VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE TWO FISCAL YEARS ENDED
JUNE 30, 2012 & JUNE 30, 2011

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Comprehensive Annual Financial Report

For The Two Fiscal Years Ended June 30, 2012 & June 30, 2011

Issued By:
Donald C. Kendig, CPA
Retirement Administrator

Ventura County Employees' Retirement Association

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

1190 South Victoria Avenue, Suite 200 • Ventura, CA 93003-6572
805.339.4250 • fax 805.339.4269 • www.ventura.org/vcera

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TABLE OF CONTENTS

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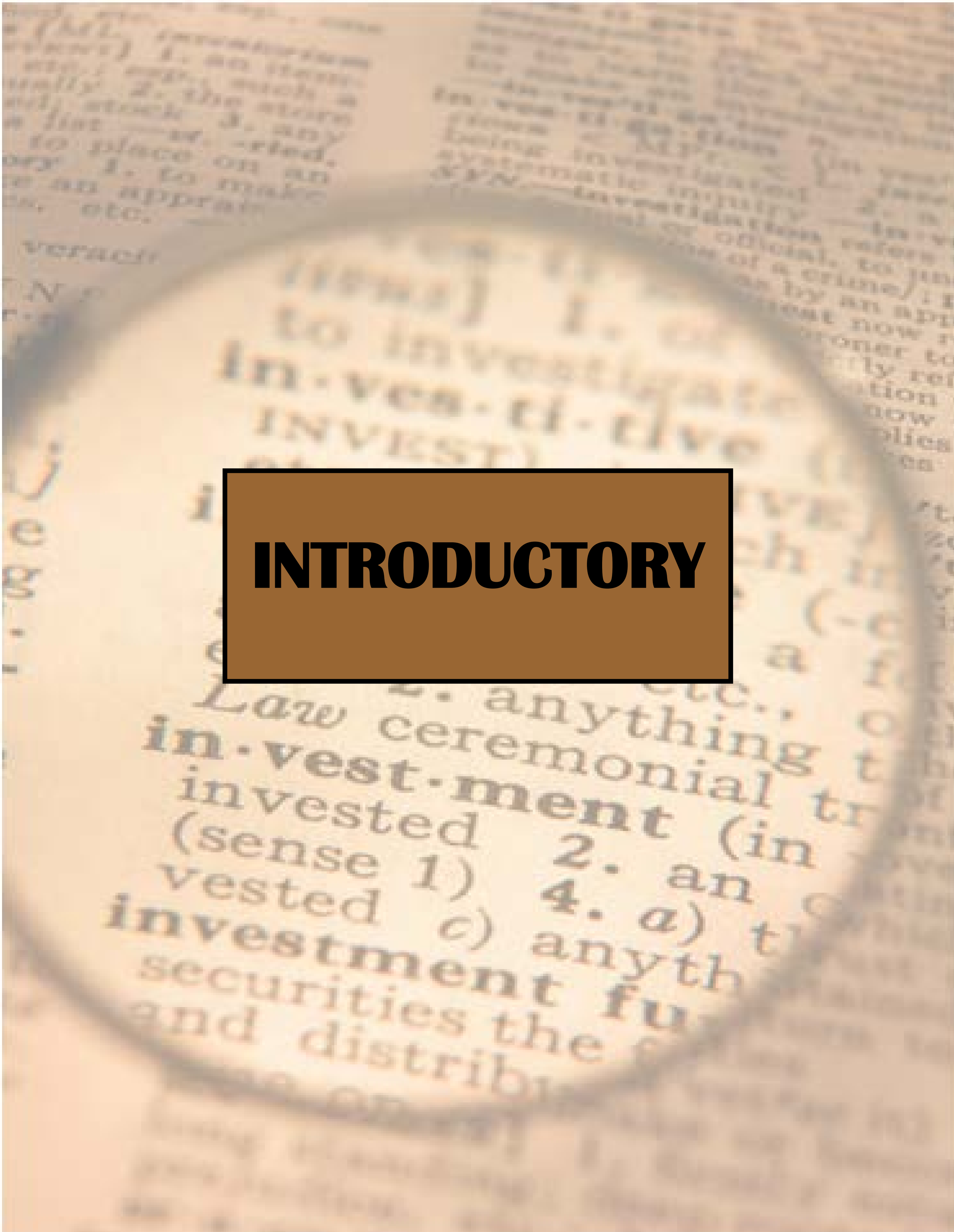
INTRODUCTORY



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Letter of Transmittal

VCERA
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 31, 2012

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 two fiscal years ended June 30, 2012 and June 30, 2011, VCERA's 64th and 65th years 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, Air Pollution Control District, 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 found in the Statistical section, and the 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 the County of Ventura. VCERA also provides retirement benefits to the employee members of the Ventura County Courts, Air Pollution Control District, and Ventura Regional Sanitation District.

Letter of Transmittal (continued)

MARKET CONDITIONS AND INVESTMENT RESULTS

The fiscal year 2011-12 proved to be tumultuous with the first three-month period being the worst meltdown since the global meltdown at the end of 2008. And while the liquidity issue was addressed in the European markets, averting the looming crisis, the issue of solvency proved to be exacerbated.

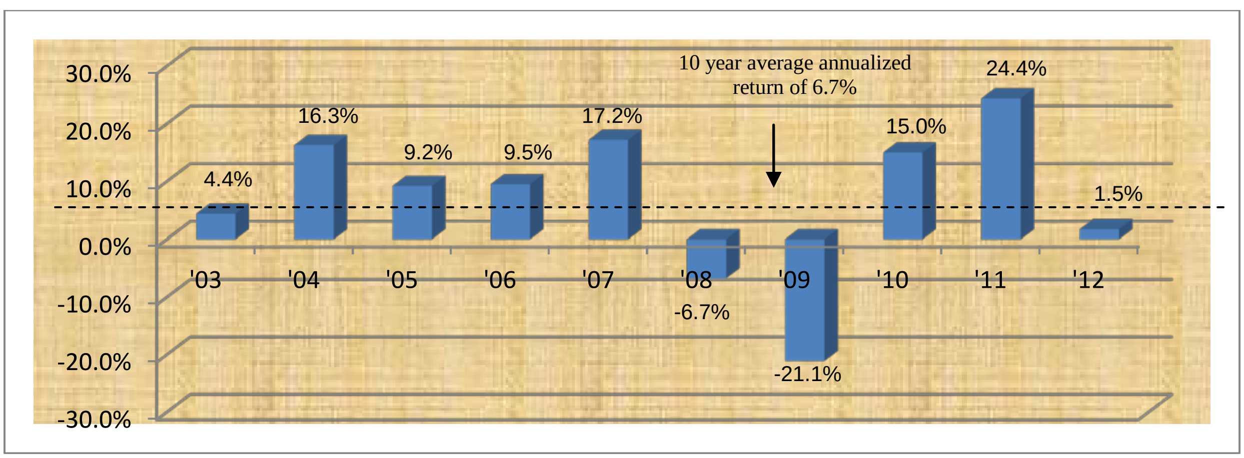
The US economic market reflected lackluster steady growth as it began to recover from the first quarter of the year with the job market tracking the Gross Domestic Product. The housing market continued recovering and reflected historical averages for price-to-income ratios.

The emerging markets, which had not struggled with the same debt problems as the more developed countries, reflected both the volatility of the transition from being export-led economies to ones promoting domestic consumption, and the dramatic drop in growth in the global economy.

For the fiscal year, U.S. equity markets returned 4.2%, international equity and global markets returned -12.5% and -6.5, respectively, fixed income markets returned 8.8%, while real estate returned 10.8%.

For the years ended June 30, 2012 and 2011, VCERA investments provided a 1.5% and 24.4% return, respectively. VCERA's annualized return over the last three years and five years was 13.4% and 1.9%, respectively.

VCERA's annualized return over the past ten years was 6.7% with the annual returns by year expressed as follows:



SIGNIFICANT EVENTS, ACCOMPLISHMENTS AND OBJECTIVES

The 2011-2012 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:

- Retirement Administrator appointed.

Letter of Transmittal (continued)

- Pension Administration System Project vendor was contracted.
- Facilities remodel completed.
- Added Global Fixed Income investment.

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

- Resource the pension administration system project.
- Rebuild staffing to meet the new demands on the organization.

FINANCIAL INFORMATION

Management is responsible for preparing retirement system financial statements, notes, supplementary disclosures and establishing and maintaining an adequate internal control structure designed to ensure retirement system assets are protected. VCERA recognizes that even sound internal controls have inherent limitations. Our internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that cost-benefit analyses require estimates and judgments by management.

Brown Armstrong Accountancy Corporation was retained by the Board to perform the annual audit as of June 30, 2012. 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, 2012, VCERA's value of actuarial assets was approximately $3.4 billion resulting in a funding status of 77.7%. A six-year history of funding progress is presented on page 34.

Annually, VCERA retains an independent actuarial firm to conduct an actuarial valuation. The Segal Company performed the June 30, 2012 valuation. Triennially, VCERA will request its actuary to 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 April 4, 2012, and recommended assumption changes were adopted on May 21, 2012.

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, 2011. 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 VCERA staff and consultants 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. The leadership and support provided by your Board has contributed to the overall success of our retirement system.

Respectfully submitted,

Donald C. Kendig

Donald C. Kendig, CPA
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, 2011

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.

Christopher P Morrill

President

Jeffrey R. Emer

Executive Director

Members of the Board of Retirement at June 30, 2012

CHAIRMAN
William W. Wilson, Public Member
Appointed by the Board of Supervisors
Present term expires January 23, 2013

VICE-CHAIRMAN
Tracy Towner, Employee Member
Elected by Safety Members
Present term expires September 12, 2014

TREASURER
Steven Hintz, Ventura County Treasurer-Tax Collector
Ex-officio Member of the Board of Retirement
Present term expires January 5, 2015

MEMBERS
Peter C. Foy, County Supervisor, Public Member
Appointed by the Board of Supervisors
Present term expires January 3, 2013

Joseph Henderson, Public Member
Appointed by the Board of Supervisors
Present term expires January 13, 2014

Albert G. Harris, Public Member
Appointed by the Board of Supervisors
Present term expires January 13, 2014

Tom Johnston, Employee Member
Elected by General Members
Present term expires September 12, 2014

