

# Popular Annual Financial Report

FOR THE FISCAL YEARS ENDED JUNE 30, 2024, AND 2023

## CITY OF FRESNO EMPLOYEES RETIREMENT SYSTEM

### *A MESSAGE TO MEMBERS*

This Popular Annual Financial Report (PAFR) summarizes the information contained in the Annual Comprehensive Financial Report (ACFR) that provides financial information on the City of Fresno Employees Retirement System's (the System) activities. This PAFR is presented in conformity with generally accepted accounting principles (GAAP). The more detailed ACFR is available on the System's website at [www.cfrs-ca.org](http://www.cfrs-ca.org) or by clicking [here](#).

### *RETIREMENT BOARD*

Phillip Hardcastle, Chair

Alma Torres, Vice Chair

David Cain

Marvell French

Ruthie Quinto

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# GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Fresno Employees Retirement System for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Fresno Employees Retirement System has received a Popular Award for the last five consecutive years (fiscal years ended 2019-2023). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another Award.



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**City of Fresno Employees Retirement System  
California**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

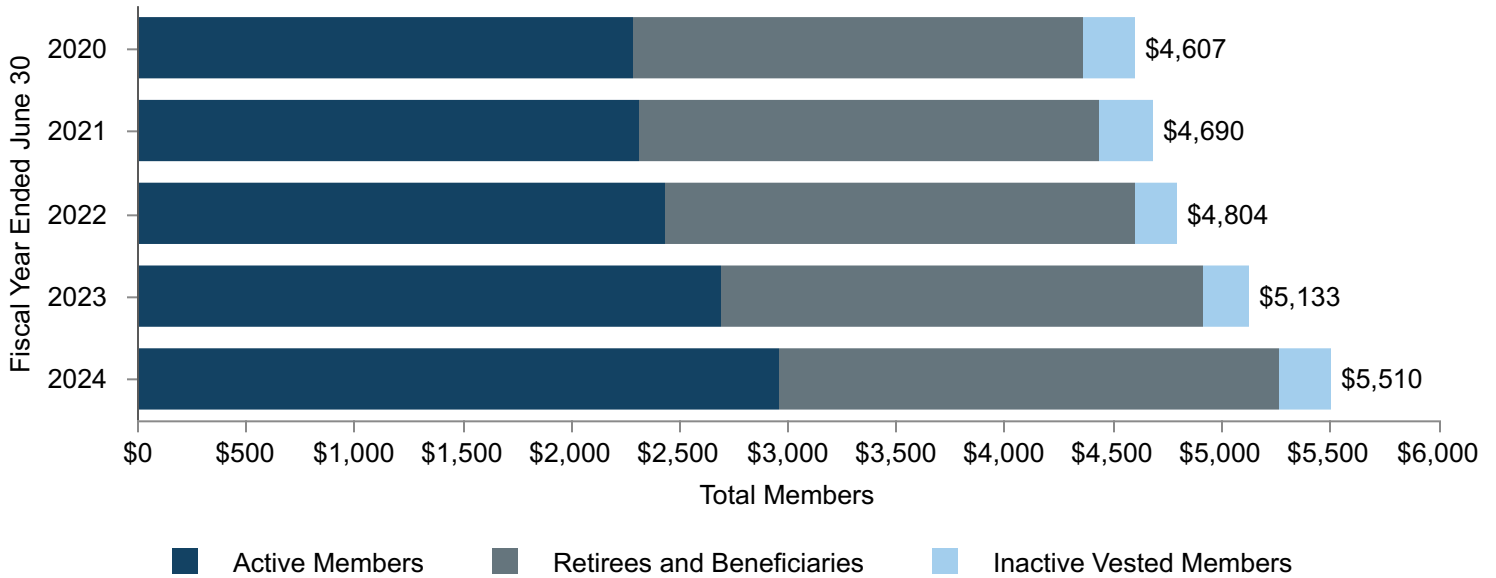
Executive Director/CEO

# Membership and Funded Status

## Membership Highlights

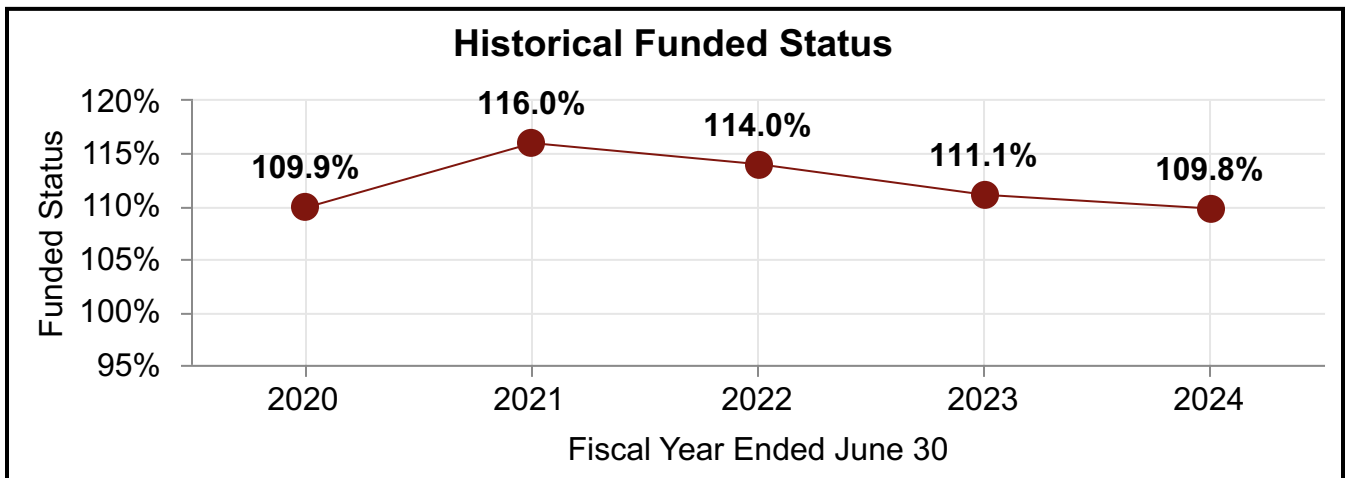
Total overall membership in the System increased by 7.34% to 5,510. The total number of active members (members currently employed) increased by 10.13% to 2,967. Retired membership increased 3.46% to 2,303. Inactive vested membership (members who separated employment after five years) increased 12.68% to 240.

