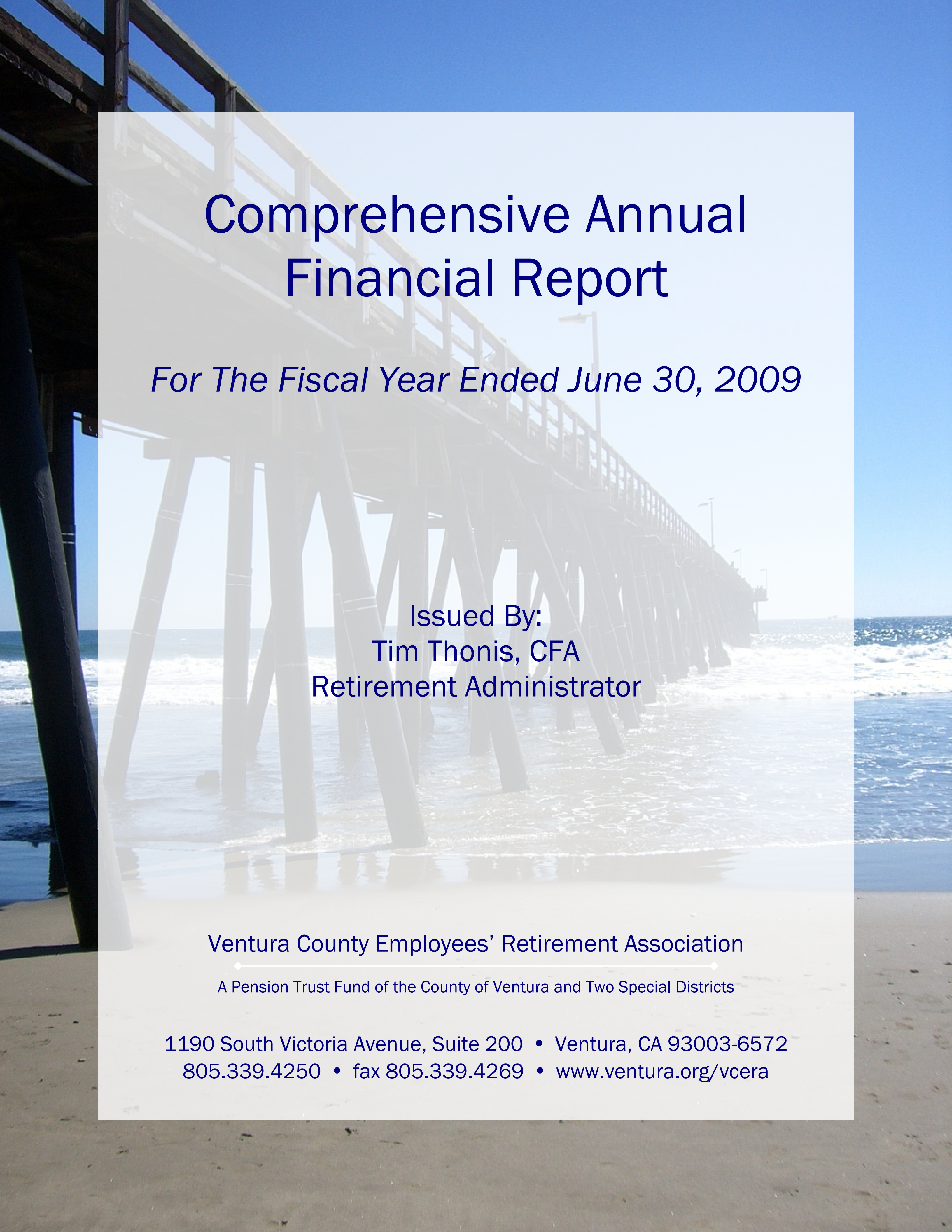
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

A Pension Trust Fund of the County of Ventura and Two Special Districts
Ventura, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009



Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009

Issued By:
Tim Thonis, CFA
Retirement Administrator

Ventura County Employees' Retirement Association

A Pension Trust Fund of the County of Ventura and Two Special Districts

1190 South Victoria Avenue, Suite 200 • Ventura, CA 93003-6572
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INTRODUCTORY

Letter of Transmittal

Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
Phone: 805.339.4250
Fax: 805.339.4269
www.ventura.org/vcera

December 22, 2009

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

Dear Board Members:

It is with pleasure that I submit to you the Comprehensive Annual Financial Report of the Ventura County Employees' Retirement Association (VCERA) for the fiscal year ended June 30, 2009, the Association's 62nd year of operation. The information contained in this report is intended to provide the user with a complete and accurate description of the past year's operations and other significant information regarding the retirement system, which includes employees of the County of Ventura, the Ventura County Courts, and the Ventura Regional Sanitation District.

VCERA management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of financial information, including all disclosures, contained in this report. Your attention is directed to the Narrative Introduction, Overview and Analysis found in the Management Discussion & Analysis.

VCERA AND ITS SERVICES

The Ventura County Employees' Retirement Association was established by the County of Ventura in 1947. VCERA is administered by the Board of Retirement and governed by the County Employees Retirement Law of 1937 (California Government Code Section 31450 et. seq.) VCERA is a public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the safety and general members employed by Ventura County. VCERA also provides retirement benefits to the employee members of the Ventura County Courts and Ventura Regional Sanitation District.

MARKET CONDITIONS AND INVESTMENT RESULTS

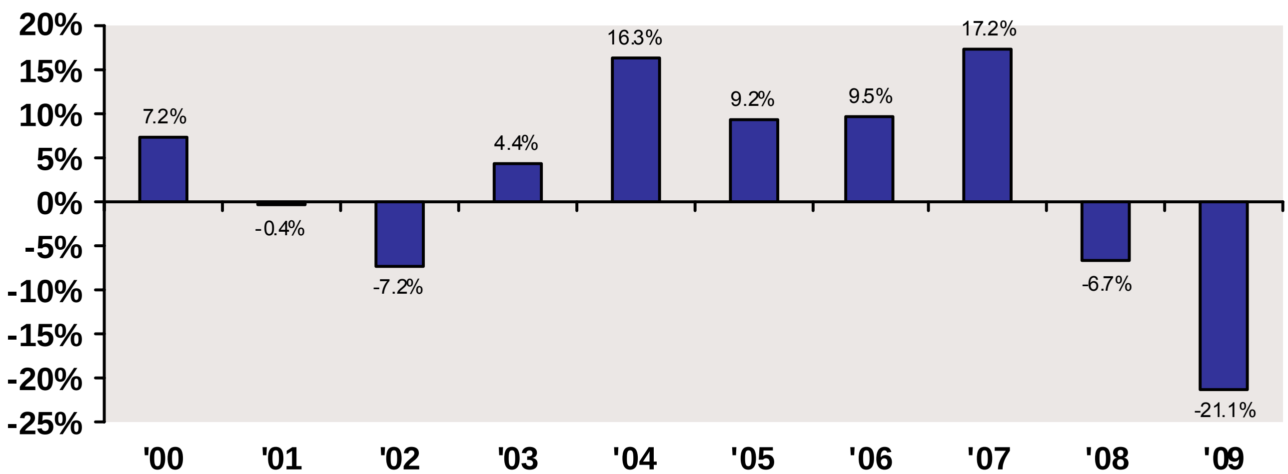
The Lehman Brothers bankruptcy in September precipitated a near collapse in the financial markets worldwide and was a major contributor to the biggest breakdown in financial activity since the 1930s. Evidence of the financial collapse could be seen in all financial markets worldwide. For example, the U.S. equity market, as measured by the S&P 500 index, fell 43% from July 1, 2008 through February 28, 2009. During this period, only securities guaranteed by U.S. Government offered positive results.

By mid-March, investors began to recognize that civilization was not going to collapse and this recognition lead to a huge rally in nearly all financial asset classes. Evidence of the rally included a 16% increase in the S&P 500 during the second quarter of 2009. Fixed income markets increased 15% during the same period. Commercial real estate was one of the few asset classes that did not offer positive returns during the period.

For the fiscal year, U.S. equity markets lost 26.4%, international equity markets lost 30.9%, real estate lost 21.8%, and fixed income markets returned 6.0%.

For the years ended June 30, 2009 and 2008, VCERA investments provided a -21.1% and -6.7% return, respectively. VCERA's annualized return over the last 3 years and 5 years was -4.8% and 0.6%, respectively.

VCERA's annualized return over the past ten years was 2.2% with the annual returns by year expressed as follows:



Significant Events, Accomplishments and Objectives

The 2008-2009 fiscal year saw changes in the operation and administration of the retirement system by your board and staff. Some of the more significant events and accomplishments of the past year are summarized below:

- Completed the Request for Proposal process and began interviewing qualified candidates to provide software for a new Pension Benefits Administration System.

- Evaluated multiple opportunistic investment strategies including private equity, currency, hedge funds and infrastructure.

Letter of Transmittal (continued)

- Identified and considered several sites for the relocation of VCERA's administrative office.

Objectives established by the Board and staff for the coming year include:

- Funding new investment mandates for private equity and currency management.
- Select a vendor for the new Pension Administration System and begin project implementation.
- Continue with VCERA's ongoing trustee and staff training programs.

FINANCIAL INFORMATION

It is the responsibility of VCERA management to prepare retirement system financial statements, notes, supplementary disclosures and establish and maintain an internal control structure designed to ensure retirement system assets are protected. Brown Armstrong Accountancy Corporation was retained by the Board to perform the annual audit as of June 30, 2009. The financial audit states that VCERA's financial statements are prepared in conformity with generally accepted accounting principles and are free of material misstatement.

ACTUARIAL FUNDING STATUS

VCERA's funding objective is to meet long-term benefit requirements by maintaining a well-funded plan. Characteristics of a well-funded plan include a high ratio of accumulated plan assets to meet accrued actuarial liabilities. Sources of funding include employer and employee contributions and investment income. As of June 30, 2009, VCERA's value of actuarial assets was $3,090,148,000 resulting in a funding status of 84.34%. A six-year history of funding progress is presented on page 31.

Annually, VCERA retains an independent actuarial firm to conduct an actuarial valuation. The Segal Company performed the June 30, 2009 valuation. Triennially, VCERA will request its actuary analyze the appropriateness of all economic and non-economic assumptions used in the annual valuations. Recommendations for assumption changes are presented to the Board for their consideration.

The latest triennial investigation was completed as of June 30, 2008, and recommended assumption changes were adopted on July 20, 2009.

INVESTMENTS

VCERA's investment policy is established in accordance with the County Employees' Retirement Law of 1937. The policy requires the Board to discharge their duties:

- solely in the interest of, and for the exclusive purpose of, providing benefits to participants and their beneficiaries, minimizing employer contributions, and defraying reasonable expenses of administering the system.

- 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.
- by diversifying the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstance it is clearly not prudent to do so.

A summary of the asset allocation can be found in the investment section of this report.

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 the Ventura County Employees' Retirement Association for its comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this Comprehensive Annual Financial Report reflects the efforts of Henry Solis and Jennifer Rendon who made significant contributions to the preparation of this report.

I would also like to thank our auditor, Brown Armstrong Accountancy Corporation, for their professional assistance.

Finally, on behalf of VCERA staff, I want to thank your Board for its continued support this past year. The leadership and support provided by your Board is a significant ingredient in the overall success of our retirement system.

Respectfully submitted,

TIM THONIS
Retirement Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ventura County
Employees' Retirement Association
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Members of the Board of Retirement at June 30, 2009

CHAIRMAN
Tracy Towner, Employee Member
Elected by Safety Members
Present term expires July 21, 2011

VICE-CHAIRMAN
William W. Wilson, Public Member
Appointed by the Board of Supervisors
Present term expires January 29, 2010

TREASURER
Lawrence L. Matheney, Ventura County Treasurer-Tax Collector
Ex-officio Member of the Board of Retirement
Present term expires January 8, 2010

MEMBERS
Peter C. Foy, County Supervisor, Public Member
Appointed by the Board of Supervisors
Present term expires January 8, 2010

Joseph Henderson, Public Member
Appointed by the Board of Supervisors
Present term expires January 26, 2012

Albert G. Harris, Public Member
Appointed by the Board of Supervisors
Present term expires January 26, 2012

Karen Becker, Employee Member
Elected by General Members
Present term expires September 8, 2011

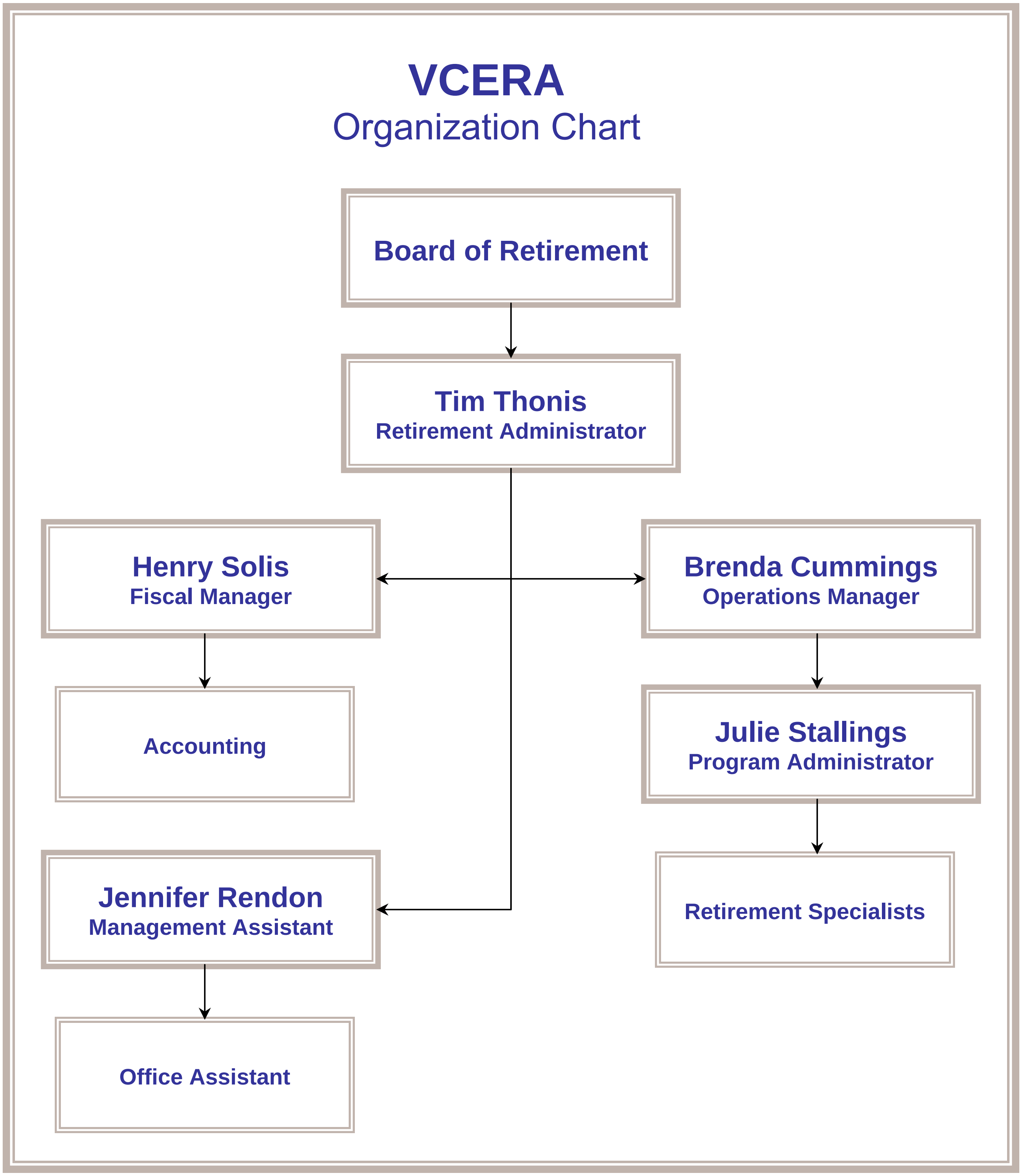
Robert Hansen, Employee Member
Elected by General Members
Present term expires March 19, 2010

Arthur E. Goulet, Retired Member
Elected by Retired Members
Present term expires November 3, 2011

ALTERNATE MEMBERS
Chris Johnson, Employee Member
Elected by Safety Members
Present term expires July 21, 2011

Will Hoag, Retired Member
Elected by Retired Members
Present term expires November 3, 2011

Organization Chart



List of Professional Consultants

ACTUARY
The Segal Company

CUSTODIAN
State Street Bank and Trust Company

INDEPENDENT AUDITOR
Brown Armstrong CPA's

LEGAL COUNSEL
County Counsel of Ventura County
Manatt, Phelps & Phillips

TECHNICAL SUPPORT
Automatic Data Processing
Information Technology Services of Ventura County
CMP Associates
Linea Solutions
In-Balance

List of Investment Professionals is located on Page 40 of the Investment Section of this report.

