

Date: November 1, 2017
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending September, 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 increased to \$1,491,663 during the month. \$600,000 was available with our custodian to fund the October 2nd capital call into the RREEF America II fund. Total net position increased passed the \$500 million mark to \$503.3 million.

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. In September there were three pay periods increasing the contributions into MCERA. Investment activity related to the manager search implementation and rebalancing resulted in realized capital gains. For the month there was an increase in net position of \$10 million and year-to-date net position increased by \$19.3 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 increase of \$1,552,575 during the month. \$600,000 was reserved for a pending capital call into the RREEF America II fund.

4. Office Building Rental Income – Net of Expenses

This report details the \$6,591 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. The annual insurance payment was made in September reducing the monthly income. This payment came in under budget.

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
September 30, 2017
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County	\$	891,663
Custodian Cash - State Street		600,000
		600,000

TOTAL CASH AND EQUIVALENTS		1,491,663
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CURRENT ASSETS

Accounts Receivable		12,937
Recoupments		71,439
		71,439

TOTAL CURRENT ASSETS		84,376
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EQUIPMENT

Pension Gold Software		555,682
		555,682

TOTAL EQUIPMENT		555,682
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INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss)		108,933,271
Fixed Income		103,903,908
International Equities		122,221,943
Small Cap Equities		21,075,845
Mid Cap Equities		23,042,381
Large Cap Equities		86,354,494
Real Estate		36,531,746
		36,531,746

TOTAL INVESTMENTS, AT MARKET		502,063,588
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TOTAL ASSETS	\$	504,195,309
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LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	134,374
Accrued Wages - 1920 Account		147,587
Accrued Courts POB Payments		28,601
		28,601

TOTAL CURRENT LIABILITIES		310,562
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OTHER LIABILITIES

Pension Gold Software		555,682
		555,682

TOTAL OTHER LIABILITIES		555,682
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TOTAL NET POSITION	\$	503,329,065
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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
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Three Months Ended September 30, 2017
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 2,319,529	\$ 4,764,554
Plan Members	770,402	1,580,197
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TOTAL CONTRIBUTIONS	3,089,931	6,344,751
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INVESTMENT INCOME		
Unrealized Gain (Loss)	(1,735,897)	7,363,774
Rental Income, Net of Expenses	6,591	21,798
Interest	0	379
Dividends	1,234,090	1,443,066
Capital Gains	10,406,845	12,766,539
Less Investment Expense	(128,714)	(128,714)
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Net Investment Income	9,782,915	21,466,842
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TOTAL ADDITIONS	12,872,846	27,811,593
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DEDUCTIONS		
Benefit Payments & Refunds	(2,730,891)	(8,294,497)
Administrative Expenses	(107,256)	(214,748)
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TOTAL DEDUCTIONS	2,838,147	8,509,245
	<hr/>	<hr/>
Increase (Decrease) in Net Position	10,034,699	19,302,348
	<hr/>	<hr/>
NET POSITION		
Beginning of Period	493,294,360	484,026,717
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End of Period	\$ 503,329,059	\$ 503,329,065
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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 Three Months Ended September 30, 2017
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	2,319,529	4,764,554
Plan Member	770,402	1,580,197
	3,089,931	6,344,751
INVESTMENT INCOME		
Rental Income, Net of Expenses	6,591	21,798
Interest	0	379
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	(128,714)	(128,714)
	(122,123)	(106,537)
	2,967,808	6,238,214
DEDUCTIONS		
Benefit Payments & Refunds	(2,730,892)	(8,294,498)
Administrative Expenses	(107,256)	(214,748)
	(2,838,148)	(8,509,246)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	51,121	996,937
Accounts Payable	209,682	(578,198)
Sale/Purchase of Investments	1,162,112	1,662,112
	1,422,915	2,080,851
INCREASE (DECREASE) IN CASH	\$ 1,552,575	\$ (190,181)
SUMMARY		
Cash at End of Period	\$ 1,491,663	\$ 1,491,663
Cash at Beginning of Period	(60,918)	1,681,844
INCREASE (DECREASE) IN CASH	\$ 1,552,581	\$ (190,181)

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 Three Months Ending September 30, 2017

