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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: December 14, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending October 31, 2016

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 \$1,615,573 during the month and total net position decreased to \$437.7 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 a decrease in net position of \$6.3 million and year-to-date net position increased by \$11.4 million. Administration expenses were elevated due to the scanning software addition to Pension Gold.

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 \$4,004,862 during the month. The rebalance purchase to the Mondrian fund occurred in October and was partially offset by a redemption from the RREEF private fund.

4. Office Building Rental Income – Net of Expenses

This report details the \$6,598 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Total operating expenses for the year-to-date are below 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
October 31, 2016
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County \$ 1,615,573

TOTAL CASH AND EQUIVALENTS 1,615,573

CURRENT ASSETS

Accounts Receivable 6,431
 Recoupments 77,068

TOTAL CURRENT ASSETS 83,499

EQUIPMENT

Pension Gold Software 1,294,316

TOTAL EQUIPMENT 1,294,316

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss) 76,245,635
 Fixed Income 95,732,464
 International Equities 113,303,167
 Small Cap Equities 25,816,099
 Mid Cap Equities 15,850,621
 Large Cap Equities 77,764,576
 Real Estate 31,584,415

TOTAL INVESTMENTS, AT MARKET 436,296,977

TOTAL ASSETS \$ 439,290,365

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 57,531
 Accrued Wages - 1920 Account 165,392

TOTAL CURRENT LIABILITIES 222,923

OTHER LIABILITIES

Pension Gold Software 1,294,316

TOTAL OTHER LIABILITIES 1,294,316

TOTAL NET POSITION \$ 437,773,126

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, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 1,454,021	\$ 6,106,753
Plan Members	469,862	1,830,988
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TOTAL CONTRIBUTIONS	1,923,883	7,937,741
	<hr/>	<hr/>
INVESTMENT INCOME		
Unrealized Gain (Loss)	(6,210,501)	11,840,993
Rental Income, Net of Expenses	6,598	27,193
Interest	1	2,220
Dividends	291,210	1,564,466
Capital Gains	492,092	1,420,716
Less Investment Expense	0	(107,063)
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Net Investment Income	(5,420,600)	14,748,525
	<hr/>	<hr/>
TOTAL ADDITIONS	(3,496,717)	22,686,266
	<hr/>	<hr/>
DEDUCTIONS		
Benefit Payments & Refunds	(2,653,508)	(10,894,860)
Administrative Expenses	(153,088)	(356,292)
	<hr/>	<hr/>
TOTAL DEDUCTIONS	2,806,596	11,251,152
	<hr/>	<hr/>
Increase (Decrease) in Net Position	(6,303,313)	11,435,114
	<hr/>	<hr/>
NET POSITION		
Beginning of Period	444,076,445	426,338,012
	<hr/>	<hr/>
End of Period	\$ 437,773,132	\$ 437,773,126
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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, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	1,454,021	6,106,753
Plan Member	469,862	1,830,988
	1,923,883	7,937,741
INVESTMENT INCOME		
Rental Income, Net of Expenses	6,598	27,193
Interest	1	2,220
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	0	(107,063)
	6,599	(77,650)
TOTAL ADDITIONS	1,930,482	7,860,091
DEDUCTIONS		
Benefit Payments & Refunds	(2,653,510)	(10,894,861)
Administrative Expenses	(153,088)	(356,292)
	(2,806,598)	(11,251,153)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	2,731	854,943
Accounts Payable	(31,782)	(600,133)
Sale/Purchase of Investments	(3,099,695)	5,000,305
	(3,128,746)	5,255,115
INCREASE (DECREASE) IN CASH	\$ (4,004,862)	\$ 1,864,053
SUMMARY		
Cash at End of Period	\$ 1,615,573	\$ 1,615,573
Cash at Beginning of Period	5,620,442	(248,479)
INCREASE (DECREASE) IN CASH	\$ (4,004,869)	\$ 1,864,052

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, 2016

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
Revenues					
Rental Income	\$ 10,831	130,068	\$ 43,323	43,323	0
Total Revenues	<u>10,831</u>	<u>130,068</u>	<u>43,323</u>	<u>43,323</u>	<u>0</u>
Building Expenses					
Landscape & Maintenance	2,519	24,900	5,981	8,300	2,319
Security	187	2,100	816	700	(116)
Insurance	0	2,870	2,810	2,870	60
Utilities	1,527	18,200	6,523	7,000	477
Total building operating expenses	<u>4,233</u>	<u>48,070</u>	<u>16,130</u>	<u>18,870</u>	<u>2,740</u>
Net Income	<u>\$ 6,598</u>	<u>81,998</u>	<u>\$ 27,193</u>	<u>24,453</u>	<u>(2,740)</u>