## Membership History

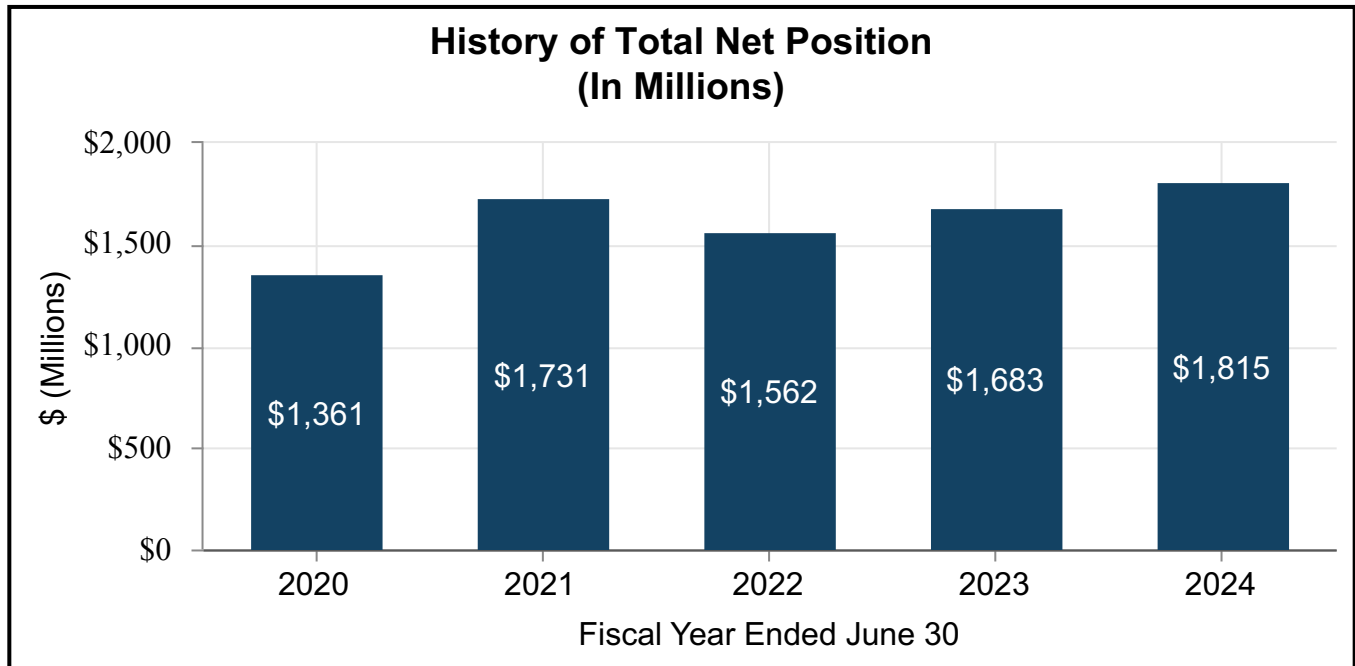


## Funded Status

The System’s funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2024, the date of the last actuarial valuation, the funded ratio for the System was 109.8 percent reflecting that the System has a valuation value of assets which is in excess of the actuarial accrued liability. In general, this indicates that for every dollar of benefits due, we have approximately \$1.10 of assets available for payment as of that date. As of June 30, 2023, the date of the previous annual actuarial valuation, the funded ratio for the System was 111.1 percent; and as of June 30, 2022, the funded ratio for the System was 114.0 percent. More information on the System's funded ratio is in the Annual Actuarial Valuation Report, available on the System's website at [www.cfrs-ca.org](http://www.cfrs-ca.org) or by clicking [here](#).



# Total Net Position



At June 30, 2024, the City of Fresno Employees Retirement System had total assets of \$1.847 billion, less total liabilities of \$32 million, for a total net position restricted for pension benefits of \$1.815 billion compared to \$1.683 billion at June 30, 2023. “Net Position Restricted for Pension Benefits” represents funds available to pay benefits. It is a point in time or a snapshot of account balances as of the fiscal year-end (i.e., June 30). It indicates the assets available for future payments to retirees and any current liabilities. Increases and decreases in Net Position Restricted for Pension Benefits, when analyzed over time, may serve as an indicator of whether the System’s financial position is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the System’s overall health.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Current and Other Assets	\$ 61,314,319	\$ 134,361,039	\$ 77,603,540	\$ 47,692,664	\$ 33,186,136
Investments at Fair Value	1,359,346,092	1,712,954,301	1,569,195,263	1,684,557,828	1,813,865,588
<b>Total Assets</b>	<b>\$1,420,660,411</b>	<b>\$1,847,315,340</b>	<b>\$1,646,798,803</b>	<b>\$1,732,250,492</b>	<b>\$1,847,051,724</b>
<b>Total Liabilities</b>	<b>59,823,508</b>	<b>116,077,927</b>	<b>84,611,323</b>	<b>48,937,542</b>	<b>31,946,758</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$1,360,836,903</b>	<b>\$1,731,237,413</b>	<b>\$1,562,187,480</b>	<b>\$1,683,312,950</b>	<b>\$1,815,104,966</b>

