2017

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, 2017

2017

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Pension Trust Fund for the County of Ventura, Ventura County Courts and Three Districts

Issued by: Linda Webb, Retirement Administrator

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

Photo by Robert Schwemmer

Anacapa Islands

The Ventura County Employee's Retirement Association recently adopted the iconic Anacapa Arch as a key element in its new logo design. Not only is it one of the more recognizable landmarks in the county, the arch and the Anacapa Islands abound in unique ecology and historical narratives.

Channel Islands National Park

Anacapa is part of a series of islands called the Channel Islands archipelago in the Channel Islands National Park. The islands were formed by volcanic eruptions between 19 and 15 million years ago. Anacapa is the smallest of the northern islands and consists of three main islets: East, Middle, and West Anacapa. The "Arch Rock" is East island's most notable feature. Land area is approximately one square mile with over 30 sea caves.

Photos by Aaron Zhong (top) and Connar L'Ecuyer (inset)

LETTER OF TRANSMITTAL

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003 • PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

December 20, 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, 2017, the 70th 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, Ventura Regional Sanitation District and VCERA.

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, Ventura Regional Sanitation District and VCERA.

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

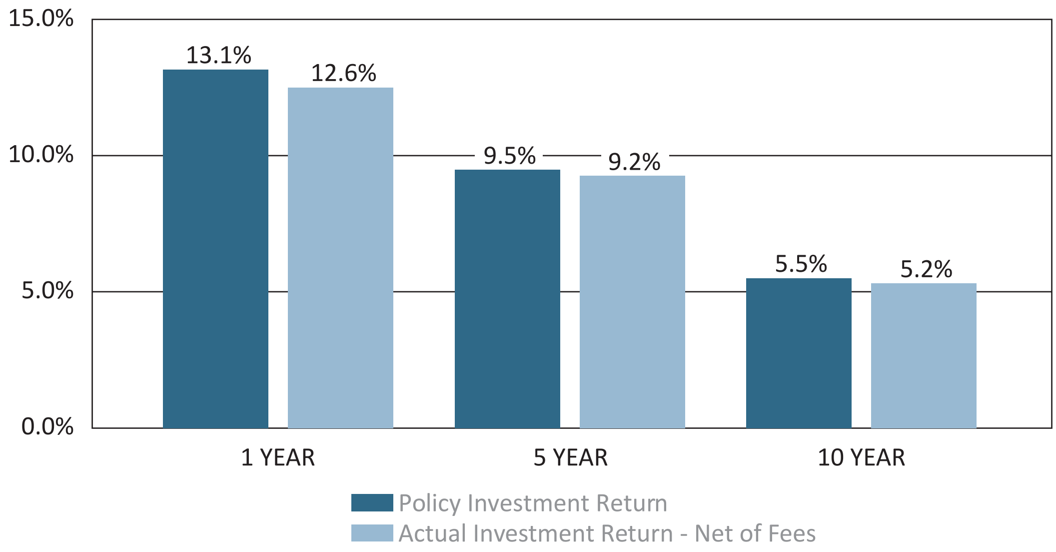
An overview of VCERA's fiscal operations is presented in the Management Discussion & Analysis (MD&A) section preceding the financial statements. This transmittal letter, when taken into consideration with the MD&A, provides an enhanced picture of the activities of the Association.

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. The most current asset allocation plan and corresponding implementation plan was approved by the Board in 2015.

For the one-year period ending June 30, 2017, the VCERA portfolio's asset classes' investment net of fees returns versus their respective benchmarks were mixed. The publicly traded U.S. equity portfolio returned 18.6%, outperforming its benchmark by 0.1%. The non-U.S. equity portfolio returned 20.2%, underperforming its benchmark by 0.3%, whereas global equity returned 19.5%, outperforming its benchmark by 0.7%. Private equity returned 15.7%, underperforming its public market benchmark by 6.3%. Fixed income returned 2.2%, outperforming its policy benchmark by 2.5%. Real estate returned 5.5%, underperforming its benchmark by 1.4%, while liquid alternatives returned 5.1%, underperforming its benchmark by 0.6%. The total Fund returned 12.6% for the year, underperforming its policy benchmark by 0.5%. Over the five-years and ten-years ended June 30, 2017, the total Fund's annualized return was 9.2% and 5.2%, underperforming policy benchmarks by 0.3% and 0.3% 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 and employer 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, 2017 valuation, determining the funded ratio to be 86.9 percent, recognized a UAAL of $744 million. The employer contribution rate will therefore be set equal to 17.8 percent of payroll for the amortization of the UAAL, plus the normal cost rate of 9.3 percent, for a total contribution rate of 27.1 percent of payroll for the 2018-19 fiscal year.

Significant Events, Accomplishments, and Objectives

The 2016-2017 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 Private Equity Separate Account Management including selecting external management firm to manage program.
- Completed and fully implemented IRS Model Regulations within the V3 pension system.
- Approved partial 2017 vintage year allocations of $30 million for one follow-on private equity fund.
- Completed and implemented redesigned VCERA logo.

Objectives for the Coming Year Include:

- Launch the Member Self Service (MSS) portal of the new pension system in FY 2017-18.
- Conduct an Actuarial Audit of the Actuarial Valuation
- Launch redesigned VCERA website and newsletter (VCERA Vibes).

- Complete private equity program vintage year 2017 allocations of $120 - $150 million.
- Complete triannual Actuarial Experience Study.
- Update and issue revised member handbook.

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, 2016. 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, 2016

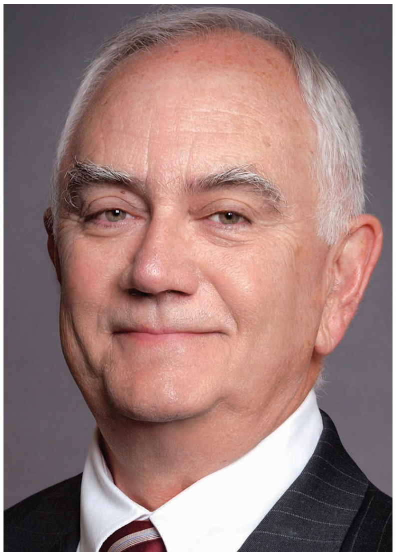
Christopher P. Morrill

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

ROBERT BIANCHI
Appointed by Board
of Supervisors

MICHAEL SEDELL
Appointed by Board
of Supervisors

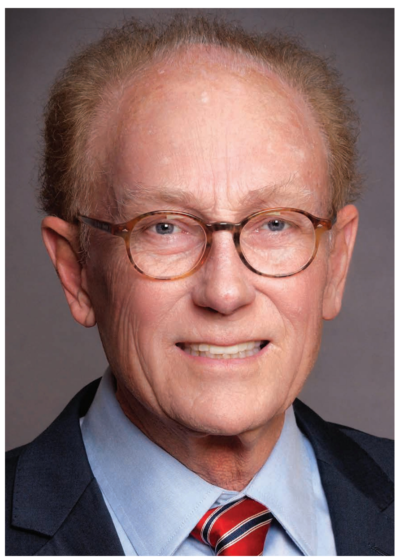
MEMBERS OF THE BOARD OF RETIREMENT CONTINUED

