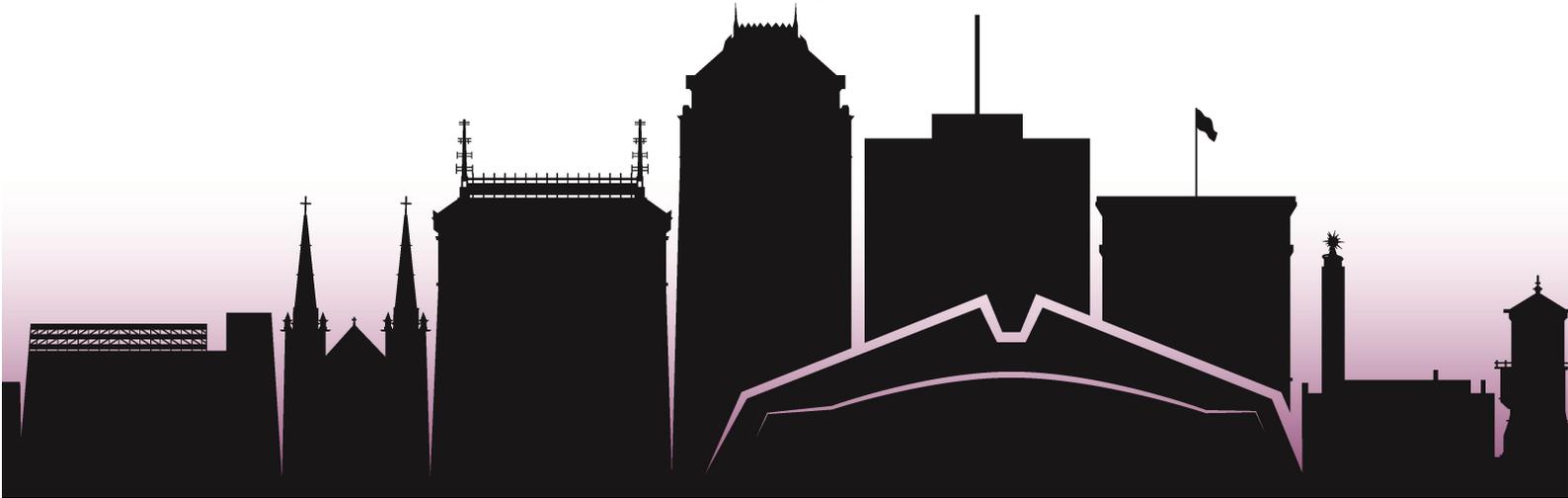


POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024



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 or by clicking [here](#).

RETIREMENT BOARD

Vacant, Chair
Ruth F. Quinto, Vice Chair
Marvell French
Tyler Kamalani
Kaleb Neufeld

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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, 2024. 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 six consecutive years (fiscal years ended 2019-2024). 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, 2024