FINANCIAL

Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Andrew J. Paulden, CPA
Steven R. Starbuck, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, CPA, MBA
Richard L. Halle, CPA, MST
Aileen K. Keeter, CPA

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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8365 N. Fresno Street, Suite 440
Fresno, California 93720
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Statement of Plan Net Assets of the Ventura County Employees' Retirement Association (VCERA) as of June 30, 2009 and 2008 and the related Statement of Changes in Plan Net Assets for the years then ended. These financial statements are the responsibility of VCERA management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, in Fiscal Year 2009, VCERA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No, 49, *Accounting for Financial Reporting or Pollution Remediation Obligations*, Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net assets of VCERA as of June 30, 2009 and 2008 and its changes in fiduciary net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Required Supplementary Information as listed in the table of contents is presented for purposes of additional analysis, as required by GASB, and is not a required part of the basic financial statements. This information is the responsibility of VCERA's management. Such information has been subjected to the auditing procedures applied by us in the audit of the Fiscal Year 2009 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the Fiscal Year 2009 basic financial statements taken as a whole. The Other Supplementary Information as listed in the table of contents, and the Investment, Actuarial and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of VCERA. The Other Supplementary Information as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not audit the information contained in the Investment, Actuarial and Statistical sections and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of VCERA'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
December 22, 2009

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following review of the results of Ventura County Employees' Retirement Association's operations and financial condition for the year ended June 30, 2009 should be read in conjunction with the Transmittal Letter found in the Introductory Section of the report and with the required financial statements that follow this discussion and analysis.

HIGHLIGHTS

- VCERA's net assets held in trust for pension benefits decreased $628.8 million for the fiscal year ending June 30, 2009.
- Additions to Plan Net Assets were negative for the fiscal year as the depreciation in the fair value of assets offset increases in total contributions.
- Deductions in Plan Net Assets increased 6.6% to $159.9 million.
- VCERA's funding status, as measured by the actuarial value of assets less the actuarial value of accrued liabilities, decreased to 84.3%.

THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The financial section of this Comprehensive Annual Financial Report consists of two financial statements, required supplementary information, and other supplemental schedules. The *Statement of Plan Net Assets* includes information, as of the end of the fiscal year, about VCERA's assets, liabilities, and net assets on a fair value basis. The *Statement of Changes in Plan Net Assets* includes information about the additions to, deductions from, and net increase/decrease for the year in plan net assets. The required supplementary information provides historical trend information about VCERA's funding status and annual required employer contributions. The other supplemental schedules provide details of administrative expenses, investment expenses and payments to consultants.

FINANCIAL ANALYSIS

The economic downturn that culminated with Lehman Brothers bankruptcy and corresponding breakdown in financial activity affected all asset classes and resulted in the negative absolute return for VCERA's investment portfolio during the year. Except for positive returns within the VCERA fixed income allocation, all other asset classes experienced negative results. During the year, the domestic equity portfolio fell 27.6%, international equity portfolio declined 30.8%, and the real estate portfolio fell 36.1%. The fixed income portfolio had a positive return of 3.9%.

VCERA's funding status decreased to 84.3% from 91.3% during the year as the growth in liabilities exceeded the return on assets. Management maintains, as supported by the annual actuarial valuations, that VCERA remains in a financial position to meet all obligations to participants and beneficiaries.

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

Net Assets Held in Trust for Pension Benefits (Net Assets) represent assets held to pay benefits earned by plan members. Net Assets decreased 21.9% during the year to $2.247 billion. The decrease is attributable to a $670 million decrease in the fair value of VCERA's investment portfolio. Depreciation in the value of equity and real estate portfolios caused by market conditions were the contributing factor to the decline in Investments. Current Assets decreased during the year as cash and accrued assets related to security sales were lower than in the prior year. Total Liabilities decreased due to lower amounts of securities purchases outstanding on June 30, 2009 as VCERA had fewer securities payable than the previous year.

($ IN THOUSANDS)	2009	2008	DIFFERENCE	% CHANGE
CURRENT ASSETS	$ 112,690	$ 246,199	$ (133,509)	(54.2%)
INVESTMENTS	2,239,131	2,909,068	(669,937)	(23.0%)
TOTAL ASSETS	**2,351,821**	**3,155,267**	**(803,446)**	**(25.5%)**
TOTAL LIABILITIES	(104,188)	(278,814)	174,626	(62.6%)
NET ASSETS	**$2,247,633**	**$2,876,453**	**$ 628,820)**	**(21.9%)**

Net Assets decreased $835 million over the last two years as the global economic downturn that began in the latter half 2007 and continued into early 2009.

	2008	2007	DIFFERENCE	% CHANGE
CURRENT ASSETS	$ 246,199	$ 182,911	$ 63,288	34.6%
INVESTMENTS	2,909,068	3,387,075	(478,007)	(14.1%)
TOTAL ASSETS	**3,155,267**	**3,569,986**	**(414,719)**	**(11.6%)**
TOTAL LIABILITIES	(278,814)	(487,507)	208,693	(42.8%)
NET ASSETS	**$2,876,453**	**$3,082,479**	**$ (206,026)**	**(6.7%)**

ADDITIONS TO PLAN NET ASSETS

The primary sources to finance benefits VCERA provides are accumulated through investment income and the collection of employer and employee contributions. Fiscal year 2009 results showed a 1.0% increase in employer contributions and a 6.9% increase in employee contributions. Net investment income fell an additional $417 million from 2008 levels illustrating the adverse impact of economic events that continued into early 2009.

($ IN THOUSANDS)	2009	2008	DIFFERENCE	% CHANGE
EMPLOYER CONTRIBUTIONS	$ 113,916	$ 112,798	$ 1,118	1.0%
EMPLOYEE CONTRIBUTIONS	42,326	39,611	2,715	6.9%
NET INVESTMENT INCOME	(625,183)	(208,519)	(416,664)	(199.8%)
TOTAL ADDITIONS	**$ (468,941)**	**$ (56,110)**	**$ (412,831)**	**(735.8%)**

Management's Discussion and Analysis (continued)

A comparison of the year ending 2009 period to the 2007 period illustrates the market volatility VCERA experienced over the last three years.

($ IN THOUSANDS)	2008	2007	DIFFERENCE	% CHANGE
EMPLOYER CONTRIBUTIONS	$ 112,798	$ 94,328	$ 18,470	19.6%
EMPLOYEE CONTRIBUTIONS	39,611	36,728	2,883	7.8%
NET INVESTMENT INCOME	(208,519)	461,551	(670,070)	(145.2%)
TOTAL ADDITIONS	**$ (56,110)**	**$ 592,607**	**$ (648,717)**	**(109.5%)**

DEDUCTIONS IN PLAN NET ASSETS

VCERA's assets are used primarily in the payment of benefits to retired members and their beneficiaries, refunds of member contributions and plan administration costs. An increase in the number of retired members and an increase in the average benefit payment were the primary contributors to the increase in Benefit Payments in 2009. Administrative/Legal expenses were greater due to the costs associated with the analysis and proposal process associated with the development of a new Pension Administration System.

($ IN THOUSANDS)	2009	2008	DIFFERENCE	% CHANGE
BENEFIT PAYMENTS	$153,089	$ 142,669	$ 10,420	7.3%
MEMBER REFUNDS	3,253	3,960	(707)	(17.9%)
ADMINISTRATIVE	3,536	3,268	268	8.2%
LEGAL SETTLEMENT	0	20	(20)	N/A
TOTAL DEDUCTIONS	**$159,878**	**$149,917**	**$ 9,961**	**6.6%**

($ IN THOUSANDS)	2008	2007	DIFFERENCE	% CHANGE
BENEFIT PAYMENTS	$142,669	$ 132,208	$ 10,461	7.9%
MEMBER REFUNDS	3,960	3,479	481	13.8%
ADMINISTRATIVE	3,268	2,589	679	26.2%
LEGAL SETTLEMENT	20	0	20	N/A
TOTAL DEDUCTIONS	**$149,917**	**$138,276**	**$ 11,641**	**8.4%**

Member refunds remain cyclical and have averaged approximately $3.6 million dollars over the last three years.

VCERA'S FIDUCIARY RESPONSIBILITY

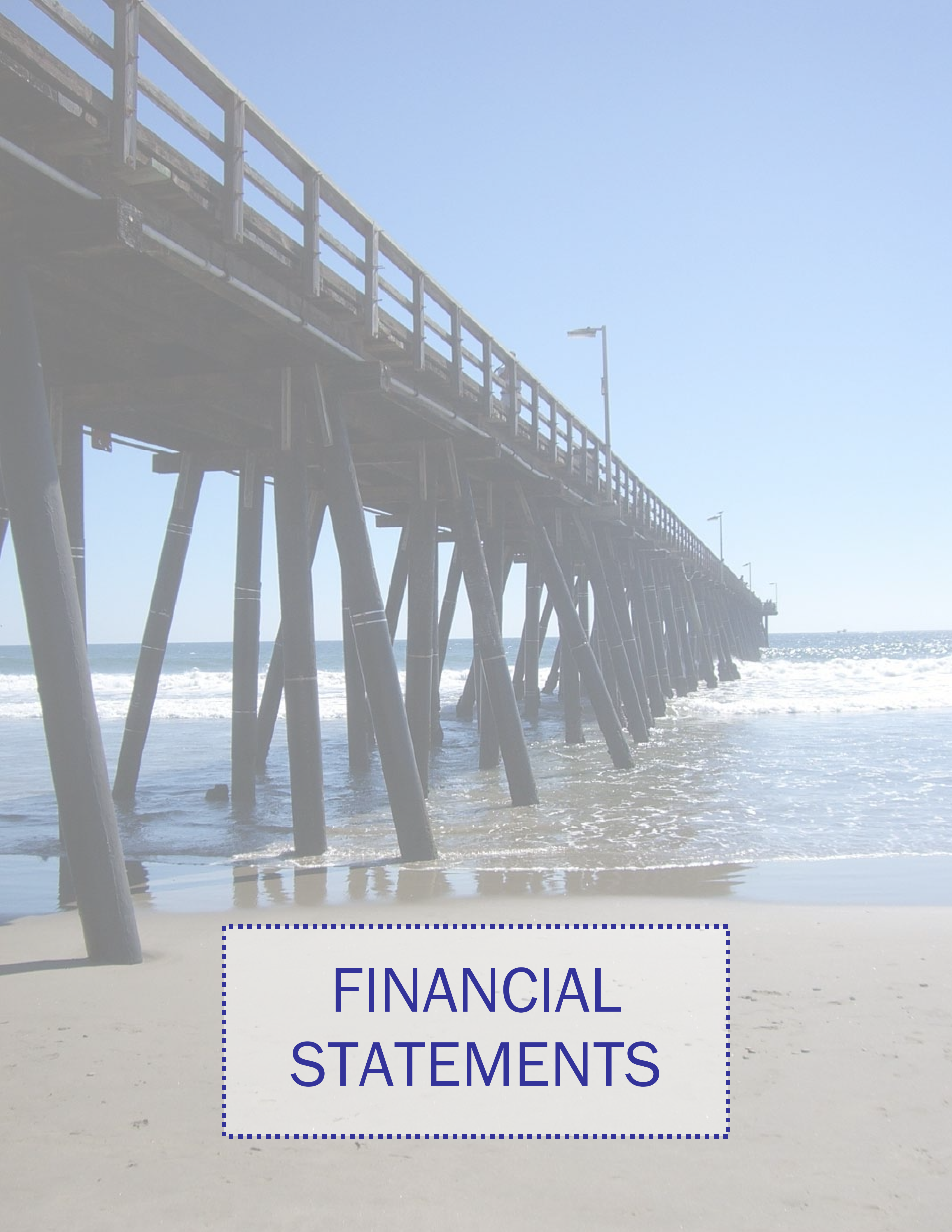
VCERA is a fiduciary for the County of Ventura's, Ventura County Courts and Ventura Regional Sanitation District's pension plans. As such, VCERA is responsible for ensuring the plan assets reported in these financial statements are used to pay retirement benefits to eligible plan participants.

CONTACTING VCERA'S MANAGEMENT

This financial report is designed to provide VCERA's trustees, plan sponsors, and members with a general overview of VCERA's finances and to detail VCERA's accountability for the funds received. If you have questions about this report, or need additional information, please contact VCERA at 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003.