CRAIG WINTER
Elected by General Members

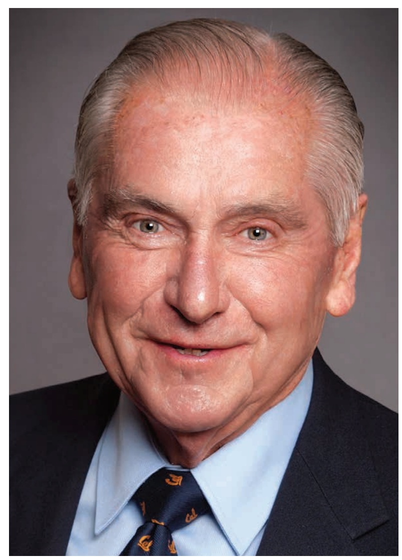
MAUVE FOX
Elected by General Members

ARTHUR E. GOULET
Elected by Retired Members

CHRIS JOHNSON
Elected by Safety Members

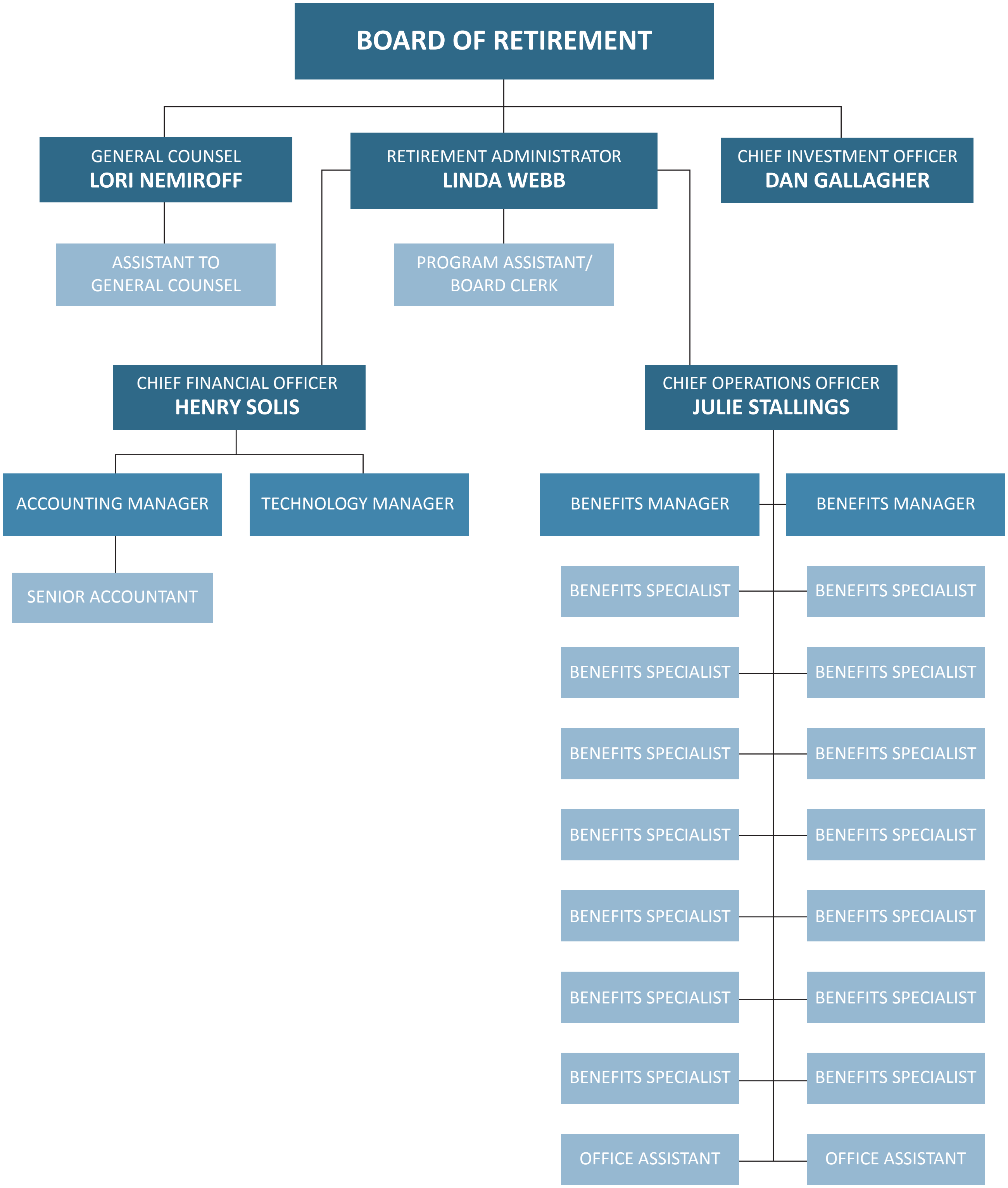


WILLIAM HOAG
Alternate Elected by Retired Members



ED McCOMBS
Alternate Appointed by Board of Supervisors

2017 ORGANIZATION CHART



LIST OF PROFESSIONAL CONSULTANTS

ACTUARY
Segal Consulting

CUSTODIAN
State Street Bank and Trust

INDEPENDENT AUDITOR
Brown Armstrong Accountancy Corporation

INVESTMENT CONSULTANT
NEPC, LLC
Abbott Capital Management, LLC

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

TECHNICAL SUPPORT
Automatic Data Processing
Information Technology Services of the County of Ventura
Brentwood IT
Linea Solutions
SBS Group
Vitech Systems, Inc.

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

Anacapa Lighthouse

The US Coast Guard built a light beacon in 1912 and light station in 1932 located on East Anacapa. It was the last lighthouse built by the United States Lighthouse Service. The official 2000 census population for the island lists 3 permanent residents who live at the ranger station.

Photos by Junefredo V. Apon (top) and Robert Schwemmer (inset)

BROWN ARMSTRONG

CERTIFIED PUBLIC ACCOUNTANTS

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FRESNO OFFICE
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23272 MILL CREEK DRIVE
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STOCKTON OFFICE
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AVENUE
SUITE 150
STOCKTON, CA 95207
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, 2017, 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 columns titled net 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, 2017, 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 columns titled net 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.

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, 2016 financial statements, and our report dated January 31, 2017, 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, 2016, 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 December 20, 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
December 20, 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, 2017, 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, 2017, is $5.0 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 $577.4 million or 13.2%. The increase for the year ended June 30, 2017, 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, 2017, are $843.7 million. This total is comprised of employer and plan member contributions of $263.2 million, net investment gain of $580.3 million and net securities lending income of $187 thousand.
- Total Deductions as reflected in the Statement of Changes in Fiduciary Net Position increased to $266.3 million or 6.1% 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 84.9% to 86.9%.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

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 and Payments to Consultants. Refer to Other Supplemental Information section of this report.

Other Information includes schedules of Employer Pension Amounts Allocated by Cost Sharing Plan and Cost Sharing Employer Allocations of Net Pension Liability, which are presented immediately following the Other Supplemental Information section of this report.

FINANCIAL ANALYSIS

During the fiscal year, the Plan's assets returned 12.6%, higher than the Plan's 7.50% assumed rate of return. The Non-U.S equity portfolio outperformed all other VCERA asset classes with a positive return of 20.2%. The U.S. equities portfolio gained 18.6% while the private equity portfolio gained 15.7% and global equity returned 19.5%. The fixed income portfolio returned 2.2%, while the liquid alternatives portfolio returned 5.1%.

NET POSITION RESTRICTED FOR PENSION BENEFITS

Net Position represents assets held to pay benefits earned by plan members. The Plan's Net Position increased from $4.4 billion to $5.0 billion for 2017. Investments increased by approximately $762.4 million in fiscal year 2017, as a result of an increase in the fair value of VCERA's investment portfolio. Current Assets decreased by $164.8 million in fiscal year 2017, mostly attributable to a decrease in VCERA's cash position as VCERA deployed global fixed income allocations that were converted to cash at prior year end, an increase in receivables primarily from securities sold offset by a reduction in cash collateral on loaned securities based on reduced demand in VCERA securities by borrowers. Capital Assets increased by $1.5 million, representing the total accumulated costs for the new pension administration system. Total Liabilities increased by $21.7 million in fiscal year 2017, due primarily to an increase in payables for securities purchased offset by a decrease in obligations due under the securities lending program.

($ in Thousands)	June 30, 2017	June 30, 2016	Difference	2017-2016 % Change
Current Assets	$186,847	$351,688	$(164,841)	-46.9%
Investments	4,840,788	4,078,384	762,404	18.7%
Capital Assets	14,507	12,962	1,545	11.9%
Total Assets	5,042,142	4,443,034	599,108	13.5%
Total Liabilities	(77,895)	(56,197)	(21,698)	38.6%
Net Position Restricted For Pensions	$4,964,247	$4,386,837	$577,410	13.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

ADDITIONS TO PLAN NET POSITION

The primary sources to finance pensions paid by VCERA are accumulated through investment income and the collection of employer and member contributions. Fiscal year 2017 results showed a 7.3% and 4.2% increase in employer and member contributions, respectively. Net investment income was higher than the prior year and added $554.8 million.

($ in Thousands)	June 30, 2017	June 30, 2016	Difference	2017-2016 % Change
Employer Contributions	$190,759	$177,709	$13,050	7.3%
Employee Contributions	72,395	69,470	2,925	4.2%
Net Investment Income	580,526	25,739	554,787	2155.4%
Total Additions	$843,680	$272,918	$570,762	209.1%

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 2017.

Benefit payments grew by $14.2 million or 5.9% in 2017, as the Plan continues, as expected, to experience an increase in retirements. Member refunds increased slightly from the prior year while administrative expenses increased by 23.5% compared to the prior year due primarily to internal costs no longer being capitalized due to the completion of the new pension administration system .

($ in Thousands)	June 30, 2017	June 30, 2016	Difference	2017-2016 % Change
Benefit Payments	$255,581	$241,419	$14,162	5.9%
Member Refunds/Death Benefits	5,164	4,984	180	3.6%
Administrative Expenses	5,524	4,474	1,050	23.5%
Total Deductions	$266,269	$250,877	$15,392	6.1%

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, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

Based on the June 30, 2017 actuarial valuations, the NPL of participating employers on a fair value basis is $713.2 million, a decrease of approximately $351.5 million from the prior year. The decrease is primarily a result of higher investment returns than the assumed return of 7.50%. 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, 2017 (with comparative amounts for June 30, 2016)
($ in Thousands)

	June 30, 2017	June 30, 2016
ASSETS		
Cash and Cash Equivalents	$113,846	$287,042
Cash Collateral on Loaned Securities	44,705	48,243
Receivables		
Employer and Plan Member Contributions	9,566	8,300
Securities Sold	15,864	5,571
Accrued Interest and Dividends	2,832	2,488
Other	34	44
Total Receivables	28,296	16,403
Investments at Fair Value		
U.S. and Non-U.S. Equities	2,881,552	2,334,158
Fixed Income	945,944	834,772
Private Equity	208,663	157,306
Real Estate	391,122	371,598
Liquid Alternatives	413,507	380,550
Total Investments	4,840,788	4,078,384
Capital Assets, Net of Accumulated Depreciation and Amortization	14,507	12,962
Total Assets	5,042,142	4,443,034
LIABILITIES		
Payables for Securities Purchased	27,617	2,937
Other Liabilities	5,573	5,017
Securities Lending	44,705	48,243
Total Liabilities	77,895	56,197
Net Position Restricted for Pensions	$4,964,247	$4,386,837

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, 2017 (with comparative amounts for fiscal year ended June 30, 2016)
($ in Thousands)

	June 30, 2017	June 30, 2016
ADDITIONS		
Contributions		
Employer	$190,759	$177,709
Plan Member	72,395	69,470
Total Contributions	263,154	247,179
Investment Income		
From Investing Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	551,251	(22,492)
Investment Income	43,833	62,374
Total Investing Activity Income	595,084	39,882
Less Expenses from Investing Activities	(14,745)	(14,259)
Net Investing Activity Income	580,339	25,623
From Securities Lending Activities:		
Securities Lending Income	575	280
Less Expenses from Securities Lending Activities:		
Borrower Rebates	(304)	(114)
Management Fees	(84)	(50)
Total Expenses from Securities Lending Activities	(388)	(164)
Net Securities Lending Income	187	116
Total Net Investment Income	580,526	25,739
Total Additions	843,680	272,918
DEDUCTIONS		
Benefit Payments	255,581	241,419
Administrative Expenses	5,524	4,474
Refunds and Death Benefits	5,164	4,984
Total Deductions	266,269	250,877
Net Increase in Net Position	577,411	22,041
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of Year	4,386,837	4,364,796
End of Year	$4,964,248	$4,386,837

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, 2017, 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, liquid 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.

Private Equity. Private equity investments are made on a fund-of-funds basis or as a direct investment. 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

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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.

Liquid Alternatives. Liquid alternatives are comprised of publicly traded equities and fixed income instruments. Please refer to explanation of Fixed Income and Equities on page 19.

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, 2017.

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.

