



Stanislaus County Employees'
Retirement Association
P O Box 3150
Modesto, CA 95353

BOARD OF RETIREMENT

June 30, 2011

Gordon B. Ford, Trustee
Ex-Officio, County Treasurer

Maria De Anda, Trustee
Elected by Active General Membership

Clarence Willmon, Trustee
Elected by Active General Membership

Ron Martin, Trustee
Appointed by the Board of Supervisors

Mike Lynch, Chair
Appointed by the Board of Supervisors

Jim DeMartini, Vice Chair
Appointed by the Board of Supervisors

Darin Gharat, Trustee
Elected by Active Safety Membership

Vacant, Trustee
Elected by Retiree Membership

Linda Stotts-Burnett, Alternate Trustee
Elected by Retired Membership

Jeff Grover, Trustee
Appointed by the Board of Supervisors



Ensuring tomorrow's benefits through prudent management.

Popular Annual Financial Report

For the Fiscal Years Ended
June 30, 2011 and 2010



Stanislaus County
Employees' Retirement Association
(Pension Trust Fund of the County of Stanislaus, California)

TO STANCERA MEMBERS

I am pleased to provide you with the Popular Annual Financial Report (PAFR) of the Stanislaus County Employees' Retirement Association (StanCERA) for the fiscal year ended June 30, 2011. The PAFR is intended to provide a snapshot and brief discussion of the financial activities of StanCERA for the year. The PAFR is based on StanCERA's Comprehensive Annual Financial Report (CAFR) for 2011 and 2010. The selected financial data it presents conform to generally accepted accounting principles and are consistent with information contained in the CAFR. A complete CAFR can be located on StanCERA's website: www.stancera.org. The CAFR contains more detailed information regarding the financial position of StanCERA.

StanCERA's funding objective is to meet long-term benefit obligations by maintaining a well-funded plan status and obtaining optimum investment returns. The most recent actuarial valuation, conducted as of June 30, 2010, provided StanCERA with a funded ratio of 76.3%. The actuarial valuation is performed annually taking into account the market value of the assets used to determine employer contribution rates and spreading all gains and losses over five years, known as a 5 year smoothing method. The next actuarial valuation is in process for the fiscal year ending June 30, 2011.

Despite the volatility in the stock market, Management believes the Plan remains in a strong financial position to meet its obligations to the Plan Participants and Beneficiaries. For the fiscal year ended June 30, 2011, StanCERA's total portfolio outperformed its policy benchmark of 21.3% with an overall gain of 22.9%. The StanCERA Board continues to explore options to optimize returns with minimum risk for members and sponsors.

The Plan net assets increased \$228.5 million in spite of the difficult year in the market. Net investment income increased by \$100.1 million where normal contributions (member and employer) increased by \$2.9 million. Benefit payments increased by \$3.36 million over the prior year and administrative costs to operate the System decreased by \$.27 million.

StanCERA's independent auditor, Macias Gini & O'Connell, LLP, has audited the financial statements and provided an opinion that the financial statements present fairly, in all material respects, the financial position of StanCERA for the years ended June 30, 2011 and 2010, and the results of its operations for the years then ended in accordance with generally accepted accounting principles.

Sincerely,

Tom Watson

Tom Watson, Retirement Administrator
Stanislaus County Employees' Retirement Association

Stanislaus County Employees' Retirement Association can be contacted at:
832 12th Street, Suite 600
Modesto, CA 95354
209-525-6393
www.stancera.org

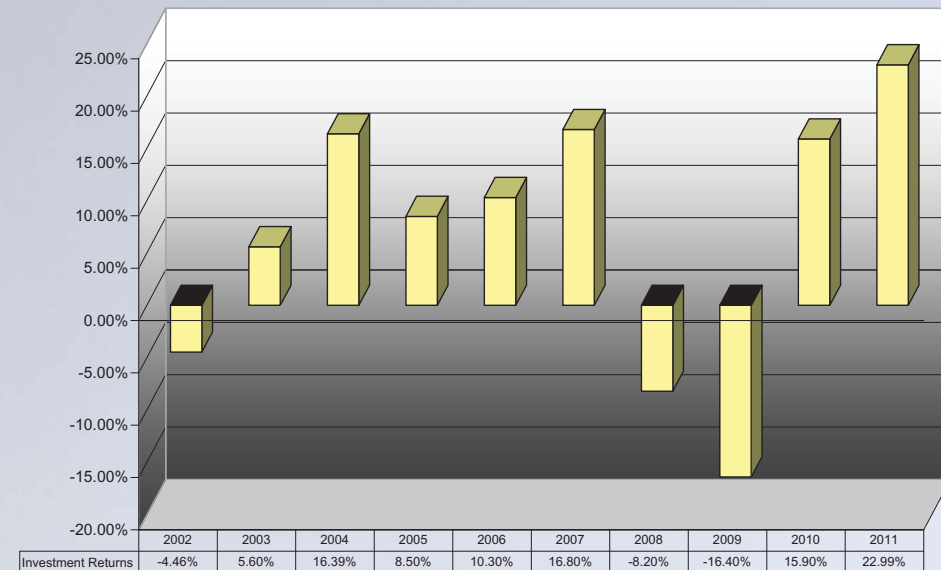
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS
(\$ in millions)

Fiscal Year Ending June 30	Total Fund Net Assets	Increase (Decrease) in Net Assets
2011	\$1,419	229
2010	1,190	132
2009	1,058	(253)
2008	1,311	(150)
2007	1,461	188
2006	1,273	97
2005	1,176	73
2004	1,103	141
2003	962	37
2002	925	(59)

Total Plan Net Assets are the assets at market value available for future payments to retirees less liabilities.