Respectfully submitted,

TIM THONIS
Retirement Administrator



FINANCIAL STATEMENTS

Statements of Plan Net Assets
June 30, 2009 and 2008

	2009	2008
ASSETS		
CASH AND SHORT TERM INVESTMENTS	**$ 64,580,453**	**$126,183,712**
RECEIVABLES		
EMPLOYER/EMPLOYEE CONTRIBUTIONS	7,196,215	6,743,012
ACCRUED INTEREST AND DIVIDENDS	6,098,978	5,308,876
SECURITY SALES	34,773,703	107,938,949
MISCELLANEOUS	41,112	23,976
TOTAL RECEIVABLES	**48,110,008**	**120,014,813**
INVESTMENTS AT FAIR VALUE		
DOMESTIC EQUITY SECURITIES	34,493,932	73,872,543
DOMESTIC EQUITY INDEX FUNDS	792,201,808	994,654,325
INTERNATIONAL EQUITY SECURITIES	390,947,663	563,157,665
GLOBAL EQUITY	127,986,640	183,932,810
UNITED STATES GOVERNMENT DEBT SECURITIES & CORPORATE BONDS	587,320,604	636,020,119
DOMESTIC BOND INDEX FUND	58,561,569	144,139,434
INTERNATIONAL BONDS	14,270,455	21,836,551
REAL ESTATE	161,873,618	253,150,345
COLLATERAL HELD FOR SECURITIES LENT	71,474,456	38,303,782
TOTAL INVESTMENTS	**2,239,130,745**	**2,909,067,574**
TOTAL ASSETS	**2,351,821,206**	**3,155,266,099**
LIABILITIES		
SECURITY PURCHASES	30,575,063	238,144,940
ACCOUNTS PAYABLE	2,138,670	2,365,237
COLLATERAL HELD FOR SECURITIES LENT	71,474,456	38,303,782
TOTAL LIABILITIES	**104,188,189**	**278,813,959**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	**$2,247,633,017**	**$2,876,452,140**

(A SCHEDULE OF FUNDING PROGRESS IS SHOWN ON PAGE 31)

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

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2009 and 2008

	2009	2008
ADDITIONS		
CONTRIBUTIONS		
EMPLOYER - ACTUARIALLY DETERMINED	$105,277,544	$104,428,648
EMPLOYER - OTHER	8,638,240	8,369,078
EMPLOYEE	42,325,754	39,611,439
TOTAL CONTRIBUTIONS	**156,241,538**	**152,409,165**
INVESTMENT INCOME (LOSS)		
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	(673,637,422)	(263,481,199)
INTEREST INCOME	33,995,753	34,212,745
DIVIDEND INCOME	8,623,685	15,627,698
REAL ESTATE OPERATING INCOME (NET)	11,456,385	11,875,852
INVESTMENT EXPENSE	(5,956,085)	(8,050,680)
NET INVESTMENT INCOME (LOSS), BEFORE SECURITIES LENDING INCOME	**(625,517,684)**	**(209,815,584)**
SECURITIES LENDING INCOME		
EARNINGS	891,202	10,190,554
REBATES	(412,904)	(8,337,981)
FEES	(143,491)	(555,961)
NET SECURITIES LENDING INCOME	**334,807**	**1,296,612**
NET INVESTMENT INCOME (LOSS)	**(625,182,877)**	**(208,518,972)**
TOTAL ADDITIONS	**(468,941,339)**	**(56,109,807)**
DEDUCTIONS		
BENEFIT PAYMENTS	153,088,994	142,669,054
MEMBER REFUNDS	3,253,100	3,960,407
ADMINISTRATIVE EXPENSES	3,535,690	3,267,594
LEGAL SETTLEMENTS	0	20,007
TOTAL DEDUCTIONS	**159,877,784**	**149,917,062**
NET INCREASE (DECREASE)	**(628,819,123)**	**(206,026,869)**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS: BEGINNING OF YEAR	2,876,452,140	3,082,479,009
END OF YEAR	**$2,247,633,017**	**$2,876,452,140**

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

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY. Ventura County Employees' Retirement Association, with its own governing board, is an independent governmental entity separate and distinct from the County of Ventura. Actuarially determined financial data for VCERA is included in the County of Ventura's Annual Financial Report in the "Notes to the Basic Financial Statements" section. The specific elements of the financial accountability criteria considered in defining a reporting entity are appointment of a voting majority of the Board and either the ability to impose will or possibility of providing a financial benefit or imposing a financial burden. Application of the financial accountability criteria did not identify additional entities to be included in VCERA's annual report.

BASIS OF ACCOUNTING. The accompanying financial statements are prepared on the accrual basis. Investment income is recognized when earned. Administrative and investment expenses are recorded when incurred. Contributions, benefit payments, and refunds are recorded when due and payable in accordance with the terms of the plan. The net appreciation (depreciation) in the fair value of investments is recorded as an increase (decrease) in investment income based upon investment valuations.

INVESTMENT VALUATION. VCERA investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that fair value. In general, however, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on competitive market prices as determined by specialists. Short-term investments are reported at fair value.

RECEIVABLES. Receivables consist primarily of interest, dividends, and investments in transition, i.e., traded but not settled, and contributions owed by the employing entities as of June 30, 2009.

USE OF ESTIMATES. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

SECURITIES LENDING. Cash collateral received in the course of securities lending transactions is recorded as a current asset of the Association, and the obligation to repay the collateral is recorded as a current liability, in accordance with the requirements of GASB Statement Number 28. In addition, gross earnings received on invested cash collateral are reported as Other Investment Income, and borrower rebates and agent fees are recorded as Investment Expenses. This income and expense amounted to $891,202 and $556,395, respectively, for the year ended June 30, 2009, a decrease due primarily to reduced activity in securities lending activity. Non-cash collateral, and the related repayment obligation, is not recorded on the books of the Association, as there is no ability to pledge or sell the collateral absent borrower default. See Note 3 for additional information on securities lending.

RECLASSIFICATION. Certain financial statement items from the prior year's financial statements have been reclassified for comparative purposes. Such reclassification had no effect on previously reported plan net assets.

IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT. VCERA adopted Governmental Accounting Standards Board's (GASB) Statement No. 49, 52, 55, and 56.

i. The provisions of Governmental Standards (GASB) Statement No. 49, Accounting for Financial Reporting or Pollution Remediation Obligations, is to be implemented as of June 30, 2009, however, this provision is not applicable to VCERA.

ii. The provisions of Governmental Standards (GASB) Statement No. 52, Land and other Real Estate held as Investments by Endowments, is to be implemented as of June 30, 2009, however, this provision is not applicable to VCERA.

iii. Governmental Standards (GASB) Statements No. 55 and 56 were implemented as of June 30, 2009. Statement No. 55, incorporating the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature, did not cause any real changes to the preparation process of the financial statements and did not have a significant impact on the financial statements, thus the Board does not expect this statement will result in a change in current practice. Statement No. 56, incorporating into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards, did not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. Thus, this provision did not cause any real changes to the preparation process of the financial statements and did not have a significant impact on the financial statements.

Notes to the Financial Statements

For the Years Ended June 30, 2009 and 2008 (continued)

2. Plan Description

The Ventura County Employees' Retirement Association (VCERA) was established under the provisions of the California Government Code (Code) Sections 31450 through 31899, known collectively as the County Employees' Retirement Law of 1937. VCERA operates a cost-sharing multi-employer defined benefit pension plan (Plan) that includes employees of the County of Ventura, the Ventura County Courts and the Ventura Regional Sanitation District, a special district located in the County, but not under the direction of the Ventura County Board of Supervisors. VCERA is a pension trust fund of the County of Ventura. VCERA provides retirement, disability, cost of living, and death and survivor benefits to its members and qualified beneficiaries.

Plan Membership. Membership is mandatory for employees with bi-weekly work schedules of 64 hours or more. Members employed up to and including June 29, 1979, are designated as General Tier 1 members. Members employed after June 29, 1979, are designated as General Tier II members. Safety members (eligible Sheriff, Fire and Probation employees) are classified as Tier I regardless of hire date. At June 30, 2009 and 2008, VCERA membership consisted of:

Membership	2009	2008
Retirees and beneficiaries currently receiving benefits	5,041	4,914
Active Employees		
Vested	5,256	5,158
Non-vested	2,789	2,770
Terminated but not yet receiving benefits	2,055	2,007
Total	**15,141**	**14,849**

Benefit Provisions. State law along with resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors establishes the Plan's benefit provisions and contribution requirements.

Retirement Allowances. Employees with 10 or more years of service are entitled to an annual retirement allowance beginning at age 50. Allowances are based upon members' ages at retirement, final compensation, and total years of service.

Disability Benefits. A member who becomes permanently disabled for the performance of their duties may be granted a disability retirement allowance payable for life. If the disability is the result of a job related injury or illness, the member may be granted a service-connected disability retirement. If the disability is not the result of a job related injury or illness, the member may receive a nonservice-connected disability retirement allowance.

DEATH BENEFITS. VCERA pays a basic death benefit, which consists of the member's accumulated contributions plus an amount equal to an average month's salary to a maximum of six months' salary. If the deceased member was vested, a surviving spouse may elect, in lieu of the basic death benefit, a monthly allowance equal to 60 percent of the monthly retirement allowance to which the deceased member would have been entitled had the member been retired for nonservice-connected disability as of the date of death.

Benefits payable to a surviving spouse or other beneficiary of a member who dies after retirement depend upon the retirement option selected by the member at the time of retirement and whether the member's retirement was a regular service retirement, a nonservice-connected disability retirement or a service-connected disability retirement.

SUPPLEMENTAL BENEFITS. On January 15, 1991, the Ventura County Board of Supervisors adopted a resolution to make operative Government Code section 31682. Adoption of this section permitted the Board of Retirement to adopt a resolution to provide a vested supplemental benefit of $108.44 per month to all eligible retirees.

Effective March 17, 2003, the Board of Retirement adopted a resolution providing an additional $27.50 per month to eligible retirees receiving the vested supplemental benefit described above. The additional non-vested supplemental benefit is provided pursuant to Government Code Sections 31691.1 and 31692, respectively.

COST OF LIVING ADJUSTMENT. Cost of living adjustments, based upon changes in the Consumer Price Index for the Los Angeles area, of up to 3% per annum are made for all Tier I retirees.

On February 28, 2005, the Board of Retirement adopted regulations pursuant to Government Code Section 31627 to provide a cost of living adjustment to a majority of Tier II general members represented by SEIU Local 721. The prospective cost of living adjustment will be fixed at 2% annually and be funded by employee contributions.

SUPPLEMENTAL COST OF LIVING ADJUSTMENT. In addition to the basic cost of living adjustment, the California Government Code provides the Board of Retirement the authority to grant supplemental cost of living increases to retirees who have lost 20% or more of their cost of living increases to inflation. Funding is provided from the Supplemental Targeted Adjustment Reserve, which derives funding from excess investment earnings. The Board of Retirement reviews the adequacy of STAR COLA funding annually and approved the payment of a supplemental cost of living increase to eligible retirees through September 30, 2010 on April 28, 2008.

TERMINATIONS. Effective January 1, 2003, members with less than five (5) years of service may elect to leave their accumulated member contributions on deposit until first eligible to receive benefits in accordance with Government Code Section 31629.5.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

3. INVESTMENTS

INVESTMENT POLICY. VCERA, in accordance with state statutes, invests in any form or type of investment, financial instrument, or financial transaction deemed prudent in the informed opinion of the Board of Retirement. State Street Bank and Trust Company (State Street) serves as the master custodian for the majority of VCERA's assets.

While VCERA recognizes the importance of capital preservation, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board of Retirement's investment policy allows investment to the entire United States fixed income market (maturities 1 to 30 years) including Treasury and government agency bonds, corporate debt, mortgages, and asset-backed securities. The fixed income portfolio is largely comprised of investment grade issues (rating of BBB {Standard & Poor's} or Baa3 {Moody's} or higher) and may include, subject to limits, opportunistic investment in non-dollar and high yield bonds. VCERA's investment policy recognizes that in the long-run equity returns will be greater than fixed income returns, but with expected greater volatility over shorter periods. Both domestic and international equity investing is permitted with exposure, subject to limits, to both the large and small capitalization ranges. Discretion is also permitted to international managers to invest, with limits, opportunistically in emerging market equities. Real Estate investing is also allowed with the goal to provide competitive risk adjusted returns as well as diversification benefits to VCERA's portfolio.

As of June 30, 2009 and 2008, VCERA had the following investments:

	JUNE 30, 2009	JUNE 30, 2008
DOMESTIC EQUITY	$ 826,695,740	$1,068,526,868
DOMESTIC FIXED INCOME	645,882,173	780,159,553
INTERNATIONAL EQUITY	390,947,663	563,157,665
SECURITIES LENDING SHORT TERM INVESTMENT COLLATERAL	71,474,456	38,303,782
REAL ESTATE	161,873,618	253,150,345
GLOBAL EQUITY	127,986,640	183,932,810
INTERNATIONAL BONDS	14,270,455	21,836,551
TOTAL INVESTMENTS	**$2,239,130,745**	**$2,909,067,574**

CUSTODIAL CREDIT RISK. VCERA considers investments purchased with a maturity of 12 months or less to be short-term investments. Although not having a policy that specifically addresses the limiting of custodial credit risk, VCERA, in practice, limits custodial credit risk for deposits by maintaining substantially all cash and short-term investments in external investment pools managed by the County of Ventura and State Street Bank. All other investment securities are held by State Street Bank in VCERA's name. VCERA maintains a commercial bank account with depository insurance coverage from the Federal Depository Insurance Corporation (FDIC). Balances in VCERA's commercial bank account at June 30, 2009 and 2008 were $44,055 and $118,486, respectively.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

As of June 30, 2009 and 2008, VCERA had the following cash and short-term investments:

	June 30, 2009	June 30, 2008
State Street Bank	$ 63,528,615	$123,310,296
County of Ventura Treasurer's Investment Pool	1,007,783	2,754,930
Commercial Bank Account	44,055	118,486
Total	**$ 64,580,453**	**$126,183,712**

Credit Risk. VCERA requires its total fixed income portfolio be rated AA or higher by Standard & Poor's (S&P) or Aa2 by Moody's. Aggregated amounts by rating category using S&P ratings are as follows:

Rating Category	Amount held at 06/30/2009	Amount held at 06/30/2008
Separate Holdings:		
AAA	$ 148,578,273	$ 158,834,239
AA	24,055,747	24,433,570
A	105,692,970	53,180,626
BBB	141,591,000	78,503,257
BB	23,438,442	22,429,924
B	9,811,721	25,905,318
CCC	22,196,435	7,901,692
CC	161,474	0
C	145,600	0
D	342,944	850,200
No Rating	8,161,431	133,090,861
Total Separate Holdings	**$ 484,176,037**	**$ 505,129,687**
Pooled Investments:		
AAA	$ 154,993,258	$ 250,784,286
AA	2,143,353	14,264,241
A	5,680,472	11,718,536
BBB	5,112,021	10,378,038
BB	0	9,721,316
B	8,047,487	0
Total Pooled Investments	**$ 175,976,591**	**$ 296,866,417**
Total Fixed Income Portfolio	**$ 660,152,628**	**$ 801,996,104**

Overall, VCERA's fixed income portfolios were rated AA at June 30, 2009 and June 30, 2008, respectively.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

INTEREST RATE RISK. VCERA recognizes the importance of managing its exposure to interest rate risk and has developed a policy to limit the duration of VCERA's fixed income portfolio to plus or minus 20% to that of the broad fixed income market as defined by the Barclays Capital Aggregate Bond Index. Duration, an investments exposure to fair value change arising from a change in interest rates, by investment category and amount at June 30, 2009 and 2008 is as follows:

CATEGORY	ASSETS HELD AT 06/30/2009	DURATION	ASSETS HELD AT 06/30/2008	DURATION
TREASURY	$ 79,982,854	4.2	$ 12,385,871	7.9
AGENCY	2,386,622	6.1	18,818,551	8.0
MORT-BACKED	169,106,457	4.6	329,677,600	5.0
ASSET-BACK	8,703,822	1.4	6,807,898	2.0
CREDIT	286,718,038	5.4	248,258,213	4.8
FOREIGN	14,270,455	4.6	21,836,551	5.2
OTHER	40,422,811	1.8	20,071,986	0.5
PASSIVELY MANAGED	58,561,569	4.2	144,139,434	4.4
TOTAL	**$ 660,152,628**	**4.8**	**$ 801,996,104**	**4.8**

The duration for the Barclays Capital Aggregate Bond Index as of June 30, 2009 and 2008 was 4.2 years and 4.4 years, respectively.

