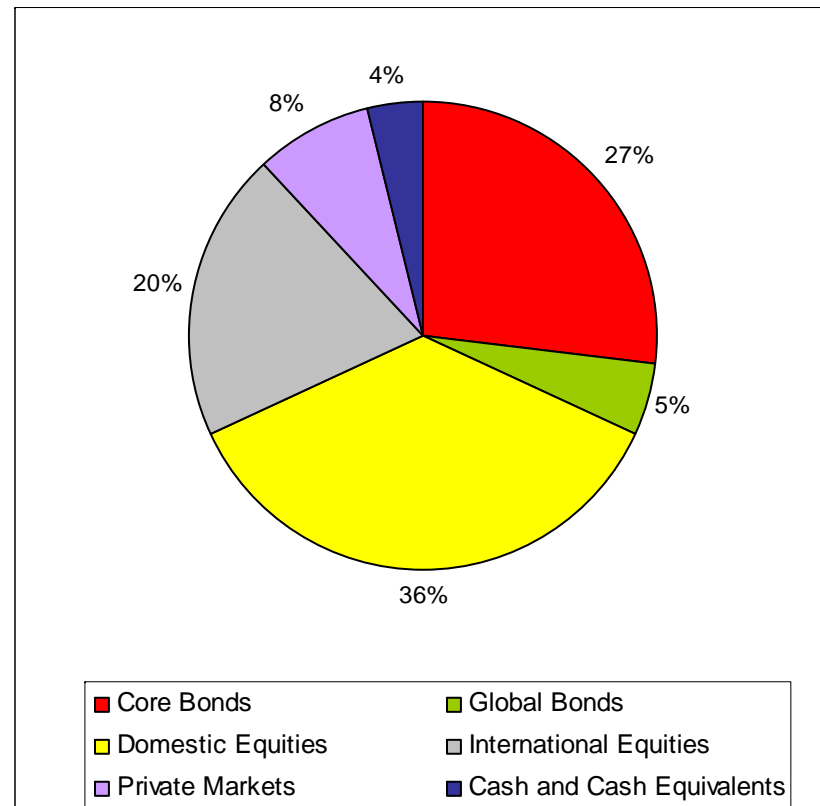
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income
6/30/2008	\$ 30,272	\$ 97,305	\$ (186,911)
6/30/2007	33,528	69,997	442,355
6/30/2006	30,570	56,664	229,767
6/30/2005	24,261	56,343	235,406
6/30/2004	18,239	442,950	238,877

Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2008	\$ 143,072	\$ 6,072	\$ 3,569
6/30/2007	131,480	2,114	3,298
6/30/2006	120,993	1,185	2,865
6/30/2005	115,129	1,403	2,484
6/30/2004	107,052	941	2,001

Actual Asset Allocation

(for fiscal year ended June 30, 2008)



Funded Status (in thousands)

Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2007	\$ 2,610,269	\$ 3,149,570	82.9%
6/30/2006	2,398,454	2,803,990	85.5%
6/30/2005	2,044,389	2,233,594	91.5%
6/30/2004	1,977,097	2,017,971	98.0%
6/30/2003	1,922,149	1,953,490	98.9%

Additional information regarding membership and retirement can be found in the Member Handbook. A copy of the Member Handbook 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.