Christopher P. Morrell

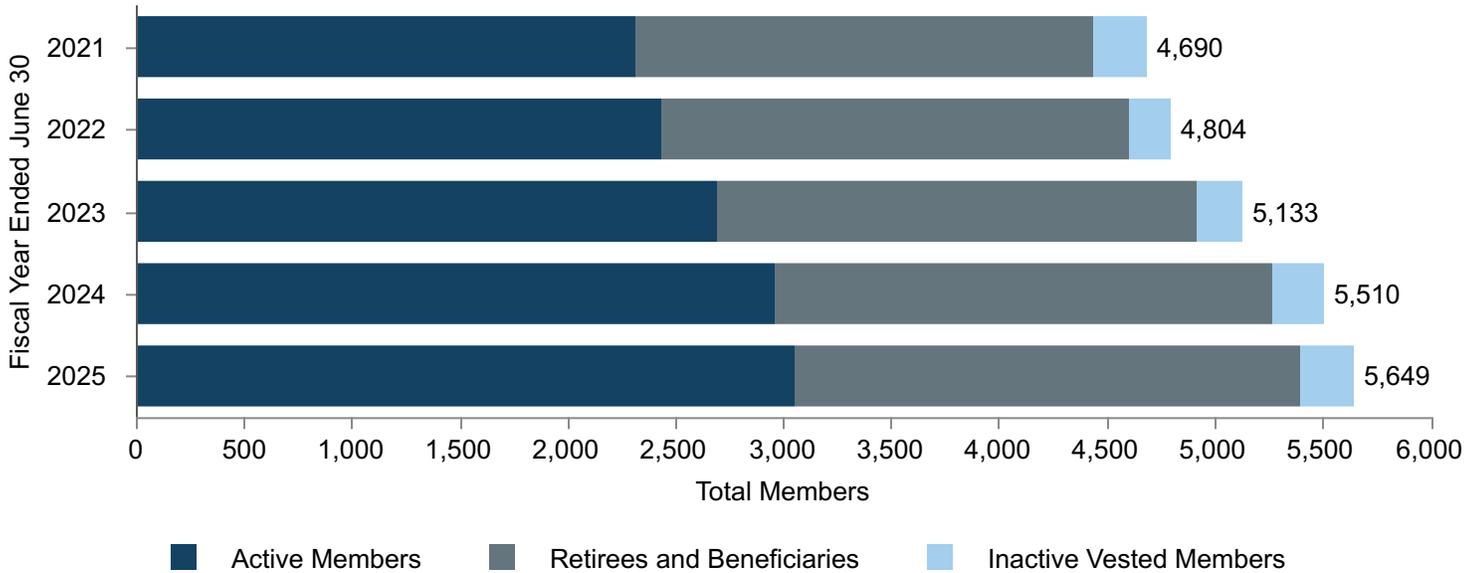
Executive Director/CEO

Membership and Funded Status

Membership Highlights

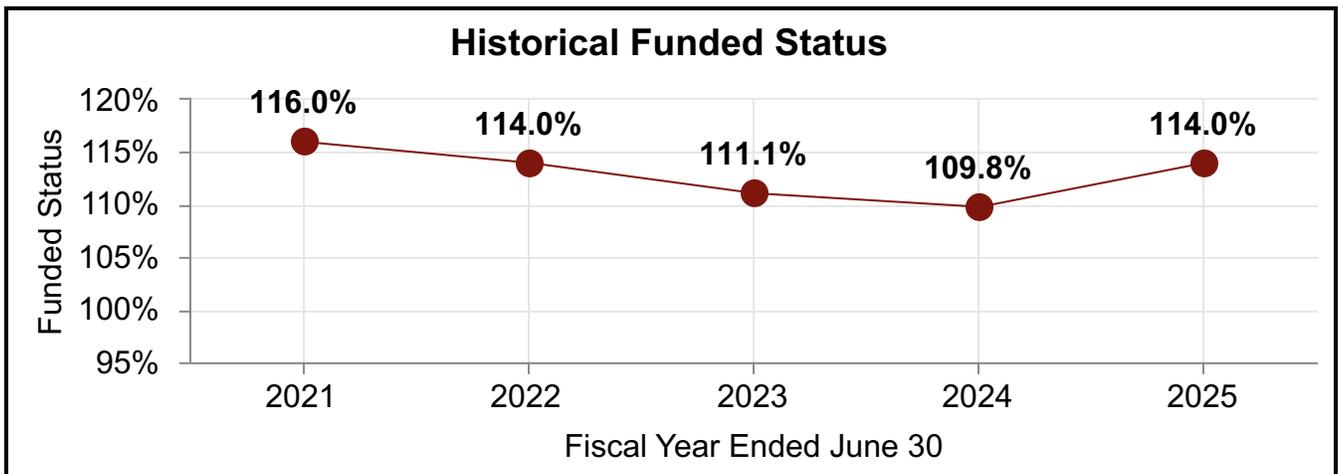
Total overall membership in the System increased by 2.52% to 5,649. The total number of active members (members currently employed) increased by 2.86% to 3,052. Retired membership increased 1.78% to 2,344. Inactive vested membership (members who separated employment after five years) increased 5.42% to 253.

