

# Ventura County Employees' Retirement Association

## **Governmental Accounting Standards Board Statement 68 (GAS 68) Actuarial Valuation**

Actuarial Valuation Based on June 30, 2020  
Measurement Date for Employer Reporting  
as of June 30, 2021



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the VCERA pension plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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# Segal



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March 31, 2021

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 S. Victoria Avenue, Suite 200  
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Dear Board Members:

We are pleased to submit this Governmental Accounting Standards (GAS) 68 Actuarial Valuation based on June 30, 2020 measurement date for employer reporting as of June 30, 2021. It contains various information that will need to be disclosed in order for Ventura County Employees' Retirement Association (VCERA) employers to comply with GAS 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the VCERA pension plan. The census and financial information on which our calculations were based was provided by VCERA. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Eva Yum, FSA, MAAA, Enrolled Actuary. 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. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Plan.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in blue ink, appearing to read "Paul Angelo".

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

A handwritten signature in blue ink, appearing to read "Molly Calcagno".

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Molly Calcagno, ASA, EA, MAAA  
Actuary

JY/jl

# Table of Contents

- Section 1: Actuarial Valuation Summary ..... 4
  - Purpose and basis ..... 4
  - General observations on GAS 68 actuarial valuation ..... 4
  - Highlights of the valuation ..... 5
  - Summary of key valuation results ..... 7
  - Important information about actuarial valuations ..... 8
  
- Section 2: GAS 68 Information ..... 10
  - General information about the pension plan ..... 10
  - Net Pension Liability ..... 14
  - Determination of discount rate and investment rates of return ..... 16
  - Discount rate sensitivity ..... 18
  - Schedule of changes in Net Pension Liability – Last two fiscal years ..... 19
  - Schedule of contributions – Last ten fiscal years ..... 20
  - Determination of proportionate share ..... 23
  - Pension expense ..... 26
  - Deferred outflows of resources and deferred inflows of resources ..... 31
  - Schedule of proportionate share of the Net Pension Liability ..... 37
  - Schedule of reconciliation of Net Pension Liability ..... 42
  - Schedule of recognition of changes in total Net Pension Liability ..... 47
  - Allocation of changes in total Net Pension Liability ..... 51
  
- Section 3: Actuarial Assumptions and Methods and Appendices ..... 55
  - Actuarial assumptions and methods ..... 55
  - Appendix A: Projection of Plan’s Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2020 ..... 62
  - Appendix B: Definition of Terms ..... 64

# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards (GAS) 68 for employer reporting as of June 30, 2021. The results used in preparing this GAS 68 report are comparable to those used in preparing the GAS 67 report for the plan based on a reporting date and a measurement date as of June 30, 2020. This valuation is based on:

- The benefit provisions of VCERA, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2019, provided by VCERA;
- The assets of the Plan as of June 30, 2020, provided by VCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2020 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2020 valuation.

## General observations on GAS 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans still develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as VCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on generally the same basis as VCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the non-vested supplemental (\$27.50) reserve. The TPL only includes a liability up to the amount in the non-vested supplemental (\$27.50) reserve. However, it is our understanding that VCERA had terminated the non-vested supplemental (\$27.50) reserve after the June 2019 payment due to the depletion of that Reserve. Any remaining amount in that Reserve is available to pay retroactive benefits, if any. Note that we

## Section 1: Actuarial Valuation Summary

have included the Reserve amount in the Plan's Fiduciary Net Position but have not included any corresponding amount in the TPL.

4. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis.
5. For this report, the reporting dates for the employer are June 30, 2021 and June 30, 2020. The NPL's measured as of June 30, 2020 and June 30, 2019 have been determined by rolling forward the TPL as of June 30, 2019 and June 30, 2018, respectively. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2020 and June 30, 2019 are not adjusted or rolled forward to June 30, 2021 and June 30, 2020 reporting dates, respectively.

### Highlights of the valuation

1. The NPL increased from \$687 million as of June 30, 2019 to \$825 million as of June 30, 2020 primarily due to unfavorable investment return (about \$206 million). Changes in these values during the last two fiscal years ending June 30, 2020 and June 30, 2019 can be found in *Section 2, Schedules of changes in Net Pension Liability* on page 19.
2. The discount rate used to determine the TPL and NPL as of June 30, 2020 was 7.25%, following the same assumption used by VCERA in the pension funding valuation as of June 30, 2020. The detailed derivation of the discount rate of 7.25% used in calculation of the TPL and NPL as of June 30, 2020 can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
3. On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for VCERA and its members. In particular, the decision requires pension systems like VCERA to exclude certain pay items from a legacy member's compensation earnable. It should be noted that neither the June 30, 2020 assets provided by VCERA nor the liabilities we calculated using the membership data provided by VCERA reflect the financial impact of the California Supreme Court decision.
4. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2020. Employers should consult with their auditors to determine the deferred outflow that should be created for these contributions.
5. The Safety Tier has only one employer (County of Ventura), so all of the NPL for that tier is allocated to the County.

For the other two tiers that have multiple employers, the NPL is allocated based on the actual compensation for each employer in that tier during 2019/2020. The steps we used are as follows:

## Section 1: Actuarial Valuation Summary

- a. Calculate ratio of employer's compensation to the total compensation for the tier.
- b. Multiply this ratio by the NPL for the tier to determine the employer's proportionate share of the NPL for the tier.
- c. If the employer is in several tiers, the employer's total allocated NPL is the sum of its allocated NPL from each tier.
- d. In this allocation, General Tier 1 and 2 are treated as one tier (combined) consistent with the determination of the Basic UAAL rate in the valuation.

Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in *Section 2, Determination of proportionate share* on page 23.

6. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2020. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2020. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

## Section 1: Actuarial Valuation Summary

### Summary of key valuation results

Reporting Date for Employer under GAS 68		June 30, 2021 <sup>1</sup>	June 30, 2020 <sup>2</sup>
Measurement Date for Employer under GAS 68		June 30, 2020	June 30, 2019
<b>Disclosure elements for plan year ending June 30:</b>	• Service cost <sup>3</sup>	\$149,470,363	\$145,337,461
	• Total Pension Liability	6,739,523,964	6,422,185,952
	• Plan's Fiduciary Net Position	5,914,852,070	5,735,360,159
	• Net Pension Liability	824,671,894	686,825,793
	• Pension expense	192,098,239	216,610,740
<b>Schedule of contributions for plan year ending June 30:</b>	• Actuarially determined contributions <sup>4</sup>	\$214,553,123	\$199,890,664
	• Actual contributions	214,553,123	199,890,664
	• Contribution deficiency / (excess)	0	0
<b>Demographic data for plan year ending June 30:<sup>6</sup></b>	• Number of retired members and beneficiaries	7,521	7,280
	• Number of inactive vested members <sup>5</sup>	3,218	3,041
	• Number of active members	8,644	8,696
<b>Key assumptions as of June 30:</b>	• Investment rate of return	7.25%	7.25%
	• Inflation rate	2.75%	2.75%
	• Projected salary increases <sup>7</sup>	General: 3.75% to 10.25%	General: 3.75% to 10.25%
		and Safety: 3.95% to 11.75%	and Safety: 3.95% to 11.75%

<sup>1</sup> The reporting date and measurement date for the plan are June 30, 2020.

<sup>2</sup> The reporting date and measurement date for the plan are June 30, 2019.

<sup>3</sup> The service cost is based on the previous year's valuation, meaning the 2020 and 2019 measurement date values are based on the valuations as of June 30, 2019 and June 30, 2018, respectively. Both service costs have been calculated using the assumptions shown in the June 30, 2019 measurement date column, as there have been no changes in the actuarial assumptions between the June 30, 2019 and June 30, 2018 valuations.

<sup>4</sup> Actuarially Determined Contributions exclude employer paid member contributions.

<sup>5</sup> Includes inactive members with member contributions on deposit.

<sup>6</sup> Data as of June 30, 2019 is used in the measurement of the TPL as of June 30, 2020.

<sup>7</sup> Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service.

# Section 1: Actuarial Valuation Summary

## Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan provisions.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by VCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	This valuation is based on the market value of assets as of the measurement date, as provided by VCERA.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
<b>Models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.



## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

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The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.

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An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

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If VCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

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Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

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As Segal has no discretionary authority with respect to the management or assets of VCERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to VCERA.

