

Date: February 21, 2018
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending December, 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 \$528,233 during the month. \$2,400,000 was held at State Street for a 01/02/2018 capital call to the RREEF America II fund. Total net position increased as well to \$519.9 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. For the month there was an increase of \$5.6 million and year-to-date net position increased by \$35.9 million. Calendar year-end reinvested disbursements and fund redemptions as part of the manager structure changes resulted in substantial dividend and capital gains activity this month. Investment expense grew this month due to new investment managers that invoice fees directly to MCERA.

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 \$2,644,102 during the month. \$2,400,000 was held with State Street.

4. Office Building Rental Income – Net of Expenses

This report details the \$7,727 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Utilities expense is elevated for the fiscal year due to higher than expected water and sewer expense.

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
December 31, 2017
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County	\$	528,233
Custodian Cash - State Street		2,400,000
		<u>2,928,233</u>

TOTAL CASH AND EQUIVALENTS		<u>2,928,233</u>
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CURRENT ASSETS

Accounts Receivable		112,204
Recoupments		70,325
		<u>182,529</u>

TOTAL CURRENT ASSETS		<u>182,529</u>
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EQUIPMENT

Pension Gold Software		555,682
		<u>555,682</u>

TOTAL EQUIPMENT		<u>555,682</u>
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INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss)		101,386,172
Fixed Income		104,656,722
International Equities		123,107,485
Small Cap Equities		24,031,159
Mid Cap Equities		23,548,651
Large Cap Equities		103,263,820
Real Estate		37,506,132
		<u>517,500,141</u>

TOTAL INVESTMENTS, AT MARKET		<u>517,500,141</u>
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TOTAL ASSETS	\$	<u><u>521,166,585</u></u>
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LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	238,923
Accrued Wages - 1920 Account		270,235
Accrued Courts POB Payments		155,463
		<u>664,621</u>

TOTAL CURRENT LIABILITIES		<u>664,621</u>
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OTHER LIABILITIES

Pension Gold Software		555,682
		<u>555,682</u>

TOTAL OTHER LIABILITIES		<u>555,682</u>
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TOTAL NET POSITION	\$	<u><u>519,946,282</u></u>
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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 Six Months Ended December 31, 2017
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 1,618,395	\$ 9,511,913
Plan Members	469,191	2,863,984
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TOTAL CONTRIBUTIONS	2,087,586	12,375,897
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INVESTMENT INCOME		
Unrealized Gain (Loss)	(19,924,356)	(183,325)
Rental Income, Net of Expenses	7,727	40,851
Interest	3,752	8,804
Dividends	2,393,560	4,044,559
Capital Gains	24,207,345	37,370,023
Less Investment Expense	(255,502)	(407,621)
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Net Investment Income	6,432,526	40,873,291
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TOTAL ADDITIONS	8,520,112	53,249,188
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DEDUCTIONS		
Benefit Payments & Refunds	(2,761,493)	(16,683,849)
Administrative Expenses	(61,289)	(645,775)
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TOTAL DEDUCTIONS	2,822,782	17,329,624
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Increase (Decrease) in Net Position	5,697,330	35,919,564
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NET POSITION		
Beginning of Period	514,248,946	484,026,717
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End of Period	\$ 519,946,276	\$ 519,946,281
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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 Six Months Ended December 31, 2017
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	1,618,395	9,511,913
Plan Member	469,191	2,863,984
	2,087,586	12,375,897
INVESTMENT INCOME		
Rental Income, Net of Expenses	7,727	40,851
Interest	3,752	8,804
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	(255,502)	(407,621)
	(244,023)	(357,966)
TOTAL ADDITIONS	1,843,563	12,017,931
DEDUCTIONS		
Benefit Payments & Refunds	(2,761,492)	(16,683,847)
Administrative Expenses	(61,289)	(645,775)
	(2,822,781)	(17,329,622)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	(105,365)	898,784
Accounts Payable	307,359	(224,139)
Sale/Purchase of Investments	3,421,326	5,883,435
	3,623,320	6,558,080
INCREASE (DECREASE) IN CASH	\$ 2,644,102	\$ 1,246,389
SUMMARY		
Cash at End of Period	\$ 2,928,233	\$ 2,928,233
Cash at Beginning of Period	284,127	1,681,844
INCREASE (DECREASE) IN CASH	\$ 2,644,106	\$ 1,246,389

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 Six Months Ending December 31, 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	\$ 65,276	65,276	0
Total Revenues	<u>10,879</u>	<u>130,732</u>	<u>65,276</u>	<u>65,276</u>	<u>0</u>
Building Expenses					
Landscape & Maintenance	1,670	21,000	8,786	10,500	1,714
Security	70	1,020	484	510	26
Insurance	0	2,950	2,543	2,950	407
Utilities	1,412	18,000	12,612	9,400	(3,212)
Total building operating expenses	<u>3,152</u>	<u>42,970</u>	<u>24,425</u>	<u>23,360</u>	<u>(1,065)</u>
Net Income	<u>\$ 7,727</u>	<u>87,762</u>	<u>\$ 40,851</u>	<u>41,916</u>	<u>1,065</u>