FOREIGN CURRENCY RISK. VCERA, through its investment policy, recognizes the return and diversification benefits gained by investing in markets outside the United States. The majority of VCERA's international investments are held in commingled investment pools with other institutional investors. VCERA may also hold individual foreign securities within the fixed income allocation. Investments in countries outside the United States exposes VCERA to the risk that changes in currency exchange rates may affect the fair value of these investments.

VCERA's international equity, global equity and fixed income investment managers may utilize forward exchange (FX) currency contracts, currency futures contracts and currency options to minimize currency fluctuations in non-dollar denominated securities. VCERA's investment policy does not allow forward currency contracts, futures contracts and options to be utilized speculatively. Risks surrounding the contracts and options include fluctuations in exchange rates and the inability of the counterparty to meet contract and option terms. Differences between contract exchange rates and market exchange rates at settlement result in gains and losses.

As of June 30, 2009 and 2008, VCERA's forward exchange currency contracts were valued at zero and $57,964, currency future contracts had a notional value of $177,872,138 and $286,916,035 and currency options were valued at -$212,525 and -$174,364, respectively. All forward currency contracts, futures currency contracts and currency options have been included at fair value in the Statements of Plan Net Assets, and all realized and unrealized gains/losses associated with the securities have been included in the Statements of Change in Plan Net Assets for the years ending June 30, 2009 and 2008, respectively.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

Currency	Fixed Income at June 30, 2009	Equities at June 30, 2009	Fixed Income at June 30, 2008	Equities At June 30, 2008
Australian Dollar	$ 2,488,535	$ 6,395,623	$	$ 9,210,674
British Pound		32,084,390		59,190,000
Canadian Dollar	2,982,529	9,337,182	2,261,633	19,487,164
Danish Krone		745,735		1,922,044
Euro		53,251,824		99,286,721
Hong Kong Dollar		6,828,347		9,473,058
Japanese Yen		39,610,657		69,423,558
new zealand dollar	926,181	0		0
Norwegian Krone		1,403,329		2,309,403
S. African Rand		2,683,717		3,411,291
Singapore Dollar		4,136,961	1,916,726	7,558,426
South Korean Won		6,854,239	1,207,991	8,895,903
Swedish Krona		1,023,637		2,337,619
Swiss Franc		20,476,601		32,541,214
Other Emerging Mkt	2,522,062	36,717,255	6,344,652	47,409,703
Total Securities Subject to Foreign Currency Risk	$ 8,919,307	$ 221,549,497	$ 11,731,002	$ 372,456,778
US $ Investments in International Portfolios	5,351,148	169,398,166	10,105,549	292,170,616
US $ Investments in Global Portfolios		127,986,640		82,463,081
Total	**$ 14,270,455**	**$ 518,934,303**	**$ 21,836,551**	**$ 747,090,475**

Securities Lending. VCERA, under provisions of state statutes, and its investment policy authorizes State Street to act as agent in lending VCERA's securities to broker-dealers and other entities in the form of a loan agreement. Borrowers were required to deliver collateral in an amount equal to not less than 100% and typically 102%, of the fair value of securities borrowed.

As of June 30, 2009 and 2008, VCERA had no credit risk exposure because the amounts VCERA owes the borrowers exceeds the amounts the borrowers owe VCERA. State Street indemnified VCERA by agreeing to purchase replacement securities, or return cash collateral, in the event a borrower failed to return a lent security or pay distributions while the security was on loan.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

VCERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested with cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. Because loans were terminable at will, their maturity did not generally match the maturity of the investments made with cash collateral. VCERA cannot pledge or sell collateral securities without borrower default. As of June 30, 2009 and 2008, VCERA had securities on loan with a fair value of $70,049,757 and $37,508,493, with cash collateral of $71,474,456 and $38,303,782, respectively.

VCERA's securities lending income for the years ended June 30, 2009 and 2008 is as follows:

	2009	2008
GROSS INCOME	$ 891,202	$10,190,554
EXPENSES		
BORROWER REBATES	412,904	8,337,981
MANAGEMENT FEES	143,491	555,961
NET INCOME	**$ 334,807**	**$ 1,296,612**

CONCENTRATION OF CREDIT RISK. VCERA, through policies developed and implemented by the Board of Retirement, maintains the goal of having a well-diversified portfolio. As such, VCERA had no investments in any one named security that would represent 5% or more of total investments. Pooled investments and investments issued by or explicitly guaranteed by the U.S. Government are exempt from this requirement.

4. ACTUARIAL VALUATION

Actuarial valuations to determine VCERA's funding status and future contribution rates are performed annually. Actuarial assumptions and methods used by the actuary meet the guidelines set forth by Governmental Accounting Board Statement No. 25. The schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial liability of benefits over time. The information included within this report is based upon the valuation performed as of June 30, 2009.

SCHEDULE OF FUNDING PROGRESS
($ IN THOUSANDS)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (b)	UNFUNDED (OVERFUNDED) AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS AN UNFUNDED (OVERFUNDED) PERCENTAGE OF COVERED PAYROLL {(b-a)/c}
06/30/09	$3,090,148	$3,663,701	$573,553	84.34%	$634,777	90.36%

SCHEDULE OF EMPLOYER CONTRIBUTIONS ($ IN THOUSANDS)

YEAR ENDED JUNE 30	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	$105,278	100%

LATEST ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

Valuation Date:	June 30, 2009
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll (assuming a 4.25% payroll increase)
Remaining Amortization Period:	15 years for UAAL as of June 30, 2004. Any new UAAL after June 30, 2004 will be separately amortized over a fixed 15-year period effective with that valuation.
Asset Valuation Method:	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a 5-year period. Prior to the June 30, 2004 valuation, the recognized return was the unrealized capital gains and losses. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations.
Actuarial Assumptions:	
Investment Return:	8%
Projected Salary Increases:	5.00% - 13.25% varying by service. Includes inflation at 3.50%, "across the board" increases of 0.75%, plus merit and longevity increases.
Post Retirement Benefit Increases:	Contingent upon CPI increases with a 3% maximum for Tier I members.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

5. CONTRIBUTIONS

Employer and employee contribution rates are established and amended by VCERA's Board of Retirement. Contribution rates are actuarially determined using the "entry age normal cost" method. According to this method, the "normal cost" is the level amount that would fund the projected benefit if it were paid annually from date of employment until retirement.

The "Entry Age Normal Cost Method" is modified so that the employer's total normal cost is expressed as a level percentage of payroll. The level percentage of payroll method is also used to amortize the unfunded actuarial liability. For the June 30, 2009 valuation, the period for amortizing the unfunded liability is fixed at 15 years in accordance with the Board of Retirement's policy adopted August 16, 2004, to amortize future actuarial gains and losses over fixed 15-year periods.

VCERA's employers were required to contribute $105.3 million and $104.4 million in actuarially determined contributions for the fiscal years ending June 30, 2009 and 2008, respectively.

Member contributions range from 5.57% to 12.10% depending upon member tier and plan status.

6. OTHER EMPLOYER CONTRIBUTIONS

In addition to the actuarially determined contributions, VCERA's employers contribute, pursuant to Government Code Section 31581.1, a portion of the contributions normally required of general Tier 1 and safety members. These employer paid member contributions do not become part of the accumulated contributions of the member, but vest in the employer advance reserves.

The value of the "Other Employer Contributions" is shown separately from Actuarially Determined Employer Contributions within the Additions Section of the Statements of Changes in Plan Net Assets on page 16.

7. RESERVES

VCERA's reserves are composed of member contributions, employer contributions, and accumulated investment income. The reserves do not represent the present value of assets needed to satisfy retirements and other benefits as they come due. VCERA's major reserves are as follows:

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

MEMBER RESERVES. Represent member's accumulated contributions. Additions include member contributions and interest credited; deductions include transfers to Retired Member Reserves and refunds.

EMPLOYER ADVANCE RESERVES. Represent the total employer contributions made on behalf of current active members for future retirement benefits. Additions include employer contributions and interest credited; deductions include transfers to Retired Member Reserves and death benefits.

RETIRED MEMBER RESERVES. Represent total accumulated transfers from Member Reserves and Employer Advanced Reserves and interest credited, less benefit payments made to retirees.

VESTED FIXED SUPPLEMENTAL RESERVE. Represents the funding set aside to pay the vested supplemental retirement benefit of $108.44 monthly to all eligible retirees. Additions include investment income designated by the Board of Retirement and interest credited, less benefit payments made to eligible retirees.

NON-VESTED SUPPLEMENTAL RESERVE. Represents the funding set aside to pay the non-vested supplemental retirement benefit of $27.50 monthly to all eligible retirees. Additions include investment income designated by the Board of Retirement less benefit payments made to eligible retirees.

SUPPLEMENTAL COLA BENEFIT RESERVE. Represents the funding designated to fund the supplemental cost of living to eligible retirees. Additions include investment income designated by the Board of Retirement and interest credited less benefit payments made to eligible retirees.

RESERVE FOR DEATH BENEFITS. Represents funds designated to pay death benefits pursuant to Government Code Section 31789.5. Additions include funding from investment income and interest credited; deductions include benefits paid.

MARKET STABILIZATION RESERVE. Represents the difference between the current market value of assets and the actuarial value of assets used to establish the above reserves.

CONTINGENCY RESERVE. Represents funds set aside for future earnings deficiencies. Balance is established at 1% of total assets in accordance with Government Code section 31592.2.

Notes to the Financial Statements
For the Years Ended June 30, 2009 and 2008 (continued)

UNRESTRICTED RESERVE. Represents the excess of accumulated realized investment earnings after satisfying all expenses of the Plan.

Reserve balances as of June 30, 2009 and 2008, are as follows:

	2009	2008
MEMBER	$ 499,204,723	$ 466,331,828
EMPLOYER ADVANCE	914,973,426	895,588,643
RETIRED MEMBER	1,545,346,892	1,470,874,480
VESTED FIXED SUPPLEMENTAL	119,226,735	116,148,895
NON-VESTED SUPPLEMENTAL	19,013,919	15,324,524
SUPPLEMENTAL COLA BENEFIT	3,146,286	4,588,738
DEATH BENEFITS	11,396,302	10,922,524
MARKET STABILIZATION	-864,675,266	-230,770,044
CONTINGENCY	0	31,552,661
UNRESTRICTED	0	95,889,891
TOTAL RESERVES	**$ 2,247,633,017**	**$ 2,876,452,140**

On January 26, 2008, the Board of Retirement approved a change in the Available Earnings Measure for Crediting Interest on Reserves from one based on book value to one based on actuarial value. As part of the change, the Board of Retirement redefined the Market Stabilization Reserve to be the difference between the Market Value of Assets and the Actuarial Value of Assets, rather than the previously defined difference between the Market Value of Assets and the Book Value of Assets.

8. ADMINISTRATIVE EXPENSES

As permitted by Section 31580.2 of the Government Code, the Board of Retirement adopts an annual budget, financed from investment income, covering the entire expenses of Plan administration. The Code provides that administrative expenses incurred in any year are not to exceed 18/100 of 1 percent of the Plan's total assets. Administrative expenses incurred in fiscal year 2009 and 2008 were within the limits established by the Code.

	2009	2008
TOTAL ASSET BASE AT FAIR VALUE (DECEMBER 31, 2007 AND 2006)	$3,516,360,700	$3,129,193,600
MAXIMUM ALLOWED FOR ADMINISTRATIVE EXPENSE ($3,516,360,700 & $3,129,193,600 * 0.18%)	6,329,449	5,632,548
ACTUAL ADMINISTRATIVE EXPENSE	3,535,690	3,267,594
EXCESS OF ALLOWED OVER ACTUAL EXPENSES	$ 2,793,759	$ 2,364,954
ACTUAL ADMINISTRATIVE EXPENSES AS A PERCENTAGE OF TOTAL ASSET BASE	0.10%	0.10%

9. Lease Agreement

Effective March 1, 2007, VCERA entered into a 3-year extension of a commercial lease for office space with the option to renew for two additional 3-year periods. Payments over the lease term total $383,922. Annual amounts due under the agreement are as follows:

Fiscal Year Ending	Amount
2007	$ 42,658
2008	127,974
2009	127,974
2010	85,316

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS
($ IN THOUSANDS)

ACTUARIAL VALUATION DATE		ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (b)	UNFUNDED (OVERFUNDED) AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS AN UNFUNDED (OVERFUNDED) PERCENTAGE OF COVERED PAYROLL {(b-a)/c}
06/30/04	(i)	$2,070,553	$2,393,997	$323,444	86.49%	$475,935	67.96%
06/30/05		2,216,229	2,584,905	368,676	85.74	478,053	77.12
06/30/06	(ii)	2,430,048	2,911,918	481,870	83.45	519,145	92.82
06/30/07		2,736,558	3,112,583	376,025	87.92	551,968	68.12
06/30/08		3,055,756	3,345,804	290,048	91.33	599,173	48.41
06/30/09		3,090,148	3,663,701	573,553	84.34	634,777	90.36

(i) After change in inflation assumption

(ii) After change in mortality assumption

SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2009
($ IN THOUSANDS)

YEAR ENDED JUNE 30	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2004	$ 10,072	100%
2005	51,792	100
2006	74,373	100
2007	86,455	100
2008	104,429	100
2009	105,278	100

DESCRIPTION

The historical trend information about VCERA is presented as required supplementary information. The information is intended to help users assess the funding status of the plan on a going-concern basis and to assess progress in accumulating assets for paying benefits when due.

ACTUARIAL INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation Date:	June 30, 2009
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll (assuming a 4.25% payroll increase)
Remaining Amortization Period:	15 years for UAAL as of June 30, 2004. Any new UAAL after June 30, 2004 will be separately amortized over a fixed 15-year period effective with that valuation.
Asset Valuation Method:	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a 5-year period. Prior to the June 30, 2004 valuation, the recognized return was the unrealized capital gains and losses. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations.
Actuarial Assumptions:	
Investment Return:	8%
Projected Salary Increases:	5.00% - 13.25% varying by service. Includes inflation at 3.50%, “across the board” increases of 0.75%, plus merit and longevity increases.
Post Retirement Benefit Increases:	Contingent upon CPI increases with a 3% maximum for Tier I members.

