2016

"The greatness of a nation and its moral progress can be judged by the way its animals are treated."

~ Mahatma Gandhi ~

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ANNUAL REPORT

Pension Trust Fund for the County of Ventura, California
Comprehensive Annual Financial Report for the
Fiscal Year ended June 30, 2016

2016

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ANNUAL REPORT

Comprehensive Annual Financial Report for the
Fiscal Year Ended June 30, 2016

Issued by:

LINDA WEBB

Retirement Administrator

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 • 805.339.4269 (fax) • www.vcera.org

OUR WILDLIFE

Wildlife is abundant in Ventura County! Thousands of mammals, birds, reptiles and aquatic life share the region with us. This annual report features some of the more popular varieties of our four-legged friends that are seen most often in the county.

Along with some interesting facts, a map of the county shows where you are most likely to catch a glimpse of these intriguing animals.

Photos and information provided by the California Department of Fish and Wildlife

SIERRA NEVADA RED FOX (Cover)

The Sierra Nevada Red Fox are rare in Sierra Nevada, but widely distributed in the lowlands of central and southern California. Populations inhabit Sacramento and San Joaquin valleys, and scattered coastal and inland locations from Sonoma County south to Monterey County and east to Stanislaus County, as well as in Ventura, Los Angeles, and Orange counties.

The Sierra Nevada Red Fox is a subspecies of red fox and likely one of the most endangered mammals in North America. The State of California banned trapping of Sierra Nevada Red Fox in 1974 and listed the subspecies as threatened in 1980.

Shaded areas denote population habitats in Ventura County. Red foxes have been known to travel up to 245 miles. Home range size is influenced by food abundance and habitat.

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Odocoileus hemionus

MULE DEER

The mule deer is named for its ears, which are large like those of the mule. There are believed to be several subspecies, including the black-tailed deer.

The most noticeable differences between white-tailed and mule deer are the size of their ears, the color of their tails, and the configuration of their antlers. The mule deer's tail is black-tipped, whereas the whitetail's is not. The buck has a set of branching antlers, with each side branching into two main beams, and each beam forking into two tines.

The Mule Deer is a yearlong resident with a widespread distribution throughout most of Ventura County, except in intensively farmed areas without cover.

LETTER OF TRANSMITTAL

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
http://www.ventura.org/vcera

January 31, 2017

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

Dear Board of Retirement Trustees:

It is with pleasure that I submit to you the Comprehensive Annual Financial Report (CAFR) of the Ventura County Employees' Retirement Association (VCERA, Association, Fund, or Plan) for the fiscal year ended June 30, 2016, the 69th year of operation. The report is intended to provide a detailed review of the Association's financial, actuarial, and investment status. VCERA has the duty and authority to administer plan benefits for employees of the County of Ventura, Ventura County Courts, Ventura County Air Pollution Control District, and Ventura Regional Sanitation District.

VCERA and its Services

VCERA was established by the County of Ventura in 1947. VCERA is administered by the Board of Retirement (the Board) and governed by the County Employees' Retirement Law of 1937 ("CERL," California Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 ("PEPRA," California Government Code section 7522 et seq.).

The Board is responsible for the general management of VCERA and for determining VCERA's investment objectives, strategies, and policies. The Board appoints a Retirement Administrator, to whom is delegated the responsibility for overseeing day-to-day management of VCERA and developing its annual budget. Adoption of the budget is subject to approval by the Board.

VCERA is a public employee retirement system whose main function is to provide service retirement, disability, death, and survivor benefits to the general and/or safety members employed by the County of Ventura, the Ventura County Courts, Air Pollution Control District, and Ventura Regional Sanitation District.

Financial Information

The financial attest audit performed by Brown Armstrong Accountancy Corporation states that VCERA's financial statements are prepared by management, are presented in conformity with Generally Accepted Accounting Principles (GAAP), and are free of material misstatement. Management acknowledges it is responsible for the entire contents of this CAFR.

Maintaining appropriate internal controls is the responsibility of management; however, management recognizes no control or combination of controls can entirely free an organization from all error or misstatement. At their best, controls provide reasonable assurance such failings do not occur. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; the valuation of cost and benefits requires estimates and judgments by management.

LETTER OF TRANSMITTAL (Continued)

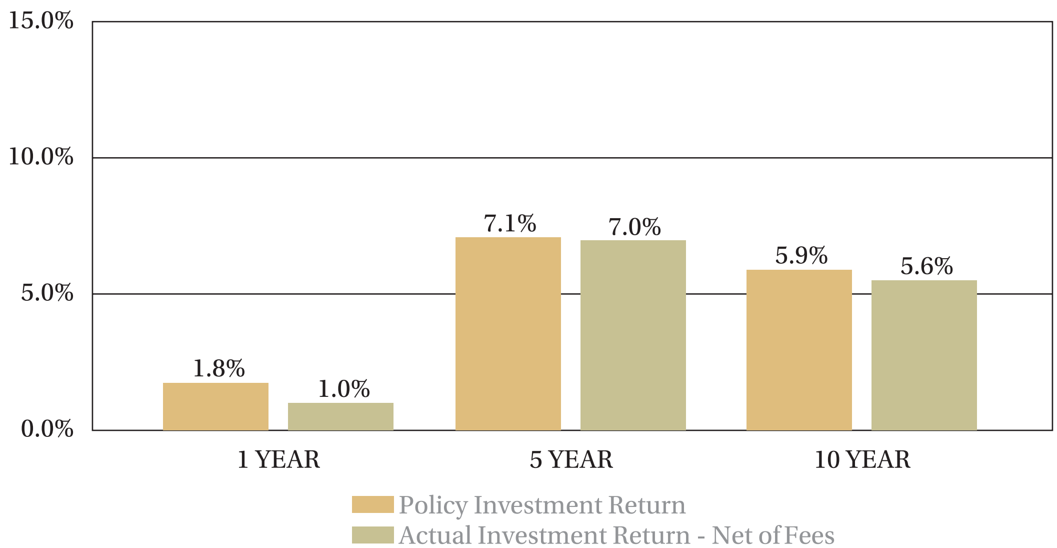
An overview of VCERA's fiscal operations is presented in the Management Discussion & Analysis (MD&A) section preceding the financial statements. This transmittal letter, when taken into consideration with the MD&A, provides an enhanced picture of the activities of the organization.

Investment Activities

The Board of Retirement's Investment Policy provides the framework for the management and oversight of VCERA's investments. The Investment Policy establishes VCERA's investment objectives and defines the principal duties of the Board, staff, custodian, investment managers, and consultants.

A pension fund's asset allocation policy implemented in a consistent and disciplined manner is generally recognized to have the most impact on a fund's performance. The asset allocation process determines a fund's optimal long-term asset class mix (target allocation), which is expected to achieve a specific set of investment objectives. In November 2015 the Board adopted a revised asset allocation and in December 2015, the Board adopted its corresponding implementation plan.

For the one-year period ending June 30, 2016, the VCERA portfolio asset class net of fees investment returns versus their respective benchmarks were mixed. The publicly traded U.S. equity portfolio returned 2.2%, outperforming its benchmark by .1%. The non-U.S. equity portfolio returned -7.6%, outperforming the benchmark by 2.6%, whereas global equity returned -4.8%, underperforming its benchmark by 1.1%. Private equity returned 9.0%, outperforming its public market benchmark by 3.9%. Fixed income returned 5.1%, underperforming its policy benchmark by .9%. Real estate returned 10.3%, underperforming its benchmark by .5%, while liquid alternatives returned -4.7%, underperforming its benchmark by 9.7%. The total Fund returned 1.0% for the year, underperforming its policy benchmark by .8%. Over the five-years and ten-years ended June 30, 2016, the total Fund's annualized return was 7.0% and 5.6%, underperforming policy benchmarks by .1% and .3% respectively. The chart below compares the total fund actual and policy investment returns for one, five, and ten years.



LETTER OF TRANSMITTAL (Continued)

Actuarial Funding Status

Pursuant to provisions in the CERL, VCERA engages an independent actuarial firm to perform annual actuarial valuations. A system actuarial valuation is performed every three years (triennial valuation). The economic and non-economic assumptions are updated at the time each triennial valuation is performed. Triennial valuations serve as the basis for the underlying assumptions that ultimately trigger changes in member contribution rates necessary to properly fund the system. The latest triennial valuation was conducted as of June 30, 2014.

VCERA is funded by member and employer contributions and investment earnings on those contributions. Normal member contributions are those required to fund a specific annuity at a specified age. Member contribution rates for members who entered VCERA membership prior to January 1, 2013, vary according to the member's plan. The CERL also requires members to pay half the contributions required to fund the cost-of-living benefit, which is affected by changes in both economic and non-economic assumptions.

Liabilities not funded through member contributions are the responsibility of the employer. Changes to any of the economic and non-economic assumptions impact employer contribution rates. The employer is responsible for contributing to cover the cost of benefits expected to be accrued in the future and half of the cost-of-living benefit. These are "normal cost" contributions. The employer is also responsible for making additional contributions to eliminate any shortfalls in funding covering liabilities that have accrued in the past, which is known as the Unfunded Actuarial Accrued Liability (UAAL).

Provisions of PEPRA require equal sharing of normal costs between employers and employees. In January 2013, VCERA established two new retirement plans — PEPRA General Plan and PEPRA Safety Plan — for members with membership dates on or after January 1, 2013. Contributions for these plans are based on a single flat-rate percentage and are structured in accordance with the required 50/50 cost sharing. A member's age at first membership is not considered.

The June 30, 2016 valuation, determining the funded ratio to be 84.9 percent, recognized a UAAL of $813 million. The Ventura County contribution rate will therefore set equal to 18.1 percent of payroll for the amortization of the UAAL, plus the normal cost rate of 9.4 percent, for a total contribution rate of 27.5 percent of payroll for the 2017-18 fiscal year.

Significant Events, Accomplishments, and Objectives

The 2015-2016 fiscal year saw changes in the operation and administration of the retirement system by the Board and staff. Some of the more significant events and accomplishments of the past year are summarized below:

- Implemented the new Pension Administration System (PAS) in April 2016 with the Member Portal to be implemented in early 2017.
- Completed an Asset Liability Study and adopted a new Investment Asset Allocation.
- Eliminated the allocation to global fixed income, terminating two existing global fixed income managed accounts.
- Approved 2016 vintage year allocations of $60 million each to two follow-on private equity funds, and a $15 million allocation to a venture capital fund.
- Assembly Bill 1291 (2015) included the retirement system under the definition of a district and authorized the Board of Retirement to make Government Code section 31522.10 applicable, enabling it to appoint a retirement administrator, chief financial officer, chief operations officer, chief investment officer, and general counsel; who would no longer be classified as county employees. The Board exercised its authority to make such appointments.

LETTER OF TRANSMITTAL (Continued)

Objectives for the coming year include:

- Implement the Member Self Service (MSS) portal of the new PAS in early 2017.
- Conduct an Actuarial Audit of the Actuarial Valuation.
- Redesign of the VCERA website and newsletter.
- Implementation of a new agenda management system.
- Expand the private equity program.
- Review and update VCERA's Investment Policy.

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 CAFR for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR.

A Certificate of Achievement is valid for a period of one year only. Management believes that our current CAFR 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 CAFR in a timely manner is made possible by the dedicated teamwork of VCERA staff under the leadership, dedication, and support of the VCERA Board. I am sincerely grateful to the VCERA Board and staff, as well as our professional service providers, who perform so diligently to ensure successful operation and financial soundness of VCERA.

Respectfully submitted,

Linda Webb

Linda Webb
Retirement Administrator

Government Finance Officers Association

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, 2015

Executive Director/CEO

MEMBERS OF THE BOARD OF RETIREMENT

TRACY TOWNER
Chair
Alternate Elected by
Safety Members

WILLIAM W. WILSON
Vice-Chair
Appointed by Board of Supervisors

STEVEN HINTZ
Ex-Officio Member
Treasurer-Tax Collector
County of Ventura

PETER C. FOY
Appointed by Board of Supervisors

JOSEPH HENDERSON
Appointed by Board of Supervisors

MICHAEL SEDELL
Appointed by Board of Supervisors

MEMBERS OF THE BOARD OF RETIREMENT (Continued)

CRAIG WINTER
Elected by General Members

DEANNA McCORMICK
Elected by General Members

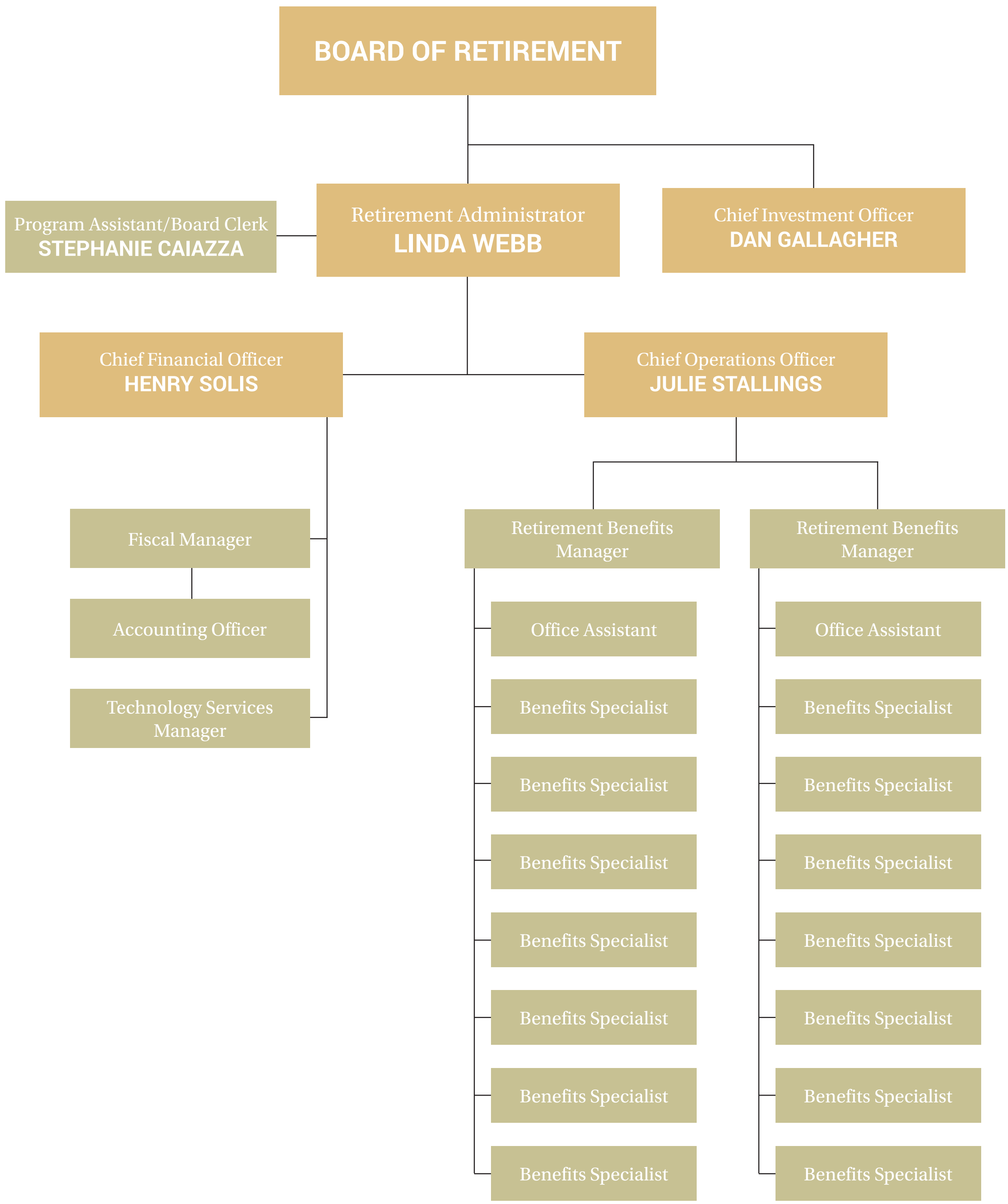
ARTHUR E. GOULET
Elected by Retired Members

EDWARD JOHNSON
Elected by Safety Members

WILLIAM HOAG
Alternate Elected by
Retired Members

ROBERT BIANCHI
Alternate Appointed by
Board of Supervisors

2016 ORGANIZATION CHART



Please refer to the Schedule of Investment Fees on page 56 for investment professionals who provide services to VCERA.