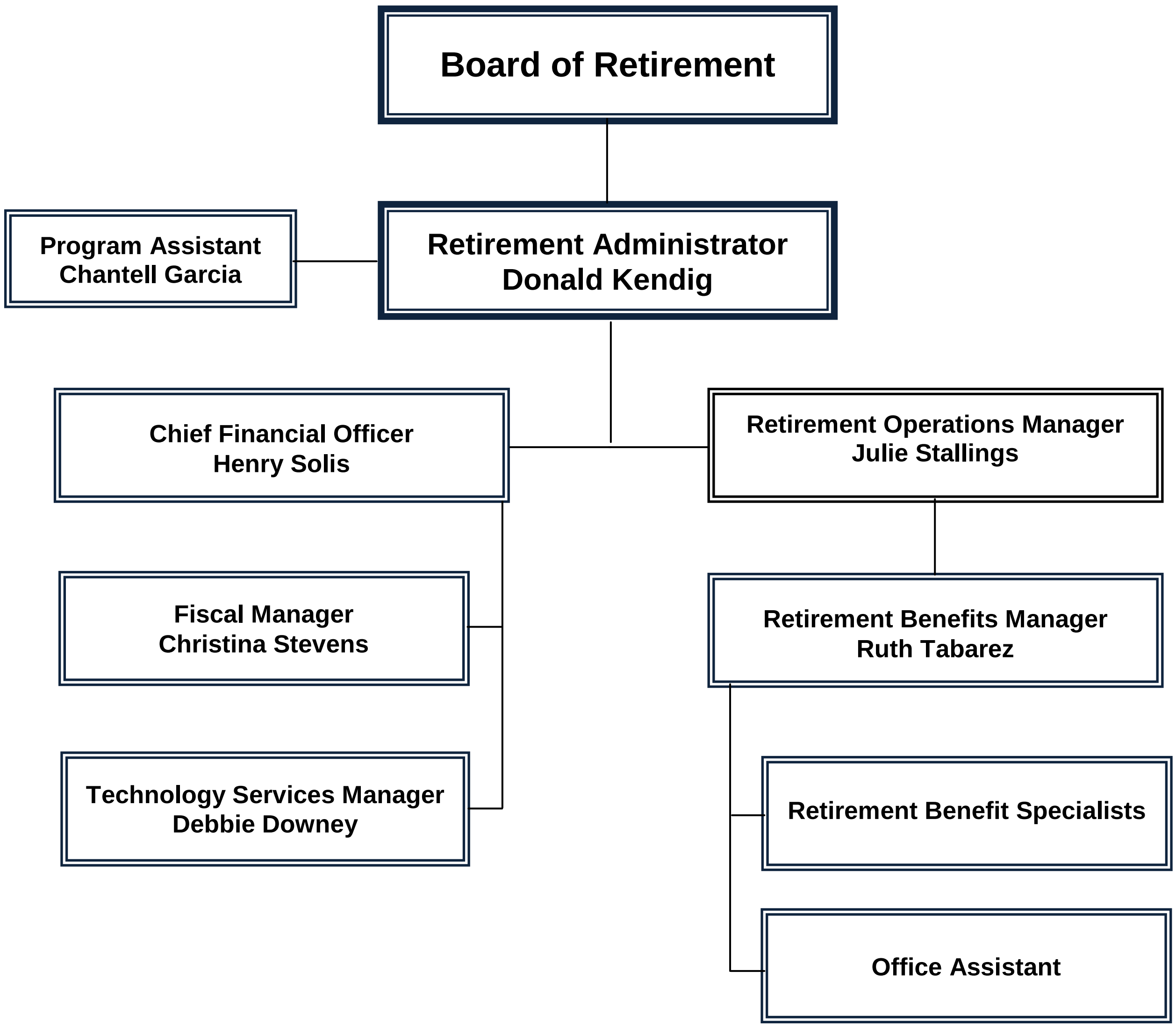
Robert Hansen, Employee Member
Elected by General Members
Present term expires April 5, 2013

Arthur E. Goulet, Retired Member
Elected by Retired Members
Present term expires November 3, 2014

ALTERNATE MEMBERS
Chris Johnston, Employee Member
Elected by Safety Members
Present term expires September 12, 2014

Will Hoag, Retired Member
Elected by Retired Members
Present term expires November 3, 2014

Ventura County Employees' Retirement Association Organizational Chart



List of Professional Consultants

ACTUARY
The Segal Company

CUSTODIAN
State Street Bank and Trust

INDEPENDENT AUDITOR
Brown Armstrong Accountancy Corporation

LEGAL COUNSEL
County Counsel of Ventura County
Manatt, Phelps & Phillips
Foley & Lardner LLP
HansonBridgett

TECHNICAL SUPPORT
Automatic Data Processing
Information Technology Services of Ventura County
CMP Associates
Linea Solutions
SBS Group
Vitech Systems Inc.

List of Investment Professionals is located on Page 42 of the Investment Section of this report.

FINANCIAL

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

MAIN OFFICE
4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com
560 CENTRAL AVENUE
SHAFTER, CALIFORNIA 93263
TEL 661.746.2145
FAX 661.746.1218
8050 N. PALM AVENUE
SUITE 300
FRESNO, CALIFORNIA 93711
TEL 559.476.3592
FAX 559.476.3593
790 E. COLORADO BLVD.
SUITE 908B
PASADENA, CALIFORNIA 91101
TEL 626.240.0920
FAX 626.240.0922
5250 CLAREMENT AVENUE
SUITE 237
STOCKTON, CA 95207
TEL 209.451.4833

Member of PKF North America

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

BROWN ARMSTRONG
Certified Public Accountants

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, 2012 and 2011, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of VCERA as of June 30, 2012 and 2011, and its changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, 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 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.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Other Supplementary Information and the Introductory, Investment, Actuarial, and Statistical sections as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory, Investment, Actuarial, and Statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 28, 2012

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, 2012, should be read in conjunction with the Letter of Transmittal 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 increased $37.3 million to approximately $3.2 billion for the fiscal year ending June 30, 2012.
- Deductions in Plan Net Assets increased 5.2% to $198.7 million.
- VCERA's funding status, as measured by the actuarial value of assets less the actuarial value of accrued liabilities, decreased to approximately 77.7%.

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

During the year, the real estate portfolio outperformed all other VCERA asset classes with a positive return of 10.8%. The international equity portfolio and the global equity portfolio lost 12.5% and 6.0% respectively. The fixed income portfolio and the domestic equity portfolio gained 8.8% and 4.2%, respectively.

VCERA's funded status decreased to 77.7% from 80.6% during the year as the growth in obligations exceeded the return on the investments. 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 increased 1.2% during the year to approximately $3.2 billion. Investments increased by approximately $24.9 million increase in the fair value of VCERA's investment portfolio due to appreciation in the value of equity and real estate portfolios. Current Assets decreased by $90.4 million during the year as cash and accrued assets were lower than in the prior year. Total Liabilities decreased by $102 million due to lower securities payable and securities lending compared to the outstanding balance on June 30, 2011.

($ in Thousands)	2012	2011	Difference	% Change
Current Assets	$ 251,918	$ 342,335	$ (90,417)	(26.4%)
Investments	3,121,883	3,097,001	24,882	0.8%
Pension Software	687	-	687	100.0%
Total Assets	**3,374,488**	**3,439,336**	**(64,848)**	**(1.9%)**
Total Liabilities	(164,871)	(267,011)	102,140	(38.3%)
Net Assets	**$3,209,617**	**$3,172,325**	**$ 37,292**	**1.2%**

Net Assets have continued to recover as the global economic recovery that began in March 2009 continued through 2012.

	2011	2010	Difference	% Change
Current Assets	$ 342,335	$ 237,292	$ 105,043	44.3%
Investments	3,097,001	2,509,718	587,283	23.4%
Total Assets	**3,439,336**	**2,747,010**	**692,326**	**25.2%**
Total Liabilities	(267,011)	(177,459)	(89,552)	50.5%
Net Assets	**$3,172,325**	**$2,569,551**	**$ 602,774**	**23.5%**

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 2012 results showed a combined 17.9% increase in employer and employee contributions. Net investment income added an additional $50.7 million.

($ in Thousands)	2012	2011	Difference	% Change
Employer Contributions	$ 140,773	$ 120,053	$ 20,720	17.3%
Employee Contributions	44,487	44,238	249	0.6%
Net Investment Income	50,683	627,327	(576,644)	(91.9%)
Total Additions	**$ 235,943**	**$ 791,618**	**($ 555,675)**	**(70.2%)**

($ in Thousands)	2011	2010	Difference	% Change
Employer Contributions	$ 120,053	$ 105,703	$ 14,350	13.6%
Employee Contributions	44,238	42,466	1,772	4.2%
Net Investment Income	627,327	347,087	280,240	80.7%
Total Additions	**$ 791,618**	**$ 495,256**	**$ 296,362**	**59.8%**

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 2012. Administrative expenses were less due primarily with the capitalization of the costs associated with the development of a new Pension Administration System.

($ in Thousands)	2012	2011	Difference	% Change
Benefit Payments	$191,332	$180,070	11,262	6.3%
Member Refunds	3,783	4,388	(605)	(13.8%)
Administrative	3,536	4,387	(851)	(19.4%)
Total Deductions	**$198,651**	**$188,845**	**9,806**	**5.2%**

($ in Thousands)	2011	2010	Difference	% Change
Benefit Payments	$180,070	$166,029	14,041	8.5%
Member Refunds	4,388	3,227	1,161	36.0%
Administrative	4,387	4,081	306	7.5%
Total Deductions	**$188,845**	**$173,337**	**15,508**	**8.9%**

Benefit payments grew by approximately $11.3 million dollars or 6.3% as the retirement plan continues to mature. Member refunds reflect a 13.8% decrease of over $605 thousand dollars in 2012.

VCERA's Fiduciary Responsibility

VCERA is a fiduciary for the County of Ventura's, Ventura County Courts', Air Pollution Control District's, 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.

New Pension Accounting and Financial Reporting Standards

On June 25, 2012, the Governmental Accounting Standards Board (GASB) voted to approve two new standards that substantially improved the accounting and financial reporting of public employee pensions by state and local governments. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing guidance for the financial reports of most pension plans. Statement No. 68, *Accounting and Financial Reporting for Pensions*, revises and establishes new financial reporting requirements for governments that provide their employees with defined benefit pensions. These accounting and financial reporting standards represent the most significant fundamental changes in reporting requirements for pension plans (VCERA) and plan sponsors (Ventura County and outside Districts) since 1994.

For VCERA, the new standards build upon the existing framework for financial reports, enhance the note disclosures and required supplementary information, and require the presentation of new information about annual money-weighted rates of return in the notes to the financial statements. The new financial reporting provisions for VCERA are effective for fiscal year ending June 30, 2014.

The new standards require Ventura County and outside Districts to recognize their proportionate share of long-term obligation for pension benefits as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. This proportionate share is based on the plan sponsors' long-term contribution effort. The new financial reporting standards also enhance accountability and transparency through revised and new note disclosures and required supplementary information. For Ventura County and outside Districts, the new financial reporting provisions are effective for its fiscal year ending June 30, 2015.

The VCERA Board, through our professional organizations, management, and consultants, will evaluate and implement these new requirements as prescribed within the required time frame.

SUBSEQUENT EVENTS

On September 12, 2012, Governor Jerry Brown signed Assembly Bill 340, known as the California Public Employees' Pension Reform Act of 2013 (CalPEPRA), into law. The new law is complex and broad-reaching and takes effect on January 1, 2013. VCERA is currently working with the County to analyze CalPEPRA and determine how it will apply in Ventura County.

In order to accommodate new pension administration system programing and testing activities, commencing October 1, 2012, VCERA entered into a three-year commercial lease for additional office space with an option to renew for two additional one year periods. Payments over the lease term total $55,987.

REQUESTS FOR INFORMATION

The financial report is designed to provide the Board of Retirement, our membership, and other interested third parties with a general overview of VCERA's finances and to show accountability for the funds it receives.