The Plan's investment activity is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Shown below are StanCERA's investment returns for the last ten years and a schedule of investments held by StanCERA at June 30, 2011.

INVESTMENT RETURNS FOR YEARS ENDING JUNE 30



INVESTMENTS HELD AT JUNE 30, 2011

Asset Class	Market Value	Annual Return	Actual Allocation	Target Allocation
Domestic Equities	\$583,225,569	33.70%	41.45%	41.40%
International Equities	263,243,865	31.30%	18.71%	20.00%
Fixed Income	502,229,675	6.00%	35.69%	37.10%
Global REIT's	19,355,304	32.90%	1.38%	1.50%
Cash	38,979,630	1.44%	2.77%	0.00%
TOTAL PORTFOLIO	\$1,407,034,043		100.00%	100.00%

The Total Portfolio is total investments at market value only. These amounts do not include cash in Stanislaus County Treasury or capital assets.

SCHEDULE OF FUNDING PROGRESS – PENSION BENEFIT PLAN FOR THE TEN YEARS ENDING JUNE 30, 2010
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio
Date	(a)	(b)	(b-a)	(a/b)
6/30/2010	\$1,325,801	\$1,737,824	\$412,023	76.30%
6/30/2009	1,171,767	1,653,716	481,949	70.90%
6/30/2008	1,317,167	1,548,824	231,657	85.00%
6/30/2007 *	N/A	N/A	N/A	N/A
6/30/2006	1,154,048	1,329,375	175,327	86.80%
6/30/2005	1,049,691	1,116,310	66,619	94.00%
6/30/2004	993,180	1,035,345	42,165	95.90%
6/30/2003	937,797	958,095	20,298	97.90%
6/30/2002	878,821	870,768	(8,053)	100.90%
6/30/2001	784,114	781,495	(2,619)	100.30%

* Actuarial valuation was not performed for fiscal year ended June 30, 2007. Data provided by last actuarial valuation as of June 30, 2010. The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.

HISTORICAL MEMBERSHIP

Fiscal Year Ending June 30	Number of Active Members	Number of Deferred & In-Active Members	Number of Retired Members & Beneficiaries	Average Monthly Benefit
2011	3,854	1,042	2,976	\$2,153
2010	4,085	1,075	2,818	\$2,115
2009	4,366	1,075	2,757	\$2,232
2008	4,450	1,062	2,666	\$2,080
2007	4,435	1,093	2,545	\$2,181
2006	4,391	886	2,445	\$2,068
2005	4,338	924	2,273	\$1,994
2004	4,248	832	2,217	\$1,801
2003	4,263	841	2,067	\$1,751
2002	4,507	745	1,963	\$1,618

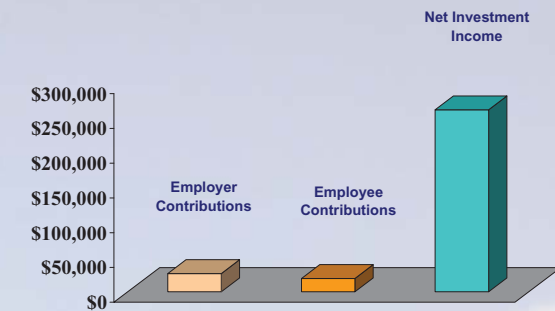
StanCERA's membership consists of full and percentage time (working over 50% time) employees, members who have left service and have deferred their receipt of retirement benefits, and retirees and their beneficiaries from the County of Stanislaus, Stanislaus Superior Court, the City of Ceres, Stanislaus Council of Governments, Eastside Mosquito Abatement District, Hills Ferry Cemetery, Keyes Community Service District, and Salida Sanitary District.

Full CAFR is available at:
StanCERA
832 12th Street, Suite 600
Modesto, CA 95354
Or on our web site at www.stancera.org

FUND REVENUE
(\$ in thousands)

Fiscal Year ending June 30	Employer Contributions	Employee Contributions	Net Investment Income (Loss)
2011	\$26,257	\$19,197	\$261,842
2010	21,814	20,746	165,054
2009	23,411	20,923	(221,031)
2008	22,555	20,689	(121,409)
2007	32,562	20,543	207,192
2006	22,549	19,861	117,273
2005	19,793	19,088	90,703
2004	17,114	18,942	155,269
2003	16,207	18,521	48,560
2002	11,341	13,940	(43,386)

StanCERA Revenue fiscal year ending June 30, 2011

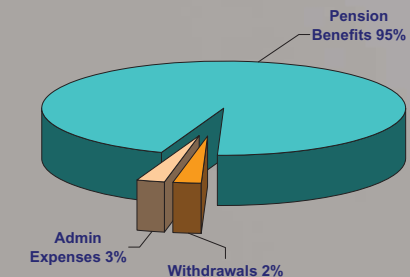


The primary sources to finance the benefits StanCERA provides are accumulated through return on investments and through the collection of member and employer contributions. Net investment income is the total interest, dividends and net realized and unrealized gains or losses on all investments less investment fees.

FUND EXPENSES
(\$ in thousands)

Fiscal Year ending June 30	Benefits	Withdrawals	Administrative Expense
2011	\$74,826	\$1,906	\$2,037
2010	71,465	1,732	2,307
2009	71,861	2,538	2,080
2008	67,785	2,442	2,044
2007	67,599	2,730	1,981
2006	58,130	2,482	1,599
2005	53,176	2,347	1,405
2004	47,926	1,327	1,301
2003	43,435	1,561	1,147
2002	38,118	1,548	1,082

StanCERA Expenses fiscal year ending June 30, 2011



The primary uses of StanCERA's assets are in payment of benefits to retirees and their beneficiaries, refunds of contributions to terminated employees, and the costs of administering the Plan. Administrative costs decreased over the prior year due to a staff vacancy and decrease of external professional services.