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 $575,000, ($304,000, and $84,000), respectively, for the year ended June 30, 2017, 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 October 3, 2016, 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Implementation of new Accounting Pronouncement

VCERA implemented all applicable new GASB pronouncements in the year ended June 30, 2017, as required by each statement. The most recent applicable pronouncement(s), effective for the year ended June 30, 2017, which might have a material impact on VCERA's financial statements, are provided below.

GASB Statement No. 74 – Financial Reporting for Postemployment Benefits Other than Pension Plans. The provisions of this statement are effective for fiscal years beginning after June 15, 2016. There was no effect on the VCERA accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 77 – Tax Abatement Disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. There was no effect on the VCERA accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. There was no effect on the VCERA accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 80 – Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. There was no effect on the VCERA accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 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, 2017, and the changes mandated by the statement are reflected in VCERA's financial statements and related disclosures.

Future Governmental Accounting Standards Board Statements

GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Plan has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

GASB Statement No. 81 – Irrevocable Split-Interest Agreements. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The Plan has not fully judged the impact of implementation of GASB Statement No. 81 as of the date of the basic financial statements.

GASB Statement No. 83 – Certain Asset Retirement Obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The Plan has not fully judged the impact of implementation of GASB Statement No. 83 as of the date of the basic financial statements.

GASB Statement No. 84 – Fiduciary Activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The Plan has not fully judged the impact of implementation of GASB Statement No. 84 as of the date of the basic financial statements.

GASB Statement No. 85 – Omnibus 2017. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The Plan has not fully judged the impact of implementation of GASB Statement No. 85 as of the date of the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

GASB Statement No. 86 – Certain Debt Extinguishment Issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The Plan has not fully judged the impact of implementation of GASB Statement No. 86 as of the date of the basic financial statements.

GASB Statement No. 87 – Leases. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The Plan has not fully judged the impact of implementation of GASB Statement No. 87 as of the date of the basic financial statements.

2. PLAN DESCRIPTION

VCERA was established under the provisions of the California Government Code Sections 31450 et. seq., 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), California Government 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 and, since January 1, 2017, employees of VCERA, (the latter four employers are not under the County of Ventura Board of Supervisors). The Plan 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 2 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 1, 2, or Safety.

VCERA MEMBERSHIP	2017	2016
Retired Members and Beneficiaries	6,766	6,539
Active Members		
Vested	5,801	5,850
Non-Vested	2,835	2,659
Deferred Members		
Vested	1,534	1,447
Non-Vested	1,275	1,192
Total Membership	18,211	17,687

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, all 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.

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 1 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 2 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.

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. The table that follows displays the Board's adopted asset allocation policy as of June 30, 2017 and 2016, respectively.

ASSET CLASS	Target Allocation 2017	Target Allocation 2016
U.S. Equity	28.0%	28.0%
Non-U.S. Equity	15.0%	15.0%
Global Equity	10.0%	10.0%
U.S. Fixed Income	20.0%	20.0%
Private Debt	0.0%	0.0%
Global Fixed Income	0.0%	0.0%
Real Estate	7.0%	7.0%
Global Tactical Asset Allocation	0.0%	0.0%
Private Equity	10.0%	10.0%
Liquid Alternatives	10.0%	10.0%
Total	100.0%	100.0%

Rate of Return. For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.27%. 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 Deposit Insurance Corporation (FDIC).

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

As of June 30, 2017 and 2016, VCERA had the following cash and short-term investments:

($ in Thousands)	June 30, 2017	June 30, 2016
State Street Bank and Trust	$106,496	$278,671
County of Ventura Treasurer's Investment Pool	4,250	8,352
Commercial Bank Account	3,100	19
Total	$113,846	$287,042

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, 2017	Assets held at June 30, 2016
Separate Holdings:		
AAA	$104,627	$101,149
AA	27,696	27,970
A	62,389	61,819
BBB	106,365	92,023
BB	27,977	20,178
B	7,420	9,318
CCC	3,189	5,019
CC	-	713
C	-	-
D	852	1,927
No Rating/Commingled	80,991	69,538
Total Separate Holdings	$421,506	$389,654

($ in Thousands) Rating Category	Assets held at June 30, 2017	Assets held at June 30, 2016
Pooled Investments:		
AAA	$402,705	$326,272
AA	95,580	68,056
A	64,010	46,755
BBB	73,204	67,900
BB	19,449	24,381
B	9,392	17,086
CCC	1,322	6,801
CC	108	-
Total Pooled Investments	$665,770	$557,251
Total Portfolio	$1,087,276	$946,905

Overall, the Plan's fixed income holdings were rated AA at June 30, 2017, and AA at June 30, 2016.

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 the amount held at June 30, 2017 and 2016 is as follows:

($ in Thousands) Category	Assets held at June 30, 2017	Duration (Years)	Assets held at June 30, 2016	Duration (Years)
Treasury	$304,233	3.2	$271,050	3.8
Agency	21,023	0.6	27,026	1.9
Mortgage-Backed	267,564	3.1	187,274	1.9
Asset-Backed	40,342	0.5	49,567	0.3
Credit	356,325	4.2	326,213	4.1
Foreign	48,688	4.4	36,199	4.1
Other	49,099	0.4	49,574	0.4
Total	$1,087,274	3.3	$946,903	3.1

The duration for the Barclays Capital Aggregate Bond Index as of June 30, 2017 and 2016, was 5.7 years and 5.2 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, 2017 and 2016, VCERA's forward exchange currency contracts were valued at $1.1 and $1.2 million, currency future contracts had a notional value of $189.5 and $317.2 million and currency options were valued at $96,521 and $(20,641), 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, 2017 and 2016, respectively.

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

VCERA had the following currency exposure in its portfolios as of June 30, 2017 and 2016.

($ in Thousands) Currency	Fixed Income at June 30, 2017	Equities at June 30, 2017	Fixed Income at June 30, 2016	Equities at June 30, 2016
Australian Dollar	$-	$46,197	$302	$30,231
British Pound	77	168,068	-	123,350
Canadian Dollar	77	55,353	(13)	33,188
Danish Krone	-	17,774	-	9,859
Euro	(883)	263,968	374	169,145
Hong Kong Dollar	-	54,327	-	32,513
Japanese Yen	165	181,514	124	137,491
Mexican Peso	-	6,005	-	3,199
New Zealand Dollar	-	1,406	(26)	1,179
Norwegian Krone	1,457	11,313	17	7,653
South African Rand	-	15,498	47	9,678
Singapore Dollar	(473)	19,412	-	15,322
South Korean Won	-	31,933	-	18,203
Swedish Krona	730	19,912	-	11,735
Swiss Franc	-	78,724	-	61,338
Other/Emerging Markets	11,386	139,408	3,949	124,415
Total	$12,536	$1,110,812	$4,774	$788,499

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, 2017 and 2016, 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, 2017 and 2016, VCERA had securities on loan with a fair value of $43.7 and $47.2 million, with cash collateral of $44.7 and $48.2 million, respectively.

VCERA's net securities lending income for the years ended June 30, 2017 and 2016 is as follows:

($ in Thousands)	June 30, 2017	June 30, 2016
Gross Income	$575	$280
Expenses		
Borrower Rebates	304	114
Management Fees	84	50
Net Securities Lending Income	$187	$116

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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.

The investment derivatives schedule listed below reports the related fair value amounts as of June 30, 2017 and 2016, the notional amounts for derivatives outstanding and net appreciation (depreciation) in fair value amounts as of June 30, 2017, classified by type.

Investment Derivatives Schedule

($ in Thousands) Derivative Type	Notional Amount June 30, 2017	Fair Value June 30, 2017	Fair Value June 30, 2016	Change in Fair Value[1] 2017 - 2016
Future Contracts	$25,618	$-	$(21)	$34,860
Forward Contracts	666	(5)	25	12
Options Contracts	320	97	-	132
Credit Default Swaps	-	-	-	-
Currency Swaps	-	-	-	-
Interest Rate Swaps	1,344	(1,344)	-	(1,284)
Total Investment Derivatives	$27,948	$(1,252)	$4	$33,720

[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, 2017, collateral for derivatives was $14.4 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, 2017, the fair value of derivative investments subject to credit risk was ($1,344,000), and at June 30, 2016, was $25 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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, 2017. 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, 2017, VCERA has a maximum amount of exposure to credit risk due to default of all counterparties of ($5) thousand.

Credit Risk Derivatives Schedule

($ in Thousands) Derivative Type	Fair Value June 30, 2017	Adjusted Rating		
		AA	A	BBB
Forward Contracts	$(5)	$ -	$(5)	$ -
Total	$(5)	$ -	$(5)	$ -

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. LIBOR refers to London Interbank Offering Rate. The following tables illustrates the investment maturity period and sensitivity to interest rate changes of these investments as of June 30, 2017.

		Investment Maturities (in Years)			
($ in Thousands) Derivative Type	Fair Value June 30, 2017	Less than 1	1-5	6-10	More than 10
Pay Fixed Interest Rate Swaps	$(1,344)	$ -	$(5)	$ -	$(1,344)

($ in Thousands) Derivative Type	Receive Rates	Payable Rate	Fair Value	Notional
Pay Fixed Interest Rate Swaps	Receive variable 036-month LIBOR	Pay fixed 2.4684%	$(1,344)	$1,344

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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, 2017.

Foreign Currency Risk Schedule for Derivative Instruments

		Currency Forward Contracts			
($ in Thousands) Currency	**Options**	**Net Receivables**	**Net Payables**	**Swap Agreement**	**Net Exposure**
Yuan Renminbi	$ -	$ -	$(5)	$ -	$(5)
Sub total	-	-	(5)	-	(5)
U.S. Dollar	97	-	-	(1,344)	(1,247)
Total	$97	$ -	$(5)	$(1,344)	$(1,252)

Commitments to Fund Partnerships. As of June 30, 2017, the total capital commitments to fund partnerships were $457.5 million. Of this amount, $232.9 million remained unfunded and is not recorded on the VCERA Statements of Fiduciary Net position as of June 30, 2017. 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	$457,500	$232,944
Total	$457,500	$232,944

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, 2017.