Address questions regarding this report and/or requests for additional information to:

Chief Financial Officer
VCERA
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

Respectfully submitted,

Donald C. Kendig

Donald C. Kendig, CPA
Retirement Administrator

FINANCIAL STATEMENTS

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Statements of Plan Net Assets
June 30, 2012 and 2011

	2012	2011
ASSETS		
CASH AND SHORT TERM INVESTMENTS	**$ 118,800,271**	**$ 188,845,553**
SECURITIES LENDING CASH COLLATERAL	**94,634,819**	**122,498,629**
RECEIVABLES		
EMPLOYER/EMPLOYEE CONTRIBUTIONS	3,754,115	2,372,406
ACCRUED INTEREST AND DIVIDENDS	5,175,132	4,636,910
SECURITY SALES	29,531,517	23,957,578
MISCELLANEOUS	21,685	23,368
TOTAL RECEIVABLES	**38,482,449**	**30,990,262**
INVESTMENTS AT FAIR VALUE		
DOMESTIC EQUITY SECURITIES	87,964,565	87,525,573
DOMESTIC EQUITY INDEX FUNDS	1,084,670,705	1,047,956,163
INTERNATIONAL EQUITY SECURITIES	531,184,762	606,358,551
GLOBAL EQUITY	267,297,716	271,485,010
PRIVATE EQUITY	26,930,165	13,642,798
UNITED STATES GOVERNMENT DEBT SECURITIES & CORPORATE BONDS	685,619,990	688,124,087
DOMESTIC BOND INDEX FUND	131,199,409	92,814,876
INTERNATIONAL BONDS	23,776,639	26,374,379
REAL ESTATE	283,239,366	253,973,321
ALTERNATIVE	-	8,746,510
TOTAL INVESTMENTS	**3,121,883,317**	**3,097,001,268**
PENSION SOFTWARE DEVELOPMENT COSTS	**686,886**	**-**
TOTAL ASSETS	**3,374,487,742**	**3,439,335,712**
LIABILITIES		
SECURITY PURCHASES	68,472,851	142,597,140
ACCOUNTS PAYABLE	1,762,866	1,914,880
SECURITIES LENDING	94,634,819	122,498,629
TOTAL LIABILITIES	**164,870,536**	**267,010,649**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	**$3,209,617,206**	**$3,172,325,063**

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

FINANCIAL STATEMENTS

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
ADDITIONS		
CONTRIBUTIONS		
EMPLOYER - ACTUARIALLY DETERMINED	$ 132,385,968	$ 111,584,808
EMPLOYER - OTHER	8,386,757	8,468,737
EMPLOYEE	44,486,749	44,237,695
TOTAL CONTRIBUTIONS	**185,259,474**	**164,291,240**
INVESTMENT INCOME (LOSS)		
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	17,880,635	594,636,478
INTEREST INCOME	24,446,177	24,221,707
DIVIDEND INCOME	4,483,161	3,707,592
REAL ESTATE OPERATING INCOME (NET)	12,722,093	11,875,836
INVESTMENT EXPENSE	(9,102,873)	(7,403,928)
NET INVESTMENT INCOME (LOSS), BEFORE SECURITIES LENDING INCOME	**50,429,193**	**627,037,685**
SECURITIES LENDING INCOME		
EARNINGS	437,212	673,699
REBATES	(64,670)	(260,728)
FEES	(118,565)	(123,919)
NET SECURITIES LENDING INCOME	**253,977**	**289,052**
NET INVESTMENT INCOME (LOSS)	**50,683,170**	**627,326,737**
TOTAL ADDITIONS	**235,942,644**	**791,617,977**
DEDUCTIONS		
BENEFIT PAYMENTS	191,331,918	180,069,857
MEMBER REFUNDS	3,782,776	4,388,204
ADMINISTRATIVE EXPENSES	3,535,807	4,386,708
TOTAL DEDUCTIONS	**198,650,501**	**188,844,769**
NET INCREASE (DECREASE)	**37,292,143**	**602,773,208**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS: BEGINNING OF YEAR	3,172,325,063	2,569,551,855
END OF YEAR	**$3,209,617,206**	**$3,172,325,063**

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

Notes to the Financial Statements
For the Years Ended June 30, 2012 and 2011

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 majority of the investments held by the VCERA Plan at June 30, 2012 is in the custody of, or controlled by, State Street Bank, the System's custodian. The System's investments consist of domestic and international fixed income, domestic and international equities, private equity, opportunities, and real estate. Investments are reported at fair value. The diversity of the investment types that the System has entered into requires a wide range of techniques to determine fair value. The overall valuation processes and information sources by major asset classifications are as follows:

Fixed Income. Fixed income consists primarily of negotiable obligations of the U.S. Government and U.S. Government-sponsored agencies, corporations, and securitized offerings backed by residential and commercial mortgages. Certain securities, such as U.S. government bonds, have an active market for identical securities and can typically be valued using the closing or last traded price on a specific date. Other securities that are not as actively traded are valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings and other assumptions based upon the specifics of the asset type.

Equities. The majority of the System's domestic and international equity securities are actively traded on major stock exchanges or over-the-counter. Investments listed or traded on a securities exchange are valued at fair value as of the close of trading on the valuation day. Fair value is determined based on the last reported trade price on the exchange considered to be the primary market for such security. Listed investments that are not traded on a particular day are valued at the last known price deemed best to reflect their fair value. Investments not traded on a securities exchange, but which are traded in any other market or over the counter, are valued based on prices obtained from third party service providers.

PRIVATE EQUITY. Private equity investments are made on a fund-of-fund basis. The underlying equity fund portfolio consists of securities in portfolio companies as well as marketable securities. Typically, the fair value of all investments is determined by the fund manager in good faith and in compliance with the definition of fair value under U.S. generally accepted accounting principles or "GAAP" (FASB Accounting Standards Codification, Topic 820). In some circumstances, partnership agreements require reporting financial information and valuations in an accounting standard other than GAAP such as under International Financial Reporting Standards. The measure of fair value by the fund manager is typically conducted on a quarterly basis. Marketable securities are valued according to the most recent public market price with appropriate discounts to reflect any contractual or regulatory restriction upon sale. The fair value of each investment as reported does not necessarily represent the amount that may ultimately be realized, since such amounts depend upon future circumstances that cannot reasonably be determined until the position is actually liquidated. The fund's evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided to it by the portfolio funds, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any. The evaluation of the fair value of co-investments is based on the most recent information available at the time of valuation ascribed to such investments by the sponsor partnership. If the manager does not agree with this valuation, holds different securities than the sponsor partnership, is unable to obtain the sponsor partnership's valuation, or has information that results in a different valuation, it may use its own internal evaluation of fair value. The assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

REAL ESTATE. Real estate is held either via a real estate limited partnership or a commingled fund. Real estate investments in a limited partnership or commingled fund are long-term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of investors to exit an investment prior to its dissolution or liquidation of the underlying holdings. Interests in limited partnerships and commingled funds are valued by using the net asset value ("NAV") of the portfolio. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general or managing partners on a continuous basis, audited annually and periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

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, 2012.

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.

SECURITIES LENDING. Cash collateral received in the course of securities lending transactions is recorded as a current asset of VCERA, 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 Earnings, and borrower rebates and agent fees are recorded as Rebates and Fees, respectively. This Earnings, Rebates, and Fees amounted to $437,212, $64,670, and $118,565, respectively, for the year ended June 30, 2012, 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.

IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT.

GASB Statement No. 67 – *Financial Reporting for Pension Plans—an Amendment of GASB Statement No. 25* improves financial reporting by state and local governmental pension plans. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2013. The new standards will be implemented as scheduled.

GASB Statement No. 68 – *Accounting and Financial Reporting for Pension Plans—an Amendment of GASB Statement No. 25,* revises and establishes new financial reporting requirements for governments that provide their employees with defined benefit pensions. The new standards require Employers to recognize their proportionate share of long-term obligation for pension benefits as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. For Employers, the new financial reporting provisions are effective for its fiscal year ending June 30, 2015.

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, Air Pollution Control District, a special district, and the Ventura Regional Sanitation District, a special district located in the County, (the latter three employers are not under the 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 30, 1979, and certain management personnel who entered service prior to October 16, 2011 are designated as Tier 1 members. Members employed after June 30, 1979, are designated as Tier II members. Safety members (eligible Sheriff, Probation and Fire employees) are classified as Tier I regardless of hire date.

At June 30, 2012 and 2011, VCERA membership consisted of:

MEMBERSHIP	2012	2011
RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS	5,658	5,481
ACTIVE EMPLOYEES:		
VESTED	5,737	5,471
NON-VESTED	2,282	2,569
TERMINATED BUT NOT YET RECEIVING BENEFITS	2,161	2,097
TOTAL	**15,838**	**15,618**

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 ten 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 non-service-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 non-service-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 non service-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 July 31, 2011. This benefit ended on July 31, 2012.

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.

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 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 Global fixed income market (maturities 1 to 30 years) including Treasury and government agency bonds, corporate debt, mortgages, asset-backed securities, international and emerging markets. The fixed income portfolio is largely comprised of investment grade issues (rating of BBB {Standard & Poor's} and 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, 2012 and 2011, VCERA had the following investments:

	June 30, 2012	June 30, 2011
Domestic Equity	$ 1,172,635,270	$ 1,135,481,736
Domestic Fixed Income	816,819,399	780,938,963
International Equity	531,184,762	606,358,551
private equity	26,930,165	13,642,798
Real Estate	283,239,366	253,973,321
Global Equity	267,297,716	271,485,010
International Bonds	23,776,639	26,374,379
alternative	-	8,746,510
Total Investments	**$3,121,883,317**	**$3,097,001,268**

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. All other investment securities are held by State Street 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, 2012 and 2011 were $36,932 and $177,096, respectively.

As of June 30, 2012 and 2011, VCERA had the following cash and short-term investments:

	June 30, 2012	June 30, 2011
State Street Bank	$ 111,168,076	$ 179,774,297
County of Ventura Treasurer's Investment Pool	7,595,263	8,894,160
Commercial Bank Account	36,932	177,096
Total	**$ 118,800,271**	**$ 188,845,553**

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 06/30/2012	AMOUNT HELD AT 06/30/2011
SEPARATE HOLDINGS:		
AAA	$ 66,127,353	$ 168,382,058
AA	173,827,658	33,055,760
A	118,361,204	96,597,307
BBB	115,497,527	74,492,247
BB	30,587,693	23,705,552
B	13,895,938	15,704,264
CCC	9,931,665	8,111,347
CC	817,375	1,537,808
C	-	-
D	2,821,878	4,974,906
NO RATING	70,370,320	167,723,235
TOTAL SEPARATE HOLDINGS	**$ 602,238,611**	**$ 594,284,484**
POOLED INVESTMENTS:		
AAA	$ 99,186,753	$ 71,021,940
AA	89,732,918	113,551,742
A	22,442,968	9,216,517
BBB	13,014,981	8,804,203
BB	13,979,807	-
B	-	10,434,456
TOTAL POOLED INVESTMENTS	**$ 238,357,427**	**$ 213,028,858**
TOTAL FIXED INCOME PORTFOLIO	**$ 840,596,038**	**$ 807,313,342**

Overall, VCERA's fixed income portfolios were rated AA at June 30, 2012 and June 30, 2011.