# Section 2: GAS 68 Information

## General information about the pension plan

### Plan Description

*Plan administration.* The Ventura County Employees' Retirement Association (VCERA) was established by the County of Ventura in 1947. VCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et seq.) and the California Public Employees' Pension Reform Act of 2013 or "PEPRA" (California Government Code Section 7522 et seq.). VCERA is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the safety and general members employed by the County of Ventura. VCERA also provides retirement benefits to the employee members of the Ventura County Courts, Air Pollution Control District, the Ventura Regional Sanitation District and VCERA.

The management of VCERA is vested with the VCERA Board of Retirement. The Board consists of nine members and three alternates. The County Treasurer is elected by the general public and a member of the Board of Retirement by law. Four members and one alternate, one of whom may be a County Supervisor, are appointed by the Board of Supervisors. Two members are elected by the general membership; one member and one alternate are elected by the safety membership, one member and one alternate are elected by the retired members of the Association. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

*Plan membership.* At June 30, 2020, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	7,521
Inactive vested members entitled to but not yet receiving benefits <sup>1</sup>	3,218
Active members	<u>8,644</u>
<b>Total</b>	<b>19,383</b>

Note: Data as of June 30, 2020 is not used in the measurement of the TPL as of June 30, 2020

<sup>1</sup> Includes inactive members with member contributions on deposit.

## Section 2: GAS 68 Information

*Benefits provided.* VCERA provides service retirement, disability, death and survivor benefits to eligible employees. 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. The table below indicates all existing VCERA membership tiers:

Membership Tier	Retirement Eligibility
Tier 1 - General Legacy Members hired before January 1, 2013	Age 50 and 10 or more years of service credit, or 30 years or more of service credit, regardless of age. Age 70, regardless of service.
Tier 1 - Safety Legacy Members hired before January 1, 2013	Age 50 and 10 or more years of service credit, or 20 years or more of service credit, regardless of age. Age 70, regardless of service.
Tier 2 - General Legacy Members hired before January 1, 2013	Age 50 and 10 or more years of service credit, or 30 years or more of service credit, regardless of age. Age 70, regardless of service.
Tier 2 COLA - General Legacy Members hired before January 1, 2013	Age 50 and 10 or more years of service credit, or 30 years or more of service credit, regardless of age. Age 70, regardless of service.
Tier 5 <sup>1</sup> - General PEPRA Members hired on or after January 1, 2013	Age 52 and five years of service credit. Age 70, regardless of service credit.
Tier 6 <sup>2</sup> - General PEPRA Members hired on or after January 1, 2013	Age 52 and five years of service credit. Age 70, regardless of service credit.
Tier 7 <sup>3</sup> - Safety PEPRA Members hired on or after January 1, 2013	Age 50 and five years of service credit. Age 70, regardless of service credit.
Tier 8 <sup>2</sup> COLA - General PEPRA Members hired on or after January 1, 2013	Age 52 and five years of service credit. Age 70, regardless of service credit.

<sup>1</sup> These are also referred to as PEPRA Tier 1.

<sup>2</sup> These are also referred to as PEPRA Tier 2.

<sup>3</sup> These are also referred to as Safety PEPRA.

## Section 2: GAS 68 Information

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier 1 and Tier 2 are calculated pursuant to the provisions of Sections 31676.11 and 31676.1, respectively. The monthly allowance is equal to 1/90th of the first \$350 of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either Section 31676.11 (Tier 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 provisions of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from Section 31664. For those Safety members first hired on or after January 1, 2013, benefits are calculated pursuant to the provisions of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no 100% of final average compensation limit on the maximum monthly retirement allowance benefit for members with membership dates on or after January 1, 2013. However, the maximum amount of compensation earnable that can be considered for purposes of retirement contributions and benefit calculations for 2021 for members hired on or after July 1, 1996 but before January 1, 2013 is \$290,000. For members hired on or after January 1, 2013 who are enrolled in Social Security, the maximum amount of pensionable compensation that can be considered for purposes of retirement contributions and benefit calculations for 2021 is \$128,059 (\$153,671 for those not enrolled in Social Security). These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.<sup>1</sup>

Final average compensation consists of the highest 12 consecutive months for Legacy Safety and Tier 1 General members. The final average compensation consists of the highest 36 consecutive months for all other tiers.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member one year prior to the effective retirement date or at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the

<sup>1</sup> Members and employers do not pay contributions on compensation in excess of the pensionable compensation caps.

## Section 2: GAS 68 Information

optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

VCERA provides an annual cost-of-living adjustment (COLA) benefit to Safety and Tier 1 General member retirees. The COLA, based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area, is capped at 3.0%. Certain Tier 2 and all Tier 8 General member retirees receive a fixed 2% COLA that applies to future service after March 2003 pursuant to collective bargaining agreements.

The employers contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2020 for 2019/2020 (based on the June 30, 2018 valuation) was 28.49% of compensation.

Members are required to make contributions to VCERA up to the requisite limits, regardless of the retirement plan or tier.<sup>2</sup> The average member contribution rate as of June 30, 2020 for 2019/2020 (based on the June 30, 2018 valuation) was 10.05% of compensation.

<sup>2</sup> Safety Legacy members with 30 or more years of service are exempt from paying member contributions. The same applies for General Legacy members hired on or before March 7, 1973.

## Section 2: GAS 68 Information

### Net Pension Liability

The components of the Net Pension Liability were as follows:

<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Total Pension Liability	\$6,739,523,964	\$6,422,185,952
Plan's Fiduciary Net Position	(5,914,852,070)	(5,735,360,159)
<b>Net Pension Liability</b>	<b>\$824,671,894</b>	<b>\$686,825,793</b>
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	87.76%	89.31%

The Net Pension Liability (NPL) was measured as of June 30, 2020 and June 30, 2019. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2019 and June 30, 2018, respectively.

*Plan provisions.* The plan provisions used in the measurement of the NPL as of June 30, 2020 and June 30, 2019 are the same as those used in the VCERA actuarial valuations as of June 30, 2020 and June 30, 2019. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the non-vested supplemental (\$27.50) reserve.<sup>3</sup>

*Actuarial assumptions.* The TPLs as June 30, 2020 and June 30, 2019 were determined by actuarial valuations as of June 30, 2019 and June 30, 2018, respectively. The actuarial assumptions used were based on the results of an experience study for the period from July 1, 2014 through June 30, 2017 and they are the same assumptions used in the June 30, 2020 and June 30, 2019 funding valuations for VCERA. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

<b>Inflation:</b>	2.75%
<b>Salary increases:</b>	General: 3.75% to 10.25% and Safety: 3.95% to 11.75%, varying by service, including inflation
<b>Investment rate of return:</b>	7.25%, net of pension plan investment expense, including inflation
<b>Other assumptions:</b>	See analysis of actuarial experience during the period July 1, 2014 through June 30, 2017

<sup>3</sup> It is our understanding that VCERA has terminated the non-vested supplemental (\$27.50) reserve after the June 2019 payment due to the depletion of that Reserve.

## Section 2: GAS 68 Information

The Entry Age Actuarial Cost Method used in VCERA's annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in VCERA's annual funding valuation, where the Normal Cost and Actuarial Accrued Liability are determined as if the current benefit accrual rate had always been in effect.

## Section 2: GAS 68 Information

### Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments<sup>4</sup> was determined in 2018 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2020 and June 30, 2019 actuarial valuations. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap U.S. Equity	27.04%	5.32%
Small Cap U.S. Equity	4.48%	6.07%
Developed International Equity	17.32%	6.68%
Emerging Market Equity	4.16%	8.87%
Core Bonds	9.00%	1.04%
Real Estate	8.00%	4.65%
Master Limited Partnerships	4.00%	6.31%
Absolute Return (Fixed Income)	7.00%	1.71%
Private Debt/Credit Strategies	3.00%	5.50%
Absolute Return (Risk Parity)	6.00%	4.63%
Private Equity	10.00%	8.97%
<b>Total</b>	<b>100.00%</b>	

<sup>4</sup> Note that the investment return assumption for funding purposes is developed net of both investment and administrative expenses; however, the same investment return assumption is used for financial reporting purposes, where it is considered gross of administrative expenses.



## Section 2: GAS 68 Information

*Discount rate.* The discount rate used to measure the TPL was 7.25% as of June 30, 2020 and June 30, 2019. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only 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 pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2020 and June 30, 2019.