Membership History

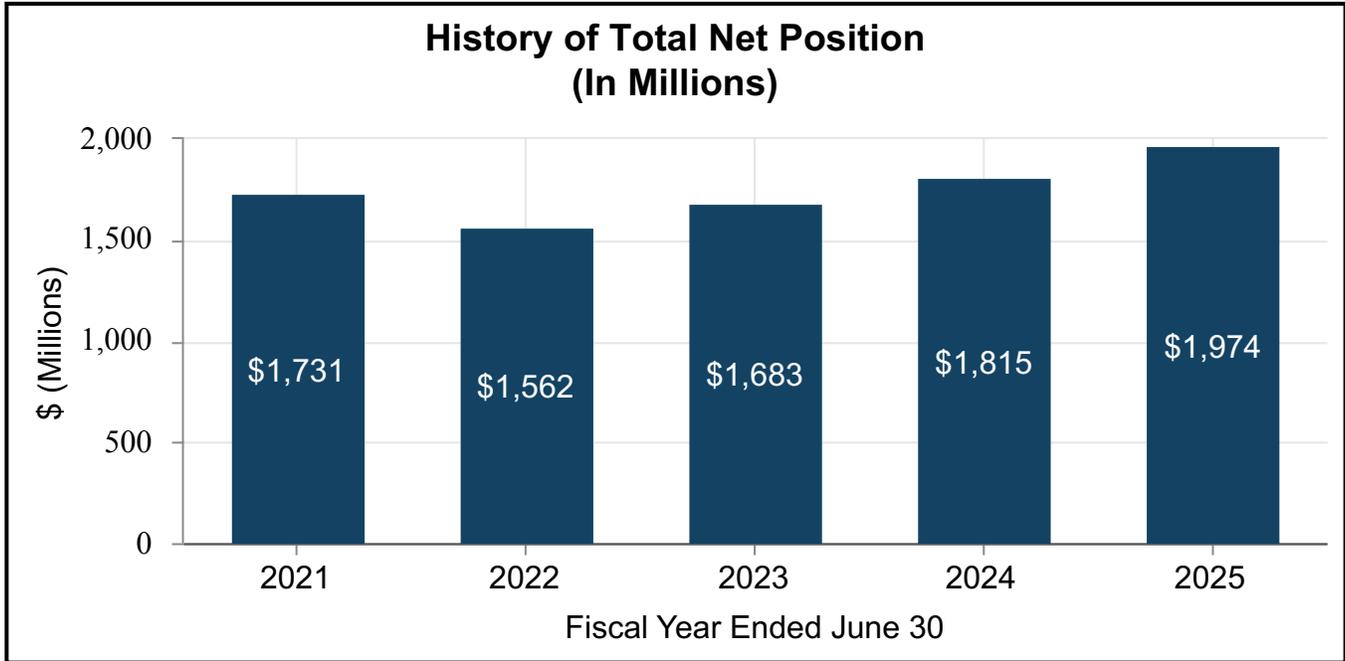


Funded Status

The System's funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2025, the date of the last actuarial valuation, the funded ratio for the System was 114.0 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 as of that date, we had \$1.14 in assets for every dollar owed in benefits. As of June 30, 2024, the date of the previous annual actuarial valuation, the funded ratio for the System was 109.8 percent; and as of June 30, 2023, the funded ratio for the System was 111.1 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 or by clicking [here](#).



Total Net Position



At June 30, 2025, the City of Fresno Employees Retirement System had total assets of \$2.006 billion, less total liabilities of \$32 million, for a total Net Position Restricted for Pension Benefits of \$1.974 billion compared to \$1.815 billion at June 30, 2024. “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 2021	FY 2022	FY 2023	FY 2024	FY 2025
Current and Other Assets	\$ 134,361,039	\$ 77,603,540	\$ 47,692,664	\$ 33,186,136	\$ 33,833,339
Investments at Fair Value	1,712,954,301	1,569,195,263	1,684,557,828	1,813,865,588	1,972,055,839
Total Assets	\$1,847,315,340	\$1,646,798,803	\$1,732,250,492	\$1,847,051,724	\$2,005,889,178
Total Liabilities	116,077,927	84,611,323	48,937,542	31,946,758	31,677,362
Net Position Restricted for Pension Benefits	\$1,731,237,413	\$1,562,187,480	\$1,683,312,950	\$1,815,104,966	\$1,974,211,816

