

Date: December 12, 2018
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending October, 2018

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 held at the County decreased to \$292,010 during the month. Total investments, at market decreased to \$497.6 million as volatility in global markets picked up at the end of the month. Total net position also fell below the \$500 million mark to \$497.5 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 net position decreased by \$32.5 million and on a year-to-date basis net position turned negative with a \$22.8 million decrease. The key driver of the change was unrealized investment losses due to weakening market conditions particularly in the international equity space.

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 \$1,024,489 during the month.

4. Office Building Rental Income – Net of Expenses

This report details the \$7,872 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Landscape and maintenance expense is under budget due to less than expected maintenance services from the County, but may increase as we enter the winter months.

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
October 31, 2018
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County \$ 292,010

TOTAL CASH AND EQUIVALENTS 292,010

CURRENT ASSETS

Recoupments 66,612

TOTAL CURRENT ASSETS 66,612

EQUIPMENT

Pension Gold Software 476,299

TOTAL EQUIPMENT 476,299

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss) 77,038,373
 Fixed Income 106,996,456
 International Equities 122,258,189
 Small Cap Equities 23,280,717
 Mid Cap Equities 24,600,408
 Large Cap Equities 100,669,707
 Real Estate 42,752,862

TOTAL INVESTMENTS, AT MARKET 497,596,712

TOTAL ASSETS \$ 498,431,633

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 109,095
 Accrued Wages - 1920 Account 196,192
 Accrued Courts POB Payments 102,336

TOTAL CURRENT LIABILITIES 407,623

OTHER LIABILITIES

Pension Gold Software 476,299

TOTAL OTHER LIABILITIES 476,299

TOTAL NET POSITION \$ 497,547,711

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 Four Months Ended October 31, 2018
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 1,890,097	\$ 7,534,862
Plan Members	385,465	1,954,127
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TOTAL CONTRIBUTIONS	2,275,562	9,488,989
	<hr/>	<hr/>
INVESTMENT INCOME		
Unrealized Gain (Loss)	(31,665,422)	(22,802,410)
Rental Income, Net of Expenses	7,872	29,303
Interest	0	9,143
Dividends	120,704	1,595,175
Capital Gains	0	1,444,782
	<hr/>	<hr/>
Less Investment Expense	(20,394)	(213,733)
	<hr/>	<hr/>
Net Investment Income	(31,557,240)	(19,937,740)
	<hr/>	<hr/>
TOTAL ADDITIONS	(29,281,678)	(10,448,751)
	<hr/>	<hr/>
DEDUCTIONS		
Benefit Payments & Refunds	(3,194,611)	(12,083,921)
Administrative Expenses	(68,831)	(349,583)
	<hr/>	<hr/>
TOTAL DEDUCTIONS	3,263,442	12,433,504
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Increase (Decrease) in Net Position	(32,545,120)	(22,882,255)
	<hr/>	<hr/>
NET POSITION		
Beginning of Period	530,092,828	520,429,965
	<hr/>	<hr/>
End of Period	\$ 497,547,708	\$ 497,547,710
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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 Four Months Ended October 31, 2018
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	1,890,097	7,534,862
Plan Member	385,465	1,954,127
	2,275,562	9,488,989
INVESTMENT INCOME		
Rental Income, Net of Expenses	7,872	29,303
Interest	0	9,143
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	(20,394)	(213,733)
	(12,522)	(175,287)
TOTAL ADDITIONS	2,263,040	9,313,702
DEDUCTIONS		
Benefit Payments & Refunds	(3,194,610)	(12,083,921)
Administrative Expenses	(68,831)	(349,583)
	(3,263,441)	(12,433,504)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	60,140	1,069,307
Accounts Payable	(84,228)	(657,220)
Sale/Purchase of Investments	0	1,009,500
	(24,088)	1,421,587
INCREASE (DECREASE) IN CASH	\$ (1,024,489)	\$ (1,698,215)
SUMMARY		
Cash at End of Period	\$ 292,010	\$ 292,010
Cash at Beginning of Period	1,316,497	1,990,222
INCREASE (DECREASE) IN CASH	\$ (1,024,487)	\$ (1,698,212)

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 Four Months Ending October 31, 2018

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
Revenues					
Rental Income	\$ 10,984	132,000	\$ 43,936	43,936	0
Total Revenues	<u>10,984</u>	<u>132,000</u>	<u>43,936</u>	<u>43,936</u>	<u>0</u>
Building Expenses					
Landscape & Maintenance	1,485	26,400	5,090	8,800	3,710
Security	70	1,020	280	340	60
Insurance	0	2,950	2,775	2,950	175
Utilities	1,557	19,200	6,488	6,400	(88)
Total building operating expenses	<u>3,112</u>	<u>49,570</u>	<u>14,633</u>	<u>18,490</u>	<u>3,857</u>
Net Income	\$ <u>7,872</u>	<u>82,430</u>	\$ <u>29,303</u>	<u>25,446</u>	<u>(3,857)</u>