LIST OF PROFESSIONAL CONSULTANTS

ACTUARY
Segal Consulting

CUSTODIAN
State Street Bank and Trust

INDEPENDENT AUDITOR
Brown Armstrong Accountancy Corporation

INVESTMENT CONSULTANT
NEPC, LLC

LEGAL COUNSEL
County Counsel of the County of Ventura
Nossaman, LLP
HansonBridgett

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

Canis latrans

COYOTE

Coyotes play an important role in the ecosystem, helping to keep rodent populations under control in California. They are by nature fearful of humans. Coyotes like to frequent open brush, scrub, and herbaceous habitats, and may be associated opportunistically with croplands. They can also be found in younger stands of deciduous and conifer forest and woodlands.

The coyote is a prominent character in Native American folklore, usually depicted as a trickster that alternately assumes the form of an actual coyote or a man.

The coyote is an abundant, permanent resident throughout the county. They occur in almost all habitats and elevations as high as 9840 ft., as well as large cities.

BROWN
ARMSTRONG

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PUBLIC
ACCOUNTANTS

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TEL 209.451.4833

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

Report on the Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position of Ventura County Employees' Retirement Association (VCERA) as of June 30, 2016, the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements, which collectively comprise VCERA's basic financial statements as listed in the table of contents. We have also audited the schedule of cost sharing employer pension amounts allocated by cost sharing plan total for all entities of the column titled not pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals), listed as other information in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VCERA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VCERA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of VCERA as of June 30, 2016, and the changes in fiduciary net position for the year then ended, and the schedule of cost sharing employer pension amounts allocated by cost sharing plan total for all entities of the column titled not pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals), listed as other information in the table of contents, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the net pension liability of the participating employers as of June 30, 2016, was $1,064,702 thousands. The fiduciary net position as a percentage of the total pension liability as of June 30, 2016, was 80.47%. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 7.5%, which represents the long-term expected rate of return.

Additionally, as discussed in Note 1 to the financial statements, in 2016, VCERA adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application,* and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*.

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on these financial statements. 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 a required part of the basic financial statements.

The other supplementary information, as noted in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial, and statistical sections, as noted in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Comparative Information

We have previously audited VCERA's June 30, 2015 financial statements, and our report dated January 27, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 31, 2017, on our consideration of VCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following review of the results of Ventura County Employees' Retirement Association's (VCERA or the Plan) operations and financial condition for the year ended June 30, 2016, 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

- The Net Position Restricted for Pensions (Net Position) at the close of June 30, 2016, is $4.4 billion. All of the net position is available to meet VCERA's ongoing obligations to plan participants and their beneficiaries.
- VCERA's total Net Position Restricted for Pensions increased by $22.0 million or .5%. The increase for the year ended June 30, 2016, is primarily a result of positive investment returns.
- Total additions, as reflected in the Statement of Changes in Fiduciary Net Position, for the year ended June 30, 2016, are $272.9 million. This total is comprised of employer and plan member contributions of $247.2 million, net investment gain of $25.6 million and net securities lending income of $116 thousand.
- Total Deductions as reflected in the Statement of Changes in Fiduciary Net Position increased to $250.9 million or 5.6% from the prior year.
- VCERA's funding status, as measured by the actuarial value of assets divided by the actuarial value of accrued liabilities, improved from 83.1% to 84.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to VCERA's basic financial statements. The financial statements and required disclosures are prepared in accordance with pronouncements (accounting principles and reporting guidelines) as set forth by the Governmental Accounting Standards Board (GASB). These pronouncements require certain disclosures and require VCERA to report using the full accrual basis of accounting. VCERA complies with all material requirements of these pronouncements. VCERA's basic financial statements are comprised of the following components:

1. Statement of Fiduciary Net Position
2. Statement of Changes in Fiduciary Net Position
3. Notes to the Basic Financial Statements

The **Statement of Fiduciary Net Position** is a snapshot of account balances at year-end, indicating the assets available for future payments to retirees and their beneficiaries, and any current liabilities owed.

The **Statement of Changes in Fiduciary Net Position** reflect all the activities that occurred during the year and show the impact of those activities as additions or deductions to the Plan. The trend of additions versus deductions to the Plan will indicate the condition of VCERA's financial position over time.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report information about VCERA's activities. These statements include all assets and liabilities, using the full accrual basis of accounting, which is similar to the accounting used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses, both realized and unrealized gains and losses are shown on investments.

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position report VCERA's net position - restricted for pensions (net position is the difference between assets and liabilities) as one way to measure the Plan's financial position. Over time, increases and decreases in VCERA's net position are an indicator of whether its financial health is improving or deteriorating. Other factors, such as market

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

conditions, should also be considered in measuring VCERA's overall financial health. Refer to VCERA's basic financial statements following this analysis.

Notes to the Basic Financial Statements (Notes) are an integral part of the financial reports. The Notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements including a detailed discussion of key policies, programs, investments, and activities that occurred during the year. Refer to the Notes to the Basic Financial Statements section of this report. Other information to supplement VCERA's basic financial statements is provided as follows:

Required Supplementary Information presents historical trend information concerning the changes in net pension liability, employer contributions and investment returns, and method and assumptions used to determine "actuarially determined contributions" required. This information is based on actuarial valuations and contributes to the understanding of the changes in the net pension liability of participating employers. Refer to the Required Supplementary Information section of this report.

Other Supplemental Information includes the schedules of Administrative Expenses, Investment Expenses, Payments to Consultants, and Employer Pension Amounts Allocated by Cost Sharing Plan, which are all presented immediately following the Required Supplementary Information section of this report.

FINANCIAL ANALYSIS

During the fiscal year, the Plan's assets returned 1.0%, less than the Plan's 7.50% assumed rate of return. The real estate portfolio outperformed all other VCERA asset classes with a positive return of 10.3%. The private equity portfolio gained 9.0% while the U.S. equities portfolio gained 2.2%. The Non-U.S. equity portfolio returned -7.6% and global equity returned -4.8%. The fixed income portfolio returned 5.1%, while the liquid alternatives portfolio returned -4.7%.

NET POSITION RESTRICTED FOR PENSION BENEFITS

Net Position represents assets held to pay benefits earned by plan members. The Plan's Net Position remained relatively flat at $4.4 billion for 2016. Investments decreased by approximately $218.3 million in fiscal year 2016, as a result of a decrease in the fair value of VCERA's investment portfolio. Current Assets increased by $179.8 million in fiscal year 2016, mostly attributable to an increase in VCERA's cash position as VCERA eliminated global fixed income allocations that were converted to cash for future deployment and a reduction in cash collateral on loaned securities based on reduced demand in VCERA securities by borrowers. Pension Software increased by $3.5 million, as VCERA continues to accumulate the costs toward the replacement of the existing pension administration system. Total Liabilities decreased by $57.0 million in fiscal year 2016, due in part to a decrease in payables for securities purchased and obligations due under the securities lending program.

($ in Thousands)	June 30, 2016	June 30, 2015	Difference	2016-2015 % Change
Current Assets	$351,688	$171,881	$179,807	104.6%
Investments	4,078,384	4,296,673	(218,289)	-5.1%
Pension Software	12,962	9,426	3,536	37.5%
Total Assets	4,443,034	4,477,980	(34,946)	-0.8%
Total Liabilities	(56,197)	(113,185)	56,988	-50.3%
Net Position Restricted For Pensions	$4,386,837	$4,364,795	22,042	0.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ADDITIONS TO PLAN NET POSITION

The primary sources to finance Pensions provided by VCERA are accumulated through investment income and the collection of employer and member contributions. Fiscal year 2016 results showed a 1.5% and 9.1% increase in employer and member contributions, respectively. Net investment income was lower than the prior year and subtracted $62.9 million.

($ in Thousands)	June 30, 2016	June 30, 2015	Difference	2016-2015 % Change
Employer Contributions	$177,709	$175,099	$2,610	1.5%
Employee Contributions	69,470	63,679	5,791	9.1%
Net Investment Income	25,739	88,681	(62,942)	-71.0%
Total Additions	272,918	$327,459	$(54,541)	-16.7%

DEDUCTIONS IN NET POSITION

VCERA's assets are used primarily for the payment of pension 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 pension benefit payment continued to be primary contributors to the increase in total deductions in fiscal year 2016.

($ in Thousands)	June 30, 2016	June 30, 2015	Difference	2016-2015 % Change
Benefit Payments	$241,419	$228,423	$12,996	5.7%
Member Refunds	4,984	5,272	(288)	-5.5%
Administrative Expenses	4,474	3,854	620	16.1%
Total Deductions	$250,877	$237,549	$13,328	5.6%

Benefit payments grew by $12.3 million dollars or 5.7% in 2016, as the Plan continues to experience an increase in retirements. Member refunds decreased slightly from the prior year while Administrative expenses increased by 16.1% compared to the prior year.

NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

VCERA is subject to the provisions of GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans*, and VCERA's participating employers are subject to the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. These standards require governmental employers to recognize their long-term obligation for pension benefits as a liability on their balance sheets, to recognize their annual pension expense as a comprehensive measurement of the annual cost of pension benefits, and requires VCERA to provide note disclosures and required supplementary information related to the Plan's net pension liability (NPL) of participating employers.

NPL represents the excess of the total pension liability (using an entry age cost method, discounted at a discount rate that reflects the expected return on Plan assets) over fiduciary net position (valued at fair value). It's a measurement of pension liabilities using market assets that provides a consistent and standardized methodology allowing comparability of data and increased transparency of the pension liability across all governmental entities. VCERA has complied with GASB 67 for the year ended June 30, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Based on the June 30, 2016 actuarial valuations, the NPL of participating employers on a fair value basis is $1.1 billion. The increase is primarily a result of investment returns lower than the assumed return of 7.50%, which is offset slightly by lower than expected salary increases for active Plan members. Refer to Note 4 – Net Pension Liability of Participating Employers and the Required Supplementary Information sections of this report, for further information.

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
VCERA.Info@Ventura.org

Respectfully submitted,

Henry C. Solis, CPA
Chief Financial Officer

BASIC FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY NET POSITION

As of June 30, 2016 (with comparative amounts for June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
ASSETS		
Cash and Cash Equivalents	$287,042	$59,061
Cash Collateral on Loaned Securities	48,243	64,344
Pension Software Development	12,962	9,426
Receivables		
Employer and Plan Member Contributions	8,300	6,872
Securities Sold	5,571	38,358
Accrued Interest and Dividends	2,488	3,214
Other	44	32
Total Receivables	16,403	48,476
Investments at Fair Value		
U.S. and Non-U.S. Equities	2,334,158	2,390,182
Fixed Income	834,772	1,013,749
Private Equity	157,306	136,414
Real Estate	371,598	340,987
Liquid Alternatives	380,550	415,341
Total Investments	4,078,384	4,296,673
Total Assets	4,443,034	4,477,980
LIABILITIES		
Payables for Securities Purchased	2,937	46,452
Other Liabilities	5,017	2,389
Securities Lending	48,243	64,344
Total Liabilities	56,197	113,185
Net Position Restricted for Pensions	$4,386,837	$4,364,795

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

BASIC FINANCIAL STATEMENTS (Continued)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended June 30, 2016 (with comparative amounts for fiscal year ended June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
ADDITIONS		
Contributions		
Employer	$177,709	$175,099
Plan Member	69,470	63,679
Total Contributions	247,179	238,778
Investment Income		
From Investing Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	(22,492)	42,588
Investment Income	62,374	60,572
Total Investing Activity Income	39,882	103,160
Less Expenses from Investing Activities	(14,259)	(14,604)
Net Investing Activity Income	25,623	88,556
From Securities Lending Activities:		
Securities Lending Income	280	172
Less Expenses from Securities Lending Activities:		
Borrower Rebates	(114)	6
Management Fees	(50)	(53)
Total Expenses from Securities Lending Activities	(164)	(47)
Net Securities Lending Income	116	125
Total Net Investment Income	25,739	88,681
Total Additions	272,918	327,459
DEDUCTIONS		
Benefit Payments	241,419	228,423
Administrative Expenses	4,474	3,854
Refunds & Death Benefits	4,984	5,272
Total Deductions	250,877	237,549
Net Increase in Net Position	22,041	89,910
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of Year	4,364,796	4,274,886
End of Year	$4,386,837	$4,364,796

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Ventura County Employees' Retirement Association (VCERA, Association, Fund, or Plan), 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 Comprehensive 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 of Retirement (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 full accrual basis of accounting. 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 VCERA at June 30, 2016, is in the custody of, or controlled by, State Street Bank and Trust, VCERA's custodian. VCERA's investments consist of domestic and international fixed income, U.S. and Non-U.S. equities, private equity, alternatives, and real estate. The diversity of the investment types that VCERA 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 of Global negotiable obligations, which includes U.S. Government and U.S. Government-sponsored agencies bonds, corporate debt, 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 Association's U.S. and Non-U.S. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Private Equity. Private equity investments are made on a fund-of-funds 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 accounting principles generally accepted in the United States of America (GAAP) (Financial Accounting Standards Board (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, 2016.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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 Governmental Accounting Standards Board (GASB) Statement No. 28. In addition, gross earnings received on invested cash collateral are reported as Earnings, and borrower rebates and agent fees are recorded as Borrower Rebates, and Management Fees, respectively. This Earnings, Borrower Rebates, and Management Fees amounted to $280,000, ($114,000, and ($50,000), respectively, for the year ended June 30, 2016, an increase due to increased demand of securities loaned. 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.

Income Taxes. The Internal Revenue Service (IRS) has ruled that plans such as VCERA qualify under Section 401(a) of the Internal Revenue Code and are not subject to tax under present income tax laws. On January 29, 2014, the IRS issued to VCERA a favorable Tax Determination Letter. Accordingly, no provision for income taxes has been made in the accompanying basic financial statements, as the Plan is exempt from federal and state income taxes under provisions of the Internal Revenue Code, Section 401(a), and the California Revenue and Taxation Code, section 23701, respectively.

Implementation of new Accounting Pronouncement.

VCERA implemented all applicable new GASB pronouncements in the year ended June 30, 2016, as required by each statement. The most recent applicable pronouncement(s), effective for the year ended June 30, 2016, which have a material impact on VCERA's financial statements, are provided below.

