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

Date: October 19, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending August 31, 2016

1. Statement of Plan Net Position

This report presents the assets available for future payments to retirees and any current liabilities owed at the end of the month. Cash increased to \$865,748 during the month and total net position increased to \$441.2 million. With the Pension Gold software project nearly complete, the asset and corresponding payment liability were added to this report.

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 in net position of \$1.45 million and year-to-date net position increased by \$14.86 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 cash management policy & investment policy statement. There was a net cash increase of \$910,043 during the month.

4. Office Building Rental Income – Net of Expenses

This report details the \$4,610 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. The annual insurance premium was paid this month resulting in a lower monthly net income. 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
August 31, 2016
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County \$ 865,748

TOTAL CASH AND EQUIVALENTS 865,748

CURRENT ASSETS

Accounts Receivable 6,431
 Recoupments 78,092

TOTAL CURRENT ASSETS 84,523

EQUIPMENT

Pension Gold Software 1,294,316

TOTAL EQUIPMENT 1,294,316

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss) 81,370,473
 Fixed Income 115,758,071
 International Equities 87,703,167
 Small Cap Equities 27,713,811
 Mid Cap Equities 15,684,808
 Large Cap Equities 79,820,588
 Real Estate 32,257,408

TOTAL INVESTMENTS, AT MARKET 440,308,326

TOTAL ASSETS \$ 442,552,913

LIABILITIES

CURRENT LIABILITIES

Accrued Wages - 1920 Account \$ 61,396

TOTAL CURRENT LIABILITIES 61,396

OTHER LIABILITIES

Pension Gold Software 1,294,316

TOTAL OTHER LIABILITIES 1,294,316

TOTAL NET POSITION \$ 441,197,201

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 Two Months Ended August 31, 2016
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|--|-----------------------|-----------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | \$ 1,499,242 | \$ 2,411,443 |
| Plan Members | 441,533 | 712,953 |
| | 1,940,775 | 3,124,396 |
| INVESTMENT INCOME | | |
| Unrealized Gain (Loss) | 2,222,636 | 16,965,831 |
| Rental Income, Net of Expenses | 4,610 | 13,754 |
| Interest | 0 | 0 |
| Dividends | 157,571 | 337,691 |
| Capital Gains | (3,021) | 33,700 |
| Less Investment Expense | 0 | 0 |
| | 2,381,796 | 17,350,976 |
| Net Investment Income | | |
| | 4,322,571 | 20,475,372 |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,832,447) | (5,536,192) |
| Administrative Expenses | (43,936) | (79,986) |
| | 2,876,383 | 5,616,178 |
| TOTAL DEDUCTIONS | | |
| | 1,446,188 | 14,859,194 |
| Increase (Decrease) in Net Position | | |
| | 439,751,018 | 426,338,012 |
| NET POSITION | | |
| Beginning of Period | | |
| | 441,197,206 | 441,197,206 |
| End of Period | \$ 441,197,206 | \$ 441,197,206 |

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 Two Months Ended August 31, 2016
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|------------------------------------|----------------------|---------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | 1,499,242 | 2,411,443 |
| Plan Member | 441,533 | 712,953 |
| | 1,940,775 | 3,124,396 |
| INVESTMENT INCOME | | |
| Rental Income, Net of Expenses | 4,610 | 13,754 |
| Interest | 0 | 0 |
| Dividends | 0 | 0 |
| Capital Gains | 0 | 0 |
| Less Investment Expense | 0 | 0 |
| | 4,610 | 13,754 |
| TOTAL ADDITIONS | 1,945,385 | 3,138,150 |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,832,447) | (5,536,189) |
| Administrative Expenses | (43,936) | (79,986) |
| | (2,876,383) | (5,616,175) |
| OTHER INCREASES/(DECREASES) | | |
| Accounts Receivable | 56,401 | 853,920 |
| Accounts Payable | (215,360) | (761,659) |
| Sale/Purchase of Investments | 2,000,000 | 3,500,001 |
| | 1,841,041 | 3,592,262 |
| INCREASE (DECREASE) IN CASH | \$ 910,043 | \$ 1,114,237 |
| SUMMARY | | |
| Cash at End of Period | \$ 865,748 | \$ 865,748 |
| Cash at Beginning of Period | (44,289) | (248,479) |
| INCREASE (DECREASE) IN CASH | \$ 910,037 | \$ 1,114,227 |

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 Two Months Ending August 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 | \$ 21,661 | 21,661 | 0 |
| Total Revenues | <u>10,831</u> | <u>130,068</u> | <u>21,661</u> | <u>21,661</u> | <u>0</u> |
| Building Expenses | | | | | |
| Landscape & Maintenance | 1,425 | 24,900 | 1,629 | 4,150 | 2,521 |
| Security | 262 | 2,100 | 369 | 350 | (19) |
| Insurance | 2,810 | 2,870 | 2,810 | 2,870 | 60 |
| Utilities | 1,724 | 18,200 | 3,099 | 3,500 | 401 |
| Total building operating expenses | <u>6,221</u> | <u>48,070</u> | <u>7,907</u> | <u>10,870</u> | <u>2,963</u> |
| Net Income | <u>\$ 4,610</u> | <u>81,998</u> | <u>\$ 13,754</u> | <u>10,791</u> | <u>(2,963)</u> |