MCERA
Vendor Ledgers
For the Period From Dec 1, 2017 to Dec 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.	12/28/17	2003662	CDJ		3,532.81	3,532.81	0.00
amcre AMCRE	12/28/17	2003663	CDJ		942.76	942.76	0.00
att AT&T	12/29/17	4273751	CDJ		134.50	134.50	0.00
BofA P-Card Bank of America P-Card	12/15/17	2491-AJE1215	CDJ		1,626.89	1,626.89	0.00
	12/15/17	2102-AJE1215	CDJ		2,895.58	2,895.58	0.00
Brwnarm Brown Armstrong	12/21/17	4273399	CDJ		1,575.60	1,575.60	0.00
calass Callan Associates, Inc.	12/29/17	4273791	CDJ		37,492.00	37,492.00	0.00
caldis California State Dusburseemen	12/26/17	Cal 122617	CDJ		200.00	200.00	0.00
cituki City of Ukiah	12/29/17	4273806	CDJ		167.94	167.94	0.00
	12/29/17	4273804	CDJ		33.93	33.93	0.00
	12/29/17	4273805	CDJ		109.11	109.11	0.00
	12/29/17	4273808	CDJ		648.99	648.99	0.00
	12/29/17	4273807	CDJ		219.18	219.18	0.00
coumen County of Mendocino	12/6/17	AJE 120617	CDJ		177.07	177.07	0.00
	12/22/17	AJE 122217	CDJ		161.21	161.21	0.00
depval Deep Valley Security	12/14/17	4272980	CDJ		44.95	44.95	0.00
	12/14/17	4272979	CDJ		24.95	24.95	0.00
edd EDD	12/26/17	EDD 122617	CDJ		52,749.70	52,749.70	0.00
GBaumMD Gordan Baumbacher MD Inc	12/1/17	Balance Fwd					5,975.00
	12/14/17	4272870	CDJ		5,975.00		0.00
Invtec Investec Asset Management	12/31/17	88810	PJ			31,070.29	31,070.29
irs IRS	12/26/17	IRS 122617	CDJ		238,562.45	238,562.45	0.00
jefber Jeff Berk	12/7/17	4272365	CDJ		391.98	391.98	0.00
Jerihar Jerilyn Harris	12/21/17	4273513	CDJ		183.66	183.66	0.00
	12/21/17	4273514	CDJ		200.00	200.00	0.00
KaSmith Kathryn Smith	12/21/17	4273667	CDJ		200.00	200.00	0.00
kathcav Kathryn Cavness	12/14/17	4272905	CDJ		167.99	167.99	0.00
LePrk Lee Parker	12/7/17	4272663	CDJ		124.12	124.12	0.00
	12/21/17	4273616	CDJ		300.00	300.00	0.00
	12/21/17	4273617	CDJ		363.01	363.01	0.00
mmro Managed Medical Review Org	12/1/17	Balance Fwd					7,425.00
	12/21/17	4273566	CDJ		7,425.00		0.00
	12/31/17	4947	PJ			1,575.00	1,575.00

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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
moncle	12/14/17	4273153	CDJ		1,030.00	1,030.00	0.00
Moonlight Cleaning Service	12/14/17	4273152	CDJ		455.00	455.00	0.00
Monpart	12/31/17	226902	PJ			50,172.58	50,172.58
Mondrian Investment Partners							
nmorgan	12/21/17	4273591	CDJ		25.48	25.48	0.00
Nora Morgan							
Nossmn	12/29/17	4273990	CDJ		311.00	311.00	0.00
Nossaman LLP							
pacgro	12/28/17	2003664	CDJ		23,186.26	23,186.26	0.00
Pacific Group Agencies, Inc.							
pge	12/21/17	4273611	CDJ		167.64	167.64	0.00
PG&E							
ricsho	12/14/17	4273271	CDJ		212.58	212.58	0.00
Richard Shoemaker	12/21/17	4273665	CDJ		200.00	200.00	0.00
segal	12/31/17	322540	PJ			1,500.00	1,500.00
SEGAL	12/31/17	322908	PJ			62,000.00	63,500.00
	12/31/17	323150	PJ			14,727.00	78,227.00
soncou	12/31/17	10853	PJ			5,952.00	5,952.00
Sonoma County Counsel	12/31/17	10771	PJ			768.00	6,720.00
	12/31/17	10772	PJ			3,648.00	10,368.00
sonsw	12/7/17	4272748	CDJ		185.00	185.00	0.00
Sonoma Sweepers, Inc.							
StateStreet	12/1/17	Balance Fwd					8,969.50
State Street Bank & Trust							
stcon	12/14/17	4272935	CDJ		198.78	198.78	0.00
Stan Conwell							
timknu	12/21/17	4273539	CDJ		147.92	147.92	0.00
Timothy Knudsen	12/21/17	4273540	CDJ		300.00	300.00	0.00
tosfin	12/14/17	4273312	CDJ		224.19	224.19	0.00
Toshiba Financial Services							
TRowe	12/31/17	20171231-104	PJ			58,540.47	58,540.47
T.Rowe Price							
ukiwas	12/14/17	615830	CDJ		65.08	65.08	0.00
Ukiah Waste Solutions, Inc.							
verwir	12/29/17	4274100	CDJ		56.71	56.71	0.00
Verizon Wireless							
Report Total					383,396.02	599,949.36	238,922.84