GASB Statement No. 72 (GASB 72) – *Fair Value Measurement and Application. Fair Value Measurement and Application* establishes standards of accounting and financial reporting for fair value measurements. This statement also provides guidance for applying fair value to certain investments and requires disclosures to all fair value measurements, the level of fair value hierarchy, and valuation techniques, and is effective for financial statements for periods beginning after June 15, 2015. VCERA implemented GASB 72 for the year ended June 30, 2016, and the financial statements and the related disclosures reflect the changes as required by GASB 72. Refer to Note 7 – Deposits and Investments, for further information.

GASB Statement No. 82 (GASB 82) – *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73,* which is effective for reporting periods beginning after June 15, 2016, addresses issues regarding the presentation of payroll-related measures in required supplementary information, selection of assumptions and deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy plan member contribution requirements. VCERA implemented GASB 82 for the year ended June 30, 2016, and the changes mandated by the statement are reflected in VCERA's financial statements and related disclosures.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION

VCERA was established under the provisions of the California Government Code Sections 31450 through 31899, known collectively as the County Employees' Retirement Law of 1937. In September 2012, Governor Brown signed into law AB 240, known as the California Public Employees' Pension Reform Act of 2013 (PEPRA), Code Section 7522 et seq. Among other things, PEPRA provides lower benefit formulas to employees who became first time VCERA members on or after January 1, 2013 ("PEPRA members"). VCERA operates a cost sharing multi-employer defined benefit pension plan (Plan) that includes employees of the County of Ventura, Ventura County Courts, Air Pollution Control District, a special district, and Ventura Regional Sanitation District, a special district, (the latter three employers are not under the County of Ventura Board of Supervisors). VCERA is a pension trust fund of the County of Ventura.

VCERA provides retirement, disability, cost of living, 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, 2001, are designated as Tier 1 members. Members employed after June 30, 1979 through December 31, 2012, are designated as Tier II members. Safety members (eligible Sheriff, Probation, and Fire employees) employed through December 31, 2012, are classified as Safety. New Members employed after January 1, 2013 are designated as PEPRA Tier I, II, or Safety.

VCERA MEMBERSHIP	2016	2015
Retired Members and Beneficiaries	6,539	6,338
Active Members		
Vested	5,850	5,856
Non-Vested	2,659	2,443
Deferred Members		
Vested	1,447	1,347
Non-Vested	1,192	1,094
Total Membership	17,687	17,078

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

Retirement Allowances. In general, employees with membership prior to January 1, 2013, with ten or more years of service are entitled to an annual retirement allowance beginning at age 50. General Member employees with membership on or after January 1, 2013, with five or more years of service are entitled to an annual retirement allowance beginning at age 52. Safety Members with membership on or after January 1, 2013, with five or more years of service are entitled to an annual retirement allowance at age 50. Allowances are based upon members' ages at retirement, final compensation, and total years of service. All members are eligible to retire at age 70 regardless of years of service.

Disability Benefits. A member who becomes permanently disabled from 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Death Benefits. VCERA pays a basic death benefit to a surviving spouse or beneficiary or a member who dies while in active service 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. In addition, a lump sum death benefit of $5,000 is also payable to the named beneficiary of a deceased retired member.

Supplemental Benefits. On January 15, 1991, the Ventura County Board of Supervisors adopted a resolution to make operative California Government Code Section 31682. Adoption of this section permitted the Board 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 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 California Government Code Sections 31691.1 and 31692.

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 and Safety retirees. On February 28, 2005, the Board adopted regulations pursuant to California Government Code Section 31627 to provide a cost of living adjustment to a majority of Tier II general members represented by Service Employees International Union (SEIU) Local 721. The cost of living adjustment is fixed at 2% annually and is funded by employee contributions.

Terminations. Effective January 1, 2003, members with less than five years of service may elect to leave their accumulated member contributions on deposit until first eligible to receive benefits in accordance with California Government Code Section 31628.

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. State Street Bank and Trust 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class. The allocation of investment assets within the Plan portfolio is approved by the Board as outlined in the Investment Policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Fund. In November, 2015, the Board adopted a new target asset allocation. The table that follows displays the Board's adopted asset allocation policy as of June 30, 2016 and 2015, respectively.

ASSET CLASS	Target Allocation 2016	Target Allocation 2015
U.S. Equity	28.0%	26.0%
Non-U.S. Equity	15.0%	13.0%
Global Equity	10.0%	10.0%
U.S. Fixed Income	20.0%	14.0%
Private Debt	0.0%	5.0%
Global Fixed Income	0.0%	5.0%
Real Estate	7.0%	7.0%
Global Tactical Asset Allocation	0.0%	5.0%
Private Equity	10.0%	5.0%
Liquid Alternatives	10.0%	10.0%
Total	100.0%	100.0%

Rate of Return. For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.00%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Concentration. VCERA does not hold investments in any one organization that represent 5% or more of the Plan's Fiduciary Net Position.

Custodial Credit Risk. VCERA considers investments purchased with a maturity of 12 months or less to be short-term investments. Although not having a policy that specifically addresses the limiting of custodial credit risk, VCERA, in practice, limits custodial credit risk for deposits by maintaining substantially all cash and short-term investments in external investment pools managed by the County of Ventura and State Street Bank and Trust. All other investment securities are held by State Street Bank and Trust in VCERA's name. VCERA maintains a commercial bank account with depository insurance coverage from the Federal Depository Insurance Corporation (FDIC).

As of June 30, 2016 and 2015, VCERA had the following cash and short-term investments:

($ in Thousands)	June 30, 2016	June 30, 2015
State Street Bank and Trust	$275,004	$50,690
County of Ventura Treasurer's Investment Pool	9,082	8,352
Commercial Bank Account	2,956	19
Total	$287,042	$59,061

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Credit Risk. VCERA requires its total fixed income holdings to be rated at a minimum AA by Standard & Poor's (S&P), Aa by Moody's, or AA by Fitch Rating. Aggregated amounts by rating category using S&P ratings are as follows:

($ in Thousands) Rating Category	Assets held at June 30, 2016	Assets held at June 30, 2015
Separate Holdings:		
AAA	$101,149	$114,810
AA	27,970	39,072
A	61,819	78,884
BBB	92,023	92,908
BB	20,178	25,952
B	9,318	10,136
CCC	5,019	4,976
CC	713	769
C	-	-
D	1,927	2,154
No Rating/Commingled	69,538	148,751
Total Separate Holdings	$389,654	$518,412

($ in Thousands) Rating Category	Assets held at June 30, 2016	Assets held at June 30, 2015
Pooled Investments:		
AAA	$326,272	$281,542
AA	68,056	105,716
A	46,755	112,570
BBB	67,900	72,223
BB	24,381	27,547
B	17,086	15,421
CCC	6,801	3,457
CC	-	1,429
Total Pooled Investments	$557,251	$619,905
Total Portfolio	$946,905	$1,138,317

Overall, the Plan's fixed income holdings were rated AA at June 30, 2016, and AA at June 30, 2015.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Interest Rate Risk. VCERA recognizes the importance of managing its exposure to interest rate risk and has developed a policy to limit the duration of VCERA's fixed income portfolio to plus or minus 20% of the broad fixed income market as defined by the Barclays Capital Aggregate Bond Index and Barclays Global Aggregate Bond Index. Duration is an investment's exposure to fair value change arising from a change in interest rates, by investment category, and amount at June 30, 2016 and 2015 is as follows:

($ in Thousands) Category	Assets held at June 30, 2016	Duration (Years)	Assets held at June 30, 2015	Duration (Years)
Treasury	$271,050	3.8	$293,988	2.6
Agency	27,026	1.9	28,496	2.3
Mortgage-Backed	187,274	1.9	202,450	3.6
Asset-Backed	49,567	0.3	86,729	0.8
Credit	326,213	4.1	398,227	3.8
Foreign	36,199	4.1	57,476	2.8
Other	49,574	0.4	70,949	1.0
Total	$946,903	3.1	$1,138,315	3.0

The duration for the Barclays Capital Aggregate Bond Index as of June 30, 2016 and 2015, was 5.2 years and 5.3 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 Non-U.S. equity, global equity, and fixed income investment managers may utilize forward exchange currency contracts, currency futures contracts, and currency options to minimize currency fluctuations in Non-U.S. dollar denominated securities. VCERA's investment policy does not allow forward currency contracts, futures contracts or 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, 2016 and 2015, VCERA's forward exchange currency contracts were valued at $1.2 and $111.6 million, currency future contracts had a notional value of $317.2 and $(56.2) million and currency options were valued at $(20,641) and $(178,646), respectively. All forward currency contracts, futures currency contracts, and currency options have been included at fair value in the Statement of Fiduciary Net Position, and all realized and unrealized gains/losses associated with the securities have been included in the Statement of Changes in Fiduciary Net Position for the years ending June 30, 2016 and 2015, respectively.

VCERA had the following currency exposure in its portfolios as of June 30, 2016 and 2015.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

($ in Thousands) Currency	Fixed Income at June 30, 2016	Equities at June 30, 2016	Fixed Income at June 30, 2015	Equities at June 30, 2015
Australian Dollar	$302	$30,231	$1,913	$27,921
British Pound	-	123,350	13,485	146,003
Canadian Dollar	(13)	33,188	5,945	34,561
Danish Krone	-	9,859	1,206	8,861
Euro	374	169,145	43,515	187,546
Hong Kong Dollar	-	32,513	9	34,274
Japanese Yen	124	137,491	28,373	147,426
Mexican Peso		3,199		3,579
New Zealand Dollar	(26)	1,179	1,241	723
Norwegian Krone	17	7,653	2,019	8,626
South African Rand	47	9,678	575	10,340
Singapore Dollar	-	15,322	304	19,004
South Korean Won	-	18,203	2,661	17,536
Swedish Krona	-	11,735	982	13,978
Swiss Franc	-	61,338	1,580	62,157
Other/Emerging Markets	3,949	124,415	3,321	128,586
Total	$4,774	$788,499	$107,129	$851,121

Securities Lending. VCERA, under provisions of state statutes, and its investment policy, authorizes State Street Bank and Trust 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, 2016 and 2015, VCERA had no credit risk exposure because the amounts VCERA owed the borrowers exceeded the amounts the borrowers owed VCERA. State Street Bank and Trust 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, 2016 and 2015, VCERA had securities on loan with a fair value of $47.2 and $63.3 million, with cash collateral of $48.2 and $64.3 million, respectively.

VCERA's net securities lending income for the years ended June 30, 2016 and 2015 is as follows:

($ in Thousands)	June 30, 2016	June 30, 2015
Gross Income	$280	$172
Expenses		
Borrower Rebates	114	(6)
Management Fees	50	53
Net Securities Lending Income	$116	$125

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Concentration of Credit Risk. VCERA, through policies developed and implemented by the Board, maintains the goal of having a well-diversified portfolio. As such, VCERA had no investments in any one named security that would represent 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 the Statement of Changes in Fiduciary Net Position. For financial reporting purposes, all of VCERA's derivates are classified as investment derivatives. A further discussion on VCERA's valuation procedures are contained in Note 1, Summary of Significant Accounting Policies. 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 counter parties 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 general interest rate fluctuations.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The investment derivatives schedule listed below reports the related fair value amounts as of June 30, 2016 and 2015, the notional amounts for derivatives outstanding as of June 30, 2016 and net appreciation (depreciation) in fair value amounts as of June 30, 2016, classified by type.

Investment Derivatives Schedule

($ in Thousands) Derivative Type	Notional Amount June 30, 2016	Fair Value June 30, 2016	Fair Value June 30, 2015	Change in Fair Value[1] 2016 - 2015
Future Contracts	$(5,273)	$(21)	$ -	$20,044
Forward Contracts	1,228	25	847	1,098
Options Contracts	(43)	0	(213)	126
Credit Default Swaps	0	0	(22)	(42)
Currency Swaps	0	0	200	(527)
Interest Rate Swaps	0	0	74	(467)
Total Investment Derivatives	$(4,088)	$4	$886	$20,232

[1]Change in fair value includes realized/unrealized gains and losses including those that were opened and closed during the current fiscal year.

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

Custodial Credit Risk. VCERA's investments include collateral associated with derivatives activity. As of June 30, 2016, collateral for derivatives was $18.6 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, 2016, the fair value of derivative investments subject to credit risk was $25 thousand, and at June 30, 2015, was $847 thousand. 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, 2016. 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 S&P's rating system. As of June 30, 2016, VCERA has a maximum amount of exposure to credit risk due to default of all counterparties of $25 thousand.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Credit Risk Derivatives Schedule

($ in Thousands) Derivative Type	Fair Value June 30, 2016	Adjusted Rating		
		AA	A	BBB
Forward Contracts	$25	$ -	$25	$ -
Total	$25	$ -	$25	$ -

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 a derivative investment that is highly sensitive to interest rate changes. VCERA did not have any derivative investments with an investment maturity period and sensitivity to interest rate changes as of June 30, 2016.

Foreign Currency Risk. VCERA was exposed to foreign currency risk on investments in futures, swaps, and forward currency contracts denominated in foreign currencies that may be adversely affected by changes in the currency exchange rates. The following table lists the derivative investments held in foreign currencies as of June 30, 2016.

Foreign Currency Risk Schedule for Derivative Instruments

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Yuan Renminbi	$ -	$-	$ 25	$ -	$25
Sub total	-	-	25	-	25
U.S. Dollar	(21)	-	-	-	(21)
Total	$(21)	$-	$25	$-	$(4)

Commitments to Fund Partnerships. As of June 30, 2016, the total capital commitments to fund partnerships were $427.5 million. Of this amount, $260.1 million remained unfunded and is not recorded on the VCERA Statements of Fiduciary Net position as of June 30, 2016. The following table depict the total commitments and unfunded commitments, respectively, by asset class.

Total Commitments and Unfunded Commitments to Fund Parterships by Asset Class

($ in Thousands) Asset Class	Total Commitments	Unfunded Commitments
Private Equity	$427,500	$260,100
Total	$427,500	$260,100

Fair Value Measurements. VCERA categorizes its fair value measurements of its investments based on the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable. The table that follows depict the fair value measurements as of June 30, 2016.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Investments and Derivative Instruments Measured at Fair Value

($ in Thousands) Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
Asset Backed Securities	$45,766	$-	$37,149	$8,617
Commercial Mortgage-Backed Securities	51,627	-	50,948	679
Corporate and Other Credit	188,260	-	188,260	
Municipal Bonds	815	-	815	
U.S. Government Agency	93,422	-	93,422	
Total Debt Securities	379,890	-	370,594	9,296
Equity Securities				
U.S. Equity	3,897	3,897		
Limited Partnerships	109,408	109,408		
Preferred Stock	795	795		
Total Equity Securities	114,100	114,100	-	-
Collateral from Securities Lending	48,243		48,243	
Total Investments by Fair Value Level	$542,233	$114,100	$418,837	$9,296

Investments Measured at Net Asset Value (NAV)	
Fixed Income	$566,226
Equity	
U.S.	1,225,299
Non U.S.	574,993
Global	421,734
Risk Parity	267,238
Real Estate	371,598
Private Equity	157,306
Total Investments Measured at NAV	3,584,394
Total Investments	$4,126,627

Investment Derivative Instruments				
Forward Exchange Contracts	$25	$25	$-	$-
Total Investment Derivative Instruments	$25	$25	$-	$-

Note: Values provided by custodian bank and presented based on securites classification. Amounts per asset class when aggregated correspond to values as presented in the Statement of Fiduciary Net Position.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements, in their entirety, are categorized based on the lowest level input that is significant to the valuation. VCERA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Investments are measured by type of investment as follows:

Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique and the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method and proprietary pricing information.

