Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

2020-2021

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FCERA

Fresno County Employees' Retirement Association

A Pension Trust Fund for the County of Fresno
And Participating Employers
Fresno, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ISSUED BY

DONALD C. KENDIG, CPA
RETIREMENT ADMINISTRATOR

and

DEBORAH PAOLINELLI, CPA
ASSISTANT RETIREMENT ADMINISTRATOR

FCERA

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
7772 N. Palm Ave.
FRESNO, CALIFORNIA 93711
www.FresnoCountyRetirement.org

A Pension Trust Fund for the County of Fresno
and Participating Employers

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7772 N. Palm Ave.
Fresno, CA 93711
(559) 457-0681 p.
(559) 457-0318 f.
FresnoCountyRetirement.org

December 15, 2021

Board of Retirement
Fresno County Employees' Retirement Association
7772 N Palm Ave
Fresno, CA 93711

Dear Board Members:

I am pleased to present this Annual Comprehensive Financial Report ("ACFR") for the Fresno County Employees' Retirement Association ("FCERA"), for the fiscal year ended June 30, 2021.

The ACFR provides members, sponsors/employers, policy makers, regulatory agencies and other users with a thorough and accurate review of the fiscal year's operations, from July 1 to June 30.

In addition, the ACFR serves as a source of reliable information for making responsible management decisions, determining compliance with legal requirements and demonstrating the stewardship of the Board of Retirement of the Fresno County Employees' Retirement Association ("Board"), staff and key consultants who serve the members of FCERA. While good stewardship is clearly demonstrated by the data contained in the ACFR, it is important to note that the management of FCERA is responsible for both the accuracy of the data and the completeness and fairness of the presentation of the financial information, including all disclosures. The accumulation, analysis and presentation of the data rest upon the shoulders of management and supporting staff, and I am thankful to all members of the FCERA team.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal provides a broader context as compared to the MD&A, and the two should be read in tandem. The MD&A can be found immediately following the Independent Auditor's Report in the Financial Section.

FCERA MISSION, VISION, AND CORE VALUES

Our mission is to provide secure retirement benefits and quality service to our members and beneficiaries while investing the assets of the Plan within prudent levels of risk.

Our vision is to be a trusted and stable partner in the financial security of FCERA's sponsors, members, and beneficiaries.

Excellence • Professionalism • Teamwork • Integrity • Accountability • Innovation
"The County of Fresno is an Equal Employment Opportunity Employer."

Our values lie in our commitment to deliver service in an accurate, courteous, prompt and professional manner. Our goal is to provide the highest level of service to our members, the public, our coworkers, and the Board of Retirement. We value:

- *Excellence* - We hold ourselves to high standards of performance demonstrating a value for learning and continuous improvement. We take pride in the work we do, continuously striving to exceed our goals. We encourage an open and diverse environment and a "CAN DO" attitude.
- *Professionalism* - We encourage a professional environment, maintaining confidentiality and performing job functions in an ethical and objective manner. As professionals, we understand the importance of listening to and respecting others' ideas and perspectives open-mindedly. Professionalism is necessary to keep all employees motivated.
- *Teamwork* - We are committed to a team-oriented approach to provide the highest level of service to our members. We value open communication, sharing knowledge, resources and ideas. Working together to reach common goals is the essence of success. Together we achieve more.
- *Integrity* - We at FCERA act ethically and honestly, honoring our commitments, abiding by policies, and building trust with our members and co-workers. Integrity guides all of our work relationships.
- *Accountability* - We take ownership of our work to provide accurate, complete, and timely results. We accept the responsibility to communicate and interact openly with all FCERA staff to develop the tools and training necessary to complete our assignments. We will take the initiative to be a part of the success of the FCERA team.
- *Innovation* - We promote a resourceful environment where new ideas and approaches are implemented to help our daily tasks flow smoothly and efficiently. Our focus is on proactively communicating and implementing activities to encourage and energize staff to create a positive environment and seek new ways to educate and inform members about the retirement process. It is our goal to plan strategically for the future.

FCERA AND ITS SERVICES

FCERA is a cost-sharing multiple employer public retirement system established by the County of Fresno (the "County") Board of Supervisors on January 1, 1945 to provide retirement, disability, death and survivor benefits for its members under the California State Government Code, Section 31450 *et. seq.* (the County Employees Retirement Law of 1937, hereinafter "CERL") and Section 7522 *et. seq.* (the Public Employees' Pension Reform Act of 2013, hereinafter "PEPRA"). The retirement plan is administered by the Board, which consists of nine voting members and a retiree alternate, who are presented on page 9 of the Introductory Section.

FCERA is governed by the California Constitution, CERL, PEPRA, and regulations, procedures, and policies adopted by the Board. The Fresno County Board of Supervisors may also adopt resolutions, as permitted by the CERL, which may affect benefits for FCERA members.

The Board is responsible for establishing policies governing the administration of the retirement plan, determining benefit allowances, and managing the investments of the Association's assets. The Board defines the duties and oversees the activities of the Retirement Administrator, who in turn, directs and oversees the staff and operations of the Administrative Office.

Participating employer entities ("Sponsors") include:

- County of Fresno
- Superior Court of California, County of Fresno
- Clovis Veterans Memorial District
- Fresno-Madera Area Agency on Aging
- Fresno Mosquito & Vector Control District

FINANCIAL INFORMATION

As mentioned previously, management is responsible for the accuracy, completeness, fair presentation of information and all disclosures in this Report. In addition, management is also responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that FCERA's financial reporting is accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of the cost and benefits requires estimates and judgments by management.

CliftonLarsonAllen, LLP (the "Auditor") provides financial statement independent audit services to FCERA. The Auditor attests that these financial statements are presented in accordance with GAAP and that the financial statements are free of any material misstatement. Management is responsible for assuring that internal accounting controls are sufficient to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules. Controls have inherent limitations and do rely on human diligence. Because of these inherent limitations, the internal controls are not exact in their nature, which may lead to the risk that errors or misstatements may occur and may not be identified immediately. FCERA's current management believes it has prudent and sufficient controls in place to mitigate the inherent risk within its financial reporting and accounting systems.

The accompanying financial statements and transactions are prepared on an accrual basis of accounting. Revenues are recognized when earned, regardless of the date of collection and expenses are recognized when incurred, regardless of when a corresponding cash outlay is made.

GENERAL OPERATIONS

Providing secure retirement benefits and quality service to our members and beneficiaries begins with ongoing direct services to active and retired members, efficient management of the office and operations, and facilitating the work of the Board, advisors, and professional service providers. To follow are noteworthy events and ongoing projects occurring during the year.

Board Oversight and Policy Framework
Nathan Magsig served as Chair of the Board with Stanley McDivitt serving as Vice Chair for the entire fiscal year with their terms as officers set to expire December 31, 2021. The Board seats had no changes during the fiscal year.

This year the Board of Retirement approved one new Board Level policy, the Working after Retirement Policy, delineating statutory requirements for retirees wishing to work for a participating employer and the various responsibilities to monitor by the retirees, sponsors and FCERA.

Benefit Delivery, Administration and Operations
During the fiscal year, FCERA Realty Group LLC sold 7766 North Palm Avenue, liquidating all direct real estate holdings for investment purposes. Financial statements will no longer be issued for the LLC.

Operations were still impacted by the 2019 novel coronavirus ("COVID-19") outbreak even though the offices reopened to the public in April 2021. The handling of the public and employee masking and vaccination requirements have continued to evolve and are still changing as of this writing.

Staffing
Staffing in the management and supervisory ranks has been stable. There has been a fair amount of turnover in the front line ranks due to births, retirements, and promotional job opportunities outside of FCERA.

ASSET MANAGEMENT AND INVESTING

The Investment Policy Statement (the “IPS”) adopted by the Board defines the framework within which the administration, general consultant and third-party investment managers endeavor to meet our mission to …*achieve investment and funding objectives within prudent levels of risk*.

The overall strategic asset allocation has a greater impact on investment performance than portfolio manager selection or the timing of allocations. The asset allocation process determines a fund’s optimal target allocations, which are expected to achieve the fund’s objectives related to expected return, liquidity and risk (defined as volatility). This is reflected through the choice of investments at the asset class level.

Under the IPS the Board operates under a standard of fiduciary care in California commonly known as the "prudent person rule" which requires that the Board discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. When the Board contracts with professional investment advisors, their discretion is defined by our IPS and the discretion provided by contract and guidelines prescribed by the Board. In exercising discretion when managing assets, such service providers become co-fiduciaries to the members.

The prudent person rule requires the Board to diversify the investments of the fund unless it is clearly prudent not to do so under the circumstances. The Board therefore makes fundamental policy decisions with respect to the fund, including, but not limited to, the strategic allocation of assets to various investment classes as outlined in the IPS.

During the fiscal year, the Board initiated a search for Private Credit Advisor and is still in the process of finalizing contract negotiations as of this writing. The Board is looking at broader exposure to the asset class, as opposed to just a few sub-classes. The Board also continued to build out its Real Estate allocation by adding managers to the mix.

ACTUARIAL FUNDING STATUS

The CERL prescribes that the Board should engage a qualified, independent actuarial firm to perform regular valuations of the retirement plan. Further, a detailed study of the retirement plan's economic and non-economic assumptions (forecast parameters) is undertaken every three years, wherein the fund actuary makes recommendations to the Board regarding the assumptions to be used to measure the liabilities and assets of the fund. The primary purpose for these studies is to help determine the actuarially required (and stable) level of contributions needed to meet costs associated with annually accruing benefit commitments (normal cost) and eliminate any past unfunded liabilities (Unfunded Actuarial Accrued Liability or "UAAL") within an accepted amortization period.

The actuarial valuation as of June 30, 2020, completed by Segal, determined that the ratio of plan assets to plan liabilities was 82.69%, based on a valuation value of assets, which represented an increase over the same ratio on June 30, 2019, of 81.67%. Our funding policy employs a five-year "smoothing" methodology, whereby 20% of a fiscal year's market loss, or gain, in a given fiscal year, is recognized over each of five succeeding years to dampen the "noise" of short-term investment market volatility, creating a lesser "actuarial" loss, or gain. This results in five year "layers" of actuarial losses and gains, resulting in one net actuarial loss or gain that goes into the valuation and determination of employer contributions. In addition, the policy imposes an absolute "corridor" of +/- 30% to the actuarial valuation value of assets (VVA) relative to the market value of assets (MVA). This constrains the variance between the VVA and MVA and prevents the employer contribution requirements from not being sufficient on one side of the corridor, or from being too high on the other side of the corridor. These techniques are used to produce reliable, stable and incrementally manageable changes to required contributions for participating employers.

On June 16, 2021, the Board approved the Economic Assumptions Review Results for the June 30, 2021 Actuarial Valuation, lowering the inflation assumption from 2.75% to 2.50%, lowering the assumed rate of return from 7.00% to 6.50%, and keeping the salary increase assumption at 0.50% above inflation. This Review was conducted one year early, and the costs are being phased in over two years, in order to align with predicted contribution rate reductions, and in order to reduce the possibility of any negative impact to sponsor retirement costs that comes with the strengthening of FCERA's funding. The Board will review demographic experience next fiscal year and will revisit economic assumptions again the year after.

The explicit administrative expense assumption remained at 1.20% of payroll and is added to both the employer and member Basic Regular rates as a proportional percentage of payroll resulting in an Administrative Expense Load of 1.03% for employers and 0.17% for members.

BUDGET

Government Code Section 31580.2(a) requires the Board to annually adopt a budget covering the entire expense of administration of the retirement system. The total administrative expenses, which are funded as a component of the member and employer contribution rates, may not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system, or two million dollars ($2,000,000), as adjusted annually by the amount of the annual cost of living adjustment, which is the legislative cap (CAP) on spending.

Government Code Section 31580.2(b) provides an exclusion from the CAP for expenses for computer software, computer hardware, and computer technology consulting services in support of these computer products. These costs are identified as information technology costs. While these costs are excluded from the CAP, they are subject to the approval of the Board.

Government Code Section 31596.1 provides that the following types of expenses shall not be considered a cost of administration of the retirement system, but shall be considered as a reduction in earnings from those investments or a charge against the assets of the retirement system as determined by the Board:

(a) The costs, as approved by the board, of actuarial valuations and services rendered pursuant to Section 31453.
(b) The compensation of any bank or trust company performing custodial services.
(c) When an investment is made in deeds of trust and mortgages, the fees stipulated in any agreement entered into with a bank or mortgage service company to service such deeds of trust and mortgages.
(d) Any fees stipulated in an agreement entered into with investment counsel for consulting or management services in connection with the administration of the board's investment program, including the system's participation in any form of investment pool managed by a third party or parties.
(e) The compensation to an attorney for services rendered pursuant to Section 31607 [investment related legal work] or legal representation rendered pursuant to Section 31529.1 [Los Angeles County Employees' Retirement Association specific].

The cost of excluded expenses is controlled through contract negotiations and are not subject to the Administrative budget process, primarily due to the mandated aspects of the actuarial valuations, the fiduciary requirements of hiring investment consulting and investment related legal services, and the fees required to obtain market exposure and to track the investments.

For fiscal year ended June 30, 2021, administrative expenses of $6,073,739 represented approximately 0.09% of the accrued actuarial liability of the plan of $6,320,381,000.

Administrative expenses have historically been well below the statutory limit of 0.21%.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FCERA for its ACFR for the fiscal year ended June 30, 2020, on page 8 of the Introductory Section, which marks twenty-four consecutive years that FCERA has achieved this prestigious award. FCERA also received the GFOA award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) since first applying June 30, 2011 for ten consecutive years. The PAFR provides FCERA's membership with condensed and concise information in an easy-to-read format than what is presented in the ACFR.

ACKNOWLEDGMENTS

The preparation of this ACFR reflects the combined efforts of the FCERA staff Deborah Paolinelli, CPA, Conor Hinds, and their supportive staff, as well as the consultants, Verus (investments), Segal (actuaries), and our external auditor CliftonLarsonAllen, LLP, all who made significant contributions of time, effort, and expertise.

Lastly, FCERA has many contributors to its success. For their commitment to FCERA, and for their diligent work to assure FCERA's continued successful operation, sincere thanks are owed to the Board of Retirement trustees, all FCERA staff, and all of our experts and advisors.

Respectfully submitted,

Donald C. Kendig

Donald C. Kendig, CPA
Retirement Administrator

Certificate of Achievement

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fresno County Employees' Retirement Association California

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

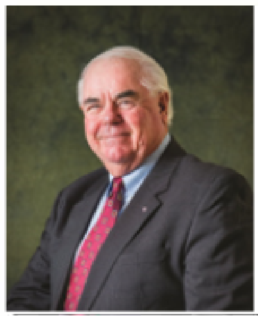
The Board of Retirement
As of June 30, 2021

CHAIRMAN
NATHAN MAGSIG, MBA, MS
Appointed by Board of Supervisors
Present term expires December 31, 2023

VICE CHAIRMAN
STANLEY L. MCDIVITT
Appointed by Board of Supervisors
Present term expires December 31, 2024

MEMBER
JOHN ADAMS
Elected by General Members
Present term expires December 31, 2021

RETIRED MEMBER
LAURA BASUA
Elected by Retirees
Present term expires December 31, 2022



MEMBER
ROD COBURN, III, DDS
Appointed by Board of Supervisors
Present term expires December 31, 2021

MEMBER
OSCAR J. GARCIA, CPA
Auditor-Controller/Treasurer-Tax Collector
Ex-Officio Trustee

MEMBER
STEVEN JOLLY
Appointed by Board of Supervisors
Present term expires December 31, 2021

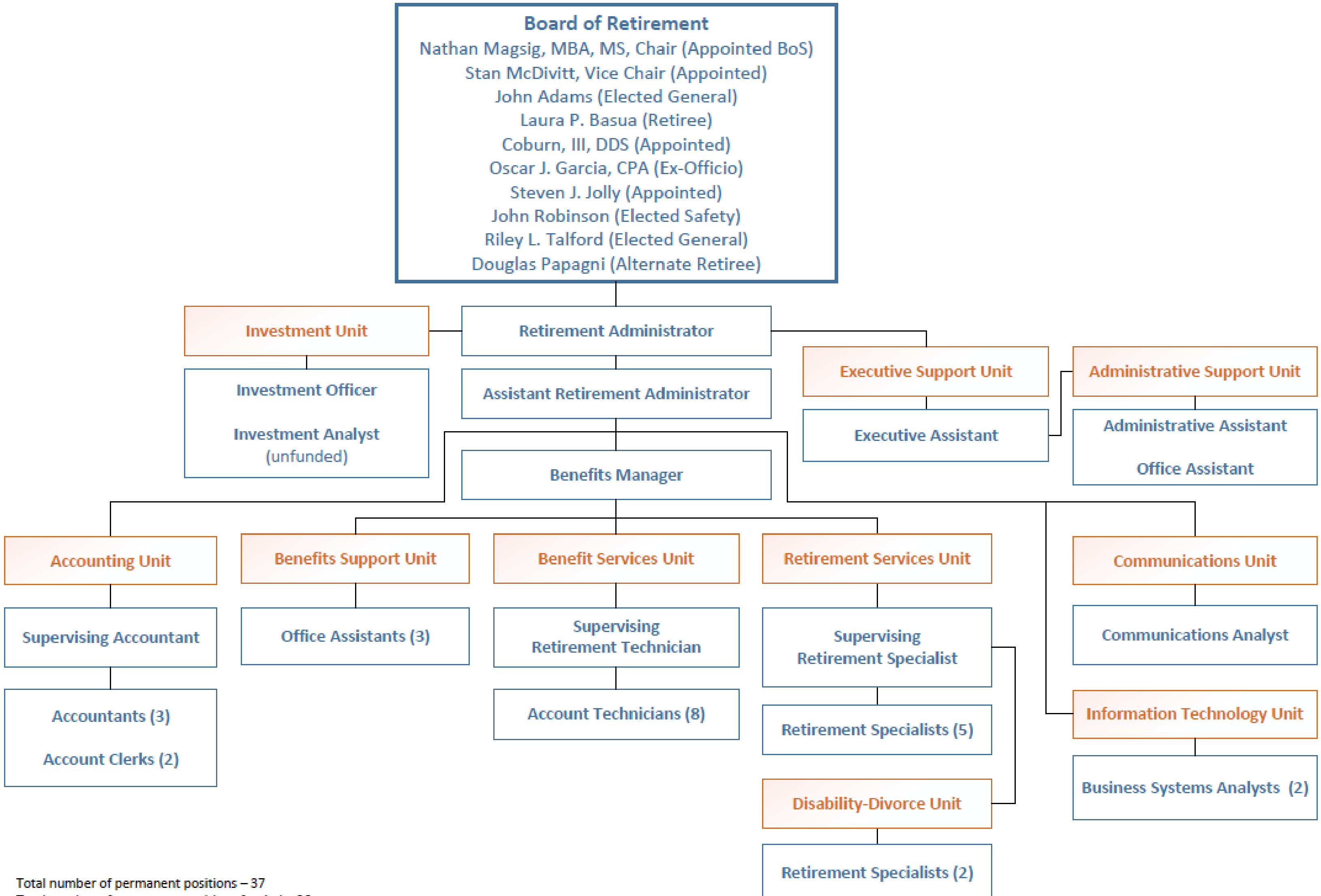
MEMBER
JOHN ROBINSON
Elected by Safety Members
Present term expires December 31, 2023

MEMBER
RILEY TALFORD
Elected by General Members
Present term expires December 31, 2023

ALTERNATE RETIRED MEMBER
DOUGLAS PAPAGNI
Alternate Retired Member - Elected by Retirees
Present term expires December 31, 2022

Administrative Organization Chart

Fresno County Employees' Retirement Association



Total number of permanent positions – 37
Total number of permanent positions funded – 36

List of Professional Consultants

Actuarial Services

- Actuary: Segal

External Audit Services

- Auditor: CliftonLarsonAllen, LLP

Custodial Services

- Custodian Bank: Northern Trust

Investment Consulting Services

- General Investment Consultant: Verus
- Private Credit Consultant: The Carlyle Group
- Private Equity Consultant: Hamilton Lane

Legal Services

- Board Counsel: Baker, Manock & Jensen PC
- Disability Hearing Counsel: Fresno County Counsel
- Fiduciary Counsel: Reed Smith LLP
- Investment Counsel: Foster Pepper PLLC and Foley Lardner LLP
- Securities Monitoring & Litigation Counsel:
    - Bernstein Litowitz Berger & Grossmann LLP
    - Institutional Shareholder Services (ISS)
    - Kessler Topaz Meltzer & Check LLP
    - Labaton Sucharow LLP

Securities Lending Services

- Asset Servicer: Northern Trust

Pension Management System Services

- Arrivos System Support: Tegrit Group

A complete list of Investment Managers, Schedule of Fees, and Schedule of Commissions can be found on pages 70, 71, and 72 of the Investment Section.

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Financial Section

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Fresno County Employees' Retirement Association (the Plan), which comprise the statement of fiduciary net position and statement of changes in fiduciary net position, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2021, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

We have previously audited the Plan's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The other supplementary information and the introductory, investment, actuarial and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Plan as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 15, 2020, which contained an unmodified opinion on the financial statements. The summarized comparative information included in the other supplementary information, as listed in the table of contents, for the year ended June 30, 2020, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The 2020 summarized comparative information has been subjected to the auditing procedures applied in the audit of the 2020 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 summarized comparative information is fairly stated in all material respects in relation to the financial statements as a whole for the year ended June 30, 2020.

The introductory, investment, actuarial and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 14, 2021

The Fresno County Employees' Retirement Association (FCERA) Management's Discussion and Analysis is designed to present a narrative overview of the financial activities of FCERA and an analysis of FCERA's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and FCERA's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

Financial Highlights

- FCERA's fiduciary net position at the close of fiscal year 2021 totaled $6.2 billion, an increase of $1.3 billion from 2020, primarily as a result of the overall market improvement coming out of conditions due to the COVID-19 pandemic as well as effects of several rounds of the federal stimulus package.

- Total additions, as reflected in the Statement of Changes in Fiduciary Net Position, for the year ended June 30, 2021, were $1.6 billion, which includes employer and employee contributions of $315.5 million, investment income of $1.3 billion, and net securities lending income of $552 thousand.

- Employer contributions increased from $247.4 million in fiscal year 2020 to $273.9 million in fiscal year 2021 primarily as the result of an increase in contribution rates and an increase in total payroll. Contribution rates are applied on a July 1 through June 30 fiscal year basis and increased as of July 1, 2020. The recommended employer contribution rate increased from 55.81% (2018 valuation effective 7/1/2019) to 60.84% (2019 valuation effective 7/1/2020).

- While the average plan member contribution decreased from 9.31% (2018 valuation effective 7/1/2019) to 9.18% (2019 valuation effective 7/1/2020), member contributions decreased for fiscal year 2021 when compared to 2020, mainly due to an overall decrease in contributing membership of approximately 3.0%. For fiscal years 2021 and 2020, plan member contributions were $41.6 million and $41.8 million, respectively.

- Total deductions, as reflected in the Statement of Changes in Fiduciary Net Position, increased from $301.5 million to $316.6 million over the prior year, or approximately 5.0%, mainly attributed to the pension payroll. Benefits paid to retirees and beneficiaries increased from $292.7 million in 2020 to $307.6 million in 2021, or approximately 5.1%. This increase can be attributed to an addition of retirees to the rolls and an annual cost of living adjustment (COLA) increase of 3% for eligible members who retired before April 2, 1982 and 1.5% for eligible members who retired between April 2, 1982 and April 1, 2021.

- FCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2020, the date of FCERA's last actuarial valuation, the funded ratio for FCERA was 81.7%. In general, this indicates that for every dollar of projected benefits due FCERA has approximately $0.82 to cover its obligation.

- For the fiscal year ending June 30, 2021, FCERA's investment portfolio earned a 26.2% return net of fees across its major asset classifications, with domestic equity returning 45.4%, international equity assets returning 38.1%, and the fixed income portfolio returning 8.0%. Real estate returning 6.9%, infrastructure returning 14.6%, and private equity and private credit returning 31.0% and 17.2%, respectively.

Overview of the Financial Statements

The following narrative is an introduction to FCERA's basic financial statements. FCERA's basic financial statements consists of the following components:

1. Statement of Fiduciary Net Position
2. Statement of Changes in Fiduciary Net Position
3. Notes to the Basic Financial Statements
4. Required Supplementary Information
5. Other Supplementary Information

The Statement of Fiduciary Net Position presents information on FCERA's financial position as of the end of the fiscal year and contains information on total Plan assets and total liabilities with the residual of these elements being reported as fiduciary net position. It presents the assets available for future payments of benefits to retirees and beneficiaries and the current liabilities owed as of June 30, 2021.

The Statement of Changes in Fiduciary Net Position reports on the inflows and outflows of resources that increased and decreased the Plan's net position and contains information on additions and deductions with the net results of these elements reported as a net increase or decrease in fiduciary net position. Over time, increases or decreases in net position may serve as a useful indicator of whether FCERA's financial position is improving or deteriorating.

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes provide detailed discussion of key policies, programs, and activities that occurred during the fiscal year.

Required Supplementary Information includes the Schedule of Employer Contributions, Schedule of Investment Returns, Actuarial Methods and Assumptions, and Schedule of Changes in Net Pension Liability and Related Ratios. Each schedule, as required by GASB 67, presents historical trend information about actuarially determined contributions, investment returns of the Plan and the overall net pension liability.

Other Supplementary Information includes schedules of administrative expenses, information technology expenses, investment expenses, and payments to consultants which are presented following the Required Supplementary Information.

The financial statements and the required disclosures are in compliance with accounting principles generally accepted in the United States of America and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB), using the accrual basis of accounting. FCERA complies with all material requirements of these principles and guidelines.

All of the current year's additions and deductions are taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date. In addition, both realized and unrealized gains and losses are shown on investments, and all capital assets are depreciated over their useful lives.

Other factors, such as market conditions, should be considered in measuring FCERA's overall financial strength.

Financial Analysis

As of June 30, 2021, FCERA has total assets of $6.6 billion. After accounting for current liabilities of $354.4 million, FCERA has $6.2 billion in net position restricted for pension benefits which (approximately) is a 27.3% increase over the amount as reported at June 30, 2020. The net position restricted for pension benefits is available to meet FCERA's ongoing obligation to plan participants and their beneficiaries.

As of June 30, 2021, fiduciary net position increased by more than $1.3 billion primarily due to the surge in financial markets during the fiscal year. While the entire portfolio did well, the outperformers were in domestic and international equities as well as alternative investments, more information regarding the Plan's performance can be located in the Investment Section of this report. The Plan's current assets including cash and cash equivalents decreased approximately 13% over prior year as more cash was invested because of the positive returns in the financial markets, receivables decreased over prior year as there were fewer cash movements between managers at June 30, 2021 compared to year end of 2020. Current liabilities, mainly consisting of administrative payables, investment payables from the purchase of investments that have yet to settle decreased approximately 7.0% as fewer money movements into investments occurred at June 30, 2021 over prior year, however, liabilities for cash collateral payable for securities lending nearly tripled over prior year primarily due to securities within the Plan's portfolio being more sought after for borrowing by brokers or other institutional investors.

Capital Assets

FCERA's investment in capital assets decreased from $14.5 million to $13.6 million (net of accumulated depreciation). The investment in capital assets includes the administrative investment in capital assets from 2020 to 2021 was primarily due to the normal depreciation rate of capital assets during the fiscal without any major additions.

FCERA follows the California Government Code Section 31580.2 that states that expenses for software, hardware, and computer technology consulting services in support of the computer products shall not be a cost of the administration of the retirement system. During fiscal year 2021, FCERA's expenses for software, hardware, and computer technology consulting services had a small increase from $326,528 to $331,744. The increase was primarily due to an additional allocation in IT Infrastructure (capitalized costs).

Condensed Statement of Fiduciary Net Position

June 30, 2021 and 2020

(Dollars in Thousands)

	2021	2020	% Change 2021-2020
Current Assets	$ 601,460	$ 625,549	-3.9%
Investments	6,022,372	4,676,871	28.8%
Capital Assets, net	13,576	14,511	-6.4%
Total Assets	**6,637,408**	**5,316,931**	**24.8%**
Total Liabilities	**354,486**	**381,636**	**-7.1%**
Fiduciary Net Position Restricted for Benefits	**$ 6,282,922**	**$ 4,935,295**	**27.3%**

FCERA has annual funding valuations completed by its independent actuary, Segal Consulting. The purpose of the valuation is to determine the future contributions by the members and employers needed to pay expected future benefits. Despite variations in the stock market, FCERA's management and independent actuary concur that FCERA remains in a financial position that will enable the plan to meet its obligations to participants and beneficiaries. FCERA remains focused on the long-term performance of the Plan, a strong and successful investment program, risk management, and strategic planning.

FCERA's Activities

Condensed Statement of Changes in Fiduciary Net Position

For the Fiscal Years Ended June 30, 2021 and 2020

(Dollars in Thousands)

	2021	2020	% Change 2021-2020
Employer Contributions	$ 273,973	$ 247,474	10.7%
Plan Member Contributions	41,621	41,761	-0.3%
Net Investment Income, before Securities Lending	1,348,099	12,568	10626.4%
Net Securities Lending Income	552	529	4.3%
Total Additions	1,664,245	302,332	450.5%
Pension Benefits	307,680	292,775	5.1%
Refunds	2,747	2,217	23.9%
Administrative	6,074	6,422	-5.4%
Other	117	130	-10.0%
Total Deductions	316,618	301,544	5.0%
Change in Fiduciary Net Position	$ 1,347,627	$ 788	170918.7%

Additions to Fiduciary Net Position

The primary sources to finance the benefits that FCERA provides to its members are accumulated through the collection of member (employee) contributions, employer contributions, and through earnings on investments (net of investment expenses). Net Investment Income, before Securities Lending, for the years ended June 30, 2021 and 2020, totaled $1.3 billion and $12.6 million, respectively.

FY 2021, total additions were $1.6 billion, an increase from FY 2020 of 450.5%, primarily due to a strong investment return which displayed above in net investment income. The Investment Section of this report reviews the result of investment activity for fiscal year ended June 30, 2021.

Deductions from Fiduciary Net Position

The primary uses of FCERA's assets include the payment of benefits to retirees and their beneficiaries, refunds of contributions to terminated employees, and the cost of administering the Plan. Deductions in the fiscal year ended June 30, 2021, totaled $316.6 million, an increase of 5.0% over fiscal year 2020. The increase is mostly attributed to the growth in the number of retirees and amounts of benefits paid to retirees year over year.

The Board of Retirement (Board) approves the annual budget for FCERA. California Government Code Section 31580.2(a) limits the annual administrative expenses to not exceed the greater of either of the following: (1) twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system; (2) two million dollars ($2,000,000), as adjusted annually by the amount of the annual Cost of Living Adjustment (COLA) computed in accordance with Article 16.5. The 2021 Technology Budget represented an increase in appropriations of appropriations of $129,320. As mentioned in the capital assets section of this analysis, expenses for computer software, computer hardware, and computer technology consulting services in support of these computer products are not considered a cost of administration of the retirement system. FCERA has consistently met its administrative expenses budget for the current fiscal year and all prior fiscal years.

Net Pension Liability

GASB Statement No. 67 requires, FCERA to report the Total Pension Liability and the Net Pension Liability as calculated by FCERA's actuary. It is important to note that these liabilities are solely calculated for financial reporting purposes and are not intended to provide information about the Plan's funded status.

FCERA's Total Pension Liability as of June 30, 2021, was $6.7 billion, resulting in an increase of 9.84% from $6.1 billion as of June 30, 2020. FCERA's Net Pension Liability as of June 30, 2021, was $467 million, representing a decrease of 57.5% from $1.1 billion as of June 30, 2020. This $633 million decrease in liabilities is primarily due to a result of strong investment returns during the fiscal year beyond the expected assumed rate of return of 7.0% and the resulting impact on Fiduciary Net Position.

GASB Statement No. 67 requires reporting the Fiduciary Net Position as a percentage of the Total Pension Liability. For the fiscal years ended June 30, 2021 and 2020, the Fiduciary Net Position as a percentage of the Total Pension Liability is reported as 93.09% and 78.02% respectively.

Net Pension Liability
As of June 30, 2021 and 2020
(Dollars in Thousands)

	2021	2020	$ Change 2021-2020	% Change 2021-2020
Total Pension Liability	$ 6,750	$ 6,325	$ 425	6.7%
Less: Fiduciary Net Position	(6,283)	(4,935)	(1,348)	27.3%
Net Pension Liability	**$ 467**	**$ 1,390**	**$ (923)**	**-66.4%**
Fiduciary Net Position as a Percentage of Total Pension Liability	**93.09%**	**78.02%**		

FCERA's Fiduciary Responsibilities

The Board, Plan management, and staff are fiduciaries of the pension trust fund. Under the California Constitution, the assets can only be used for the exclusive benefit of Plan participants and their beneficiaries.

Requests for Information

This financial report is designed to provide the Board, our membership, taxpayers, investment managers, and others with a general overview of FCERA's financial condition and to demonstrate FCERA's accountability for the funds under its stewardship. Questions or requests for additional financial information should be addressed to:

FCERA
Attn: Accounting Unit
7772 N. Palm Avenue
Fresno, CA 93711

Respectfully submitted,

Deborah Paolinelii, CPA
Assistant Retirement Administrator
December 15, 2021

Statement of Fiduciary Net Position
As of June 30, 2021, with Comparative Totals
(Dollars in Thousands)

	2021	2020
Assets		
Cash and cash equivalents with fiscal agents	$ 247,371	$ 284,243
Securities lending investments pool:		
Short-term investments	285,988	92,282
Receivables:		
Investment trades receivable	40,155	221,681
Interest and dividends receivable	15,466	15,801
Administrative receivable	90	26
Contributions receivable	12,009	11,182
Securities lending receivable	88	53
Total Receivables	67,808	248,743
Investments, at fair value:		
Domestic and international fixed income	1,874,946	1,446,818
Domestic and international equities	2,826,905	2,080,406
Private equity	592,014	433,010
Real estate	270,364	241,872
Hedge funds	-	96,762
Private credit	458,143	378,003
Total Investments	6,022,372	4,676,871
Prepaid expenses	293	281
Capital assets:		
Nondepreciable	1,205	1,165
Depreciable, net of accumulated depreciation	12,371	13,346
Total Capital Assets, Net	13,576	14,511
Total Assets	6,637,408	5,316,931
Liabilities		
Accounts payable - purchase of investments	65,614	287,266
Cash collateral payable for securities lending	285,988	92,282
Administrative accounts payable	2,864	2,076
Securities lending bank and broker fees	20	12
Total Liabilities	354,486	381,636
Fiduciary Net Position Restricted for Pension Benefits	$ 6,282,922	$ 4,935,295

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021, with Comparative Totals
(Dollars in Thousands)

	2021	2020
Additions		
Contributions:		
Employers	$ 273,973	$ 247,474
Plan members	41,621	41,761
Total Contributions	315,594	289,235
Investment Income:		
From Investment Activities:		
Net appreciation in fair value of investments	1,126,729	(107,582)
Interest	142,743	62,165
Dividends	34,098	38,408
Private markets	72,298	45,603
Investment expenses	(27,771)	(26,300)
Miscellaneous income	2	274
Net investment income, before securities lending	1,348,099	12,568
From securities lending activities:		
Securities lending income	717	1,539
Borrower rebate expenses	-	(852)
Securities lending management fees	(165)	(158)
Net income from securities lending activities	552	529
Net investment income	1,348,651	13,097
Total Additions	1,664,245	302,332
Deductions		
Benefits paid to plan members and beneficiaries	307,680	292,775
Refunds of member contributions	2,747	2,217
Administrative expenses	6,074	6,422
Other	117	130
Total Deductions	316,618	301,544
Change in Fiduciary Net Position	1,347,627	788
Fiduciary Net Position Restricted for Pension Benefits		
Beginning of Year	4,935,295	4,934,507
End of Year	$ 6,282,922	$ 4,935,295

The accompanying notes are an integral part of these financial statements.

NOTE 1 - **DESCRIPTION OF THE RETIREMENT PLAN (The PLAN)**

The following description of the Fresno County Employees' Retirement Association (FCERA) is provided for general information purposes only. FCERA is governed by the Board of Retirement (Board) under the 1937 County Employees Retirement Law (1937 Act) and the California Public Employees' Pension Reform Act (PEPRA) of 2013. Readers should refer to the 1937 Act and PEPRA for more complete information.

General

FCERA is a contributory defined benefit plan initially organized under the provisions of the 1937 Act on January 1, 1945. Effective January 1, 2013, PEPRA added requirements and benefit levels for new members joining the Plan after January 1, 2013, as well as modifying some provisions of the 1937 Act for existing members. FCERA provides benefits upon retirement, death, or disability of members. FCERA is a cost-sharing, multiple-employer plan that includes substantially all full-time employees and permanent part-time employees who work 50% or more for the County of Fresno (County), the Superior Court of California-County of Fresno, Clovis Veterans Memorial District, Fresno-Madera Area Agency on Aging, and Fresno Mosquito & Vector Control District. An employee becomes eligible for membership commencing with the pay period following the date of employment in an eligible permanent position.

Plan Membership

As of June 30, 2021

Active Members	
Vested	**4,734**
Non-Vested	**2,904**
Total Active Members	**7,638**
Retired Members	**7,985**
Terminated Members	**4,300**
Total Membership	**19,923**

Benefit Provisions

The Board, under the provisions of the 1937 Act, administers benefit provisions adopted by the Plan Sponsors. Benefits are based upon a combination of age, years of service, final average salary (the highest year, highest three consecutive years or average of the highest three one-year periods of employment), benefit tier (including membership classification) and the payment option selected by the member. Disability and death benefits are additionally based upon whether the disability was service connected or not, and whether the death occurred before or after retirement. Retirement benefit payments consist of regular retirement benefits and, depending on the date of retirement, may include cost of living benefits, supplemental benefits, supplemental annuity benefits, and vested health benefits. Benefits may also include a supplemental cost of living and a non-vested health benefit if approved by the Board. General members enrolled in Tiers 1, 2, 3, or 4 may retire at age 50 with 10 years of service, at any age with 30 years of service, or at age 70 with any years of service. General members enrolled in Tier 5 may retire at age 52 with 5 years of service, or age 70 with any years of service. Safety members enrolled in Tiers 1, 2, or 4 may retire at age 50 with 10 years of service or at any age with 20 years of service. Safety members enrolled in Tier 5 may retire at age 50 with 5 years of service, or age 70 with any years of service.

At June 30, 2021, there were five tiers for general members (1, 2, 3, 4 & 5) and four tiers for safety members (1, 2, 4 & 5). General Tiers 1, 2, 3 and 4, and Safety Tiers 1, 2 and 4 are closed to new members unless they meet the requirements under California Government Code Section 7522 et al. Safety includes members in active law enforcement or certain other "Safety" classifications as designated by the Board.

Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required.

PEPRA limits the amount of compensation FCERA can use to calculate a retirement benefit. The 2021 compensation limits used to determine contribution amounts for Tier 5 members are $128,059 for members covered by Social Security and $153,671 for members not covered by Social Security and will be adjusted in future years for changes in the Consumer Price Index. Most FCERA members are covered by Social Security.

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The tiers and their basic provisions are listed below:

Tier Name	*California Government Code Section*	*Effective Date*	*Basic Provisions*	*Vested Health Benefit*	*Final Average Salary Period*	*Plan Sponsors*
Pre-Ventura General	31676.12	Various	2.0% at 57; maximum 3% cost of living benefit	Yes	Highest 1 – year	All
General Tier 1	31676.14 and the Settlement Agreement	January 1, 2001	2.5% at 55; maximum 3% cost of living benefit	Yes	Highest 1 – year	All
General Tier 2	31676.16	September 12, 2005	2.0% at 55; maximum 3% cost of living benefit	Yes	Highest 1 – year	County and FMAAA1
General Tier 3	31676.15	December 17, 2007	2.0% at 55; maximum 3% cost of living benefit	Yes	3 Highest Years	County
General Tier 4	31676.1	June 11, 2012	2.0% at 61; no cost of living benefit	No	3 Highest Years	County
General Tier 5	7522.20	January 1, 2013	2.5% at 67; no cost of living benefit	No	Highest 3 Consecutive Years	All
Pre-Ventura Safety	31664	Various	2.0% at 50; maximum 3% cost of living benefit	Yes	Highest 1 – year	County and NCFPD[2]
Safety Tier 1	31664 and the Settlement Agreement	January 1, 2001	2.5% at 50; maximum 3% cost of living benefit	Yes	Highest 1 - year	County and NCFPD[2]
Safety Tier 2	31664.2	September 12, 2005	3.0% at 55; maximum 3% cost of living benefit	Yes	Highest 1 - year	County
Safety Tier 4	31664	June 11, 2012	2.0% at 50; no cost of living benefit	Yes	3 Highest Years	County
Safety Tier 5	7522.25(d)	January 1, 2013	2.7% at 57; no cost of living benefit	No	Highest 3 Consecutive Years	County

1 FMAAA – Fresno-Madera Area Agency on Aging

2 NCFPD – North Central Fire Protection District. NCFPD withdrew active membership from FCERA as of August 31, 2007.

Administration

The management of FCERA is vested in the Board, which is composed of the following nine members and an alternate member:

1. County Treasurer,

2. Two active members of FCERA elected by the general members,

3. One active member of FCERA elected by the safety members,

4. One retired member of FCERA elected by the retired members,

5. Four members appointed by the County Board of Supervisors. These members shall be qualified electors of the County who are not connected with County government in any capacity, except one may be a County Supervisor, and

6. One alternate member of FCERA elected by the retired members.

As of the June 30, 2020, Actuarial Valuation adopted by the Board, administrative expenses are financed through a 1.20% load of payroll. The employer's share is 1.03% and employee's share is 0.17% of payroll, allocated to the employer and member rates, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

FCERA is the public employee retirement system established by the County on January 1, 1945, and administered independently by the Board to provide retirement, disability, death, and survivor benefits for its employees under the 1937 Act. FCERA's actuarially determined financial data is included in the County's Annual Financial Report (AFR) in the Notes to the Basic Financial Statements and the Required Supplementary Information Section.

Basis of Accounting

FCERA's financial statements are prepared using the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized in the period in which they are incurred. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds of prior contributions are recognized when due and payable under the provisions of the Plan.

Deposits and Investments

Cash and cash equivalents with fiscal agent include deposits in the County Treasurer's commingled cash and investment pool and investments held by the custodian bank. Investments with the custodian bank are comprised of foreign currencies, cash held in a short-term investment fund and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value. The County Treasurer's commingled cash and investment pool operates in accordance with appropriate state laws and regulations and is governed by an investment policy formally adopted by the County. (Please refer to the AFR prepared by the County for additional information on the County Treasurer's commingled cash and investment pool.)

Plan investments are reported at fair value. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by the real estate investment funds, futures investment managers, and alternative investment managers. All investment purchases and sales are recorded on the trade date. Additional information regarding the Plan's investments can be found Note 3 and in the Investment Section of this ACFR.

Asset Allocation Policy

The current Board adopted policy targets that were established in September 2018, which resulted from a comprehensive asset/liability study conducted in multiple phases beginning in February 2018 through June of 2018. The new policy reverses the course established in 2013 of de-risking the plan. The Board voted to reallocate a higher proportion of investments into equities exposure and reduce the larger fixed income allocation that FCERA has maintained since 2013. The new asset allocation policy is incorporated into FCERA's updated Investment Policy Statement, which helps guide the manner in which FCERA invests.

Investment Concentrations

FCERA does not hold investments in any one organization that represent 5% or more of the Plan's Fiduciary Net Position.

Implementation of New Accounting Standards

The following standards were issued recently by the Governmental Accounting Standards Board (GASB) for implementation effective for this fiscal year: Statement No. 83, *Certain Asset Retirement* Obligations which is not applicable to FCERA. Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct* Placements which is not applicable to FCERA.

Capital Assets

Capital assets are valued at historical cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of three years for computer equipment, five years for office equipment, 10 years for furniture, 15 years for software (accounting general ledger and pensions administration systems), and 30 years for buildings. Depreciation expense is reported as part of administrative expense.

Income Taxes

The Internal Revenue Service (IRS) has ruled that plans such as FCERA qualify under Section 401(a) of the Internal Revenue Code (IRC), which prevents FCERA from being subjected to taxation under present income tax laws. In September 2016, the FCERA Plan was again determined by the IRS to be a tax qualified plan. In accordance with this determination, no provisions for income taxes have been made in the accompanying basic financial statements, as FCERA is exempt from federal and state income taxes under provisions of the IRC, Section 401(a), and the California Revenue and Taxation Code, Section 23701, respectively.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Administrative Expenses

FCERA's Board annually approves the budget for administrative expenses. Government Code Section 31580.2 provides for the adoption by the Board of Retirement an annual budget covering the entire expense of administration. This expense of administration is a direct charge against the earnings of the Plan and shall not exceed the greater of twenty-one hundredths of one percent (.21%) of the accrued actuarial liability of the Plan or two million dollars ($2,000,000), as adjusted annually by the amount of the annual cost of living adjustment. Government Code Section 31580.2(b) provides that expenditures for software, hardware and computer technology maintenance and equipment are not considered a cost of administration and are therefore excludable from the administrative expenses. With the exclusion of the information technology costs, FCERA's administrative expenses totaled 0.06% of the total accrued actuarial liability of the Plan.

NOTE 3 - **DEPOSITS AND INVESTMENTS**

Except as otherwise expressly restricted by the California Constitution and by law, the Board may, at its discretion, invest, or delegate FCERA the authority to invest its assets through the purchase, holding, or sale of any form or type of instrument, or financial transaction when prudent in the informed opinion of the Board. In addition, the Board has established an investment policy that places limits on the compositional mix of cash, fixed income and equity securities, alternative investments, and real estate investments. FCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy. GASB Statements Nos. 40 and 53 detail the disclosure requirements associated with FCERA's deposits, investments, and derivatives. The statements identify the following risks: investment risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Rather than creating an across the board policy addressing limitations on credit ratings of certain debt securities, FCERA has chosen to manage the investment risks detailed in GASB Statements Nos. 40 and 53 by requiring each investment manager responsible for a separately held portfolio to follow specific agreed upon investment guidelines that meet the requirements of FCERA for the individual investment mandate. FCERA's investment guidelines do not govern control over commingled portfolios and therefore only apply to separately held portfolios.

Custodial credit risk - deposits. This type of risk associated with deposits is the risk that, in the event of a failure in a depository financial institution, a government will not be able to recover its deposits or recover collateral securities that are in the possession of an outside party. FCERA does not have a policy for managing custodial credit risk. As of June 30, 2021, all domestic deposits were insured, registered, and held by the custodian bank in FCERA's name. FCERA held foreign currencies deposits at June 30, 2021, with a United States Dollar value of $2,684,000, all of which is subject to custodial credit risk since the deposits are unsecured and uncollateralized.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. FCERA's investments are not subject to custodial credit risk because investments are insured and registered in FCERA's name. FCERA's investment policy does not limit the amount of securities that can be held by counterparties.