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 investment's exposure to fair value change arising from a change in interest rates, by investment category and amount at June 30, 2012 and 2011 is as follows:

CATEGORY	ASSETS HELD AT 06/30/2012	DURATION (YEARS)	ASSETS HELD AT 06/30/2011	DURATION (YEARS)
TREASURY	$164,025,616	6.6	$160,152,712	6.4
AGENCY	21,512,285	5.6	24,750,268	5.4
MORT-BACKED	225,930,410	4.8	301,535,263	4.8
ASSET-BACK	43,055,140	0.9	33,173,030	0.7
CREDIT	351,452,124	6.3	245,999,166	6.3
FOREIGN	24,563,642	5.3	39,882,062	4.8
OTHER	1,874,831	7.9	1,820,841	5.9
PASSIVELY MANAGED	8,181,990	4.4	-	
TOTAL	**$ 840,596,038**	**5.6**	**$ 807,313,342**	**5.5**

The duration for the Barclays Capital Aggregate Bond Index as of June 30, 2012 and 2011 was 4.4 years and 4.6 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 expose 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, 2012 and 2011, VCERA's forward exchange currency contracts were valued at $1,365,091 and $1,132,740, currency future contracts had a notional value of $61,618,678 and $137,338,002 and currency options were valued at ($14,865) and ($32,900), 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, 2012 and 2011, respectively.

Currency	Fixed Income at June 30, 2012	Equities at June 30, 2012	Fixed Income at June 30, 2011	Equities at June 30, 2011
Australian Dollar	$ 1,980,777	$ 10,780,494	$ 1,882,634	$ 8,583,249
British Pound	272,189	36,125,254		45,210,757
Canadian Dollar	5,897,788	4,845,006	6,077,073	10,041,343
Danish Krone		2,228,792		3,690,807
Euro	725,435	38,911,264	684,679	51,628,621
Hong Kong Dollar		10,151,688		13,306,153
Japanese Yen		47,821,141		47,488,343
new zealand dollar	1,949,488	-	1,906,505	-
Norwegian Krone		-		248,243
S. African Rand		3,656,317		3,762,703
Singapore Dollar		9,228,337		8,021,083
South Korean Won		5,343,848	1,695,050	6,549,593
Swedish Krona		1,485,862		2,448,443
Swiss Franc		22,139,494		22,330,515
Other Emerging Mkt	8,006,919	3,008,889	8,627,018	8,605,752
Total Securities Subject to Foreign Currency Risk	$ 18,832,596	$ 195,726,386	$ 20,872,959	$ 231,915,605
US $ Investments in International Portfolios	4,944,043	335,458,376	5,501,420	5,501,420
US $ Investments in Global Portfolios	-	267,297,716	-	203,866,096
Total	**$ 23,776,639**	**$ 798,482,478**	**$ 26,374,379**	**$ 441,283,121**

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, 2012 and 2011, 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. 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, 2012 and 2011, VCERA had securities on loan with a fair value of $92,728,663 and $119,884,580, with cash collateral of $94,634,819 and $122,498,629, respectively.

VCERA's net securities lending income for the years ended June 30, 2012 and 2011 is as follows:

	2012	2011
EARNINGS	$ 437,212	$ 673,699
EXPENSES:		
BORROWER REBATES	64,670	260,728
MANAGEMENT FEES	118,565	123,919
NET SECURITIES LENDING INCOME	**$ 253,977**	**$ 289,052**

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 no more than 5% of total investments. Pooled investments and investments issued by or explicitly guaranteed by the U.S. Government are exempt from this requirement.

DERIVATIVE FINANCIAL INSTRUMENTS. As part of VCERA's Investment Policy, Investment managers are allowed the use of derivatives. Derivatives are financial instruments that derive their value, usefulness and marketability from an underlying instrument which represents direct ownership of an asset or of an issuer whose payments are based on or "derived" from the performance of an agreed upon benchmark. Values of derivatives change daily. VCERA's managers are required to mark-to-market derivative positions daily. Within VCERA's investment policy, specific guidelines are put forth with investment managers who invest in derivatives. Substitution, risk control and arbitrage are the only derivative strategies permitted; speculation is prohibited. No contingent features are present. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Gains and losses from derivatives are included in investment income. For financial reporting purposes, all VCERA's derivates are classified as investment derivatives. A further discussion on VCERA's valuation procedures are contained in Note 1 to the Basic Financial Statements. The following types of derivatives are permitted: futures contracts, currency forward contracts, options, and swaps.

FUTURES CONTRACTS. A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transactions is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges.

FORWARD CONTRACTS. A forward contract represents an agreement to buy or sell an underlying asset at a specified future date for a specified price. Payment for the transactions is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

***OPTION CONTRACTS*.** An option is a type of derivative security in which a buyer (purchaser) has the right, not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

***SWAP AGREEMENTS*.** A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counterparties exchange are tied to a "notional" or contract amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The Fair Value represents the gains or losses as of the prior marking-to-market, which are functions of generally interest rate fluctuations.

The Investment Derivatives schedule listed below reports the related net appreciation (depreciation), the fair value amounts and notional amounts for derivatives outstanding as of and for the years ended June 30, 2012, classified by type.

	Notional Amount	Fair Value	Fair Value	Change in Fair Value
Type	**June 30, 2012**	**June 30, 2012**	**June 30, 2011**	**June 30, 2012**
Futures Contracts	$ (60,101,400)	$ -	$ -	$ (7,913,703)
Forward Contracts	1,365,091	34,880	1,606	(171,643)
Options Contracts	(22,648,000)	(14,865)	(32,900)	425,804
Credit Default Swaps	63,607,100	(769,062)	88,782	1,208,465
Interest Rate Swaps	-	-	-	(45,330)
Total Investment Derivatives	**$ (17,777,209)**	**$ (749,047)**	**$ (57,488)**	**$ (6,496,407)**

All investment derivative positions are included as part of investments at fair value on the Statement of Plan Net Assets. All changes in fair value are reported as part of Net Appreciation/(Depreciation) in fair value of investments in the Statement of Changes in Plan Net Assets.

Investment information was provided from VCERA's investment custodian.

***CUSTODIAL CREDIT RISK*.** VCERA's investments include collateral associated with derivatives activity. As of June 30, 2012, collateral for derivatives were $7.0 million. The collateral margins are maintained in margin accounts at financial services firms that provide brokerage services. Each account is uninsured and is subject to custodial credit risk.

***CREDIT RISK*.** VCERA is exposed to credit risk on investment derivatives that are traded over the counter and are reported in asset positions. Derivatives exposed to credit risk include currency forward contracts and swap agreements. As of June, 30, 2012, the fair value of derivative investments subject to credit risk was $34,880, and at June 30, 2011 was $1,606. VCERA would be exposed to the loss of the fair value of derivatives that are in asset positions and any collateral provided to the counterparty, net of the effect of applicable netting arrangements.

VCERA requires investment managers to have Master Agreements in place to minimize credit risk. Netting arrangements legally provide VCERA with a right of setoff in the event of bankruptcy or default by the counterparty. VCERA would be exposed to loss of collateral provided to the counterparty. Collateral provided by the counterparty reduces VCERA's credit risk exposure.

The following Credit Risk Derivatives schedule discloses the counterparty credit ratings of VCERA's investment derivatives in asset positions by type as of June 30, 2012. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to collateral or other security, or netting arrangement. The schedule displays the fair value of investments by credit rating in increasing magnitude to risk investments, classified by Standard & Poor's rating system. If the investment does not have a Standard & Poor's rating, but it has a Moody's credit rating, the Standard & Poor's rating that corresponds to the Moody's rating is used. As of June 30, 2012, VCERA has a net exposure to credit risk of $37,091.

Type	Fair Value June 30, 2012	Adjusted Rating AAA	AA	A
Forward Contracts	$ 34,880			$ 34,880
Total	$ 34,880			**$ 34,880**

Interest Rate Risk. Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest Rate Swaps is an example of an investment that is highly sensitive to interest rate changes. LIBOR refers to the London Interbank Offering Rate. The swaps have various adjustments to that rate and they contain final maturities from FY2015 to FY2020.

Type	Fair Value June 30, 2012	Notional Amount	Reference Rate
Credit Default Swaps	($ 769,062)	$ 63,607,100	LIBOR – Various
Fixed Income Options	(24,128)	(22,299,000)	LIBOR – Various
Total	($ 793,190)	$ 41,308,100	

Foreign Currency Risk. For those futures contracts, forward contracts and swap agreements which are dollar denominated securities issued by foreign countries, there is an exposure to credit risk. Currency forward contracts represent the foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. A position is held where Japanese Yen were bought and US Dollars were sold and British Pound Sterling, Japanese Yen and Euros were held where US Dollars were bought and British Pound Sterling, Japanese Yen and Euros were sold. The net fair value of the forward contracts is $34,880 as of June 30, 2012. All other futures contracts and swap agreements are not subject to foreign currency risk.

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, 2012.

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}
06/30/12	$3,397,360	$4,373,227	$975,867	77.69%	$633,848	153.96%

Schedule of Employer Contributions
($ in Thousands)

YEAR ENDED JUNE 30	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2012	$ 132,386	100%

Latest Actuarial Valuation Methods and Assumptions

Valuation Date: June 30, 2012

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Amortization Method: Level Percentage of Payroll
(Assuming a 4.00% 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. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed 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, 2007 valuation, the unrecognized return was determined on an annual basis. The Actuarial Value of Assets is reduced by the value of the STAR COLA benefit reserve (eliminated as of July 2011), supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.

Actuarial Assumptions:

Investment Return:	7.75%
Projected Salary Increases:	4.50% - 12.50% varying by service. Includes inflation at 3.25%, “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.

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 Actuarial 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, 2012 valuation, the period for amortizing the unfunded liability is fixed at 15 years in accordance with the Board of Retirement’s policy adopted July 20, 2009, to amortize future actuarial gains and losses over fixed 15-year periods.

VCERA's employers were required to contribute $132.4 million and $111.6 million in actuarially determined contributions for the fiscal years ending June 30, 2012 and 2011, respectively.

Member contributions range from 5.78% to 12.35% 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 Statement 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:

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. This benefit ended on July 31, 2012, and was not continued by the Board of Retirement.

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.

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

Reserve balances as of June 30, 2012 and 2011 are as follows:

	2012	2011
MEMBER	$ 569,892,474	$ 549,207,347
EMPLOYER ADVANCE	766,997,924	723,383,047
RETIRED MEMBER	1,919,116,136	1,810,061,793
VESTED FIXED SUPPLEMENTAL	128,571,067	125,437,812
NON-VESTED SUPPLEMENTAL	13,789,250	15,590,891
SUPPLEMENTAL COLA BENEFIT	-	238,479
DEATH BENEFITS	12,782,317	12,297,922
MARKET STABILIZATION	(201,531,962)	(63,892,228)
CONTINGENCY	-	-
UNRESTRICTED	-	-
TOTAL RESERVES	**$ 3,209,617,206**	**$ 3,172,325,063**

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. For the Fiscal Year 2010-11, the Code provided that administrative expenses incurred in any year were not to exceed 18/100 of one percent of the Plan's total assets, and Government code section 31580.3 provided an exception to the limitation described in section 31580.2, the maximum expense to be 23/100 of one percent of the total assets of the system in order allow for additional expenditures for software, hardware and computer technology. For the Fiscal Year 2011-12 the Code provided that administrative expenses incurred in any year were not to exceed the greater of 21/100 of one percent of the accrued actuarial liability of the system or two million dollars ($2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. Government Code section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. Administrative expenses incurred in fiscal year 2012 and 2011 were within the limits established by the Codes.