Equity securities include domestic common and preferred stock and publicly traded master limited partnerships. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Cash collateral received for securities lent is reinvested in investments, such as, short term government and high quality corporate debt securities. These securities are classified in Level 2 of the fair value hierarchy using prices quoted in active markets for similar securities.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

Fair value of investments in commingled fund vehicles of publicly traded securities are expressed as NAV, and are provided by custodial banks using the best available pricing sources. Fair Value of investments in real estate and private equity funds have been determined by their respective managers using a variety of different techniques such as liquidity events, market bids, and property and company appraisals. Such fair value measurements are shown in the table that follows as of June 30, 2016.

Investments Measured at NAV

		Fair Value Measurement Using		
($ in Thousands) Investment Type	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)[1]**	**Redemption Notice Period**
Fixed Income	$566,226	$-	D, M	3-15 days
Equity				
U.S.	1,225,299		D	1 day
Non U.S.	574,993		D, M	2-30 days
Global	421,734		D	1-2 days
Risk Parity	267,238		D	5 days
Private Equity	157,306	260,100	N/A	N/A
Real Estate	371,598		Q	60-90 days
Total Investments Measured at NAV	$3,584,394	$260,100		

[1]D = Daily, M = Monthly, Q = Quarterly

The investment types listed in the tables above were measured at NAV as follows:

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Investments in publicly traded equity, fixed income, and risk parity strategies are made through commingled fund vehicles. For each commingled fund vehicle, valuations are expressed as a NAV. VCERA's investments in these vehicles are held as undivided interests in these commingled funds, represented as shares or units of ownership. Underlying securities in these commingled funds would be valued at Level 1 or 2 of the Fair Value hierarchy.

Real Estate investments generate income in addition to capital appreciation. In addition, they serve as a hedge against inflation, and help to diversify the portfolio. VCERA's real estate exposure is obtained through open-ended commingled fund equity investment vehicles. These commingled fund are diversified across property types which include office, residential, commercial, industrial, and raw land. Property exposures are held in these vehicles primarily on a direct basis, but are also achieved through holdings in publicly traded Real Estate Investment Trusts (REITS). As above, for each commingled fund vehicle, valuations are expressed as a net asset value (NAV). VCERA's investments in these vehicles are held as undivided interests in these commingled funds, represented as shares or units of ownership. Underlying holdings in these commingled funds are determined by property appraisals, and as such would be valued at Level 3 of the Fair Value hierarchy.

VCERA's private equity portfolio is globally diversified, and consists of holdings in commingled fund of funds in a limited partnership structure. Each fund of funds invests in a diversified set of underlying private equity funds, each which invests directly in portfolio companies. Underlying strategies include investments in primary, secondary, and co-investments. These investments are diversified across buyout, growth capital, venture capital, and various debt strategies, and further diversified by vintage year. For each limited partnership, valuations are expressed as a net asset value (NAV). VCERA's partnership interests in these vehicles are in proportion to its shares of each respective partnership. Underlying holdings in these limited partnership vehicles would be valued at Level 3 of the Fair Value hierarchy.

4. NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

The components of the Net Pension Liability of the Plan at June 30, 2016 and 2015, were as follows:

($ in Thousands) Net Pension Liability	June 30, 2016	June 30, 2015
Total Pension Liability	$5,451,539	$5,219,335
Plan Fiduciary Net Position	4,386,837	4,364,795
Net Pension Liability	$1,064,702	$854,540
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.47%	83.63%

Actuarial Assumptions

One of the general goals of an actuarial valuation is to establish contribution rates that fully fund the Plan's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. In preparing the actuarial valuation, the actuary employs generally accepted actuarial methods and assumptions to evaluate the Plan's assets, liabilities, and future contributions required. The actuary incorporates member data and financial information provided by the Plan with economic and demographic assumptions made about the future to estimate the Plan's financial condition as a specified point in time. For example, the actuary develops assumptions about future investment returns, future inflation rates, future increases in salaries, expected retirement ages, life expectancy, and other relevant factors. VCERA's actuary calculates actuarially determined contributions every year and reviews with the Board the economic and demographic assumptions of the Plan every three years.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

A key element in determining the Plan's liability is the projection of Benefits, which is defined as all benefits estimated to be payable through the Plan to current active and inactive employees as a result of their past service and their expected future service. The type of benefits provided by the Plan at the time of each valuation are taken into consideration when Benefits are projected.

The actuarial assumptions used to determine the Total Pension Liability as of June 30, 2016, were based on the results of the June 30, 2014, Review of Economic Assumptions and Actuarial Experience Study (Experience Study) and the June 30, 2015 review of Economic Actuarial Assumptions. Also, for determining the Total Pension Liability the investment return assumption used is net of investment expenses only and is not net of administrative expenses. Key methods and assumptions used in the June 30, 2016, and June 30, 2015, actuarial valuation are presented as follows.

Methods and assumptions used to establish "actuarially determined contribution" rates:	
Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	15 years for Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004. Any changes in UAAL after June 30, 2004, are separately amortized over a 15-year closed 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 Non-Vested Supplemental Medical Benefit Reserve and the statutory Contingency Reserve.
Mortality Rates	Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA to 2025 set back one year.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Actuarial Assumptions:	June 30, 2016	June 30, 2015
Investment rate of return[1]	7.50% net of pension plan administration and investment expenses, including inflation	7.50% net of pension plan administration and investment expenses, including inflation
Inflation rate	3.00%	3.00%
Real across-the-board salary increase	0.50%	0.50%
Projected salary increases[2]	General: 4.00% to 9.50% and Safety: 4.00% to 11.50%	General: 4.00% to 9.50% and Safety: 4.00% to 11.50%
Cost of living adjustments	For General Tier 1 and Safety 3.00% (actual increases are contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum). For General Tier 2, Service Employees International Union members receive a fixed 2.00% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.	For General Tier 1 and Safety 3.00% (actual increases are contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum). For General Tier 2, Service Employees International Union members receive a fixed 2.00% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Other Assumptions	Same as those used in the June 30, 2016, funding actuarial valuation.	Same as those used in the June 30, 2015, funding actuarial valuation.

[1] Includes inflation.

[2] Includes inflation at 3.00% plus real across-the-board salary incareases of 0.50% plus merit and longevity increases.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Long-Term Real Rate Of Return By Asset Class

The long-term expected rate of return on the Plan's investments was determined in 2016 using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	27.74%	5.90%
Small Cap U.S. Equity	3.41%	6.60%
Developed International Equity	14.73%	6.95%
Emerging Market Equity	3.12%	8.44%
U.S. Core Fixed Income	14.00%	0.71%
Real Estate	7.00%	4.65%
Private Debt/Credit Strategies	5.00%	6.01%
Absolute Return (Risk Parity)	16.00%	4.13%
Real Assets (Master Limited Partnerships)	4.00%	6.51%
Private Equity	5.00%	9.25%
Total	100.00%	

Long-term expected rate of return net of investment expenses: 7.50%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.50% as of June 30, 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2016 and 2015.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The following table presents the Net Pension Liability of participating employers calculated using the current discount rate of 7.50%, as of June 30, 2016, as well as the Net Pension Liability if the discount rate were 1.00% lower or 1.00% higher.

Sensitivity of Net Pension Liability to Changes in Discount Rate
($ in Thousands)

Net Pension Liability	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
June 30, 2016	$1,793,746	$1,064,702	$469,826

5. CONTRIBUTIONS

Employer and employee contribution rates are established and amended by VCERA's Board. Contribution rates are actuarially determined using the "Entry Age Actuarial 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 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, 2016 valuation, the period for amortizing the unfunded actuarial liability is fixed at 15 years in accordance with the Board's policy adopted May 18, 2015, and the period for amortizing the future actuarial gains and losses is over its own declining 15-year period.

VCERA's employers were required to contribute $177.7 million and $175.1 million in actuarially determined contributions for the fiscal years ending June 30, 2016 and 2015, respectively.

Member contributions range from 5.96% to 13.76% depending upon member tier and plan status. In addition to the actuarially determined contributions, participating employers contribute, pursuant to California 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. These contributions are included in the employers' total.

6. 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 Reserve. Represent member's accumulated contributions. Additions include member contributions and interest credited; deductions include transfers to Retired Member Reserve and refunds.

Employer Advance Reserve. 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 Reserve and death benefits.

Retired Member Reserve. Represent total accumulated transfers from Member Reserve and Employer Advance Reserve 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 and interest credited; deductions include benefit payments made to eligible retirees.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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; deductions include benefit payments made to eligible retirees.

Death Benefit Reserve. Represents funds designated to pay death benefits pursuant to California Government Code Section 31789.5. Additions include funding from investment income and interest credited; deductions include benefits paid.

Contingency Reserve. Represents earnings of the fund in excess of the total interest credited to reserves in an amount up to 1.0% of the total market value of assets to provide for future deficiencies in interest earnings, losses on investments, and other contingencies pursuant to Government Code Section 31592.2.

Undistributed Earnings Reserve. Represents funds from current and prior year earnings not previously credited to other Valuation, Non-Valuation, and Supplemental Benefit Reserves in excess of the statutory 1.0% Contingency Reserve.

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.

Reserve balances as of June 30, 2016 and 2015, are as follows:

($ in Thousands)

Reserve Account	June 30, 2016	June 30, 2015
Member	$683,571	$647,597
Employer Advance	1,330,139	1,233,726
Retired Member	2,417,426	2,269,555
Vested Fixed Supplemental	139,804	137,151
Non-Vested Supplemental	6,725	8,801
Death Benefits	14,774	14,301
Undistributed Earnings	-	-
Contingency	-	-
Market Stabilization	(205,602)	53,664
Total Reserves	$4,386,837	$4,364,795

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

7. ADMINISTRATIVE EXPENSES

As permitted by Section 31580.2 of the California Government Code, the Board adopts an annual budget, financed from investment income, covering the entire expenses of Plan administration. The California Government Code provides that administrative expenses incurred in any year were not to exceed the greater of 21/100th of one percent of the accrued actuarial liability for VCERA or two million dollars ($2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. California 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 ended June 30, 2016 and 2015, were within the limits established by the California Government Code.

($ in Thousands)	June 30, 2016	June 30, 2015
Accrued Actuarial Liability (AAL)[1]	$4,731,016	$4,575,063
Statutory Limitation for Administrative Expense (AAL x .21%)	9,935	9,608
Administrative Expenses Subject to Statutory Limit	4,474	3,854
Excess of Limitation over Actual Administrative Expenses	$5,461	$5,754
Actual Administrative Expenses as a percentage of AAL	0.09%	0.08%

[1]The AAL, as determined by VCERA's actuary each year, is used to calculate the subsequent fiscal year's administrative budget authorization. The AAL as of June 30, 2014 and 2013, was approved by the Board in January 2015 and 2014, respectively, and used to establish the administrative expenditure budgets for the fiscal years ended June 30, 2016 and 2015, as shown in the table.

8. 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 $349,933. Annual amounts due under the agreement are as follows:

Fiscal Year Ending	Amount
2017	$199,962
2018	149,971

9. SUBSEQUENT EVENTS

Trustee Joseph Henderson (appointed General Member) submitted his resignation to the Board Chair in August 2016, stating the he would not complete his term and no longer be able to serve on the Board. Trustee Henderson's term ends December 31, 2016. Trustee Robert Bianchi (alternate appointed General Member) will serve in Trustee Henderson's absence until a new Board member is appointed.

In September and effective October 2016, the Retirement Administrator, Chief Investment Officer, Chief Financial Officer, Chief Operations Officer, and General Counsel were appointed as employees of VCERA by the Board of Retirement pursuant to the provisions of Government Code section 31522.10. Upon appointment, these employees became employees of VCERA, not the County, and subject to terms and conditions of employment established by the Board of Retirement.

On October 3, 2016, VCERA received from the IRS a favorable determination letter for the pension plan for the filing cycle ending January 31, 2016.

Management has evaluated subsequent events through January 31, 2017, which is the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

($ in Thousands)

		June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Total Pension Liability					
Service cost		$129,269	$124,408	$122,896	$118,839
Interest		388,936	366,917	355,299	340,000
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience		(39,598)	(101,178)	(48,740)	(94,020)
Changes of assumptions		-	234,843	-	-
Benefit Payments, including refunds of member contributions		(246,403)	(233,695)	(223,532)	(209,958)
Net Change in Total Pension Liability		232,204	391,295	205,923	154,861
Total Pension Liability - Beginning		5,219,335	4,828,040	4,622,117	4,467,256
Total Pension Liability - Ending	A	$5,451,539	$5,219,335	$4,828,040	$4,622,117
Plan Fiduciary Net Position					
Contributions- employer		$178,749	$175,099	$169,703	$150,688
Contributions- members		68,431	63,679	46,674	44,464
Net investment income		25,739	88,680	658,581	436,638
Benefit Payments, including refunds of member contributions		(246,403)	(233,695)	(223,532)	(209,958)
Administrative expense		(4,474)	(3,854)	(4,045)	(3,944)
Other		-	-	-	-
Net Change in Plan Fiduciary Net Position		22,042	89,909	647,381	417,888
Plan Fiduciary Net Position - Beginning		4,364,795	4,274,886	3,627,505	3,209,617
Plan Fiduciary Net Position - Ending	B	$4,386,837	$4,364,795	$4,274,886	$3,627,505
Net Pension Liability - Ending	A-B=C	$1,064,702	$854,540	$553,154	$994,612
Plan fiduciary net position as a percentage of the total pension liability	B/A	80.47%	83.63%	88.54%	78.48%
Covered-employee payroll	D	$688,233	$665,086	$642,779	$632,146
Net position liability as a percentage of covered employee payroll	C/D	154.70%	128.49%	86.06%	157.34%

Note - Data as of June 30, 2007 through June 30, 2012 are not available in comparable format.

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

($ in Thousands)

Year Ended June 30	Actuarially Determined Contributions[1]	Actual Contributions[2]	Contribution Deficiency/ (Excess)	Covered Employee Payroll[3]	Contributions as a % of Covered-Employee Payroll
2016	$178,748	$178,748	$ -	$688,233	25.97%
2015	173,269	173,269	-	665,086	26.05%
2014	161,247	161,247	-	642,779	25.09%
2013	142,370	142,370	-	632,146	22.52%
2012	132,386	132,386	-	637,037	20.78%
2011	111,585	111,585	-	654,829	17.04%
2010	97,324	97,324	-	634,777	15.33%
2009	105,278	105,278	-	599,173	17.57%
2008	104,429	104,429	-	551,968	18.92%
2007	86,455	86,455	-	519,145	16.65%

[1]All Actuarially "Determined Contributions" through June 30, 2014, were determined as the "Annnual Required Contribution" as required by Government Accounting Standards Board Statement No. 25 and No. 27.

[2]Actuarially Determined Contributions exclude employer paid member contributions. Beginning in 2016, actuarially determined contributions include member paid employer contributions.

[3]Covered employee payroll represents only compensation earnable and pensionable compensation that go into the determination of a retirement benefit.

SCHEDULE OF INVESTMENT RETURNS

Year Ended June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2016	-2.00%
2015	1.70%
2014	18.80%
2013	13.20%

Note - Money-Weighted Rate of Return is calculated as the internal rate of return on pension plan investments, net of investment expenses. Trend Information: Schedule will ultimately show information for 10 years. Additional years will be displayed as they become available prospectively.