MCERA
Vendor Ledgers
For the Period From Oct 1, 2018 to Oct 31, 2018

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
aflac AFLAC, INC.	10/31/18	2004229	CDJ		3,522.56	3,522.56	0.00
amcre AMCRE	10/31/18	2004230	CDJ		955.10	955.10	0.00
arbmed Arbitration and Mediation Center	10/4/18	4291091	CDJ		5,500.00	5,500.00	0.00
att AT&T	10/4/18 10/25/18	4291074 4292244	CDJ CDJ		140.31 138.05	140.31 138.05	0.00 0.00
BofA P-Card Bank of America P-Card	10/29/18 10/29/18	2102-102918 2491 102918	CDJ CDJ		155.00 478.71	155.00 478.71	0.00 0.00
Brwnarm Brown Armstrong	10/1/18 10/25/18	Balance Fwd 4292282					29,672.39 0.00
calass Callan Associates, Inc.	10/1/18 10/4/18	Balance Fwd 4291116					38,616.75 0.00
caldis California State Disbursement Unit	10/18/18	Cal102918	CDJ		200.00	200.00	0.00
cituki City of Ukiah	10/1/18 10/4/18 10/4/18 10/4/18 10/4/18 10/4/18 10/25/18 10/25/18 10/25/18 10/25/18 10/25/18	Balance Fwd 4291128 4291129 4291130 4291131 4291132 4292323 4292320 4292321 4292322 4292319					1,678.16 1,643.21 1,530.83 1,083.84 636.14 0.00 0.00 0.00 0.00 0.00 0.00
coumen County of Mendocino	10/1/18 10/2/18 10/4/18 10/4/18 10/26/18	Balance Fwd AJE100218 AJE 100418 AJE 100418 A AJE 102618					1,175.12 1,175.12 698.20 0.00 0.00
depval Deep Valley Security	10/12/18 10/12/18	4291519 4291518	CDJ CDJ		44.95 24.95	44.95 24.95	0.00 0.00
edd EDD	10/29/18	EDD 102918	CDJ		61,048.29	61,048.29	0.00
hanbri Hanson Bridgett	10/1/18 10/18/18	Balance Fwd 4291958					8,583.60 0.00
Intshrd Integrity Shred	10/4/18	AJE100418	CDJ		28.00	28.00	0.00
Invtec Investec Asset Management NA Inc.	10/1/18 10/25/18	Balance Fwd 4292457					30,139.84 0.00
irs IRS	10/29/18	IRS 102918	CDJ		278,898.73	278,898.73	0.00
jefber Jeff Berk	10/12/18	4291101	CDJ		442.26	442.26	0.00
judzel Judith Zeller	10/12/18	4291809	CDJ		109.00	109.00	0.00

MCERA
Vendor Ledgers
For the Period From Oct 1, 2018 to Oct 31, 2018

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
LRS Inc Levi, Ray & Shoup, Inc	10/18/18	4292004	CDJ		6,000.00	6,000.00	0.00
moncle Moonlight Cleaning Service	10/12/18	4291641	CDJ		455.00	455.00	0.00
	10/12/18	4291642	CDJ		1,030.00	1,030.00	0.00
Monpart Mondrian Investment Partners Limite	10/1/18	Balance Fwd					44,292.97
Nossmn Nossaman LLP	10/4/18	44291311	CDJ		267.50	267.50	0.00
pacgro Pacific Group Agencies, Inc.	10/31/18	PEDIT 103118	CDJ		24,261.61	24,261.61	0.00
pge PG&E	10/18/18	4292072	CDJ		45.60	45.60	0.00
renesm Renaissance Esmeralda Resort and	10/25/18	4292624	CDJ		2,975.94	2,975.94	0.00
segal SEGAL	10/1/18	Balance Fwd					1,500.00
	10/4/18	4291378	CDJ		20,394.00	20,394.00	1,500.00
	10/18/18	4292152	CDJ		1,500.00		0.00
soncou Sonoma County Counsel	10/1/18	Balance Fwd					30,072.00
	10/4/18	4291386	CDJ		512.00		29,560.00
	10/4/18	4291387	CDJ		18,250.00		11,310.00
	10/25/18	4292666	CDJ		11,310.00		0.00
	10/25/18	4292665	CDJ		192.00	192.00	0.00
sonswc Sonoma Sweepers, Inc.	10/1/18	Balance Fwd					211.50
	10/4/18	4291389	CDJ		54.50		157.00
	10/4/18	4291390	CDJ		157.00		0.00
StateStreet State Street Bank & Trust	10/1/18	Balance Fwd					8,969.50
	10/4/18	4291396	CDJ		4,484.75		4,484.75
tosfin Toshiba Financial Services	10/12/18	4291761	CDJ		39.73	39.73	0.00
	10/18/18	4292191	CDJ		231.69	231.69	0.00
TRowe T.Rowe Price	10/1/18	Balance Fwd					60,317.30
ukiwas Ukiah Waste Solutions, Inc.	10/18/18	661336	CDJ		68.87	68.87	0.00
verwir Verizon Wireless	10/4/18	4291423	CDJ		53.63	53.63	0.00
	10/25/18	4292731	CDJ		46.82	46.82	0.00
WageGarn Wage Garnishment (Other)	10/31/18	2004231	CDJ		700.00	700.00	0.00
Report Total					556,211.07	410,076.96	109,095.02