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

Date: May 10, 2017
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending March 31, 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 \$77,258 during the month. Total net position increased to \$467.6 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 in net position of \$6.29 million and year-to-date net position increased by \$41.29 million. Administrative expense includes \$134,045 of property maintenance plan expenses billed in aggregate by the county. Investment expense includes quarterly fees from the Mondrian fund and Callan as well as invoices from Segal and State Street.

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 \$190,133 during the month. There were a total of three pay periods during March resulting in an increase in contributions for the month.

4. Office Building Rental Income – Net of Expenses

This report details the \$6,419 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Maintenance and Utilities expense were higher during the month, but for the year-to-date total operating expenses are below 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****March 31, 2017****Preliminary****ASSETS****CASH AND EQUIVALENTS**Trust Cash - Held at County \$ 77,258**TOTAL CASH AND EQUIVALENTS** 77,258**CURRENT ASSETS**

Accounts Receivable 6,468

Recoupments 74,510**TOTAL CURRENT ASSETS** 80,978**EQUIPMENT**Pension Gold Software 1,157,851**TOTAL EQUIPMENT** 1,157,851**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain (Loss) 97,472,511

Fixed Income 97,049,560

International Equities 114,399,939

Small Cap Equities 25,529,560

Mid Cap Equities 18,149,797

Large Cap Equities 81,503,269

Real Estate 34,011,279**TOTAL INVESTMENTS, AT MARKET** 468,115,915**TOTAL ASSETS** \$ 469,432,002**LIABILITIES****CURRENT LIABILITIES**

Accounts Payable \$ 242,095

Accrued Wages - 1920 Account 399,969**TOTAL CURRENT LIABILITIES** 642,064**OTHER LIABILITIES**Pension Gold Software 1,157,851**TOTAL OTHER LIABILITIES** 1,157,851**TOTAL NET POSITION** \$ 467,632,087**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 Nine Months Ended March 31, 2017
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|--|----------------------|---------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | \$ 2,172,306 | \$ 14,294,606 |
| Plan Members | 677,365 | 4,254,088 |
| | <hr/> | <hr/> |
| TOTAL CONTRIBUTIONS | 2,849,671 | 18,548,694 |
| | <hr/> | <hr/> |
| INVESTMENT INCOME | | |
| Unrealized Gain (Loss) | 4,989,251 | 33,067,869 |
| Rental Income, Net of Expenses | 6,419 | 63,491 |
| Interest | 175 | 8,182 |
| Dividends | 607,405 | 4,934,753 |
| Capital Gains | 868,466 | 10,696,344 |
| Less Investment Expense | (115,028) | (424,591) |
| | <hr/> | <hr/> |
| Net Investment Income | 6,356,688 | 48,346,048 |
| | <hr/> | <hr/> |
| TOTAL ADDITIONS | 9,206,359 | 66,894,742 |
| | <hr/> | <hr/> |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,681,197) | (24,571,802) |
| Administrative Expenses | (227,959) | (1,028,865) |
| | <hr/> | <hr/> |
| TOTAL DEDUCTIONS | 2,909,156 | 25,600,667 |
| | <hr/> | <hr/> |
| Increase (Decrease) in Net Position | 6,297,203 | 41,294,075 |
| | <hr/> | <hr/> |
| NET POSITION | | |
| Beginning of Period | 461,334,884 | 426,338,012 |
| | <hr/> | <hr/> |
| End of Period | \$ 467,632,087 | \$ 467,632,087 |
| | <hr/> <hr/> | <hr/> <hr/> |

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 Nine Months Ended March 31, 2017
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|------------------------------------|----------------------|---------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | 2,172,306 | 14,294,606 |
| Plan Member | 677,365 | 4,254,088 |
| | 2,849,671 | 18,548,694 |
| INVESTMENT INCOME | | |
| Rental Income, Net of Expenses | 6,419 | 63,491 |
| Interest | 175 | 8,182 |
| Dividends | 0 | 0 |
| Capital Gains | 0 | 0 |
| Less Investment Expense | (115,028) | (424,591) |
| | (108,434) | (352,918) |
| TOTAL ADDITIONS | 2,741,237 | 18,195,776 |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,681,196) | (24,571,800) |
| Administrative Expenses | (227,959) | (1,028,865) |
| | (2,909,155) | (25,600,665) |
| OTHER INCREASES/(DECREASES) | | |
| Accounts Receivable | 112,617 | 857,464 |
| Accounts Payable | 245,434 | (317,457) |
| Sale/Purchase of Investments | 0 | 7,054,155 |
| | 358,051 | 7,730,627 |
| INCREASE (DECREASE) IN CASH | \$ 190,133 | \$ 325,738 |
| SUMMARY | | |
| Cash at End of Period | \$ 77,258 | \$ 77,258 |
| Cash at Beginning of Period | (112,874) | (248,479) |
| INCREASE (DECREASE) IN CASH | \$ 190,132 | \$ 325,737 |

