

**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 2009-2010

Total membership in the Association decreased by 1.70% to 13,940. The total number of active members decreased by 6.10% to 6,916, while the retired membership increased by 4.28% to 5,509. Deferred membership decreased by 1.17% to 1,515.

FINANCIAL HIGHLIGHTS FOR 2009-2010

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 15.7%, net of fees, which ranked FCERA in the 17th percentile in the Independent Consultants Cooperative Public Funds Universe (ICC). The investment portfolio is comprised of equities, fixed income securities, real estate, private equity, hedge funds, commodities, cash and cash equivalents.

Benefit payments during the fiscal year totaled \$171,441,000 included monthly benefit payments of \$169,526,000, refunds at termination of \$1,914,000 and refunds related to the unfunded actuarial accrued liability (UAAL) project associated with the cost of living adjustment (COLA) of \$1,000. Administrative expenses for the year totaled \$3,570,000 which amounts to 0.14% of net assets.

For the fiscal year ended June 30, 2010, Brown Armstrong audited the financial statements of the Retirement Association and issued an unqualified opinion.

Eulalio Gomez, Chair
Board of Retirement

Roberto L. Peña
Retirement Administrator

ANNUAL REPORT
of the
FRESNO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

For the Year Ending June 30, 2010



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

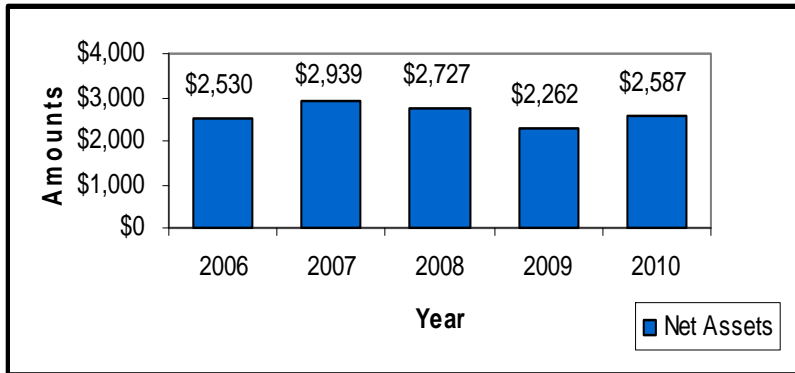
FCERA Board of Retirement
Eulalio Gomez, Chair
James E. Hackett, Vice Chair
Michael Cardenas
Nick Cornacchia
Franz Criego
Vicki Crow, CPA
Steven J. Jolly
Phil Larson
John P. Souza
Ron Frye, Alternate

Total Net Assets

At June 30, 2010 Fresno County Employees' Retirement Association (FCERA) had total assets of \$2,883,675,000, less total liabilities of \$296,988,000, for total net assets held in trust for benefit payments of \$2,586,687,000 compared to \$2,261,912,000 at June 30, 2009.

During the fiscal year, the increase in FCERA's net assets was driven primarily by the overall recovery in the financial markets. Revenues from employee and employer contributions helped increase net investment income from \$341,439,000 to \$499,786,000. Expenses for benefits paid totaled \$171,441,000 and administrative expenses were \$3,570,000, for an overall increase in net assets of \$324,775,000 when compared to June 30, 2009.

Total Net Assets (in Millions)



Fund Revenue (in thousands)

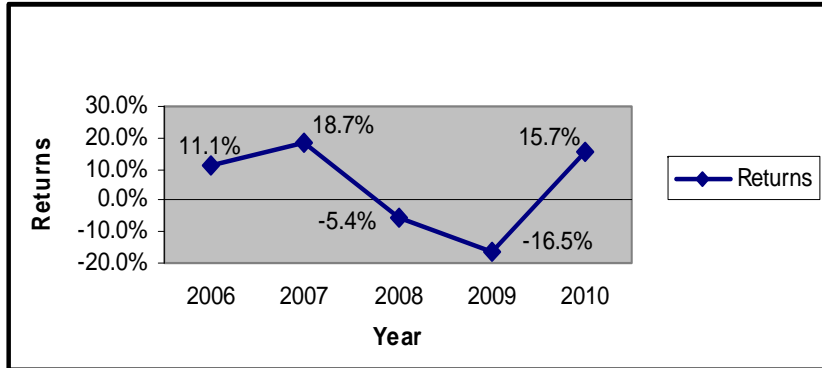
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other
6/30/2010	\$ 32,209	\$ 126,138	\$ 341,439
6/30/2009	34,562	113,959	(451,499)
6/30/2008	30,272	97,305	(186,911)
6/30/2007	33,528	69,997	442,355
6/30/2006	30,570	56,664	229,767

Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2010	\$ 169,526	\$ 1,915	\$ 3,570
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

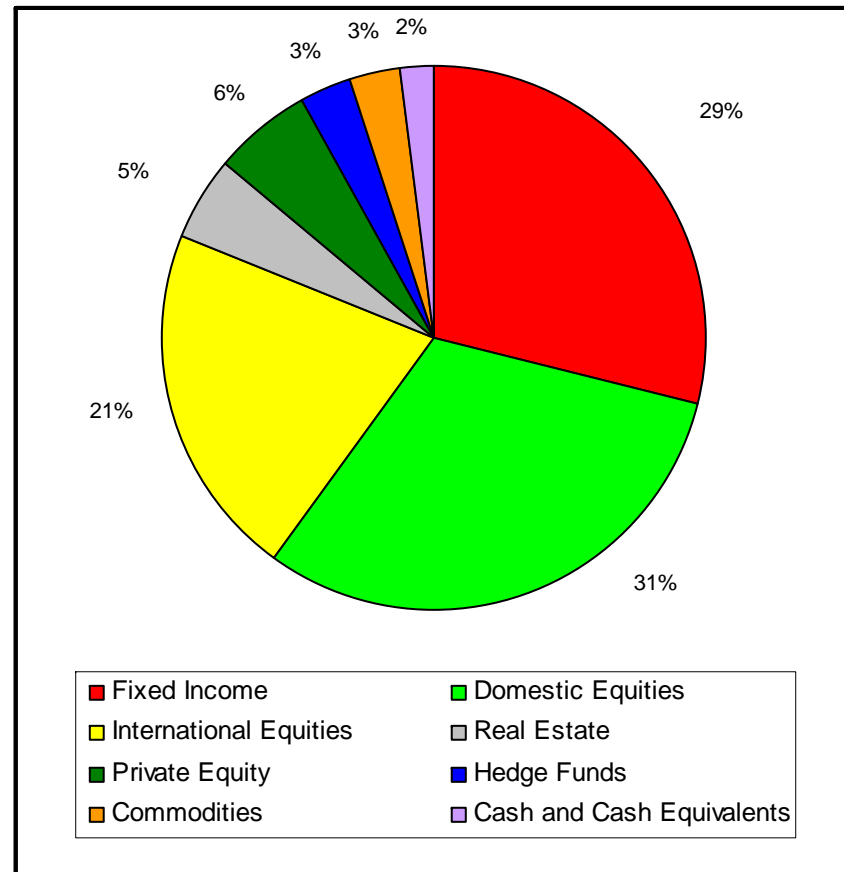
Investments

Historical Investment Performance



The chart above reflects annual returns for the one-year periods ended June 30th. Returns for 2006 through 2010 are reported net of fees.

Actual Asset Allocation (for fiscal year ended June 30, 2010)



Funded Status

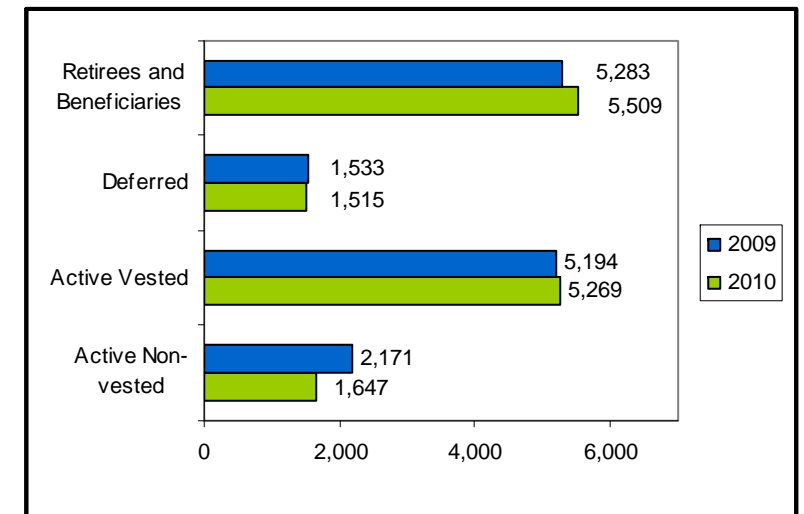
FCERA's funding status is determined annually with the completion of the actuarial valuation report. The actuarial valuation as of June 30, 2009, reports a decreased ratio of valuation assets to actuarial accrued liabilities from 82.0% to 78.6%. This ratio indicates that FCERA has approximately \$0.79 cents of assets for each \$1.00 of liabilities.

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

Funded Status (in thousands)

Actuarial Report Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2009	\$ 2,864,956	\$ 3,644,743	78.6%
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%

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.