## Section 2: GAS 68 Information

### Discount rate sensitivity

*Sensitivity of the Net Pension Liability to changes in the discount rate.* The following presents the NPL as of June 30, 2020, calculated using the discount rate of 7.25%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County of Ventura	\$1,651,685,781	\$789,959,867	\$81,047,844
Ventura County Courts	55,296,047	26,446,712	2,713,364
Ventura County Air Pollution Control District	7,198,333	3,442,782	353,221
Ventura Regional Sanitation District	<u>10,083,182</u>	<u>4,822,533</u>	<u>494,779</u>
<b>Total for all Employers</b>	<b>\$1,724,263,343</b>	<b>\$824,671,894</b>	<b>\$84,609,208</b>

## Section 2: GAS 68 Information

### Schedule of changes in Net Pension Liability – Last two fiscal years

Reporting Date for Employer under GAS 68 Measurement Date for Employer under GAS 68	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019
<b>Total Pension Liability</b>		
1. Service cost	\$149,470,363	\$145,337,461
2. Interest	466,253,485	444,176,250
3. Change of benefit terms	0	0
4. Differences between expected and actual experience	17,238,315	7,838,145
5. Changes of assumptions	0	0
6. Benefit payments, including refunds of member contributions	(315,624,151)	(297,118,538)
<b>7. Net change in Total Pension Liability</b>	<b>\$317,338,012</b>	<b>\$300,233,318</b>
<b>8. Total Pension Liability – beginning</b>	<b>6,422,185,952</b>	<b>6,121,952,634</b>
<b>9. Total Pension Liability – ending</b>	<b>\$6,739,523,964</b>	<b>\$6,422,185,952</b>
<b>Plan's Fiduciary Net Position</b>		
10. Contributions – employer <sup>1</sup>	\$214,553,123	\$199,890,664
11. Contributions – employee <sup>1</sup>	79,277,423	75,199,090
12. Net investment income	209,235,391	368,664,889
13. Benefit payments, including refunds of member contributions	(315,624,151)	(297,118,538)
14. Administrative expense	(5,367,358)	(5,341,595)
15. Other expense	(2,582,517)	(2,396,874)
<b>16. Net change in Plan's Fiduciary Net Position</b>	<b>\$179,491,911</b>	<b>\$338,897,636</b>
<b>17. Plan's Fiduciary Net Position – beginning</b>	<b>5,735,360,159</b>	<b>5,396,462,523</b>
<b>18. Plan's Fiduciary Net Position – ending</b>	<b>\$5,914,852,070</b>	<b>\$5,735,360,159</b>
<b>19. Net Pension Liability – ending</b>	<b>\$824,671,894</b>	<b>\$686,825,793</b>
20. Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	87.76%	89.31%
21. Covered payroll <sup>2</sup>	\$768,619,000	\$754,657,000
22. Net Pension Liability as percentage of covered payroll	107.29%	91.01%

#### Notes to Schedule:

Benefit changes: None

<sup>1</sup> See footnote (2) on the following page.

<sup>2</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions <sup>1,2</sup>	Contributions in Relation to the Actuarially Determined Contributions <sup>2</sup>	Contribution Deficiency / (Excess)	Covered Payroll <sup>3</sup>	Contributions as a Percentage of Covered Payroll
2011	\$111,585,000	\$111,585,000	\$0	\$654,829,000	17.04%
2012	132,386,000	132,386,000	0	637,037,000	20.78%
2013	142,370,000	142,370,000	0	632,146,000	22.52%
2014	161,247,000	161,247,000	0	642,779,000	25.09%
2015	173,269,000	173,269,000	0	665,086,000	26.05%
2016	177,830,000	177,830,000	0	688,233,000	25.84%
2017	190,712,000	190,712,000	0	716,033,000	26.63%
2018	197,638,000	197,638,000	0	736,994,000	26.82%
2019	199,890,664	199,890,664	0	754,657,000	26.49%
2020	214,553,123	214,553,123	0	768,619,000	27.91%

See accompanying notes to this schedule on the next page.

<sup>1</sup> All "Actuarially Determined Contributions" through June 30, 2014 were determined as the "Annual Required Contribution" under GAS 25 and 27.

<sup>2</sup> Actuarially Determined Contributions exclude employer paid member contributions.

<sup>3</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Notes to Schedule:

#### Methods and assumptions used to establish “actuarially determined contribution” rates:

<b>Valuation Date:</b>	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
<b>Actuarial Cost Method:</b>	Entry Age Actuarial Cost Method
<b>Amortization Method</b>	Level percent of payroll
<b>Remaining Amortization Period:</b>	15 years for 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.
<b>Asset Valuation Method:</b>	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 (\$27.50) reserve and statutory contingency reserve.

## Section 2: GAS 68 Information

<b>Actuarial assumptions:</b>	
<b>Valuation Date:</b>	<b>June 30, 2018 Valuation (used for the year ended June 30, 2020 ADC)</b>
<b>Investment rate of return:</b>	7.25%, net of pension plan administration and investment expenses, including inflation
<b>Inflation rate:</b>	2.75%
<b>Real across-the-board salary increase:</b>	0.50%
<b>Projected salary increases:<sup>1</sup></b>	General: 3.75% to 10.25% and Safety: 3.95% to 11.75%
<b>Cost of living adjustments:</b>	Increase of 2.75% per year; retiree COLA increases due to CPI are subject to a 3.00% maximum change per year for both PEPRA and Non-PEPRA General Tier 1 and both PEPRA and Non-PEPRA Safety. For both PEPRA and non-PEPRA General Tier 2, members represented by SEIU receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.
<b>Other assumptions:</b>	Same as those used in the June 30, 2018 funding actuarial valuation

<sup>1</sup> Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service.

## Section 2: GAS 68 Information

### Determination of proportionate share

**July 1, 2019 to June 30, 2020**  
**Actual Compensation by Employer and Tier**

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total Compensation	Total %
01	County of Ventura	\$537,955,576	92.611%	\$187,742,764	100.000%	\$725,698,340	94.416%
10	Ventura County Courts	32,700,634	5.629%	0	0.000%	32,700,634	4.254%
11	Ventura County Air Pollution Control District	4,256,906	0.733%	0	0.000%	4,256,906	0.554%
22	Ventura Regional Sanitation District	<u>5,962,930</u>	<u>1.027%</u>	<u>0</u>	<u>0.000%</u>	<u>5,962,930</u>	<u>0.776%</u>
<b>Total</b>		<b>\$580,876,046</b>	<b>100.000%</b>	<b>\$187,742,764</b>	<b>100.000%</b>	<b>\$768,618,810</b>	<b>100.000%</b>

**Allocation of June 30, 2020 Net Pension Liability (NPL)**

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total NPL	Employer Allocation Percentage
01	County of Ventura	\$435,072,790	92.611%	\$354,887,077	100.000%	\$789,959,867	95.791%
10	Ventura County Courts	26,446,712	5.629%	0	0.000%	26,446,712	3.207%
11	Ventura County Air Pollution Control District	3,442,782	0.733%	0	0.000%	3,442,782	0.417%
22	Ventura Regional Sanitation District	<u>4,822,533</u>	<u>1.027%</u>	<u>0</u>	<u>0.000%</u>	<u>4,822,533</u>	<u>0.585%</u>
<b>Total</b>		<b>\$469,784,817</b>	<b>100.000%</b>	<b>\$354,887,077</b>	<b>100.000%</b>	<b>\$824,671,894</b>	<b>100.000%</b>

## Section 2: GAS 68 Information

### Notes to Schedule:

Actual July 1, 2019 through June 30, 2020 compensation information was provided by VCERA. Results may not total due to rounding.

The Net Pension Liability (NPL) for each tier is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position. The TPL for each tier is obtained from internal valuation results based on the actual participants in each tier. The Plan's Fiduciary Net Position for each tier was determined by adjusting each tier's internally tracked valuation value of assets (which is used to determine employer contribution rates by tier) by the ratio of the total VCERA Plan's Fiduciary Net Position to total VCERA valuation value of assets. Based on this methodology, any non-valuation reserves (such as the \$27.50 non-vested supplemental reserve) are allocated amongst the tiers based on each tier's valuation value of assets.

The Safety Tier only has one employer (County of Ventura), so all of the NPL for that tier is allocated to the County.

For the two other tiers that have multiple employers, the NPL is allocated based on the actual compensation for each employer in the tier during the period ending on the measurement date within the tier.