Credit risk. Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This risk is measured by the assignment of ratings by nationally recognized statistical rating organizations. FCERA has adopted policies specific to each investment manager to manage credit risk. In general, fixed income securities should be well diversified to avoid undue exposure to any single economic sector, industry, or individual security. The County's external investment pool is unrated for credit risk purposes.

The credit ratings disclosed below were obtained from Moody's rating agency as of June 30, 2021.

Credit Quality Ratings of Investments in Fixed Income Securities
As of June 30, 2021 (Dollars in Thousands)

Moody's Credit Rating	**Total Fixed Income**	**FCERA's Fixed Income Securities**
Northern Institutional Liquid Assets Portfolio / Tier 1 Quality Fixed Income Securities		$ 285,988
Aaa	21.5%	403,656
Aa	1.8%	33,472
A	6.7%	125,471
Baa	11.3%	211,670
Ba	6.6%	123,301
B	4.1%	76,112
Caa	1.4%	26,979
Ca	0.0%	496
C	0.0%	49
Agency/Exempt	1.7%	32,475
FNMA/FHLMC	8.1%	151,324
NR	36.8%	689,941
Total Fixed Income Securities	**100.0%**	**1,874,946**
Total Securities Lending Pool and Fixed Income Securities		**$ 2,160,934**

NR = Securities that are note rated by Moody's, an independent ratings agency.
Agency/Exempt = U.S. Treasuries and GNMA Securities that are exempt from rating disclosure and are explicitly guaranteed by the U.S. Government.
FNMA/FHLMC are Government Sponsored Enterprises (GSE's) and only hold the implicit guarantee of the backing of the U.S. Government.

Interest rate risk. Interest rate risk is the risk that changes in the interest rate will adversely affect the fair value of an investment. FCERA has not adopted a policy to manage interest rate risk.

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FCERA selected the segmented time distribution method for the following investments subject to interest rate risk at June 30, 2021.

Interest Rate Risk
As of June 30, 2021
(Dollars in Thousands)

Investment Type		Remaining Maturity in Months at June 30, 2021 Less than 12 months	13 to 60 months	61 to 120 months	More than 120 months
Northern Institutional Liquid Assets Portfolio	$ 285,988	$ 285,988	$ -	$ -	$ -
Subtotal	**285,988**	**285,988**	**-**	**-**	**-**
U.S. Government and agencies					
U.S. Treasury notes	348,699	283,192	-	-	65,507
Federal agency securities	184,296	19,548	-	-	164,748
Subtotal	**532,995**	**302,740**	**-**	**-**	**230,255**
Derivatives	5,639	5,339	1,753	(1,825)	372
Domestic fixed income	828,881	547,963	117,582	58,782	104,554
Mortgages	51,023	8,400	-	-	42,623
Foreign fixed income	456,408	247,184	42,800	25,074	141,350
Total Securities Lending Pool and Fixed Income Securities	**$ 2,160,934**	**$ 1,397,614**	**$ 162,135**	**$ 82,031**	**$ 519,154**

At June 30, 2021, FCERA had $17,414,000 invested in the County external investment pool, which has a dollar weighted average maturity of 2.17 years. More information regarding the County of Fresno's external investment pool can be located at: https://www.co.fresno.ca.us/departments/auditor-controller-treasurer-tax-collector/publications/ under the quarterly investmetnt reports menu.

Concentration of credit risk. This is the risk of loss attributed to the concentration of FCERA's investment in a single issuer. FCERA's investment policy does not permit any one manager to invest more than five % of the fair value of its portion of the portfolio in any one issue, with the exception of investments issued by the U.S. Government and its agencies. As of June 30, 2021, no investments in any one issuer are greater than 5% of total investments. Investment managers authorized to invest in below investment grade securities are limited to holding no more than 20% of their portfolio fair value in such securities.

Foreign currency risk. This is the risk that FCERA will not be able to recover the value of its investment in local currency when the exchange value of the currency lowers. FCERA has not adopted a policy to manage the foreign currency risk. FCERA's investment in foreign currency at June 30, 2021 is as follows:

Foreign Currency Risk
As of June 30, 2021
(Dollars in Thousands)

Currency		Fair Value 2021
Argintine Peso	$	124
Australian Dollar		208
British Pound		104
Canadian Dollar		155
Euro		473
Japanese Yen		651
Mexican Peso		144
New Ghana Cedi		91
New Romanian Leu		159
Other Foreign Currencies		575
Total Foreign Currency	$	2,684

Foreign currency table values represent cash deposits expressed in U.S. dollars.

Derivatives. The investment derivatives schedule below reports the fair value and notional value of the derivatives held by FCERA at June 30, 2021. For reporting purposes, FCERA's derivatives are classified as investment derivatives. All changes in fair value are reported as part of Net Appreciation/(Depreciation) in Fair Value of Investments in the *Statement of Changes in Fiduciary Net Position*. FCERA, through its external investment managers, enters into forward foreign currency contracts as well as equity rights to hedge against changes in the fair values of foreign bonds and equity securities, primarily denominated in European and Asian currencies. It is possible that, due to foreign exchange fluctuations, FCERA may be exposed to a potential loss.

Investment Derivatives
As of June 30, 2021
(Dollars in Thousands)

	2021			
Derivative Type		**Notional Value**		**Fair Value**
Fixed Income Futures	$	138,694	$	-
Equity Futures		120,797		-
Foreign Exchange Futures		(645)		-
Credit Default Swaps		-		3,154
Equity Contract Swaps		-		6,271
Forward Currency Contracts		-		(1,120)
Forward Exchange Swaps		-		278
Other Swaps				105
Interest Rate Swaps		-		(2,933)
Options		-		(124)
Rights		-		8
Total	$	258,846	$	5,639

FCERA could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. FCERA anticipates that counterparties will be able to satisfy their obligations under the contracts. FCERA's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures, including requirements for cash collateral at certain defined levels. At June 30, 2021, FCERA held $11,814,000 at its custodian, Northern Trust, to offset potential risks it may encounter through counterparty transactions.

FCERA's comparative counterparty exposure is detailed in the following schedule:

Counterparty Credit Risk Analysis
As of June 30, 2021
(Dollars in Thousands)

	Aa	A	Exchange Traded	Not Rated	Total
Options	$ -	$ -	$ -	$ (124)	**$ (124)**
Rights/Warrants	-	-	-	8	**8**
Swaps	-	-	-	6,875	**6,875**
Forwards	-	-	-	(1,120)	**(1,120)**
	$ -	**$ -**	**$ -**	**$ 5,639**	**$ 5,639**

At June 30, 2021, FCERA was exposed to Foreign Currency Risk related to its investments in equity rights and forward contracts denominated in foreign currencies. The table on the following page displays FCERA's position in each of the foreign currency contracts.

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Foreign Currency Risks at Fair Value

As of June 30, 2021

(Dollars in Thousands)

		Forward Currency Contracts		
Currency Name	**Equities**	**Net Receivables**	**Net Payables**	**Total Exposure**
Australian dollar	$ -	$ (14,280)	$ 939	$ (13,341)
Brazilian real	-	(49,906)	49,689	(217)
British pound sterling	-	(2,021)	14,951	12,930
Canadian dollar	-	(7,243)	4,208	(3,035)
Chilean peso	-	(372)	16,223	15,851
Chinese yuan renminbi	-	-	9,735	9,735
Colombian peso	-	(5,860)	3,278	(2,582)
Czech koruna	-	-	3,982	3,982
Dominican peso		(5,417)	3,258	(2,159)
Egyptian pound	-	-	1,582	1,582
Euro	8	(31,931)	46,202	14,279
HK offshore Chinese Yuan		(7,647)	17,200	9,553
Hong Kong dollar	-	(40)	11	(29)
Hungarian forint	-	(2,498)	16,773	14,275
Indian rupee		(391)	586	195
Indonesian rupiah	-	(15,631)	4,185	(11,446)
Japanese yen	-	(15,290)	12,207	(3,083)
Kazakhstan tenge		(445)	2,025	1,580
Kenyan shilling		(305)	305	-
Malaysian ringgit	-	(10,308)	13,387	3,079
Mexican peso	-	(9,302)	20,216	10,914
New Israeli shekel	-	(11,334)	3	(11,331)
New Romanian leu	-	-	612	612
New Taiwan dollar	-	(6,364)	477	(5,887)
New Zealand dollar	-	(5,352)	5,352	-
Norwegian krone	-	(37)	-	(37)
Peruvian nuevo sol	-	(18,790)	22,038	3,248
Philippine peso	-	(3,087)	-	(3,087)
Polish zloty	-	(4,903)	36,549	31,646
Russian ruble	-	(1,999)	16,530	14,531
Serbian dinar		(670)	-	(670)
Singapore dollar	-	(2,980)	6,860	3,880
South African rand	-	(20,757)	4,609	(16,148)
South Korean won	-	(14,356)	14,356	-
Swedish krona		(303)	298	(5)
Swiss franc		(61)	61	-
Thai baht	-	(7,611)	13,861	6,250
Turkish lira	-	(2,897)	1,690	(1,207)
Ukrainian hryvnia		(446)	-	(446)
Uruguayan peso	-	-	1,155	1,155
Vietnamese dong		$ -	$ 501	$ 501
Total	$ 8	$ (280,834)	$ 365,894	$ 85,068

The derivative securities included as equities above consist of rights. Foreign currency forward contracts are commitments to purchase or sell a stated amount of foreign currency at a specific future date.

Interest rate risk applies to derivatives such as Fixed Income Options, Credit Default Swaps, Interest Rate Swaps, Forward Foreign Currency and Rights. At June 30, 2021, FCERA was exposed to the following interest rate risk on its investments in these securities. The table below displays the maturity periods of these derivative investments.

Interest Rate Risk Analysis
As of June 30, 2021
(Dollars in Thousands)

		Investment Maturities (in months)				
Investment Types	**Fair Value**	Less than 12	13 to 60	61 to 120	More than 120	**Total**
Credit Default Swaps	$ 3,154	$ 17	$ 3,137	$ -	$ -	$ 3,154
Equity Contract Swaps	6,271	6,271	-	-	-	$ 6,271
Foreign Exchange Swaps	278	-	198	80	-	278
Forward Currency Contracts	(1,120)	(1,120)	-	-	-	(1,120)
Interest Rate Swaps	(2,933)	468	(1,867)	(1,906)	372	(2,933)
Other Swaps	105	105	-	-	-	105
Options	(124)	(348)	224	-	-	(124)
Rights	8	6	2	-	-	8
Total	**$ 5,639**	**$ 5,399**	**$ 1,694**	**$ (1,826)**	**$ 372**	**$ 5,639**

Securities Lending. The Board authorized FCERA, through its custodian bank, to enter into securities lending transactions, whereby securities owned by FCERA are loaned on a short-term basis to various banks and brokers. Securities on loan include domestic and international stocks, and U.S. government agency and domestic bonds. All securities on loan must be collateralized at 102% of the fair value of the loaned securities, except for non-United States based equities which are initially collateralized at 105%. Collateral may take the form of cash, commercial paper, certificates of deposit, bankers' acceptances, repurchase and reverse repurchase agreements, obligations issued or guaranteed as to interest and principal by the United States Government (or agencies or instrumentalities thereof), bank time deposits, variable rate demand notes, money market mutual fund and any common trust fund maintained by a bank, other financial institution, any commingled, or pooled trust.

The lending agreement places no restriction on the amount of loans that can be made. FCERA's lending agent is authorized to invest and reinvest cash collateral, but it is not expressly permitted to pledge or sell securities collateral without borrower default. FCERA's agent invests cash collateral in individual securities and the securities are held by the trustee in FCERA's name. The maturities of the investments made with the cash collateral generally match the maturities of their securities on loan.

Securities on Loan - At fiscal year-end, FCERA had no credit risk exposure to borrowers because the collateral received exceeded the amount owed to borrowers. As of June 30, 2021, there were no violations of the securities lending provisions and no losses resulted within the securities lending program due to borrower default.

Reinvestment of Collateral - FCERA is subject to credit risk through the reinvestment of collateral cash which FCERA received at the time securities were placed on loan. The risk can include the devaluation of underlying securities where the collateral has been reinvested. FCERA invests its collateral in Northern Trust's cash collateral pool called the Northern Trust Collective SL Core Short-term Investment Fund (The Fund). The Fund invests in high grade money market instruments with short maturities. The goal of the Fund is to maintain a $1.00 net asset value per share of the fund, preserving reinvested collateral while providing a stable source of income. The collateral reported in these Financial Statements excludes non-cash collateral which amounts to $62,464,445 at June 30, 2021. FCERA does not have the ability to sell non-cash collateral unless the borrower of the security defaults on the loan agreement.

FCERA is unable to quantify the dollar devaluation that would have existed if collateral had been called upon. Income from these transactions is reported on the Statement of Changes in Fiduciary Net Position. Securities on loan are reported at fair value on the Statement of Fiduciary Net Position. The carrying values of the cash collateral securities lending investment pool as of June 30, 2021 was $285,988,036. The fair values of loaned securities are listed below:

Fair Values of Loaned Securities

As of June 30, 2021

(Dollars in Thousands)

		2021
Domestic equity	$	**24,347**
International equity		**1,840**
Total equity on loan		**26,187**
U.S. Government and agencies		**193,491**
Domestic bonds		**59,322**
Foreign Bonds		**860**
Total bonds on loan		**253,673**
Total equities and bonds on loan	**$**	**279,860**

Highly Sensitive Investments. In its actively managed fixed income portfolio, FCERA utilizes investments that are highly sensitive to interest rate changes. Highly sensitive investments include mortgage-backed securities, asset-backed securities and collateralized mortgage obligations. FCERA's investment portfolio contains certain variable rate notes and collateralized mortgage obligations. At June 30, 2021, FCERA had approximately $111,208 in these investments.

Investment Type
As of June 30, 2021
(Dollars in Thousands)

	2021
Asset - Backed / Variable Rate Notes	$ 64,182
Collateralized Mortgage Obligations	48,146
Forward Foreign Currency	(1,120)
Total	**$ 111,208**

Fair Value Measurement

FCERA follows GASB Statement No. 72, *Fair Value Measurement and Application.* The statement provides guidance on fair value measurement under accounting principles generally accepted in the United States of America (GAAP), FCERA discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date (an exit price). The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – reflects prices quoted in active markets for identical assets;
- Level 2 – reflects prices based on other similar observable inputs; and
- Level 3 – reflects prices based upon unobservable inputs.

FCERA classifies its investments in Level 1 based on direct analysis provided by a primary external pricing service and are quoted in active markets. Investments in Level 1 consist of public equity assets.

Investments classified as Level 2 are based on inputs other than quoted prices attributed to Level 1, but are still observable. Level 2 assets consist of fixed income securities as well as commingled investment funds that may report using the Net Asset Value (NAV). Fixed income investments are valued using a bid evaluation or matrix pricing technique. For commingled investments that are capable of redemption at the NAV per share price at the measurement date, the fair value is classified in Level 2.

Where the inputs from market activity are unobservable, the Level 3 classification is used. This classification requires significant judgement and estimation to determine fair value. Due to the difficulty of determining accurate estimates, the values of these investments may differ significantly from values that could have been determined if a market existed at the measurement date.

Investments measured at the Net Asset Value consist of certain commingled funds, real estate funds, private equity, private credit and hedge funds. The structure of real estate, private equity, private credit and hedge funds typically exist as limited partnerships. There are no readily available markets to determine accurate fair value for these limited partnerships as they may contain investments in non-liquid assets, real estate or other assets. The valuations for these investments may occur at various times throughout the investment cycle in accordance with guidelines established through the limited partnership agreement.

FAIR VALUE MEASUREMENT
June 30, 2021
(Dollars in Thousands)

Investments by Fair Value Level	June 30, 2021	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Domestic and International Fixed Income	$ 1,664,685	$ -	$ 1,654,929	$ 9,756
Domestic and International Equities	757,318	757,318	-	-
Domestic and International Commingled Funds	2,274,209	1,879,461	394,748	-
Securities Lending Collateral	285,988	-	285,988	-
Total Investments by Fair Value Level	**$ 4,982,200**	**$ 2,636,779**	**$ 2,335,665**	**$ 9,756**
Investment Derivatives [1]				
Derivative Type				
Credit Default Swaps	$ 3,154	$ -	$ 3,154	$ -
Equity Contract Swaps	6,271	-	6,271	-
Interest Rate Swaps	(2,933)	-	(2,933)	-
Forward Currency Contracts	(1,120)	-	(1,120)	-
Forward Exchange Swaps	278	-	278	-
Swaps (other)	105	-	105	-
Options	(124)	-	(124)	-
Rights	8	-	8	-
Total Derivatives	**$ 5,639**	**$ -**	**$ 5,639**	**$ -**

INVESTMENTS MEASURED AT NET ASSET VALUE
June 30, 2021
(Dollars in Thousands)

Investments Measured at NAV	June 30, 2021	Unfunded Commitments	Frequency (if eligible)	Redemption Notice Period
Real Estate (1)	$ 270,364	$ 158,073	Core Fund - Quarlterly, Closed-End Funds Not Eligible	Core Fund - 45 days
Private Equity (1)	592,014	190,377	Not Eligible	Not applicable
Private Credit (1)	458,143	156,064	Not Eligible	Not applicable
Total Investments Measured at NAV	**$ 1,320,521**	**$ 504,514**		

TOTAL INVESTMENTS and INVESTED SECURITIES LENDING COLLATERAL	**$ 6,308,360**

(1) Real Estate, Private Equity and Private Credit – FCERA's allocation in these investments totals 43 limited partnerships. The limited partnerships invest primarily in buyout funds, venture capital, distressed debt, mezzanine debt, and special situations. The measurement of the fair values of these investments has been determined using NAV typically one quarter in arrears with updated cash flows. These funds are not eligible for redemption, funding takes place over a time horizon of 1 to 5 years with the expectation of limited partnerships to liquidate within 7 to 12 years.

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NOTE 5 – **CAPITAL ASSETS**

The following is a summary of changes in capital asset activity as of June 30, 2021:

Capital Assets
As of June 30, 2021
(Dollars in Thousands)

	Balance July 1, 2020	Additions	Dispositions/ Reclassifications	Balance June 30, 2021
Capital assets, non depreciable:				
Land	$ 1,160	$ -	$ -	**$ 1,160**
Development in Progress	5	-	-	**5**
Construction in Progress	-	-	-	**-**
Total capital assets, non depreciable	**$ 1,165**	**$ -**	**$ -**	**$ 1,165**
Capital assets, depreciable:				
Computer hardware/software	$ 9,813	$ 29	$ -	**$ 9,842**
Furniture and fixtures	591	-	-	**591**
Equipment	222	-	-	**222**
Building	6,904	-	-	**6,904**
Total capital assets, depreciable	**$ 17,530**	**$ 29**	**$ -**	**$ 17,559**
Less accumulated depreciation for:				
Computer hardware/software	$ (3,514)	$ (670)	$ -	**$ (4,184)**
Furniture and fixtures	(162)	(60)	-	**(222)**
Equipment	(110)	(44)	-	**(154)**
Building	(398)	(230)	-	**(628)**
Total accumulated depreciation	**$ (4,184)**	**$ (1,004)**	**$ -**	**$ (5,188)**
Total capital assets, depreciated, net	**13,346**	**(975)**	**-**	**12,371**
Total capital assets, net	**$ 14,511**	**$ (975)**	**$ -**	**$ 13,536**
Depreciation charged for the current year and included in administrative expenses totaled:		**$ 1,004**		

NOTE 6 – **CONTRIBUTIONS AND RESERVES**

Contributions

Contributions are made by the members and the employers at rates recommended by FCERA's independent actuary and approved by the Board and the County Board of Supervisors. Employee contribution rates vary according to age, classification (safety or general), and benefit tier. Employee contribution rates are designed to provide funding for approximately one-fourth of the regular retirement benefits and one-half of all cost of living benefits for members enrolled in Tiers 1 through 4 and one half of the normal cost of the retirement benefit for members enrolled in Tier 5. Members are required to contribute between 3.79% and 12.58% of their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act.

Interest is credited to member contributions every six months based on the prior six months ending balance. Members are not permitted to borrow against their contributions. Upon termination of employment, members may withdraw their contributions by requesting a refund of their accumulated contributions and interest. Non-vested members may leave their contributions on deposit with FCERA without establishing reciprocity. These members receive interest on their contributions and may withdraw their contributions and interest at any time.

Employer contribution rates are determined pursuant to Section 31453 of the 1937 Act and are designed to provide funding for the remaining regular retirement and cost of living benefits, as well as all regular disability and survivors' benefits.

Contribution rates are actuarially determined using the entry age normal method and consist of the normal cost (the estimated amount necessary to finance benefits earned by employees during the current year) and, beginning in 1980, the unfunded actuarial accrued liability, which was amortized over a 30-year period. Effective with the valuation completed for June 30, 2002, the amortization period was modified to allow a 30-year amortization period for changes in the unfunded actuarial accrued liability that result from Plan amendments and a 15-year amortization period for all other changes in the unfunded actuarial accrued liability. The Schedule of Employer Contributions, which includes 10-year historical information, is presented in the Required Supplementary Information section on page 52.

Benefits attributable to employers' contributions do not become vested until completion of five years of credited service. A member may receive a regular retirement allowance after meeting the minimum requirements for eligibility as defined in Note 1 of these Financial Statements.

On September 12, 2012, PEPRA was signed into law by the Governor of California, Jerry Brown, establishing a new tier for General and Safety employees entering FCERA membership on or after January 1, 2013. The benefit formula for General members is 2.5% at age 67 and the

Safety formula is 2.5% at age 57. Benefits under the new PEPRA tiers are based on a consecutive three-year final average compensation period.

Reserved and Designated Accounts of Net Position Restricted for Pension Benefits

Fiduciary Net Position Restricted for Pension Benefits is segregated into members' and employers' accumulated contributions reserves established by the Board and undistributed earnings. The Board has established reserves for various benefit payments pursuant to the 1937 Act, and it has designated an account for market stabilization. Effective as of fiscal year end June 30, 2009, the Contra Tracking Account was added to represent the amount of interest credited to reserve accounts that had not been paid for out of current earnings.

The amounts and changes in reserves and designations for the year ended June 30, 2021 consist of the following:

Reserve Balances *

As of June 30, 2021

(Dollars in Thousands)

	Balance July 1, 2020	Increase (Decrease) In Fiduciary Net Position	Net Transfers	Balance June 30, 2021
Reserves:				
Members' accumulated contributions	$ 404,970	$ 38,874	$ (21,591)	**$ 422,253**
Current service reserve	1,761,502	206,632	5,832	**1,973,966**
Annuity pension reserve	254,541	(34,030)	49,548	**270,059**
Current service pension reserve	1,619,771	(146,146)	209,690	**1,683,315**
Settlement annuity pension reserve	804,675	(43,385)	83,311	**844,601**
Settlement benefit reserve	118,119	(4,734)	8,328	**121,713**
Cost of living adjustment reserve	1,663,725	(5,558)	135,768	**1,793,935**
Survivors' death benefit reserve	-	(1,404)	1,404	**-**
Retiree health benefit reserve (VS)	24,824	(5,082)	1,680	**21,422**
Contingency reserve	-	-	-	**-**
Designated for market stabilization	(290,715)	-	863,258	**572,543**
Undistributed earnings	-	1,342,460	(1,342,460)	**-**
Contra Tracking Account	(1,426,117)	-	5,232	**(1,420,885)**
Net Position Restricted for Pension Benefits	**$ 4,935,295**	**$ 1,347,627**	**$ -**	**$ 6,282,922**

*Note individual reserve balance may not tie across and down due to rounding.

