



Date: February 20, 2019  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Financial Report

## **Preliminary Monthly Financial Reports, month ending December, 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 \$173,604 during the month. Total investments, at market decreased to \$476 million as volatility in global markets picked up again at the end of the December. Total net position decreased to \$475.6 million. Please note the increase in accounts payable is composed mostly of investment management fees paid directly as well as the invoices from Segal for the annual valuation.

### **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 \$24.6 million and on a fiscal year-to-date basis net position is has decreased by \$44.78 million. December is a particularly active month for realized capital gain payments. Of note was a \$10 million dollar capital gain distribution that was the result of the Harbor Capital International Fund switching sub-advisors.

### **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 \$106,429 during the month.

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

This report details the \$7,094 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 and other contracted vendors.

### **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, 2018**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash - Held at County \$ 173,604

**TOTAL CASH AND EQUIVALENTS** 173,604

**CURRENT ASSETS**

Accounts Receivable 185,742  
 Recoupments 65,869

**TOTAL CURRENT ASSETS** 251,611

**EQUIPMENT**

Pension Gold Software 476,299

**TOTAL EQUIPMENT** 476,299

**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain (Loss) 35,947,057  
 Fixed Income 108,031,327  
 International Equities 132,976,712  
 Small Cap Equities 26,691,093  
 Mid Cap Equities 26,157,217  
 Large Cap Equities 103,029,909  
 Real Estate 43,190,656

**TOTAL INVESTMENTS, AT MARKET** 476,023,971

**TOTAL ASSETS** \$ 476,925,485

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable \$ 305,752  
 Accrued Wages - 1920 Account 268,484  
 Accrued Courts POB Payments 196,583  
 PEDIT Trust Dental 24,066

**TOTAL CURRENT LIABILITIES** 794,885

**OTHER LIABILITIES**

Pension Gold Software 476,299

**TOTAL OTHER LIABILITIES** 476,299

**TOTAL NET POSITION** \$ 475,654,301

**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, 2018**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,852,044	\$ 11,204,154
Plan Members	579,304	3,113,436
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>2,431,348</b>	<b>14,317,590</b>
	<hr/>	<hr/>
<b>INVESTMENT INCOME</b>		
Unrealized Gain (Loss)	(44,347,663)	(63,893,726)
Rental Income, Net of Expenses	7,094	44,273
Interest	6,977	16,120
Dividends	2,750,675	4,495,256
Capital Gains	17,831,332	19,567,877
	<hr/>	<hr/>
Less Investment Expense	(256,908)	(475,531)
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>(24,008,493)</b>	<b>(40,245,731)</b>
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<b>TOTAL ADDITIONS</b>	<b>(21,577,145)</b>	<b>(25,928,141)</b>
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,970,262)	(18,148,716)
Administrative Expenses	(94,859)	(698,801)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>3,065,121</b>	<b>18,847,517</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Position</b>	<b>(24,642,266)</b>	<b>(44,775,658)</b>
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<b>NET POSITION</b>		
<b>Beginning of Period</b>	<b>500,296,567</b>	<b>520,429,965</b>
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<b>End of Period</b>	<b>\$ 475,654,301</b>	<b>\$ 475,654,307</b>
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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, 2018**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,852,044	11,204,154
Plan Member	579,304	3,113,436
	<b>2,431,348</b>	<b>14,317,590</b>
<b>TOTAL CONTRIBUTIONS</b>		
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	7,094	44,273
Interest	6,977	16,120
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	(256,908)	(475,531)
	<b>(242,837)</b>	<b>(415,138)</b>
<b>TOTAL INVESTMENT INCOME</b>		
	<b>2,188,511</b>	<b>13,902,452</b>
<b>TOTAL ADDITIONS</b>		
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,970,261)	(18,148,715)
Administrative Expenses	(94,859)	(698,801)
	<b>(3,065,120)</b>	<b>(18,847,516)</b>
<b>TOTAL DEDUCTIONS</b>		
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	(129,061)	884,308
Accounts Payable	394,643	(269,959)
Sale/Purchase of Investments	504,598	2,514,101
	<b>770,180</b>	<b>3,128,450</b>
<b>TOTAL OTHER INCREASES/(DECREASES)</b>		
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (106,429)</b>	<b>\$ (1,816,614)</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ 173,604	\$ 173,604
Cash at Beginning of Period	280,031	1,990,222
	<b>\$ (106,427)</b>	<b>\$ (1,816,618)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (106,427)</b>	<b>\$ (1,816,618)</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 Six Months Ending December 31, 2018