	2012	2011
TOTAL ASSET BASE AT FAIR VALUE (DECEMBER 31, 2009)		$2,871,563,500
ACCRUED ACTUARIAL LIABILITY (JUNE 30, 2010)	$3,877,443,000	
MAXIMUM ALLOWED FOR ADMINISTRATIVE EXPENSE ($3,877,443,000* 0.21% & $2,871,563,500 *0.23%)	8,142,630	6,604,596
ACTUAL ADMINISTRATIVE EXPENSE	3,535,807	4,386,708
EXCESS OF ALLOWED OVER ACTUAL EXPENSES	$ 4,606,823	$ 2,217,888
ACTUAL ADMINISTRATIVE EXPENSES AS A PERCENTAGE OF TOTAL ASSET BASE/ACCRUED ACTUARIAL LIABILITY	0.09%	0.15%

9. LEASE AGREEMENT

Effective April 1, 2011, VCERA entered into a seven-year extension of a commercial lease for office space with the option to renew for two additional five-year periods. Payments over the remaining lease term total $923,218. Annual amounts due under the agreement are as follows:

FISCAL YEAR ENDING	AMOUNT
2012	$ 158,074
2013	161,083
2014	161,083
2015	161,083
2016	161,083
2017	120,812

10. COMMITMENTS TO FUND INVESTMENTS

VCERA expanded the fixed income allocation of the investment portfolio to include global fixed income securities. At June 30, 2012, VCERA committed to fund an investment with PIMCO in the amount of $101 million.

11. SUBSEQUENT EVENTS

On September 12, 2012, Governor Jerry Brown signed Assembly Bill 340, known as the California Public Employees' Pension Reform Act of 2013 (CalPEPRA), into law. The new law is complex and broad-reaching and takes effect on January 1, 2013. VCERA is currently working with the County to analyze CalPEPRA and determine how it will apply in Ventura County.

In order to accommodate new pension administration system programing and testing activities, commencing October 1, 2012, VCERA entered into a three-year commercial lease for additional office space with an option to renew for two additional one year periods. Payments over the lease term total $55,987.

Management has evaluated subsequent events through December 28, 2012, which is the date the financial statements were issued.

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}
06/30/12	$3,397,360	$4,373,227	$975,867	77.69%	$633,848	153.96%
06/30/11	3,220,388	3,995,352	774,964	80.60	637,037	121.65
06/30/10	3,115,984	3,877,443	761,459	80.36	654,828	116.28
06/30/09	3,090,148	3,663,701	573,553	84.34	634,777	90.36
06/30/08	3,055,756	3,345,804	290,048	91.33	599,173	48.41
06/30/07	2,736,558	3,112,583	376,025	87.92	551,968	68.12

(i) After change in mortality assumption

SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2012
($ IN THOUSANDS)

YEAR ENDED JUNE 30	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2012	$ 132,386	100
2011	111,585	100
2010	97,234	100
2009	105,278	100
2008	104,429	100
2007	86,455	100

Notes to Required Supplementary Information

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, 2012
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method
Amortization Method:	Level Percentage of Payroll (assuming a 4.00% 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. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed 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 five-year period. The Actuarial Value of Assets is reduced by the value of the STAR COLA benefit reserve (eliminated as of July 2011), supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.

Actuarial Assumptions:

Investment Return:	7.75%
Projected Salary Increases:	4.50% - 12.50% varying by service. Includes inflation at 3.25%, "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, 2012 AND 2011

	2012	2011
PERSONNEL SERVICES:		
SALARIES	$ 1,099,892	$ 1,417,212
EMPLOYEE BENEFITS	569,784	495,690
TOTAL PERSONNEL SERVICES	**1,669,676**	**1,912,902**
PROFESSIONAL SERVICES:		
ACTUARIAL FEES	116,961	84,120
COMPUTER SOFTWARE AND SYSTEM SUPPORT(NET OF CAPITALIZED COSTS)	302,720	1,140,315
LEGAL SERVICES	354,517	475,909
PENSION PAYROLL FEES	147	151
OTHER PROFESSIONAL SERVICES	377,331	367,768
TOTAL PROFESSIONAL SERVICES	**1,151,676**	**2,068,263**
COMMUNICATION:		
POSTAGE	54,902	56,494
TELECOMMUNICATION	36,277	50,248
TOTAL COMMUNICATION	**91,179**	**106,742**
MISCELLANEOUS:		
OFFICE LEASE	158,074	126,993
EDUCATIONAL	54,755	45,348
EQUIPMENT	879	16,790
COUNTY DEPARTMENT CHARGES	34,007	31,794
INSURANCE	8,692	9,264
JUDGEMENT AND DAMAGES	30,855	-
OTHER MISCELLANEOUS	336,014	68,612
TOTAL MISCELLANEOUS	**623,276**	**298,801**
	$ 3,535,807	**$ 4,386,708**

Supplemental Schedules (continued)

SCHEDULE OF INVESTMENT EXPENSES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
INVESTMENT ACTIVITY		
INVESTMENT MANAGEMENT FEES		
STOCK MANAGERS		
DOMESTIC	$ 417,314	$ 421,894
INTERNATIONAL/GLOBAL	2,924,002	3,056,718
PRIVATE EQUITY	993,750	
BOND MANAGERS	1,651,286	1,617,323
REAL ESTATE	2,593,727	1,890,516
ALTERNATIVES	114,990	
TOTAL INVESTMENT MANAGEMENT FEES	**8,695,069**	**6,986,451**
OTHER INVESTMENT EXPENSES		
CASH OVERLAY	71,515	83,974
INVESTMENT CONSULTANT	239,000	233,000
CUSTODIAN	97,289	100,503
TOTAL OTHER INVESTMENT EXPENSES	**407,804**	**417,477**
TOTAL INVESTMENT EXPENSES	**$ 9,102,873**	**$ 7,403,928**

SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
LEGAL SERVICES	$ 354,517	$ 475,909
ACTUARIAL CONSULTING FEES	116,961	84,120
INVESTMENT MANAGEMENT CONSULTING FEES	239,000	233,000
NETWORK AND OTHER INFORMATION TECHNOLOGY SERVICES (includes capitalized costs)	920,281	1,140,315
TOTAL PAYMENTS TO CONSULTANTS	**$ 1,630,759**	**$ 1,933,344**

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INVESTMENT

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An Aon Company

December 19, 2012

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

Dear Mr. Kendig,

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 applicable to public employees' retirement systems in the State of California. To fulfill this primary objective, VCERA utilizes a carefully planned and executed investment program designed to produce a sufficient long term total portfolio 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 their beneficiaries, minimizing contributions thereto, and defraying reasonable expenses of administering the Plan. VCERA presents its returns using a time-weighted rate of return methodology based upon market values.

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

For fiscal year 2012, while the major US equity markets posted positive returns, adding to gains from the previous fiscal year, most foreign markets declined. Much focus was dominated by the impending US presidential election and concerns over the state of the world economy, which led to calls for a third round of quantitative easing. In particular, throughout the fiscal year the Federal Open Market Committee reaffirmed their plans to continue to expand their holdings of long-term Treasury securities to promote a stronger pace of economic recovery and to help ensure that inflation levels remain consistent with its mandate. While investor confidence waned in May, the agreements reached at the EU Summit to recapitalize banks directly with bailout funds and to relax conditions on rescue loans to Eurozone governments, provided some relief to the markets. Returns remained volatile with increased concern about the debt crisis in Europe, continued political unrest in the Middle East and relatively high unemployment in the U.S.

The Federal Open Markets Committee ("Committee") maintained the Federal Funds target range at 0.00% - 0.25%. The Committee also extended "Operation Twist" in an effort to increase price pressure on long-term interest rates, support mortgage markets and help to make broader financial conditions more accommodative.

VCERA's real estate investment portfolio continued to post positive returns throughout the fiscal year, carrying momentum from the previous period. Valuations improved as transaction volume and firmer pricing helped fuel growing appetite for risk.

Mr. Donald Kendig
Page two
December 19, 2012

The broad U.S. equity markets gained 4.0% during the fiscal year, outpacing developed non-U.S. equity markets, which posted a -13.8% loss, by almost 18.0 percentage points. U.S. stocks rallied with help of the continued efforts of “Operation Twist” and the possibility of additional stimulus. Non-U.S. and global markets suffered from the economic uncertainty related to the European debt crisis as well as general negative reaction to the escalating Middle East crisis. Emerging markets posted negative returns as debt concerns in European markets slowed the influx of liquidity.

The efforts of the Federal Open Markets Committee to extend “Operation Twist” put downward pressure on long-term interest rates and contributed to significant volatility in the bond market. The U.S. bond market, as measured by the Barclays Aggregate Bond Index, returned 7.5% during the fiscal year. During the second quarter of 2012, long duration government bonds gained 10.3%, as measured by the Barclays 30 Year Treasury Index, amidst falling interest rates in May when investors sought safety in an uncertain economic environment.

VCERA’s Relative Performance Update

During the 2012 fiscal year, VCERA’s Total Fund returned 1.5%, exceeding the return of the Policy Portfolio by 12 basis points, but failed to meet its assumed rate of return. Outperformance relative to the policy portfolio was mainly attributable to favorable relative performance from the international and global equity and fixed income asset classes. In addition, the U.S. equity allocation slightly outperformed at the Total Fund level.

VCERA’s U.S. equity asset class gained 4.1% during the fiscal year, exceeding the policy benchmark by 0.1 percentage point. Outperformance was entirely attributable to favorable returns in the BlackRock Equity Market Fund portfolio. The passive investments component of this asset class approximated the return of their respective benchmarks during the 2012 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 12.5% during the fiscal year, outpacing the policy benchmark by 2.1 percentage points. The relatively favorable performance for the year was mainly attributable to the outperformance of Sprucegrove and Walter Scott. Artio continued to struggle through the fiscal year as the manager’s unfavorable stock selection in developed markets and emerging markets, such as Taiwan and Korea, detracted from returns throughout the period.

VCERA’s global equity component returned -6.0% for the fiscal year, which was a smaller decline than the policy benchmark by 0.5 percentage points. Outperformance was solely attributable to the GMO Global portfolio. GMO Global returned -2.6%, a decline that was 3.9 percentage points less than the benchmark. The manager’s overweight position in the consumer staples and health care industries greatly contributed to the relative outperformance.

During the fiscal year ending June 30, 2012, the Fund’s fixed income component gained 8.7%, exceeding the return of the Barclays Capital Aggregate Bond Index by 1.2 percentage points. Reams and Western Asset were the greatest contributors to the outperformance, while Loomis Sayles lagged the policy benchmark. All active managers were aided by overweight allocations to U.S. investment grade credit.

VCERA’s real estate portfolio gained 10.7% during the 2012 fiscal year, underperforming its policy benchmark by 1.5 percentage points. UBS was the largest detractor from relative performance for the asset class, lagging the policy benchmark by 1.1 percentage points. The other managers finished the fiscal year relatively close to the policy benchmark.

Mr. Donald Kendig
Page three
December 19, 2012

Enhancements Made Within the Investment Program

During the 2012 fiscal year, the Board closed out its relationship with Acadian and Artio. The Board funded one new global equity mandate – BlackRock MSCI ACWI Equity Index, and one new global fixed income manager – Loomis Sayles Global. Additionally the Board wound down its relationship with K2.

In the next fiscal year, the VCERA Board plans to continue to fund the private equity asset class and conduct significant analysis and review of its overall investment manager structure, along with a review of the merits and challenges of further global bond mandates. Additionally the Board is moving forward with plans to evaluate new asset classes as it seeks higher rates of return while managing the overall risk profile of the portfolio. Along those lines, it will be reviewing liquid alternatives, specifically, Global Tactical Asset Allocation strategies as well as Master Limited Partnerships.