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

LATEST ACTUARIAL VALUATION OF PLAN ASSETS AND LIABILITIES

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	15 years for Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004. Any changes in UAAL after June 30, 2004, are separately amortized over a 15-year closed 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 Non-Vested Supplemental Medical Benefit Reserve and the statutory Contingency Reserve.
Mortality Rates	Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA to 2025 set back one year.

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

LATEST ACTUARIAL VALUATION OF PLAN ASSETS AND LIABILITIES (Continued)

Actuarial Assumptions:	June 30, 2016	June 30, 2015
Investment rate of return[1]	7.50% net of pension plan administration and investment expenses, including inflation	7.50% net of pension plan administration and investment expenses, including inflation
Inflation rate	3.00%	3.00%
Real across-the-board salary increase	0.50%	0.50%
Projected salary increases[2]	General: 4.00% to 9.50% and Safety: 4.00% to 11.50%	General: 4.00% to 9.50% and Safety: 4.00% to 11.50%
Cost-of-living adjustments	For General Tier 1 and Safety 3.00% (actual increases are contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum). For General Tier 2, Service Employees International Union members receive a fixed 2.00% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.	For General Tier 1 and Safety 3.00% (actual increases are contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum). For General Tier 2, Service Employees International Union members receive a fixed 2.00% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Other Assumptions	Same as those used in the June 30, 2016, funding actuarial valuation.	Same as those used in the June 30, 2015, funding actuarial valuation.

[1] Includes inflation.

[2] Includes inflation at 3.00% plus real across-the-board salary incareases of 0.50% plus merit and longevity increases.

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2016 (with comparative amounts for June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
Personnel Services:		
Salaries	$1,740	$1,444
Employee Benefits	796	585
Total Personnel Services	2,536	2,029
Professional Services:		
Actuarial Fees	123	171
Computer Software and System Support (Net of Capitalized costs)	491	399
Legal Services	489	411
Other Professional Services	306	429
Total Professional Services	1,409	1,410
Communication:		
Postage	56	67
Telecommunication	37	39
Total Communication	93	106
Other Services and Charges:		
Office Lease	183	174
Educational	64	59
Equipment	4	8
County Services	31	(16)
Insurance	13	6
Other Charges	141	78
Total Other Services and Charges	436	309
Total Administrative Expenses	$4,474	$3,854

OTHER SUPPLEMENTARY INFORMATION (Continued)

SCHEDULE OF INVESTMENT EXPENSES

For the Year Ended June 30, 2016 (with comparative amounts for June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
Investment Management Fees		
Cash and Short-Term Managers	$158	$101
Equity Managers		
U.S. Equity	518	523
Non-U.S Equity	2,059	2,166
Global Equity	1,246	1,309
Fixed Income Managers	1,942	2,252
Private Equity Managers	2,802	2,548
Liquid Alternative Managers	1,719	2,001
Real Estate Managers	3,121	2,932
Other Investment Expenses	744	820
Total Investment Expenses	$14,309	$14,652

SCHEDULE OF PAYMENTS TO CONSULTANTS

For the Year Ended June 30, 2016 (with comparative amounts for June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
Legal Services	$489	$411
Actuarial Consulting Fees	123	171
Investment Management		
Consulting Fees	288	280
Network and Other Information		
Technology Services (includes capitalized costs)	2,803	2,720
Total Payments to Consultants	$3,703	$3,582

OTHER INFORMATION

SCHEDULE OF EMPLOYER PENSION AMOUNTS ALLOCATED BY COST SHARING PLAN

($ in Thousands)

		Deferred Outflow of Resources					Deferred Inflow of Resources					Pension Expense		
Employer/ Nonemployer (special funding situation)	Net Pension Liability	Differences Between Expected and Actual Economic Experience	Differences Between Projected and Actual Investment Earnings	Changes of Assumptions	Changes in Employer Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Outflow of Resources	Differences Between Expected and Actual Economic Experience	Differences Between Actual and Projected Investment Earnings	Changes of Assumptions	Changes in Employer Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Inflow of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Proportionate Share of Pension Expense	Total Employer Pension Expense
County of Ventura	$1,028,750	$ -	$227,678	$139,639	$1,674	$368,991	$111,838	$ -	$ -	$317	$112,155	$163,900	$278	$164,178
Ventura County Courts	26,427	-	5,849	3,587	229	9,665	2,873	-	-	2,027	4,900	4,210	(394)	3,816
Ventura County Air Pollution Control District	4,435	-	982	602	193	1,777	482	-	-	39	521	707	42	749
Ventura Regional Sanitation District	5,090	-	1,126	691	287	2,104	553	-	-	-	553	811	74	885
Total	$1,064,702	$-	$235,635	$144,519	$2,383	$382,537	$115,746	$-	$-	$2,383	$118,129	$169,628	$-	$169,628

OTHER INFORMATION (Continued)

SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS OF NET PENSION LIABILITY

($ in Thousands)

	June 30, 2016		June 30, 2015	
Participating Employer	**Allocation of Net Pension Liability (NPL)**	**Employer Allocation Percentage**	**Allocation of Net Pension Liability (NPL)**	**Employer Allocation Percentage**
County of Ventura	$1,028,750	96.623%	$822,801	96.286%
Ventura County Courts	26,427	2.482%	24,429	2.859%
Ventura County Air Pollution Control District	4,435	0.417%	3,457	0.404%
Ventura Regional Sanitation District	5,090	0.478%	3,853	0.451%
Total	$1,064,702	100.000%	$854,540	100.000%

Note - Employer allocation percentage is weighted average allocation of General and Safety NPL as each NPL is calculated separtely for each participating employer, then combined.

Procyon lotor

RACCOON

The Raccoon are very common throughout most of Ventura County. They can be found in all habitats except alpine and arid locations. They are most abundant along rivers and streams and wetland areas at low to middle elevations.

Raccoons are noted for their intelligence, with studies showing that they are able to remember the solution to tasks for up to three years. Although captive raccoons have been known to live over 20 years, their life expectancy in the wild is only 1.8 to 3.1 years.

Widespread throughout the county, raccoons use cavities in trees, logs, rocky areas, and abandoned buildings for dens and cover. A permanent water source is necessary for drinking and feeding.

NEPC, LLC

ALLAN MARTIN
PARTNER

November 28, 2016

Mr. Dan Gallagher
Chief Investment Officer
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

Dear Mr. Gallagher,

The overall objective of the Ventura County Employees' Retirement Association Plan (the "Plan") is to ensure continued access to retirement, disability, and survivor benefits for current and future VCERA participants. To ensure a solid foundation for the future of the Plan, VCERA has carefully structured and implemented an investment program designed to produce superior long-term investment returns, while prudently managing the risk of the portfolio. Investment policy and asset allocation are reviewed and revised by the Board of Retirement to reflect the Plan's actuarial assumptions, accrued liabilities, and investment outlook. The following is a report on the performance of the Plan for the fiscal year ending June 30, 2016.

Although investment manager performance is a key component of the future success of the Plan, the overall asset allocation policy will be the primary determinant of such success. Modern Portfolio Theory maintains that long-term investors, who assume prudent levels of risk, will be rewarded with incremental returns above lower returning, risk-free assets (i.e. T-Bills). The Plan is required to pay accumulated/earned retirement benefits today while preparing for uncertain future investment returns and benefits. This balancing of short-term versus long-term needs is a key consideration in the overall portfolio construction process. To facilitate the balance of short-term versus long-term objectives, the Board of Retirement has adopted a diversified asset allocation structure that includes traditional asset classes such as U.S. and non-U.S. Equity and Fixed Income, as well as alternative asset classes such as Private Equity, Real Estate, Risk Parity, and MLP strategies.

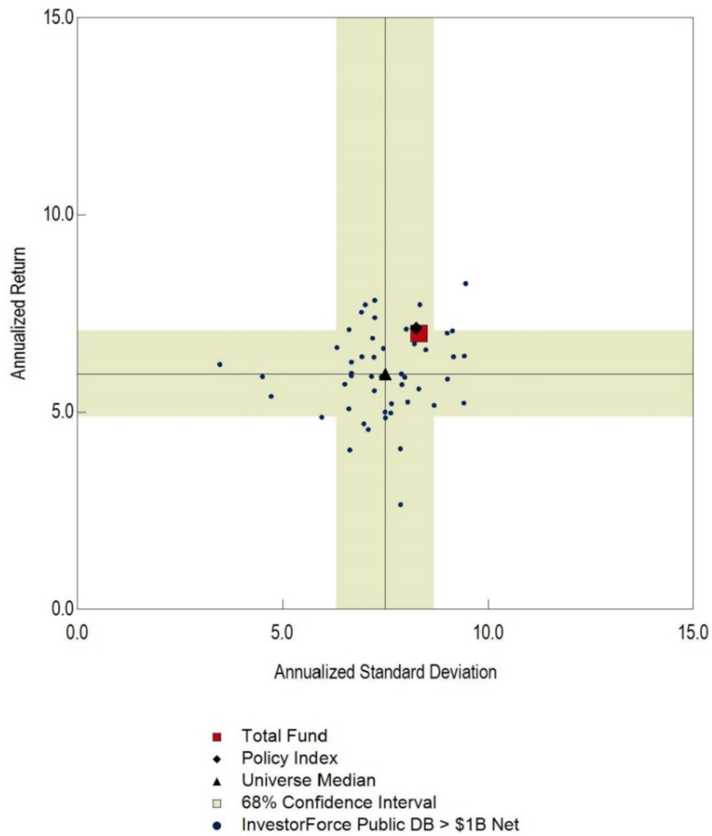
Fiscal Year 2016 Market Review

Capital markets remained largely characterized by global Central Bank stimulative action resulting in the continuation of the multi-year valuation expansion in growth assets; though investment outcomes for U.S. investors were mixed as the U.S. Dollar appreciated against most foreign currencies. Political instability, commodity price disruption, and the beginning stages of divergent Central Bank policies created a heightened amount of uncertainty and volatility in global markets. Markets experienced bouts of whipsaw-like volatility as investors digested news of increased interest rates domestically, negative interest rates abroad, rapidly falling oil prices, and the rise of political populism. Domestic equities, as measured by the S&P 500 Index, posted their eighth consecutive positive fiscal year (ended June) posting a +4.0% return. U.S. high quality fixed income investments produced outsized returns as U.S. Treasury yields crept toward all-time lows returning +6.0% for the year. International developed markets equities underperformed domestic equities by over 14% as European and Asian developed market currencies devalued as stimulative monetary policy made its way through those struggling economies. Emerging markets ended the year trailing developed international equities by approximately two percent.

The Plan returned 1.0%, net of fees (1.3% gross of fees), for the fiscal year ending June 30, 2016. By comparison, the median fund in the universe returned -0.5% for the period[1]. Contributing positively to performance during the fiscal year was the Plan's tilt towards Domestic Equity and having less Non-U.S. Equity exposure than peers as Domestic Equity outperformed Non-U.S. Equity. However, the Plan's allocation to Non-U.S. Equity, Global Equity, and Liquid Alternatives, were the primary detractors in causing the Plan to underperform the actuarial target of 7.5%.

Over five years, the Plan ranks in the top half of the universe in risk-adjusted return with a Sharpe Ratio of 0.8. This means that the Fund has earned more return per unit of volatility taken than most of its peers.

Investor Force Public Funds Greater than $1 Billion Universe
Risk-Return Comparison (Net of Fees) 5 Years Ending June 30, 2016



[1] As of June 30, 2016, the InvestorForce Public Funds Greater than $1 Billion Universe was comprised of 53 total funds with approximately $500 billion in assets. Universe rankings are based on net of fee performance. The Plan's net of fee performance was 1.0% and 7.0% for the one- and five-year annualized periods ending June 30, 2016, respectively.

NEPC provides the Plan with quarterly economic and investment market updates, performance reviews, investment manager monitoring and selection advice, and related investment services for traditional and non-traditional asset classes. In preparing our performance analysis for the Plan, we rely on the accuracy of financial data provided by the Plan's custodian bank and investment managers. Investment performance analysis and comparisons produced by NEPC have been calculated using standard performance evaluation methodologies and are consistent with industry standards. The Plan's goals are measured against stated policy objectives, appropriate benchmarks and comparative universes over multiple time periods. This review process allows the Plan to evaluate whether established goals are being achieved on an absolute, relative, and risk-adjusted basis.

Sincerely,

Allan C Martin

Allan Martin
Partner

OUTLINE OF INVESTMENT POLICIES

General

The Board of Retirement (Board) established an investment policy in accordance with the provisions of the County Employees' Retirement Law of 1937 (California Government code Sections 31450 et. seq.). Ventura County Employees' Retirement Association (VCERA or Plan) is considered a separate entity and is administered by a Board consisting of nine members, plus three alternates. VCERA's Board and its officers and employees shall discharge their duties as provided for in California 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 Plan.
- 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 Plan 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.

External professional investment firms manage VCERA's assets. VCERA's staff, along with the investment consultants, monitor managers' 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.

In fiscal year 2015-16, the Board adopted a new allocation and implementation plan that was predicated on a number of factors including:

a. The actuarially projected liabilities, 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.

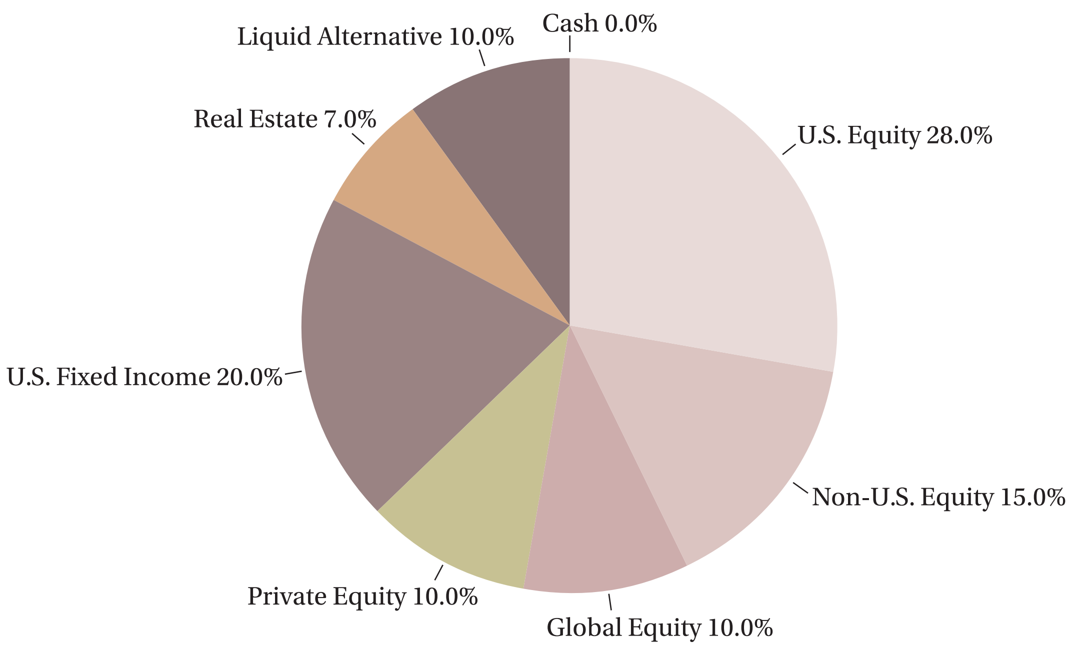
d. The relationship between current and projected assets of the Plan and its actuarial requirements.

A systematic rebalancing procedure is used to maintain asset allocations within their appropriate ranges.