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	$38,306	$ -	$35,079	$3,227
Commercial Mortgage-Backed Securities	71,283	-	71,283	-
Corporate and Other Credit	201,303	-	201,303	-
Municipal Bonds	462	-	462	-
U.S. Government Agency	109,057	-	109,057	-
Total Debt Securities	420,411	-	417,184	3,227
Equity Securities				
U.S. Equity	6,326	6,326	-	-
Limited Partnerships	112,391	112,391	-	-
Preferred Stock	477	477	-	-
Total Equity Securities	119,194	119,194	-	-
Collateral from Securities Lending	44,705	-	44,705	-
Total Investments by Fair Value Level	$584,310	$119,194	$461,889	$3,227

Investments Measured at Net Asset Value (NAV)	
Fixed Income	$666,355
Equity	
U.S.	1,403,935
Non U.S.	798,385
Global	537,900
Liquid Alternatives	294,823
Real Estate	391,122
Private Equity	208,663
Total Investments Measured at NAV	4,301,183
Total Investments Measured at Face Value	$4,885,493

Investment Derivative Instruments				
Forward Exchange Contracts	$(5)	$(5)	$-	$-
Options Contracts	97	97	-	-
Interest Rate Swaps	(1,344)	(1,344)	-	-
Total Investment Derivative Instruments	$(1,252)	$(1,252)	$-	$-

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, 2017.

Investments Measured at NAV

($ in Thousands) Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)[1]	Redemption Notice Period
Fixed Income	$666,355	$ -	D, M	3-15 days
Equity				
U.S.	1,403,935		D	1 day
Non U.S.	798,385	-	D, M	2-30 days
Global	537,900	-	D	1-2 days
Liquid Alternatives	294,823	-	D	5 days
Real Estate	391,122	-	Q	60-90 days
Private Equity	208,663	232,944	N/A	N/A
Total Investments Measured at NAV	$4,301,183	$232,944		

[1]D = Daily, M = Monthly, Q = Quarterly, N/A = Not Available

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

Investments in publicly traded equity, fixed income, and liquid alternative 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 funds 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, 2017 and 2016, were as follows:

($ in Thousands) **Net Pension Liability**	**June 30, 2017**	**June 30, 2016**
Total Pension Liability	$5,677,421	$5,451,539
Plan Fiduciary Net Position	4,964,247	4,386,837
Net Pension Liability	$713,174	$1,064,702
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.44%	80.47%

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, 2017, 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. 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 for actuarial determined contribution rates in the June 30, 2017, and June 30, 2016, actuarial valuations are presented as follows.

Methods and assumptions used to establish "actuarially determined contribution" rates:	
Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	15 year closed period 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.

Actuarial Assumptions:	**June 30, 2017**	**June 30, 2016**
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 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 service after March 2003.
Other Assumptions	Same as those used in the June 30, 2017, funding actuarial valuation.	Same as those used in the June 30, 2016, funding actuarial valuation.

[1]Includes inflation.

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

Long-Term Real Rate Of Return By Asset Class

The long-term expected rate of return on the Plan's investments for 2017 use 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, 2017 and 2016. 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, 2017 and 2016.

The following table presents the Net Pension Liability of participating employers calculated using the current discount rate of 7.50%, as of June 30, 2017, 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, 2017	$1,467,488	$713,174	$97,804

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, 2017 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 $190.8 million and $177.7 million in actuarially determined contributions for the fiscal years ending June 30, 2017 and 2016, respectively.

Member contributions range from 5.96% to 13.76% depending upon member tier and plan status. In addition to the actuarially determined contributions, certain participating employers contribute, pursuant to California Government Code Section 31581.1, a portion of the contributions normally required of General Tier 1 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:

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Member Reserve. Represents members' accumulated contributions. Additions include member contributions and interest credited; deductions include transfers to Retired Member Reserve and refunds.

Employer Advance Reserve. Represents 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. Represents 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.

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 Govern-ment 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, 2017 and 2016, are as follows:

($ in Thousands) Reserve Account	June 30, 2017	June 30, 2016
Member	$725,090	$683,571
Employer Advance	1,514,758	1,330,139
Retired Member	2,561,943	2,417,426
Vested Fixed Supplemental	142,036	139,804
Non-Vested Supplemental	4,583	6,725
Death Benefits	15,243	14,774
Undistributed Earnings	-	-
Contingency	-	-
Market Stabilization	595	(205,602)
Total Reserves	$4,964,248	$4,386,837

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

7. ADMINISTRATIVE EXPENSES

As permitted by Section 31580.2(a) 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 are 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, 2017 and 2016, were within the limits established by the California Government Code.

($ in Thousands)	June 30, 2017	June 30, 2016
Accrued Actuarial Liability (AAL)[1]	$5,178,157	$4,731,016
Statutory Limitation for Administrative Expense (AAL x 0.21%)	10,874	9,935
Administrative Expenses Subject to Statutory Limit	5,524	4,474
Excess of Limitation over Actual Administrative Expenses	$5,350	$5,461
Actual Administrative Expenses as a percentage of AAL	0.11%	0.09%

[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, 2015 and 2014, was approved by the Board in January 2016 and 2015, respectively, and used to establish the administrative expenditure budgets for the fiscal years ended June 30, 2017 and 2016, 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. In May 2017, VCERA extended the existing lease term for one additional year to March 31, 2019. Payments over the remaining lease term total $364,700. Annual amounts due under the agreement are as follows:

Fiscal Year Ending	Amount
2018	$208,400
2019	156,300

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2017, which is the date the financial statements were issued and determined that there are no reportable events.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

($ in Thousands)

		June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Total Pension Liability						
Service cost		$132,490	$129,269	$124,408	$122,896	$118,839
Interest		405,195	388,936	366,917	355,299	340,000
Changes of benefit terms		-	-	-	-	-
Differences between expected and actual experience		(51,058)	(39,598)	(101,178)	(48,740)	(94,020)
Changes of assumptions		-	-	234,843	-	-
Benefit Payments, including refunds of member contributions		(260,745)	(246,403)	(233,695)	(223,532)	(209,958)
Net Change in Total Pension Liability		225,882	232,204	391,295	205,923	154,861
Total Pension Liability - Beginning		5,451,539	5,219,335	4,828,040	4,622,117	4,467,256
Total Pension Liability - Ending	A	$5,677,421	$5,451,539	$5,219,335	$4,828,040	$4,622,117
Plan Fiduciary Net Position						
Contributions- employer		$190,712	$177,830	$175,099	$169,703	$150,688
Contributions- members		72,442	69,350	63,679	46,674	44,464
Net investment income		580,526	25,739	88,680	658,581	436,638
Benefit Payments, including refunds of member contributions		(260,745)	(246,403)	(233,695)	(223,532)	(209,958)
Administrative expense		(5,524)	(4,474)	(3,854)	(4,045)	(3,944)
Other		-	-	-	-	-
Net Change in Plan Fiduciary Net Position		577,411	22,042	89,909	647,381	417,888
Plan Fiduciary Net Position - Beginning		4,386,837	4,364,795	4,274,886	3,627,505	3,209,617
Plan Fiduciary Net Position - Ending	B	$4,964,247	$4,386,837	$4,364,795	$4,274,886	$3,627,505
Net Pension Liability - Ending	A-B=C	$713,174	$1,064,702	$854,540	$553,154	$994,612
Plan fiduciary net position as a percentage of the total pension liability	B/A	87.44%	80.47%	83.63%	88.54%	78.48%
Covered-employee payroll	D	$716,033	$688,233	$665,086	$642,779	$632,146
Net position liability as a percentage of covered employee payroll	C/D	99.60%	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
2017	$190,712	$190,712	$-	$716,033	26.63%
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%

[1]All "Actuarially Determined Contributions" through June 30, 2014 were determined as the "Annual Required Contribution" as required by GASB Statement No. 25 and 27.

[2]Actuarially Determined Contributions exclude employer paid member 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
2017	12.27%
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. 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, 2017
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	15 years closed period 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.

REQUIRED SUPPLEMENTARY INFORMATION CONTINUED

LATEST ACTUARIAL VALUATION OF PLAN ASSETS AND LIABILITIES (Continued)

Actuarial Assumptions:	June 30, 2017	June 30, 2016
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, 2017, funding actuarial valuation.	Same as those used in the June 30, 2016, 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, 2017 (with comparative amounts for June 30, 2016)
($ in Thousands)

	June 30, 2017	June 30, 2016
Personnel Services:		
Salaries	$2,484	$1,740
Employee Benefits	1,080	796
Total Personnel Services	3,564	2,536
Professional Services:		
Actuarial Fees	90	123
Computer Software and System Support (Net of Capitalized Costs)	639	491
Legal Services	333	489
Other Professional Services	309	306
Total Professional Services	1,371	1,409
Communication:		
Postage	70	56
Telecommunication	37	37
Total Communication	107	93
Other Services and Charges:		
Office Lease	196	183
Educational	99	64
Equipment	15	4
County Services	102	31
Insurance	13	13
Other Charges	57	141
Total Other Services and Charges	482	436
Total Administrative Expenses	$5,524	$4,474

OTHER SUPPLEMENTARY INFORMATION CONTINUED

SCHEDULE OF INVESTMENT EXPENSES

For the Year Ended June 30, 2017 (with comparative amounts for June 30, 2016)
($ in Thousands)

	June 30, 2017	June 30, 2016
Investment Management Fees		
Cash and Short-Term Managers	$172	$158
Equity Managers		
U.S. Equity	580	518
Non-U.S Equity	2,313	2,059
Global Equity	473	1,246
Fixed Income Managers	1,661	1,942
Private Equity Managers	3,539	2,802
Liquid Alternative Managers	1,885	1,719
Real Estate Managers	3,496	3,121
Other Investment Expenses	710	744
Total Investment Expenses	$14,829	$14,309

SCHEDULE OF PAYMENTS TO CONSULTANTS

For the Year Ended June 30, 2017 (with comparative amounts for June 30, 2016)
($ in Thousands)

	June 30, 2017	June 30, 2016
Legal Services	$333	$489
Actuarial Consulting Fees	90	123
Investment Management		
Consulting Fees	297	288
Network and Other Information		
Technology Services (includes capitalized costs)	1,421	2,803
Total Payments to Consultants	$2,141	$3,703

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	$690,194	$-	$1,042	$96,155	$1,815	$99,012	$117,865	$-	$-	$178	$118,043	$120,921	$401	$121,322
Ventura County Courts	17,304	-	26	2,411	128	2,565	2,955	-	-	1,607	4,562	3,031	(410)	2,621
Ventura County Air Pollution Control District	2,818	-	4	393	135	532	481	-	-	75	556	494	31	525
Ventura Regional Sanitation District	2,858	-	4	398	217	619	488	-	-	435	923	501	(22)	479
Total	$713,174	$-	$1,076	$99,357	$2,295	$102,728	$121,789	$-	$-	$2,295	$124,084	$124,947	$-	$124,947

OTHER INFORMATION CONTINUED

SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS OF NET PENSION LIABILITY

($ in Thousands)

Participating Employer	June 30, 2017 Allocation of Net Pension Liability (NPL)	June 30, 2017 Employer Allocation Percentage	June 30, 2016 Allocation of Net Pension Liability (NPL)	June 30, 2016 Employer Allocation Percentage
County of Ventura	$690,194	96.623%	$1,028,750	96.623%
Ventura County Courts	17,304	2.482%	26,427	2.482%
Ventura County Air Pollution Control District	2,818	0.417%	4,435	0.417%
Ventura Regional Sanitation District	2,858	0.478%	5,090	0.478%
Total	$713,174	100.000%	$1,064,702	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.

