

COUNTY OF FRESNO

DEPARTMENT OF AUDITOR-CONTROLLER

DIVISION OF AUDITS

EMPLOYEES' RETIREMENT ASSOCIATION

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 1968



COUNTY OF FRESNO
OFFICE OF THE AUDITOR-CONTROLLER
ROOM 104, HALL OF RECORDS
P. O. BOX 1247
FRESNO, CALIFORNIA 93715

RICE R. UHLER
AUDITOR-CONTROLLER

PAUL E. FLOYD
ASSISTANT
AUDITOR-CONTROLLER

February 28, 1969

Honorable Board of Supervisors
County of Fresno
Hall of Records
Fresno, California

Gentlemen:

We have completed our audit of the Fresno County Employees Retirement Association for the year ended December 31, 1968.

We wish to express our appreciation to the Retirement Supervisor and his secretary for their assistance and cooperation during our audit.

Very truly yours,

Kenneth J. Mader
Supervising Accountant-Auditor

KJM:au

Encl.

EMPLOYEES' RETIREMENT ASSOCIATION
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1968

EMPLOYEES RETIREMENT ASSOCIATION
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INTRODUCTION

We have examined the accounts and records of the Fresno County Employees Retirement Association for the year ended December 31, 1968, as required in Section 31593 of the County Employees Retirement Law of 1937.

The Association consists of all county employees and employees of the Clovis Memorial District, Fig Garden Fire Protection District, Fresno Mosquito Abatement District, and North Central Fire Protection District. There were 3227 active members in the Association and 483 retired members at the end of the year.

The Employees Retirement Board is managed by the Board of Retirement, consisting of the following five members:

<u>Name</u>		<u>Term Expires</u>
M. R. Uhler	Chairman	December 31, 1970
J. B. Malmstrom	Treasurer	--
W. B. Rusconi	Member	December 31, 1970
Glenn Bisel Jr.	Member	December 31, 1971*
Charles Roper	Member	December 31, 1971**

*Elected January 1, 1969, to fill the expired term of Emma Roper.

**Appointed February 1, 1969, to fill the expired term of R. C. Wilkins.

A secretary for the calander year had not been elected at the time of the audit.

AUDIT PROCEDURES

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounts and records as were deemed necessary under the circumstances.

COMMENTS AND RECOMMENDATIONS

Prior Recommendation

It was noted that the Employees Association now requires the approval of the Board of Retirement before granting Service Retirement as previously recommended.

OPINION

In our opinion, with the exception of the possible effect of nonphysical examination of the securities owned, the accompanying Balance Sheet and related statement of Cash Receipts and Disbursements present fairly the cash transactions of the Fresno County Employees Retirement Association for the calander year ended December 31, 1968, on a basis consistent with that of the preceding year.



Kenneth J. Mader
Supervising Accountant-Auditor

KJM:au

Attachments: Exhibit A
Exhibit A-1
Exhibit A-2
Exhibit B

EMPLOYEES' RETIREMENT ASSOCIATION
BALANCE SHEET
DECEMBER 31, 1968

<u>Assets</u>		
Cash (Exhibit B)		\$ 201,911
Securities - Par Value (Exhibit A-1)	\$20,976,000	
Plus Premium on Securities	195,111	
Less Discount on Securities	<u>(104,531)</u>	
Securities - Carrying Value		21,066,580
Common Stock		343,767
Accrued Contributions		
County and Districts	\$ 129,695	
Members	<u>108,194</u>	
Total Assets		<u>237,889</u>
		<u>\$21,850,147</u>
<u>Liabilities and Surplus</u>		
<u>Liabilities:</u>		
Members Deposit		\$ 9,990,807
County Advance:		
Current Service		
Prior Service	\$ 2,850,046	
Total County Advance	<u>134,173</u>	
Annuity		2,984,219
Current Service Pension		2,095,356
Prior Service Pension		4,626,983
Survivors Death Benefits		1,581,006
Total Liabilities		<u>250,835</u>
Surplus (Exhibit A-2)		\$21,529,206
Total Liabilities and Surplus		<u>320,941</u>
		<u>\$21,850,147</u>

EMPLOYEES' RETIREMENT ASSOCIATION
ANALYSIS OF SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1968

Surplus, January 1, 1968		\$226,907
<u>Additions</u>		
Interest Income:		
Funds on Deposit - County Treasury	\$ 5,782	
Bonds Investments	878,883	
Interest Apportionment	<u>9,167</u>	
Total Interest Income		\$893,832
Amortization of Bond Discount	8,062	
Gain From Sale of Bonds	1,499	
Adjustment for Errors on Interest Apportionment	<u>2,174</u>	
Total Additions		905,567
<u>Deductions</u>		
Amortization of Premium	\$ 8,757	
Accrued Interest on Bonds Purchased		
Less: Refund of Overpayment	9,462	
Interest Distributed to Members	<u>793,314</u>	
Total Deductions		<u>811,533</u>
Surplus, December 31, 1968		<u><u>\$320,941</u></u>

EMPLOYEES' RETIREMENT ASSOCIATION
 ANALYSIS OF SECURITY TRANSACTIONS AT PAR VALUE
 FOR THE YEAR ENDED DECEMBER 31, 1968

	<u>January 1, 1968</u>	<u>Purchased</u>	<u>Matured Called Or Sold</u>	<u>Balance December 31, 1968</u>
Financial Institutions	\$ 450,000	\$ 150,000	\$ --	\$ 600,000
U. S. Treasury Bonds	600,000	--	--	600,000
U. S. Merchant Marine- U. S. Insured	199,000	--	--	199,000
Tennessee Valley Authority	250,000	--	--	250,000
Public Utility Bonds	9,976,000	375,000	--	10,351,000
Industrial Bonds	1,993,000	675,000	19,000	2,649,000
Municipal Bonds	7,000	--	3,000	4,000
Railroad Bonds	968,000	--	25,000	943,000
Telephone & Telegraph Bonds	4,880,000	500,000	--	5,380,000
Total	\$19,323,000	\$1,700,000	\$47,000	\$20,976,000

EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1968

Cash Balance Per Auditor's Ledger - January 1, 1968	\$ 160,663
Less: Warrants Outstanding - January 1, 1968	(66,125)
Cash Balance Per Books - January 1, 1968	\$ 94,538

	<u>Members</u>	<u>District</u>	<u>Total</u>
<u>Receipts</u>			
Contributions:			
County of Fresno	\$1,213,208	\$1,294,941	\$2,508,149
Clovis Memorial District	1,138	1,041	2,179
Fig Garden Fire District	2,008	2,581	4,589
Fresno Mosquito Abatement District	5,550	5,317	10,867
North Central Fire Protection District	13,201	15,698	28,899
Total Contributions	<u>\$1,235,105</u>	<u>\$1,319,578</u>	<u>\$2,554,683</u>
Redeposited Warrants			6,407
Securities - Matured, Redeemed or Sold			47,000
Payment of Back Service Contributions			6,537
Interest:			
Securities		\$ 878,883	
Funds on Deposit - County Treasury		<u>5,782</u>	
Total Interest			884,665
Total Receipts			<u>3,499,292</u>
Total Beginning Balance Plus Receipts			<u>\$3,593,830</u>
<u>Disbursements</u>			
Retirement Payments - Service and Disability			\$ 881,894
Death Benefits			17,468
Survivors' Death Benefit Allowance			9,129
Refunds - Members Leaving Service			414,530
Purchase of Securities			2,068,898
Total Disbursements			<u>3,391,919</u>
Cash Balance Per Books and Auditor's Ledger - December 31, 1968			<u>\$ 201,911</u>