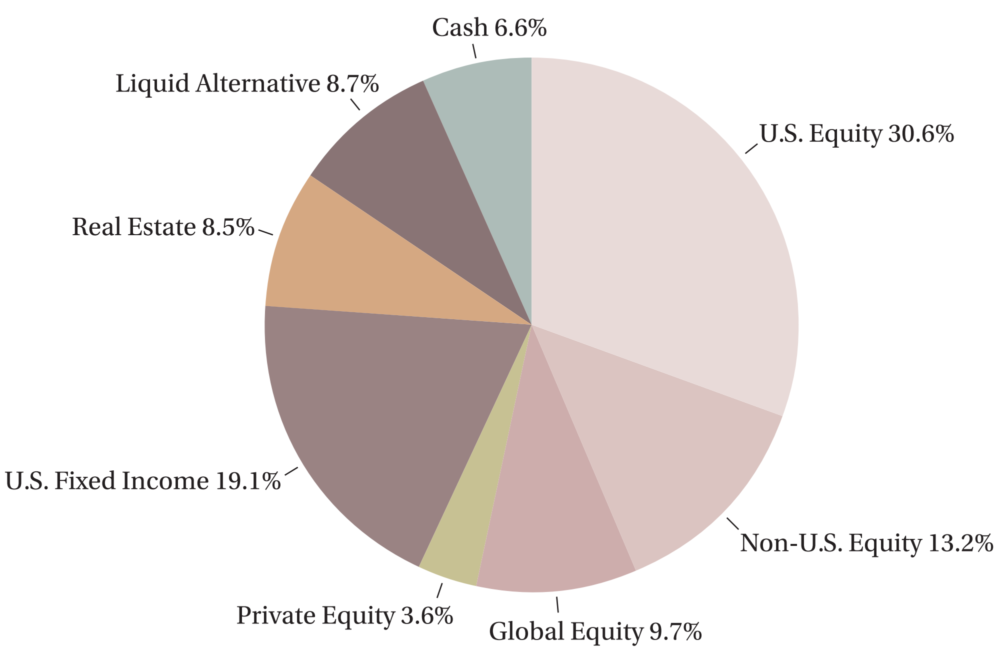
TARGET VERSUS ACTUAL ASSET ALLOCATION

As of June 30, 2016

TARGET[1]



ACTUAL[2]



[1]Represents Allocation targets in place as of June 30, 2016
[2]The actual Allocation is based upon the Investment Summary on page 53

INVESTMENT SUMMARY

As of June 30, 2016
($ in Thousands)

Type of Investment	Fair Value	Percent of Total Fair Value
Cash and Cash Equivalents	$287,056	6.6%
Fixed Income	834,771	19.1%
Subtotal Fixed Income and Cash	1,121,827	25.7%
U.S. Equity	1,337,431	30.6%
Non-U.S. Equity	574,993	13.2%
Global Equity	421,734	9.7%
Subtotal Equities	2,334,158	53.5%
Private Equity	157,306	3.6%
Real Estate	371,599	8.5%
Liquid Alternatives	380,535	8.7%
Total Investments	$4,365,425	100.0%

SCHEDULE OF INVESTMENT RESULTS BASED ON FAIR VALUE

As of June 30, 2016

		Annualized	
	Current Year	**Three-Year**	**Five Year**
U.S. Equity	2.2%	11.3%	11.8%
Russell 3000	2.1%	11.0%	11.5%
Fixed Income	5.1%	3.6%	4.3%
Current Benchmark: Barclays Capital Aggregate Bond Index	6.0%	4.1%	3.8%
Non-U.S. Equity	-7.6%	1.9%	1.1%
Current Benchmark: MSCI ACWI ex U.S	-10.2%	1.2%	0.1%
Global Equity	-4.8%	4.7%	4.6%
Current Benchmark: MSCI ACWI	-3.7%	6.0%	5.4%
Private Equity	9.0%	14.7%	-
Current Benchmark: Dow Jones Total Stock Market Index + 3%	5.0%	14.3%	-
Real Estate	10.3%	11.1%	10.6%
Current Benchmark: NCREIF-ODCE	10.8%	12.0%	11.7%
Liquid Alternatives	-4.7%	3.7%	-
Benchmark: CPI + 4% (Unadjusted)	5.0%	5.1%	-
Total Fund	1.0%	6.9%	7.0%
VCERA Policy[1]	1.8%	7.4%	7.1%

[1]Current Benchmarks: 28% Russell 3000 Index, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10% MSCI ACWI, 10% Dow Jones U.S. Total Stock Market Index + 3%, 10% CPI + 4% Index, and 7% NCREIF ODCE Real Estate Index.

Asset Class Returns were prepared using the time-weighted rate of return based on the market rate of return. Total Fund performance is calculated based on the weighted average returns net of fees of the asset classes.

LARGEST EQUITY HOLDINGS (BY FAIR VALUE)

As of June 30, 2016
($ in Thousands)

	Units	Fund Name	Fair Value
1	8,054,610	Blackrock U.S. Equity Market Fund	$1,179,004
2	21,679,242	Blackrock ACWI ex U.S. IMI Index Fund	236,704
3	14,727,585	Blackrock MSCI ACWI Equity Index Fund	221,476
4	27,969,053	Grantham Mayo Van Otterloo (GMO) Group Trust	200,258
5	3,065,231	Sprucegrove Investment Management Group Trust	165,287
6	3,611,703	Walter Scott & Partners Limited Group Trust	95,818
7	59,585	Hexavest EAFE Equity Fund	77,184
8	120,503	Blackrock Extended Equity	46,296
9	27,538,253	Harbourvest Dover Street VIII	45,325
10	33,687,193	Adams Street 2013 Global Fund	35,140

Note - All VCERA Equity Investments at June 30, 2016 were held in index funds and commingled investment vehicles.

LARGEST FIXED INCOME HOLDINGS (BY FAIR VALUE)

As of June 30, 2016
($ in Thousands)

	Par	Bonds	Fair Value
1	10,460,000	U.S, Treasury N/B 05/43 2.875	$11,762
2	7,540,000	U.S. Treasury N/B 11/42 2.75	8,295
3	6,110,000	U.S, Treasury N/B 05/45 3	7,023
4	6,560,000	U.S. Treasury N/B 06/23 1.375	6,594
5	3,530,000	U.S. Treasury N/B 2/23 1.5	3,581
6	3,280,000	U.S. Treasury N/B 08/24 2.375	3,531
7	3,050,000	U.S. Treasury N/B 11/22 2	3,192
8	2,750,000	U.S. Treasury N/B 11/24 2.25	2,933
9	2,980,000	FNMA Subordinated 10/19 0.0000	2,863
10	2,338,193	TSY INFL IX N/B 04/17 0.125	2,353

Note - A complete list of Portfolio Holdings is available upon request.

SCHEDULE OF INVESTMENT FEES

As of June 30, 2016 (with comparative amounts for June 30, 2015)
($ in Thousands)

	June 30, 2016	June 30, 2015
Cash and Short-Term Managers	$158	$101
Equity Managers		
U.S. Equity	518	523
Non-U.S. Equity	2,059	2,166
Global Equity	1,246	1,309
Fixed Income Managers	1,942	2,252
Private Equity Managers	2,802	2,548
Liquid Alternative Managers	1,719	2,001
Real Estate Managers	3,121	2,932
Other Investment Fees	744	820
Total Investment Management Fees	$14,309	$14,652

INVESTMENT MANAGERS

Equities - U.S.
BlackRock, Inc.
Western Asset Management Company

Equities - Non-U.S.
Sprucegrove Investment Management Limited
BlackRock, Inc.
Hexavest, Inc.
Walter Scott & Partners, Limited

Global Equity
Grantham, Mayo, Van Otterloo & Co., LLC
BlackRock, Inc.

Private Equity
Adams Street Partners, LLC
HarbourVest Partners, LLC
Pantheon Ventures (U.S.), LP

Fixed Income
BlackRock, Inc.
Loomis, Sayles & Company, LP
Reams Asset Management Company
Western Asset Management Company

Real Estate
Prudential Global Investment Management
UBS Realty Investors
RREEF America, LLC

Liquid Alternatives
Bridgewater Associates, LP
Tortoise Capital Advisors, LLC

Investment Consultant
NEPC, LLC

Cash Overlay
Parametric Portfolio Associates LLC

Custodian
State Street Bank and Trust

Ursus americanus

BLACK BEAR

Black bears vary in color from tan or brown to black. Typically they are dark brown with a brown muzzle and, occasionally, a small white chest patch. Adults weigh from 100-350 pounds. However, some bears over 600 pounds have been taken by hunters in California. The American black bear is the world's most common bear species.

Bears frequently adapt to human presence, often because bears are attracted to human garbage, pet food and other food items. In the suburbs and mountain communities, bears may damage private property while foraging.

In Ventura County, Black Bears can be found mostly in mountainous, forest areas above 3,000' elevation.

Segal Consulting

100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

December 28, 2016

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

Re: Ventura County Employees' Retirement Association
June 30, 2016 Actuarial Valuation for Funding Purposes

Dear Members of the Board:

Segal Consulting (Segal) prepared the June 30, 2016 annual 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 and VCERA's funding policy that was last reviewed with the Board in 2012. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice (ASOPs).

As part of the June 30, 2016 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.

One of the general goals of an actuarial valuation is to establish contribution rates which are expected to 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 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).

In 2004, the Board elected to amortize the Association's Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004 over a declining (or closed) 15-year period. Any change in the UAAL after June 30, 2004 is amortized over separate 15-year declining amortization periods.

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Ventura County Employees' Retirement Association
December 28, 2016
Page 2

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. 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, 2016 is illustrated in the Schedule of Funding Progress.

Certain information found in the Notes to Basic Financial Statements and the Required Supplementary Information (RSI) included in the Financial Section was prepared by the Association based on the results of the Governmental Accounting Standards (GAS) 67 actuarial valuation as of June 30, 2016 prepared by Segal. For the Financial Section of the Comprehensive Annual Financial Report (CAFR), Segal provided the Schedule of Changes in Net Pension Liability and Schedule of Employer Contributions as shown in the RSI. A listing of the other schedules prepared by the Association based on the results of the actuarial valuation as of June 30, 2016 for funding purposes is listed below.

1. Summary of Actuarial Assumptions and Methods as of June 30, 2016
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. Actuarial Solvency Test
6. Schedule of Funding Progress
7. 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, 2014 Actuarial Experience Study and the June 30, 2015 Review of Economic Actuarial Assumptions. It is our opinion that the assumptions used in the June 30, 2016 valuation produce results which, in the aggregate, anticipate the expected future experience of the Plan. Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years and the next experience analysis is due to be performed as of June 30, 2017.

In the June 30, 2016 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities increased from 83.1% to 84.9% and the average employer contribution rate decreased from 27.77% of payroll to 27.52% of payroll.

The valuation value of assets included $206 million in deferred investment losses, which represented about 4.7% 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

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Ventura County Employees' Retirement Association
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decreased from 84.9% to 81.1% and the aggregate employer contribution rate, expressed as a percent of payroll, would have increased from 27.52% to about 30.12%.

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, EA, MAAA, FCA
Senior Vice President and Actuary

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

AW/gxk

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

As of June 30, 2016

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 Unfunded Actuarial Accrued Liability (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
7.50% per annum; 4.50% real rate of return and 3.00% inflation.

Projected Salary Increases
4.00% – 11.50% varying by service. Includes inflation at 3.00%, "across the board" increases of .50% plus merit and longevity increases.

Terminations of Employment Rates
0.6% to 14.0%

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.

Expectation of Life After Retirement
General Members: RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2035 setback one year for males and set forward one year for females. Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2035 setback three years.

Expectation of Life After Disability
General Members: RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2035 set forward six years for males and eight years for females. Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2035 set forward two years.

Date of Adoption
May 18, 2015

ACTIVE MEMBER VALUATION DATA

Valuation Date	Plan Type	Member Count	Annual Salary	Average Annual Salary	Percent Increase/ (Decrease) In Average Salary	Average Age	Average Service
June 30, 2016	General	7,015	$538,141,938	$76,713	2.25%	45.7	10.5
	Safety	1,494	$167,857,742	$112,355	0.41%	41.5	14.8
	Total	8,509	$705,999,680	$82,971	1.45%	45.0	11.4
June 30, 2015	General	6,778	$508,504,947	$75,023	3.34%	46.1	10.6
	Safety	1,521	$170,200,899	$111,901	5.02%	41.5	14.3
	Total	8,299	$678,705,846	$81,782	3.57%	45.3	11.4
June 30, 2014	General	6,672	$484,378,825	$72,599	-0.01%	46.2	10.5
	Safety	1,538	$163,878,217	$106,553	-1.17%	41.4	14.0
	Total	8,210	$648,257,042	$78,959	-0.27%	45.3	11.2
June 30, 2013	General	6,563	$476,507,030	$72,605	-0.21%	46.4	10.6
	Safety	1,505	162,256,156	$107,811	1.16%	41.2	13.9
	Total	8,068	$638,763,186	$79,172	0.16%	45.4	11.2
June 30, 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%	41.4	13.9
	Total	8,019	$633,847,360	$79,043	-0.24%	45.4	11.1
June 30, 2011	General	6,516	$472,121,275	$72,456	-3.01%	46.0	10.0
	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
June 30, 2010	General	6,505	$483,722,608	$74,362	3.34%	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
June 30, 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
June 30, 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
June 30, 2007	General	6,130	$404,122,312	$65,925	2.62%	45.5	9.4
	Safety	1,523	147,845,787	97,075	4.08%	40.0	12.9
	Total	7,653	$551,968,099	$72,124	2.85%	44.4	10.1

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM PAYROLL

Fiscal Year Ended June 30	Retirees and Beneficiaries				Added to Payroll (in 000s)	Removed from Payroll (in 000s)	Total Retiree Payroll (in 000s)	Percent Increase in Payroll	Average Annual Allowance
	At Beginning of Year	Added	Removed	At End of Year					
2016	6,338	396	(195)	6,539	$18,570	$(5,574)	$241,419	5.69%	$36,920
2015	6,121	398	(181)	6,338	16,977	(6,658)	228,423	4.73%	36,040
2014	5,888	394	(161)	6,121	17,698	(4,832)	218,104	6.27%	35,632
2013	5,658	378	(148)	5,888	18,164	(4,257)	205,238	7.27%	34,857
2012	5,481	327	(150)	5,658	13,054	(1,792)	191,332	6.25%	33,816
2011	5,267	358	(144)	5,481	16,502	(2,461)	180,070	8.46%	32,853
2010	5,041	350	(124)	5,267	15,885	(2,945)	166,029	8.45%	31,522
2009	4,914	252	(125)	5,041	13,508	(3,088)	153,089	7.30%	30,369
2008	4,770	300	(156)	4,914	16,102	(5,641)	142,669	7.91%	29,033
2007	4,570	300	(100)	4,770	16,472	(5,491)	132,208	9.06%	27,717

ACTUARIAL ANALYSIS OF FINANCIAL EXPERIENCE

($ in Thousands)