	<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	\$ 10,984	132,000	\$ 65,904	65,904	0
Total Revenues	<u>10,984</u>	<u>132,000</u>	<u>65,904</u>	<u>65,904</u>	<u>0</u>
<b>Building Expenses</b>					
Landscape & Maintenance	2,200	26,400	8,986	13,200	4,214
Security	70	1,020	419	510	91
Insurance	0	2,950	2,775	2,950	175
Utilities	1,620	19,200	9,451	9,600	149
Total building operating expenses	<u>3,890</u>	<u>49,570</u>	<u>21,631</u>	<u>26,260</u>	<u>4,629</u>
Net Income	<u>\$ 7,094</u>	<u>82,430</u>	<u>\$ 44,273</u>	<u>39,644</u>	<u>(4,629)</u>

**MCERA**  
**Vendor Ledgers**  
**For the Period From Dec 1, 2018 to Dec 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.	12/27/18	2004331	CDJ		3,582.96	3,582.96	0.00
amcre AMCRE	12/27/18	2004332	CDJ		958.44	958.44	0.00
att AT&T	12/6/18	4294578	CDJ		138.98	138.98	0.00
	12/20/18	4295575	CDJ		142.57	142.57	0.00
BofA P-Card Bank of America P-Card	12/5/18	2102-11-19	CDJ		774.84	774.84	0.00
	12/5/18	2491-11-18	CDJ		155.46	155.46	0.00
	12/31/18	2491- Dec 201	PJ	*		367.43	367.43
Brwnarm Brown Armstrong	12/1/18	Balance Fwd					3,818.12
	12/6/18	4294609	CDJ		1,008.00		2,810.12
	12/13/18	4295621	CDJ		363.12		2,447.00
	12/20/18	4295620	CDJ		2,447.00		0.00
calass Callan Associates, Inc.	12/31/18	SI-1812039	PJ	*		38,616.75	38,616.75
caldis California State Disbursement Unit	12/27/18	Cal122718	CDJ		200.00	200.00	0.00
cituki City of Ukiah	12/1/18	Balance Fwd					1,139.17
	12/6/18	4294629	CDJ		30.58		1,108.59
	12/6/18	4294630	CDJ		112.38		996.21
	12/6/18	4294631	CDJ		171.83		824.38
	12/6/18	4294632	CDJ		285.48		538.90
	12/6/18	4294633	CDJ		538.90		0.00
	12/31/18	625 C Dec 201	PJ	*		32.20	32.20
	12/31/18	625 Wtr Dec 2	PJ	*		112.38	144.58
	12/31/18	625 B Dec 201	PJ	*		153.94	298.52
	12/31/18	625-A Dec 201	PJ	*		256.13	554.65
	12/31/18	625 Wtr/Swr D	PJ	*		599.70	1,154.35
coumen County of Mendocino	12/1/18	Balance Fwd					642.88
	12/5/18	AJE120518 A	CDJ		283.30	283.30	642.88
	12/5/18	AJE120518	CDJ		642.88		0.00
	12/14/18	AJE121418	CDJ		191.66	191.66	0.00
	12/14/18	AJE121418 A	CDJ		168.62	168.62	0.00
	12/31/18	AJE 123118	CDJ		145.00	145.00	0.00
	12/31/18	201812-1920	PJ	*		283.30	283.30
	12/31/18	GSA Aug 2018	PJ	*		418.16	701.46
	12/31/18	GSA Sept 2018	PJ	*		85.00	786.46
crwlkr Craig Walker	12/13/18	4295507	CDJ		442.76	442.76	0.00
depval Deep Valley Security	12/13/18	4295092	CDJ		44.95	44.95	0.00
	12/13/18	4295091	CDJ		24.95	24.95	0.00
edd EDD	12/27/18	EDD122718	CDJ		57,746.03	57,746.03	0.00
gfoa Government Finance Officers Assoc	12/20/18	4295806	CDJ		160.00	160.00	0.00
hanbri Hanson Bridgett	12/1/18	Balance Fwd					3,195.20
	12/13/18	4295169	CDJ		3,195.20		0.00
	12/31/18	1229587	PJ	*		783.60	783.60
Intshrd Integrity Shred	12/13/18	AJE121318	CDJ		28.00	28.00	0.00

