

**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. The 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.

MEMBERSHIP HIGHLIGHTS FOR 2008-2009

Total membership in the Association decreased by 0.98% to 14,181. The total number of active members decreased by 4.18% to 7,365, while the retired membership increased by 5.03% to 5,283. Deferred membership decreased by 4.49% to 1,533.

FINANCIAL HIGHLIGHTS FOR 2008-2009

Benefit payments during the fiscal year totaled \$157,860,000 included monthly benefit payments of \$155,783,000, refunds at termination of \$2,064,000 and refunds related to the unfunded actuarial accrued liability (UAAL) project associated with the cost of living adjustment (COLA) of \$13,000. Administrative expenses for the year totaled \$3,855,000 which amounts to 0.17% of net assets.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was -16.5%, net of fees. The investment portfolio is comprised of equities, fixed income securities, real assets, private equity, hedge funds, cash and cash equivalents.

For the fiscal year ended June 30, 2009, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.



Alan Cade, Jr., Chair
Board of Retirement



Roberto L. Peña
Retirement Administrator

ANNUAL REPORT
of the
FRESNO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

For the Year Ending June 30, 2009



A Component Unit of the County of Fresno
Fresno, CA

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

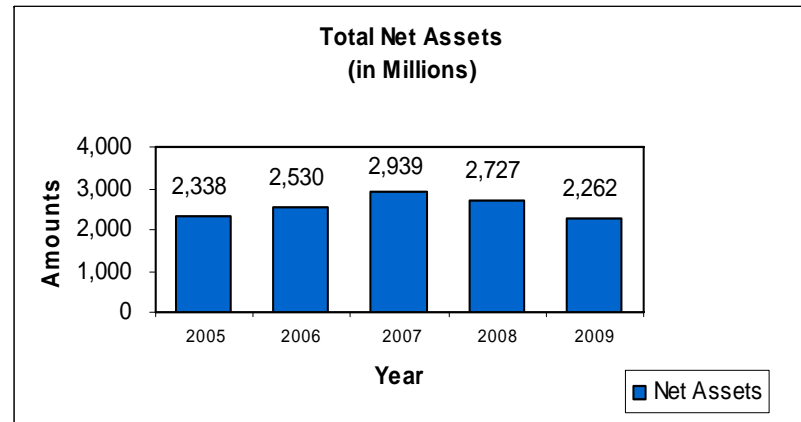
1111 H Street
Fresno, CA 93721-2515
www.fcera.org

FCERA Board of Retirement
Alan Cade, Jr., Chair
Eulalio Gomez, Vice Chair
Michael Cardenas, CPA
Nick Cornacchia
Vicki Crow, CPA
James E. Hackett
Steven J. Jolly
Phil Larson
John P. Souza
Ron Frye, Alternate

Total Net Assets

At June 30, 2009 Fresno County Employees' Retirement Association (FCERA) had total assets of \$2,697,156,000, less total liabilities of \$435,244,000, for total net assets held in trust for benefit payments of \$2,261,912,000 compared to \$2,726,605,000 at June 30, 2008.

During the fiscal year, the decrease in FCERA's net assets was driven primarily by the overall downturn in the financial markets. Revenues from employee and employer contributions helped reduce net investment losses from \$(451,499,000) to \$(302,978,000). Expenses for benefits paid totaled \$157,860,000 and administrative expenses were \$3,855,000, for an overall decrease in net assets of \$(464,693,000) when compared to June 30, 2008.



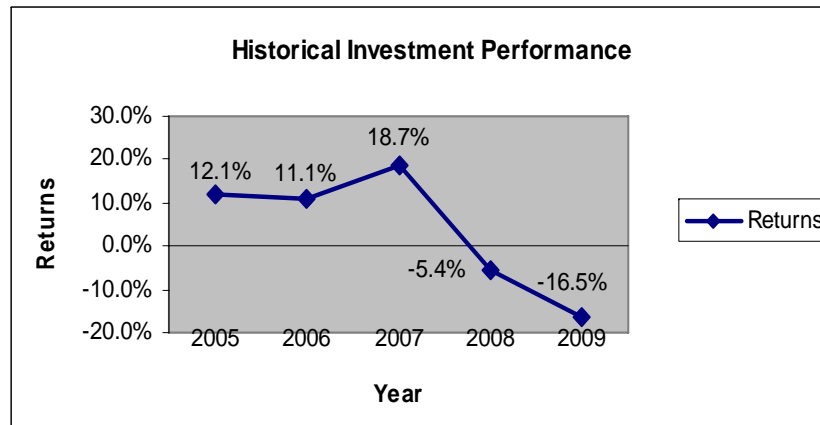
Fund Revenue (in thousands)

Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2009	\$ 34,562	\$ 113,959	\$ (451,499)
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

Fund Expenses (in thousands)

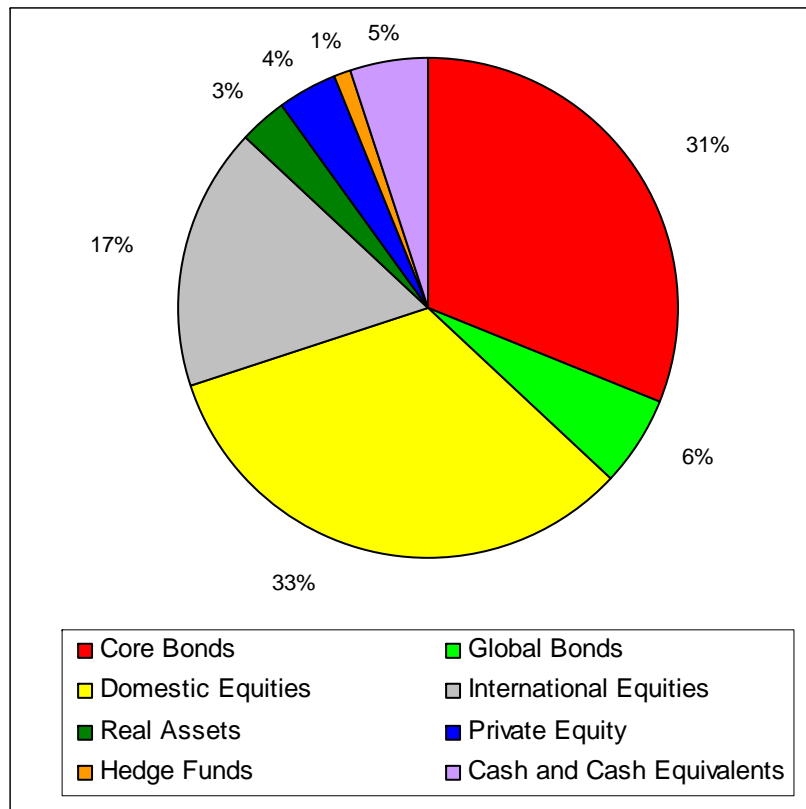
Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2009	\$ 155,783	\$ 2,077	\$ 3,855
6/30/2008	143,072	6,072	3,569
6/30/2007	131,480	2,114	3,298
6/30/2006	120,993	1,185	2,865
6/30/2005	115,129	1,403	2,484

Investment Returns



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2005 are reported gross of fees. Returns for 2006 through 2009 are reported net of fees.

Actual Asset Allocation (for fiscal year ended June 30, 2009)



Funded Status

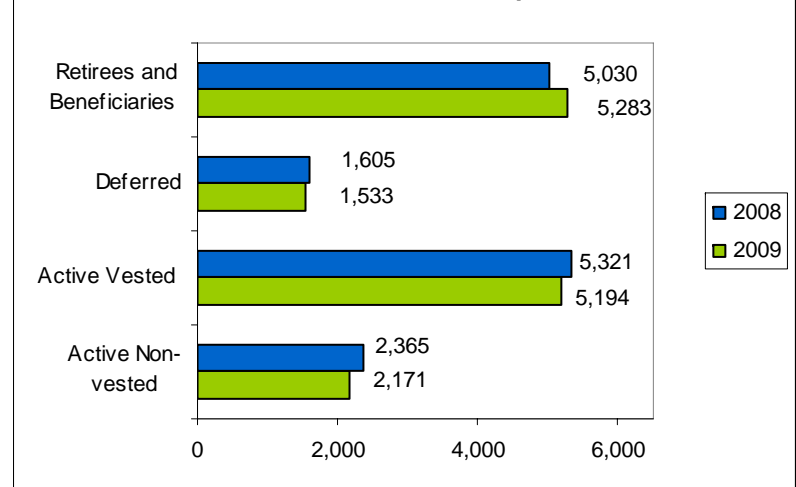
FCERA's funding status is determined annually with the completion of the actuarial valuation report. The actuarial valuation as of June 30, 2008, reports a decreased ratio of valuation assets to actuarial accrued liabilities from 82.9% to 82.0%. This ratio indicates that FCERA has approximately \$0.82 cents of assets for each \$1.00 of liabilities.

FCERA's Plan Sponsors traditionally pay 100% of Annual Required Contributions.

Funded Status (in thousands)

Actuary Report Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2008	\$ 2,812,423	\$ 3,429,990	82.0%
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%

FCERA Membership



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.