Supplemental Schedules

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
PERSONNEL SERVICES:		
SALARIES	$ 1,110,641	$ 1,041,368
EMPLOYEE BENEFITS	556,929	604,978
TOTAL PERSONNEL SERVICES	**1,667,570**	**1,646,346**
PROFESSIONAL SERVICES:		
ACTUARIAL FEES	71,403	94,857
COMPUTER SOFTWARE AND SYSTEM SUPPORT	721,226	524,402
LEGAL SERVICES	182,193	224,573
PENSION PAYROLL FEES	234	198
OTHER PROFESSIONAL SERVICES	530,650	441,525
TOTAL PROFESSIONAL SERVICES	**1,505,706**	**1,285,555**
COMMUNICATION:		
POSTAGE	46,454	41,595
TELECOMMUNICATION	17,010	19,438
TOTAL COMMUNICATION	**63,464**	**61,033**
MISCELLANEOUS:		
OFFICE LEASE	127,974	127,994
EDUCATIONAL	46,882	44,433
EQUIPMENT	19,957	15,491
COUNTY DEPARTMENT CHARGES	67,567	17,833
INSURANCE	4,072	4,561
OTHER MISCELLANEOUS	32,498	64,348
TOTAL MISCELLANEOUS	**298,950**	**274,660**
TOTAL ADMINISTRATIVE EXPENSES	**$ 3,535,690**	**$ 3,267,594**

Supplemental Schedules (continued)

SCHEDULE OF INVESTMENT EXPENSES FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
INVESTMENT ACTIVITY		
INVESTMENT MANAGEMENT FEES		
STOCK MANAGERS		
DOMESTIC	$ 283,171	$ 1,849,690
INTERNATIONAL/GLOBAL	2,053,814	2,089,592
BOND MANAGERS	1,380,436	1,528,204
REAL ESTATE	1,873,313	2,259,264
TOTAL INVESTMENT MANAGEMENT FEES	**5,590,734**	**7,726,750**
OTHER INVESTMENT EXPENSES		
CASH OVERLAY	45,454	11,614
INVESTMENT CONSULTANT	223,000	215,500
CUSTODIAN	96,897	96,816
TOTAL OTHER INVESTMENT EXPENSES	**365,351**	**323,930**
TOTAL INVESTMENT EXPENSES	**$ 5,956,085**	**$ 8,050,680**

SCHEDULE OF PAYMENTS TO CONSULTANTS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
LEGAL SERVICES	$ 182,193	$ 224,573
ACTUARIAL CONSULTING FEES	71,403	94,857
INVESTMENT MANAGEMENT CONSULTING FEES	223,000	215,500
NETWORK AND OTHER INFORMATION TECHNOLOGY SERVICES	721,226	524,402
TOTAL PAYMENTS TO CONSULTANTS	**$1,197,822**	**$1,059,332**

INVESTMENT

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December 09, 2009

Mr. Tim Thonis
Retirement Administrator
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

Dear Tim,

Ventura County Employees' Retirement Association's (VCERA) overall objective is to provide Association participants with retirement, disability, death, and survivor benefits delineated in the County Employees' Retirement Law of 1937, as well as other Federal and State laws relating to the public employees' retirement system of the State of California. To fulfill this primary objective, VCERA utilizes a carefully planned and executed investment program designed to produce a sufficient total portfolio, long-term real return. The investment activities of VCERA are designed and executed in a manner solely in the interest of, and for the exclusive purpose of, providing benefits to participants and the beneficiaries, minimizing contributions thereto, and defraying reasonable expenses of administering the Plan.

VCERA's retirement fund is managed in accordance with a written Investment Policy. This Policy is periodically reviewed and revised by the Retirement Board depending on actuarial assumptions, accrued liabilities, and information provided through Asset and Liability Studies.

Market Environment Update

The market struggled during the majority of the fiscal year as concerns over instability, effects of recession on corporate profitability, questionable earnings forecast, lack of liquidity, and a rising unemployment rate weighed on equity markets. Although the markets experienced a strong rally in the second quarter of 2009, this was not enough to outweigh the losses incurred during the rest of the fiscal year. The broad U.S. equity market, as measured by the DJ U.S. Total Stock Index declined 26.4% during the one-year period ending June 30, 2009. Each of the Index's underlying sectors produced negative returns. The capital goods (-43.2%) and energy (-42.3%) sectors were the largest detractors from performance. In contrast to the previous fiscal year's trend, mid and small cap domestic stocks fared better than large cap stocks. With regards to style, value stocks experienced a greater loss than growth stocks.

Similar to U.S. stocks, non-U.S. stocks experienced significant losses during the fiscal year and underperformed U.S. stocks. The MSCI All Country World ex-U.S. Index fell 30.9% during the fiscal year ending June 30, 2009. The Index's poor performance was attributed to the weakening of the dollar and concerns that the U.S. financial turmoil would lead to a global slowdown. Individual country returns for the 12 months ending June 30, 2009, ranged from

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3.4% (Columbia) to -66.6% (Ireland). Emerging markets also experienced negative returns during the 2009 fiscal year as a result of global slowdown and declining oil and commodity prices. The MSCI Emerging Markets Index declined 28.1% during the twelve month period ending June 30, 2009.

The U.S. bond market provided investors with positive returns as the Barclays Capital Aggregate Bond Index gained 6.0% during the fiscal year ending June 30, 2009. Much of the return was as a result of strong performance in the fourth quarter of 2008 as bonds benefited from investors' flight to quality, resulting in lower yields for government maturities. However, during the second quarter of 2009 riskier segments of the market performed well, as credit spreads collapsed in the credit and securitized markets. Many of the better-performing sectors of the market were impacted either directly or indirectly through the government's policies such as TALF (Term Asset-Backed Securities Loan Facility), PPIP (Public-Private Investment Program), and direct capital injections of financial institutions. U.S. high yield bonds as measured by the Barclays Capital U.S. High-Yield Index experienced a loss of 2.4% during the 2009 fiscal year although the Index returned 36.0% during the first two quarters of 2009. The Fed continued to make several reductions to the Federal Funds Rate as means of urging lending activity and in attempts to deter further weakening in the economy. At the end of the 2009 fiscal year, the Federal Funds Rate was 0%.

VCERA's Relative Performance Update

During the 2009 fiscal year, VCERA's Total Fund (Fund) fell 21.1% and trailed the return of the Policy Portfolio by 2.6 percentage points, net of investment management fees. The Fund lagged the return of the Policy Portfolio during the intermediate–term periods as well, but matched the return of the Policy Portfolio during the trailing ten-year period.

The Fund's U.S. equity investments declined 27.6% during the fiscal year ending June 30, 2009, trailing the Performance Benchmark by 1.2 percentage points. Underperformance was a result of below-benchmark results from Western's enhanced index platform. During the first half of the 2009 fiscal year, Western considerably underperformed its benchmark due to its significant overweight allocation relative to its benchmark in the mortgage-backed sector. Additionally, Western's exposure to non-agency issues impeded performance as they were negatively affected by volatility in the non-agency marketplace and rising defaults. However, Western partially offset its 2009 fiscal year relative performance in the second half of the fiscal year, outperforming its benchmark by 14.9 percentage points during these two quarters as credit spreads contracted significantly. The component's passive investments approximated the return of their respective benchmarks during the 2009 fiscal year. These passive investments represent a majority of the U.S. equity portfolio and help significantly in controlling risk and containing cost relative to the policy portfolio

The collective return of the non-U.S. equity component fell 30.8% during the 2009 fiscal year, modestly saving value relative to the MSCI All Country World ex-U.S. Index. Both Capital Guardian and Sprucegrove fared better than their respective benchmarks. Capital Guardian returned -28.9% during the fiscal year compared to a -30.9% return from its benchmark. The manager benefited from positive stock selection in the materials and telecommunications sectors for the majority of the fiscal year. Sprucegrove declined 28.5%, while its benchmark was down 31.4%. Favorable stock selection in the industrials and materials sectors aided relative performance. From a country perspective, Sprucegrove benefited from favorable stock selection in Japan. Conversely, a significant overweight allocation to Ireland hindered performance. Artio's International Equity II strategy was funded in October 2009 and since its inception trailed its benchmark by 12.2 percentage points. The manager attributes its underperformance to it's positioning in eastern and central Europe. Artio was also hurt by its significant underweight allocation to the financial sector as it experienced significant gains during the last quarter of the fiscal year.

The Fund's global equity component declined 30.5% and trailed the MSCI All Country World Index by 1.2 percentage points over the one-year period ending June 30, 2009. GMO returned -22.5% during the fiscal year, saving approximately 6.8 percentage points of value relative to the Index. GMO's implementation and asset allocation decisions, due to their high quality bias, contributed to relative performance success. With respect to implementation, the U.S. Quality Strategy was one of the largest contributors to performance. Acadian posted a -38.6% return and trailed the Index by 9.3 percentage points during the 2009 fiscal year. Underperformance was a result of significant losses experienced on the short side specifically in Japan, Norway, U.K., and U.S. markets.

During the fiscal year ending June 30, 2009, the Fund's fixed income component gained 3.9%, but lagged the return of the Barclays Capital Aggregate Bond Index by 2.1 percentage points. Both Western and Loomis Sayles detracted from performance on a relative and absolute basis. In contrast, Reams partially mitigated the component's underperformance as it produced above-benchmark results. Western returned -1.1% during the fiscal year and trailed the Index by 7.1 percentage points. Western's non-agency mortgage positions had a significant negative impact on performance, as the flight to quality during the first two quarters of the fiscal year put further pressure on the prices of the securities. The portfolio's overweight exposure to corporate bonds also hindered performance. Western did benefit from the narrowing of credit spreads during the second quarter of fiscal year 2009, but this was not enough to outweigh previous losses experienced in the fiscal year. Loomis Sayles fell 3.7% during the 2009 fiscal year and lagged its benchmark by 7.7 percentage points. Its sector positioning decisions and non-U.S. dollar-denominated positions were the primary detractors of performance. In contrast to Western and Loomis Sayles, Reams generated a positive return of 7.9% and outperformed its benchmark by 1.9 percentage points. Outperformance was a result of Reams' impressive 27.8% return during the second quarter 2009. Reams benefited from security selection within the investment grade credit sector.

The Fund's real estate portfolio declined 36.1% during the 2009 fiscal year and underperformed its benchmark by 14.3 percentage points. Each of the component's underlying managers trailed their respective benchmarks. RREEF was the largest detractor on an absolute and relative performance. Recent weak performance has brought the component's trailing three year return ending June 30, 2009 to -7.9%. Although positive returns are experienced in the trailing five-, ten- year, and since-inception periods, the Fund's component has lagged its benchmark during those periods.

Enhancements Made Within the Investment Program

During the fiscal year of 2009, the Board closely scrutinized all aspects of its portfolio as the market declined and then began to recover late in the period. The Board continued to maintain its policy portfolio discipline and was well positioned as the market rebounded. More specifically, Artio's International Equity II strategy was funded in October 2008. The strategy is a core, primarily top-down, non-U.S. equity product offering with market capitalization exposure similar to that of the MSCI All Country World ex-U.S. Index. This strategy was added to provide greater degrees of manager structure diversification.

In the next fiscal year, the VCERA Board will continue evaluating investment alternatives including currency overlay and private equity mandates.

Throughout the fiscal year, Ennis Knupp provided VCERA with quarterly performance reports, investment manager monitoring, and related investment advice. In preparing our performance reports for VCERA, we rely on the accuracy of the financial data provided to us by the fund's custodian, State Street.

Sincerely,

Kevin Vandolder, CFA
Principal

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\\ekfile01\Client\VCERA\WP\Letters\2009_12_09 Fiscal Year review letter 2009.doc

Outline of Investment Policies

GENERAL. The Board establishes this investment policy in accordance with the provisions of the County Employees' Retirement Law of 1937 (Government code Sections 31450 et. seq.). VCERA is considered a separate entity and is administered by a Board consisting of nine members, plus two alternates. VCERA's Board and its officers and employees shall discharge their duties as provided for in Government Code Section 31595:

- solely in the interest of, and for the exclusive purpose of, providing benefits to participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.
- 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 with like aims.
- shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

VCERA's assets are managed on a total return basis. While VCERA recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns in the long run.

External professional investment firms manage VCERA's assets. VCERA's staff, along with the investment consultants, monitors manager activity and assists the Board with the implementation of investment policies and strategies.

ASSET ALLOCATION POLICY. VCERA has a long-term investment horizon, and utilizes an asset allocation, which encompasses a strategic long-term perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of VCERA's investment performance.

Effective April, 2008, the Board adopted a new asset allocation plan that was predicated on a number of factors including:

a. The actuarially projected liabilities and benefit payments and the cost to both covered employees and employers.
b. Historical and long-term capital market risk and return behavior.
c. The perception of future economic conditions, including inflation and interest rate levels.
d. The relationship between current and projected assets of the Plan and its actuarial requirements.

A systematic rebalancing procedure, implemented annually, is used to maintain asset allocations within appropriate ranges.

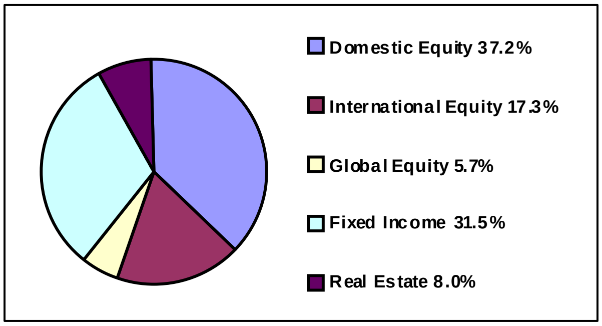
PROXIES. Voting of proxies held by VCERA shall be done in a manner that is in the best financial and economic interests of VCERA, and its beneficiaries.

INVESTMENT

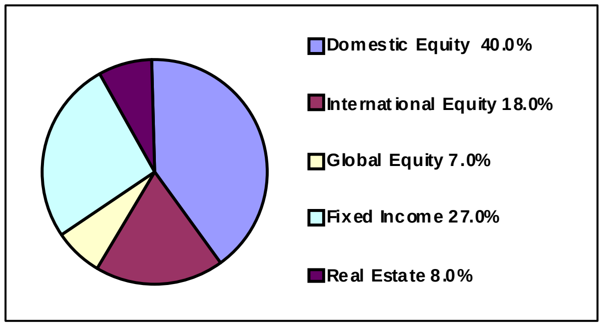
Target Versus Actual Asset Allocation

ASSET ALLOCATION

2009 VCERA ASSET ALLOCATION



TARGET ASSET ALLOCATION



The 2009 Actual Asset Allocation is based upon the Investment Summary following.