- a. Calculate ratio of employer's compensation to the total compensation for the tier.
- b. This ratio is multiplied by the NPL for the tier to determine the employer's proportionate share of the NPL for the tier.
- c. If the employer is in several tiers, the employer's total allocated NPL is the sum of its allocated NPL from each tier.
- d. In this allocation, General Tier 1 and 2 were treated as one tier (combined) consistent with the determination of the Basic UAAL rate in the actuarial valuation.

Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2021. The reporting date and measurement date for the plan under GAS 67 are June 30, 2020. Consistent with the provisions of GAS 68 the assets and liabilities measured as of June 30, 2020 are not adjusted or "rolled forward" to June 30, 2021 for employer reporting under GAS 68. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.



## Section 2: GAS 68 Information

### Notes to Schedule (continued):

The following items are allocated based on the corresponding employer allocation percentage or proportionate share shown above.

1. Net Pension Liability
2. Service cost
3. Interest on the Total Pension Liability
4. Current-period benefit changes
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
6. Expensed portion of current-period changes of assumptions or other inputs
7. Member contributions
8. Projected earnings on plan investments
9. Expensed portion of current-period differences between actual and projected earnings on plan investments
10. Administrative expense
11. Other expense
12. Recognition of beginning of year deferred outflows of resources as pension expense
13. Recognition of beginning of year deferred inflows of resources as pension expense

## Section 2: GAS 68 Information

### Pension expense

#### Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$149,470,363	\$145,337,461
• Interest on the Total Pension Liability	466,253,485	444,176,250
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	3,216,104	1,448,825
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions <sup>1</sup>	(79,277,423)	(75,199,090)
• Projected earnings on plan investments	(414,735,410)	(390,164,470)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	41,100,004	4,299,916
• Administrative expense	5,367,358	5,341,595
• Other expense	2,582,517	2,396,874
• Recognition of beginning of year deferred outflows of resources as pension expense	103,466,764	182,381,894
• Recognition of beginning of year deferred inflows of resources as pension expense	(85,345,523)	(103,408,515)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
<b>Pension Expense</b>	<b>\$192,098,239</b>	<b>\$216,610,740</b>

<sup>1</sup> Includes "Employer paid member contributions".

## Section 2: GAS 68 Information

### Pension expense (continued)

#### County of Ventura

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$143,178,867	\$139,377,677
• Interest on the Total Pension Liability	446,627,978	425,962,118
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	97,013	(199,628)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	3,080,733	1,389,413
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions <sup>1</sup>	(75,940,484)	(72,115,436)
• Projected earnings on plan investments	(397,278,399)	(374,165,175)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	39,370,027	4,123,591
• Administrative expense	5,141,436	5,122,555
• Other expense	2,473,814	2,298,586
• Recognition of beginning of year deferred outflows of resources as pension expense	99,111,649	174,903,043
• Recognition of beginning of year deferred inflows of resources as pension expense	(81,753,166)	(99,168,090)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(455,571)	(155,740)
<b>Pension Expense</b>	<b>\$183,653,897</b>	<b>\$207,372,914</b>

<sup>1</sup> Includes "Employer paid member contributions".

## Section 2: GAS 68 Information

### Pension expense (continued)

#### Ventura County Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$4,793,421	\$4,509,614
• Interest on the Total Pension Liability	14,952,458	13,782,154
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(60,479)	157,313
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	103,138	44,955
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions <sup>1</sup>	(2,542,377)	(2,333,320)
• Projected earnings on plan investments	(13,300,305)	(12,106,246)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,318,051	133,420
• Administrative expense	172,128	165,742
• Other expense	82,820	74,372
• Recognition of beginning of year deferred outflows of resources as pension expense	3,318,114	5,659,050
• Recognition of beginning of year deferred inflows of resources as pension expense	(2,736,978)	(3,208,618)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>268,695</u>	<u>1,814</u>
<b>Pension Expense</b>	<b>\$6,368,686</b>	<b>\$6,880,250</b>

<sup>1</sup> Includes "Employer paid member contributions".

## Section 2: GAS 68 Information

### Pension expense (continued)

#### Ventura County Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$623,999	\$638,670
• Interest on the Total Pension Liability	1,946,482	1,951,889
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(34,544)	7,664
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	13,426	6,367
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions <sup>1</sup>	(330,962)	(330,455)
• Projected earnings on plan investments	(1,731,408)	(1,714,539)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	171,581	18,896
• Administrative expense	22,407	23,473
• Other expense	10,781	10,533
• Recognition of beginning of year deferred outflows of resources as pension expense	431,946	801,459
• Recognition of beginning of year deferred inflows of resources as pension expense	(356,294)	(454,418)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>68,283</u>	<u>57,366</u>
<b>Pension Expense</b>	<b>\$835,697</b>	<b>\$1,016,905</b>

<sup>1</sup> Includes "Employer paid member contributions".

## Section 2: GAS 68 Information

### Pension expense (continued)

#### Ventura Regional Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
• Service cost	\$874,076	\$811,500
• Interest on the Total Pension Liability	2,726,567	2,480,089
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,990)	34,651
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	18,807	8,090
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions <sup>1</sup>	(463,600)	(419,879)
• Projected earnings on plan investments	(2,425,298)	(2,178,510)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	240,345	24,009
• Administrative expense	31,387	29,825
• Other expense	15,102	13,383
• Recognition of beginning of year deferred outflows of resources as pension expense	605,055	1,018,342
• Recognition of beginning of year deferred inflows of resources as pension expense	(499,085)	(577,389)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	118,593	96,560
<b>Pension Expense</b>	<b>\$1,239,959</b>	<b>\$1,340,671</b>

<sup>1</sup> Includes "Employer paid member contributions".

## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources

#### Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$3,112,773	\$4,030,701
• Changes of assumptions or other inputs	58,383,812	90,958,092
• Net excess of projected over actual earnings on Pension Plan investments (if any)	97,335,034	0
• Difference between actual and expected experience in the Total Pension Liability	<u>30,984,280</u>	<u>23,258,303</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$189,815,899</b>	<b>\$118,247,096</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$3,112,773	\$4,030,701
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	0	67,614,103
• Difference between expected and actual experience in the Total Pension Liability	<u>18,311,511</u>	<u>38,511,662</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$21,424,284</b>	<b>\$110,156,466</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2021	N/A	\$18,121,241
2022	\$56,989	(44,259,119)
2023	58,575,004	14,258,896
2024	63,691,700	19,375,592
2025	44,910,127	594,020
2026	1,157,795	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### County of Ventura

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$754,418	\$734,031
• Changes of assumptions or other inputs	55,926,325	87,228,215
• Net excess of projected over actual earnings on Pension Plan investments (if any)	93,238,015	0
• Difference between actual and expected experience in the Total Pension Liability	<u>29,680,093</u>	<u>22,304,561</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$179,598,851</b>	<b>\$110,266,807</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$2,313,901	\$3,172,064
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	0	64,841,483
• Difference between expected and actual experience in the Total Pension Liability	<u>17,540,744</u>	<u>36,932,431</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$19,854,645</b>	<b>\$104,945,978</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2021	N/A	\$16,922,581
2022	\$(443,377)	(43,039,186)
2023	55,416,575	12,884,281
2024	60,592,079	18,065,339
2025	43,034,938	487,814
2026	1,143,991	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.



## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Ventura County Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,740,519	\$2,383,348
• Changes of assumptions or other inputs	1,872,332	2,822,300
• Net excess of projected over actual earnings on Pension Plan investments (if any)	3,121,474	0
• Difference between actual and expected experience in the Total Pension Liability	<u>993,646</u>	<u>721,672</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$7,727,971</b>	<b>\$5,927,320</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$475,021	\$585,466
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	0	2,097,969
• Difference between expected and actual experience in the Total Pension Liability	<u>587,239</u>	<u>1,194,962</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$1,062,260</b>	<b>\$3,878,397</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2021	N/A	\$830,971
2022	\$382,711	(931,935)
2023	2,450,949	1,075,397
2024	2,372,435	991,558
2025	1,444,261	82,932
2026	15,355	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Ventura County Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$152,693	\$233,881
• Changes of assumptions or other inputs	243,737	399,706
• Net excess of projected over actual earnings on Pension Plan investments (if any)	406,347	0
• Difference between actual and expected experience in the Total Pension Liability	<u>129,351</u>	<u>102,206</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$932,128</b>	<b>\$735,793</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$166,834	\$29,125
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	0	297,123
• Difference between expected and actual experience in the Total Pension Liability	<u>76,446</u>	<u>169,236</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$243,280</b>	<b>\$495,484</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2021	N/A	\$147,915
2022	\$23,861	(136,325)
2023	256,218	108,886
2024	260,288	114,080
2025	156,087	5,753
2026	(7,606)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Ventura Regional Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$465,143	\$679,441
• Changes of assumptions or other inputs	341,418	507,871
• Net excess of projected over actual earnings on Pension Plan investments (if any)	569,198	0
• Difference between actual and expected experience in the Total Pension Liability	<u>181,190</u>	<u>129,864</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$1,556,949</b>	<b>\$1,317,176</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$157,017	\$244,046
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	0	377,528
• Difference between expected and actual experience in the Total Pension Liability	<u>107,082</u>	<u>215,033</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$264,099</b>	<b>\$836,607</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2021	N/A	\$219,774
2022	\$93,794	(151,673)
2023	451,262	190,332
2024	466,898	204,615
2025	274,841	17,521
2026	6,055	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

There are differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2020. These differences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA which is 5.36 years determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020).