Throughout the fiscal year, Hewitt EnnisKnupp 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,

Russ Charvonia
Partner

Kevin Chen
Senior Consultant

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 January 2009, 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.

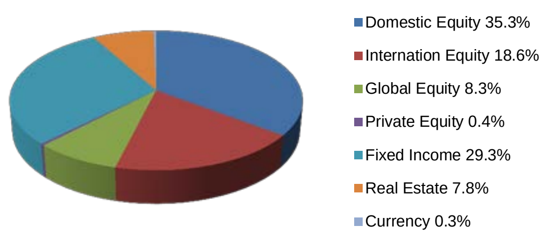
A systematic rebalancing procedure, implemented monthly, is used to maintain asset allocations within appropriate ranges.

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.

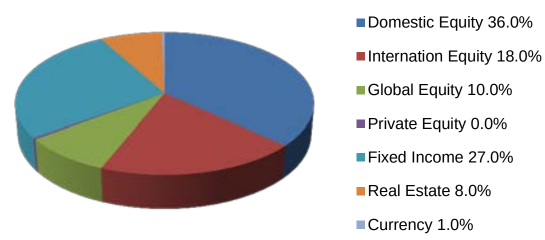
Target Versus Actual Asset Allocation

ASSET ALLOCATION

2012 VCERA ASSET ALLOCATION



TARGET ASSET ALLOCATION



The 2012 Actual Asset Allocation is based upon the Investment Summary following.

LIST OF INVESTMENT PROFESSIONALS
INVESTMENT MANAGERS

Domestic Equity

BlackRock Global Investors
Western Asset US Index Plus

International Equity

Sprucegrove Investment Management
BlackRock Global Investors
Hexavest, Inc.
Walter Scott

Global Equity

Grantham, Mayo, Van Otterloo & Co.
Acadian Asset Management
BlackRock Global Investors

Private Equity

Adams Street Partnership
Pantheon

Fixed Income

BlackRock 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

Hewitt ennisknupp

Cash Overlay

The Clifton Group

INVESTMENT

Investment Summary

EQUITY: DOMESTIC	FAIR VALUE OF EQUITY AS OF JUNE 30, 2012	CASH AS OF JUNE 30, 2012	TOTAL FUND VALUE AS OF JUNE 30, 2012	PERCENTAGE OF TOTAL MARKET VALUE
BlackRock U.S. Equity Market	$1,055,825,561	1	$1,055,825,562	32.7%
Western Asset Management Index Plus	87,964,565	19,360,732	107,325,297	3.3%
BlackRock Extended Equity Index	28,845,144	1	28,845,145	0.9%
TOTAL DOMESTIC EQUITY	**1,172,635,270**	**19,360,734**	**1,191,996,004**	**36.9%**
INTERNATIONAL				
Sprucegrove Investment Management	140,627,582	-	140,627,582	4.3%
BlackRock ACWI EX US IMI	265,166,196	-	265,166,196	8.2%
Hexavest	51,097,904	-	51,097,904	1.6%
Walter Scott	74,293,080	-	74,293,080	2.3%
TOTAL INTERNATIONAL EQUITY	**531,184,762**	**-**	**531,184,762**	**16.4%**
GLOBAL				
Grantham, Mayo, Van Otterloo & Company	149,524,495	-	149,524,495	4.6%
BlackRock Global Index	117,762,760	-	117,762,760	3.6%
Acadian Asset Management	10,461	-	10,461	0.0%
TOTAL GLOBAL EQUITY	**267,297,716**		**267,297,716**	**8.2%**
PRIVATE EQUITY				
Adams Street Partners	21,594,177	-	21,594,177	0.7%
Pantheon	5,335,988	-	5,335,988	0.2%
TOTAL PRIVATE EQUITY	**26,930,165**		**26,930,165**	**0.9%**
TOTAL EQUITY	**1,998,047,913**	**19,360,734**	**2,017,408,647**	**62.4%**
FIXED INCOME				
BlackRock Debt Index	131,199,409	-	131,199,409	4.1%
Loomis Sayles & Company	110,167,789	6,558,438	116,726,227	3.6%
Reams Asset Management	355,629,661	15,151,831	370,781,492	11.5%
Western Asset Management	243,599,179	886,908	244,486,087	7.6%
Loomis Sayles & Company Global	0	65,400,000	65,400,000	2.0%
TOTAL FIXED INCOME	**840,596,038**	**87,997,177**	**928,593,215**	**28.8%**
REAL ESTATE				
Guggenheim Real Estate	21,805,515	-	21,805,515	0.7%
Prudential Real Estate Investors	80,026,336	-	80,026,336	2.5%
UBS Realty Investors	171,825,600	-	171,p825,600	5.3%
RREEF America III	9,581,915	-	9,581,915	0.3%
TOTAL REAL ESTATE	**283,239,366**		**283,239,366**	**8.8%**
TOTAL INVESTMENTS AT FAIR VALUE	**3,121,883,317**	**107,357,911**	**3,229,241,228**	**100.0%**
OTHER				
County Treasury Investment Pool	-	7,595,263	7,595,263	0.0%
Commercial Checking Account	-	36,932	36,932	0.0%
Overly Strategy	-	3,810,165	3,810,165	0.0%
TOTAL OTHER	**-**	**11,442,360**	**11,442,360**	**0.0%**
TOTAL INVESTMENT, CASH AND OTHER	**$ 3,121,883,317**	**$ 118,800,271**	**$ 3,240,683,588**	**100.0%**

Schedule of Investment Results

INVESTMENT RETURNS

	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	4.2%	17.6%	(0.1%)
Benchmark: Dow Jones US Total Stock Index	4.0%	16.9%	0.6%
Domestic Fixed Income	8.8%	11.4%	8.9%
Benchmark: Barclays Capital Agg Bond Index	7.5%	6.9%	6.8%
International Equity	(12.5%)	8.3%	(4.4%)
Benchmark: MSCI ACWXUS Index	(14.6%)	7.0%	(4.6%)
Global Equity	(6.0%)	10.3%	(3.1%)
Benchmark: MSCI ACWI	(6.5%)	10.8%	(2.7%)
Real Estate	10.8%	8.5%	(3.8%)
Benchmark: NCREIF Open End Fund Index	9.3%	8.7%	1.6%
TOTAL FUND	1.5%	13.4%	1.9%
VCERA Policy*	1.1%	11.6%	1.5%

* 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, 2012

	UNITS	FUND NAME	FAIR VALUE
1	12,033,371	BLACKROCK U.S. EQUITY MARKET FUND	$ 1,055,825,561
2	29,373,161	BLACKROCK ACWI EXUS IMI INDEX FUND	265,166,196
3	8,305,966	GRANTHAM MAYO VAN OTTERLOO (GMO) GROUP TRUST	149,524,495
4	3,065,231	SPRUCEGROVE INVESTMENT MANAGEMENT GROUP TRUST	140,627,582
5	6,316,615	WESTERN ASSET MANAGEMENT INDEX PLUS	107,491,071
6	11,632,624	BLACKROCK GLOBAL INDEX	117,535,280
7	3,611,703	WALTER SCOTT INTERNATIONAL	74,293,080
8	50,155	HEXAVEST EAFE EQUITY FUND	51,097,904
9	120,503	BLACKROCK EXTENDED EQUITY MARKET FUND	28,845,144
TOTAL STOCK HOLDINGS			**$1,990,406,313**

All VCERA equity investments at June 30, 2012 were held in index funds and commingled investment vehicles.

Largest Bond Holdings

AS OF JUNE 30, 2012

	PAR	BONDS	FAIR VALUE
1	25,540,000	US Treasury Notes 0.125% Due 8/31/2013 Rating AA	$ 25,497,093
2	21,190,000	FNMA CONV TBA 3.000% Due 12/01/2099 Rating AA	21,673,344
3	17,350,000	FNMA TBA 3.000% Due 12/01/2099 Rating AA	17,791,905
4	14,905,000	US Treasury Bonds 3.125% Due 02/15/2042 Rating AA	16,008,864
5	13,680,000	FNMA POOL 0.709% Multifamily Due 11/01/2020 Rating AA	13,701,888
6	10,310,000	US Treasury Bonds 3.125% Due 11/15/2041 Rating AA	11,083,250
7	10,125,000	US Treasury Notes 2.000% Due 2/15/2022 Rating AA	10,465,909
8	10,180,000	US Treasury Notes 0.625% Due 4/30/2013 Rating AA	10,212,983
9	9,070,000	US Treasury Notes 1.250% Due 4/30/2019 Rating AA	9,170,586
10	8,390,000	US Treasury Notes 0.750% Due 3/31/2013 Rating AA	8,423,728
TOTAL LARGEST BOND HOLDINGS			**$ 144,029,550**

A complete list of portfolio holdings is available upon request.

Schedule of Investment Management Fees for the Years Ended June 30, 2012 and 2011

INVESTMENT ACTIVITY	2012	2011
EQUITY MANAGERS		
DOMESTIC		
BLACKROCK GLOBAL INVESTORS	$ 224,518	$ 229,111
WESTERN ASSET INDEX PLUS	192,796	192,783
TOTAL	**417,314**	**421,894**
INTERNATIONAL/GLOBAL		
ACADIAN ASSET MANAGEMENT	1,024,269	1,053,649
ARTIO GLOBAL INVESTORS	272,681	515,194
BLACKROCK GLOBAL INVESTORS	300,360	332,111
CAPITAL GUARDIAN TRUST COMPANY	-	245,233
SPRUCEGROVE INVESTMENT MANAGEMENT	552,716	536,596
HEXAVEST	196,770	90,491
WALTER SCOTT	577,206	283,444
TOTAL	**2,924,002**	**3,056,718**
PRIVATE EQUITY		
ADAMS STREET	843,750	-
PANTHEON	150,000	-
TOTAL	**993,750**	**-**
FIXED INCOME MANAGERS		
DOMESTIC		
BLACKROCK GLOBAL INVESTORS	91,503	78,005
LOOMIS SAYLES & COMPANY	409,662	392,966
REAMS ASSET MANAGEMENT	560,448	526,004
WESTERN ASSET MANAGEMENT	589,673	620,348
TOTAL	**1,651,286**	**1,617,323**
REAL ESTATE		
GUGGENHEIM REAL ESTATE INVESTORS	242,530	190,592
PRUDENTIAL REAL ESTATE INVESTORS	681,122	641,528
RREEF AMERICA III	72,538	76,844
UBS REALTY INVESTORS	1,597,537	981,552
TOTAL	**2,593,727**	**1,890,516**
ALTERNATIVES		
K2	**114,990**	**-**
OTHER INVESTMENT EXPENSES		
CASH OVERLAY	71,515	83,974
INVESTMENT CONSULTANT	239,000	233,000
CUSTODIAN	97,289	100,503
TOTAL	**407,804**	**417,477**
TOTAL INVESTMENT MANAGEMENT FEES	**$ 9,102,873**	**$ 7,403,928**