LIST OF INVESTMENT PROFESSIONALS

INVESTMENT MANAGERS

Domestic Equity	International Equity	Global Equity
Barclays Global Investors	Capital Guardian Trust Company	Grantham, Mayo, Van Otterloo & Co.
Western Asset US Index Plus	Sprucegrove Investment Management	Acadian Asset Management
	Barclays ACWIXUS	
	Artio Global Investors	

Fixed Income
Barclays Global Investors
Loomis Sayles & Company
Reams Asset Management
Western Asset Management

Real Estate
Guggenheim Real Estate
Prudential Real Estate Investors
UBS Realty Investors
RREEF America III

Investment Consultant	Cash Overlay
EnnisKnupp & Associates	The Clifton Group

Investment Summary

EQUITY

DOMESTIC	MARKET VALUE AS OF JUNE 30, 2009	PERCENTAGE OF TOTAL MARKET VALUE
Barclay's Wilshire 5000	$ 776,528,878	34.3%
Western Asset Management Index Plus	49,309,872	2.2%
Barclay's Extended Equity Index	15,672,931	0.7%
TOTAL DOMESTIC EQUITY	**841,511,681**	**37.2%**
INTERNATIONAL		
Capital Guardian Trust Company	88,139,736	3.9%
Sprucegrove Investment Management	84,185,692	3.7%
Artio Global Investors	61,007,136	2.7%
Barclay's ACWI EX US IMI	157,615,100	7.0%
TOTAL INTERNATIONAL EQUITY	**390,947,664**	**17.3%**
GLOBAL		
Grantham, Mayo, Van Otterloo & Company	71,947,308	3.2%
Acadian Asset Management	56,039,332	2.5%
TOTAL GLOBAL EQUITY	**127,986,640**	**5.7%**
TOTAL EQUITY	**1,360,445,985**	**60.2%**
FIXED INCOME		
Barclay's Debt Index	58,561,569	2.6%
Loomis Sayles & Company	79,184,468	3.5%
Reams Asset Management	287,329,478	12.7%
Western Asset Management	286,637,641	12.7%
TOTAL FIXED INCOME	**711,713,156**	**31.5%**
REAL ESTATE		
Guggenheim Real Estate	16,062,847	0.7%
Prudential Real Estate Investors	68,995,437	3.1%
UBS Realty Investors	85,137,918	3.8%
RREEF America III	10,059,111	0.4%
TOTAL REAL ESTATE	**180,255,313**	**8.0%**
OVERLAY STRATEGIES		
The Clifton Group	7,431,473	0.3%
TOTAL OVERLAY STRATEGIES	**7,431,473**	**0.3%**
TOTAL FAIR VALUE	**$2,259,845,927**	**100.0%**

Schedule of Investment Results

INVESTMENT RETURNS

	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	-27.6%	-10.0%	-3.2%
Benchmark: Dow Jones US Total Stock Index	-26.4%	-8.1%	-1.7%
Domestic Fixed Income	3.9%	5.3%	4.7%
Benchmark: Barclays Capital Agg Bond Index	6.0%	6.4%	5.0%
International Equity	-30.8%	-6.9%	3.4%
Benchmark: MSCI ACWXUS Index	-30.9%	-5.8%	4.5%
Global Equity	-30.5%	-8.2%	N/A
Benchmark: MSCI ACWI	-29.3%	-7.0%	N/A
Real Estate	-36.1%	-7.9%	0.9%
Benchmark: NCREIF Open End Fund Index	-21.8%	-0.7%	6.5%
TOTAL FUND	-21.1%	-4.8%	0.6%
VCERA Policy*	-18.5%	-3.0%	1.9%

* 40% Dow Jones US Total Stock Index, 18% MSCI ACWEXUS Index, 7% MSCI All Country World Index, 27% Barclays Capital Aggregate Bond Index, 8% NCREIF Open End Fund Index

The Annual Returns were prepared using time-weighted rate of return based on the market rate of return.

Largest Stock Holdings

AS OF JUNE 30, 2009

	UNITS	FUND NAME	MARKET VALUE
1	14,177,259	BGI U.S. EQUITY MARKET FUND	$ 776,528,878
2	21,720,976	BGI ACWI EXUS IMI INDEX FUND	157,615,100
3	1,525,292	CAPITAL GUARDIAN GROUP TRUST	88,139,736
4	2,550,641	SPRUCEGROVE INVESTMENT MANAGEMENT GROUP TRUST	84,185,692
5	5,616,629	GRANTHAM MAYO VAN OTTERLOO (GMO) GROUP TRUST	71,947,308
6	557,448	ARTIO GLOBAL MANAGEMENT	61,007,136
7	71,079	ACADIAN ASSET MANAGEMENT GROUP TRUST	56,039,332
8	60,840,997	WESTERN ASSET MANAGEMENT INDEX PLUS	49,309,872
9	111,334	BGI EXTENDED EQUITY MARKET FUND	15,672,931
TOTAL STOCK HOLDINGS			**$1,360,445,985**

All VCERA equity investments at June 30, 2009 were held in index funds and commingled investment vehicles.

Largest Bond Holdings

AS OF JUNE 30, 2008

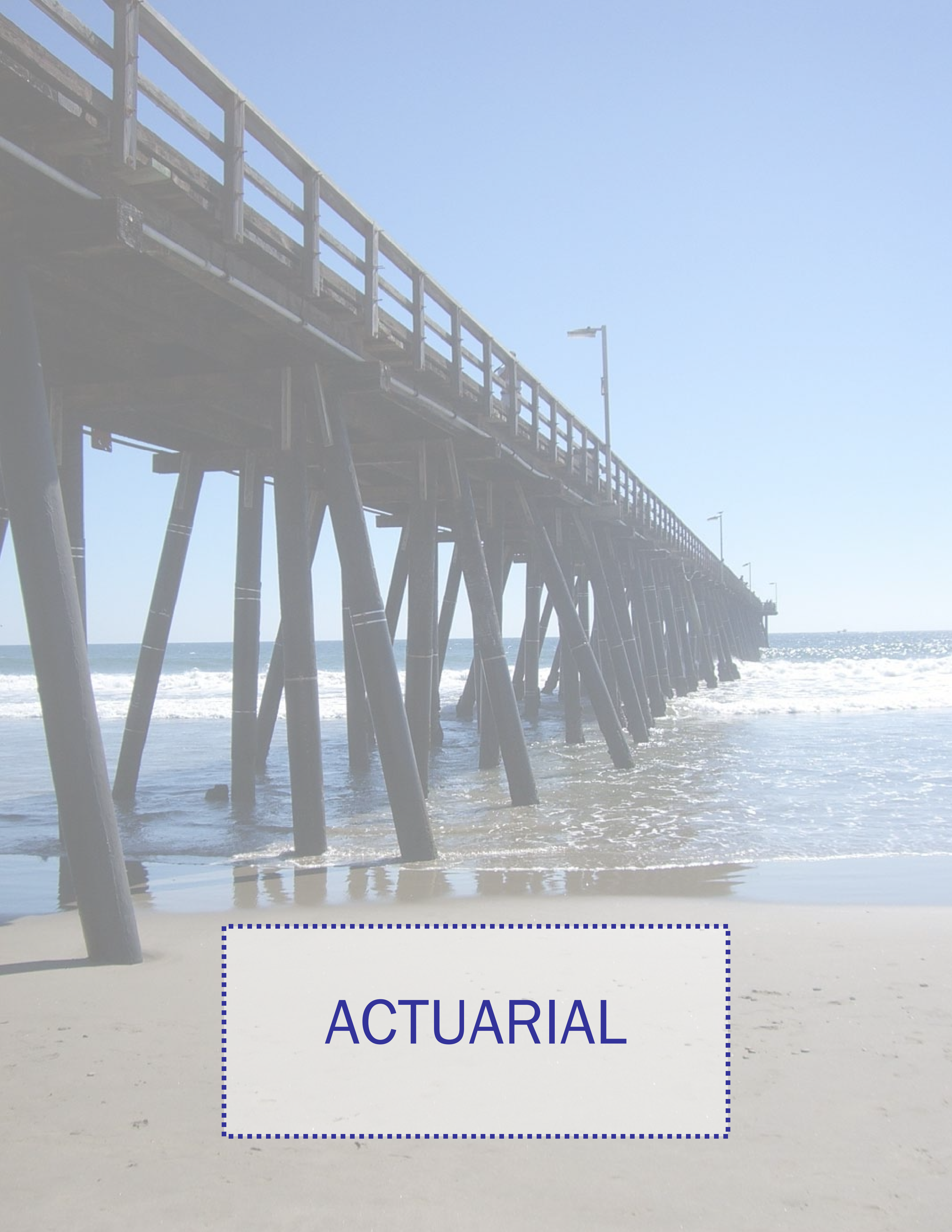
	PAR	BONDS	FAIR VALUE
1	17,995,000	US Treasury Bonds 1.125% Due 6/30/2011 Rating AAA	$17,997,811
2	17,945,000	US Treasury Bonds 0.875% Due 5/31/2011 Rating AAA	17,880,861
3	11,010,000	US Treasury Bonds 2.375% Due 3/31/2016 Rating AAA	10,493,906
4	7,885,445	US Treasury Bonds Infl Indexed 2.125% Due 1/15/2019 Rating AAA	8,144,186
5	6,116,912	US Treasury Bonds Infl Indexed 3.625% Due 4/15/2028 Rating AAA	7,474,102
6	7,040,000	Citigroup Inc Corporate Bond 8.5% Due 5/22/2019 Rating A	7,145,787
7	5,355,000	FNMA TBA Aug30 Single Family 4.5% Rating AAA	5,321,741
8	5,160,000	US Treasury Bonds 2.75% Due 6/30/2014 Rating AAA	5,176,327
9	4,560,000	Deutsche Telecom Corporate Bond 6.00% Due 7/8/2019 Rating BBB+	4,559,347
10	3,762,439	Wachovia CAP TR III Corporate Bond 5.8% Due 3/15/2042 Rating A-	4,344,000
TOTAL LARGEST BOND HOLDINGS			**$88,538,068**

A complete list of portfolio holdings is available upon request.

INVESTMENT

Schedule of Investment Management Fees
For the Years Ended June 30, 2009 and 2008

INVESTMENT ACTIVITY	2009	2008
EQUITY MANAGERS		
DOMESTIC		
BARCLAYS GLOBAL INVESTORS	$ 177,847	$ 111,886
DELTA ASSET MANAGEMENT		417,325
LSV ASSET MANAGEMENT		481,095
WASATCH ADVISORS		659,777
WESTERN ASSET INDEX PLUS	105,324	179,607
TOTAL	**283,171**	**1,849,690**
INTERNATIONAL/GLOBAL		
ACADIAN ASSET MANAGEMENT	595,237	53,290
ARTIO GLOBAL INVESTORS	325,767	
BARCLAYS GLOBAL INVESTORS	199,461	196,909
CAPITAL GUARDIAN TRUST COMPANY	481,895	768,360
SPRUCEGROVE INVESTMENT MANAGEMENT	451,454	610,535
WELLINGTON TRUST COMPANY		460,498
TOTAL	**2,053,814**	**2,089,592**
FIXED INCOME MANAGERS		
DOMESTIC		
BARCLAYS GLOBAL INVESTORS	86,985	55,182
LOOMIS SAYLES & COMPANY	283,655	328,079
REAMS ASSET MANAGEMENT	450,037	518,085
WESTERN ASSET MANAGEMENT	559,759	626,858
TOTAL	**1,380,436**	**1,528,204**
REAL ESTATE		
GUGGENHEIM REAL ESTATE INVESTORS	119,231	251,077
PRUDENTIAL REAL ESTATE INVESTORS	667,596	717,079
RREEF AMERICA III	205,230	217,440
UBS REALTY INVESTORS	881,256	1,073,668
TOTAL	**1,873,313**	**2,259,264**
OTHER INVESTMENT EXPENSES		
CASH OVERLAY	45,454	11,614
INVESTMENT CONSULTANT	223,000	215,500
CUSTODIAN	96,897	96,816
TOTAL	**365,351**	**323,930**
TOTAL INVESTMENT MANAGEMENT FEES	**$ 5,956,085**	**$ 8,050,680**



ACTUARIAL

SEGAL

THE SEGAL COMPANY
100 Montgomery Street, Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 F 415.263.8290 www.segalco.com

VIA E-MAIL and USPS

December 17, 2009

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue
Ventura, CA 93003-6572

Dear Members of the Board:

The Segal Company (Segal) prepared the June 30, 2009 actuarial valuation of the Ventura County Employees' Retirement Association (VCERA). We certify that the Retirement Association valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25.

As part of the June 30, 2009 actuarial valuation, Segal received participant data from the Association's staff. This information has not been audited by us, but it has been reviewed and found to be reasonable, both internally and with prior year's information. Enclosed are summaries of the employee data used in performing the actuarial valuations over the past several years. We did not audit the Association's financial statements. For actuarial valuation purposes, 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 ten semi-annual accounting periods.

One of the general goals of an actuarial valuation is to establish contribution rates which fully fund the Association's liabilities and which, as a percentage of payroll, remain as level as possible for each generation of active members. Actuarial funding is based on the Entry Age Normal 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). Actuarial gains and losses are incorporated into the UAAL and are amortized over the same period.

Board of Retirement
Ventura County Employees' Retirement Association
December 17, 2009
Page 2

Components of the UAAL are amortized as level percentage of payrolls over a 15-year period. Future components of the UAAL will be amortized over separate 15-year periods. The progress being made towards meeting the funding objective through June 30, 2009 is illustrated in the Actuarial Solvency Test.

For the Financial Section of the Comprehensive Annual Financial Report, Segal provided the trend data shown in the Required Supplementary Information. The schedules presented in the Actuarial Section have also been prepared and/or reviewed by our firm.

The valuation assumptions included in the Actuarial Section were adopted by the Retirement Board based on our recommendations following the June 30, 2008 Experience Analysis. It is our opinion that the assumptions used in the June 30, 2009 valuation produce results which, in the aggregate, reflect the future experience of the Plan. Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years. The next experience analysis is due to be performed as of June 30, 2011.

In the June 30, 2009 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities decreased from 91.3% to 84.3% and the aggregate employer contribution rate increased from 16.03% of payroll to 19.19% of payroll.

The valuation value of assets included $865 million in deferred investment losses, which represented about 38% of the market value of assets. If these deferred investment losses were recognized immediately in the valuation value of assets, the funded percentage would have decreased from 84.3% to 60.7% and the aggregate employer contribution rate, expressed as a percent of payroll, would have increased from 19.19% to 31.17%.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,

Paul Angelo   John Monroe

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

John Monroe, ASA, EA, MAAA
Vice President and Associate Actuary

FH/bqb

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Summary of Actuarial Assumptions and Methods as of June 30, 2009

ACTUARIAL ASSUMPTIONS AND METHODS. Recommended by the Actuary and adopted by the Board of Retirement.

ACTUARIAL COST METHOD. Entry age normal

ACTUARIAL ASSET VALUATION METHOD. Five-year smoothing of fair value.

AMORTIZATION OF GAINS AND LOSSES. Experience gains and losses are amortized over the same period as the unfunded actuarial accrued liability (surplus).

INVESTMENT RATE OF RETURN. 8.00% per annum; 4.50% real rate of return and 3.50% inflation.

PROJECTED SALARY INCREASES. 5.00% – 13.25% varying by service. Includes inflation at 3.50%, "across the board" increases of .75% plus merit and longevity increases.

TERMINATIONS OF EMPLOYMENT RATES. 0% to 16.0%

COST-OF-LIVING ADJUSTMENTS. 0% to 3% for General Tier 1 and Safety members tied to the change in Consumer Price Index. 2% cost-of-living for eligible General Tier 2 members financed through employee contributions.

EXPECTATION OF LIFE AFTER RETIREMENT. RP-2000 Combined Healthy Mortality Table set back one year.

EXPECTATION OF LIFE AFTER DISABILITY. RP-2000 Combined Healthy Mortality Table set forward six years.