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

Filter Criteria includes: Report order is by ID.

| Vendor ID Vendor | Date | Trans No | Type | Paid | Debit Amt | Credit Amt | Balance |
|--|---------|-------------|------|------|------------|------------|------------|
| aflac AFLAC, INC. | 8/26/16 | 2002730 | CDJ | | 3,524.83 | 3,524.83 | 0.00 |
| amcre AMCRE | 8/26/16 | 2002731 | CDJ | | 917.72 | 917.72 | 0.00 |
| att AT&T | 8/18/16 | 4243374 | CDJ | | 117.51 | 117.51 | 0.00 |
| | 8/25/16 | 4243942 | CDJ | | 122.44 | 122.44 | 0.00 |
| caldis California State Dusburse | 8/29/16 | Cal 082916 | CDJ | | 200.00 | 200.00 | 0.00 |
| capins Capital Insurance Group | 8/11/16 | 4243032 | CDJ | | 2,810.00 | 2,810.00 | 0.00 |
| cituki City of Ukiah | 8/25/16 | 4244305 | CDJ | | 815.75 | 815.75 | 0.00 |
| | 8/25/16 | 4244304 | CDJ | | 411.13 | 411.13 | 0.00 |
| | 8/25/16 | 4244301 | CDJ | | 48.25 | 48.25 | 0.00 |
| | 8/25/16 | 4244302 | CDJ | | 105.93 | 105.93 | 0.00 |
| | 8/25/16 | 4244303 | CDJ | | 279.87 | 279.87 | 0.00 |
| clemen Clearly Mendocino Water | 8/18/16 | 4243448 | CDJ | | 36.00 | 36.00 | 0.00 |
| coumen County of Mendocino | 8/1/16 | Balance Fwd | | | | | 203,614.82 |
| | 8/1/16 | AJE 080116 | CDJ | | 203,614.82 | | 0.00 |
| | 8/23/16 | AJE 8/23/16 | CDJ | | 176.52 | 176.52 | 0.00 |
| depval Deep Valley Security | 8/4/16 | 4242690 | CDJ | | 75.00 | 75.00 | 0.00 |
| | 8/18/16 | 4243504 | CDJ | | 24.95 | 24.95 | 0.00 |
| | 8/18/16 | 4243505 | CDJ | | 44.95 | 44.95 | 0.00 |
| edd EDD | 8/29/16 | EDD 082916 | CDJ | | 53,855.82 | 53,855.82 | 0.00 |
| hanbri Hanson Bridgett | 8/1/16 | Balance Fwd | | | | | 1,170.00 |
| | 8/4/16 | 4242751 | CDJ | | 1,170.00 | | 0.00 |
| Intshrd Integrity Shred | 8/25/16 | AJE 8/25/16 | CDJ | | 28.00 | 28.00 | 0.00 |
| irs IRS | 8/29/16 | IRS 082916 | CDJ | | 241,971.36 | 241,971.36 | 0.00 |
| linsol Linea Solutions | 8/25/16 | 4244137 | CDJ | | 804.38 | 804.38 | 0.00 |
| mmro Managed Medical Review | 8/25/16 | 4244146 | CDJ | | 450.00 | 450.00 | 0.00 |
| moncle Moonlight Cleaning Servi | 8/18/16 | 4243706 | CDJ | | 990.00 | 990.00 | 0.00 |
| | 8/18/16 | 4243705 | CDJ | | 435.00 | 435.00 | 0.00 |
| Monpart Mondrian Investment Part | 8/1/16 | Balance Fwd | | | | | 43,117.75 |
| | 8/25/16 | 4244174 | CDJ | | 43,117.75 | | 0.00 |
| pacgro Pacific Group Agencies, I | 8/26/16 | 2002732 | CDJ | | 22,621.92 | 22,621.92 | 0.00 |
| StateStreet State Street Bank & Trust | 8/1/16 | Balance Fwd | | | | | 4,484.75 |
| | 8/4/16 | 4242916 | CDJ | | 4,484.75 | | 0.00 |
| tosfin Toshiba Financial Service | 8/18/16 | 4243865 | CDJ | | 212.52 | 212.52 | 0.00 |

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

Filter Criteria includes: Report order is by ID.

| Vendor ID Vendor | Date | Trans No | Type | Paid | Debit Amt | Credit Amt | Balance |
|------------------------------------|-------------|-----------------|-------------|-------------|-------------------|-------------------|----------------|
| ukiwas Ukiah Waste Solutions, I | 8/18/16 | 544538 | CDJ | | 62.83 | 62.83 | 0.00 |
| usban US Bank | 8/1/16 | Balance Fwd | | | | | 630.28 |
| | 8/29/16 | AJE 082916 | CDJ | | 630.28 | | 0.00 |
| verwir Verizon Wireless | 8/25/16 | 4244326 | CDJ | | 48.03 | 48.03 | 0.00 |
| Report Total | | | | | 584,208.31 | 331,190.71 | 0.00 |