Members' accumulated contributions include all member contributions net of refunds paid to members. At retirement, member balances are transferred to the *annuity* and *settlement annuity pension reserves* and the *cost of living adjustment reserve*. Employers' contributions are paid into *current service reserve, settlement annuity reserve,* and *cost of living reserve*. The employer current service and settlement annuity contributions are combined in the *current service reserve*, although tracked separately within the *current service reserve* balance. When an employee retires, the employer portion of their accumulated contributions for current service and settlement annuity are transferred from the *current service reserve* into the *current service pension reserve* and the *settlement annuity pension reserve. Undistributed earnings* are credited with all investment income and charged with investment and other fees. Transfers from undistributed earnings to other reserves are made twice a year. At June 30, 2020, staff aligned the Member's accumulated contributions on the reserve schedule with the balances in the Plan's pension administration system. This alignment is evidenced in the table noting net transfers displayed on the previous page.

Prior to July 1, 2007, the Board authorized an annual rate equal to the actuarial rate of return be apportioned as the interest. Effective July 1, 2007, the Board adopted a new interest crediting policy which implemented the following objectives: 1) maintain consistency between the reserving structure accounts and the actuarial funding policies of FCERA, 2) assure that the reserve values track the fair value of assets over the long-term and 3) to the extent possible, maintain reasonable stability in both the interest crediting and contribution rates by avoiding charging short-term losses to reserves. This policy resulted in interest apportionments of $232,824,439 for the December 31, 2020 interest-crediting period, and $241,145,217 for the June 30, 2021, interest-crediting period. The semi-annual rates of interest for the two periods were 3.5% and 3.5%, respectively. Any additional transfers out of undistributed earnings are made in accordance with the authorization of the Board.

The *survivors' death benefit reserve* is credited with balances transferred from *members' accumulated contributions* and the employer *current service reserve,* in those instances where the survivor of an active deceased member is entitled to continuation benefits. The *current service reserve* consists of current service and settlement annuity contributions (which are tracked separately within the *current service reserve*). Lump sum survivor benefits are paid directly from *members' accumulated contributions* and the *current service reserve.* Pension and disability benefits are paid from the *annuity pension reserve, current service* and *settlement annuity pension reserves* and *cost of living adjustment reserve*.

Both the *retiree health benefit* and the *supplemental cost of living reserves* are non-valuation reserves approved annually by the Board. Non-valuation reserves are under the control of the Board and are not available to fund vested benefits of the Plan. The *retiree health benefit reserve* was initiated in 1987 to establish funds for payment of supplemental benefits which would provide retirees additional monies with the expectation (but not the requirement) that the funds be used to offset the cost of health insurance premiums. Effective with the actuarial valuation completed for the year ended June 30, 2003, the retiree health benefit reserve was apportioned into two reserves, the *retiree health benefit reserve* and the *retiree health benefit* *reserve (VS)* to more clearly account for the liability associated with additional health benefits granted as part of the Settlement Agreement negotiated between the County and certified employee organizations in December 2000. FCERA ceased issuing benefit payments from the non-vested retiree health benefit reserve in November 2014.

The *supplemental cost of living reserve* was established in 1990 to provide additional benefits for eligible members. The benefit was adopted annually under Government Code Section 31874.3 to provide purchasing power protection to those retirees whose accumulated excess cost of living credits exceeds 25%; therefore, the affected members changed each year. The *supplemental cost of living reserve* balance reflects Board approved transfers from *undistributed earnings*. Analysis of the expenses of this reserve indicated that sufficient funding was unavailable to continue the benefit past August 2005. Thus, the Board authorized transfers sufficient to provide funds to continue the benefit at levels in existence at June 30, 2006. FCERA staff, in conjunction with the Actuary, monitors the declining balance of the supplemental cost of living reserve. The Board voted a date certain to cease payments of the supplemental cost of living reserve on August 1, 2016.

The *supplemental benefit reserve* was established to account for the benefit increase given to retirees or the beneficiaries of retirees who retired prior to January 1, 2001, as part of the Settlement Agreement approved in December 2000.

The *supplemental annuity benefit* reserve was established to account for the benefit increase given to members who retired on or after January 1, 2001, as part of the Settlement Agreement approved in December 2000.

The designation for market stabilization serves to spread unanticipated market gains and losses over a five-year period and represents a portion of the variance between net investment earnings and actuarial expectations based on the assumed rate of returns.

FCERA maintains a Statutory Contingency Reserve based on 1% of the total valuation account reserve balances when additional earnings are available after all Contra Account (short fall in intrest crediting) balances have been zeroed. As part of the Interest Credit policy modified by the Board in September 2008, the Board established an additional Board Contingency Reserve of up to 2% of the total Fiduciary Net Position. Funding of this additional reserve is subject to Board approval.

The Contra Tracking Account represents interest that has been credited to the reserve accounts that was not available to be paid out of the current or excess earnings. A balance in this account is the result of the application of the Board's full interest crediting policy and will be replenished in subsequent periods when there are sufficient earnings.

NOTE 7 - **ACTUARIAL VALUATIONS**

Pursuant to provisions in the 1937 Act, FCERA engages an independent actuarial firm, Segal, to perform an annual actuarial valuation. An experience study is performed every three years (triennial experience study).

The economic and non-economic assumptions are updated at the time each triennial experience study is performed. Triennial experience studies serve as the basis for assumptions required in developing employer and member contribution rates necessary to properly fund the Plan. FCERA periodically hires an independent actuarial firm to audit the results of the valuations. New assumptions were adopted by the Board for the June 30, 2020 actuarial valuation based on the results of the July 1, 2015 through June 30, 2018 triennial non-economic and economic Experience Study. The next Experience Study will be completed after the 2021 valuation is issued and results will be incorporated in the 2022 valuation.

The latest actuarial valuation decreased the County normal cost rate from 16.18% to 15.69% of payroll primarily due to the June 30, 2005 UAAL amortization layer becoming fully amortized as well as the remaining UAAL being amortized over a larger payroll base. The County's required contribution rate to finance the unfunded actuarial accrued liability (UAAL) decreased from 44.66% to 39.22% of payroll. There is also a decrease of 5.93% in the total required contribution rate from the prior valuation, from 60.84% to 54.91% of payroll.

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NOTE 8 – **GASB 67 RELATED DISCLOSURES**

Long-term Expected Rate of Return by Asset Class

The long-term expected rate of return on the Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, by adding expected inflation, and deducting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table below.

The long-term expected arithmetic real rate of return assumption was developed through a board approved out-of-cycle review of the economic assumptions for the June 30, 2021 actuarial valuation. However, users of this report must be aware that due to the gradual implementation of the target allocation presented below, there will be a difference between this schedule and the target allocation presented in the Investment Section on pages 64, 65, and 66.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap U.S. Equity	22.5%	5.39%
Small Cap U.S. Equity	5.5%	6.58%
Developed International Equity - Large Cap	12.5%	6.39%
Developed International Equity - Small Cap	3.0%	5.64%
Emerging Markets Equity	5.5%	8.60%
Core Bonds	15.0%	0.83%
High Yield Bonds	2.0%	3.06%
Global Sovereign	4.0%	-0.73%
Bank Loans	2.0%	2.73%
Local Emerging Market Debt	3.0%	2.72%
Core Real Estate	4.0%	5.01%
Private Equity	6.0%	10.00%
Private Credit	8.0%	5.02%
Value Add Real Estate	1.5%	7.10%
Opportunistic Real Estate	1.5%	9.80%
Infrastructure	4.0%	7.60%
Total	100%	5.07%

Net Pension Liability

GASB Statement No. 67 requires public pension plans to disclose the net pension liability of the Plan. The net pension liability is measured as the total pension liability less the amount of the Plan's fiduciary net position. The net pension liability is an accounting measurement for financial statement reporting purposes. The components of FCERA's net pension liability at June 30, 2021, are disclosed on the following page and on page 54 in the Required Supplementary Information.

Net Pension Liability
As of June 30, 2021
(Dollars in Thousands)

		2021
Total pension liability	$	6,749,559
Less: Fiduciary net position		(6,282,922)
Net pension liability	**$**	**466,637**
Fiduciary net position as a percentage of the total pension liability		**93.09%**

The measurement date of the net pension liability was June 30, 2021. The total pension liability was determined based upon rolling forward the actuarial valuation as of June 30, 2020 to the measurement date.

The following Actuarial Assumptions were approved by the Board of Retirement in April 2019 based on results of the most recent actuarial experience study for the review period of July 2015 through June 2018. The total Plan liability as of June 30, 2021 was re-measured by (1) revaluing the total pension liability as of June 30, 2020 (before the roll forward) to include the following actuarial assumptions that the Retirement Board had adopted for use in the pension funding valuation as of June 30, 2021 and (2) using this revalued total pension liability in rolling forward the results from June 30, 2020 to June 30, 2021. It is important that readers understand that these newest assumptions are included in the GASB 67 Valuation at June 30, 2021 and presented here, but will not match with the assumptions in the Actuarial Section on page 76 as the Actuarial Section reflect the assumptions in place as of July 1, 2020 and applied by employers for contribution calculation purposes for the current reporting fiscal year.

Inflation	2.50%
Salary Increases	General: 4.10% to 11.50%; and Safety: 4.50% to 11.50%, varies by service, including inflation.
Investment Rate of Return	6.50%, net of Pension Plan investment expenses, including inflation.
Administrative Expenses	1.30% of payroll, allocated 1.02% to employers and 0.18% to employees.

Other Assumptions	Same as those used in June 30, 2020 funding valuation.

Discount Rate

The discount rate of 6.50% was used to measure the total pension liability as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the net pension liability to changes in the discount rate. The following schedule below presents the net pension liability of FCERA as of June 30, 2021, calculated using the discount rate of 6.50%, as well as what the FCERA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 5.50%, or 1-percentage-point higher, 7.5%, than the current rate.

(Dollars in Thousands)	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
FCERA's net pension liability as of June 30, 2021	**$ 1,404,080**	**$ 466,637**	**$ (298,585)**

Money-Weighted Rate of Return

For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 26.24%. For commentary on the overall investment performance of the Plan please see the Investment Consultant's Report on page 60. It is important to note that the Investment Consultant's Report discloses the Plan's return data using the industry standard time-weighted rate of return which will differ from the money-weighted rate of return referenced here. The money-weighted rate of return (identical in concept to Internal Rate of Return) expresses investment performance, net of investment expense, adjusted for the changing amounts (inflows and outflows) actually invested.

NOTE 9 – **SUBSEQUENT EVENTS**

Date of Management's Review

The potential for additional subsequent events were evaluated from the fiscal year-end report date of June 30, 2021 through December 14, 2021, which is the date the financial statements were available to be issued. Management did not identify any additional subsequent events that would require disclosure.

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Schedule of Employer Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 273,973,000	$ 273,973,000	$ -	$ 454,782,000	60.24%
2020	247,474,000	247,474,000	-	451,525,000	54.81%
2019	225,492,000	225,492,000	-	423,092,000	53.30%
2018	210,535,000	210,535,000	-	403,018,000	52.24%
2017	198,472,000	198,472,000	-	386,345,000	51.37%
2016	191,529,000	191,529,000	-	370,318,000	51.72%
2015	184,213,000	184,213,000	-	351,109,000	52.47%
2014	165,309,000	165,309,000	-	350,326,000	47.19%
2013	158,572,000	158,572,000	-	346,808,000	45.72%
2012	157,869,000	157,869,000	-	346,742,000	45.53%

Schedule of Investment Returns – Pension Plan

*For the Fiscal Years Ended June 30, 2014 through 2021**	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	26.24%	0.68%	5.49%	7.62%	10.47%	0.02%	0.02%	17.26%

Actuarial Methods and Assumptions

As required by GASB Statement No. 67, FCERA's actuary completed the measure of the net pension liability as of June 30, 2021 and June 30, 2020 by rolling forward the total pension liability information for financial reporting, as of June 30, 2020 and June 30, 2019, respectively. The basis for these calculations was the latest Valuation Report, prepared for funding purposes. All actuarial methods and assumptions used for this roll forward analysis were the same as those used in the June 30, 2019 Valuation Report. Actuarially determined contribution rates are based on the actuarial valuation one year prior to the beginning of the Plan year.

Valuation date	June 30, 2019
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll (3.50% payroll growth assumed).
Remaining amortization period	14 years remaining over a declining period as of June 30, 2019 actuarial valuation for unfunded actuarial accrued liability (UAAL) established as of June 30, 2003 plus 15 years (declining) for UAAL due to actuarial gains or losses, changes in actuarial assumptions or plan

	amendments established on each subsequent valuation.
Asset valuation method	The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves. Deferred gains and losses as of June 30, 2015 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
<u>Actuarial assumptions:</u>	
Investment rate of return	7.00% net of pension plan investment expenses (includes inflation at 3.0%).
Inflation rate	2.75%
Administrative expenses	1.20% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
Projected salary increases	Rates vary by service type:
- General Members	Salary increases range from 4.35% to 11.75%, including inflation.
- Safety Members	Salary increases range from 4.75% to 11.75%, including inflation.
Cost of living adjustments	3.00% of retirement income for General Tiers 1, 2 and 3, and Safety Tiers 1 and 2. 0.00% for General and Safety Tiers 4 and 5.
Other assumptions	Same as the assumptions in the June 30, 2018 funding actuarial valuation.
Other information	All members with membership dates on or after January 1, 2013 enter the Tier 5 created by PEPRA.

Schedule of Changes in Net Pension Liability and Related Ratios
*For the Fiscal Years Ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013**

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability									
Service cost	**$ 114,661,714**	$ 110,809,270	$ 108,089,840	$ 108,233,884	$ 109,231,556	$ 105,592,251	$ 104,671,060	$ 107,568,854	$ 98,293,207
Interest	**439,979,185**	423,497,695	410,338,790	393,404,348	381,845,701	366,855,100	355,525,811	341,121,326	336,460,778
Change of benefit terms	**-**	-	-	-	-	-	-	-	-
Differences between expected and actual experience	**(5,978,692)**	22,279,347	12,058,315	(70,094,731)	(70,197,987)	(42,178,682)	(50,048,133)	(146,396,595)	(143,645,760)
Changes of assumptions	**185,354,422**	-	(67,930,738)	-	-	235,227,824	-	-	265,552,249
Benefit payments, including refunds of employee contributions	**(310,426,704)**	(294,992,402)	(280,032,239)	(263,231,547)	(249,846,894)	(240,231,254)	(231,396,472)	(224,392,602)	(212,956,631)
Other[1]	**-**	-	-	-	-	-	10,306,014	-	-
Net change in total pension liability	**$ 423,589,925**	**$ 261,593,910**	**$ 182,523,968**	**$ 168,311,954**	**$ 171,032,376**	**$ 425,265,239**	**$ 189,058,280**	**$ 77,900,983**	**$ 343,703,843**
Total pension liability - beginning	**6,325,968,563**	**6,064,374,653**	**5,881,850,685**	**5,713,538,731**	**5,542,506,355**	**5,117,241,216**	**4,928,182,936**	**4,850,281,953**	**4,506,578,110**
Total pension liability – ending (a)	**$ 6,749,558,488**	**$ 6,325,968,563**	**$ 6,064,374,653**	**$ 5,881,850,685**	**$ 5,713,538,731**	**$ 5,542,506,455**	**$ 5,117,241,216**	**$ 4,928,182,936**	**$ 4,850,281,953**
Fiduciary net position									
Contributions - employer	**273,973,459**	247,474,194	225,491,692	210,534,894	198,472,119	191,529,239	184,213,235	165,309,213	158,572,420
Contributions - employee	**41,620,768**	41,761,381	40,463,120	38,467,001	36,259,132	35,211,756	33,109,947	30,153,934	30,515,683
Net investment income (loss)	**1,348,533,276**	12,966,492	254,693,657	312,556,013	417,603,730	(4,319,055)	360,796	583,169,608	378,483,400
Benefit payments, including refunds of employee contributions	**(310,426,704)**	(294,992,402)	(280,032,239)	(263,231,547)	(249,846,894)	(240,231,354)	(231,396,472)	(224,392,602)	(212,956,631)
Administrative expenses	**(6,073,739)**	(6,422,137)	(5,980,558)	(5,676,721)	(4,762,253)	(4,814,003)	(4,297,090)	(3,541,682)	(3,633,683)
Other	**-**	-	-	-	-	-	-	(21,269)	(42,121)
Net change in fiduciary net position	**1,347,627,060**	**787,528**	**234,635,672**	**292,649,640**	**397,725,834**	**(22,623,417)**	**(18,009,584)**	**550,677,202**	**350,939,068**
Fiduciary net position - beginning	**4,935,294,606**	**4,934,507,078**	**4,699,871,406**	**4,407,221,766**	**4,009,495,932**	**4,032,119,349**	**4,050,128,933**	**3,499,451,731**	**3,148,512,663**
Fiduciary net position – ending (b)	**6,282,921,666**	**4,935,294,606**	**4,934,507,078**	**4,699,871,406**	**4,407,221,766**	**4,009,495,932**	**4,032,119,349**	**4,050,128,933**	**3,499,451,731**
Net pension liability – ending (a) – (b)	**$ 466,636,822**	**$ 1,390,673,957**	**$ 1,129,867,575**	**$ 1,181,979,279**	**$ 1,306,316,965**	**$ 1,533,010,523**	**$ 1,085,121,867**	**$ 878,054,003**	**$ 1,350,830,222**
Fiduciary net position as a percentage of the total pension liability	**93.09%**	**78.02%**	**81.37%**	**79.90%**	**77.14%**	**72.34%**	**78.79%**	**82.18%**	**72.15%**
Covered payroll [2]	**$ 454,782,000**	**$ 451,525,000**	**$ 423,092,000**	**$ 403,018,000**	**$ 386,345,000**	**$ 370,318,000**	**$ 351,109,000**	**$ 350,326,000**	**$ 346,808,000**
Net pension liability as percentage of covered payroll	**102.61%**	**307.99%**	**267.05%**	**293.28%**	**338.12%**	**413.97%**	**309.06%**	**250.64%**	**389.50%**

Notes to Schedule:
Benefit changes: All new members with membership dates on or after January 1, 2013 enter the new tier created by PEPRA.

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Estimated liability impact for including a group of about 1,420 members reported for the first time as vested terminated members in the June 30, 2015 funding valuation.

[2] Covered payroll is the payroll on which contributions to the pension plan are based.

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2021, with Comparative Totals

(Dollars displayed as Actual)	2021	2020
Personnel Services		
Salaries and Benefits	$ 3,627,273	$ 3,626,324
Total Personnel Services	3,627,273	3,626,324
Office Expenses		
Election Expenses	28,345	14,586
Office Supplies and Miscellaneous Admin.	94,595	179,254
Postage	32,718	41,980
Telephone	15,900	20,802
Utilities	40,381	40,459
Total Office Expenses	211,939	297,081
Other Services and Charges		
Disability Expenses	204,218	313,190
Data Processing Services	213,008	231,626
Insurance	159,315	167,122
Maintenance	62,708	58,499
Operating Leases Buildings	-	142,945
Professional and Specialized Services	570,200	554,160
Transportation, Travel, and Education - Staff	5,841	38,068
Transportation, Travel, and Education - Board	15,662	21,696
Total Other Services and Charges	1,230,952	1,527,306
Depreciation	1,003,575	971,426
Total Administrative Expenses	$ 6,073,739	$ 6,422,137

Schedule of Information Technology Expenses

For the Fiscal Year Ended June 30, 2021, with Comparative Totals

(Dollars displayed as Actual)	2021	2020
Property and Equipment	$ 19,241	$ 14,602
Pension System Maintenance	97,897	115,497
Subtotal Excluded IT Expenses [1]	117,138	130,099
IT Infrastructure [2]	214,606	196,429
Total Information Technology Expenses	**$ 331,744**	**$ 326,528**

[1] As defined by Government Code Section 31580.2.

[2] IT Infrastructure amounts are accounted for in the Depreciable Capital Assets.

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2021, with Comparative Totals

(Dollars displayed as Actual)	2021	2020
Investment Manager Fees	$ 27,096,395	$ 25,651,882
Custodian Service Fees [2]	58,000	58,185
Actuarial Valuation Fees [1,2]	70,000	69,000
Due Diligence Travel	-	-
Investment Legal Fees [2]	84,449	70,321
Investment Consultant Fees [2]	462,405	450,415
Subtotal Investment Expenses [2]	27,771,249	26,299,803
Securities Lending Expenses	164,695	1,009,916
Total Investment and Security Lending Expenses	$ 27,935,944	$ 27,309,719

[1] Actuarial Valuation Fees are the fees for producing the Actuarial Valuation Report.

[2] Investment Legal Fees, Investment Consultant Fees, Custodian Service Fees, and Actuarial Valuation Fees can also be found on page 57 as Payments to Consultants.

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2021, with Comparative Totals

(Dollars displayed as Actual)	2021	2020
Actuarial Consulting Fees (non-actuary study costs)	$ 60,249	$ 47,796
Actuarial Valuation Fees [1]	70,000	69,000
Audit Fees	64,650	63,575
Custodian Service Fees [1]	58,000	58,185
Data Processing Fees	213,008	231,625
Disability Attorney Fees	104,892	113,571
Disability Medical, Investigation, and Copying Fees	99,326	199,619
Investment Consultant Fees [1]	462,405	450,415
Investment Legal Fees [1]	84,449	70,321
Other Professional Expenses	319,910	323,172
Retirement Board Attorney Fees	125,391	119,617
Total Payments to Consultants	**$ 1,662,280**	**$ 1,746,896**

Refer to page 71 for information on fees paid to investment managers.

[1] Investment Legal Fees, Investment Consultant Fees, Custodian Service Fees, and Actuarial Valuation Fees can also be found on page 56 as Investment Expenses.

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FCERA

Investment Section

October 29, 2021

Board of Trustees
Fresno County Employees' Retirement Association
7772 N. Palm Avenue
Fresno, CA 93711

Dear Trustees:

Verus Advisory ("Verus") is pleased to provide the Board of Trustees of Fresno County Employees' Retirement Association ("FCERA") with an overview of the market environment, an update on performance, and a summary of recent developments for the fiscal year ended June 30, 2021.

Investment Landscape

- *Economy, COVID-19, Fiscal & Monetary Response*

Two steps forward, one step back, two steps forward, one step back. Slow and bumpy improvement probably best describes the trajectory of the global economy over the last year. The faster-than-expected distribution of highly effective vaccines within the developed world paved the way for gradual reopening of developed economies, but emerging economies with less access to quality vaccines were less prepared to deal with the litany of more-virulent mutations and had to respond with more draconian social distancing controls to mitigate increases in case growth.

Risk-on sentiment propelled financial markets forward, backstopped by continued support from global central banks, the light at the end of the tunnel provided by vaccines, and the inclination of markets to shrug off big surprises on earnings and economic data. Expectations for a strong rebound in economic growth and inflation over the intermediate-term sparked a rotation from the growth sectors that had performed well through the crisis toward more value-orientated sectors prospectively positioned to outperform in a period of rising interest rates and economic re-opening.

This reflation trade thrived from around mid-August until mid-May but began to unravel late in the fiscal year amid concerns about the delta Covid-19 variant impeding a full and swift global economic recovery, as well as a hawkish pivot from the Federal Reserve which reduced the likelihood of higher inflation and interest rates over the longer term.