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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
Invtec Investec Asset Management NA Inc.	12/31/18	101969	PJ			27,292.63	27,292.63
irs IRS	12/27/18	IRS122718	CDJ		241,906.98	241,906.98	0.00
Jerihar Jerilyn Harris	12/20/18	4295818	CDJ		300.00	300.00	0.00
KaSmith Kathryn Smith	12/20/18	4296113	CDJ		200.00	200.00	0.00
LePrk Lee Parker	12/20/18	4295988	CDJ		300.00	300.00	0.00
LRS Inc Levi, Ray & Shoup, Inc	12/20/18	4295881	CDJ		450.00	450.00	0.00
moncle Moonlight Cleaning Service	12/6/18	4294794	CDJ		455.00	455.00	0.00
	12/6/18	4294795	CDJ		1,030.00	1,030.00	0.00
Monpart Mondrian Investment Partners Limite	12/31/18	229135	PJ			40,831.84	40,831.84
Nossmn Nossaman LLP	12/31/18	490192	PJ	*		22,462.00	22,462.00
Patsul Patrick Sullivan	12/6/18	4294895	CDJ		586.02	586.02	0.00
pge PG&E	12/20/18	4295979	CDJ		396.67	396.67	0.00
ricsho Richard Shoemaker	12/20/18	4296109	CDJ		300.00	300.00	0.00
segal SEGAL	12/31/18	348429	PJ	*		64,000.00	64,000.00
	12/31/18	348430	PJ	*		7,000.00	71,000.00
	12/31/18	348520	PJ	*		1,500.00	72,500.00
	12/31/18	349122	PJ	*		11,733.00	84,233.00
shasch Shari Schapmire	12/13/18	4295425	CDJ		410.18	410.18	0.00
soncou Sonoma County Counsel	12/31/18	11635	PJ	*		16,851.68	16,851.68
	12/31/18	11569	PJ	*		1,088.00	17,939.68
	12/31/18	11570	PJ	*		10,624.00	28,563.68
sonswe Sonoma Sweepers, Inc.	12/6/18	4294884	CDJ		157.00	157.00	0.00
	12/6/18	4294883	CDJ		54.50	54.50	0.00
StateStreet State Street Bank & Trust	12/1/18	Balance Fwd					4,484.75
	12/13/18	4294889	CDJ		4,484.75		0.00
	12/31/18	1810119149-6	PJ	*		4,484.75	4,484.75
	12/31/18	1811119149-6	PJ	*		4,484.75	8,969.50
timknu Timothy Knudsen	12/20/18	4295870	CDJ		400.00	400.00	0.00
tosfin Toshiba Financial Services	12/13/18	4295479	CDJ		231.69	231.69	0.00
TRowe T.Rowe Price	12/31/18	20181231-104	PJ			51,690.81	51,690.81

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

Filter Criteria includes: Report order is by ID.

<b>Vendor ID Vendor</b>	<b>Date</b>	<b>Trans No</b>	<b>Type</b>	<b>Paid</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
ukiwas Ukiah Waste Solutions, Inc.	12/20/18	8617	CDJ		68.87	68.87	0.00
verwir Verizon Wireless	12/6/18	4294922	CDJ		52.36	52.36	0.00
WageGarn Wage Garnishment (Other)	12/27/18	2004333	CDJ		700.00	700.00	0.00
<b>Report Total</b>					<b>326,467.91</b>	<b>618,939.84</b>	<b>305,752.05</b>