

Date: October 18, 2017  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Financial Report

***Preliminary Monthly Financial Reports, month ending August 31, 2017***

**1. Statement of Plan Net Position**

This report presents the assets available for future payments to retirees and any liabilities owed at the end of the month. Cash decreased to \$-60,916 during the month. Cash on the July report was very preliminary and totaled \$793,956 after the necessary information became available and was recorded. Total net position increased to \$493.2 million. The Pension Gold Software asset was adjusted down to \$555,682 upon recommendation from MCERA's external auditor.

**2. Statement of Changes in Plan Net Position**

This report details the current fiscal year additions to and deductions from the fund for the most recent month and fiscal year-to-date. For the month there was an increase of about \$800,000 and year-to-date net position increased by \$9.2 million.

**3. Cash Flow Analysis**

This report reviews the sources and uses of cash during the month and year-to-date. MCERA monitors the cash allocation within the fund in accordance with the investment policy statement. There was a net cash decrease of \$854,871 during the month.

**4. Office Building Rental Income – Net of Expenses**

This report details the \$6,468 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Utilities expense was elevated in August when compared to the prior year and the budget estimates.

**5. Vendor Ledgers**

The Vendor Ledgers report includes vendor transactions and balances for the monthly report period. The report total ties to accounts payable on the Statement of Plan Net Position. Vendors with no activity this month and a zero balance were excluded.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF PLAN NET POSITION**  
**August 31, 2017**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash - Held at County \$ (60,916)

**TOTAL CASH AND EQUIVALENTS** (60,916)

**CURRENT ASSETS**

Accounts Receivable 63,546  
 Recoupments 71,951

**TOTAL CURRENT ASSETS** 135,497

**EQUIPMENT**

Pension Gold Software 555,682

**TOTAL EQUIPMENT** 555,682

**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain (Loss) 110,669,168  
 Fixed Income 103,433,717  
 International Equities 116,893,574  
 Small Cap Equities 21,075,845  
 Mid Cap Equities 21,991,277  
 Large Cap Equities 83,093,842  
 Real Estate 36,163,238

**TOTAL INVESTMENTS, AT MARKET** 493,320,661

**TOTAL ASSETS** \$ 493,950,924

**LIABILITIES**

**CURRENT LIABILITIES**

Federal Withholding \$ 6,054  
 Accrued Wages - 1920 Account 66,225  
 Accrued Courts POB Payments 28,601

**TOTAL CURRENT LIABILITIES** 100,880

**OTHER LIABILITIES**

Pension Gold Software 555,682

**TOTAL OTHER LIABILITIES** 555,682

**TOTAL NET POSITION** \$ 493,294,362

**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For the Two Months Ended August 31, 2017**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,476,085	\$ 2,445,025
Plan Members	432,411	809,794
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<b>TOTAL CONTRIBUTIONS</b>	<b>1,908,496</b>	<b>3,254,819</b>
	<hr/>	<hr/>
<b>INVESTMENT INCOME</b>		
Unrealized Gain (Loss)	(65,990)	9,099,671
Rental Income, Net of Expenses	6,468	15,207
Interest	0	379
Dividends	108,369	208,975
Capital Gains	1,625,422	2,359,695
	<hr/>	<hr/>
Less Investment Expense	0	0
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>1,674,269</b>	<b>11,683,927</b>
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>3,582,765</b>	<b>14,938,746</b>
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,713,772)	(5,563,607)
Administrative Expenses	(69,261)	(107,492)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>2,783,033</b>	<b>5,671,099</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Position</b>	<b>799,732</b>	<b>9,267,647</b>
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<b>NET POSITION</b>		
Beginning of Period	492,494,634	484,026,717
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End of Period	\$ 493,294,366	\$ 493,294,364
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**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**CASH FLOW ANALYSIS**  
**For the Two Months Ended August 31, 2017**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,476,085	2,445,025
Plan Member	432,411	809,794
	<b>1,908,496</b>	<b>3,254,819</b>
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	6,468	15,207
Interest	0	379
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	0	0
	<b>6,468</b>	<b>15,586</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,908,496</b>	<b>3,254,819</b>
<b>TOTAL ADDITIONS</b>	<b>1,914,964</b>	<b>3,270,405</b>
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,713,774)	(5,563,607)
Administrative Expenses	(69,261)	(107,492)
	<b>(2,783,035)</b>	<b>(5,671,099)</b>
<b>TOTAL DEDUCTIONS</b>	<b>(2,783,035)</b>	<b>(5,671,099)</b>
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	2,629	945,817
Accounts Payable	10,571	(787,880)
Sale/Purchase of Investments	0	500,000
	<b>13,200</b>	<b>657,937</b>
<b>TOTAL OTHER INCREASES/(DECREASES)</b>	<b>13,200</b>	<b>657,937</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (854,871)</b>	<b>\$ (1,742,757)</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ (60,916)	\$ (60,916)
Cash at Beginning of Period	793,956	1,681,844
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (854,872)</b>	<b>\$ (1,742,760)</b>