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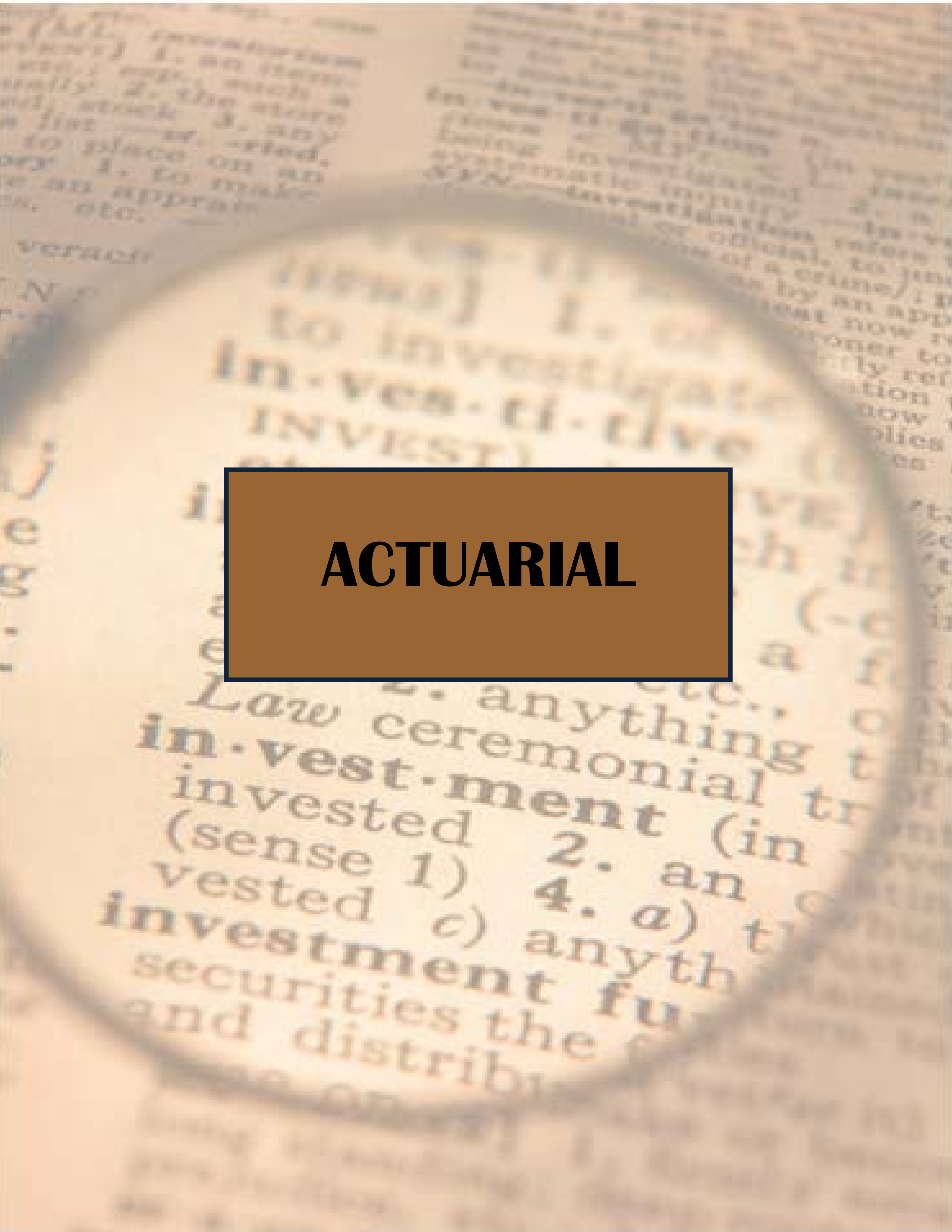

ACTUARIAL

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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 December 18, 2012

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

Dear Members of the Board:

The Segal Company (Segal) prepared the June 30, 2012 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, 2012 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. 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. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.

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).

Components of the UAAL through June 30, 2012 are amortized as a level percentage of payroll over a 15-year period. Future components of the UAAL will be amortized over separate 15-year periods. Effective with the June 30, 2012 valuation, any change in the UAAL that arises due to assumption changes is amortized over separate 20-year declining amortization periods.

Board of Retirement
Ventura County Employees' Retirement Association
December 18, 2012
Page 2

In addition, any change in the UAAL that arises due to retirement incentives is amortized over a separate declining period of up to 5 years. The progress being made towards meeting the funding objective through June 30, 2012 is illustrated in the Actuarial Solvency Test.

For the Financial Section of the Comprehensive Annual Financial Report (CAFR), Segal provided the trend data shown in the Required Supplementary Information. For the Actuarial Section of the CAFR, Segal's actuarial valuation reports were the source for most of the information found in the following schedules:

1. Summary of Actuarial Assumptions and Methods as of June 30, 2012

2. Active Member Valuation Data

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

4. Actuarial Analysis of Financial Experience

5. Actuary Solvency Test

6. Probability of Occurrence

The valuation assumptions included in the Actuarial Section were adopted by the Retirement Board based on our recommendations following the June 30, 2011 Experience Analysis. It is our opinion that the assumptions used in the June 30, 2012 valuation produce results which, in the aggregate, reasonably reflect the expected future experience of the Plan. Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years. The June 30, 2014 Experience Analysis is due to be performed during the first half of 2015.

The Board approved a three-year phase-in for the change in the employer contribution rate due to changes in the economic actuarial assumptions as of June 30, 2012 and the new individual Entry Age Normal Actuarial Cost Method.

In the June 30, 2012 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities decreased from 80.6% to 77.7% and the aggregate employer contribution rate increased from 23.82% of payroll to 28.27% of payroll before reflecting the three-year phase-in. After reflecting the three-year phase-in, the aggregate employer contribution rate is 26.63% of payroll.

Board of Retirement
Ventura County Employees' Retirement Association
December 18, 2012
Page 3

The valuation value of assets included $202 million in deferred investment losses, which represented about 6% 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 77.7% to 73.1% and the aggregate employer contribution rate (before reflecting the phase-in), expressed as a percent of payroll, would have increased from 28.27% to about 31.07%.

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, FSA, MAAA, FCA, EA
Vice President and Actuary

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

AW/gxk

Summary of Actuarial Assumptions and Methods as of June 30, 2012

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

ACTUARIAL COST METHOD. Entry age normal actuarial cost method

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

AMORTIZATION OF GAINS AND LOSSES. Experience gains and losses are amortized over 15 years. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.

INVESTMENT RATE OF RETURN. 7.75% per annum; 4.50% real rate of return and 3.25% inflation.

PROJECTED SALARY INCREASES. 4.50% – 12.50% varying by service. Includes inflation at 3.25%, "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. May 21, 2012

Active Member Valuation Data

Fiscal Year Ended June 30	Number	Annual Salary	Average Annual Salary	% Increase/ (Decrease) in Average Salary	Age	Service
2012						
General	6,529	$475,042,839	$72,759	0.42%	46.4	10.5
Safety	1,490	158,804,521	106,580	(1.51%)	41.1	13.9
Total	8,019	$633,847,360	$79,043,	(0.24 %)	45.4	11.1
2011						
General	6,516	$472,121,275	$72,456	(2.56%)	46.1	10.3
Safety	1,524	164,916,105	108,213	(5.26%)	40.7	13.6
Total	8,040	$637,037,380	$79,234	(3.16 %)	45.1	10.9
2010						
General	6,505	$483,722,608	$74,362	2.86%	46.0	9.9
Safety	1,498	171,105,613	114,223	7.00%	40.8	13.8
Total	8,003	$654,828,221	$81,823	3.70%	45.0	10.6
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

ACTUARIAL

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
2012	5,481	180,069,857	327	13,053,782	150	1,791,721	5,658	191,331,918	6.25%	33,816
2011	5,267	166,028,550	358	16,502,067	144	2,460,760	5,481	180,069,857	8.46%	32,853
2010	5,041	153,088,994	350	15,884,725	124	2,945,169	5,267	166,028,550	8.45%	31.522
2009	4,914	142,669,054	252	13,508,359	125	3,088,419	5,041	153,088,994	7.30%	30,369
2008	4,770	132,207,925	300	16,101,840	156	5,640,711	4,914	142,669,054	7.91%	29,033
2007	4,570	121,226,816	300	16,471,664	100	5,490,555	4,770	132,207,925	9.06%	27,717

Actuarial Analysis of Financial Experience (Amounts in Thousands)

	2012	2011	2010	2009	2008	2007
Prior Valuation Unfunded (Excess Funded) Accrued Liability	$774,964	$761,459	$573,553	$290,048	$376,025	$481,870
Salary Increases Greater (Less) Than Expected	(93,786)	(131,928)	(19,314)	(9,590)	19,961	(5,589)
Asset Return (Greater) Less Than Expected	72,404	127,192	202,739	213,344	(90,891)	(113,656)
Other Experience Factors	25,640	7,067	(6,044)	(11,501)	(15,047)	13,400
Change in Actuarial Assumptions	196,645	11,174	10,525	91,252	—	—
Ending Valuation Unfunded (Excess Funded) Accrued Liability	$975,867	$774,964	$761,459	$573,553	$290,048	$376,025

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
6/30/12	569,893	1,919,116	1,884,218	4,373,227	3,397,360	100%	100%	48%
6/30/11	549,207	1,810,062	1,636,083	3,995,352	3,220,388	100%	100%	53%
6/30/10	525,190	1,674,735	1,677,518	3,877,443	3,115,984	100%	100%	55%
6/30/09	499,205	1,545,347	1,619,149	3,663,701	3,090,148	100%	100%	65%
6/30/08	466,332	1,470,874	1,408,598	3,345,804	3,055,756	100%	100%	79%
6/30/07	431,860	1,391,914	1,288,809	3,112,583	2,736,558	100%	100%	71%

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 or contracting district 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, and certain management personnel who entered service prior to October 16, 2001, 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 and contracting districts contribute 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 non-service-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 average 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 non-service-connected disability retirement. The benefit payable for a non-service-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, not to exceed one-half of annual compensation earnable, not to exceed one-half of annual compensation earnable.

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	0.0710	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

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STATISTICAL

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Narrative Summary

The 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 the Financial Statements, Notes to the Financial Statements, 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 2003 – 2012 presents additions by source, deductions by type, and the total change in net assets for each year. The Schedule of Benefit Expenses and refunds by Type for the last ten years presents type of benefit received by members and refunds issued by member type.

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 Active and Deferred Members table indicates member status for the last ten years. The Schedule of Retired Members by Type of Pension Benefit reflects the number of retired members, average monthly benefit, and type of benefit as of June 30, 2012. 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 present the employers and number of their corresponding covered employees for years 2003 – 2012. The Employer Contribution Rates show the required retirement contribution rates for years 2003 – 2012.