Looking ahead, investors are grappling with the staying power of high levels of inflation, the timeframe over which the Federal Reserve may begin to taper asset purchases, the outlook for fiscal stimulus, and the capability of companies to sustain high enough levels of earnings growth to justify elevated valuations.

- *Markets and asset class performance*

Up and to the right has been the story for U.S. equity prices over the past year as investors largely looked through the shorter-term impact of pandemic-related shutdowns and bet that fiscal and monetary support would be able to build a bridge to a post-pandemic world. As of June 30th, 2020, the S&P 500 Index remained -8.4 percent beneath its previous high-water mark of 3386. By August 18th, 2020, the overall index had reached a fresh all-time high, and would proceed to close at record high levels in 53 of the 218 remaining trading days in the fiscal year, delivering a +40.8 percent total return along the way.

In terms of size and style, small-cap equities (Russell 2000 Index +62.0 percent) made back some lost ground relative to large-cap equities (Russell 1000 Index +43.1 percent) and the value factor (Russell 1000 Value Index +43.7 percent) narrowly outperformed the growth factor (Russell 1000 Growth Index +42.5 percent). Much of the outperformance of the value factor was driven by the reflation trade which dominated the market narrative from around August when news broke about the successful mRNA vaccines to around mid-May and June when concerns around the delta variant and a hawkish Fed pivot pushed down the long end of the U.S. yield curve.

Global equities largely tracked U.S. equities over the trailing twelve months, and the MSCI ACWI Index returned +39.3 percent in U.S. dollar terms, with weakness in the U.S. dollar providing a slight boost to returns experienced by unhedged U.S. investors. Emerging market equities delivered a total return of +40.9 percent in U.S. dollar terms, edging out U.S. equities (S&P 500 Index +40.8 percent) and outpacing international developed equities (MSCI EAFE +32.4 percent). The superior performance of emerging market equities was driven by a rebound in its Latin American contingent broadly, and Brazil and Mexico specifically.

The reflation narrative and debate over the persistence of higher inflation rates largely directed the global fixed income markets over the last year. In the U.S., the 10-year Treasury yield rose from 0.66 percent to a post-pandemic peak of 1.74 percent by the end of the first quarter of 2021, before moderating to 1.47 percent by the end of the fiscal year. Breakeven inflation rates tracked Treasury yields in terms of direction – the ten-year breakeven inflation rate rose from 1.34 percent to an eight-year high of 2.56 percent in May before moderating slightly during the last few weeks of the fiscal year. Overall, the Fed has remained steadfast in its view that recent increases in inflation rates have been a byproduct of the broad economic reopening, pandemic-related supply chain disruptions, and low base effects (inflation is a year-over-year calculation which means the depressed prices of early 2020 create the appearance of rising inflation). In other words, their view is that increases in inflation are more likely to be transitory than persistent.

In terms of performance, global treasuries returned +1.2 percent in U.S. dollar terms, with U.S. Treasuries underperforming (-3.5 percent), and longer-duration Treasuries in the U.S. faring the worst (-10.6 percent). Large increases in breakeven inflation rates helped to buffer Treasury inflation-protected securities from the impact of increasing interest rates as the Bloomberg Barclays TIPS Index returned 6.5 percent.

Credit spreads compressed to the lowest level since the Global Financial Crisis and default rates fell to below average levels, supporting outperformance of riskier credit. In the U.S., corporates within the Bloomberg Barclays Aggregate Index delivered a return of 3.3 percent, high-yield credit returned 15.4 percent as spreads dipped from 630 basis points to 268 basis points and bank loans advanced 11.7 percent. Outside of the U.S., hard-currency denominated emerging markets debt climbed 6.8 percent, while local-currency emerging market debt returned 6.6 percent.

The global economic reopening and the coincident pickup in inflation rates increased the demand for input goods and spot assets. These dynamics fueled strong commodities performance. The Bloomberg Commodity Index generated a +45.6 percent total return, and all major sectors contributed positively to the total return of the overall index.

- *Outlook*

Investors appear to have priced in an eventual full recovery from the global pandemic, and the expectation for continued support over the intermediate term from developed market central banks appears to have emboldened market participants to continue to take risk. More recently, concerns have built around the spread of the delta variant and its potential to limit the pace of global economic growth moving forward, as well as eventual asset purchase tapering from the Fed which looks less likely to allow inflation to run unchecked.

Corporate earnings have delivered to some extent on the promise implied by price action last year, but continued price increases this year have kept valuations at historically stretched levels. While it appears possible that risk assets could continue to rally into the next year, the road could well become bumpier from here, given the lack of value apparent across asset classes at present. We retain a cautiously optimistic view, but given the risks prefer a tight position relative to policy, given the uncertainty which continues to shroud the outlook.

Plan Performance

The FCERA investment portfolio ("the Portfolio") earned a +25.6 percent return net of fees for the fiscal year ending June 30, 2021. This return outperformed the policy index return by +1.3 percent.

Portfolio risk as measured by standard deviation slightly increased over the last fiscal year, driven in part by a relatively larger allocation to equities. For the trailing 5-year period, annualized standard deviation was 8.5 percent, however for the trailing 3-year period, the standard deviation was 10.6 percent.

In terms of asset class returns, absolute performance was strong but relative performance was mixed as public market assets fared better than their private market counterparts. The domestic equity portfolio showed robust returns over the past fiscal year returning +45.4 percent and outperforming the benchmark by +3.5 percent. Returns were driven by optimism around economic re-openings which fueled the rebound in value equities. The Portfolio's international equity investments were also strong, up +38.1 percent and outperforming the benchmark return of +36.3 percent. Dollar weakness was a welcoming tailwind for all international assets while a rebound in commodity prices, specifically oil, helped propel emerging market assets.

Private equity gained +31.0 percent and private credit also showed positive return, generating a +17.2 percent return. Private market investments are lagged such that these results reflect marks through the end of March.

Fixed income outperformed the benchmark for the fiscal year, returning +8.0 percent compared to the benchmark return of +5.0 percent. Outperformance can be attributed to FCERA's higher allocation to credit assets such as high yield and bank loans which saw spreads tighten considerably over the past fiscal year. Allocation to emerging market debt in local currency was also additive to the portfolio as emerging market currencies strengthened relative to the dollar.

Performance across real assets were mixed as the Portfolio's infrastructure allocation, while relatively small, did very well, up +14.6 percent for the period. Conversely, real estate did not fare as well returning +6.9 percent versus a +7.1 percent return for the benchmark.

On a longer-term annualized basis, the Portfolio has generated consistent performance in line with the strategic target. For the three-years ending June 30, 2021, the Portfolio generated an average annual return of +10.3 percent, underperforming the policy index return by 20 basis points. Over the five-year period, the Portfolio returned +9.7 percent, outperforming the policy index by 40 basis points. For the trailing ten-year period, the Portfolio returned +7.5 percent which is in line with the policy index.

In computing individual manager returns, Verus utilizes the industry-standard approach of computing a time-weighted rate of return based on the market rate of return. All returns cited are net of investment manager fees.

Plan Activity

During the 2021 fiscal year Verus worked with FCERA on an updated asset liability study which focused on alternative asset mixes with varying degrees of asset class exposures and risk/return profiles. Efforts on this front are ongoing, as Verus is collaborating with staff to further refine the Board's investment beliefs, which should influence any potential changes to the strategic allocation.

Verus also spent considerable time working with FCERA on their private credit and real estate portfolios. For private credit, we conducted a pacing analysis with the goal of estimating future additional commitments to achieve and maintain the desired market value exposure. We also worked with FCERA in conducting an RFP process, the goal of which is to select a new discretionary private credit advisor to assist in further diversifying the private credit portfolio.

For FCERA's real estate portfolio, we refined last year's pacing analysis with the goal of building out and meeting the portfolios target allocation to value-add and opportunistic strategies. In doing so, the portfolio made commitments to two separate opportunistic funds and one core fund at the end of 2020 and beginning of 2021.

During the fiscal year we also met various "as-needed" tasks including a revamped layout of the Manager Review page in FCERA's quarterly performance reports, due diligence for manager replacements, and diligence efforts for existing managers. Lastly, Verus worked to provide education on a variety of important topics to assist the Board in their understanding of various portfolio management concepts throughout the year.

As always, all of us here at Verus appreciate the opportunity to assist the FCERA Board in meeting the Plan's investment objectives. We are confident in the direction of the portfolio, and we look forward to continuing our partnership as we navigate ever-changing capital markets.

Sincerely,

Jeffrey J. MacLean
Chief Executive Officer

__Past performance is no guarantee of future results__. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward-looking information will be achieved. Investing entails risks, including possible loss of principal. Verus – also known as Verus Advisory™.

General Information

The goal of Fresno County Employees' Retirement Association (FCERA) is to provide retirement compensation, death benefits, and disability benefits to its members. The Plan should meet this goal through prudent investment of employee and employer contributions.

The County Employees Retirement Law of 1937 governs the Plan. California Public Law (including Sections 31594 and 31595) also regulates Plan action. Sections 31594 and 31595 are especially important because they provide for prudent person governance of the Plan. These laws do not specify the type, amount, and quality of Plan investments. Rather, these laws guide the Plan to make investments assumed to be in the best interest of the Plan's beneficiaries. Such decisions should be consistent with the decisions of other investors possessing similar information.

The Board of Retirement has exclusive control of the investments of the Plan's retirement fund. The assets of the Plan are trust funds and shall be held for the exclusive purposes of providing benefits to its members in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the Plan. Except as otherwise expressly restricted by the California Constitution and by law, the Board may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment financial instrument, or financial transaction when prudent in the informed opinion of the Board.

The officers and employees of the Board shall discharge their duties to the Plan as follows:

- The Board will act solely in the interest of and for exclusive purposes of providing benefits to participants and their beneficiaries. The Board will keep employer contributions to the Plan at a minimum level. The Board will also pay reasonable expenses required to administer the plan.

- The Board will act like a prudent person under equivalent circumstances and having similar goals. Attention to care, skill, prudence, and diligence is of utmost importance when acting on behalf of the Plan.

- The Board shall diversify the Plan's investments to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. The diversification of the Plan's portfolio is displayed in the tables and graphs included in the following pages.

The Plan's assets are exclusively managed by external, professional investment management firms. The Board closely monitors the performance of the managers with the assistance of an external investment consultant.

Summary of Investment Objectives and Target and Asset Allocations

Summary of Investment Objectives

The Plan's primary objective is to efficiently allocate and manage the assets dedicated to the payment of retirement and disability benefits. While recognizing the importance of "preservation of capital," the Plan also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns in the long run.

To accomplish its investment objectives, the Plan has established a series of procedures and guidelines. The procedures, grouped together as the Investment Policy, serve to guide the Plan's investment program. The procedures also help to define the responsibilities of the Board members as they relate to the investment process.

The policy drives the investment actions of the Plan. This policy considers various mixes of different investment asset class risk and return expectations for each mixed-class portfolio current and projected plan liabilities. The policy places responsibility for proxy voting with its equity investment managers.

The Investment Results on page 67 are based on time-weighted rate of return using fair value and are annualized for one, three, five and ten years. All other information is reported at fair value.

Target and Actual Asset Allocations

The Board reviews the Plan's investment results each quarter. Periodically, the Board reviews the asset allocation, taking into consideration the latest actuarial study. Based on this review, the Board adopts an asset allocation mix with the goal of helping the Plan achieve a fully funded status. Each asset class has a target allocation. The Plan treats these targets as long-term funding objectives. Adhering to these targets allows the Plan to keep investment risk at a manageable level and minimizes investment costs.

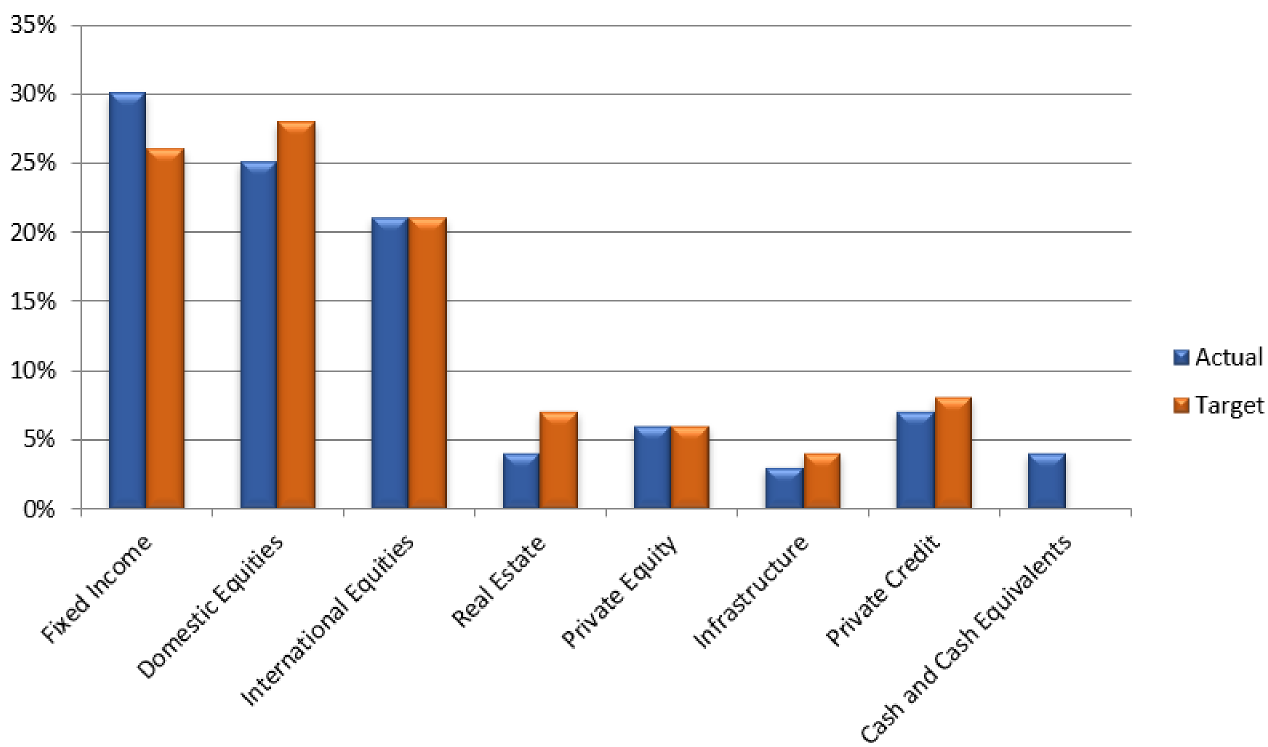
One keystone of asset allocation is diversification among asset classes. Diversification helps to maintain risk at a tolerable level. Therefore, the Board reviews the investment performance and volatility of each asset class on a regular basis over various time periods (quarterly, annually, multi-years) to ensure that the current allocation continues to meet the Plan's needs.

Over time, the Board implements the asset allocation plan by hiring investment managers to invest assets on behalf of the Plan, subject to investment guidelines incorporated into each firm's investment management contract.

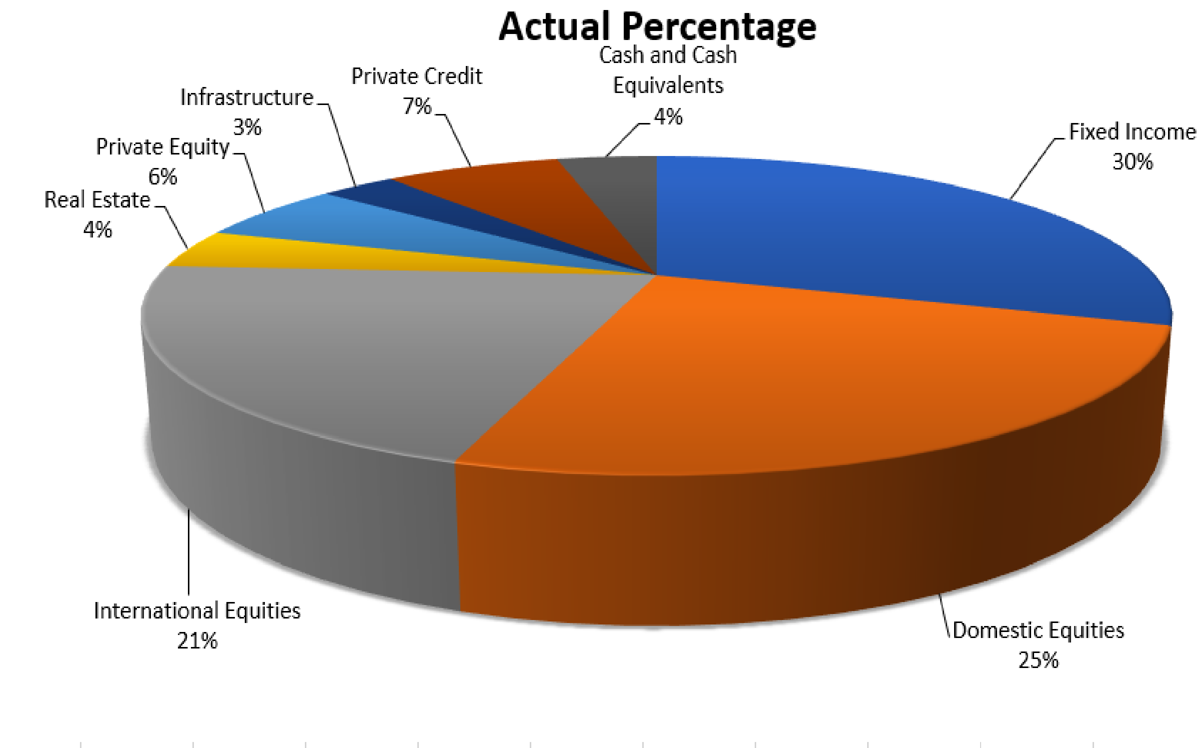
The information provided on subsequent pages is a representation of the Plan's financial statements. Individually, they may not tie to the investment consultant's report on pages 58 to 62 of this Annual Comprehensive Financial Report (ACFR) due to the different reporting methodologies used by the investment consultant and the Plan.

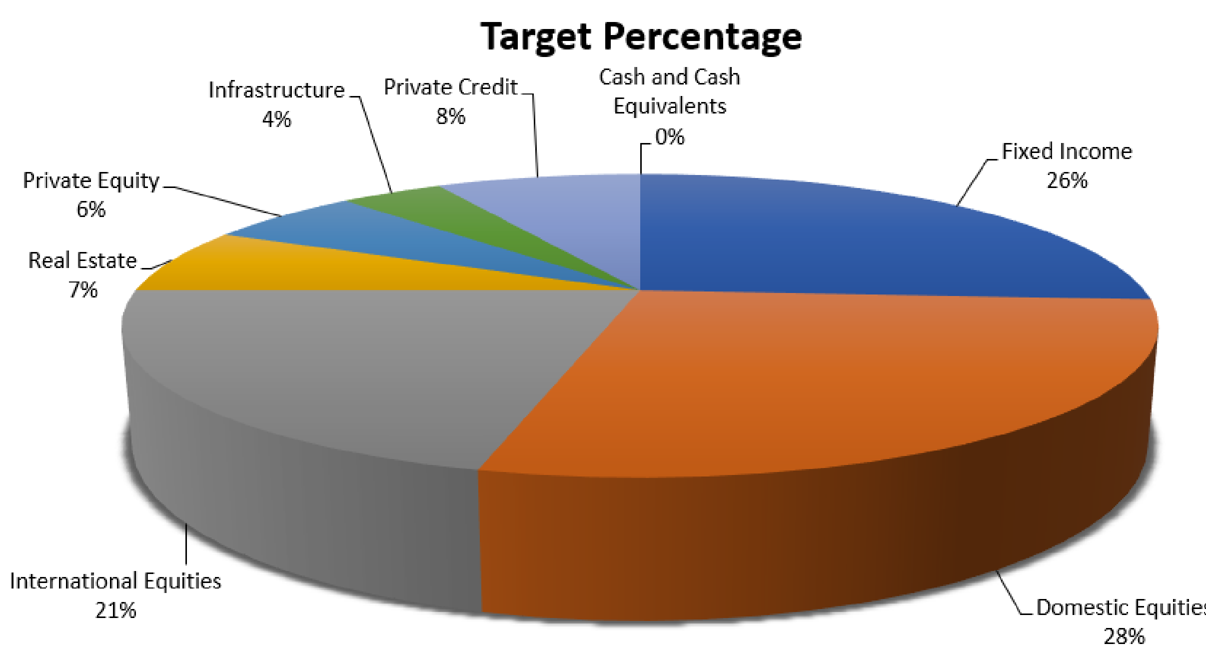
For example, the investment consultant reports cash held with investment managers as part of the investment manager's investment portfolio not as cash and cash equivalents as reported on the Investment Summary. Also, the target asset allocation calls for all cash requirements of the Plan to be classified as Fixed Income. However, the Plan's actual operating cash is reported separately in the Financial Statements and on the Investment Summary.

The fiscal year 2020 – 2021 target and actual asset allocations are presented in the following graphs and charts.



Target and Actual Asset Allocations continued





Investment Results

Investment Results
As of June 30, 2021

Investments	Current Year	3-Year Return	5-Year Return	10-Year Return
Fixed Income				
Investment Core Bond	2.20%	7.70%	5.10%	0.00% 1
Benchmark : Bloomberg US Aggregate Bond	-0.30%	5.30%	3.00%	3.40%
Access Capital	-0.40%	0.00% 1	0.00% 1	0.00% 1
Benchmark : Bloomberg US Securitized Index	-0.30%	3.90%	2.30%	2.70%
Domestic High Yield	17.30%	7.40%	7.00%	0.00% 1
Benchmark : Bloomberg US High Yield TR	15.40%	7.40%	7.50%	6.70%
Domestic Senior Loan	9.40%	3.20%	4.20%	0.00% 1
Benchmark : Leveraged Loan Index	11.70%	4.40%	5.00%	4.40%
Global Sovereign	7.80%	3.10%	2.50%	0.00% 1
Benchmark : FTSE WGBI TR	0.80%	3.60%	1.70%	1.40%
Emerging Markets Debt	10.40%	5.90%	4.40%	0.00% 1
Benchmark : JP Morgan GBI EM Diversified	6.60%	4.10%	3.20%	0.50%
Equities				
Domestic Small Capital	67.10%	15.20%	0.00% 1	0.00% 1
Benchmark: Russell 2000	62.00%	13.50%	16.50%	12.30%
NT MSCI US Index	41.30%	0.00% 1	0.00% 1	0.00% 1
Benchmark: MSCI USA	41.90%	18.80%	17.50%	14.30%
Domestic Large Capital Growth	43.00%	0.00% 1	0.00% 1	0.00% 1
Benchmark: Russell 1000 Growth	42.50%	25.10%	23.70%	17.90%
Emerging Markets Equity	44.30%	11.40%	9.80%	3.70%
Benchmark: MSCI Emerging Markets	40.90%	11.30%	13.00%	4.30%
International Emerging Markets Equity	49.80%	0.00% 1	0.00% 1	0.00% 1
Benchmark: MSCI Emerging Markets	40.90%	11.30%	13.00%	4.30%
NT MSCI World Ex-US Index	33.90%	0.00% 1	0.00% 1	0.00% 1
Benchmark : MSCI World ex USA	33.60%	8.60%	10.40%	5.70%
International Growth	24.80%	11.70%	11.50%	0.00% 1
Benchmark : MSCI EAFE	32.40%	8.30%	10.30%	5.90%
International Equity	44.00%	6.80%	10.10%	6.10%
Benchmark : MSCI EAFE	32.40%	8.30%	10.30%	5.90%
International Equity Small Cap	39.90%	8.20%	11.00%	7.40%
Benchmark : S&P Developed ex U.S. SC Index	42.40%	8.90%	11.90%	8.00%
Private Markets				
Real Estate	4.40%	2.10%	2.80%	6.90%
Benchmark : NCREIF ODCE	7.10%	4.60%	5.60%	8.60%
Infrastructure	14.60%	11.70%	13.10%	0.00% 1
Benchmark : NCREIF ODCE	7.10%	4.60%	5.60%	8.60%
Private Equity	31.00%	18.70%	16.90%	12.60%
Benchmark : Russell 2000	94.80%	14.80%	16.10%	12.10%
Private Credit	17.20%	7.20%	7.40%	6.30%
Benchmark: BBgBarc US Corp High Yield	23.70%	6.80%	6.90%	6.40%
Cash, Custodial, and Investment Pool				
Custodied Cash	0.00%	1.20%	1.10%	0.60%
Benchmark: 91-Day Treasury Bill	0.10%	1.20%	1.10%	0.60%
County Cash	1.70%	2.20%	0.00% 2	0.00% 2
Benchmark: 91-Day Treasury Bill	0.10%	1.20%	1.10%	0.60%
Total Fund	**25.60%**	**10.20%**	**9.60%**	**7.50%**

Notes: Hedge Funds, Private Equity and Commodities are net of fees. Private Equity returns are lagged one quarter. Other investments are reported gross of fees. Investment results were prepared using a time-weighted rate of return based on the market rate of return.