There are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ended June 30, 2020. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA which is 5.36 years determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020). This is described in Paragraph 33a. of GASB 68.

The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources and the difference between the actual employer contributions and the proportionate share of the employer contributions for prior periods continue to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

## Section 2: GAS 68 Information

### Schedule of proportionate share of the Net Pension Liability

Total for All Employers

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered Payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	100.000%	\$994,611,346	\$632,146,000	157.34%	78.48%
2015	100.000%	553,154,018	642,779,000	86.06%	88.54%
2016	100.000%	854,539,961	665,086,000	128.49%	83.63%
2017	100.000%	1,064,702,210	688,233,000	154.70%	80.47%
2018	100.000%	713,174,341	716,033,000	99.60%	87.44%
2019	100.000%	725,490,111	736,994,000	98.44%	88.15%
2020	100.000%	686,825,793	754,657,000	91.01%	89.31%
2021	100.000%	824,671,894	768,619,000	107.29%	87.76%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of proportionate share of the Net Pension Liability (continued)

#### County of Ventura

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered Payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	96.052%	\$955,341,940	\$593,955,000	160.84%	78.48%
2015	96.052%	531,314,302	601,494,000	88.33%	88.54%
2016	96.286%	822,801,569	624,327,000	131.79%	83.63%
2017	96.623%	1,028,749,778	651,547,000	157.89%	80.47%
2018	96.778%	690,194,000	678,724,000	101.69%	87.44%
2019	96.221%	698,071,969	697,412,000	100.09%	88.15%
2020	95.899%	658,661,443	712,948,000	92.39%	89.31%
2021	95.791%	789,959,867	725,698,000	108.86%	87.76%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of proportionate share of the Net Pension Liability (continued)

#### Ventura County Courts

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered Payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	3.070%	\$30,538,522	\$31,643,000	96.51%	78.48%
2015	3.070%	16,984,027	32,106,000	52.90%	88.54%
2016	2.859%	24,428,566	31,372,000	77.87%	83.63%
2017	2.482%	26,426,927	26,966,000	98.00%	80.47%
2018	2.426%	17,304,192	28,094,000	61.59%	87.44%
2019	2.844%	20,635,567	29,790,000	69.27%	88.15%
2020	3.103%	21,311,223	31,560,000	67.53%	89.31%
2021	3.207%	26,446,712	32,701,000	80.87%	87.76%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of proportionate share of the Net Pension Liability (continued)

#### Ventura County Air Pollution Control District

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered Payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.423%	\$4,205,569	\$4,389,000	95.82%	78.48%
2015	0.423%	2,338,931	4,421,000	52.91%	88.54%
2016	0.404%	3,456,606	4,439,000	77.87%	83.63%
2017	0.417%	4,435,252	4,526,000	97.99%	80.47%
2018	0.395%	2,817,898	4,575,000	61.59%	87.44%
2019	0.428%	3,103,796	4,481,000	69.27%	88.15%
2020	0.439%	3,018,188	4,470,000	67.52%	89.31%
2021	0.417%	3,442,782	4,257,000	80.87%	87.76%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.



## Section 2: GAS 68 Information

### Schedule of proportionate share of the Net Pension Liability (continued)

#### Ventura Regional Sanitation District

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered Payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its Covered Payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.455%	\$4,525,315	\$2,159,000	209.60%	78.48%
2015	0.455%	2,516,758	4,758,000	52.90%	88.54%
2016	0.451%	3,853,220	4,948,000	77.87%	83.63%
2017	0.478%	5,090,253	5,194,000	98.00%	80.47%
2018	0.401%	2,858,251	4,640,000	61.60%	87.44%
2019	0.507%	3,678,779	5,311,000	69.27%	88.15%
2020	0.558%	3,834,939	5,679,000	67.53%	89.31%
2021	0.585%	4,822,533	5,963,000	80.87%	87.76%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of reconciliation of Net Pension Liability

Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Beginning Net Pension Liability</b>	<b>\$686,825,793</b>	<b>\$725,490,111</b>
• Pension Expense	192,098,239	216,610,740
• Employer Contributions	(214,553,123)	(199,890,664)
• New Net Deferred Inflows/Outflows	178,422,226	23,588,985
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	0	0
• Recognition of Prior Deferred Inflows/Outflows	(18,121,241)	(78,973,379)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>0</u>	<u>0</u>
<b>Ending Net Pension Liability</b>	<b>\$824,671,894</b>	<b>\$686,825,793</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### County of Ventura

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Beginning Net Pension Liability</b>	<b>\$658,661,443</b>	<b>\$698,071,969</b>
• Pension Expense	183,653,897	207,372,914
• Employer Contributions	(206,778,849)	(192,741,544)
• New Net Deferred Inflows/Outflows	170,912,091	22,621,683
• Change in Allocation of Prior Deferred Inflows/Outflows	(8,782)	(204,006)
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	422,979	(880,360)
• Recognition of Prior Deferred Inflows/Outflows	(17,358,483)	(75,734,953)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>455,571</u>	<u>155,740</u>
<b>Ending Net Pension Liability</b>	<b>\$789,959,867</b>	<b>\$658,661,443</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Ventura County Courts

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Beginning Net Pension Liability</b>	<b>\$21,311,223</b>	<b>\$20,635,567</b>
• Pension Expense	6,368,686	6,880,250
• Employer Contributions	(5,849,987)	(5,342,112)
• New Net Deferred Inflows/Outflows	5,721,889	731,932
• Change in Allocation of Prior Deferred Inflows/Outflows	8,421	164,080
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	(263,689)	693,752
• Recognition of Prior Deferred Inflows/Outflows	(581,136)	(2,450,432)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>(268,695)</u>	<u>(1,814)</u>
<b>Ending Net Pension Liability</b>	<b>\$26,446,712</b>	<b>\$21,311,223</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Ventura County Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Beginning Net Pension Liability</b>	<b>\$3,018,188</b>	<b>\$3,103,796</b>
• Pension Expense	835,697	1,016,905
• Employer Contributions	(859,642)	(842,939)
• New Net Deferred Inflows/Outflows	744,865	103,659
• Change in Allocation of Prior Deferred Inflows/Outflows	(1,777)	7,375
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	(150,614)	33,799
• Recognition of Prior Deferred Inflows/Outflows	(75,652)	(347,041)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>(68,283)</u>	<u>(57,366)</u>
<b>Ending Net Pension Liability</b>	<b>\$3,442,782</b>	<b>\$3,018,188</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Ventura Regional Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2021	June 30, 2020
Measurement Date for Employer under GAS 68	June 30, 2020	June 30, 2019
<b>Beginning Net Pension Liability</b>	<b>\$3,834,939</b>	<b>\$3,678,779</b>
• Pension Expense	1,239,959	1,340,671
• Employer Contributions	(1,064,645)	(964,069)
• New Net Deferred Inflows/Outflows	1,043,381	131,711
• Change in Allocation of Prior Deferred Inflows/Outflows	2,138	32,551
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	(8,676)	152,809
• Recognition of Prior Deferred Inflows/Outflows	(105,970)	(440,953)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>(118,593)</u>	<u>(96,560)</u>
<b>Ending Net Pension Liability</b>	<b>\$4,822,533</b>	<b>\$3,834,939</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GAS 68 Information