# Fund Revenues

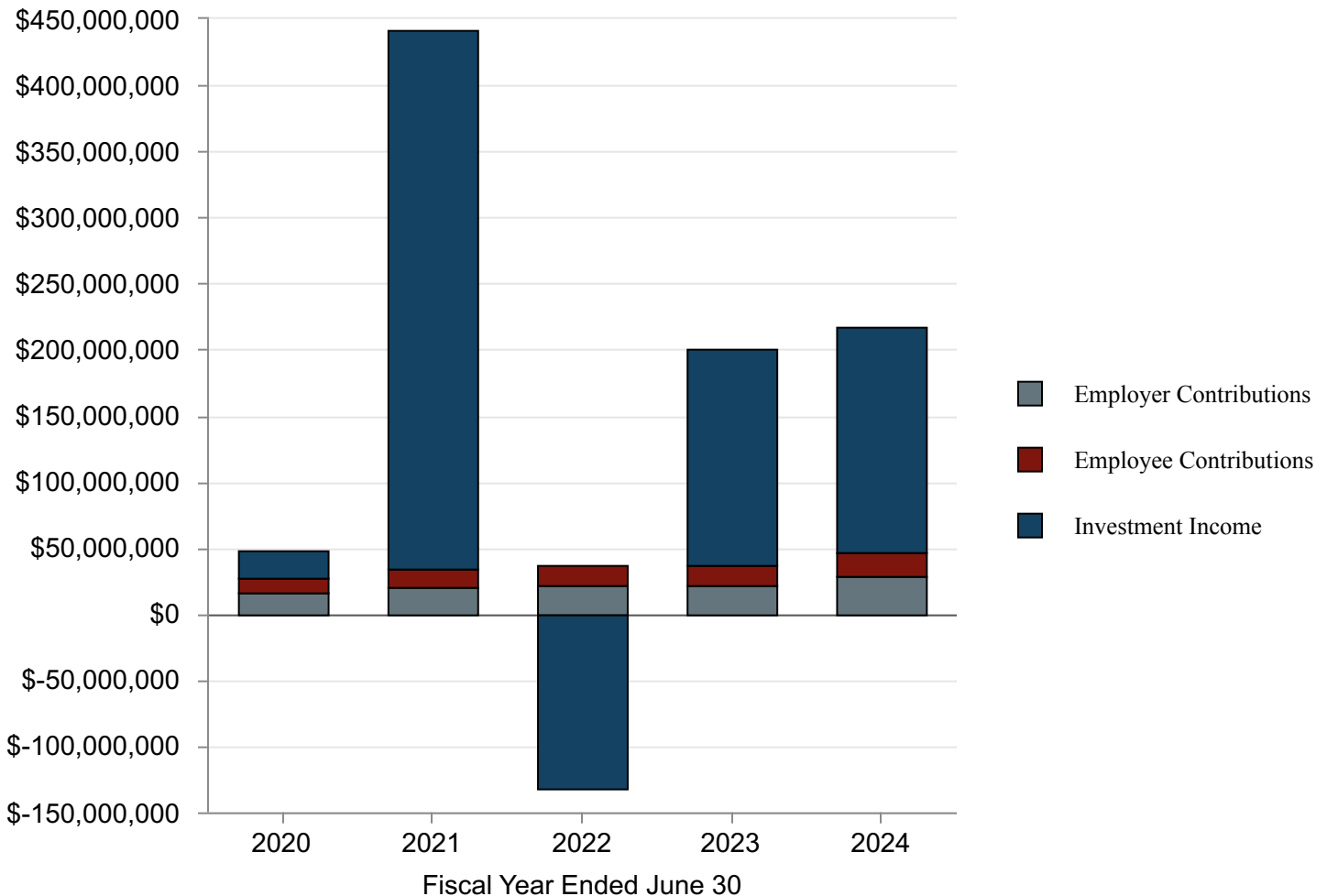
Fund revenues for the fiscal year 2024 increased \$16,167,649 or 8.04 percent over the prior year from \$201,144,634 to \$217,312,283, which includes employee contributions of \$18,833,018, employer contributions of \$28,621,359, a net investment income gain of \$169,694,000 and net securities lending income of \$163,906.

The primary cause behind the increase in current fund revenues was the strong performance of the Systems' investment portfolio. The employee and employer contributions also increased in the current fiscal year.

## Schedule and Graph of Fund Revenues By Source

For Fiscal Years Ended June 30, 2020 to 2024

	2020	2021	2022	2023	2024
Employer Contributions	\$ 16,553,928	\$ 20,144,322	\$ 22,016,525	\$ 22,236,117	\$ 28,621,359
Employee Contributions	11,027,519	13,749,909	15,492,662	14,894,336	18,833,018
Investment Income	20,108,722	407,810,699	(132,624,884)	164,014,181	169,857,906
<b>TOTAL</b>	<b>\$ 47,690,169</b>	<b>\$ 441,704,930</b>	<b>\$ (95,115,697)</b>	<b>\$ 201,144,634</b>	<b>\$ 217,312,283</b>



# Fund Expenses

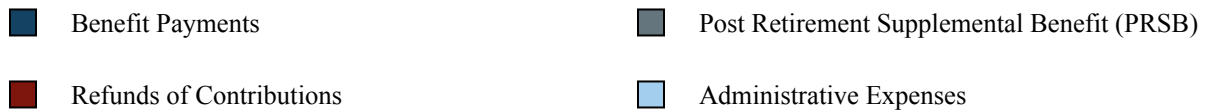
Fund Expenses for the fiscal year 2024 increased \$5,501,103 or 6.87 percent over the prior fiscal year from \$80,019,164 to \$85,520,267, which includes benefit payments of \$81,555,616, refunds of contributions of \$1,646,573 and administrative expenses of \$2,318,078.