[1] Domestic Fixed Income and Emerging Market Debt is incorporated under Global Fixed Income.
Return data will be available for 3, 5 and 10 year going forward. Infrastructure was funded in May 2015.
2. Return data available for current and 3 year only.

Investment Summary

As of June 30, 2021

(Dollars in Thousands)

Investments		Fair Value	Actual Percentages [2]	Target Percentages
Fixed Income				
Domestic Fixed Income	$	876,954	13.99%	19.00%
Foreign Fixed Income		459,358	7.32%	7.00%
U.S. Government and Agencies		532,995	8.50%	0.00%
Total Fixed Income		**1,869,307**	**29.81%**	**26.00%**
Equities				
Domestic Equities		1,495,399	23.85%	28.00%
International Equities		1,327,805	21.18%	21.00%
Real Estate Investment Trusts		3,701	0.06%	0.00%
Total Equities		**2,826,905**	**45.09%**	**49.00%**
Private Markets and Alternatives				
Real Estate		270,364	4.31%	7.00%
Private Equity		395,678	6.31%	6.00%
Infrastructure		196,336	3.13%	4.00%
Private Credit		458,143	7.31%	8.00%
Total Private Markets and Alternatives		**1,320,521**	**21.06%**	**25.00%**
Derivatives		**5,639**	**0.09%**	**0.00%**
Total Investments		**6,022,372**	**96.05%**	**100.00%**
Cash and Cash Equivalents				
Cash Held in County Investment Pool		19,983	0.32%	0.00%
Short - Term Investment with Fiscal Agent		227,388	3.63%	0.00%
Total Cash and Cash Equivalents		**247,371**	**3.95%**	**0.00%**
Total Investments, Cash and Cash Equivalents	**$**	**6,269,743**	**100.00%**	**100.00%**

[1] The sum of individual line items may not equal 100% due to rounding.

Largest Fixed Income and Equity Holdings

Largest Fixed Income Holdings (By Fair Value)

As of June 30, 2021

Par	Name	Yield	Maturity Date	Fair Value
1,220	FUT SEP 20 5Y T-NOTE	0.798	9/30/2021	$ 150,584,219
4,203,972	MFO PIMCO PAPS ASSET BACKED SECURITIES	4.008	6/10/2021	52,970,047
49,795,000	UNITED STATES OF AMER TREAS NOTES	0.099	1/31/2023	49,812,490
49,480,000	UNITED STS TREAS NTS	0.105	7/31/2022	49,507,500
324	FUT SEP 21 CBT 5Y T-NOTE	0.798	9/30/2021	39,991,219
195	FUT SEP 21 CBT UL T-BONDS	2.140	9/30/2021	37,574,063
181	FUT SEP 21 U.S. T-BONDS	1.761	9/30/2021	29,095,750
212	FUT SEP 21 10 YR T-NOTES	1.277	9/30/2021	28,090,000
27,860,000	UNITED STATES TREAS NTS	0.270	7/31/2021	27,865,370
19,250,000	UNITED STATES TREAS BDS	1.965	2/15/2051	18,371,719
150,591,104	**Total**			**$ 483,862,377**

Largest Equity Holdings (By Fair Value)

As of June 30, 2021

Shares	Name	Fair Value
6,764	AMAZON.COM INC	$ 23,269,242
80,785	MICROSOFT CORP	21,884,657
7,970	ALPHABET INC CAP STK CL A	19,461,066
46,562	FACEBOOK INC	16,190,073
95,546	APPLE INC	13,085,980
44,529	VISA INC	10,411,771
4,011	ALPHABET INC CAP STK CL C	10,052,850
21,832	ROCHE HLDGS AG	8,232,318
24,993	LINDE PLC	7,212,699
234,182	ARCELORMITTAL NPV	7,178,970
567,174	**Total**	**$ 136,979,626**

A complete list of portfolio holdings is available upon request.

List of Investment Managers

Domestic Fixed Income
Eaton Vance
Loomis Sayles
RBC Access Capital
Western Asset Management Company

Global Fixed Income
Brandywine
Pimco EMD

Domestic Equity
Northern Trust MSCI US
PIMCO Stocks Plus
State Street Global Advisors MSCI
T. Rowe Price US Large Cap

International Equity
Artisan Partners International
Baillie Gifford
Mondrian Investment Partners
Northern Trust MSCI World Ex-US
Research Affiliates

Infrastructure
IFM Global Infrastructure

Private Credit
AlpInvest FC Credit Partners VII
Angelo Gordon VI
Bridgepoint Credit Opportunities III
Carlyle CPC V, L.P.
Carlyle TCG BDC II
Colony Distressed Credit I, L.P.
Colony Distressed Credit III, L.P.
CVI Credit Value Fund III
GSO European Senior Debt Fund, L.P.
KKR Mezzanine Partners
Lone Star Fund IV
Oaktree Opportunities IX, L.P.
OHA Strategic Credit Fund II
Sixth Street Partners

Private Equity
Altaris Health Partners V
Aurora Capital Partners VI
Avista Capital IV
Avista Capital V
Blackstone IV
Cinven VII
Gridiron Capital IV
Hamilton Lane Advisors LLC
Hamilton Lane VI
Hamilton Lane IX
Hamilton Lane Secondary IV
HGGC Fund IV
H.I.G. Growth Buyouts & Equity III
Horsley Bridge XI
Insight Partners XI
JFL Equity Investors V
K4 Private Investors L.P.
K5 Private Investors L.P.
Kelso Investment Associates X, L.P.
Landmark Equity, XIV, L.P.
New Mountain Partners III
NewQuest Asia IV
Oak Hill Capital Partners V
Platinum Equity Small Cap
Platinum Equity V
SK Capital Partners V-A, L.P.
TCV XI, LP
Thomas H. Lee Equity Fund VIII
TPG Partners VIII
Verdane Capital X
WP Equity Partners, L.P.
WP Private Equity VIII, L.P.
WP Private Equity X, L.P.
WP Private Equity, XII L.P.
ZMC Partners III

Real Estate Investments
FCERA Realty Group, LLC
Gerding Edlen Green Cities III, L.P.
Invesco Core Real Estate
Invesco US Value-Add Fund V, L.P.
Kennedy Wilson Real Estate Fund V, L.P.
Kennedy Wilson Real Estate Fund VI, L.P.

Cash Overlay
Parametric

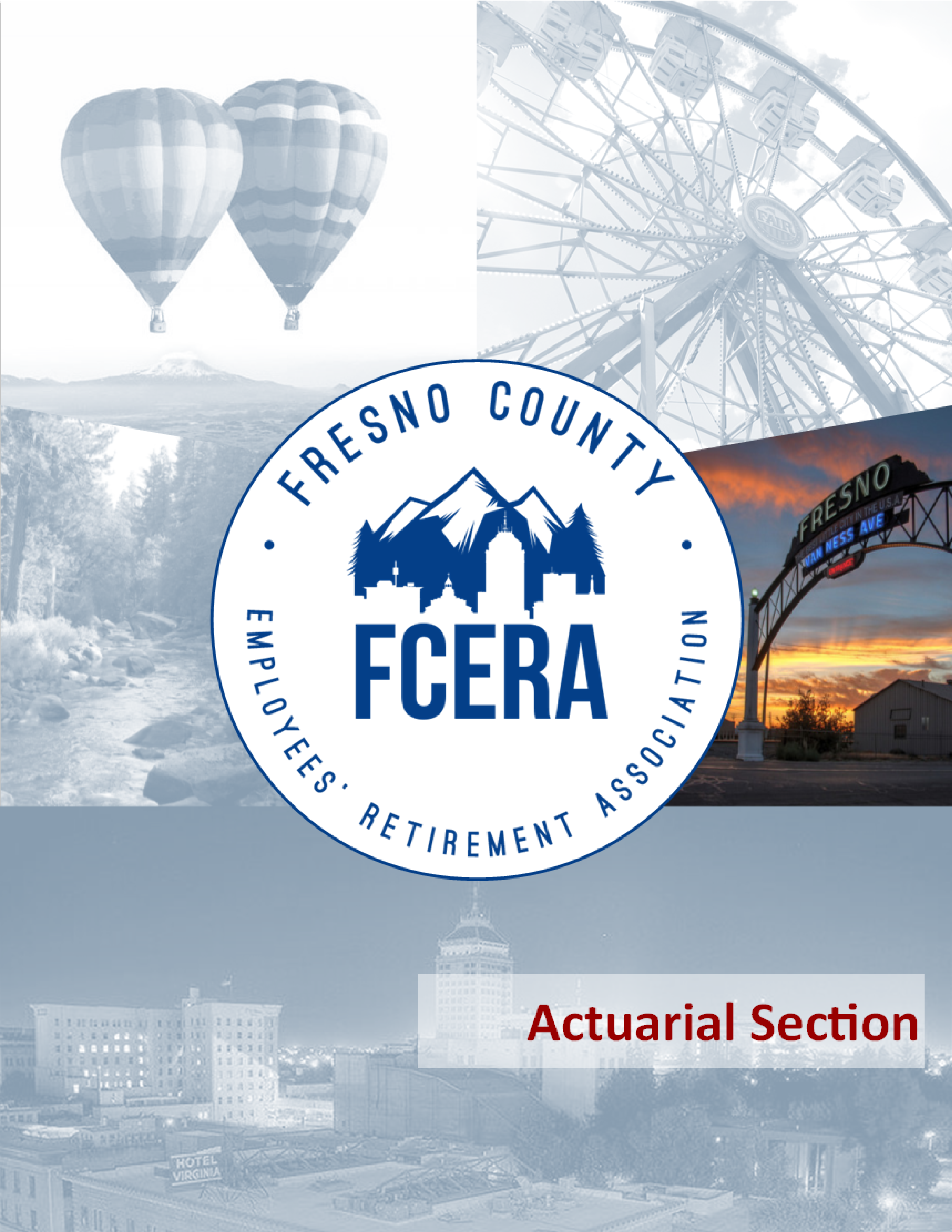
Schedule of Fees

For the Fiscal Year Ended June 30, 2021, with Comparative Totals

	2021	2020
Investment Managers' Fees		
Domestic Equity Managers:		
Northern Trust S&P 500 Index fund	$ -	$ 7,862
Northern Trust MSCI US	22,507	-
Pimco Stocks Plus Small AR	1,184,471	177,826
State Street Global Advisors	-	21,296
T. Rowe Price US Large Cap	487,381	295,520
Total Domestic Equity Managers	1,694,359	494,642
International Equity Managers:		
Artisan International	1,173,472	1,233,269
Baillie Gifford	1,639,877	1,186,871
Mondrian Investment Partners	2,261,040	1,774,226
Northern Trust EAFE Index Fund	-	16,324
Northern Trust MSCI World Ex-US	35,978	-
Research Affiliates	216,602	270,410
Total International Equity Managers	5,326,969	4,481,100
Domestic Fixed Income Managers:		
Brandywine Global	458,032	254,290
Eaton Vance	1,116,871	1,212,217
Loomis Sayles	510,358	640,155
Northern Trust TIPS Index Fund	-	4,907
Pimco EMD	914,972	856,518
RBC Access Capital	178,750	148,188
State Street TIPS Index Fund	-	34,348
Western Asset Management Company	897,009	523,426
Total Domestic Fixed Income Managers	4,075,992	3,674,049
Private Market Managers:		
Private Equity	5,260,210	2,849,670
Real Estate	3,207,448	2,573,860
Hedge Funds	146,574	5,256,361
Commodities	-	816,182
Infrastructure	1,397,068	1,108,772
Private Credit	5,790,692	4,663,997
Total Private Market Managers	15,801,992	17,268,842
Total Investment Managers' Fees	26,899,312	25,918,633
Cash Overlay Manager:		
Parametric	197,083	207,046
Total Cash Overlay Managers	197,083	207,046
Other Investment Expenses		
Securities Lending Management Fees & Rebates	164,695	1,009,916
Custodian Service Fees	58,000	58,185
Actuarial Valuation Fees	70,000	69,000
Consulting and Legal Fees	546,854	520,736
Total Other Investment Expenses	$ 839,549	$ 1,657,837

Schedule of Commissions

Schedule of Commissions *As of June 30, 2021* **Brokerage Firm**	**Rank**	**Number of Shares Traded**	**Total Commissions**	**Commissions Per Share**	**Percentage of Commissions**
MERRILL LYNCH INTERNATIONAL LIMITED	1	5,918,218,351	$ 60,725	$ 0.00001	20.54%
J.P. MORGAN SECURITIES PLC	2	2,560,312,997	23,084	$ 0.00001	7.81%
MORGAN STANLEY AND CO., LLC	3	987,192,275	18,011	$ 0.00002	6.09%
GOLDMAN, SACHS AND CO.	4	3,282,173,506	17,152	$ 0.00001	5.80%
HSBC SECURITIES (USA) INC.	5	30,888,056	15,133	$ 0.00049	5.12%
JEFFERIES LLC.	6	26,878,161	14,679	$ 0.00055	4.97%
CREDIT SUISSE SECURITIES(EUROPE)LTD	7	5,927,076	11,531	$ 0.00195	3.90%
CITIGROUP GLOBAL MARKETS INC.	8	5,914,297,215	9,694	$ -	3.28%
CITIGROUP GLOBAL MARKETS EUROPE AG	9	973,660	7,574	$ 0.00778	2.56%
BARCLAYS CAPITAL	10	105,644,003	6,887	$ 0.00007	2.33%
INVESTMENT TECHNOLOGY GROUP LTD.	11	793,593	6,245	$ 0.00787	2.11%
EXANE S.A.	12	365,956	6,063	$ 0.01657	2.05%
GOLDMAN SACHS INTERNATIONAL	13	726,352,153	5,070	$ 0.00001	1.72%
JEFFERIES INTERNATIONAL LTD	14	444,972	3,884	$ 0.00873	1.31%
JPMORGAN SECURITIES (ASIA PACIFIC)	15	745,500	3,690	$ 0.00495	1.25%
UBS AG LONDON BRANCH	16	371,988	3,599	$ 0.00968	1.22%
PERSHING SECURITIES LIMITED	17	122,630	3,362	$ 0.02742	1.14%
J.P. MORGAN SECURITIES LLC	18	614,507,389	3,189	$ 0.00001	1.08%
MERRILL LYNCH CANADA, INC	19	236,675	2,932	$ 0.01239	0.99%
HSBC BANK PLC	20	48,693,939	2,888	$ 0.00006	0.98%
Top 20 Firms by Commission Dollars		20,225,140,095	**$ 225,392**	**$ 0.09854**	**76.25%**
All other Brokerage Firms		1,335,691,092,275	70,212	0.00000	23.75%
Total Brokerage Commissions		**1,355,916,232,370**	**$ 295,604**	**$ 0.09854**	**100.00%**



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FCERA

Actuarial Section

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September 2, 2020

Board of Retirement
Fresno County Employees' Retirement Association
7772 N Palm Ave
Fresno, CA 93711

Re: June 30, 2019 Actuarial Valuation for the Fresno County Employees' Retirement Association

Dear Members of the Board:

Segal prepared the June 30, 2019 actuarial valuation of the Fresno County Employees' Retirement Association (FCERA) for funding purposes. We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices and FCERA's funding policy that was originally approved by the Board in 2015 and reaffirmed by the Board in 2017. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice (ASOPs).

Actuarial valuations are performed on an annual basis with the last valuation completed as of June 30, 2019. The actuarial calculations presented in the valuation report have been made on a basis consistent with our understanding of the historical funding methods used in determination of the liability for statutory retirement benefits.

The June 30, 2019 actuarial valuation is based on the plan of benefits verified by FCERA and on participant and financial data provided by FCERA. Segal conducted an examination of these data elements and found them to be reasonably consistent and comparable with data used for other purposes. However, the scope of this examination does not qualify as an audit. Summaries of the employee data used in performing the actuarial valuations over the past several years are provided in our valuation report.

We did not audit the Association's financial statements. For actuarial valuation purposes, Retirement Plan assets are valued at actuarial value. Under this method, the assets used to determine employer contribution rates take into account market value by recognizing the differences between the total return at market value and the expected investment return over a five-year period. The deferred gains and losses are further adjusted, if necessary, so that the actuarial value of assets will stay within 30% of the market value of assets.

One of the general goals of an actuarial valuation is to establish contribution rates, which, over time, will remain level as a percentage of payroll unless Plan benefit provisions are changed. Actuarial funding is based on the Entry Age Cost Method. Under this method, the employer contribution rate provides for current cost (Normal Cost) plus a level percentage of payroll to amortize any unfunded actuarial accrued liability (UAAL). The UAAL is amortized as a level percentage of payroll over a declining period with 14 years remaining for the outstanding balance of the UAAL established as of the June 30, 2003 valuation and a separate 15-year period is used for new UAAL established on each subsequent valuation as a result of actuarial gains/losses or changes in actuarial assumptions. Any increase in UAAL due to new benefit improvements is also amortized over 15 years. The progress being made towards meeting the funding objective through June 30, 2019 is illustrated in the Schedule of Funding Progress.

Note number 2 to the Financial Statements and the Required Supplemental Information (RSI) included in the Financial Section were prepared by the Association based on the results of the Governmental Accounting Standards (GAS) Statement No. 67 actuarial valuation as of June 30, 2019 prepared by Segal. For the Financial Section of the Comprehensive Annual Financial Report, Segal provided the Schedule of Change in Net Pension Liability and Schedule of Employer Contributions as shown in the RSI. A listing of supporting schedules Segal prepared for inclusion in the Actuarial and Statistical Sections of the Association's CAFR is provided below. These schedules were prepared based on the results of the actuarial valuation as of June 30, 2019 for funding purposes.

1. Schedule of Funded Liabilities by Type;
2. Actuarial Analysis of Financial Experience;
3. Schedule of Funding Progress;
4. Average Benefit Payments; and
5. Years of Life Expectancy after Service and Disability Retirement.

The valuation assumptions included in the Actuarial Section were adopted by the Retirement Board based on the July 1, 2015 through June 30, 2018 Experience Analysis or in conjunction with the June 30, 2019 actuarial valuation. Note that the investment return assumption was developed without taking into consideration the impact of the Board's policy of utilizing excess earnings to provide contribution offsets and additional settlement and non-statutory benefits. It is our opinion that the assumptions used in the June 30, 2019 valuation produce results, which, in aggregate, reflect the future experience of the Plan. An experience analysis is performed every three years and the next experience analysis is due to be performed as of June 30, 2021 and any changes in assumptions that result will be reflected in the June 30, 2022 valuation.

In the June 30, 2019 valuation, the ratio of the valuation assets to actuarial accrued liabilities (funded percentage) increased from 81.5% to 81.7%. The aggregate employer rate has increased from 55.08% of payroll to 60.84% of payroll while the aggregate member rate has decreased from 9.21% to 9.18% of payroll.

Segal

Under the actuarial value of assets method, the total unrecognized investment losses as of June 30, 2019 are $36.7 million. These investment losses will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, and will offset any investment gains that may occur after June 30, 2019. If the Association earns the assumed net rate of investment return of 7.00% per year on a market value basis, that will result in investment losses on the valuation value of assets in the next few years. This means that, if the actual market return is equal to the assumed 7.00% rate and all other actuarial assumptions are met, the contribution requirements would increase in the next few years.

The current unrecognized investment losses represent about 0.7% of the market value of assets. Unless offset by future investments gains or other favorable experience, the recognition of the $36.7 million in past market losses is expected to have an impact on the Association's future funded ratio and the aggregate employer contributions. This potential impact may be illustrated as follows:

- If the deferred losses were recognized immediately in the valuation value of assets, the funded percentage would decrease from 81.7% to 81.1%.

- If the deferred losses were recognized immediately in the actuarial value of assets, the aggregate employer contribution rate would increase from 60.84% of payroll to 61.54% of payroll.

The undersigned are Members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

Sincerely,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

AW/hy
Enclosures

Summary of Actuarial Assumptions and Methods

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions. The Unfunded Actuarial Accrued Liability (UAAL) established as of the June 30, 2003 valuation is being amortized over a declining 30-year period with 13 years remaining as of June 30, 2020. Any new UAAL established on each subsequent valuation after June 30, 2003, as a result of actuarial gains or losses and changes in actuarial assumptions is amortized over a separate 15-year declining period. The increase in UAAL due to benefit improvements is amortized over 30 years for periods ending through June 30, 2011, and is 15 years for all periods thereafter. The following interest rate assumptions along with the post retirement and pre-retirement demographic experiences are based on the plan's actuarial valuation as of June 30, 2020, which determines the employer and membership contribution rates. The actuarial valuation report as of June 30, 2020, was approved and adopted by the Fresno County Employees' Retirement Association (FCERA) Board of Retirement (the Board) on December 16, 2020.

1. Investment Rate of Return — 7.00% per annum

2. Interest Credited to Employee Accounts — Nominal rate of 2.75% per annum, compounded semiannually

3. Inflation — 2.75% per annum

4. Salary Scale:
   - General Members — Payroll growth rate is 3.25% (merit ranges from 1.10% to 8.50%; plus 2.75% inflation plus 0.50% "across the board" salary increase)
   - Safety Members — Payroll growth rate is 3.25% (merit ranges from 1.50% to 8.50%; plus 2.75% inflation plus 0.50% "across the board" salary increase)

5. Asset Valuation — Smoothed market value

6. Spouses and Dependents — 70% of male active members and 50% of female active members assumed married at retirement, with wives assumed three years younger than husbands

7. Rates of Termination of Employment — 1.00% to 18.00%, depending on age, gender, and service classification

8. Years of Life Expectancy After Retirement:
   - General Members — Pub-2010 General Healthy Retiree Amount Weighted Above-Median Mortality Table times 110%, projected generationally with two-dimensional mortality improvement scale MP-2018

• Safety Members	Pub-2010 Safety Healthy Retiree Amount Weighted Above-Median Mortality Table , projected generationally with two-dimensional mortality improvement scale MP-2018

9. Years of Life Expectancy After Disability

• General Members	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018
• Safety Members	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018

10. Life Expectancy After Retirement for Employee Contribution Rate Purposes:

• General Members	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table times 110%, projected 30 years with two-dimensional mortality improvement scale MP-2018, weighted 35% male and 65% female
• Safety Member	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected 30 years with two-dimensional mortality improvement scale MP-2018, weighted 80% male and 20% female

11. Reciprocity Assumption	20% of General and 30% of Safety members who terminate with less than 5 years of service and 30% of General and 50% of Safety members who terminate with 5 or more years of service are assumed to enter a reciprocal system
12. Vested Terminations	Varies by age and years of service
13. Service and Disability Retirements	Varies by tier of membership and by age

14. Gains & Losses	14 years (declining) for UAAL established as of June 30, 2003 plus 13 years (declining) for UAAL and change in actuarial assumptions established on each subsequent valuation. The increase in UAAL due to benefit improvements is amortized over 30 years for periods ended June 30, 2012 and 15 years for all periods thereafter

Note: Information compiled from Actuarial Report prepared by Segal as of June 30, 2020. Please refer to page 49 for the latest GASB 67 Valuation Assumptions and page 52 for the latest actuarial valuation methods applied during this fiscal period, July 1, 2020 to June 30, 2021.