### Schedule of recognition of changes in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Actual and Expected Experience on Total Pension Liability (Dollars in \$000s)

#### Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Differences Between Actual and Expected Experience	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023
2016	\$(101,178)	5.20	\$(19,457)	\$(19,457)	\$(19,457)	\$(19,457)	\$(19,457)	\$(3,891)	\$0	\$0
2017	(39,598)	5.57	0	(7,109)	(7,109)	(7,109)	(7,109)	(7,109)	(4,052)	0
2018	(51,058)	5.55	0	0	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(5,060)
2019	26,564	5.48	0	0	0	4,847	4,847	4,847	4,847	4,847
2020	7,838	5.41	0	0	0	0	1,449	1,449	1,449	1,449
2021	17,238	5.36	0	0	0	0	0	3,216	3,216	3,216
<b>Net increase (decrease) in pension expense</b>			<b>\$(19,457)</b>	<b>\$(26,566)</b>	<b>\$(35,766)</b>	<b>\$(30,919)</b>	<b>\$(29,470)</b>	<b>\$(10,688)</b>	<b>\$(3,740)</b>	<b>\$4,452</b>

#### Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Differences Between Actual and Expected Experience	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2016	\$(101,178)	5.20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	(39,598)	5.57	0	0	0	0	0	0	0	0
2018	(51,058)	5.55	0	0	0	0	0	0	0	0
2019	26,564	5.48	2,327	0	0	0	0	0	0	0
2020	7,838	5.41	1,449	594	0	0	0	0	0	0
2021	17,238	5.36	3,216	3,216	1,158	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$6,992</b>	<b>\$3,810</b>	<b>\$1,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: Results may not add due to rounding

As described on page 36, the average of the expected remaining service lives of all employees that are provided with pensions through VCERA (active and inactive employees) determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020) is 5.36 years.

## Section 2: GAS 68 Information

### Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes (Dollars in \$000s)

Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023
2016	\$234,843	5.20	\$45,162	\$45,162	\$45,162	\$45,162	\$45,162	\$9,032	\$0	\$0
2017	0	5.57	0	0	0	0	0	0	0	0
2018	0	5.55	0	0	0	0	0	0	0	0
2019	129,009	5.48	0	0	0	23,542	23,542	23,542	23,542	23,542
2020	0	5.41	0	0	0	0	0	0	0	0
2021	0	5.36	0	0	0	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$45,162</b>	<b>\$45,162</b>	<b>\$45,162</b>	<b>\$68,704</b>	<b>\$68,704</b>	<b>\$32,574</b>	<b>\$23,542</b>	<b>\$23,542</b>

Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2016	\$234,843	5.20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	0	5.57	0	0	0	0	0	0	0	0
2018	0	5.55	0	0	0	0	0	0	0	0
2019	129,009	5.48	11,300	0	0	0	0	0	0	0
2020	0	5.41	0	0	0	0	0	0	0	0
2021	0	5.36	0	0	0	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$11,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: Results may not add due to rounding

As described on page 36, the average of the expected remaining service lives of all employees that are provided with pensions through VCERA (active and inactive employees) determined as of June 30, 2019 (the beginning of the measurement period ending June 30, 2020) is 5.36 years.



## Section 2: GAS 68 Information

### Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments (Dollars in \$000s)

#### Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023
2016	\$242,671	5.00	\$48,534	\$48,534	\$48,534	\$48,534	\$48,534	\$0	\$0	\$0
2017	301,482	5.00	0	60,296	60,296	60,296	60,296	60,296	0	0
2018	(251,630)	5.00	0	0	(50,326)	(50,326)	(50,326)	(50,326)	(50,326)	0
2019	(74,097)	5.00	0	0	0	(14,819)	(14,819)	(14,819)	(14,819)	(14,819)
2020	21,500	5.00	0	0	0	0	4,300	4,300	4,300	4,300
2021	205,500	5.00	0	0	0	0	0	41,100	41,100	41,100
<b>Net increase (decrease) in pension expense</b>			<b>\$48,534</b>	<b>\$108,830</b>	<b>\$58,504</b>	<b>\$43,685</b>	<b>\$47,985</b>	<b>\$40,551</b>	<b>(\$19,745)</b>	<b>\$30,581</b>

#### Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2016	\$242,671	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	301,482	5.00	0	0	0	0	0	0	0	0
2018	(251,630)	5.00	0	0	0	0	0	0	0	0
2019	(74,097)	5.00	0	0	0	0	0	0	0	0
2020	21,500	5.00	4,300	0	0	0	0	0	0	0
2021	205,500	5.00	41,100	41,100	0	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$45,400</b>	<b>\$41,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: Results may not add due to rounding

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b. of GASB 68

## Section 2: GAS 68 Information

### Schedule of recognition of changes in total Net Pension Liability (continued)

Total Increase (Decrease) in Pension Expense (Dollars in \$000s)

Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Total Differences	2016	2017	2018	2019	2020	2021	2022	2023
2016	\$376,336	\$74,239	\$74,239	\$74,239	\$74,239	\$74,239	\$5,141	\$0	\$0
2017	261,884	0	53,187	53,187	53,187	53,187	53,187	(4,052)	0
2018	(302,688)	0	0	(59,526)	(59,526)	(59,526)	(59,526)	(59,526)	(5,060)
2019	81,476	0	0	0	13,570	13,570	13,570	13,570	13,570
2020	29,338	0	0	0	0	5,749	5,749	5,749	5,749
2021	222,738	0	0	0	0	0	44,316	44,316	44,316
<b>Net increase (decrease) in pension expense</b>		<b>\$74,239</b>	<b>\$127,426</b>	<b>\$67,900</b>	<b>\$81,470</b>	<b>\$87,219</b>	<b>\$62,437</b>	<b>\$57</b>	<b>\$58,575</b>

Reporting Date for Employer under GASB 68 Year Ended June 30:

Reporting Date for Employer under GASB 68 Year Ended June 30	Total Differences	2024	2025	2026	2027	2028	2029	2030	Thereafter
2016	\$376,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	261,884	0	0	0	0	0	0	0	0
2018	(302,688)	0	0	0	0	0	0	0	0
2019	81,476	13,627	0	0	0	0	0	0	0
2020	29,338	5,749	594	0	0	0	0	0	0
2021	222,738	44,316	44,316	1,158	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>		<b>\$63,692</b>	<b>\$44,910</b>	<b>\$1,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: Results may not add due to rounding.

## Section 2: GAS 68 Information

### Allocation of changes in total Net Pension Liability

In addition to the amounts shown in the *Schedule of recognition of changes in total Net Pension Liability*, there are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ending on June 30, 2020. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown previously. The differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2020 is recognized over the same period. These amounts are shown on the following table, with the corresponding amounts for the measurement periods ending each June 30 beginning in 2015 shown on the following pages. While these amounts are different for each employer, they sum to zero for VCERA.

#### Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2020

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2021	2022	2023	2024	2025	2026
County of Ventura	\$519,992	5.36	\$97,013	\$97,013	\$97,013	\$97,013	\$97,013	\$34,927
Ventura County Courts	(324,168)	5.36	(60,479)	(60,479)	(60,479)	(60,479)	(60,479)	(21,773)
Ventura County Air Pollution Control District	(185,158)	5.36	(34,544)	(34,544)	(34,544)	(34,544)	(34,544)	(12,438)
Ventura Regional Sanitation District	(10,666)	5.36	(1,990)	(1,990)	(1,990)	(1,990)	(1,990)	(716)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GAS 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2019

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2020	2021	2022	2023	2024	2025
County of Ventura	\$(1,079,988)	5.41	\$(199,628)	\$(199,628)	\$(199,628)	\$(199,628)	\$(199,628)	\$(81,848)
Ventura County Courts	851,065	5.41	157,313	157,313	157,313	157,313	157,313	64,500
Ventura County Air Pollution Control District	41,463	5.41	7,664	7,664	7,664	7,664	7,664	3,143
Ventura Regional Sanitation District	187,460	5.41	34,651	34,651	34,651	34,651	34,651	14,205
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2018

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2019	2020	2021	2022	2023	2024
County of Ventura	\$(3,608,774)	5.48	\$(658,535)	\$(658,535)	\$(658,535)	\$(658,535)	\$(658,535)	\$(316,099)
Ventura County Courts	2,660,628	5.48	485,516	485,516	485,516	485,516	485,516	233,048
Ventura County Air Pollution Control District	242,862	5.48	44,318	44,318	44,318	44,318	44,318	21,272
Ventura Regional Sanitation District	705,284	5.48	128,701	128,701	128,701	128,701	128,701	61,779
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GAS 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2017