The current year increase in expenses is due primarily to the increases in retirees and the respective retirement benefits paid in 2024 even though there were no Post Retirement Supplemental Benefits (PRSB) paid during calendar year 2024.

## Schedule and Graph of Fund Expenditures By Type

For Fiscal Years Ended June 30, 2020 to 2024

	2020	2021	2022	2023	2024
Benefit Payments	\$ 63,591,967	\$ 67,497,485	\$ 70,239,143	\$ 76,024,703	\$ 81,555,616
PRSB	—	—	—	—	—
Refunds of Contributions	927,501	1,748,572	1,645,235	1,848,595	1,646,573
Administrative Expenses	1,748,928	2,058,363	2,049,858	2,145,866	2,318,078
<b>TOTAL</b>	<b>\$ 66,268,396</b>	<b>\$ 71,304,420</b>	<b>\$ 73,934,236</b>	<b>\$ 80,019,164</b>	<b>\$ 85,520,267</b>



# Investment Results, Target and Actual Allocations

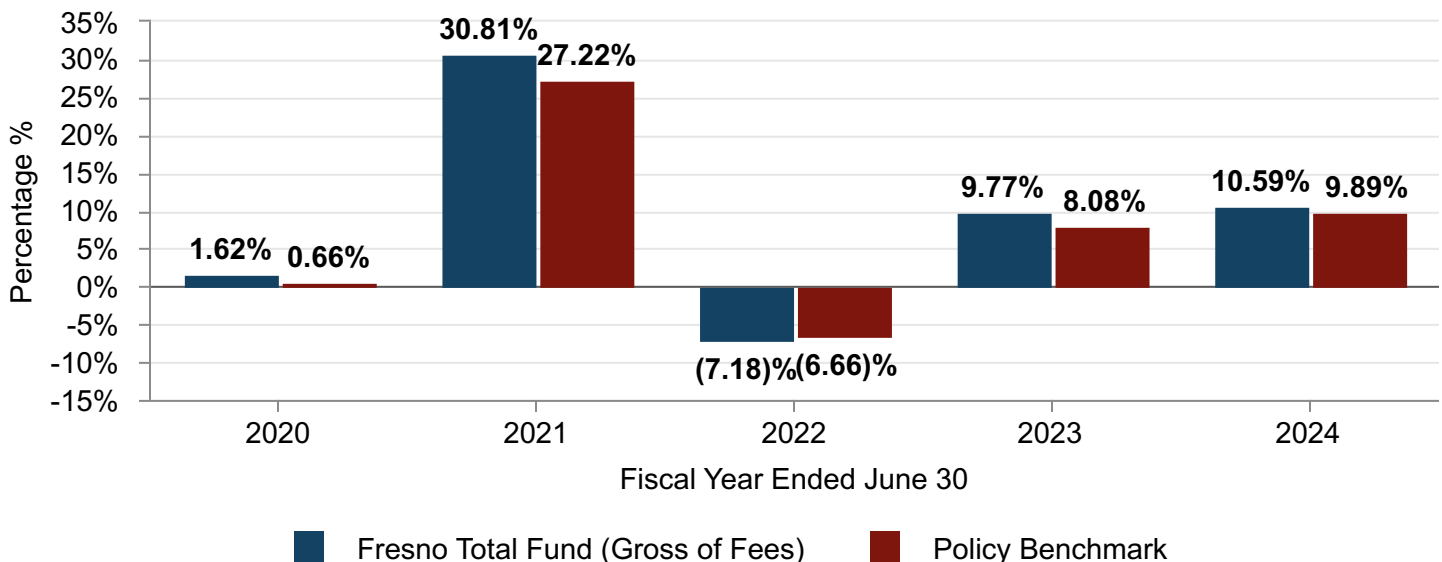
The System generated a total investment return of 10.59 percent, gross of fees, as reported by the System's custodian, Northern Trust, for the fiscal year ended June 30, 2024. The fiscal year return was 3.84 percent more than the System's actuarial interest rate assumption of 6.75 percent, while outperforming its policy-weighted benchmark of 9.89 percent by 0.70 percent, and also slightly outperforming its actual weighted benchmark of 10.34 percent by 0.25 percent. The System's ten-year annualized returns averaged 7.49 percent, outperforming its policy benchmarks return of 6.66 percent for the period by 0.83 percent.