Giant Coreopsis

Anacapa's once dense vegetation was dominated by the giant coreopsis (Leptosyne gigantea) which is an erect, shrubby perennial with a stout, succulent trunk growing to some eight feet tall. Stands of coreopsis provided shelter and nesting habitat for many sea and land birds. Devastated by sheep grazing in the late 1800s, the coreopsis is still found in small patches on the island.

Photos by Kerry Woods (top) and Chetan Kolluri (inset)

NEPC, LLC

Allan Martin
Partner

September 13, 2017

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

Dear Members of the Board:

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, 2017.

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 (e.g. 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, and Liquid Alternative Strategies.

Market Review for the Year Ended June 30, 2017

Capital markets remained largely driven by an accommodative, yet tightening, U.S. Central Bank and stimulative actions by international Central Banks, resulting in the continuation an of an eight year valuation expansion of growth assets (equities) in the U.S, and even stronger gains for international equities. Anti-establishment political movements globally, the U.S. election outcome, divergent Central Bank policies, historically low and broadly negative real interest rates and concerns over growth in China contributed to higher levels of volatility in the first half of the year. Post the U.S. election, volatility around global risk factors was largely shrugged off by markets, resulting in U.S. equities posting their eighth consecutive positive year with a +17.9% return as measured by the S&P 500 Index. U.S. high quality fixed income investments produced a negative return (-0.3%), measured by the Bloomberg Barclays U.S. Aggregate Bond Index, driven lower by 10 year U.S. Treasury yields spiking in the wake of U.S. elections. International developed-markets equities outperformed domestic equities by 2.4% as European equity returns overcame political uncertainty and reflected signs of relative economic strength. Emerging markets equities outperformed U.S. and developed-international equities by 5.8% and 3.4% respectively. One-year core bond returns, influenced by modestly rising short-term interest rates, ranged from -0.3% in the US to negative 4.1% internationally.

900 Veterans Blvd. | Ste. 340 | Redwood City, CA 94063-1741 | TEL: 650.364.7000 | www.nepc.com
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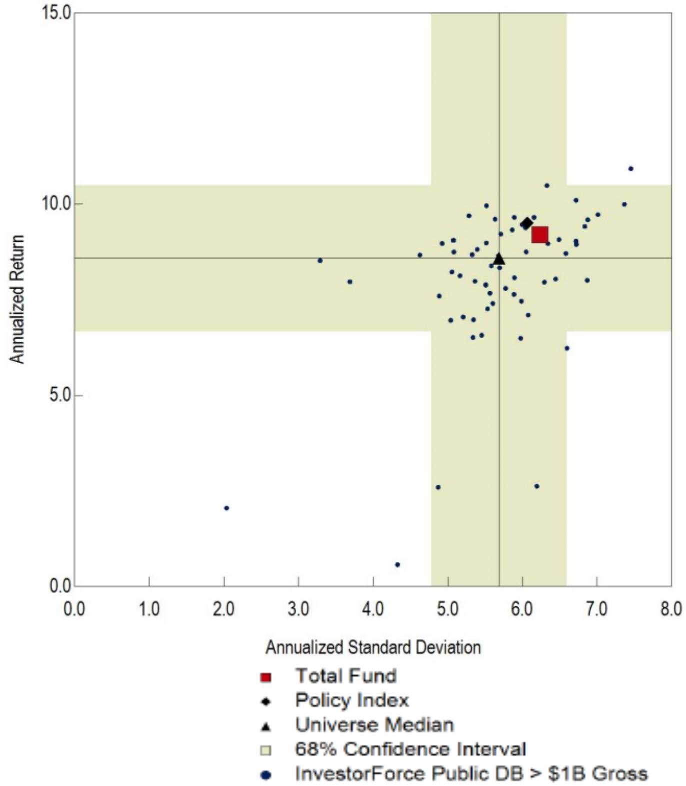
NEPC, LLC

The VCERA Investment Portfolio

The Plan returned 12.6%, net of fees (12.9% gross of fees), for the fiscal year ending June 30, 2017. By comparison, the median fund in the universe returned 12.7% for the period[1]. Contributing positively to performance during the fiscal year was the Plan's overweight to Equities versus its peers, which also allowed the Plan to outperform the actuarial assumed rate of 7.5% by 5.1% net of fees.

Over five years, the Plan ranks in the top half of the universe in risk-adjusted return with a Sharpe Ratio of 1.4. This means that the Fund has earned more return per unit of volatility taken than most of its peers.

IF Public Funds Greater than $1 Billion Universe[1] Risk-Return Comparison (Net of Fees)
5 Years Ended June 30, 2017



NEPC, LLC serves as VCERA's independent investment consultant and provides VCERA with asset allocation guidance, quarterly economic and investment market updates and performance reviews, and investment manager monitoring and selection advice. 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

[1] As of June 30, 2017, the Investor Force Public Funds Greater than $1 Billion Universe was comprised of 65 total funds with approximately $500 billion in assets. Universe rankings are based on net of fee performance.

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 December 2015, 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.

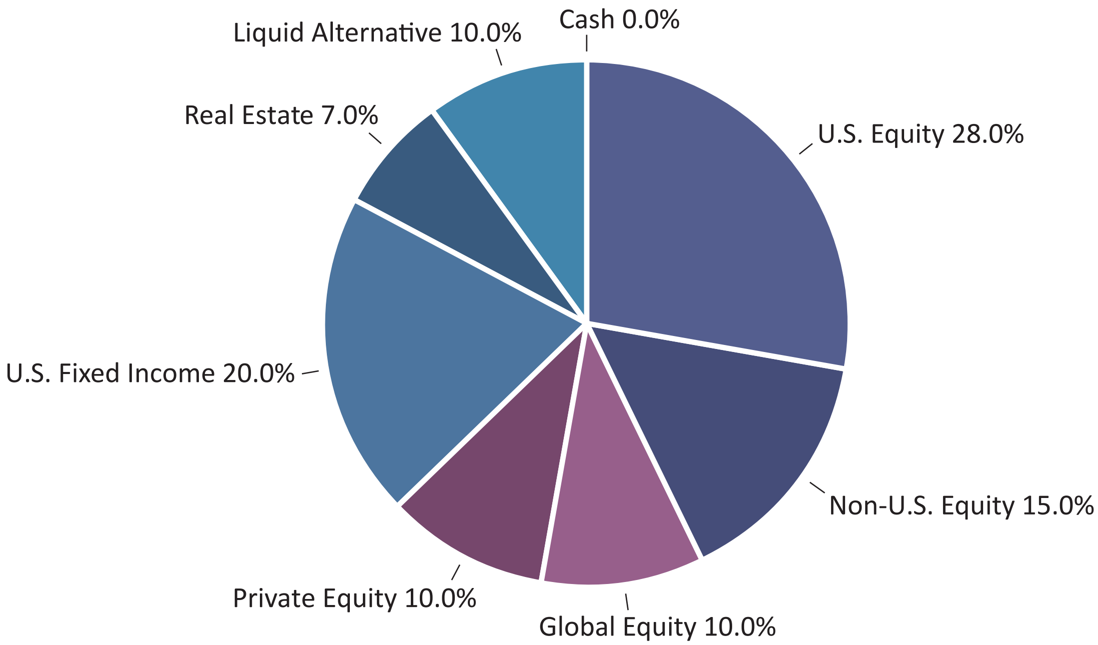
d. The relationship between current and projected assets of the Plan and its actuarial requirements.