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Schedule of Active Member Valuation Data

Valuation Date	Plan Type	Number	Annual Payroll (in thousands)	Average Monthly Salary	% Increase in Average Salary
6/30/2020	General	6,870	$ 403,891	4,899	3.2%
	Safety	1,003	81,695	6,788	4.7%
	Total	**7,873**	**$ 485,586**	**5,140**	**3.4%**
6/30/2019	General	6,677	$ 380,052	4,743	3.0%
	Safety	999	77,707	6,482	2.0%
	Total	**7,676**	**$ 457,759**	**4,970**	**3.0%**
6/30/2018	General	6,520	$ 360,143	4,603	2.8%
	Safety	938	71,536	6,355	3.0%
	Total	**7,458**	**$ 431,679**	**4,823**	**2.8%**
6/30/2017	General	6,421	$ 344,809	4,475	1.9%
	Safety	932	68,951	6,165	2.0%
	Total	**7,353**	**$ 413,760**	**4,689**	**2.0%**
6/30/2016	General	6,377	$ 335,815	4,388	0.5%
	Safety	920	66,719	6,043	0.0%
	Total	**7,297**	**$ 402,534**	**4,597**	**0.6%**
6/30/2015	General	6,159	$ 322,735	4,367	2.7%
	Safety	842	61,040	6,041	-0.6%
	Total	**7,001**	**$ 383,775**	**4,568**	**2.1%**
6/30/2014	General	6,130	$ 312,663	4,250	-0.8%
	Safety	838	61,111	6,077	1.6%
	Total	**6,968**	**$ 373,774**	**4,470**	**-0.5%**
6/30/2013 [2]	General	6,020	$ 309,356	4,282	-1.4%
	Safety	846	60,723	5,981	-4.3%
	Total	**6,866**	**$ 370,079**	**4,492**	**-1.6%**
6/30/2012 [1]	General	5,900	$ 307,416	4,342	-8.1%
	Safety	777	58,180	6,240	-6.8%
	Total	**6,677**	**$ 365,596**	**4,563**	**-7.2%**
6/30/2011	General	5,996	$ 337,646	4,693	0.8%
	Safety	767	61,330	6,663	-1.8%
	Total	**6,763**	**$ 398,976**	**4,916**	**0.2%**

[1] New benefit tier effective June 2012.

[2] New benefit tier effective January 2013.

Please see Note 1 Description of the Plan - Benefit Provisions pages 25 to 27.

Source: Segal Actuarial Valuation Reports dated June 30, 2011 through 2020.

Retiree Payroll and Funding Progress

Schedule of Retirees and Beneficiaries Added to and Removed From Payroll
(Dollars in Thousands)

Fiscal Year	Number at Beginning of Fiscal Year	Number Added to Payroll	Allowances Added	Number Removed From Payroll	Allowances Removed	Number at End of Fiscal Year	Annual Allowance (in thousands)	Percent Increase in Annual Allowance	Average Annual Allowance (in thousands)	Percent Increase/ (Decrease) in Average Annual Allowance
2020-21	7,841	387	$ 7,371	243	$ 3,399	7,985	$ 307,367	5.02%	38	4.04%
2019-20	7,656	386	6,777	201	3,315	7,841	292,671	5.55%	37	3.06%
2018-19	7,448	397	7,043	189	2,821	7,656	277,292	6.32%	36	3.43%
2017-18	7,240	399	8,219	191	2,835	7,448	260,806	5.74%	35	2.79%
2016-17	7,035	373	7,394	168	2,213	7,240	246,649	3.66%	34	0.72%
2015-16	6,843	339	7,606	147	2,064	7,035	237,950	3.88%	34	1.05%
2014-15	6,626	367	7,972	150	1,871	6,843	229,053	3.11%	33	-0.16%
2013-14	6,403	368	7,584	145	1,885	6,626	222,155	5.46%	34	1.91%
2012-13	6,148	397	8,249	142	2,132	6,403	210,654	8.97%	33	4.63%
2011-12	5,769	525	10,794	146	2,033	6,148	193,320	7.36%	31	0.74%

[1] Number Added to Payroll in Year 2011-12 has been revised to tie to the Number at End of Fiscal Year and to reconcile with the Schedule of Membership reported in the Notes to the Financial Section in the 2011-2012 CAFR.

Source: Schedule provided by FCERA.

Schedule of Funding Progress
(Dollars in Thousands)

Actuarial Valuation Date	Valuation Value of Assets (VVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c) [1]	UAAL as a Percentage of Covered Payroll [(b) - (a)]/(c)
2019-20	$ 5,226,009	$ 6,320,381	1,094,372	82.7%	$ 485,587	225.4%
2018-19	4,971,225	6,086,654	1,115,429	81.7%	457,759	243.7%
2017-18	4,802,958	5,893,909	1,090,951	81.5%	431,678	252.7%
2016-17	4,529,508	5,643,444	1,113,936	80.3%	413,760	269.2%
2015-16	4,278,001	5,472,149	1,194,148	78.2%	402,535	296.7%
2014-15	4,092,647	5,074,333	981,686	80.7%	383,775	255.8%
2013-14	3,824,221	4,876,754	1,052,533	78.4%	373,774	281.6%
2012-13	3,518,982	4,694,780	1,175,798	75.0%	370,079	317.7%
2011-12	3,305,045	4,345,402	1,040,357	76.1%	365,596	284.6%
2010-11	3,114,483	4,237,961	1,123,478	73.5%	398,976	281.6%

Source: Schedule provided by Segal.

[1] Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

Schedule of Analysis of Financial Experience
(Dollars in Thousands)

	Changes to UAAL	2020
1	Unfunded actuarial accrued liability at beginning of year	**$ 1,115,429**
2	Total Normal Cost at middle of year [1]	**114,622**
3	Expected administrative expenses	**5,493**
4	Expected employer and member contributions	**(320,525)**
5	Interest	**71,674**
6	Expected unfunded actuarial accrued liability at end of year	**986,693**
7	Changes due to:	
	a. Investment return less than expected (after "smoothing")	**80,596**
	b. Actual contributions less than expected in item 4 (mainly from scheduled one-year delay in implementing the higher contribution rates from June 30, 2019 valuation)	**32,366**
	c. Individual salary increases less than expected	**(3,716)**
	d. COLA increases lower than expected	**(12,271)**
	e. Other experience loss [2]	**10,704**
	f. Total Changes	**107,679**
	Unfunded Actuarial Accrued Liability at end of year	**$ 1,094,372**

[1] Excludes administration expense load.

[2] Other differences in actual versus expected experience include mortality, retirement, disability and termination.

	Changes to UAAL	2019
1	Unfunded actuarial accrued liability at beginning of year	**$ 1,090,951**
2	Total Normal Cost payable at middle of year [1]	**111,809**
3	Expected administrative expenses	**4,752**
4	Expected employer and member contributions [2]	**(281,114)**
5	Interest	**71,215**
6	Expected unfunded actuarial accrued liability at end of year	**997,613**
7	Actuarial (gain)/loss due to all changes:	
	Experience (gain)/loss	
	a. Investment return less than expected (after "smoothing")	**147,180**
	b. Actual contributions less than expected [3]	**15,681**
	c. Individual salary increases less than expected	**(5,094)**
	d. Additional 0.5% COLA Banked in Excess of the Maximum 3% COLA Granted on April 1, 2019 [4]	**16,426**
	e. Other experience losses	**4,488**
	f. Change in actuarial assumptions	**(60,865)**
	g. Total Changes	**117,816**
		-
	Actual unfunded actuarial accrued liability at end of year (6) + (7g)	**$ 1,115,429**

[1] Excludes administration expense load.

[2] Includes contributions toward administrative expenses.

[3] Contribution loss from one-year delay in implementing higher contribution rates recommended in June 30, 2018 valuation.

[4] Under the new 2.75% inflation assumption adopted in June 30, 2019 valuation, COLAs are valued at 3.00% until the member's COLA bank is exhausted.

Source: Information for 2019 and 2020 schedules provided by Actuary, Segal.

Funded Liabilities by Type

Schedule of Funded Liabilities by Type
(Dollars in Thousands)

	Actuarial Accrued Liabilities (AAL) for				Portion of Accrued Liabilities Covered by Reported Assets		
Valuation Date	**(1) Active Member Contributions(a)**	**(2) Vested, Retirants and Beneficiaries**	**(3) Active Members Employer Financed**	**Valuation Value of Assets (VVA)**	**(1) Active Member Contributions**	**(2) Vested, Retirants and Beneficiaries**	**(3) Active Members Employer Financed**
June 30, 2020	**$ 404,970**	**$ 4,285,138**	**$ 1,630,273**	**$ 5,226,009**	**100%**	**100%**	**33%**
June 30, 2019	$ 460,516	$ 4,116,936	$ 1,509,202	$ 4,971,225	100%	100%	26%
June 30, 2018	$ 460,384	$ 3,992,258	$ 1,441,267	$ 4,802,958	100%	100%	24%
June 30, 2017	460,664	3,764,617	1,418,163	4,529,508	100%	100%	21%
June 30, 2016	444,552	3,609,392	1,418,205	4,278,001	100%	100%	16%
June 30, 2015	427,130	3,347,346	1,299,857	4,092,647	100%	100%	24%
June 30, 2014	412,209	3,142,414	1,322,131	3,824,221	100%	100%	20%
June 30, 2013	398,888	2,961,186	1,334,706	3,518,982	100%	100%	12%
June 30, 2012	385,537	2,731,606	1,228,259	3,305,045	100%	100%	15%
June 30, 2011	379,029	2,486,960	1,371,972	3,114,483	100%	100%	18%

(a) Equal to the total balance (in market value) of the reserve account maintained for member contributions.

Source: Information provided by Segal .

Probability of Occurrence

Probabilities of Separation from Active Service
(Current Assumptions)

Age	Ordinary Death [2]	Total Disability [3]
General Members – Male		
20	0.00000	0.00010
30	0.00030	0.00020
40	0.00060	0.00110
50	0.00130	0.00280
60	0.00280	0.00440
General Members – Female		
20	0.00000	0.00010
30	0.00010	0.00020
40	0.00030	0.00110
50	0.00080	0.00280
60	0.00170	0.00440
Safety Members – Male		
20	0.00000	0.00050
30	0.00040	0.00240
40	0.00050	0.00650
50	0.00100	0.01300
60	0.00230	0.02600
Safety Members – Female		
20	0.00000	0.00050
30	0.00020	0.00240
40	0.00040	0.00650
50	0.00080	0.01300
60	0.00140	0.02600

Probabilities of Separation from Active Service (continued)

Total Terminations [1]

Years of Service	General	Safety
Less than 1	18.00000	13.00000
1-2	11.00000	8.00000
2-3	9.00000	7.00000
3-4	8.00000	4.00000
4-5	7.50000	3.50000
5-6	6.00000	3.25000
6-7	5.50000	3.00000
7-8	5.00000	2.75000
8-9	4.75000	2.50000
9-10	4.00000	2.25000
10-11	4.00000	2.00000
11-12	4.00000	1.90000
12-13	3.75000	1.80000
13-14	3.75000	1.70000
14-15	3.75000	1.60000
15-16	3.50000	1.50000
16-17	2.75000	1.40000
17-18	2.75000	1.30000
18-19	2.75000	1.20000
19-20	2.50000	1.10000
20 & Over	2.25000	1.00000

[1] No termination is assumed after a member is first assumed to retire.

[2] All pre-retirement deaths are assumed to be non-service connected.

[3] 50% of General disabilities are assumed to be service connected (duty) disabilities. The other 50% are assumed to be non-service connected (ordinary) disabilities. 100% of Safety disabilities are assumed to be service connected (duty) disabilities.

Note: Information compiled from Actuarial Report prepared by Segal dated June 30, 2020.
Assumptions for separation from active service are based on combined tiers with the exception of service retirement.

Probabilities of Separation from Active Service
(Current assumptions)

Age	Service Retirement
General Tier 1 - Male	
50	0.05000
55	0.08000
60	0.16000
65	0.40000
70	0.35000
General Tier 1 - Female	
50	0.15000
55	0.16000
60	0.24000
65	0.60000
70	0.52500
General Tier 2 - Male and Female	
50	0.03000
55	0.08400
60	0.15000
65	0.35000
70	0.70000
General Tier 3 - Male and Female	
50	0.03600
55	0.10000
60	0.16000
65	0.35000
70	0.60000
General Tier 4 - Male and Female	
50	0.02000
55	0.04000
60	0.09000
65	0.23000
70	0.60000
General Tier 5 - Male and Female	
50	0.00000
55	0.03500
60	0.08500
65	0.22000
70	0.60000
Safety Tiers 1 and 2 - Male and Female	
50	0.05000
55	0.40000
60	0.30000
65	1.00000
Safety Tiers 4 and 5 - Male and Female	
50	0.04000
55	0.18000
60	0.40000
65	1.00000

Note: Information compiled from Actuarial Report prepared by Segal dated June 30, 2020. Assumptions for separation from active service are based on combined tiers with the exception of service retirement.

Proportions of Withdrawals from Active Service

Proportion of Withdrawals from Active Service

(Current assumptions)

Years of Service	General	Safety
0	50.00%	50.00%
1	50.00%	50.00%
2	50.00%	50.00%
3	50.00%	50.00%
4	50.00%	50.00%
5	30.00%	70.00%
6	30.00%	70.00%
7	30.00%	70.00%
8	30.00%	70.00%
9	30.00%	70.00%
10	25.00%	75.00%
11	25.00%	75.00%
12	25.00%	75.00%
13	25.00%	75.00%
14	25.00%	75.00%
15	15.00%	85.00%
16	15.00%	85.00%
17	15.00%	85.00%
18	15.00%	85.00%
19	15.00%	85.00%
20 or more	10.00%	90.00%

Note: Probability of refunds by age are not available. Refunds are more closely associated with years of service. Information compiled from Actuarial Report prepared by Segal dated June 30, 2020.

Years of Life Expectancy after Service Retirement

(Current Assumptions)

Age	Years of Life Expectancy
General Members - Male	
50	35.10
60	25.40
70	16.60
80	9.20
90	4.20
100	1.70
110	0.90
General Members - Female	
50	37.50
60	27.70
70	18.40
80	10.40
90	4.80
100	2.00
110	0.90
Safety Members - Male	
50	36.60
60	26.50
70	17.50
80	9.80
90	4.60
100	1.90
110	1.00
Safety Members - Female	
50	37.70
60	27.70
70	18.60
80	10.80
90	5.20
100	2.20
110	1.10

Years of Life Expectancy after Disability Retirement

(Current assumptions)

Age	Years of Life Expectancy	
General Members	**Male**	**Female**
20	52.70	56.10
30	42.90	45.70
40	33.80	36.40
50	25.70	28.30
60	19.00	21.70
70	13.40	15.20
80	8.10	9.00
90	4.10	4.80
100	1.90	2.20
110	1.00	1.10
Safety Members	**Male**	**Female**
20	64.30	66.80
30	53.90	56.20
40	43.80	45.90
50	33.80	35.90
60	24.20	26.40
70	15.80	17.90
80	8.90	10.40
90	4.10	5.10
100	1.90	2.20
110	1.00	1.10

Note: Information provided by Segal.

Summary of Major Plan Provisions

1. ELIGIBILITY

First day of pay period following date of employment in an eligible position.

2. DEFINITION OF SALARY

- Tiers 1 and 2
  Highest one-year average compensation earnable.
- Tiers 3 and 4
  Highest three-year average compensation earnable.
- Tier 5
  Highest consecutive three years of pensionable compensation.

3. SERVICE RETIREMENT

Benefit Level

- Tier 1
  - General offers 2.5% at age 55, California Government Code § 31676.12, 31676.14 and 31627.
  - Safety offers 2.5% at age 50, California Government Code § 31664 and 31627.

- Tier 2
  - General offers 2% at age 55, California Government Code § 31676.16.
  - Safety offers 2.29% at age 50, California Government Code § 31664.2.

- Tier 3
  - General offers 2% at age 55, California Government Code § 31676.15.

- Tier 4
  - General offers 1.49% at age 55, California Government Code § 31676.1.
  - Safety offers 2% at age 50, California Government Code § 31664.

- Tier 5
  - General offers 1% at age 52, California Government Code § 7522.20(a).
  - Safety offers 2% at age 50, California Government Code § 7522.25(d).

Eligibility

- Early Retirement
    - Tiers 1, 2, 3, and 4 - Age 50 with 10 years of service, or any age with 30 years of service for General, or any age with 20 years of service for Safety.
    - Tier 5 – Age 52 with 5 years of service for General or age 50 with 5 years of service for Safety

- Benefit Adjustments
    - General and Safety Tier 1
        - Reduced for retirement before age 55 and age 50, respectively.
        - Increased for retirement after age 55 and age 50, respectively.
        - Maximum benefit for retirement at or after age 60 and age 55, respectively.

    - General Tiers 2 and 3
        - Reduced for retirement before age 55.
        - Increased for retirement after age 55.
        - Maximum benefit for retirement at or after age 62 or age 65, respectively.

    - Safety Tier 2
        - Reduced for retirement before age 50.
        - Increased for retirement after age 50.
        - Maximum benefit for retirement at or after age 55.

    - General and Safety Tier 4
        - Reduced for retirement before age 65, General only.
        - Increased for retirement after age 65 and age 55, respectively.
        - Maximum benefit for retirement at or after age 65 or age 55, respectively.

    - General and Safety Tier 5
        - Reduced for retirement before age 62.
        - Maximum benefit for retirement at or after age 67 or age 57, respectively.

4. DISABILITY RETIREMENT

- Non-service connected

    1.5% for General Tiers 1, 2, 4, and 5; 1.8% General Tier 3; and 1.8% for Safety of final average salary per year of service, with a maximum of 33.33% if projected service is used (age 65 for General Tiers 1, 2, 4, and 5; age 65 for Tier 3; age 55 for Safety), or service retirement benefit (if eligible).

- Service-connected

  Greater of 50% of final average salary or service retirement benefit (if eligible).

5. DEATH BEFORE RETIREMENT

- Refund of contributions with interest plus 1/12th of monthly salary per year of service, maximum of six months' salary.
- If eligible for non-service connected disability or service retirement, eligible beneficiary will receive 60% of member's accrued allowance.
- If service-connected, beneficiary will receive 50% of final compensation or 100% of service retirement, if eligible.

6. DEATH AFTER RETIREMENT

- Service retirement or non-service connected disability, eligible beneficiary will receive 60% of member's allowance.
- Service disability, eligible beneficiary will receive 100% of member's allowance.

7. VESTING

- After five years of service.
- Must leave contributions on deposit.

8. MEMBERS' CONTRIBUTIONS

- Tiers 1, 2, 3, and 4 - Based on entry age.
- Tier 5 – Flat rate as determined by valuation.

9. COST OF LIVING

Maximum 3% COLA for members enrolled in Tiers 1, 2, and 3. No COLA for members enrolled in Tier 4 or 5.

Note: Information for the Summary of Major Plan Provisions was compiled from the Actuarial Report prepared by Segal dated June 30, 2020.

Statistical Section

STATISTICAL SECTION INFORMATION

This section contains additional comparative information in order to provide a more detailed understanding of the financial statements, note disclosures and supplementary information. The financial trend information displayed on the following pages is intended to show how FCERA's financial position has changed over a period of time, including changes of plan net position, revenues and expenses, retiree benefit information and membership history.

The Table of Changes in Fiduciary Net Position details the plan's additions and deductions by source and plan's net change over the past 10 years.

Several schedules of Retired Members illustrate benefits paid by retirement type, service, disability and survivors, for both general and safety (law enforcement) classifications and numeric counts of retirees by classification. The 10-years of Average Annual Benefit schedules further breaks down retiree counts and benefit payments by Benefit Tiers and by years of benefit service. The Retired Members by Type of Benefit provides additional information regarding the membership type and benefit option of retirees.

The Schedule of Active and Deferred Members provides membership counts by classification, active vested, active non-vested and deferred status. Two schedules of membership by participating employer are provided that compares current active membership to membership 10-years prior, along with a schedule of employer contribution rates over the past 10-years by Benefit Tier.

The last schedule provides 10-years of Benefits and Refund information by benefit type and classification, including active employee death benefits.

Combined these schedules show trends in membership and benefit payments, allowing the reader to have a more complete picture of the activity over time.