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2018	2019	2020	2021	2022	2023
County of Ventura	\$688,776	5.55	\$124,104	\$124,104	\$124,104	\$124,104	\$124,104	\$68,256
Ventura County Courts	(99,535)	5.55	(17,934)	(17,934)	(17,934)	(17,934)	(17,934)	(9,865)
Ventura County Air Pollution Control District	(58,080)	5.55	(10,465)	(10,465)	(10,465)	(10,465)	(10,465)	(5,755)
Ventura Regional Sanitation District	(531,161)	5.55	(95,705)	(95,705)	(95,705)	(95,705)	(95,705)	(52,636)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2016

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2017	2018	2019	2020	2021	2022
County of Ventura	\$1,359,094	5.57	\$244,003	\$244,003	\$244,003	\$244,003	\$244,003	\$139,079
Ventura County Courts	(1,793,463)	5.57	(321,986)	(321,986)	(321,986)	(321,986)	(321,986)	(183,533)
Ventura County Air Pollution Control District	162,680	5.57	29,206	29,206	29,206	29,206	29,206	16,650
Ventura Regional Sanitation District	271,689	5.57	48,777	48,777	48,777	48,777	48,777	27,804
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GAS 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2015

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2016	2017	2018	2019	2020	2021
County of Ventura	\$896,620	5.20	\$172,427	\$172,427	\$172,427	\$172,427	\$172,427	\$34,485
Ventura County Courts	(889,519)	5.20	(171,061)	(171,061)	(171,061)	(171,061)	(171,061)	(34,214)
Ventura County Air Pollution Control District	(63,475)	5.20	(12,207)	(12,207)	(12,207)	(12,207)	(12,207)	(2,440)
Ventura Regional Sanitation District	<u>56,374</u>	5.20	<u>10,841</u>	<u>10,841</u>	<u>10,841</u>	<u>10,841</u>	<u>10,841</u>	<u>2,169</u>
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Section 3: Actuarial Assumptions and Methods and Appendices

## Actuarial assumptions and methods

For June 30, 2020 Measurement Date and Employer Reporting as of June 30, 2021:

<b>Rationale for Assumptions:</b>	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2014 through June 30, 2017 Actuarial Experience Study dated May 24, 2018. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
<b><u>Economic Assumptions</u></b>	
<b>Net Investment Return:</b>	7.25%; net of investment and administrative expenses. Based on the Actuarial Experience Study reference above, expected investment expenses represent about 0.2% of the Actuarial Value of Assets.
<b>Member Contribution Crediting Rate:</b>	2.75% (Actual rate is based on projected long term ten-year Treasury rate).
<b>Consumer Price Index:</b>	Increase of 2.75% per year. Retiree COLA increases due to CPI are subject to a 3.00% maximum change per year for both PEPRA and Non-PEPRA General Tier 1 and both PEPRA and Non-PEPRA Safety. For both PEPRA and non-PEPRA General Tier 2, members represented by SEIU receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.
<b>Payroll Growth:</b>	Inflation of 2.75% per year plus “across the board” real salary increases of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.
<b>Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:</b>	Increase of 2.75% per year from the valuation date.
<b>Increase in Section 7522.10 Compensation Limit:</b>	Increase of 2.75% per year from the valuation date.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Rate (%)	
	General	Safety
Less than 1	7.00	8.50
1 – 2	5.25	6.50
2 – 3	4.00	5.00
3 – 4	3.50	4.25
4 – 5	2.75	3.75
5 – 6	2.25	3.50
6 – 7	2.00	2.50
7 – 8	1.75	1.50
8 – 9	1.50	1.25
9 – 10	1.25	1.00
10 – 11	1.00	0.95
11 – 12	0.95	0.90
12 – 13	0.90	0.85
13 – 14	0.85	0.80
14 – 15	0.80	0.70
15 – 16	0.75	0.70
16 – 17	0.70	0.70
17 – 18	0.65	0.70
18 – 19	0.60	0.70
19 – 20	0.55	0.70
20 & Over	0.50	0.70



## Section 3: Actuarial Assumptions and Methods and Appendices

### Demographic Assumptions:

#### Post-Retirement Mortality Rates:

##### *Healthy*

- **General Members and All Beneficiaries:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) times 90% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2017.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) times 75% for males and 85% for females, projected generationally with the two-dimensional mortality improvement scale MP-2017.

##### *Disabled*

- **General Members:** Headcount-Weighted RP-2014 Disabled Retiree Mortality Table (separate tables for males and females) times 85% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2017.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) times 100% for males and 115% for females, projected generationally with the two-dimensional mortality improvement scale MP-2017.

The RP-2014 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

#### Pre-Retirement Mortality Rates:

- **General and Safety Members:** Headcount-Weighted RP-2014 Employee Mortality Table times 80%, projected generationally with the two-dimensional MP-2017 projection scale.

Age	Rate (%)			
	General <sup>1</sup>		Safety <sup>1</sup>	
	Male	Female	Male	Female
25	0.05	0.02	0.05	0.02
30	0.05	0.02	0.05	0.02
35	0.05	0.03	0.05	0.03
40	0.06	0.04	0.06	0.04
45	0.10	0.07	0.10	0.07
50	0.17	0.11	0.17	0.11
55	0.27	0.17	0.27	0.17
60	0.45	0.24	0.45	0.24
65	0.78	0.36	0.78	0.36
70	1.27	0.59	1.27	0.59

All pre-retirement deaths are assumed to be non-service connected.

<sup>1</sup> Generational projections beyond the base year (2014) are not reflected in the above mortality rates.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Mortality Rates for Member Contributions:

- **General Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) times 90% for males and 100% for females, projected 20 years with the two-dimensional mortality improvement scale MP-2017, weighted one-third male and two-thirds female.
- **Safety Members:** Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) times 75% for males and 85% for females, projected 20 years with the two-dimensional mortality improvement scale MP-2017, weighted 80% male and 20% female.

### Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.01	0.05
25	0.02	0.11
30	0.03	0.24
35	0.06	0.36
40	0.11	0.52
45	0.17	0.84
50	0.23	1.30
55	0.31	2.76
60	0.41	5.64
65	0.54	2.80
70	0.69	0.00

25% of General disabilities are assumed to be service connected (duty) disabilities and the other 75% are assumed to be non-service connected (ordinary) disabilities.

90% of Safety disabilities are assumed to be service connected (duty) disabilities and the other 10% are assumed to be non-service connected (ordinary) disabilities.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 1	14.00	11.00
1 – 2	10.00	6.00
2 – 3	8.25	5.75
3 – 4	7.25	4.50
4 – 5	6.00	4.25
5 – 6	5.00	3.00
6 – 7	4.00	2.50
7 – 8	3.50	2.25
8 – 9	3.50	1.80
9 – 10	3.25	1.60
10 – 11	3.25	1.40
11 – 12	3.00	1.20
12 – 13	3.00	1.00
13 – 14	2.75	0.95
14 – 15	2.75	0.90
15 – 16	2.50	0.85
16 – 17	2.50	0.80
17 – 18	2.25	0.75
18 – 19	2.00	0.70
19 – 20	2.00	0.65
20 & Over	2.00	0.60

The member is assumed to receive the greater of the member's contribution balance or a deferred retirement benefit.