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

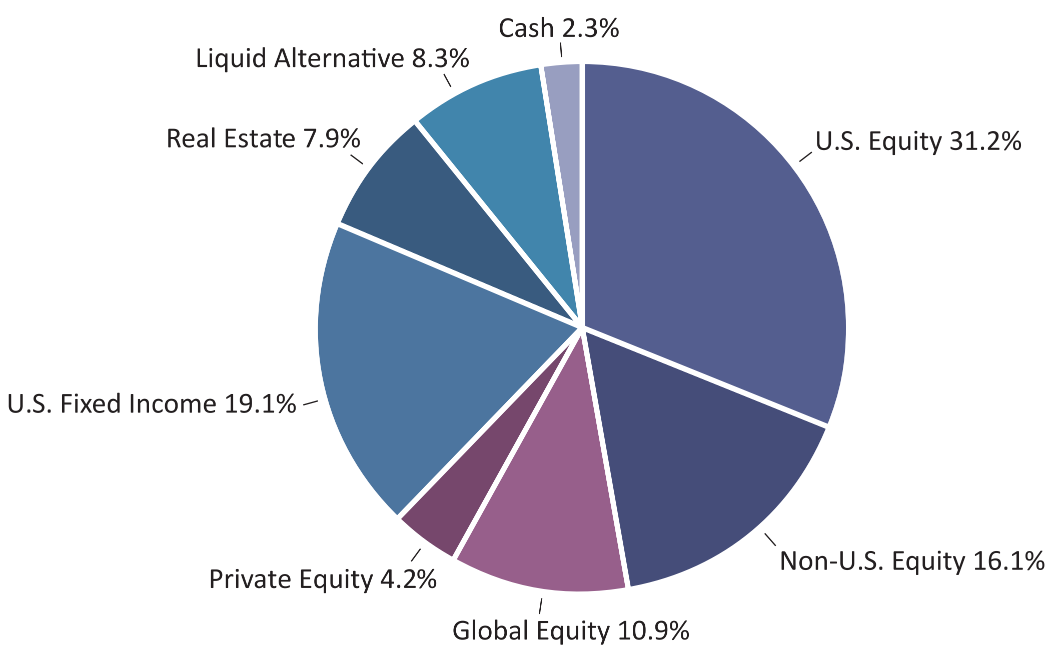
TARGET VERSUS ACTUAL ASSET ALLOCATION

As of June 30, 2017

TARGET[1]



ACTUAL[2]



[1]Represents Allocation targets in place as of June 30, 2017

[2]The actual Allocation is based upon the Investment Summary on page 52

INVESTMENT SUMMARY

As of June 30, 2017 ($ in Thousands)

Type of Investment	Fair Value	Percent of Total Fair Value
Cash and Cash Equivalents	$113,860	2.3%
Fixed Income	945,944	19.1%
Subtotal Fixed Income and Cash	1,059,804	21.4%
U.S. Equity	1,545,266	31.2%
Non-U.S. Equity	798,385	16.1%
Global Equity	537,900	10.9%
Subtotal Equities	2,881,551	58.2%
Private Equity	208,663	4.2%
Real Estate	391,122	7.9%
Liquid Alternatives	413,494	8.3%
Total Investments	$4,954,634	100.0%

SCHEDULE OF INVESTMENT RESULTS BASED ON FAIR VALUE

As of June 30, 2017

	Annualized		
	Current Year	**Three-Year**	**Five Year**
U.S. Equity	18.6%	9.1%	14.7%
Russell 3000	18.5%	9.0%	14.5%
Fixed Income	2.2%	2.7%	3.1%
Current Benchmark: Bloomberg Barclays U.S. Aggregate Index	-0.3%	2.5%	2.2%
Non-U.S. Equity	20.2%	1.8%	7.7%
Current Benchmark: MSCI ACWI ex U.S.A.	20.5%	0.8%	7.2%
Global Equity	19.5%	3.8%	9.7%
Current Benchmark: MSCI ACWI	18.8%	4.8%	10.5%
Private Equity	15.7%	12.7%	13.6%
Current Benchmark: Dow Jones U.S. Total Stock Market Index + 3%	22.0%	12.3%	17.9%
Real Estate	5.5%	9.3%	9.5%
Current Benchmark: NCREIF-ODCE	6.9%	10.3%	10.8%
Liquid Alternatives	5.1%	-1.9%	-
Benchmark: CPI + 4% (Unadjusted)	5.7%	4.9%	-
Total Fund	12.6%	4.9%	9.2%
VCERA Policy[1]	13.1%	6.0%	9.5%

[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 net of fees. Total Fund performance is calculated based on the weighted average returns.

LARGEST EQUITY HOLDINGS (BY FAIR VALUE)

As of June 30, 2017 ($ in Thousands)

	Units	Fund Name	Fair Value
1	7,466,766	Blackrock U.S.Russell 1000 Index Fund	$1,348,310
2	29,968,371	Blackrock MSCI ACWI Equity Index Fund	537,900
3	29,639,431	Blackrock ACWI IMI ex U.S. IMI Index Fund	391,107
4	3,065,231	Sprucegrove Investment Management Group Trust	205,846
5	3,611,703	Walter Scott & Partners Limited Group Trust	112,425
6	59,585	Hexavest EAFE Equity Fund	89,006
7	1,316,651	Blackrock U.S. Russell 2500 Index Fund	55,596
8	43,380,604	Adams Street 2013 Global Fund	49,899
9	20,815,754	Harbourvest Dover Street VIII	43,884
10	19,816,071	Adams Street 2010 U.S. Fund	35,175

Note - All VCERA Equity Investments at June 30, 2017 were held in index funds and commingled investment vehicles.

LARGEST FIXED INCOME HOLDINGS (BY FAIR VALUE)

As of June 30, 2017 ($ in Thousands)

	Par	Bonds	Fair Value
1	17,080,000	U.S. Treasury N/B 11/43 3.75	$20,078
2	8,920,000	FED Home Loan Discount NT 10/17 0.01	8,892
3	6,710,000	U.S. Treasury Bill 12/17	6,677
4	6,110,000	U.S. Treasury N/B 05/45 2.875	6,296
5	5,760,000	U.S. Treasury N/B 5/25 2.125	5,724
6	4,178,021	TSY INFL IX N/B 04/21 0.125	4,172
7	3,920,000	U.S. Treasury N/B 05/47 3	4,046
8	3,460,000	U.S. Treasury N/B 02/47 3	3,569
9	3,100,000	FNMA TBA 30 YR 4 Single Family Mortgage	3,253
10	3,000,000	GNMA II TBA 30 YR 3.5 Jumbos	3,103

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

SCHEDULE OF INVESTMENT FEES

As of June 30, 2017 (with comparative amounts for June 30, 2016) ($ in Thousands)

	June 30, 2017	June 30, 2016
Cash and Short-Term Managers	$172	$158
Equity Managers		
U.S. Equity	580	518
Non-U.S. Equity	2,313	2,059
Global Equity	473	1,246
Fixed Income Managers	1,661	1,942
Private Equity Managers	3,539	2,802
Liquid Alternative Managers	1,885	1,719
Real Estate Managers	3,496	3,121
Other Investment Fees	710	744
Total Investment Management Fees	$14,829	$14,309

SCHEDULE OF COMMISSIONS:

VCERA's equity exposure is provided through one (1) separate account, and through seven (7) commingled trust fund pooled vehicles. Equity exposure in the separate account is provided through the use of equity index futures contracts for which commissions are not charged. VCERA buys or sells units in commingled trust fund pooled vehicles for which commissions are also not paid. Therefore, a Schedule of Commissions is not presented.

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 ("GMO")
BlackRock, Inc.

Private Equity
Adams Street Partners, LLC
Drive Capital, 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
Abbott Capital Management, LLC

Cash Overlay
Parametric Portfolio Associates, LLC

Custodian
State Street Bank and Trust

Anacapa Wildlife

Anacapa is home to 69 species of birds including the increasingly rare Scripps's murrelet seabird. The largest breeding colony of the California brown pelican in the United States is located on the Island where it dramatically recovered from near extinction in the 1970s. The islets also host the largest breeding colony of western gulls in the world. The only native land mammal on the island is a unique subspecies of deer mouse which only exists on Anacapa.

Photos by (clockwise from top left) Joe Decruyenaer, Holly Gellerman, budgaora and Bharathwaj Shubhika

Segal Consulting

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

December 11, 2017

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

**Re: Ventura County Employees' Retirement Association
June 30, 2017 Actuarial Valuation for Funding Purposes**

Dear Members of the Board:

Segal Consulting (Segal) prepared the June 30, 2017 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, 2017 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.

Benefits, Compensation and HR Consulting. Member of The Segal Group. Offices throughout the United States and Canada

Board of Retirement
Ventura County Employees' Retirement Association
December 11, 2017
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, 2017 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, 2017 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, 2017 for funding purposes is listed below.

1. Summary of Actuarial Assumptions and Methods as of June 30, 2017
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, 2017 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 during the first half of 2018.

In the June 30, 2017 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities increased from 84.9% to 86.9% and the average employer contribution rate decreased from 27.52% of payroll to 27.09% of payroll.

The valuation value of assets included $0.6 million in deferred investment gains, which represented less than 0.1% of the market value of assets. If these deferred investment gains were recognized immediately in the valuation value of assets, the funded percentage would have

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increased slightly from 86.9% to 87.0% and the aggregate employer contribution rate, expressed as a percent of payroll, would have decreased slightly from 27.09% to about 27.08%.

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/bbf

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

As of June 30, 2017

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 adjustment 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, 2017	General	7,128	$568,947,112	$79,819	4.05%	45.7	10.5
	Safety	1,508	175,970,274	116,691	3.86%	41.3	14.6
	Total	8,636	$744,917,386	$86,257	3.96%	45.0	11.2
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

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM PAYROLL

Fiscal Year Ended June 30	Retirees and Beneficiaries At Beginning of Year	Added	Removed	At End of Year	Added to Payroll (in 000s)	Removed from Payroll (in 000s)	Total Retiree Payroll (in 000s)	Percent Increase in Payroll	Average Annual Allowance
2017	6,539	372	(145)	6,766	$20,489	$(6,327)	$255,581	5.87%	$37,296
2016	6,338	396	(195)	6,539	$18,570	$(5,574)	$241,419	5.69%	$36,288
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

ACTUARIAL ANALYSIS OF FINANCIAL EXPERIENCE

($ in Thousands)

	June 30, 2017	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
Prior 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
Salary Increases Greater (Less) Than Expected	35,441	(19,801)	17,095	(56,617)	(49,186)	(93,786)	(131,928)	(19,314)	(9,590)	19,961
Asset Return (Greater) Less Than Expected	(24,707)	42,251	(81,080)	(13,827)	25,512	72,404	127,192	202,739	213,344	(90,891)
Other Experience Factors	(79,451)	(85,234)	(98,405)	(62,695)	1,161	(5,030)	18,241	4,481	(11,501)	(15,047)
Change In Actuarial Assumptions	-	-	218,002	-	-	227,315	-	-	91,252	-
Ending Valuation Unfunded (Excess Funded) Accrued Liability	$744,326	$813,043	$875,827	$820,215	$953,354	$975,867	$774,964	$761,459	$573,553	$290,048

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, 2017	$725,090	$2,561,943	$2,416,363	$5,703,396	$4,959,070	100%	100%	69%
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%

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, 2017	$4,959,070	$5,703,396	$744,326	86.95%	$744,917	99.92%
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%

[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 1. Those hired after that date are included in Tier 2. New general members employed after January 1, 2013, are designated as PEPRA Tiers 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 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 general member with 30 years of service is eligible to retire regardless of age. General members 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 safety member with 20 years of service is eligible to retire regardless of age. Safety members 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 for those members hired prior to January 1, 2013. 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 said California Government Code Section 7522.25(d).