MCERA
Vendor Ledgers
For the Period From Oct 1, 2016 to Oct 31, 2016

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Pai	Debit Amt	Credit Amt	Balance
aflac AFLAC, INC.	10/31/16	2002869	CDJ		3,524.83	3,524.83	0.00
amcre AMCRE	10/31/16	2002870	CDJ		925.06	925.06	0.00
att AT&T	10/13/16	4247014	CDJ		116.92	116.92	0.00
	10/27/16	4247977	CDJ		116.85	116.85	0.00
calass Callan Associates, Inc.	10/1/16	Balance Fwd					36,400.00
	10/13/16	4247060	CDJ		36,400.00		0.00
caldis California State Dusbursement Unit	10/27/16	Cal 102716	CDJ		200.00	200.00	0.00
cituki City of Ukiah	10/27/16	4248400	CDJ		666.05	666.05	0.00
	10/27/16	4248395	CDJ		49.24	49.24	0.00
	10/27/16	4248399	CDJ		352.03	352.03	0.00
	10/27/16	4248396	CDJ		105.93	105.93	0.00
	10/27/16	4248397	CDJ		291.31	291.31	0.00
clemen Clearly Mendocino Water Company	10/13/16	4247081	CDJ		32.50	32.50	0.00
coumen County of Mendocino	10/1/16	Balance Fwd					6,325.37
	10/13/16	AJE 101316	CDJ		239.36	239.36	6,325.37
	10/13/16	AJE 101316 A	CDJ		650.93	650.93	6,325.37
	10/13/16	AJE 101316 B	CDJ		178.40	178.40	6,325.37
	10/19/16	AJE 101916	CDJ		4,703.47		1,621.90
	10/19/16	AJE 101916A	CDJ		801.53		820.37
curdis Curry's Discount Inc.	10/27/16	4248058	CDJ		8.41	8.41	0.00
	10/27/16	4248057	CDJ		5.83	5.83	0.00
depval Deep Valley Security	10/13/16	4247106	CDJ		24.95	24.95	0.00
	10/13/16	4247107	CDJ		44.95	44.95	0.00
edd EDD	10/27/16	EDD 102716	CDJ		53,968.82	53,968.82	0.00
galllp Gallina, LLP	10/1/16	Balance Fwd					34,600.00
	10/13/16	553453	CDJ		34,600.00		0.00
hanbri Hanson Bridgett	10/1/16	Balance Fwd					444.50
	10/13/16	4247183	CDJ		444.50		0.00
	10/31/16	1176871	PJ	*		2,198.60	2,198.60
irs IRS	10/27/16	IRS 102716	CDJ		225,431.65	225,431.65	0.00
jamwil James Wilbanks	10/27/16	4248437	CDJ		427.71	427.71	0.00
katric Katy Richardson	10/13/16	4247355	CDJ		93.00	93.00	0.00
linsol Linea Solutions	10/1/16	Balance Fwd					556.88
	10/13/16	4247238	CDJ		556.88		0.00
LRS Inc Levi, Ray & Shoup, Inc	10/20/16	4247740	CDJ		81,816.63	81,816.63	0.00
	10/20/16	4247739	CDJ		1,582.00	1,582.00	0.00
mmro Managed Medical Review Organiza	10/27/16	4248186	CDJ		7,295.00	7,295.00	0.00

MCERA
Vendor Ledgers
For the Period From Oct 1, 2016 to Oct 31, 2016

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Pai	Debit Amt	Credit Amt	Balance
moncle	10/13/16	4247282	CDJ		990.00	990.00	0.00
Moonlight Cleaning Service	10/13/16	4247281	CDJ		435.00	435.00	0.00
Monpart	10/1/16	Balance Fwd					44,638.10
Mondrian Investment Partners Limit							
Nossmn	10/1/16	Balance Fwd					303.00
Nossaman LLP	10/6/16	4246884	CDJ		303.00		0.00
	10/27/16	4248249	CDJ		151.00	151.00	0.00
pacgro	10/31/16	2002871	CDJ		22,572.92	22,572.92	0.00
Pacific Group Agencies, Inc.							
sacrs	10/20/16	4247867	CDJ		360.00	360.00	0.00
SACRS							
segal	10/1/16	Balance Fwd					1,500.00
SEGAL	10/13/16	4247380	CDJ		1,500.00		0.00
soncou	10/1/16	Balance Fwd					8,699.50
Sonoma County Counsel	10/13/16	4247397	CDJ		8,699.50		0.00
	10/31/16	9673	PJ	*		7,937.50	7,937.50
sonswe	10/27/16	4248366	CDJ		52.00	52.00	0.00
Sonoma Sweepers, Inc.	10/27/16	4248367	CDJ		152.00	152.00	0.00
tosfin	10/13/16	4247425	CDJ		58.98	58.98	0.00
Toshiba Financial Services	10/13/16	4247426	CDJ		217.83	217.83	0.00
ukiwas	10/20/16	554178	CDJ		62.83	62.83	0.00
Ukiah Waste Solutions, Inc.							
usban	10/1/16	Balance Fwd					64.47
US Bank	10/24/16	6884 - 102416	PJ			1,357.04	1,421.51
	10/24/16	4728 - 102416	PJ			579.03	2,000.54
	10/31/16	AJE 103116	CDJ		64.47		1,936.07
verwir	10/27/16	4248424	CDJ		62.68	62.68	0.00
Verizon Wireless							
Report Total					491,336.95	415,335.77	57,530.64