Table of Changes in Fiduciary Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

	2021	2020	2019	2018	2017
Additions					
Employer Contributions	**$ 273,973**	**$ 247,474**	$ 225,492	$ 225,492	$ 198,472
Member Contributions	**41,621**	**41,761**	40,463	40,463	36,259
Net Investment Income/(Loss)	**1,348,651**	**13,097**	254,801	254,801	417,681
Total Additions	**1,664,245**	**302,332**	**520,756**	**520,756**	**652,412**
Deductions [1]					
Total Benefit Expenses	**$ 307,680**	**$ 292,775**	$ 277,417	$ 247,491	$ 247,491
Refunds	**2,747**	**2,217**	2,615	2,356	2,356
Administrative Expenses	**6,074**	**6,422**	5,981	4,762	4,762
Other	**117**	**130**	107	77	77
Total Deductions	**316,618**	**301,544**	**286,120**	**254,686**	**254,686**
Change in Fiduciary Net Position	**$ 1,347,627**	**$ 788**	**$ 234,636**	**$ 266,070**	**$ 397,726**

	2016	2015	2014	2013	2012
Additions					
Employer Contributions	$ 191,529	$ 184,213	$ 165,309	$ 158,572	$ 157,869
Member Contributions	35,212	33,110	30,154	30,516	32,627
Net Investment Income/(Loss)	(4,258)	406	583,169	378,483	(10,242)
Total Additions	**222,483**	**217,729**	**778,632**	**567,571**	**180,254**
Deductions [1]					
Total Benefit Expenses	$ 238,028	$ 229,115	$ 222,289	$ 210,745	$ 193,535
Refunds	2,203	2,282	2,103	2,211	1,786
Administrative Expenses	4,814	4,297	3,542	3,634	3,597
Other	61	45	21	42	N/A
Total Deductions	**245,106**	**235,739**	**227,955**	**216,632**	**198,918**
Change in Fiduciary Net Position	**$ (22,623)**	**$ (18,010)**	**$ 550,677**	**$ 350,939**	**$ (18,664)**

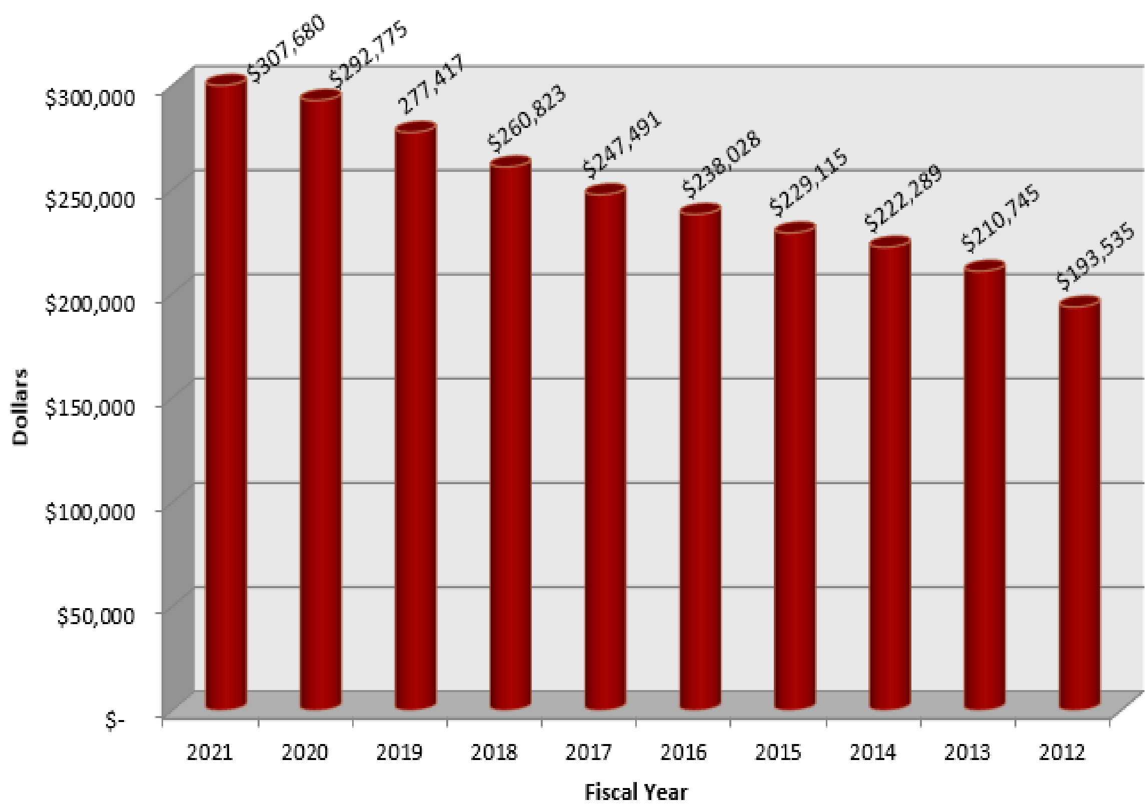
[1] See page 103 for detailed information on Benefit and Refund deductions by type.

[2] Restated as defined in Government Code Section 31580.2, excludes Information Technology expenses.

Schedule of Benefit Expenses by Type

Last Ten Fiscal Years
(Dollars in Thousands)

FISCAL YEAR-END	SERVICE GENERAL	SERVICE SAFETY	SURVIVOR GENERAL	SURVIVOR SAFETY	DISABILITIES GENERAL	DISABILITIES SAFETY	TOTAL[1]
2021	$ 226,956	$ 41,292	$ 18,976	$ 4,901	$ 7,233	$ 8,322	$ 307,680
2020	232,085	41,397	1,482	788	8,514	8,509	292,775
2019	220,173	39,011	1,402	766	8,060	8,005	277,417
2018	207,672	35,617	1,283	753	7,927	7,571	260,823
2017	198,137	33,063	2,536	1,898	5,970	5,887	247,491
2016	185,490	36,201	2,498	1,432	5,230	7,177	238,028
2015	179,054	34,516	2,298	1,426	5,314	6,507	229,115
2014	173,829	33,021	2,004	1,200	5,411	6,824	222,289
2013	165,066	31,343	1,971	994	5,241	6,130	210,745
2012	151,022	28,698	1,899	741	4,883	6,292	193,535

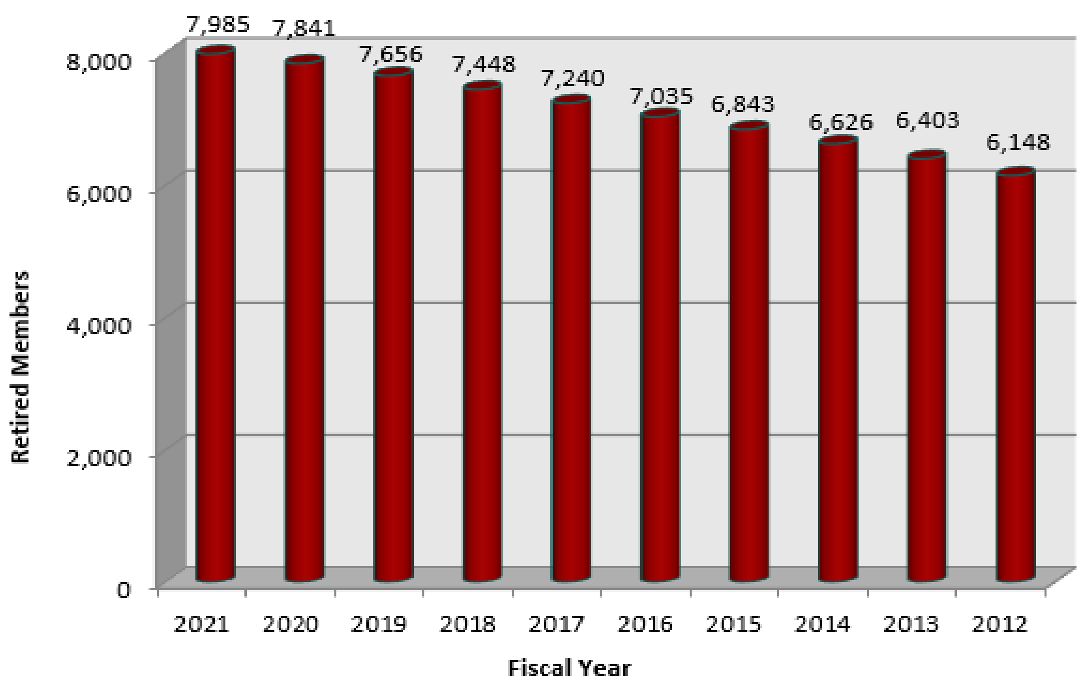


[1] Total Benefit Expenses are the actual expenses paid and will not equal Total Average Annual Benefits reported on page 96.

Schedule of Retired Members by Type of Retirement

Last Ten Fiscal Years

FISCAL YEAR-END [1]	GENERAL	SAFETY	SURVIVOR	TOTAL
2021	**6,755**	**1124**	**106**	**7,985**
2020	6,645	1087	109	7,841
2019	6,505	1048	103	7,656
2018	6,345	999	104	7,448
2017	6,191	943	106	7,240
2016	6,036	901	98	7,035
2015	5,874	872	97	6,843
2014	5,687	841	98	6,626
2013	5,498	805	100	6,403
2012	5,276	772	100	6,148



[1] Includes a correction to the allocation of General, Safety Retired and Survivor at June 30, 2017. Total county for year-end 2017 remains unchanged.

Source: Schedule provided by FCERA

Schedule of Average Annual Benefit and Membership Distribution of Retired Members
Last Ten Fiscal Years

Valuation Date	Plan Type	Annual [2] Number	Total Average [1] Annual Benefits	Annual Average Benefits	Average Monthly Benefits	% Change in Average Benefits
6/30/2020	General	6,724	$ 243,552,328	$ 36,221	$ 3,018	3.1%
	Safety	1,114	58,335,084	52,365	4,364	2.9%
	Total	**7,838**	**$ 301,887,412**	**$ 38,516**	**$ 3,210**	**3.1%**
6/30/2019	General	6,578	$ 231,154,344	$ 35,141	$ 2,928	3.1%
	Safety	1,073	54,586,848	50,873	4,239	1.9%
	Total	**7,651**	**$ 285,741,192**	**$ 37,347**	**$ 3,112**	**3.0%**
6/30/2018	General	6,419	$ 218,827,992	$ 34,091	$ 2,841	3.5%
	Safety	1,026	51,243,276	49,945	4,162	3.2%
	Total	**7,445**	**$ 270,071,268**	**$ 36,276**	**$ 3,023**	**3.6%**
6/30/2017	General	6,231	$ 205,272,828	$ 32,944	$ 2,754	2.2%
	Safety	969	46,903,332	48,404	4,034	1.7%
	Total	**7,200**	**$ 252,176,160**	**$ 35,024**	**$ 2,919**	**2.2%**
6/30/2016	General	6,099	$ 196,553,148	$ 32,227	$ 2,686	1.4%
	Safety	933	44,399,616	47,588	3,966	-0.2%
	Total	**7,032**	**$ 240,952,764**	**$ 34,265**	**$ 2,855**	**1.1%**
6/30/2015	General	5,938	$ 188,786,148	$ 31,793	$ 2,649	2.2%
	Safety	901	42,943,056	47,662	3,972	0.8%
	Total	**6,839**	**$ 231,729,204**	**$ 33,883**	**$ 2,824**	**2.0%**
6/30/2014	General	5,721	$ 178,024,944	$ 31,118	$ 2,593	2.7%
	Safety	849	40,128,876	47,266	3,939	2.6%
	Total	**6,570**	**$ 218,153,820**	**$ 33,205**	**$ 2,767**	**2.7%**
6/30/2013	General	5,544	$ 168,032,832	$ 30,309	$ 2,526	2.5%
	Safety	819	37,731,336	46,070	3,839	1.6%
	Total	**6,363**	**$ 205,764,168**	**$ 32,338**	**$ 2,695**	**2.3%**
6/30/2012	General	5,432	$ 160,654,932	$ 29,576	$ 2,465	4.4%
	Safety	803	36,393,984	45,323	3,777	4.0%
	Total	**6,235**	**$ 197,048,916**	**$ 31,604**	**$ 2,634**	**4.3%**
6/30/2011	General	5,125	$ 145,187,136	$ 28,329	$ 2,361	1.4%
	Safety	762	33,218,904	43,594	3,633	0.7%
	Total	**5,887**	**$ 178,406,040**	**$ 30,305**	**$ 2,525**	**1.3%**

[1] Total Average Annual Benefits will not equal the Actual Total Benefit Expenses reported on page 94.

[2] Total Annual Membership provided by the Actuary will not equal the Actual Membership reported on page 95.

Source: Information above provided by Segal.

Schedule of Average Benefit Payments by Years of Credited Service
Last Ten Fiscal Years

	Years of Credited Service [1]						
Retirement Effective Date	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30 and over**
Period 7/1/2019 to 6/30/2020							
Average monthly benefit	$ 926	$ 1,288	$ 1,897	$ 2,785	$ 3,876	$ 5,174	$ 7,123
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	26	32	39	55	55	48	41
Period 7/1/2018 to 6/30/2019							
Average monthly benefit	$ 590	$ 1,180	$ 1,763	$ 2,973	$ 3,666	$ 5,038	$ 5,649
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	17	43	51	55	53	48	44
Period 7/1/2017 to 6/30/2018							
Average monthly benefit	$ 945	$ 882	$ 2,172	$ 2,915	$ 4,264	$ 4,865	$ 6,723
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	14	31	54	75	47	63	35
Period 7/1/2016 to 6/30/2017							
Average monthly benefit	$ 483	$ 1,011	$ 1,908	$ 2,742	$ 3,711	$ 4,805	$ 5,753
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	16	33	44	61	43	54	36
Period 7/1/2015 to 6/30/2016							
Average monthly benefit	$ 519	$ 1,692	$ 2,428	$ 2,672	$ 3,217	$ 4,674	$ 5,688
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	15	42	71	48	46	49	28
Period 7/1/2014 to 6/30/2015							
Average monthly benefit	$ 654	$ 1,242	$ 1,974	$ 3,483	$ 3,412	$ 4,967	$ 5,549
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	18	52	66	70	36	46	35
Period 7/1/2013 to 6/30/2014							
Average monthly benefit	$ 747	$ 1,033	$ 1,743	$ 2,704	$ 3,528	$ 4,867	$ 6,666
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	4	25	84	56	45	37	40
Period 7/1/2012 to 6/30/2013							
Average monthly benefit	$ 1,064	$ 1,341	$ 2,038	$ 3,268	$ 4,072	$ 4,714	$ 5,842
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	10	27	46	24	43	21	41
Period 7/1/2011 to 6/30/2012							
Average monthly benefit	$ 331	$ 1,327	$ 1,972	$ 2,795	$ 3,605	$ 5,141	$ 6,031
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	7	47	89	60	90	50	65
Period 7/1/2010 to 6/30/2011							
Average monthly benefit	$ 699	$ 1,489	$ 1,847	$ 2,881	$ 3,140	$ 5,237	$ 5,703
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	16	47	63	57	58	29	40

[1] Table Represents new retirees added to rolls in the period(s) noted.

N/A = Average final average salary not available due to system constraints.

Source: Information provided by Segal.

Active and Deferred Members

Schedule of Active and Deferred Members
Last Ten Fiscal Years

Date	Plan Type	Active Vested	Active Nonvested	Total Active Members	Deferred Members
6/30/2021	General	4,120	2,556	6,676	
	Safety	614	348	962	
	Total	**4,734**	**2,904**	**7,638**	**4,300**
6/30/2020	General	4,013	2,857	6,870	
	Safety	581	422	1,003	
	Total	**4,594**	**3,279**	**7,873**	**4,014**
6/30/2019	General	3,911	2,767	6,678	
	Safety	587	411	998	
	Total	**4,498**	**3,178**	**7,676**	**3,873**
6/30/2018	General	3,931	2,588	6,519	
	Safety	609	329	938	
	Total	**4,540**	**2,917**	**7,457**	**3,628**
6/30/2017	General	3,976	2,443	6,419	
	Safety	593	339	932	
	Total	**4,569**	**2,782**	**7,351**	**3,462**
6/30/2016	General	4,009	2,369	6,378	
	Safety	597	323	920	
	Total	**4,606**	**2,692**	**7,298**	**3,316**
6/30/2015	General	4,134	1,997	6,131	
	Safety	624	214	838	
	Total	**4,758**	**2,211**	**6,969**	**3,208**
6/30/2014	General	4,417	1,674	6,091	
	Safety	641	192	833	
	Total	**5,058**	**1,866**	**6,924**	**1,401**
6/30/2013	General	4,653	1,346	5,999	
	Safety	691	151	842	
	Total	**5,344**	**1,497**	**6,841**	**1,263**
6/30/2012	General	4,605	1,259	5,864	
	Safety	709	71	780	
	Total	**5,314**	**1,330**	**6,644**	**1,415**

Note: Effective with fiscal year ended June 30, 2015, Deferred Members include all terminated employees entitled to benefits with less than five years of service.

Participating Employers

Participating Employers	2021 Covered Employees	2021 Percentage of Covered Employees	2012 Covered Employees	2012 Percentage of Covered Employees
County of Fresno	**7,137**	**93.24%**	6,156	99.36%
Superior Court of California-County of Fresno [1]	**460**	**6.25%**	447	-
Fresno-Madera Area Agency on Aging	**19**	**0.24%**	28	0.45%
Clovis Veterans Memorial District	**11**	**0.14%**	8	0.12%
Fresno Mosquito and Vector Control District	**11**	**0.13%**	5	0.07%
Total	**7,638**	**100.00%**	**6,644**	**100.00%**

Schedule of Participating Employers and Active Members

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
County of Fresno										
General Members	6,175	6,338	6,165	6,038	5,907	5,864	5,704	5,641	5,533	5,376
Safety Members	962	1,003	998	938	932	920	837	833	842	780
Total	**7,137**	**7,341**	**7,163**	**6,976**	**6,839**	**6,784**	**6,541**	**6,474**	**6,375**	**6,156**
Participating Agencies (General Members)										
Clovis Veterans Memorial District	11	11	10	10	10	10	9	7	9	8
Fresno Mosquito and Vector Control District	11	10	10	10	7	7	5	6	5	5
Fresno-Madera Area Agency on Aging	19	19	25	23	22	22	24	25	26	28
Superior Court of California-County of Fresno [1]	460	492	468	438	473	475	390	412	426	447
Total	**501**	**532**	**513**	**481**	**512**	**514**	**428**	**450**	**466**	**488**
Total Active Members										
General Members	6,676	6,870	6,678	6,519	6,419	6,378	6,131	6,091	5,999	5,864
Safety Members	962	1,003	998	938	932	920	838	833	842	780
Total	**7,638**	**7,873**	**7,676**	**7,457**	**7,351**	**7,298**	**6,969**	**6,924**	**6,841**	**6,644**

Employers' Contribution Rates

Schedule of Employers' Contribution Rates
Last Ten Fiscal Years

Effective Dates			General					Safety				Actuarial Report for Year Ended
			Tier 1	Tier 2	Tier 3	Tier 4[1]	Tier 5[2]	Tier 1	Tier 2	Tier 4[1]	Tier 5[2]	
July 1, 2020	**to**	**June 30, 2021**	**62.85%**	**59.58%**	**59.93%**	**51.85%**	**49.28%**	**86.75%**	**87.91%**	**73.62%**	**69.73%**	6/30/2019
July 1, 2019	to	June 30, 2020	56.69%	53.91%	53.87%	44.92%	43.05%	83.37%	83.81%	68.75%	66.02%	6/30/2018
July 1, 2018	to	June 30, 2019	56.32%	53.52%	53.11%	44.03%	42.42%	81.75%	81.86%	66.59%	64.23%	6/30/2017
July 1, 2017	to	June 30, 2018	56.56%	53.52%	53.06%	43.95%	42.45%	81.63%	81.80%	66.15%	63.99%	6/30/2016
July 1, 2016	to	June 30, 2017	51.43%	47.74%	47.35%	38.73%	36.96%	75.93%	75.11%	60.38%	57.99%	6/30/2015
July 1, 2015	to	June 30, 2016	50.80%	48.09%	47.38%	38.15%	37.36%	74.56%	74.20%	59.37%	57.87%	6/30/2014
July 1, 2014	to	June 30, 2015	51.07%	48.27%	47.33%	38.17%	37.48%	74.79%	74.26%	59.02%	57.41%	6/30/2013
July 1, 2013	to	June 30, 2014	44.99%	42.86%	41.64%	33.88%	32.70%	67.17%	67.21%	54.15%	51.76%	6/30/2012
July 1, 2012	to	June 30, 2013 [3]	43.03%	41.15%	39.71%	31.87%	30.77%	65.06%	63.86%	51.42%	48.92%	6/30/2011
July 1, 2011	to	June 30, 2012	41.03%	38.78%	37.42%	N/A	N/A	61.25%	60.26%	N/A	N/A	6/30/2010

[1] New benefit tier effective June 2012.

[2] New benefit tier effective January 1, 2013.

[3] Includes a correction to the rates reported at June 30, 2013.

Retired Members by Type of Benefit

Schedule of Retired Members by Type of Benefit
As of June 30, 2021

Monthly Benefit Amount	Members Receiving a Benefit	Type of Retirement[1]											Option Selected[2]					
		1	2	3	4	5	6	7	8	9	10	11	U	1	2	3	4	D
$1 - 500	411	285	1	3	70	4	0	0	5	41	0	2	264	14	101	8	19	5
501 - 1,000	788	557	15	2	116	12	0	3	31	48	1	3	533	38	149	24	21	23
1,001 - 1,500	934	711	30	18	108	10	3	0	21	31	0	2	706	53	118	32	11	14
1,501 - 2,000	893	689	28	31	88	7	4	2	14	25	0	5	641	73	126	22	18	13
2,001 - 3,000	1,469	1,169	19	82	143	9	11	3	10	22	0	1	1,156	110	145	30	23	5
3,001 - 4,000	1,128	882	5	106	104	1	15	4	3	8	0	0	923	81	83	24	12	5
4,001 - 5,000	779	672	0	44	47	0	6	3	5	2	0	0	636	62	54	10	13	4
5,001 - 6,000	511	472	0	15	22	0	0	2	0	0	0	0	420	25	49	9	8	0
Over 6,000	1,072	1,024	0	16	29	0	3	0	0	0	0	0	935	46	75	5	11	0
Totals	**7,985**	**6,461**	**98**	**317**	**727**	**43**	**42**	**17**	**89**	**177**	**1**	**13**	**6,214**	**502**	**900**	**164**	**136**	**69**

Notes:

[1] Type of Retirement

1 = Normal retirement
2 = Non-service connected disability
3 = Service connected disability
4 = Beneficiary - Normal retirement
5 = Beneficiary – Non-Service Disability
6 = Beneficiary – Service Disability
7 = Survivor – Service Death
8 = Survivor – Non-Service Death
9 = Alternate Payee - Normal Retirement
10 = Alternate Payee - Non-Service Disability
11 = Alternate Payee - Service Disability

[2] Option Selected:

U = Unmodified: Eligible Surviving Spouse receives 60% continuance.
The following options reduce the retired member's monthly benefit:
1 = Beneficiary receives funds remaining in member's account.
2 = Beneficiary receives 100% continuance of member's reduced monthly benefit.
3 = Beneficiary receives 50% continuance of member's reduced monthly benefit.
4 = Multiple beneficiaries receive a continuance calculated by Retirement Board's actuary.
D = Beneficiary receives disability retirement continuance for eligible active member death.

Benefits and Refund Deductions

Schedule of Benefits and Refund Deductions from Fiduciary Net Position by Type

Last Ten Fiscal Years

(Dollars in Thousands)

Type of Benefit	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Benefits										
General	$ 243,241	$ 232,085	$ 220,173	$ 207,672	$ 198,137	$ 185,490	$ 179,054	$ 173,829	$ 165,066	$ 151,022
Safety	44,262	41,397	39,011	35,617	33,063	36,201	34,516	33,021	31,343	28,698
Service Connected Disability										
General	5,448	5,195	4,912	4,799	4,233	3,385	3,164	3,214	3,208	2,787
Safety	8,120	7,514	6,728	6,604	5,794	7,067	6,340	6,718	6,016	6,138
Non-Service Connected Disability										
General	1,785	1,978	1,832	1,809	1,737	1,845	2,150	2,197	2,033	2,096
Safety	202	193	456	260	93	110	167	107	114	154
Non-Service Connected Disability Continuance										
General	1,856	1,914	1,840	1,802	1,772	1,764	1,705	1,421	1,383	1,276
Safety	295	299	290	288	239	236	248	162	155	139
Service Connected Disability Continuance										
General	794	805	754	768	764	734	593	583	496	408
Safety	1,364	1,291	1,296	1,172	1,159	1,118	1,117	903	839	602
Active Death Benefits	313	104	125	32	500	78	61	134	92	215
Total Benefits	**$ 307,680**	**$ 292,775**	**$ 277,417**	**$ 260,823**	**$ 247,491**	**$ 238,028**	**$ 229,115**	**$ 222,289**	**$ 210,745**	**$ 193,535**
Type of Refund										
Death	$ 326	$ 93	$ 257	$ 80	$ 174	$ 111	$ 133	$ 134	$ 135	$ 425
Miscellaneous - UAAL [1]	-	-	-	-	-	-	-	-	-	-
Separation	2,421	2,124	2,358	2,328	2,182	2,092	2,149	1,969	2,076	1,361
Total refunds	**$ 2,747**	**$ 2,217**	**$ 2,615**	**$ 2,408**	**$ 2,356**	**$ 2,203**	**$ 2,282**	**$ 2,103**	**$ 2,211**	**$ 1,786**

[1] UAAL means Unfunded Actuarial Accrued Liability.