General member benefits are calculated pursuant to the provisions of California Government Code Sections 31676.11 and 31676.1 for members hired prior to January 1, 2013. 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 the age factor from either California Government Code Section 31676.11 (Tier 1) or 31676.1 (Tier 2). 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 1 General member and the highest 36 consecutive months for a Tier 2, PEPRA Tier 1 and 2, 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 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.

Cost-Of-Living

VCERA provides an annual cost-of-living benefit to safety and Tier I general member retirees. The cost-of-living adjustment is based upon the Consumer Price Index for the Los Angeles, Riverside, Orange County area and is capped at 3.0%. SEIU general member retirees receive a fixed 2% cost-of-living adjustment pursuant to bargaining agreements.

SUMMARY OF PLAN BENEFITS CONTINUED

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 general member benefit payable for a non-service-connected disability is equal to 90% of 1/6th of final compensation for each year of service not to exceed 1/3rd of final compensation. For safety members, the nonservice-connected disability retirement benefit payable is 90% of 1/5th of final compensation, 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; maximum is six months salary (Basic Death Benefit).

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 the Basic Death Benefit plus a monthly allowance reduced by the actuarial equivalent of the Basic Death Benefit. 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	0.0900
65	0.0077	0.0069	0.3000	0.2000
70	N/A	0.0090	0.2000	0.5000
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	0.0900
65	0.0072	0.0069	0.3000	0.2000
70	N/A	0.0090	0.2000	0.5000

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	0.0100
45	0.0011	0.0088	0.0100	0.0100
50	0.0016	0.0148	0.0250	0.0250
55	0.0024	0.0288	0.2200	0.2200
60	0.0041	0.0504	0.2200	0.2200
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	0.0100
45	0.0008	0.0088	0.0100	0.0100
50	0.0012	0.0148	0.0250	0.0250
55	0.0018	0.0288	0.2200	0.2200
60	0.0027	0.0504	0.2200	0.2200
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

Anacapa Arch

Known as the Arch Rock, this natural bridge is 40-foot high just off the tip of East Anacapa. Rising to an altitude of 930 feet is Vela Peak located on West Anacapa. Interestingly, fossils of pygmy mammoths from 13,000 years ago have been found on the other Channel Islands and it is reasonable to assume they were also present on Anacapa during that period.

Photo by bgv23 (top) and Aaron Zhong (inset)

STATISTICAL INFORMATION OVERVIEW

The objective of the Statistical Information Overview 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 the status of the Pension Plan administered by VCERA as of the fiscal year end. 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.

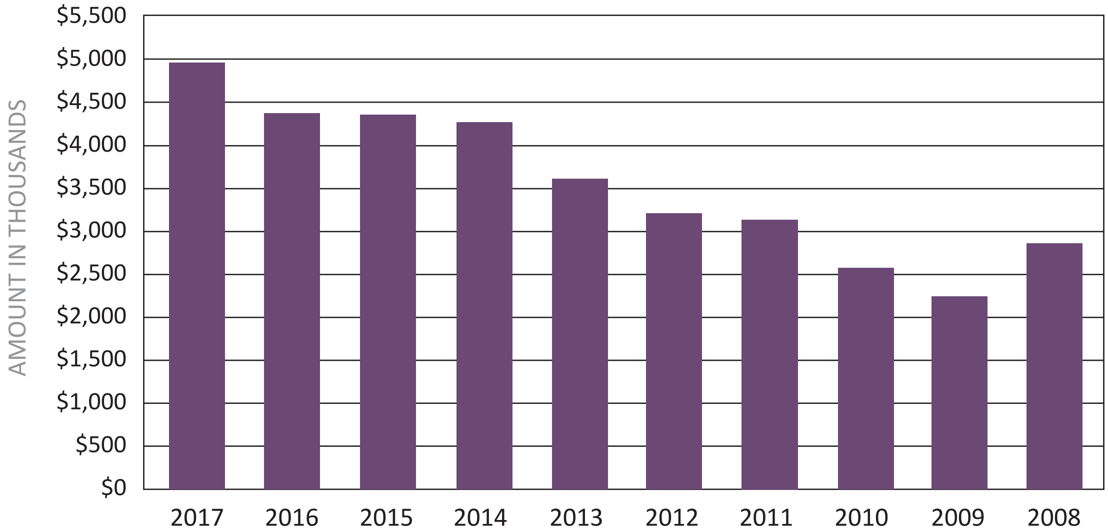
Operating Information provides contextual information about VCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate VCERA's fiscal condition. The ***Active and Deferred Members*** provides membership statistics for active vested and non-vested members as well as deferred members. The ***Retired Members by Type of Pension Benefit*** presents benefit information for the current year by benefit type and dollar levels. 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 Members*** 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, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
ADDITIONS					
Employer Contributions	$190,759	$177,710	$175,099	$169,703	$150,688
Member Contributions	72,395	69,470	63,679	46,674	44,464
Net Investment Income	580,526	25,739	88,681	658,580	436,638
Total Additions	843,680	272,919	327,459	874,957	631,790
DEDUCTIONS					
Benefits	255,581	241,419	228,423	218,105	205,238
Administrative	5,524	4,474	3,854	4,045	3,944
Member Refunds	5,164	4,984	5,272	5,428	4,720
Miscellaneous	-	-	-	-	-
Total Deductions	266,269	250,877	237,549	227,578	213,902
Change In Pension Plan Fiduciary Net Position	$577,411	$22,042	$89,910	$647,379	$417,888

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
ADDITIONS					
Employer Contributions	$140,773	$120,053	$105,703	$113,916	$112,798
Member Contributions	44,487	44,238	42,466	42,326	39,611
Net Investment Income	50,683	627,327	347,087	(625,183)	(208,519)
Total Additions (Declines)	235,943	791,618	495,256	(468,941)	(56,110)
DEDUCTIONS					
Benefits	191,332	180,070	166,029	153,089	142,669
Administrative	3,536	4,387	3,227	3,536	3,268
Member Refunds	3,783	4,388	4,081	3,253	3,960
Miscellaneous	-	-	-	-	20
Total Deductions	198,651	188,845	173,337	159,878	149,917
Change In Pension Plan Fiduciary Net Position	$37,292	$602,773	$321,919	$(628,819)	$(206,027)

TOTAL PLAN NET POSITION



SCHEDULE OF PENSION BENEFIT EXPENSES BY TYPE

Last Ten Fiscal Years ($ in Thousands)

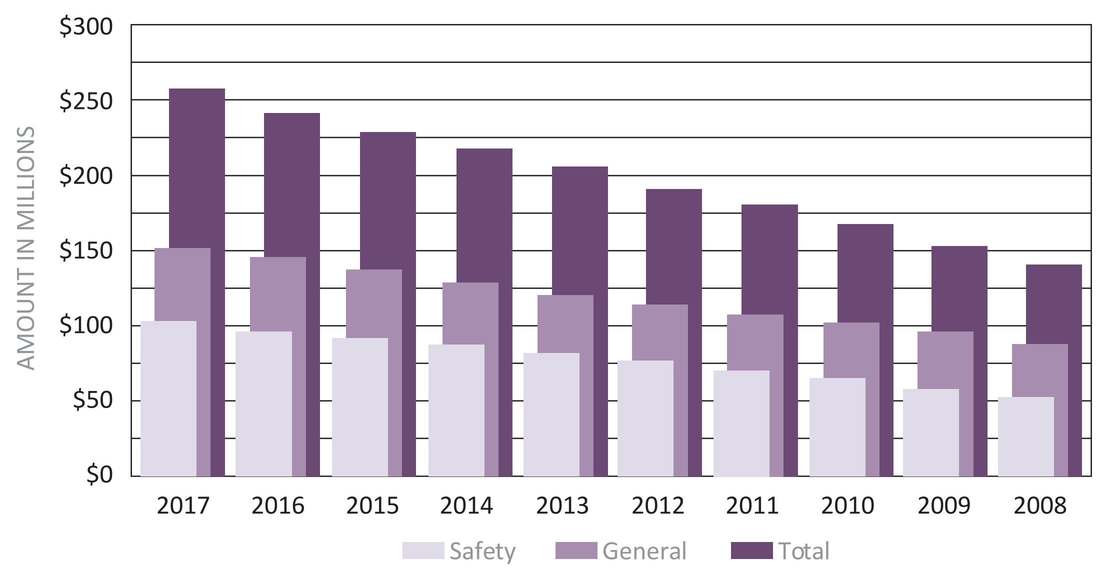
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Service Retirement					
General	$131,108	$125,219	$116,593	$110,052	$103,665
Safety	69,333	62,618	61,918	58,404	54,789
Total	200,441	187,837	178,511	168,456	158,454
Disability Retirement					
General	9,945	9,966	9,711	10,172	9,639
Safety	26,753	26,895	24,426	24,332	22,890
Total	36,698	36,861	34,137	34,504	32,529
Survivor Continuances					
General	10,660	9,894	9,335	9,141	8,513
Safety	7,784	6,827	6,440	6,003	5,742
Total	18,444	16,721	15,775	15,144	14,255
Total Retired Members					
General	151,712	145,079	135,639	129,365	121,817
Safety	103,869	96,340	92,784	88,739	83,421
Total	255,581	241,419	228,423	218,104	205,238
Member Refunds & Death Benefits					
General	4,634	4,160	4,703	5,094	4,263
Safety	530	824	569	334	457
Total	$5,164	$4,984	$5,272	$5,428	$4,720

SCHEDULE OF PENSION BENEFIT EXPENSES BY TYPE CONTINUED

Last Ten Fiscal Years ($ in Thousands)