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 Nine Months Ending March 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 | \$ 10,868 | 130,068 | \$ 97,514 | 97,501 | (13) |
| Total Revenues | <u>10,868</u> | <u>130,068</u> | <u>97,514</u> | <u>97,501</u> | <u>(13)</u> |
| Building Expenses | | | | | |
| Landscape & Maintenance | 2,815 | 24,900 | 17,368 | 18,675 | 1,307 |
| Security | 70 | 2,100 | 1,123 | 1,575 | 452 |
| Insurance | 0 | 2,870 | 2,810 | 2,870 | 60 |
| Utilities | 1,564 | 18,200 | 12,722 | 13,750 | 1,028 |
| Total building operating expenses | <u>4,449</u> | <u>48,070</u> | <u>34,023</u> | <u>36,870</u> | <u>2,847</u> |
| Net Income | <u>\$ 6,419</u> | <u>81,998</u> | <u>\$ 63,491</u> | <u>60,631</u> | <u>(2,860)</u> |

MCERA
Vendor Ledgers
For the Period From Mar 1, 2017 to Mar 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. | 3/31/17 | 2003191 | CDJ | | 3,532.81 | 3,532.81 | 0.00 |
| amcre AMCRE | 3/31/17 | 2003192 | CDJ | | 939.40 | 939.40 | 0.00 |
| att AT&T | 3/2/17 | 4255696 | CDJ | | 119.03 | 119.03 | 0.00 |
| | 3/30/17 | 4257334 | CDJ | | 138.94 | 138.94 | 0.00 |
| calass Callan Associates, Inc. | 3/31/17 | SI-1703151 | PJ | * | | 37,492.00 | 37,492.00 |
| caldis California State Dusbursement | 3/28/17 | Cal 032817 | CDJ | | 200.00 | 200.00 | 0.00 |
| cituki City of Ukiah | 3/2/17 | 4256057 | CDJ | | 308.63 | | -308.63 |
| | 3/2/17 | 4256056 | CDJ | | 171.87 | | -480.50 |
| | 3/2/17 | 4256054 | CDJ | | 36.81 | | -517.31 |
| | 3/2/17 | 4256055 | CDJ | | 105.93 | | -623.24 |
| | 3/2/17 | 4256058 | CDJ | | 317.05 | | -940.29 |
| | 3/30/17 | 4257719 | CDJ | | | 218.31 | -940.29 |
| | 3/30/17 | 4257716 | CDJ | | 29.31 | 29.31 | -940.29 |
| | 3/30/17 | 4257718 | CDJ | | 130.99 | 130.99 | -940.29 |
| | 3/30/17 | 4257717 | CDJ | | 105.93 | 105.93 | -940.29 |
| | 3/30/17 | 4257720 | CDJ | | 311.33 | 311.33 | -940.29 |
| clemen Clearly Mendocino Water Comp | 3/9/17 | 4256174 | CDJ | | 48.00 | 48.00 | 0.00 |
| coumen County of Mendocino | 3/1/17 | Balance Fwd | | | | | 2,204.32 |
| | 3/17/17 | AJE 031717 | CDJ | | 532.05 | 532.05 | 2,204.32 |
| | 3/20/17 | AJE032017 | CDJ | | 701.63 | 701.63 | 2,204.32 |
| | 3/20/17 | AJE032017 A | CDJ | | 815.26 | 815.26 | 2,204.32 |
| | 3/22/17 | AJE 032217 | CDJ | | 839.15 | 839.15 | 2,204.32 |
| | 3/27/17 | AJE 032717 | CDJ | | 278.91 | 278.91 | 2,204.32 |
| | 3/31/17 | CI803 | PJ | | | 134,045.28 | 136,249.60 |
| curdis Curry's Discount Inc. | 3/9/17 | 4256199 | CDJ | | 34.24 | 34.24 | 0.00 |
| | 3/9/17 | 4256200 | CDJ | | 66.40 | 66.40 | 0.00 |
| depval Deep Valley Security | 3/9/17 | 4256201 | CDJ | | 24.95 | 24.95 | 0.00 |
| | 3/9/17 | 4256202 | CDJ | | 44.95 | 44.95 | 0.00 |
| edd EDD | 3/28/17 | EDD 032817 | CDJ | | 51,621.83 | 51,621.83 | 0.00 |
| irs IRS | 3/23/17 | IRS 32817 | CDJ | | 229,341.34 | 229,341.34 | 0.00 |
| Jerihar Jerilyn Harris | 3/31/17 | Q334523 | PJ | * | | 300.00 | 300.00 |
| judzel Judith Zeller | 3/2/17 | 4256104 | CDJ | | 36.38 | 36.38 | 0.00 |
| LePrk Lee Parker | 3/31/17 | Q340707 | PJ | * | | 200.00 | 200.00 |
| LRS Inc Levi, Ray & Shoup, Inc | 3/9/17 | 4256311 | CDJ | | 5,400.00 | 5,400.00 | 0.00 |
| | 3/23/17 | 4257135 | CDJ | | 1,500.00 | 1,500.00 | 0.00 |
| moncle Moonlight Cleaning Service | 3/9/17 | 4256348 | CDJ | | 1,030.00 | 1,030.00 | 0.00 |
| | 3/9/17 | 4256347 | CDJ | | 455.00 | 455.00 | 0.00 |
| Monpart | 3/1/17 | Balance Fwd | | | | | 51,492.19 |