DATE OF ADOPTION. July 20, 2009

Active Member Valuation Data

Fiscal Year Ended June 30	Number	Annual Salary	Average Annual Salary	% Increase in Average Salary	Age	Service
2009						
General	6,501	$469,960,577	$72,291	4.81%	45.7	9.6
Safety	1,544	164,817,315	106,747	3.90%	40.5	13.4
Total	8,045	$634,777,892	$78,903	4.40%	44.7	10.3
2008						
General	6,378	$439,929,857	$68,976	4.63%	45.4	9.4
Safety	1,550	159,243,261	102,738	5.83%	40.1	12.9
Total	7,928	$599,173,118	$75,577	4.79%	44.4	10.1
2007						
General	6,130	$404,122,312	$65,925	2.62%	45.5	9.4
Safety	1,523	147,845,787	97,075	4.07%	40.0	12.9
Total	7,653	$551,968,099	$72,124	2.85%	44.4	10.1
2006						
General	5,902	$379,143,257	$64,240	6.43%	45.5	9.5
Safety	1,501	140,001,403	93,272	6.38%	40.0	12.8
Total	7,403	$519,144,660	$70,126	6.28%	44.4	10.2
2005						
General	5,753	$347,232,675	$60,357	5.75%	45.7	9.7
Safety	1,492	130,820,053	87,681	5.00%	40.3	12.9
Total	7,245	$478,052,728	$65,984	5.73%	44.6	10.4
2004						
General	6,088	$347,489,440	$57,078	5.28%	45.2	9.3
Safety	1,538	128,444,908	83,514	5.67%	39.9	12.4
Total	7,626	$475,934,348	$62,409	5.67%	44.1	9.9

Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls

Fiscal Year Ended June 30	Beg FY Number On The Rolls	Beg FY Amount Of Annual Allowance	Number Added To The Rolls	Amount of Allowance Added To The Rolls	Number Removed From The Rolls	Amount of Allowance Removed From Rolls	Number Fiscal Year End	Annual Retiree Payroll for Fiscal Year	Per Cent Increase Retiree Payroll	Amount Of Average Annual Allowance
2004	3,857	$ 95,001,364	263	$ 9,230,579	89	$ 3,123,656	4,031	$ 101,108,287	6.43%	$ 25,083
2005	4,031	101,108,287	382	11,643,357	99	3,017,519	4,314	109,734,125	8.53%	25,437
2006	4,314	109,734,125	366	16,430,957	110	4,938,266	4,570	121,226,816	10.47%	26,527
2007	4,570	121,226,816	300	16,471,664	100	5,490,555	4,770	132,207,925	9.06%	27,717
2008	4,770	132,207,925	300	16,101,840	156	5,640,711	4,914	142,669,054	7.91%	29,033
2009	4,914	142,669,054	252	13,508,359	125	3,088,419	5,041	153,088,994	7.30%	30,369

Actuarial Analysis of Financial Experience
(Amounts in Thousands)

	2009	2008	2007	2006	2005	2004
Prior Valuation Unfunded (Excess Funded) Accrued Liability	$290,048	$376,025	$481,870	$368,676	$323,444	$144,525
Salary Increases Greater (Less) Than Expected	(9,590)	19,961	(5,589)	28,116	5,431	22,121
Asset Return (Greater) Less Than Expected	213,344	(90,891)	(113,656)	(44,188)	(3,375)	91,451
Other Experience Factors	(11,501)	(15,047)	13,400	26,476	43,176	65,347
Change in Actuarial Assumptions	91,252	—	—	102,790	—	—
Ending Valuation Unfunded (Excess Funded) Accrued Liability	$573,553	$290,048	$376,025	$481,870	$368,676	$323,444

Actuary Solvency Test
(Amounts in Thousands)

AGGREGATE ACTUARIAL ACCRUED LIABILITIES FOR:

VALUATION DATE	ACTIVE MEMBER CONTRIBUTIONS	RETIRED MEMBER CONTRIBUTIONS	LIABILITY FOR ACTIVE MEMBERS (EMPLOYER FINANCED PORTION)	TOTAL LIABILITIES	ACTUARIAL VALUE OF ASSETS	ACTIVE MEMBER CONTRIBUTIONS	RETIREES AND BENEFICIARIES	ACTIVE MEMBER EMPLOYER FINANCED
6/30/04	$376,005	$1,057,130	$960,862	$2,393,997	$2,070,553	100%	100%	66%
6/30/05	381,911	1,189,878	1,013,116	2,584,905	2,216,229	100%	100%	64%
6/30/06	400,315	1,309,873	1,201,730	2,911,918	2,430,048	100%	100%	60%
6/30/07	431,860	1,391,914	1,288,809	3,112,583	2,736,558	100%	100%	71%
6/30/08	466,332	1,470,874	1,408,598	3,345,804	3,055,756	100%	100%	79%
6/30/09	499,205	1,545,347	1,619,149	3,663,701	3,090,148	100%	100%	65%

Summary of Plan Benefits

Summarized below are some of the more significant provisions of the County Employees' Retirement Law of 1937 that are presently applicable to the Ventura County Employees' Retirement Association (VCERA).

MEMBERSHIP.

All permanent employees of the County of Ventura who work a regular schedule of 64 or more hours per bi-weekly pay period become members of VCERA upon appointment. There are separate retirement plans for safety and general member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and probation. All other employees are classified as general members. There are two tiers applicable to general members. Those hired prior to June 30, 1979, are included in Tier I. Those hired after that date are included in Tier II.

VESTING.

A member is fully vested upon accruing five years of retirement service credit under VCERA, or combined service under VCERA and a reciprocal retirement system.

EMPLOYER CONTRIBUTIONS.

The County of Ventura contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation.

MEMBER CONTRIBUTIONS.

All members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. The contribution rate applicable to the member is applied to total compensation earnable, which consists of base pay and other items of cash remuneration. The employer, as a result of provisions contained in individual collective bargaining agreements, may pay a portion of the member contribution.

Contributions are deducted from the member's bi-weekly payroll check and credited to the member's account. Interest is credited to the member's account semiannually on June 30 and December 31 based upon the total contributions on deposit. Upon separation from service a member may elect a refund of all accumulated contributions and interest credited.

SERVICE RETIREMENT BENEFIT.

Any member with 10 or more years of retirement service credit who has attained the age of 50 is eligible to retire. A member with 30 years of service (20 years for safety) is eligible to retire regardless of age. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

Summary of Plan Benefits (continued)

Safety member benefits are calculated pursuant to the provisions of California Government Code Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from section 31664.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of sections 31676.11 and 31676.1, respectively. The monthly allowance is equal to 1/90th of the first $350 of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either section 31676.11 (Tier I) or 31676.1 (Tier II).

The maximum monthly retirement allowance is 100% of final compensation.

Final average compensation consists of the highest 12 consecutive months for a safety or Tier I general member and the highest 36 consecutive months for a Tier II general member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

COST-OF-LIVING.

VCERA provides an annual cost-of-living benefit to safety and Tier I general member retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles, Riverside, Orange County area, is capped at 3.0%.

Certain Tier II general member retirees receive a fixed 2% cost-of-living adjustment pursuant to collective bargaining agreements.

DISABILITY RETIREMENT BENEFITS.

VCERA provides disability retirement benefits for service-connected and nonservice-connected injury or disease. To qualify for a disability retirement the member must be permanently incapacitated for the performance of duty.

A member may be retired with a service-connected disability regardless of years of retirement service credit. The monthly allowance for a service-connected disability retirement is equal to 50% of final compensation, but not less than the member would have received for a regular service retirement, if eligible. Upon the death of a member receiving a service-connected disability allowance, the surviving spouse married to the member at the time of retirement, or eligible minor children, shall receive a 100% continuance of the benefit unless the member elected an optional retirement allowance.

Summary of Plan Benefits (continued)

A member must have a minimum of five years of retirement service credit to qualify for a nonservice-connected disability retirement. The benefit payable for a nonservice-connected disability is equal to 1.8% of final compensation for each year of service not to exceed 1/3rd of final compensation.

ACTIVE MEMBER DEATH BENEFITS.

If the member has less than five years of retirement service credit, the death benefit consists of the member's accumulated retirement contributions, plus one month's salary for each completed year of service.

If the member has completed five years of service, an eligible surviving spouse of minor child(ren) may elect (a) a refund of the member's accumulated contributions, plus one month's salary for each year of completed service to a maximum of six month's salary, (b) a monthly retirement allowance equal to 60% of the earned benefit to an eligible surviving spouse, or (c) a combined benefit consisting of a lump sum payment plus a reduced monthly allowance. If there is no eligible surviving spouse or minor child(ren) the benefit paid to the named beneficiary will be that described in (a) above.

If a member dies in service as the result of a job related injury or illness, an eligible surviving spouse or minor child(ren) would be eligible for a monthly benefit equal to 50% of final compensation.

RETIRED MEMBER DEATH BENEFITS.

If the member retired from service, or with a nonservice-connected disability, the benefit payable to an eligible surviving spouse would be an amount equal to 60% of the member's unmodified retirement allowance. If the member retired with a service-connected disability retirement, the surviving spouse would receive a 100% continuance of the unmodified retirement allowance. If there is no eligible surviving spouse, benefits may be payable to a minor child(ren).

A lump sum death benefit of $5,000 is also payable to the named beneficiary of a deceased retired member.

Probability of Occurrence

GENERAL MEMBERS - MALE

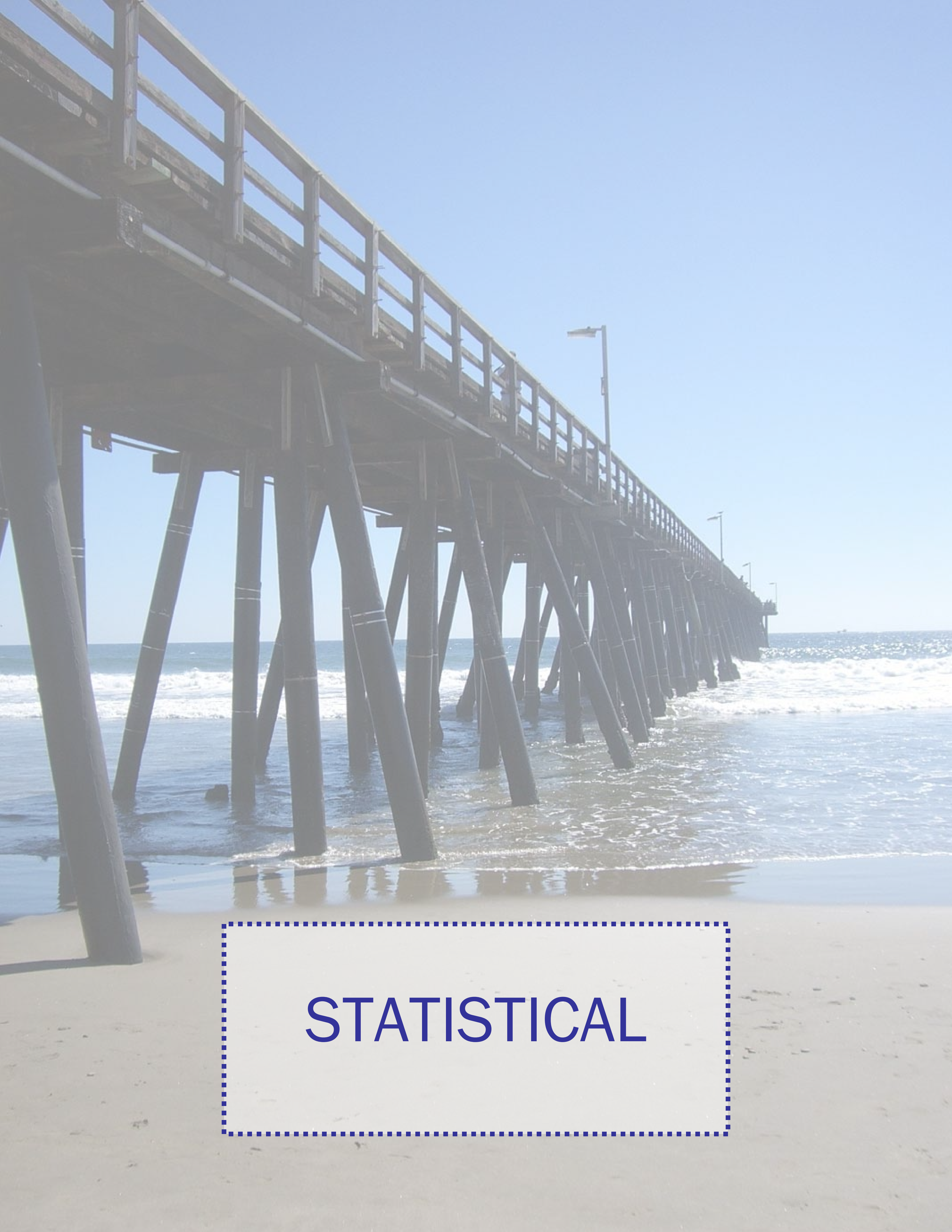
Age Nearest	RATES OF WITHDRAWAL 0<X<1	1<X<2	2<X<3	3<X<4	4<X<5	X>5	Rates of Mortality	Rates of Disability	Rates of Retirement
25	0.1600	0.1200	0.1000	0.0800	0.0800	0.0800	0.0004	0.0002	0.0000
30	0.1600	0.1200	0.1000	0.0800	0.0800	0.0710	0.0004	0.0004	0.0000
35	0.1600	0.1200	0.1000	0.0800	0.0800	0.0560	0.0007	0.0008	0.0000
40	0.1600	0.1200	0.1000	0.0800	0.0800	0.0410	0.0010	0.0013	0.0000
45	0.1600	0.1200	0.1000	0.0800	0.0800	0.0305	0.0014	0.0024	0.0000
50	0.1600	0.1200	0.1000	0.0800	0.0800	0.0200	0.0020	0.0048	0.0400
55	0.1600	0.1200	0.1000	0.0800	0.0800	0.0135	0.0032	0.0069	0.0800
60	0.1600	0.1200	0.1000	0.0800	0.0800	0.0110	0.0059	0.0075	0.1400
65	0.1600	0.1200	0.1000	0.0800	0.0800	0.0100	0.0113	0.0075	0.4000

GENERAL MEMBERS - FEMALE

Age Nearest	RATES OF WITHDRAWAL 0<X<1	1<X<2	2<X<3	3<X<4	4<X<5	X>5	Rates of Mortality	Rates of Disability	Rates of Retirement
25	0.1600	0.1200	0.1000	0.0800	0.0800	0.0800	0.0002	0.0002	0.0000
30	0.1600	0.1200	0.1000	0.0800	0.0800	0.0750	0.0002	0.0004	0.0000
35	0.1600	0.1200	0.1000	0.0800	0.0800	0.0560	0.0004	0.0008	0.0000
40	0.1600	0.1200	0.1000	0.0800	0.0800	0.0410	0.0006	0.0013	0.0000
45	0.1600	0.1200	0.1000	0.0800	0.0800	0.0305	0.0010	0.0024	0.0000
50	0.1600	0.1200	0.1000	0.0800	0.0800	0.0200	0.0016	0.0048	0.0400
55	0.1600	0.1200	0.1000	0.0800	0.0800	0.0135	0.0024	0.0069	0.0800
60	0.1600	0.1200	0.1000	0.0800	0.0800	0.0110	0.0044	0.0075	0.1400
65	0.1600	0.1200	0.1000	0.0800	0.0800	0.0100	0.0086	0.0075	0.4000

SAFETY MEMBERS

Age Nearest	RATES OF WITHDRAWAL 0<X<1	1<X<2	2<X<3	3<X<4	4<X<5	X>5	Rates of Mortality	Rates of Disability	Rates of Retirement
25	0.1000	0.0700	0.0700	0.0600	0.0550	0.0470	0.0004	0.0011	0.0000
30	0.1000	0.0700	0.0700	0.0600	0.0550	0.0360	0.0004	0.0024	0.0000
35	0.1000	0.0700	0.0700	0.0600	0.0550	0.0240	0.0007	0.0057	0.0000
40	0.1000	0.0700	0.0700	0.0600	0.0550	0.0140	0.0010	0.0090	0.0100
45	0.1000	0.0700	0.0700	0.0600	0.0550	0.0070	0.0014	0.0115	0.0100
50	0.1000	0.0700	0.0700	0.0600	0.0550	0.0020	0.0020	0.0215	0.0200
55	0.1000	0.0700	0.0700	0.0600	0.0550	0.0000	0.0032	0.0410	0.2000
60	0.1000	0.0700	0.0700	0.0600	0.0550	0.0000	0.0059	0.0575	0.3000
65	0.1000	0.0700	0.0700	0.0600	0.0550	0.0000	0.0113	0.0000	100.00



STATISTICAL

Narrative Summary

This purpose of the Statistical section is to provide users with additional historical perspective, context, and detail in order to provide a more comprehensive understanding of this year's financial statements, note disclosures, and supplementary information, which cover the Pension Plan. This section also provides multi-year trend of financial and operating information to facilitate comprehensive understanding of how the organization's financial position and performance has changed over time. More specifically, the financial and operating information provides contextual data of VCERA's net assets, benefits, refunds, contribution rates and retirement benefits. The financial and operating trend information is located on the following pages.