The System remains highly funded and well positioned to serve our members and retirees. As illustrated by the System's 15, 20 and 25-year long-term gross of fees returns of 9.54 percent, 7.57 percent and 6.89 percent, respectively, as of June 30, 2024, the System has the ability to achieve its long-term objectives over extended periods. After paying all benefits and expenses of the System, the year-end value of the System reached \$1.815 billion. Additional information regarding the framework for investing System's assets can be found in the Investment Policy Statement, which is available on System's website at [www.cfrs-ca.org](http://www.cfrs-ca.org) or by clicking [here](#).

Highlighted below is the Investment Performance of the System's Investment Portfolio gross of fees provided by its custodian for Fiscal Year 2024:

	FY 2024
Domestic Equity	23.19%
International Equity	10.49%
Private Equity	9.83%
Rates/Credit	9.99%
Real Assets	(0.48)%
Multi-Assets	10.79%
<b>Total Fund</b>	<b>10.59%</b>

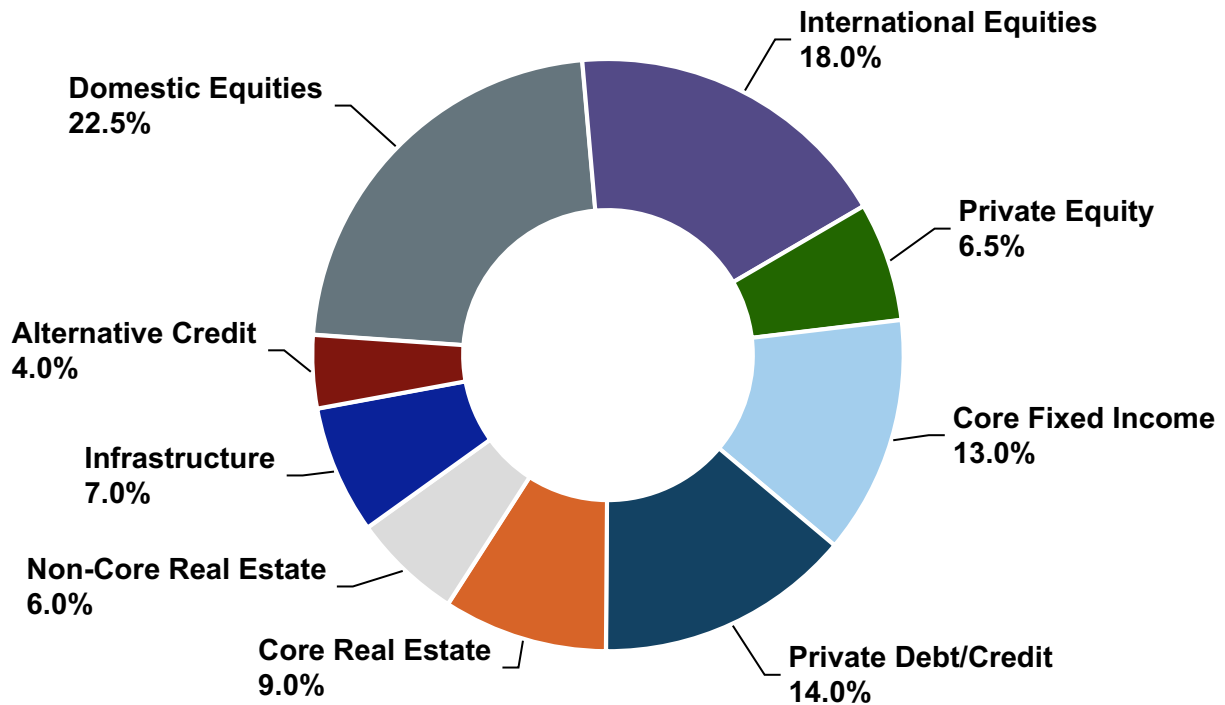
## City of Fresno Retirement Systems Fiscal Year Total Fund and Policy Benchmark Returns





# Investment Results, Target and Actual Allocations Continued

## Target Asset Allocation As of June 30, 2024



## Actual Asset Allocation As of June 30, 2024