**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

**Mendocino County Employees' Retirement Association****Rental Income - Net of Expenses**

For the Two Months Ending August 31, 2017

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
<b>Revenues</b>					
Rental Income	\$ 10,879	130,732	\$ 21,759	21,759	0
Total Revenues	<u>10,879</u>	<u>130,732</u>	<u>21,759</u>	<u>21,759</u>	<u>0</u>
<b>Building Expenses</b>					
Landscape & Maintenance	1,732	21,000	1,944	3,500	1,556
Security	135	1,020	205	170	(35)
Insurance	0	2,950	0	2,950	2,950
Utilities	2,544	18,000	4,403	3,000	(1,403)
Total building operating expenses	<u>4,411</u>	<u>42,970</u>	<u>6,552</u>	<u>9,620</u>	<u>3,068</u>
Net Income	\$ <u>6,468</u>	<u>87,762</u>	\$ <u>15,207</u>	<u>12,139</u>	<u>(3,068)</u>

**MCERA**  
**Vendor Ledgers**  
**For the Period From Aug 1, 2017 to Aug 31, 2017**

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
aflac AFLAC, INC.	8/31/17	2003462	CDJ		3,532.81	3,532.81	0.00
amcre AMCRE	8/31/17	2003463	CDJ		943.08	943.08	0.00
att AT&T	8/24/17	4266390	CDJ		134.06	134.06	0.00
BofA P-Card Bank of America P-Card	8/11/17	2491- 081117	CDJ		323.66	323.66	0.00
	8/11/17	2102- 081117	CDJ		1,555.32	1,555.32	0.00
Brwnarm Brown Armstrong	8/3/17	4265169	CDJ		3,051.00	3,051.00	0.00
	8/24/17	4266429	CDJ		4,252.85	4,252.85	0.00
caldis California State Dusbursement	8/29/17	CAL 082917	CDJ		200.00	200.00	0.00
cituki City of Ukiah	8/24/17	4266458	CDJ		33.46	33.46	0.00
	8/24/17	4266460	CDJ		590.90	590.90	0.00
	8/24/17	4266459	CDJ		109.11	109.11	0.00
	8/24/17	4266461	CDJ		705.04	705.04	0.00
	8/24/17	4266456	CDJ		1,006.61	1,006.61	0.00
coumen County of Mendocino	8/11/17	AJE081117	CDJ		158.95	158.95	0.00
	8/15/17	AJE081517	CDJ		1,127.84	1,127.84	0.00
	8/31/17	AJE083117	CDJ		571.24	571.24	0.00
depval Deep Valley Security	8/10/17	4265657	CDJ		24.95	24.95	0.00
	8/10/17	4265658	CDJ		44.95	44.95	0.00
	8/31/17	4266817	CDJ		65.00	65.00	0.00
edd EDD	8/29/17	EDD 082917	CDJ		51,487.43	51,487.43	0.00
ExpIT Express IT	8/17/17	4266072	CDJ		864.54	864.54	0.00
Fishman Fishman Supply Co	8/10/17	4265681	CDJ		27.62	27.62	0.00
Intshrd Integrity Shred	8/24/17	AJE082417	CDJ		28.00	28.00	0.00
irs IRS	8/29/17	IRS 082917	CDJ		231,352.22	231,352.22	0.00
judzel Judith Zeller	8/24/17	4266721	CDJ		40.66	40.66	0.00
kathcav Kathryn Cavness	8/1/17	Balance Fwd					121.98
	8/3/17	4265183	CDJ		121.98		0.00
	8/3/17	4265182	CDJ		49.54	49.54	0.00
LePrk Lee Parker	8/3/17	4265409	CDJ		192.08	192.08	0.00
moncle Moonlight Cleaning Service	8/10/17	4265791	CDJ		1,030.00	1,030.00	0.00
	8/10/17	4265790	CDJ		455.00	455.00	0.00
Monpart Mondrian Investment Partners L	8/1/17	Balance Fwd					57,412.43
	8/10/17	4265789	CDJ		57,412.43		0.00
Offspt Office Spot	8/10/17	4265889	CDJ		1,469.55	1,469.55	0.00

**MCERA**  
**Vendor Ledgers**  
**For the Period From Aug 1, 2017 to Aug 31, 2017**

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
pacgro Pacific Group Agencies, Inc.	8/31/17	2003464	CDJ		23,165.26	23,165.26	0.00
pge PG&E	8/17/17	4266230	CDJ		33.36	33.36	0.00
soncou Sonoma County Counsel	8/24/17	4266673	CDJ		6,464.00	6,464.00	0.00
sonswe Sonoma Sweepers, Inc.	8/1/17	Balance Fwd					211.50
	8/3/17	4265476	CDJ		157.00		54.50
	8/3/17	4265475	CDJ		54.50		0.00
	8/24/17	4266674	CDJ		35.94	35.94	0.00
	8/31/17	4267058	CDJ		157.00	157.00	0.00
	8/31/17	4267057	CDJ		54.50	54.50	0.00
StateStreet State Street Bank & Trust	8/1/17	Balance Fwd					4,484.75
	8/10/17	4265877	CDJ		4,484.75		0.00
tosfin Toshiba Financial Services	8/17/17	4266328	CDJ		218.34	218.34	0.00
ukiwas Ukiah Waste Solutions, Inc.	8/17/17	598204	CDJ		65.08	65.08	0.00
verwir Verizon Wireless	8/24/17	4266702	CDJ		45.64	45.64	0.00
<b>Report Total</b>					<b>397,897.25</b>	<b>335,666.59</b>	<b>0.00</b>