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Prior Valuation Unfunded (Excess Funded) Accrued Liability	$875,827	$820,215	$953,354	$975,867	$774,964	$761,459	$573,553	$290,048	$376,025	$481,870
Salary Increases Greater (Less) Than Expected	(19,801)	17,095	(56,617)	(49,186)	(93,786)	(131,928)	(19,314)	(9,590)	19,961	(5,589)
Asset Return (Greater) Less Than Expected	42,251	(81,080)	(13,827)	25,512	72,404	127,192	202,739	213,344	(90,891)	(113,656)
Other Experience Factors	(85,234)	(98,405)	(62,695)	1,161	(5,030)	18,241	4,481	(11,501)	(15,047)	13,400
Change In Actuarial Assumptions	-	218,002	-		227,315	-	-	91,252	-	-
Ending Valuation Unfunded (Excess Funded) Accrued Liability	$813,043	$875,827	$820,215	$953,354	$975,867	$774,964	$761,459	$573,553	$290,048	$376,025

ACTUARIAL SOLVENCY TEST

($ in Thousands)

Aggregate Actuarial Accrued Liabilities for:

Valuation Date	Active Member Contrib.	Retired Member Contrib.	Active Members (Employer Financed Portion)	Total Liabilities	Actuarial Value of Assets	Active Member Contrib.	Retired Member Contrib.	Active Member Employer Financed
June 30, 2016	$683,571	$2,417,426	$2,297,759	$5,398,756	$4,585,713	100%	100%	65%
June 30, 2015	647,597	2,269,555	2,261,005	5,178,157	4,302,330	100%	100%	61%
June 30, 2014	611,921	2,150,677	1,968,418	4,731,016	3,910,801	100%	100%	58%
June 30, 2013	584,474	2,051,529	1,939,060	4,575,063	3,621,709	100%	100%	51%
June 30, 2012	569,893	1,919,116	1,884,218	4,373,227	3,397,360	100%	100%	48%
June 30, 2011	549,207	1,810,062	1,636,083	3,995,352	3,220,388	100%	100%	53%
June 30, 2010	525,190	1,674,735	1,677,518	3,877,443	3,115,984	100%	100%	55%
June 30, 2009	499,205	1,545,347	1,619,149	3,663,701	3,090,148	100%	100%	65%
June 30, 2008	466,332	1,470,874	1,408,598	3,345,804	3,055,756	100%	100%	79%
June 30, 2007	431,860	1,391,914	1,288,809	3,112,583	2,736,558	100%	100%	71%

SCHEDULE OF FUNDING PROGRESS

($ in Thousands)

Actuarial Valuation Date	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll[1] (c)	UAAL as an Unfunded (Overfunded) Percentage of Covered Payroll ((b-a)/c)
June 30, 2016	$4,585,713	$5,398,756	$813,043	84.94%	$706,000	115.16%
June 30, 2015	4,302,230	5,178,157	875,927	83.08%	678,706	129.06%
June 30, 2014	3,910,801	4,731,016	820,215	82.66%	648,257	126.53%
June 30, 2013	3,621,709	4,575,063	953,354	79.16%	638,763	149.25%
June 30, 2012	3,397,360	4,373,227	975,867	77.69%	633,848	153.96%
June 30, 2011	3,220,338	3,995,352	775,014	80.60%	637,037	121.66%
June 30, 2010	3,115,984	3,877,443	761,459	80.36%	654,828	116.28%
June 30, 2009	3,090,148	3,663,701	573,553	84.34%	634,777	90.36%
June 30, 2008	3,055,756	3,345,804	290,048	91.33%	589,173	49.23%
June 30, 2007	2,736,558	3,112,583	376,025	87.92%	551,968	68.12%

[1] Based on the expected covered-employee payroll

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 or Plan).

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. Any new Safety Member who becomes a member on or after January 1, 2013, is designated PEPRA Safety and is subject to the provisions of California's Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197. All other employees are classified as 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. New Members employed after January 1, 2013, are designated as PEPRA Tier I or II and are subject to the provisions of California Government Code 7522 et seq. and AB 197.

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 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 Plan or tier in which they are included. The contribution rate applicable to the member is applied to total compensation earnable. 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.

SUMMARY OF PLAN BENEFITS (Continued)

Service Retirement Benefit

General members prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

Safety members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit, retirement plan, and tier. 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 California Government Code Section 31664. For those Safety members first hired on or after January 1, 2013, benefits are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.25(d).

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code 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 California Government Code Section 31676.11 (Tier I) or 31676.1 (Tier II). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from California Government Code Section 7522.20(a).

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, PEPRA Tier I and II, General and PEPRA Safety 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, registered domestic partner, or minor child(ren). An eligible surviving spouse, or registered domestic partner, 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, registered domestic partner, minor child(ren), or named beneficiary having an insurable interest in the life of the member.

SUMMARY OF PLAN BENEFITS (Continued)

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.

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.

If the member has completed five years of service and has an eligible surviving spouse or minor child(ren), the beneficiary 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, or (b) a monthly retirement allowance equal to 60% of the deceased member's earned benefit at the time of death, or (c) a combined benefit consisting of a reduced 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) may be eligible for a monthly benefit equal to 100% of the deceased member's earned benefit at the time of death.

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% or 100% (dependent upon the option the member selected at retirement) 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).

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

PROBABILITY OF SEPARATION FROM ACTIVE SERVICE

(in Percentages)

Age Nearest	Rates of Mortality	Rates of Disability	Rates of Retirement Non PEPRA	Rates of Retirement PEPRA
General Members - Male				
25	0.0003	0.0002	0.0000	0.0000
30	0.0004	0.0004	0.0000	0.0000
35	0.0006	0.0008	0.0000	0.0000
40	0.0009	0.0013	0.0000	0.0000
45	0.0013	0.0021	0.0000	0.0000
50	0.0018	0.0031	0.0250	0.0000
55	0.0029	0.0041	0.0450	0.0400
60	0.0048	0.0054	0.1200	0.1100
65	0.0077	0.0069	0.3000	0.2000
General Members - Female				
25	0.0002	0.0002	0.0000	0.0000
30	0.0003	0.0004	0.0000	0.0000
35	0.0005	0.0008	0.0000	0.0000
40	0.0007	0.0013	0.0000	0.0000
45	0.0011	0.0021	0.0000	0.0000
50	0.0017	0.0031	0.0250	0.0000
55	0.0025	0.0041	0.0450	0.0400
60	0.0039	0.0054	0.1200	0.1100
65	0.0072	0.0069	0.3000	0.2000

General Members Years of Service	Withdrawal[1]
Less than 1	0.1400
5	0.0400
10	0.0325
15	0.0250
20 & Over	0.0200

[1]No withdrawal is assumed after a member is first assumed to retire

PROBABILITY OF SEPARATION FROM ACTIVE SERVICE (Continued)

(in Percentages)

Age Nearest	Rates of Mortality	Rates of Disability	Rates of Retirement Non PEPRA	Rates of Retirement PEPRA
Safety Members - Male				
25	0.0003	0.0011	0.0000	0.0000
30	0.0003	0.0024	0.0000	0.0000
35	0.0005	0.0036	0.0000	0.0000
40	0.0008	0.0058	0.0100	0.0000
45	0.0011	0.0088	0.0100	0.0000
50	0.0016	0.0148	0.0250	0.0500
55	0.0024	0.0288	0.2200	0.2000
60	0.0041	0.0504	0.2200	0.2500
65	0.0064	0.0000	1.0000	1.0000
Safety Members - Female				
25	0.0002	0.0011	0.0000	0.0000
30	0.0002	0.0024	0.0000	0.0000
35	0.0003	0.0036	0.0000	0.0000
40	0.0005	0.0058	0.0100	0.0000
45	0.0008	0.0088	0.0100	0.0000
50	0.0012	0.0148	0.0250	0.0500
55	0.0018	0.0288	0.2200	0.2000
60	0.0027	0.0504	0.2200	0.2500
65	0.0044	0.0000	1.0000	1.0000

Safety Members Years of Service	Withdrawal[1]
Less than 1	0.1000
5	0.0275
10	0.0140
15	0.0085
20 & Over	0.0060

[1]No withdrawal is assumed after a member is first assumed to retire

Puma concolor

MOUNTAIN LION

Most of Ventura County is mountain lion habitat. The mountain lion is closely related to smaller felines, including the domestic cat. They generally exist wherever deer are found. Most abundant in areas along rivers, streams, and brushy habitats, mountain lions are solitary, elusive, and their nature is to avoid humans.

Mule deer make up to 60-80% of their diet throughout year. As an ambush predator, they also eat smaller animals, and occasionally, domestic stock. Mountain Lions are stalkers, locating their prey by scent.

Mountain Lions are very widespread in Ventura County, ranging from sea level to alpine meadows. Territory areas depend on terrain, vegetation, and abundance of prey.

STATISTICAL INFORMATION OVERVIEW

The objective of the Statistical Section is to provide historical perspective, context, and detail to assist in utilizing the Basic Financial Statements, Notes to the Financial Statements, and Supplementary information to understand and assess Ventura County Employees' Association's (VCERA) economic condition. This section also includes multi-year trend of financial and operating information to facilitate comprehensive understanding of how VCERA's financial position and performance has changed over time. More specifically, the financial and operating information provides contextual data of VCERA's changes in fiduciary net position, benefits, refunds, contribution rates and retirement benefits. The financial and operating trend information is located on the following pages.

The Statistical Information provided here is divided into two main categories: Financial Trends Information and Operating Information.

Financial Trends Information is intended to assist readers in understanding how VCERA's financial position has changed over time. The *Changes in Pension Plan Fiduciary Net Position* presents additions by source, deductions by type, and the total change in fiduciary net position for each year. The *Schedule of Pension Benefit Expenses by Type* presents benefit and member refunds and death benefits deductions by type of benefit and by member type.

Operating Information provides contextual information about VCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate VCERA's fiscal condition. The *Active and Deferred Members* provides membership statistics for active vested and non-vested members as well as deferred members. The *Retired Members by Type of Pension Benefit* reflects the number of retired members, average monthly benefit, and type of benefit as of June 30, 2016. The *Schedule of Average Monthly Benefit Payments* reflects the number of newly retired members, average monthly benefit and average final salary, shown in five-year increments. The *Participating Employers and Active Member*s presents the employers and their corresponding covered employees. The Employer Contribution Rates are also provided as additional information.

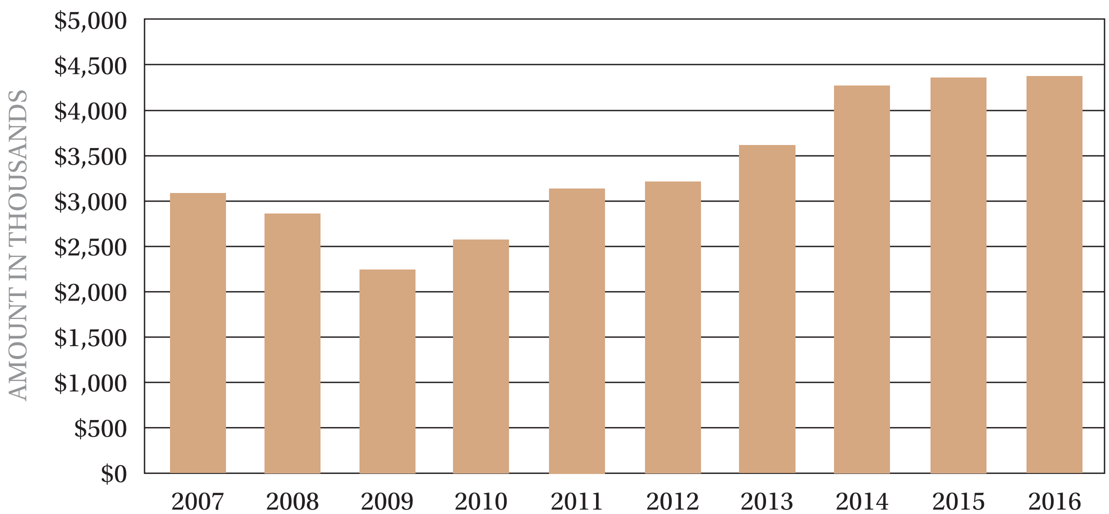
CHANGES IN PENSION PLAN FIDUCIARY NET POSITION LAST TEN FISCAL YEARS

($ in Thousands)

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
ADDITIONS					
Employer Contributions	$177,710	$175,099	$169,703	$150,688	$140,773
Member Contributions	69,470	63,679	46,674	44,464	44,487
Net Investment Income	25,739	88,681	658,580	436,638	50,683
Total Additions (Declines)	272,919	327,459	874,957	631,790	235,943
DEDUCTIONS					
Benefits	241,419	228,423	218,105	205,238	191,332
Administrative	4,474	3,854	4,045	3,944	3,536
Member Refunds	4,984	5,272	5,428	4,720	3,783
Miscellaneous	-	-	-	-	-
Total Deductions	250,877	237,549	227,578	213,902	198,651
Change In Pension Plan Fiduciary Net Position	$22,042	$89,910	$647,379	$417,888	$37,292

	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
ADDITIONS					
Employer Contributions	$120,053	$105,703	$113,916	$112,798	$94,328
Member Contributions	44,238	42,466	42,326	39,611	36,728
Net Investment Income	627,327	347,087	(625,183)	(208,519)	461,551
Total Additions (Declines)	791,618	495,256	(468,941)	(56,110)	592,607
DEDUCTIONS					
Benefits	180,070	166,029	153,089	142,669	133,208
Administrative	4,387	3,227	3,536	3,268	2,589
Member Refunds	4,388	4,081	3,253	3,960	3,479
Miscellaneous	-	-	-	20	-
Total Deductions	188,845	173,337	159,878	149,917	139,276
Change In Pension Plan Fiduciary Net Position	$602,773	$321,919	$(628,819)	$(206,027)	$453,331

TOTAL PLAN NET POSITION



SCHEDULE OF PENSION BENEFIT EXPENSES BY TYPE

Last Ten Fiscal Years
($ in Thousands)

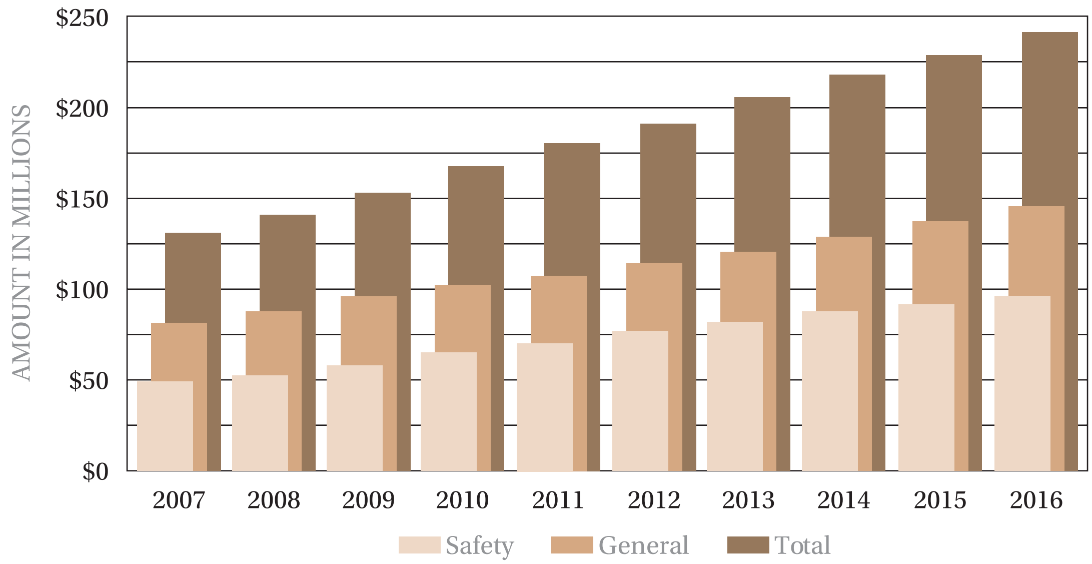
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Service Retirement					
General	$125,219	$116,593	$110,052	$103,665	$96,889
Safety	62,618	61,918	58,404	54,789	49,706
Total	187,837	178,511	168,456	158,454	146,595
Disability Retirement					
General	9,966	9,711	10,172	9,639	9,585
Safety	26,895	24,426	24,332	22,890	21,808
Total	36,861	34,137	34,504	32,529	31,393
Survivor Continuances					
General	9,894	9,335	9,141	8,513	8,017
Safety	6,827	6,440	6,003	5,742	5,328
Total	16,721	15,775	15,144	14,255	13,345
Total Retired Members					
General	145,079	135,639	129,365	121,817	114,491
Safety	96,340	92,784	88,739	83,421	76,842
Total	241,419	228,423	218,104	205,238	191,333
Member Refunds & Death Benefits					
General	4,160	4,703	5,094	4,263	3,379
Safety	824	569	334	457	404
Total	$4,984	$5,272	$5,428	$4,720	$3,783