Fund Revenues

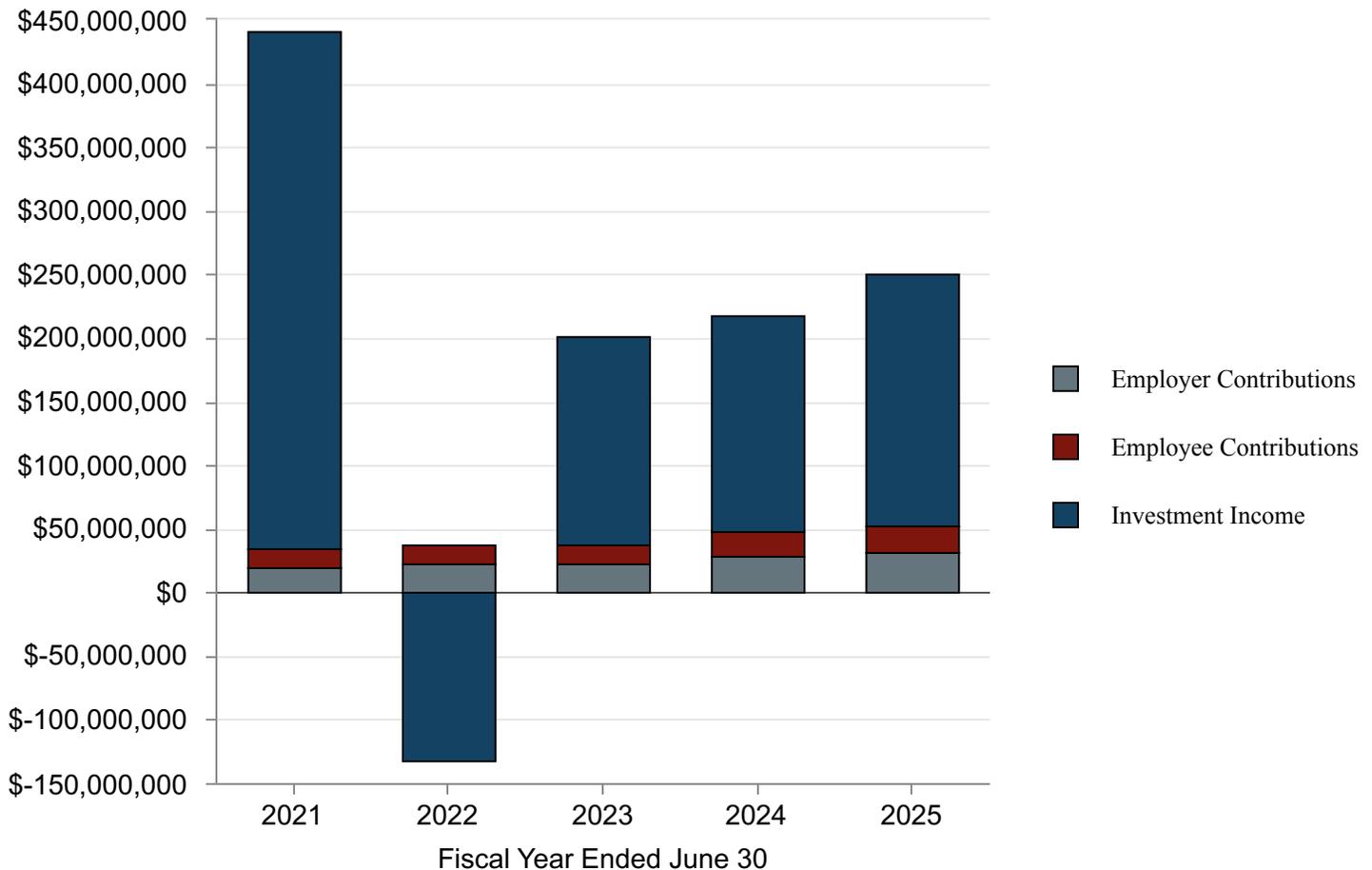
Fund revenues for the fiscal year 2025 increased \$33,820,672 or 15.56 percent over the prior year from \$217,312,283 to \$251,132,955, which includes employee contributions of \$20,771,353, employer contributions of \$31,558,297, a net investment income gain of \$198,700,192 and net securities lending income of \$103,113.

The primary cause behind the increase in current fund revenues was the strong performance of the Systems' investment portfolio. Employee and employer contributions also rose during the current fiscal year. Overall, fund revenues have been positive in four of the last five years. The only exception was 2022, when revenues declined due to negative investment performance caused by inflation, international market instability, and the lingering effects of the global pandemic.