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Service Retirement					
General	$96,889	$91,046	$83,373	$77,662	$72,278
Safety	49,706	45,010	39,353	35,039	31,145
Total	146,595	136,056	122,726	112,701	103,423
Disability Retirement					
General	9,585	9,484	10,051	9,638	9,114
Safety	21,808	21,331	21,163	19,265	18,147
Total	31,393	30,815	31,214	28,903	27,261
Survivor Continuances					
General	8,017	7,909	7,365	6,950	6,500
Safety	5,328	5,291	4,724	4,535	4,485
Total	13,345	13,200	12,089	11,485	10,985
Total Retired Members					
General	114,491	108,439	100,789	94,250	87,892
Safety	76,842	71,632	65,240	58,839	53,777
Total	191,333	180,071	166,029	153,089	141,669
Member Refunds & Death Benefits					
General	3,379	3,859	2,606	2,679	3,526
Safety	404	530	622	574	435
Total	$3,783	$4,389	$3,228	$3,253	$3,961

PENSION BENEFIT PAYMENTS



ACTIVE AND DEFERRED MEMBERS

Last Ten Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Active Vested					
General	4,594	4,619	4,632	4,699	4,669
Safety	1,207	1,231	1,245	1,274	1,260
Active Non-vested					
General	2,534	2,396	2,146	1,973	1,894
Safety	301	263	276	264	245
Total Active Members					
General	7,128	7,015	6,778	6,672	6,563
Safety	1,508	1,494	1,521	1,538	1,505
Deferred Members					
General	2,484	2,332	2,140	2,052	1,978
Safety	325	307	301	287	271
Total	11,445	11,148	10,740	10,549	10,317

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Active Vested					
General	4,516	4,278	4,078	4,069	3,970
Safety	1,221	1,193	1,158	1,187	1,188
Active Non-vested					
General	2,013	2,238	2,427	2,432	2,408
Safety	269	331	340	357	362
Total Active Members					
General	6,529	6,516	6,505	6,501	6,378
Safety	1,490	1,524	1,498	1,544	1,550
Deferred Members					
General	1,891	1,838	1,780	1,795	1,762
Safety	270	259	260	260	245
Total	10,180	10,137	10,043	10,100	9,935

RETIRED MEMBERS BY TYPE OF PENSION BENEFIT

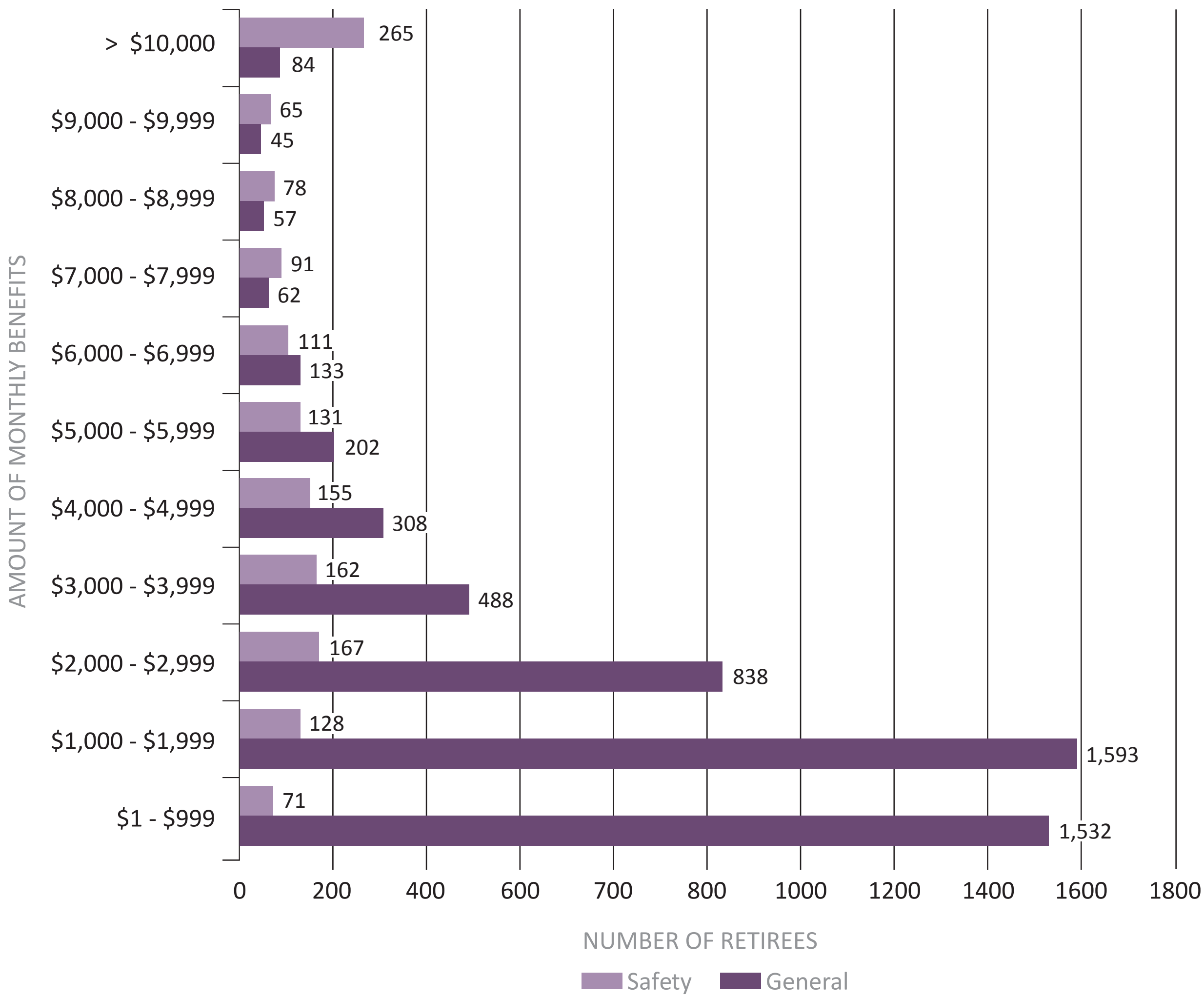
As of June 30, 2017

Amount of Monthly Benefit	Number of Retirees	Type of Retirement[1]		
		A	B	C
General Members				
$1 - $999	1,532	1,134	64	334
$1,000 - $1,999	1,593	1,149	237	207
$2,000 - $2,999	838	676	80	82
$3,000 - $3,999	488	427	35	26
$4,000 - $4,999	308	280	7	21
$5,000 - $5,999	202	180	3	19
$6,000 - $6,999	133	127	2	4
$7,000 - $7,999	62	61	1	-
$8,000 - $8,999	57	54	1	2
$9,000 - $9,999	45	44	1	-
> $10,000	84	82	1	1
Totals	5,342	4,214	432	696
Safety Members				
$1 - $999	71	53	13	5
$1,000 - $1,999	128	75	12	41
$2,000 - $2,999	167	55	44	68
$3,000 - $3,999	162	57	64	41
$4,000 - $4,999	155	43	67	45
$5,000 - $5,999	131	46	63	22
$6,000 - $6,999	111	55	36	20
$7,000 - $7,999	91	60	16	15
$8,000 - $8,999	78	53	22	3
$9,000 - $9,999	65	49	14	2
> $10,000	265	207	46	12
Totals	1,424	753	397	274
Grand Total	6,766	4,967	829	970

[1]Type of Retirement:

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

RETIRED MEMBERS RECEIVING BENEFITS



SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS

2014-2017

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2017						
General Members						
Average Monthly Benefit	$999	$1,757	$2,801	$3,527	$3,798	$5,141
Average Final Average Salary	$6,018	$6,627	$8,185	$7,476	$7,088	$8,344
Number of New Retirees	33	55	37	37	30	45
Safety Members						
Average Monthly Benefit	$1,650	$2,785	$3,926	$5,354	$8,868	$9,405
Average Final Average Salary	$9,830	$9,696	$8,890	$10,097	$11,750	$12,047
Number of New Retirees	3	4	3	5	12	24
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 New 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 New 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 New 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 New 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 New 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 New Retirees	7	5	2	3	6	13

SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS CONTINUED

2010-2013

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
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 New 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 New Retirees	9	3	4	4	7	26
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 New 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 New 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 New 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 New 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 New 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 New Retirees	5	9	11	9	8	23

SCHEDULE OF AVERAGE MONTHLY BENEFIT PAYMENTS CONTINUED

2008-2009

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2009						
General Members						
Average Monthly Benefit	$1,708	$2,053	$3,271	$3,681	$4,226	$5,416
Average Final Average Salary	$4,460	$8,125	$8,094	$7,599	$7,883	$7,190
Number of New 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 New Retirees	11	4	2	3	1	14
Retirees - 2008						
General Members						
Average Monthly Benefit	$968	$1,445	$2,003	$3,886	$4,010	$5,879
Average Final Average Salary	$6,221	$5,638	$5,659	$8,256	$6,745	$7,693
Number of New 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 New Retirees	7	5	4	6	10	11

PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS

Last Ten Fiscal Years

	June 30, 2017	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
County of Ventura										
General Members	6,659	6,552	6,319	6,212	6,104	6,031	6,069	6,057	6,044	5,932
Safety Members	1,508	1,494	1,521	1,538	1,505	1,490	1,524	1,498	1,544	1,550
Total	8,167	8,046	7,840	7,750	7,609	7,521	7,593	7,555	7,588	7,482
Participating Agencies (General Membership)										
Ventura Regional Sanitation District	63	66	68	69	61	60	60	61	69	65
Ventura County Courts	361	352	345	345	350	387	387	387	388	381
Ventura County Air Pollution Control District	45	45	46	46	48	51	-	-	-	-
Total	469	463	459	460	459	498	447	448	457	446
Total Active Membership										
General Members	7,128	7,015	6,778	6,672	6,563	6,529	6,516	6,505	6,501	6,378
Safety Members	1,508	1,494	1,521	1,538	1,505	1,490	1,524	1,498	1,544	1,550
Total	8,636	8,509	8,299	8,210	8,068	8,019	8,040	8,003	8,045	7,928

EMPLOYER CONTRIBUTION RATES

Last Ten Fiscal Years

Year	Tier 1	Tier 2	PEPRA Tier 1	PEPRA Tier 2	Safety	PEPRA Safety
June 30, 2017	23.85%	16.80%	N/A	16.67%	54.56%	52.77%
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%
Other Participating Agencies						
June 30, 2017	23.85%	16.80%	N/A	16.67%	N/A	N/A
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