No termination is assumed after a member is first assumed to retire.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Retirement Rates:

Age	General Tier 1 and 2		Safety Non-PEPRA		General PEPRA Tier 1 and 2	Safety PEPRA
	Less than 30 Years of Service	30 or More Years of Service	Less than 30 Years of Service	30 or More Years of Service		
Under 50	0.00	50.00	1.00	1.00	0.00	0.00
50	2.00	2.00	2.00	2.00	0.00	4.00
51	2.00	2.00	2.25	2.25	0.00	2.25
52	2.50	2.50	2.50	2.50	1.50	3.50
53	3.00	3.00	3.50	3.50	1.50	5.50
54	3.25	3.25	13.00	13.00	2.00	13.00
55	4.75	4.75	20.00	30.00	4.00	20.00
56	5.00	5.00	20.00	30.00	4.50	20.00
57	5.50	5.50	18.00	27.00	5.00	18.00
58	7.00	7.00	22.00	33.00	5.50	18.00
59	7.50	7.50	22.00	33.00	6.00	25.00
60	10.50	15.75	25.00	37.50	9.00	25.00
61	14.00	21.00	28.00	42.00	11.00	25.00
62	25.00	37.50	35.00	45.00	22.50	40.00
63	20.00	30.00	35.00	45.00	20.00	40.00
64	20.00	30.00	35.00	45.00	18.00	40.00
65	28.00	42.00	100.00	100.00	20.00	100.00
66	35.00	52.50	100.00	100.00	30.00	100.00
67	30.00	45.00	100.00	100.00	30.00	100.00
68	30.00	45.00	100.00	100.00	25.00	100.00
69	22.50	22.50	100.00	100.00	35.00	100.00
70	22.50	22.50	100.00	100.00	50.00	100.00
71	20.00	20.00	100.00	100.00	50.00	100.00
72	20.00	20.00	100.00	100.00	50.00	100.00
73	20.00	20.00	100.00	100.00	50.00	100.00
74	20.00	20.00	100.00	100.00	50.00	100.00
75	100.00	100.00	100.00	100.00	100.00	100.00

### Retirement Age and Benefit for Deferred Vested Members:

General Retirement Age: 59

Safety Retirement Age: 53

Future deferred vested members who terminate with less than five years of service and are not vested are assumed to retire at age 70 for both General and Safety if they decide to leave their contributions on deposit. 45% of future General and 60% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 3.75% and 3.95% compensation increases are assumed per annum for General and Safety, respectively.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Future Benefit Accruals:</b>	1.0 year of service per year of employment.										
<b>Unknown Data for Members:</b>	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.										
<b>Definition of Active Members:</b>	All active members of VCERA as of the valuation date.										
<b>Form of Payment:</b>	All active and inactive members are assumed to elect the unmodified option at retirement.										
<b>Percent Married:</b>	For all active and inactive members, 70% of male members and 55% of female members are assumed to be married at pre-retirement death or retirement.										
<b>Age and Gender of Spouse:</b>	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.										
<b>In-Service Redemptions:</b>	<p>The following assumptions for in-service redemptions pay as a percentage of final average compensation are used:</p> <table border="0"> <tr> <td>General Tier 1:</td> <td>7.50%</td> </tr> <tr> <td>General Tier 2:</td> <td>3.50%</td> </tr> <tr> <td>Safety:</td> <td>7.00%</td> </tr> <tr> <td>General PEPRA:</td> <td>0.00%</td> </tr> <tr> <td>Safety PEPRA:</td> <td>0.00%</td> </tr> </table> <p>For determining the cost of the basic benefit (i.e., non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect member contribution rates.</p>	General Tier 1:	7.50%	General Tier 2:	3.50%	Safety:	7.00%	General PEPRA:	0.00%	Safety PEPRA:	0.00%
General Tier 1:	7.50%										
General Tier 2:	3.50%										
Safety:	7.00%										
General PEPRA:	0.00%										
Safety PEPRA:	0.00%										
<b>Average Entry Age for Member Contribution Rates:</b>	For non-PEPRA members hired after November 1974 who are not contributing fifty percent of Normal Cost, they will pay a contribution corresponding to a General and Safety member hired at entry age 35 and 27, respectively.										
<b><u>Actuarial Methods</u></b>											
<b>Actuarial Cost Method:</b>	Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.										
<b>Expected Remaining Service Lives:</b>	<p>The average of the expected service lives of all employees is determined by:</p> <ul style="list-style-type: none"> <li>• Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.</li> <li>• Setting the remaining service life to zero for each nonactive or retired member.</li> <li>• Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.</li> </ul>										

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix A: Projection of Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2020 (\$ in millions)

Year Beginning July 1,	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2019	\$5,735	\$294	\$316	\$8	\$209	\$5,915
2020	5,915	237	344	8	425	6,224
2021	6,224	235	363	9	446	6,534
2022	6,534	237	383	9	468	6,847
2023	6,847	243	403	9	490	7,169
2024	7,169	211	423	10	512	7,458
2025	7,458	180	445	10	531	7,714
2026	7,714	172	465	11	548	7,959
2027	7,959	170	486	11	565	8,198
2028	8,198	166	507	11	582	8,428
2044	10,331	55	808	14	722	10,286
2045	10,286	51	822	14	718	10,218
2046	10,218	48	834	14	712	10,130
2047	10,130	45	845	14	705	10,021
2048	10,021	42	854	14	697	9,892
2093	265	3	71	0	17	214
2094	214	3	59	0	13	171
2095	171	2	48	0	11	136
2096	136	2	39	0	9	107
2097	107	2	31	0	7	85
2098	85	2	24	0	5	67
2130	112	0	0 *	0	8	120
2131	120					
2131 Discounted Value:	0 **					

\* Less than \$1 million, when rounded.  
 \*\* \$120 million when discounted with interest at the rate of 7.25% per annum is less than \$1 million as of June 30, 2019.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Notes:

- (1) Amounts may not total exactly due to rounding.
- (2) Amounts shown in the year beginning July 1, 2019 row are actual amounts, based on the unaudited financial statements provided by VCERA.
- (3) Various years have been omitted from this table.
- (4) Column (a): Except for the "discounted value" shown for 2131, none of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.
- (5) Column (b): Projected total contributions include employee and employer normal cost rates applied to closed group projected payroll (based on covered active members as of June 30, 2019), plus employer contributions to the unfunded actuarial accrued liability. Contributions are assumed to occur halfway through the year, on average.
- (6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2019. The projected benefit payments reflect the cost of living increase assumptions used in June 30, 2020 valuation report.
- (7) Column (d): Projected administrative expenses are calculated as approximately 0.14% of the projected beginning Plan's Fiduciary Net Position amount. The 0.14% portion was based on the actual fiscal year 2019/2020 administrative and other expenses (unaudited) as a percentage of the actual beginning Plan's Fiduciary Net Position as of July 1, 2019. Administrative expenses are assumed to occur halfway through the year, on average.
- (8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.25% per annum.
- (9) As illustrated in this appendix, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.25% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2020 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.
- (10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

<b>Active Employees</b>	Individuals employed at the end of the reporting or measurement period, as applicable.
<b>Actual Contributions</b>	Cash contributions recognized as additions to a Pension Plan's Fiduciary Net Position.
<b>Actuarial Present Value of Projected Benefit Payments</b>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<b>Actuarial Valuation</b>	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GAS.
<b>Actuarial Valuation Date</b>	The date as of which an actuarial valuation is performed.
<b>Actuarially Determined Contribution</b>	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
<b>Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs)</b>	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
<b>Automatic Cost-of-Living Adjustments (Automatic COLAs)</b>	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
<b>Closed Period</b>	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
<b>Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
<b>Collective Net Pension Liability</b>	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
<b>Collective Pension Expense</b>	Pension expense arising from certain changes in the collective Net Pension Liability.
<b>Contributions</b>	Additions to a Pension Plan's Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.



## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Cost-of-Living Adjustments</b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b>Cost-Sharing Employer</b>	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
<b>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan)</b>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<b>Covered Payroll</b>	The payroll of members that are provided with pensions through the pension plan.
<b>Defined Benefit Pension Plans</b>	Pension plans that are used to provide defined benefit pensions.
<b>Defined Benefit Pensions</b>	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 68.)
<b>Defined Contribution Pension Plans</b>	Pension plans that are used to provide defined contribution pensions.
<b>Defined Contribution Pensions</b>	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
<b>Discount Rate</b>	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> <li>1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.</li> <li>2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li> </ol>
<b>Entry Age Actuarial Cost Method</b>	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the <i>normal cost</i> . The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the <i>actuarial accrued liability</i> .

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Inactive Employees</b>	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
<b>Measurement Period</b>	The period between the prior and the current measurement dates.
<b>Multiple-Employer Defined Benefit Pension Plan</b>	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<b>Net Pension Liability</b>	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.
<b>Pension Plans</b>	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.
<b>Pensions</b>	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
<b>Plan Members</b>	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
<b>Postemployment</b>	The period after employment.
<b>Postemployment Benefit Changes</b>	Adjustments to the pension of an inactive employee.
<b>Projected Benefit Payments</b>	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
<b>Public Employee Retirement System</b>	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
<b>Real Rate of Return</b>	The rate of return on an investment after adjustment to eliminate inflation.
<b>Service Costs</b>	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
<b>Termination Benefits</b>	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
<b>Total Pension Liability</b>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

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