Schedule and Graph of Fund Revenues By Source

For Fiscal Years Ended June 30, 2021 to 2025

	2021	2022	2023	2024	2025
Employer Contributions	\$ 20,144,322	\$ 22,016,525	\$ 22,236,117	\$ 28,621,359	\$ 31,558,297
Employee Contributions	13,749,909	15,492,662	14,894,336	18,833,018	20,771,353
Investment Income	407,810,699	(132,624,884)	164,014,181	169,857,906	198,803,305
TOTAL	\$ 441,704,930	\$ (95,115,697)	\$ 201,144,634	\$ 217,312,283	\$ 251,132,955



Fund Expenses

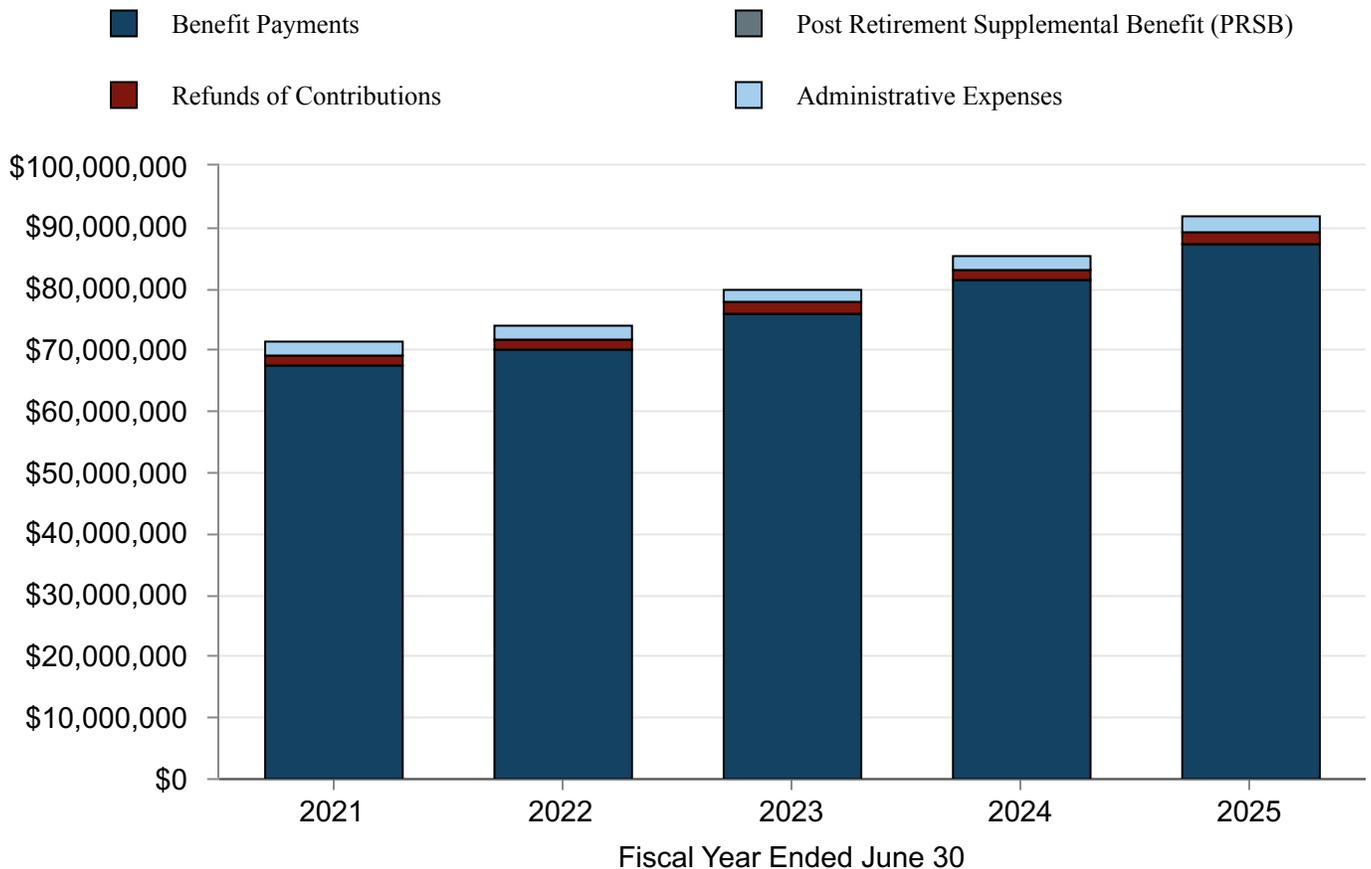
Fund Expenses for the fiscal year 2025 increased \$6,505,838 or 7.61 percent over the prior fiscal year from \$85,520,267 to \$92,026,105, which includes benefit payments of \$87,217,530, refunds of contributions of \$2,191,848 and administrative expenses of \$2,616,727.