SCHEDULE OF PENSION BENEFIT EXPENSES BY TYPE (Continued)

Last Ten Fiscal Years
($ in Thousands)

	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Service Retirement					
General	$91,046	$83,373	$77,662	$72,278	$66,939
Safety	45,010	39,353	35,039	31,145	28,472
Total	136,056	122,726	112,701	103,423	95,411
Disability Retirement					
General	9,484	10,051	9,638	9,114	9,449
Safety	21,331	21,163	19,265	18,147	17,115
Total	30,815	31,214	28,903	27,261	26,564
Survivor Continuances					
General	7,909	7,365	6,950	6,500	6,067
Safety	5,291	4,724	4,535	4,485	4,165
Total	13,200	12,089	11,485	10,985	10,232
Total Retired Members					
General	108,439	100,789	94,250	87,892	82,455
Safety	71,632	65,240	58,839	53,777	49,752
Total	180,071	166,029	153,089	141,669	132,207
Member Refunds & Death Benefits					
General	3,859	2,606	2,679	3,526	3,203
Safety	530	622	574	435	276
Total	$4,389	$3,228	$3,253	$3,961	$3,479

PENSION BENEFIT PAYMENTS



ACTIVE AND DEFERRED MEMBERS

Last Ten Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Active Vested					
General	4,619	4,632	4,699	4,669	4,516
Safety	1,231	1,245	1,274	1,260	1,221
Active Non-vested					
General	2,396	2,146	1,973	1,894	2,013
Safety	263	276	264	245	269
Total Active Members					
General	7,015	6,778	6,672	6,563	6,529
Safety	1,494	1,521	1,538	1,505	1,490
Deferred Members					
General	2,332	2,140	2,052	1,978	1,891
Safety	307	301	287	271	270
Total	11,148	10,740	10,549	10,317	10,180

	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Active Vested					
General	4,278	4,078	4,069	3,970	3,906
Safety	1,193	1,158	1,187	1,188	1,177
Active Non-vested					
General	2,238	2,427	2,432	2,408	2,224
Safety	331	340	357	362	346
Total Active Members					
General	6,516	6,505	6,501	6,378	6,130
Safety	1,524	1,498	1,544	1,550	1,523
Deferred Members					
General	1,838	1,780	1,795	1,762	1,646
Safety	259	260	260	245	218
Total	10,137	10,043	10,100	9,935	9,517

RETIRED MEMBERS BY TYPE OF PENSION BENEFIT

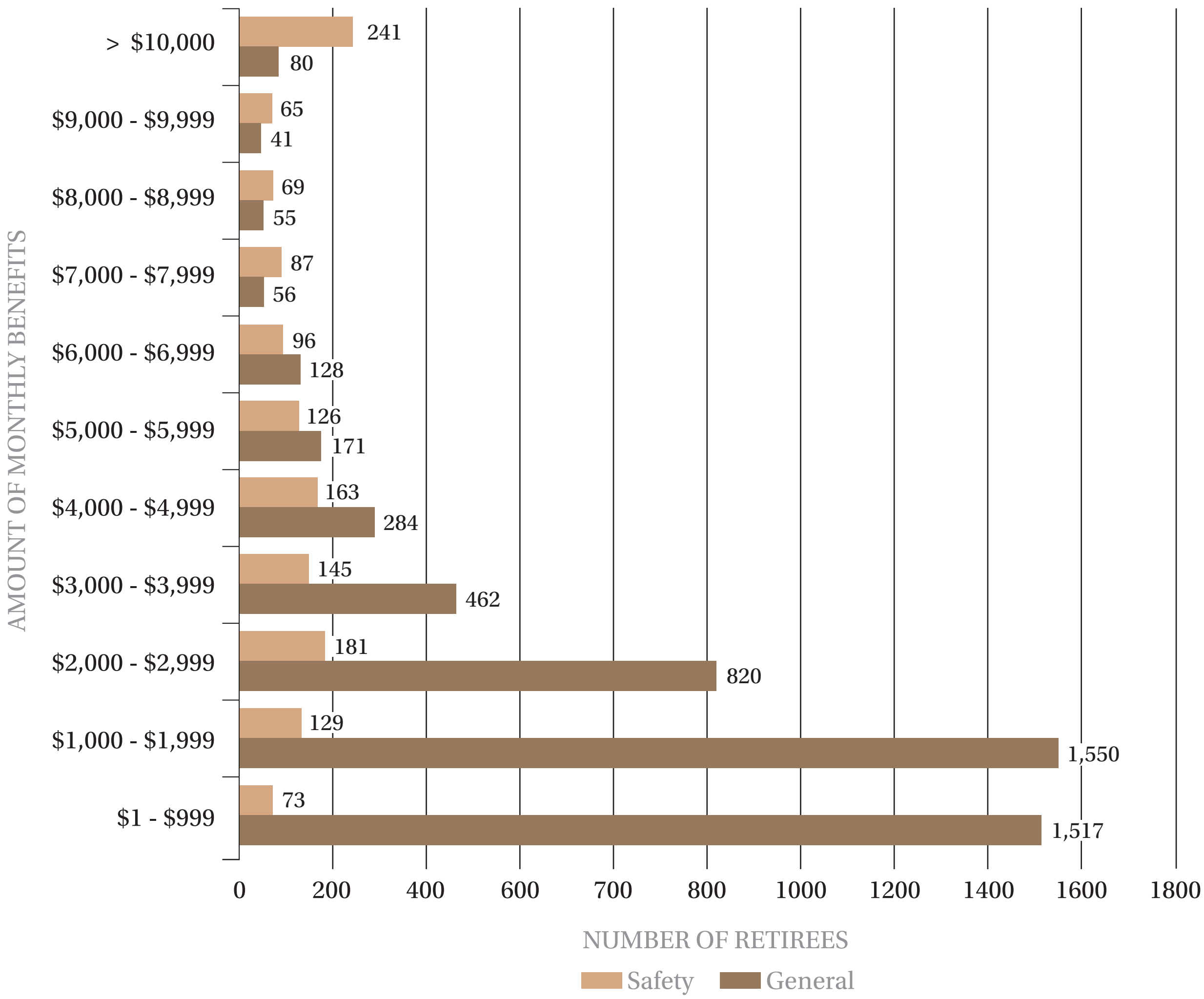
As of June 30, 2016

Amount of Monthly Benefit	Number of Retirees	Type of Retirement[1]		
		A	B	C
General Members				
$1 - $999	1,517	1,117	68	332
$1,000 - $1,999	1,550	1,119	237	194
$2,000 - $2,999	820	662	81	77
$3,000 - $3,999	462	407	33	22
$4,000 - $4,999	284	257	6	21
$5,000 - $5,999	171	150	3	18
$6,000 - $6,999	128	124	2	2
$7,000 - $7,999	56	55	1	-
$8,000 - $8,999	55	50	1	4
$9,000 - $9,999	41	40	1	-
> $10,000	80	77	2	1
Totals	5,164	4,058	435	671
Safety Members				
$1 - $999	73	53	13	7
$1,000 - $1,999	129	71	13	45
$2,000 - $2,999	181	55	52	74
$3,000 - $3,999	145	54	59	32
$4,000 - $4,999	163	44	76	43
$5,000 - $5,999	126	48	53	25
$6,000 - $6,999	96	57	29	10
$7,000 - $7,999	87	52	23	12
$8,000 - $8,999	69	50	14	5
$9,000 - $9,999	65	52	13	-
> $10,000	241	185	46	10
Totals	1,375	721	391	263
Grand Total	6,539	4,779	826	934

[1]Type of Retirement:

A - Service Retiree
B - Disability Retiree
C - Beneficiary/Continuant/Survivor

RETIRED MEMBERS RECEIVING BENEFITS



SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS

2013-2016

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2016						
General Members						
Average Monthly Benefit	$902	$1,694	$2,608	$3,433	$4,168	$5,455
Average Final Average Salary	$5,427	$6,493	$7,835	$7,326	$7,225	$8,215
Number of Active Retirees	35	54	30	31	29	46
Safety Members						
Average Monthly Benefit	$1,621	$2,329	$4,491	$5,430	$8,605	$8,504
Average Final Average Salary	$9,830	$7,789	$8,710	$9,975	$11,254	$11,425
Number of Active Retirees	3	3	6	6	17	35
Retirees - 2015						
General Members						
Average Monthly Benefit	$1,094	$1,835	$2,535	$3,156	$4,737	$5,969
Average Final Average Salary	$6,296	$6,725	$6,716	$6,941	$8,200	$7,913
Number of Active Retirees	34	57	36	54	27	30
Safety Members						
Average Monthly Benefit	$2,288	$2,843	$6,112	$4,199	$7,827	$11,376
Average Final Average Salary	$8,230	$8,843	$11,928	$7,873	$11,778	$13,039
Number of Active Retirees	4	6	2	7	13	14
Retirees - 2014						
General Members						
Average Monthly Benefit	$1,222	$1,823	$2,194	$3,114	$4,208	$5,176
Average Final Average Salary	$6,626	$6,614	$6,219	$6,737	$7,475	$7,127
Number of Active Retirees	40	66	36	48	26	21
Safety Members						
Average Monthly Benefit	$2,599	$4,138	$4,444	$4,864	$7,305	$12,835
Average Final Average Salary	$8,760	$10,770	$10,378	$9,755	$11,132	$14,645
Number of Active Retirees	7	5	2	3	6	13
Retirees - 2013						
General Members						
Average Monthly Benefit	$1,278	$1,749	$2,514	$3,344	$4,905	$5,803
Average Final Average Salary	$6,614	$6,741	$7,147	$7,061	$7,821	$7,886
Number of Active Retirees	27	74	37	39	23	36
Safety Members						
Average Monthly Benefit	$1,387	$3,234	$4,051	$6,453	$6,426	$11,371
Average Final Average Salary	$10,367	$8,893	$8,302	$11,913	$10,856	$12,610
Number of Active Retirees	9	3	4	4	7	26

SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS (Continued)

2009-2012

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

SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS (Continued)

2007-2008

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2008						
General Members						
Average Monthly Benefit	$968	$1,445	$2,003	$3,886	$4,010	$5,879
Average Final Average Salary	$6,221	$5,638	$5,659	$8,256	$6,745	$7,693
Number of Active Retirees	36	44	35	20	30	14
Safety Members						
Average Monthly Benefit	$3,527	$4,053	$4,672	$6,663	$8,934	$10,340
Average Final Average Salary	$9,730	$12,444	$10,888	$11,394	$11,897	$11,398
Number of Active Retirees	7	5	4	6	10	11
Retirees - 2007						
General Members						
Average Monthly Benefit	$961	$1,410	$1,877	$2,533	$3,354	$6,589
Average Final Average Salary	$5,423	$5,575	$5,856	$6,045	$5,847	$8,961
Number of Active Retirees	34	50	43	35	26	22
Safety Members						
Average Monthly Benefit	$2,404	$3,149	$4,050	$6,294	$7,964	$9,409
Average Final Average Salary	$7,670	$10,390	$7,976	$10,438	$10,889	$10,931
Number of Active Retirees	6	11	2	6	9	7

PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS

Last Ten Fiscal Years

	une 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
County of Ventura										
General Members	6,552	6,319	6,212	6,104	6,031	6,069	6,057	6,044	5,932	6,066
Safety Members	1,494	1,521	1,538	1,505	1,490	1,524	1,498	1,544	1,550	1,523
Total	8,046	7,840	7,750	7,609	7,521	7,593	7,555	7,588	7,482	7,589
Participating Agencies (General Membership)										
Ventura Regional Sanitation District	66	68	69	61	60	60	61	69	65	64
Ventura County Courts	352	345	345	350	387	387	387	388	381	-
Ventura County Air Pollution Control District	45	46	46	48	51	-	-	-	-	-
Total	463	459	460	459	498	447	448	457	446	64
Total Active Membership										
General Members	7,015	6,778	6,672	6,563	6,529	6,516	6,505	6,501	6,378	6,130
Safety Members	1,494	1,521	1,538	1,505	1,490	1,524	1,498	1,544	1,550	1,523
Total	8,509	8,299	8,210	8,068	8,019	8,040	8,003	8,045	7,928	7,653

EMPLOYER CONTRIBUTION RATES

Last Ten Fiscal Years

County of Ventura

Year	Tier 1	Tier 2	PEPRA Tier 1	PEPRA Tier 2	Safety	PEPRA Safety
June 30, 2016	22.93%	18.07%	N/A	16.63%	53.87%	50.30%
June 30, 2015	47.39%	16.74%	44.01%	16.41%	51.65%	52.42%
June 30, 2014	37.35%	18.42%	28.36%	16.15%	54.57%	48.99%
June 30, 2013	171.83%	10.15%	13.99%	14.67%	46.63%	43.16%
June 30, 2012	114.29%	10.16%	N/A	N/A	43.86%	43.86%
June 30, 2011	79.92%	8.82%	N/A	N/A	37.94%	37.94%
June 30, 2010	46.89%	7.70%	N/A	N/A	31.06%	31.06%
June 30, 2009	49.29%	8.47%	N/A	N/A	32.78%	32.78%
June 30, 2008	50.69%	9.61%	N/A	N/A	35.25%	35.25%
June 30, 2007	32.75%	9.09%	N/A	N/A	32.01%	32.01%

Other Participating Agencies

Year	Tier 1	Tier 2	PEPRA Tier 1	PEPRA Tier 2	Safety	PEPRA Safety
June 30, 2016	22.93%	18.07%	N/A	16.63%	N/A	N/A
June 30, 2015	47.39%	16.74%	44.01%	16.41%	N/A	N/A
June 30, 2014	37.35%	18.42%	28.36%	16.15%	N/A	N/A
June 30, 2013	171.83%	10.15%	13.99%	14.67%	N/A	N/A
June 30, 2012	114.29%	10.16%	N/A	N/A	N/A	N/A
June 30, 2011	79.92%	8.82%	N/A	N/A	N/A	N/A
June 30, 2010	46.89%	7.70%	N/A	N/A	N/A	N/A
June 30, 2009	49.29%	8.47%	N/A	N/A	N/A	N/A
June 30, 2008	50.69%	9.61%	N/A	N/A	N/A	N/A
June 30, 2007	32.75%	9.09%	N/A	N/A	N/A	N/A