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

Filter Criteria includes: Report order is by ID.

| Vendor ID Vendor | Date | Trans No | Type | Paid | Debit Amt | Credit Amt | Balance |
|--|---------|---------------|------|------|-------------------|-------------------|-------------------|
| Mondrian Investment Partners L | 3/2/17 | 4255923 | CDJ | | 51,492.19 | | 0.00 |
| | 3/31/17 | Q2-033117 | PJ | | | 55,389.32 | 55,389.32 |
| pacgro Pacific Group Agencies, Inc. | 3/31/17 | 2003193 | CDJ | | 23,635.52 | 23,635.52 | 0.00 |
| pge PG&E | 3/23/17 | 4257191 | CDJ | | 703.00 | 703.00 | 0.00 |
| ricsho Richard Shoemaker | 3/31/17 | Q36214 | PJ | * | | 100.00 | 100.00 |
| segal SEGAL | 3/9/17 | 4256433 | CDJ | | 16,162.00 | 16,162.00 | 0.00 |
| | 3/30/17 | 4257672 | CDJ | | 1,500.00 | 1,500.00 | 0.00 |
| soncou Sonoma County Counsel | 3/9/17 | 4256449 | CDJ | | 4,254.50 | 4,254.50 | 0.00 |
| | 3/31/17 | 10064 | PJ | * | | 7,112.00 | 7,112.00 |
| sonsw Sonoma Sweepers, Inc. | 3/2/17 | 4256030 | CDJ | | 152.00 | | -152.00 |
| | 3/2/17 | 4256029 | CDJ | | 52.00 | | -204.00 |
| | 3/30/17 | 4257683 | CDJ | | 157.00 | 157.00 | -204.00 |
| | 3/30/17 | 4257682 | CDJ | | 54.50 | 54.50 | -204.00 |
| StateStreet State Street Bank & Trust | 3/1/17 | Balance Fwd | | | | | 8,969.50 |
| | 3/2/17 | 4256035 | CDJ | | 4,484.75 | | 4,484.75 |
| | 3/23/17 | 4257262 | CDJ | | 4,484.75 | 4,484.75 | 4,484.75 |
| tedste Ted Stephens | 3/31/17 | Q323842 | PJ | * | | 300.00 | 300.00 |
| timknu Timothy Knudsen | 3/31/17 | Q31562 | PJ | * | | 300.00 | 300.00 |
| tosfin Toshiba Financial Services | 3/9/17 | 4256467 | CDJ | | 217.32 | 217.32 | 0.00 |
| ukiwas Ukiah Waste Solutions, Inc. | 3/23/17 | 576509 | CDJ | | 65.08 | 65.08 | 0.00 |
| usban US Bank | 3/31/17 | 4728-032217 | PJ | | | 95.22 | 95.22 |
| | 3/31/17 | 4728-022217 | PJ | | | 960.47 | 1,055.69 |
| | 3/31/17 | 6884 - 022217 | PJ | | | 255.67 | 1,311.36 |
| verwir Verizon Wireless | 3/23/17 | 4257298 | CDJ | | 41.90 | 41.90 | 0.00 |
| Report Total | | | | | 406,892.94 | 586,321.67 | 242,094.74 |