The current year increase in expenses is due primarily to the increases in retirees and the respective retirement benefits paid in 2025. As shown in the chart below, benefit payments have consistently increased over the past five years, rising at an average rate of 6.6% per year.

Schedule and Graph of Fund Expenditures By Type

For Fiscal Years Ended June 30, 2021 to 2025

	2021	2022	2023	2024	2025
Benefit Payments	\$ 67,497,485	\$ 70,239,143	\$ 76,024,703	\$ 81,555,616	\$ 87,217,530
PRSB	—	—	—	—	—
Refunds of Contributions	1,748,572	1,645,235	1,848,595	1,646,573	2,191,848
Administrative Expenses	2,058,363	2,049,858	2,145,866	2,318,078	2,616,727
TOTAL	\$ 71,304,420	\$ 73,934,236	\$ 80,019,164	\$ 85,520,267	\$ 92,026,105



Investment Results, Target and Actual Allocations

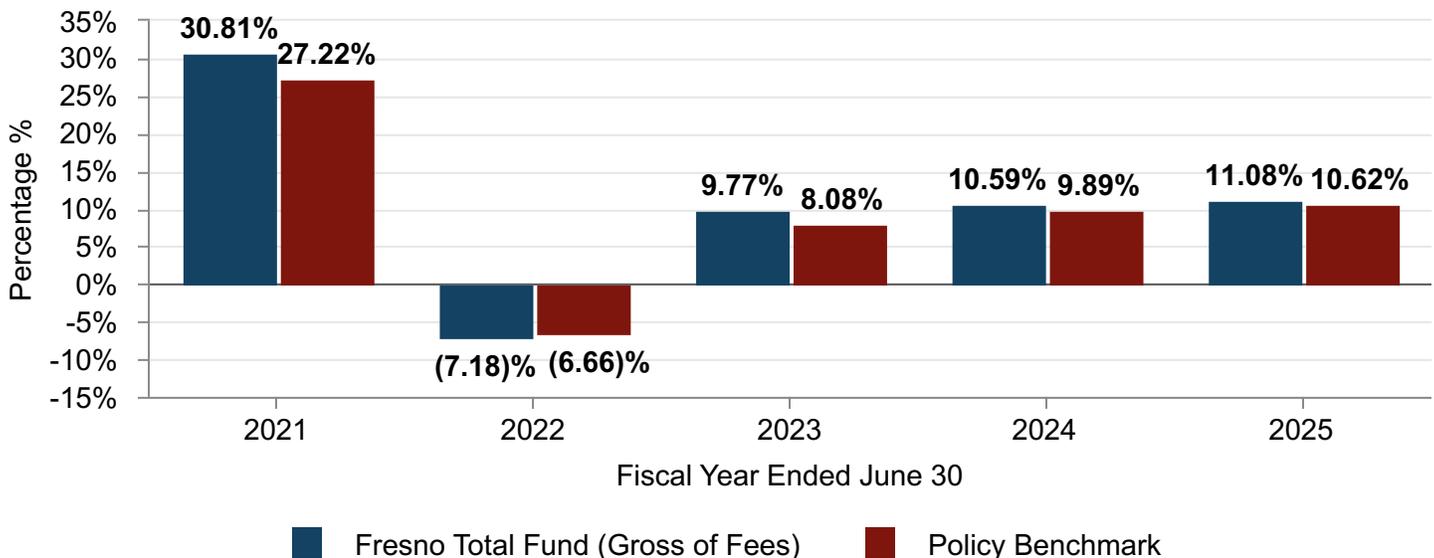
The System generated a total investment return of 11.08 percent, gross of fees, as reported by the System's custodian, Northern Trust, for the fiscal year ended June 30, 2025. The fiscal year return was 4.33 percent more than the System's actuarial interest rate assumption of 6.75 percent, while outperforming its policy-weighted benchmark of 10.62 percent by 0.46 percent, and also slightly under performing its actual weighted benchmark of 11.23 percent by 0.15 percent. The System's ten-year annualized returns averaged 8.27 percent, outperforming its policy benchmarks return of 7.49 percent for the period by 0.78 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 9.30 percent, 7.57 percent and 6.87 percent, respectively, as of June 30, 2025, 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 \$1.974 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 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 2025:

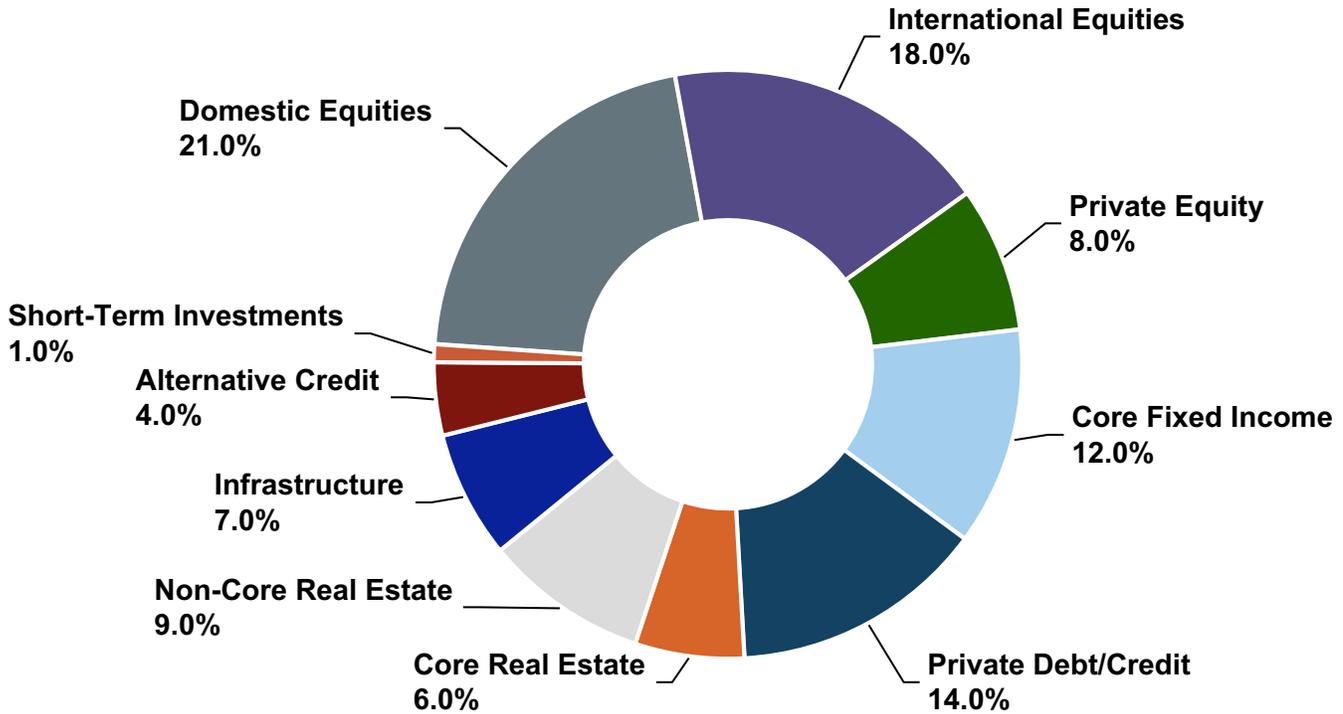
	FY 2025
Domestic Equity	15.26%
International Equity	18.03%
Private Equity	8.58%
Rates/Credit	7.49%
Real Assets	5.61%
Multi-Assets	10.67%
Total Fund	11.08%

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, 2025



Actual Asset Allocation As of June 30, 2025