STATISTICAL

Changes in Plan Net Assets
2012 - 2003

	2012	2011	2010	2009	2008
Additions					
Employer Contributions	$140,772,725	$120,053,545	$105,702,929	$113,915,784	$112,797,726
Member Contributions	44,486,749	44,237,695	42,466,182	42,325,754	39,611,439
Net Investment Income	50,683,170	627,326,737	347,087,186	(625,182,877)	(208,518,972)
Total Additions	**235,942,644**	**791,617,977**	**495,256,297**	**(468,941,339)**	**(56,109,807)**
Deductions					
Total Benefit Expenses	191,331,918	180,069,857	166,028,550	153,088,994	142,669,054
Administrative Expense	3,535,807	4,386,708	3,227,440	3,535,690	3,267,594
Member Refunds	3,782,776	4,388,204	4,081,469	3,253,100	3,960,407
Miscellaneous	-	-	-	-	20,007
Total Deductions	**198,650,501**	**188,844,769**	**173,337,459**	**159,877,784**	**149,917,062**
Change In Plan Net Assets	**$37,292,143**	**$602,773,208**	**$321,918,838**	**($628,819,123)**	**($206,026,869)**

	2007	2006	2005	2004	2003
Additions					
Employer Contributions	$94,327,697	$81,683,816	$58,436,106	$15,708,139	$5,384,203
Member Contributions	36,727,845	33,334,824	29,351,919	28,895,312	25,978,659
Net Investment Income	461,551,467	241,240,489	206,019,458	318,222,984	80,300,150
Total Additions	**592,607,009**	**356,259,129**	**293,807,483**	**362,826,435**	**111,663,012**
Deductions					
Total Benefit Expenses	132,207,925	121,226,816	109,734,125	101,108,287	95,001,364
Administrative Expense	2,588,705	3,027,674	2,938,884	2,761,869	2,246,186
Member Refunds	3,479,318	4,228,611	3,536,154	3,080,417	2,894,770
Miscellaneous	-	-	-	12,722	37,500
Total Deductions	**138,275,948**	**128,483,101**	**116,209,163**	**106,963,295**	**100,179,820**
Change In Plan Net Assets	**$454,331,061**	**$227,776,028**	**$177,598,320**	**$255,863,140**	**$11,483,192**

Benefit Expenses and Refund Deductions by Type – 2012 - 2003

	2012	2011	2010	2009	2008
Service Retiree Payroll					
General	$96,889,192	$91,046,090	$83,372,514	$77,661,797	$72,277,754
Safety	49,705,780	45,009,631	39,353,106	35,038,577	32,145,225
Total	146,594,972	136,055,721	122,725,620	112,700,374	104,422,979
Disability Retiree Payroll					
General	9,584,572	9,484,059	10,050,635	9,638,282	9,113,846
Safety	21,807,931	21,330,545	21,162,852	19,264,905	18,147,418
Total	31,392,503	30,814,604	31,213,487	28,903,187	27,261,264
Survivor Continuances					
General	8,016,623	7,908,926	7,365,353	6,949,959	6,499,663
Safety	5,327,820	5,290,606	4,724,090	4,535,474	4,485,148
Total	13,344,443	13,199,532	12,089,443	11,485,433	10,984,811
Total Retiree Payroll					
General	114,490,387	108,439,076	100,788,502	94,250,038	87,891,263
Safety	76,841,531	71,630,781	65,240,048	58,838,956	54,777,791
TOTAL	$191,331,918	$180,069,857	$166,028,550	$153,088,994	$142,669,054
Member Refunds					
General	$3,378,753	$3,858,642	$2,605,623	$2,678,876	$3,525,896
Safety	404,023	529,562	621,817	574,224	434,511
TOTAL	$3,782,776	$4,388,204	$3,227,440	$3,253,100	$3,960,407

	2007	2006	2005	2004	2003
Service Retiree Payroll					
General	$66,938,627	$60,586,668	$54,330,399	$49,857,118	$45,934,646
Safety	28,472,253	26,027,639	23,606,066	21,186,500	19,725,887
Total	95,410,880	86,614,307	77,936,465	71,043,618	65,660,533
Disability Retiree Payroll					
General	9,448,886	9,334,146	9,213,230	8,930,748	8,549,634
Safety	17,115,428	15,941,360	14,070,060	12,713,783	12,577,060
Total	26,564,314	25,275,506	23,283,290	21,644,531	21,126,694
Survivor Continuances					
General	6,067,275	5,685,323	5,263,144	5,180,998	5,061,588
Safety	4,165,456	3,651,680	3,251,226	3,239,140	3,152,549
Total	10,232,731	9,337,003	8,514,370	8,420,138	8,214,137
Total Retiree Payroll					
General	82,454,788	75,606,137	68,806,773	63,968,864	59,545,868
Safety	49,753,137	45,620,679	40,927,352	37,139,423	35,455,496
TOTAL	$132,207,925	$121,226,816	$109,734,125	$101,108,287	$95,001,364
Member Refunds					
General	$3,203,238	$3,611,208	$3,223,771	$2,691,921	$2,524,486
Safety	276,080	617,403	312,383	388,496	370,284
TOTAL	$3,479,318	$4,228,611	$3,536,154	$3,080,417	$2,894,770

Active and Deferred Members
2012 - 2003

	2012	2011	2010	2009	2008
Active Vested					
General	4,516	4,278	4,078	4,069	3,970
Safety	1,221	1,193	1,158	1,187	1,188
Active Nonvested					
General	2,013	2,238	2,427	2,432	2,408
Safety	269	331	340	357	362
Total Active Members					
General	6,529	6,516	6,505	6,501	6,378
Safety	1,490	1,524	1,498	1,544	1,550
Deferred Members					
General	1,891	1,838	1,780	1,795	1,762
Safety	270	259	260	260	245
TOTAL	10,180	10,137	10,043	10,100	9,935

	2007	2006	2005	2004	2003
Active Vested					
General	3,906	3,768	3,650	3,573	3,509
Safety	1,177	1,192	1,172	1,158	1,036
Active Nonvested					
General	2,224	2,134	2,103	2,515	2,701
Safety	346	309	320	380	471
Total Active Members					
General	6,130	5,902	5,753	6,088	6,210
Safety	1,523	1,501	1,492	1,538	1,507
Deferred Members					
General	1,646	1,555	1,538	1,206	1,036
Safety	218	201	175	145	119
TOTAL	9,517	9,159	8,958	8,977	8,872

Retired Members by Type of Pension Benefit
As of June 30, 2012

Amount of Monthly Benefit	Number of Retirees	Type of Retirement** 1	2	3
$ 1 - $1,000	1,533	1,119	94	320
$1,001 - $2,000	1,496	1,015	278	203
$2,001 - $3,000	818	573	143	102
$3,001 - $4,000	491	360	82	49
$4,001 - $5,000	384	253	80	51
$5,001 - $6,000	220	153	48	19
$6,001 - $7,000	174	133	26	15
$7,001 - $8,000	128	97	21	10
$8,001 - $9,000	105	82	22	1
$9,001 - $10,000	97	87	9	1
Greater than $10,000	212	184	25	3
Totals	**5,658**	**4,056**	**828**	**774**

** Type of Benefit:

1 – Service Retirees

2 – Disability Retirees

3 – Beneficiary/Continuant/Survivors

Schedule of Average Monthly Benefit Payments
2012-2008

	Years of Credited Service					
	5-9	10-14	15-19	20-24	25-29	30+
Retirees – 2012						
General Members						
Average Monthly Benefit	$ 950	$ 1,831	$ 2,653	$ 2,996	$ 4,065	$ 6,683
Average Final Average Salary	$ 5,888	$ 6,580	$ 6,667	$ 6,522	$ 7,144	$ 8,971
Number of Active Retirees	46	57	28	31	22	26
Safety Members						
Average Monthly Benefit	$ 1,219	$ 2,928	$ 2,915	$ 7,491	$ 9,827	$ 10,422
Average Final Average Salary	$ 7,910	$ 8,631	$ 5,263	$ 12,690	$ 13,347	$ 12,150
Number of Active Retirees	9	6	1	14	6	22
Retirees – 2011						
General Members						
Average Monthly Benefit	$ 1,169	$ 1,835	$ 2,497	$ 3,824	$ 5,203	$ 6,494
Average Final Average Salary	$ 6,376	$ 6,466	$ 6,489	$ 8,145	$ 9,263	$ 8,729
Number of Active Retirees	59	76	34	46	24	28
Safety Members						
Average Monthly Benefit	$ 2,089	$ 3,021	$ 5,528	$ 6,822	$ 7,925	$ 12,281
Average Final Average Salary	$ 9,315	$ 13,110	$ 10,450	$ 12,291	$ 10,547	$ 13,718
Number of Active Retirees	10	4	4	8	11	24
Retirees – 2010						
General Members						
Average Monthly Benefit	$ 1,146	$ 1,765	$ 2,372	$ 3,694	$ 4,368	$ 5,674
Average Final Average Salary	$ 6,540	$ 6,376	$ 6,356	$ 8,000	$ 8,063	$ 7,409
Number of Active Retirees	42	47	36	33	19	31
Safety Members						
Average Monthly Benefit	$ 2,889	$ 3,231	$ 2,919	$ 6,632	$ 7,520	$ 11,226
Average Final Average Salary	$ 13,166	$ 8,312	$ 8,033	$ 12,022	$ 11,082	$ 13,032
Number of Active Retirees	5	9	11	9	8	23
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

Schedule of Average Monthly Benefit Payments (continued)
2007-2003

	Years of Credited Service					
	5-9	10-14	15-19	20-24	25-29	30+
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

	2003	2004	2005
General Members			
Service Retirements	$1,665	$1,731	$1,744
Disability Retirements	$1,608	$1,618	$1,641
Survivor Continuances	$1,101	$1,116	$1,075
Number General Retirees	2,742	2,860	3,064
Number General Continuances	383	387	408
Safety Members			
Service Retirements	$4,751	$4,586	$4,752
Disability Retirements	$3,589	$3,543	$3,608
Survivor Continuances	$2,795	$2,699	$2,630
Number Safety Retirees	638	684	739
Number Safety Continuances	94	100	103

Participating Employers/Active Members

	2012	2011	2010	2009	2008
County of Ventura					
General Members	6,031	6,069	6,057	6,044	5,932
Safety Members	1,490	1,524	1,498	1,544	1,550
Total	7,521	7,593	7,555	7,588	7,482
Participating Agencies (General Membership)					
Ventura Regional Sanitation District	60	60	61	69	65
Courts	387	387	387	388	381
Air Pollution Control District	51	0	0	0	0
Total	498	448	448	457	446
Total Active Membership					
General Members	6,529	6,516	6,505	6,501	6,378
Safety Members	1,490	1,524	1,498	1,544	1,550
Total	8,019	8,040	8,003	8,045	7,928

	2007	2006	2005	2004	2003
County of Ventura					
General Members	6,066	5,836	5,688	6,018	6,142
Safety Members	1,523	1,501	1,492	1,538	1,507
Total	7,589	7,337	7,180	7,556	7,649
Participating Agencies (General Membership)					
Ventura Regional Sanitation District	64	66	65	70	68
Courts	0	0	0	0	0
Air Pollution Control District	0	0	0	0	0
Total	64	66	65	70	68
Total Active Membership					
General Members	6,130	5,902	5,753	6,088	6,210
Safety Members	1,523	1,501	1,492	1,538	1,507
Total	7,653	7,403	7,245	7,626	7,717

Employer Contribution Rates

	County			Districts		
	Tier 1	Tier 2	Safety	Tier 1	Tier 2	Safety
2012	114.29%	10.16%	43.86%	114.29%	10.16%	N/A
2011	79.92%	8.82%	37.94%	79.92%	8.82%	N/A
2010	46.89%	7.70%	31.06%	46.89%	7.70%	N/A
2009	49.29%	8.47%	32.78%	49.29%	8.47%	N/A
2008	50.69%	9.61%	35.25%	50.69%	9.61%	N/A
2007	32.75%	9.09%	32.01%	32.75%	9.09%	N/A
2006	25.27%	8.77%	30.37%	25.27%	8.77%	N/A
2005	14.79%	7.73%	28.27%	14.79%	7.73%	N/A
2004	0.00%	1.87%	9.40%	0.00%	1.87%	N/A
2003	0.00%	0.00%	0.00%	0.00%	0.00%	N/A

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