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
Revenues					
Rental Income	\$ 10,879	130,732	\$ 32,638	32,638	0
Total Revenues	<u>10,879</u>	<u>130,732</u>	<u>32,638</u>	<u>32,638</u>	<u>0</u>
Building Expenses					
Landscape & Maintenance	1,485	21,000	3,429	5,250	1,821
Security	70	1,020	275	255	(20)
Insurance	2,543	2,950	2,543	2,950	407
Utilities	190	18,000	4,593	4,500	(93)
Total building operating expenses	<u>4,288</u>	<u>42,970</u>	<u>10,840</u>	<u>12,955</u>	<u>2,115</u>
Net Income	<u>\$ 6,591</u>	<u>87,762</u>	<u>\$ 21,798</u>	<u>19,683</u>	<u>(2,115)</u>

MCERA
Vendor Ledgers
For the Period From Sep 1, 2017 to Sep 30, 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.	9/29/17	2003520	CDJ		3,532.81	3,532.81	0.00
amcre AMCRE	9/29/17	2003521	CDJ		944.08	944.08	0.00
BofA P-Card Bank of America P-Card	9/12/17	AJE091217	CDJ		2,862.24	2,862.24	0.00
calapr CALAPRS	9/7/17	4267151	CDJ		125.00	125.00	0.00
	9/7/17	4267150	CDJ		125.00	125.00	0.00
	9/7/17	4267152	CDJ		125.00	125.00	0.00
calass Callan Associates, Inc.	9/30/17	SE-1709064	PJ			37,492.00	37,492.00
caldis California State Dusbursement	9/27/17	Cal092717	CDJ		200.00	200.00	0.00
capins Capital Insurance Group	9/14/17	4267483	CDJ		2,543.00	2,543.00	0.00
coumen County of Mendocino	9/7/17	AJE090717	CDJ		162.14	162.14	0.00
	9/14/17	00058465-00	CDJ		2,431.04	2,431.04	0.00
	9/29/17	AJE092917	CDJ		356.00	356.00	0.00
depval Deep Valley Security	9/14/17	4267520	CDJ		44.95	44.95	0.00
	9/14/17	4267519	CDJ		24.95	24.95	0.00
edd EDD	9/27/17	EDD092717	CDJ		52,576.90	52,576.90	0.00
hanbri Hanson Bridgett	9/14/17	4267578	CDJ		734.50	734.50	0.00
Intshrd Integrity Shred	9/14/17	AJE091417	CDJ		28.00	28.00	0.00
Invtec Investec Asset Management N	9/30/17	85588	PJ			25,532.36	25,532.36
irs IRS	9/27/17	IRS092717	CDJ		241,946.96	241,946.96	0.00
LRS Inc Levi, Ray & Shoup, Inc	9/21/17	4268022	CDJ		637.50	637.50	0.00
mmro Managed Medical Review Orga	9/21/17	4268037	CDJ		450.00	450.00	0.00
	9/30/17	4511	PJ	*		3,105.00	3,105.00
moncle Moonlight Cleaning Service	9/14/17	4267667	CDJ		1,030.00	1,030.00	0.00
	9/14/17	4267666	CDJ		455.00	455.00	0.00
Monpart Mondrian Investment Partners L	9/30/17	Q3 2017 Invoic	PJ			48,455.62	48,455.62
pacgro Pacific Group Agencies, Inc.	9/29/17	2003522	CDJ		23,116.26	23,116.26	0.00
pge PG&E	9/21/17	4268087	CDJ		31.26	31.26	0.00
segal SEGAL	9/30/17	3152067	PJ			6,764.00	6,764.00
	9/30/17	315369	PJ			1,500.00	8,264.00

**MCERA
Vendor Ledgers
For the Period From Sep 1, 2017 to Sep 30, 2017**

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
soncou	9/30/17	10615	PJ			6,336.00	6,336.00
Sonoma County Counsel	9/30/17	10614	PJ			704.00	7,040.00
StateStreet	9/7/17	4267374	CDJ		4,484.75	4,484.75	0.00
State Street Bank & Trust	9/30/17	1708119149-6	PJ			4,484.76	4,484.76
tosfin	9/14/17	4267774	CDJ		224.19	224.19	0.00
Toshiba Financial Services							
ukiwas	9/14/17	602381	CDJ		65.08	65.08	0.00
Ukiah Waste Solutions, Inc.							
Report Total					339,256.61	473,630.35	134,373.74