Financial Trends Information is intended to assist readers in understanding how VCERA's financial activities and positions have changed over time. The Changes in Plan Assets for Years 2000 – 2009 presents additions by source, deductions by type, and the total change in net assets for each year. The Schedule of Benefit Expenses by Type for the last ten years presents benefit deductions by type of benefit received by members.

Operating Information is intended to provide contextual information about VCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate VCERA's fiscal condition. This section includes the Schedule of Retired Members by Type of Benefits, which presents information for the last ten years. The Active and Deferred Members table indicates member status for the last ten years. The Schedule of Average Monthly Benefit Payment reflects the number of newly retired members with average monthly benefit and final salary. The Participating Employer and Active Members presents the employers and number of their corresponding covered employees for years 2000 – 2009. The Employer Contribution Rates show the required retirement contribution rates for years 2000 – 2009.

Changes in Plan Net Assets

	2009	2008	2007	2006	2005
Additions					
Employer Contributions	$113,915,784	$112,797,726	$94,327,697	$81,683,816	$58,436,106
Member Contributions	42,325,754	39,611,439	36,727,845	33,334,824	29,351,919
Net Investment Income	(625,182,877)	(208,518,972)	461,551,467	241,240,489	206,019,458
Total Additions	(468,941,339)	(56,109,807)	592,607,009	356,259,129	293,807,483
Deductions					
Total Benefit Expenses	153,088,994	142,669,054	132,207,925	121,226,816	109,734,125
Administrative Expense	3,535,690	3,267,594	2,588,705	3,027,674	2,938,884
Member Refunds	3,253,100	3,960,407	3,479,318	4,228,611	3,536,154
Miscellaneous	0	20,007	0	0	0
Total Deductions	159,877,784	149,917,062	138,275,948	128,483,101	116,209,163
Change In Plan Net Assets	($628,819,126)	($206,026,869)	$454,331,061	$227,776,028	$177,598,320

	2004	2003	2002	2001	2000
Additions					
Employer Contributions	$15,708,139	$5,384,203	$5,105,212	$4,832,769	$4,622,451
Member Contributions	28,895,312	25,978,659	23,371,959	21,198,220	20,097,455
Net Investment Income	318,222,984	80,300,150	(149,932,920)	(4,262,139)	154,912,439
Total Additions	362,826,435	111,663,012	(121,455,749)	21,768,850	179,632,345
Deductions					
Total Benefit Expenses	101,108,287	95,001,364	80,958,477	71,094,169	64,705,021
Administrative Expense	2,761,869	2,246,186	1,888,140	1,563,950	1,597,300
Member Refunds	3,080,417	2,894,770	2,725,373	2,232,029	3,775,656
Miscellaneous	12,722	37,500	1,519,987	9,133	113,645
Total Deductions	106,963,295	100,179,820	87,091,977	74,899,281	70,191,622
Change In Plan Net Assets	$255,863,140	$11,483,192	($208,547,726)	($53,130,431)	$109,440,723

Benefit Expenses and Refund Deductions by Type

	2009	2008	2007	2006	2005
Service Retiree Payroll					
General	$77,661,797	$72,277,754	$66,938,627	$60,586,668	$54,330,399
Safety	35,038,577	32,145,225	28,472,253	26,027,639	23,606,066
Total	112,700,374	104,422,979	95,410,880	86,614,307	77,936,465
Disability Retiree Payroll					
General	9,638,282	9,113,846	9,448,886	9,334,146	9,213,230
Safety	19,264,905	18,147,418	17,115,428	15,941,360	14,070,060
Total	28,903,187	27,261,264	26,564,314	25,275,506	23,283,290
Survivor Continuances					
General	6,949,959	6,499,663	6,067,275	5,685,323	5,263,144
Safety	4,535,474	4,485,148	4,165,456	3,651,680	3,251,226
Total	11,485,433	10,984,811	10,232,731	9,337,003	8,514,370
Total Retiree Payroll					
General	94,250,038	87,891,263	82,454,788	75,606,137	68,806,773
Safety	58,838,956	54,777,791	49,753,137	45,620,679	40,927,352
TOTAL	$153,088,994	$142,669,054	$132,207,925	$121,226,816	$109,734,125
Member Refunds					
General	$2,678,876	$3,525,896	$3,203,238	$3,611,208	$3,223,771
Safety	574,224	434,511	276,080	617,403	312,383
TOTAL	$3,253,100	$3,960,407	$3,479,318	$4,228,611	$3,536,154

	2004	2003	2002	2001	2000
Service Retiree Payroll					
General	$49,857,118	$45,934,646	$39,330,811	$34,502,808	$30,873,894
Safety	21,186,500	19,725,887	16,578,810	14,486,116	13,176,685
Total	71,043,618	65,660,533	55,909,621	48,988,924	44,050,579
Disability Retiree Payroll					
General	8,930,748	8,549,634	7,385,740	6,490,242	5,809,715
Safety	12,713,783	12,577,060	10,806,904	9,645,388	9,188,413
Total	21,644,531	21,126,694	18,192,644	16,135,630	14,998,128
Survivor Continuances					
General	5,180,998	5,061,588	4,340,057	3,927,614	3,772,231
Safety	3,239,140	3,152,549	2,516,155	2,042,001	1,884,083
Total	8,420,138	8,214,137	6,856,212	5,969,615	5,656,314
Total Retiree Payroll					
General	63,968,864	59,545,868	51,056,608	44,920,664	40,455,840
Safety	37,139,423	35,455,496	29,901,869	26,173,505	24,249,181
TOTAL	$101,108,287	$95,001,364	$80,958,477	$71,094,169	$64,705,021
Member Refunds					
General	$2,691,921	$2,524,486	$2,414,680	$1,977,578	$3,345,231
Safety	388,496	370,284	310,693	254,451	430,425
TOTAL	$3,080,417	$2,894,770	$2,725,373	$2,232,029	$3,775,656

Retired Members by Type of Retirement

	2009	2008	2007	2006	2005
Service					
General	3,066	2,992	2,918	2,765	2,596
Safety	512	489	477	442	414
Total	3,578	3,481	3,395	3,207	3,010
Disability					
General	468	457	464	469	468
Safety	363	360	351	342	325
Total	831	817	815	811	793
Survivors					
General	492	479	442	433	408
Safety	140	137	118	119	103
Total	632	616	560	552	511
Total Retired Members					
General	4,026	3,928	3,824	3,667	3,472
Safety	1,015	986	946	903	842
Total	5,041	4,914	4,770	4,570	4,314

	2004	2003	2002	2001	2000
Service					
General	2,400	2,299	2,203	2,102	2,029
Safety	385	346	326	304	289
Total	2,785	2,645	2,529	2,406	2,318
Disability					
General	460	443	426	400	366
Safety	299	292	280	277	272
Total	759	735	706	677	638
Survivors					
General	387	383	359	349	345
Safety	100	94	93	88	86
Total	487	477	452	437	431
Total Retired Members					
General	3,247	3,125	2,988	2,851	2,740
Safety	784	732	699	669	647
Total	4,031	3,857	3,687	3,520	3,387

Active and Deferred Members

	2009	2008	2007	2006	2005
Active Vested					
General	4,069	3,970	3,906	3,768	3,650
Safety	1,187	1,188	1,177	1,192	1,172
Active Nonvested					
General	2,432	2,408	2,224	2,134	2,103
Safety	357	362	346	309	320
Total Active Members					
General	6,501	6,378	6,130	5,902	5,753
Safety	1,544	1,550	1,523	1,501	1,492
Deferred Members					
General	1,795	1,762	1,646	1,555	1,538
Safety	260	245	218	201	175
TOTAL	10,100	9,935	9,517	9,159	8,958

	2004	2003	2002	2001	2000
Active Vested					
General	3,573	3,509	3,623	3,603	3,607
Safety	1,158	1,036	891	889	872
Active Nonvested					
General	2,515	2,701	2,865	2,632	2,352
Safety	380	471	328	300	286
Total Active Members					
General	6,088	6,210	6,488	6,235	5,959
Safety	1,538	1,507	1,219	1,189	1,158
Deferred Members					
General	1,206	1,036	830	802	721
Safety	145	119	91	85	74
TOTAL	8,977	8,872	8,628	8,311	7,912

Schedule of Average Monthly Benefit Payments
2006-2009

	Years of Credited Service					
	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2009						
General Members						
Average Monthly Benefit	$ 1,708	$ 2,053	$ 3,271	$ 3,681	$ 4,226	$ 5,416
Average Final Average Salary	$ 4,460	$ 8,125	$ 8,094	$ 7,599	$ 7,883	$ 7,190
Number of Active Retirees	29	23	13	11	9	23
Safety Members						
Average Monthly Benefit	$ 2,613	$ 2,754	$ 4,605	$ 5,595	$ 10,741	$ 11,951
Average Final Average Salary	$ 9,309	$ 7,503	$ 11,038	$ 11,809	$ 13,642	$ 14,329
Number of Active Retirees	11	4	2	3	1	14
Retirees - 2008						
General Members						
Average Monthly Benefit	$ 968	$ 1,445	$ 2,003	$ 3,886	$ 4,010	$ 5,879
Average Final Average Salary	$ 6,221	$ 5,638	$ 5,659	$ 8,256	$ 6,745	$ 7,693
Number of Active Retirees	36	44	35	20	30	14
Safety Members						
Average Monthly Benefit	$ 3,527	$ 4,053	$ 4,672	$ 6,663	$ 8,934	$ 10,340
Average Final Average Salary	$ 9,730	$ 12,444	$ 10,888	$ 11,394	$ 11,897	$ 11,398
Number of Active Retirees	7	5	4	6	10	11
Retirees - 2007						
General Members						
Average Monthly Benefit	$ 961	$ 1,410	$ 1,877	$ 2,533	$ 3,354	$ 6,589
Average Final Average Salary	$ 5,423	$ 5,575	$ 5,856	$ 6,045	$ 5,847	$ 8,961
Number of Active Retirees	34	50	43	35	26	22
Safety Members						
Average Monthly Benefit	$ 2,404	$ 3,149	$ 4,050	$ 6,294	$ 7,964	$ 9,409
Average Final Average Salary	$ 7,670	$ 10,390	$ 7,976	$ 10,438	$ 10,889	$ 10,931
Number of Active Retirees	6	11	2	6	9	7
Retirees - 2006						
General Members						
Average Monthly Benefit	$ 909	$ 1,376	$ 1,574	$ 3,033	$ 4,255	$ 6,239
Average Final Average Salary	$ 5,121	$ 5,239	$ 5,337	$ 9,703	$ 7,186	$ 8,679
Number of Active Retirees	28	55	33	31	24	26
Safety Members						
Average Monthly Benefit	$ 3,417	$ 2,919	$ 4,935	$ 4,044	$ 6,377	$ 9,037
Average Final Average Salary	$ 7,716	$ 10,390	$ 10,338	$ 9,976	$ 8,910	$ 10,256
Number of Active Retirees	5	11	8	10	11	14

Schedule of Average Monthly Benefit Payments 2000-2005

	2000	2001	2002	2003	2004	2005
General Members						
Service Retirements	$1,268	$1,368	$1,488	$1,665	$1,731	$1,744
Disability Retirements	$1,323	$1,352	$1,445	$1,608	$1,618	$1,641
Survivor Continuances	$911	$938	$1,007	$1,101	$1,116	$1,075
Number General Retirees	2,395	2,502	2,629	2,742	2,860	3,064
Number General Continuances	345	349	359	383	387	408
Safety Members						
Service Retirements	$3,800	$3,971	$4,238	$4,751	$4,586	$4,752
Disability Retirements	$2,815	$2,902	$3,216	$3,589	$3,543	$3,608
Survivor Continuances	$1,826	$1,934	$2,255	$2,795	$2,699	$2,630
Number Safety Retirees	561	581	606	638	684	739
Number Safety Continuances	86	88	93	94	100	103

Participating Employers/Active Members

	2009	2008	2007	2006	2005
County of Ventura					
General Members	6,044	5,932	6,066	5,836	5,688
Safety Members	1,544	1,550	1,523	1,501	1,492
Total	7,588	7,482	7,589	7,337	7,180
Participating Agencies (General Membership)					
Ventura Regional Sanitation District	69	65	64	66	65
Courts	388	381	0	0	0
Total	457	446	64	66	65
Total Active Membership					
General Members	6,501	6,378	6,130	5,902	5,753
Safety Members	1,544	1,550	1,523	1,501	1,492
Total	8,045	7,928	7,653	7,403	7,245

	2004	2003	2002	2001	2000
County of Ventura					
General Members	6,018	6,142	6,416	6,166	5,894
Safety Members	1,538	1,507	1,219	1,189	1,158
Total	7,556	7,649	7,635	7,355	7,052
Participating Agencies (General Membership)					
Ventura Regional Sanitation District	70	68	72	69	65
Courts	0	0	0	0	0
Total	70	68	72	69	65
Total Active Membership					
General Members	6,088	6,210	6,488	6,235	5,959
Safety Members	1,538	1,507	1,219	1,189	1,158
Total	7,626	7,717	7,707	7,424	7,117

Employer Contribution Rates

	County			Districts		
	Tier 1	Tier 2	Safety	Tier 1	Tier 2	Safety
2000	0.00%	1.12%	2.53%	0.00%	1.12%	N/A
2001	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
2002	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
2003	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
2004	0.00%	1.87%	9.40%	0.00%	1.87%	N/A
2005	14.79%	7.73%	28.27%	14.79%	7.73%	N/A
2006	25.27%	8.77%	30.37%	25.27%	8.77%	N/A
2007	32.75%	9.09%	32.01%	32.75%	9.09%	N/A
2008	50.69%	9.61%	35.25%	50.69%	9.61%	N/A
2009	49.29%	8.47%	32.78%	49.29%	8.47%	N/A