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

Date: November 2, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending September 30, 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 \$5,620,436 during the month and total net position increased to \$444 million. Please note that \$4,600,000 of the cash was reserved for a rebalance purchase that occurred on 10/03/16. The Mondrian fund requires purchases to occur on the first of the month.

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 \$2.8 million and year-to-date net position increased by \$17.7 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 investment policy statement. There was a net cash increase of \$4,754,690 during the month.

The accounts receivable line under the other increases/decreases heading tracks the changes in the current assets accounts including accounts receivable, county contributions receivable and recoupments. The accounts payable line tracks the changes in the current liabilities accounts including accounts payable, accrued wages – 1920 account, and withholding accounts. Similarly, the sale/purchase of investments line tracks the changes in investment asset accounts.

4. Office Building Rental Income – Net of Expenses

This report details the \$6,841 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 mainly due to lower than expected maintenance expense.

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.

The Vendor Ledgers report provides detail on the accounts payable activity during the report period. A transaction type “CDJ” indicates a transaction that occurred and was paid during the report period. A “PJ” transaction type is a transaction that occurred during the report period but will be paid in a future period.

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF PLAN NET POSITION
September 30, 2016
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County \$ 5,620,436

TOTAL CASH AND EQUIVALENTS 5,620,436

CURRENT ASSETS

Accounts Receivable 6,431
 Recoupments 77,580

TOTAL CURRENT ASSETS 84,011

EQUIPMENT

Pension Gold Software 1,294,316

TOTAL EQUIPMENT 1,294,316

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss) 82,456,136
 Fixed Income 95,625,492
 International Equities 108,703,167
 Small Cap Equities 25,816,099
 Mid Cap Equities 15,850,621
 Large Cap Equities 77,764,576
 Real Estate 32,408,389

TOTAL INVESTMENTS, AT MARKET 438,624,480

TOTAL ASSETS \$ 445,623,243

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 133,532
 Accrued Wages - 1920 Account 121,164

TOTAL CURRENT LIABILITIES 254,696

OTHER LIABILITIES

Pension Gold Software 1,294,316

TOTAL OTHER LIABILITIES 1,294,316

TOTAL NET POSITION \$ 444,074,231

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 Three Months Ended September 30, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 2,241,291	\$ 4,652,735
Plan Members	648,174	1,361,127
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TOTAL CONTRIBUTIONS	2,889,465	6,013,862
	<hr/>	<hr/>
INVESTMENT INCOME		
Unrealized Gain (Loss)	1,085,663	18,051,494
Rental Income, Net of Expenses	6,841	20,595
Interest	0	0
Dividends	935,565	1,273,256
Capital Gains	894,925	928,625
Less Investment Expense	(107,063)	(107,063)
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Net Investment Income	2,815,931	20,166,907
	<hr/>	<hr/>
TOTAL ADDITIONS	5,705,396	26,180,769
	<hr/>	<hr/>
DEDUCTIONS		
Benefit Payments & Refunds	(2,705,154)	(8,241,347)
Administrative Expenses	(122,925)	(203,197)
	<hr/>	<hr/>
TOTAL DEDUCTIONS	2,828,079	8,444,544
	<hr/>	<hr/>
Increase (Decrease) in Net Position	2,877,317	17,736,225
	<hr/>	<hr/>
NET POSITION		
Beginning of Period	441,196,919	426,338,012
	<hr/>	<hr/>
End of Period	\$ 444,074,236	\$ 444,074,237
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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 Three Months Ended September 30, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	2,241,291	4,652,735
Plan Member	648,174	1,361,127
	2,889,465	6,013,862
INVESTMENT INCOME		
Rental Income, Net of Expenses	6,841	20,595
Interest	0	0
Dividends	0	0
Capital Gains	0	0
Less Investment Expense	(107,063)	(107,063)
	(100,222)	(86,468)
TOTAL ADDITIONS	2,789,243	5,927,394
DEDUCTIONS		
Benefit Payments & Refunds	(2,705,156)	(8,241,347)
Administrative Expenses	(122,925)	(203,197)
	(2,828,081)	(8,444,544)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	512	854,431
Accounts Payable	193,015	(568,360)
Sale/Purchase of Investments	4,600,001	8,100,001
	4,793,528	8,386,072
INCREASE (DECREASE) IN CASH	\$ 4,754,690	\$ 5,868,922
SUMMARY		
Cash at End of Period	\$ 5,620,436	\$ 5,620,436
Cash at Beginning of Period	865,751	(248,479)
INCREASE (DECREASE) IN CASH	\$ 4,754,685	\$ 5,868,915

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 Three Months Ending September 30, 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	\$ 32,492	32,492	0
Total Revenues	<u>10,831</u>	<u>130,068</u>	<u>32,492</u>	<u>32,492</u>	<u>0</u>
Building Expenses					
Landscape & Maintenance	1,833	24,900	3,462	6,225	2,763
Security	260	2,100	629	525	(104)
Insurance	0	2,870	2,810	2,870	60
Utilities	1,897	18,200	4,996	5,250	254
Total building operating expenses	<u>3,990</u>	<u>48,070</u>	<u>11,897</u>	<u>14,870</u>	<u>2,973</u>
Net Income	<u>\$ 6,841</u>	<u>81,998</u>	<u>\$ 20,595</u>	<u>17,622</u>	<u>(2,973)</u>

MCERA
Vendor Ledgers
For the Period From Sep 1, 2016 to Sep 30, 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.	9/22/16	2002803	CDJ		3,524.83	3,524.83	0.00
amcre AMCRE	9/22/16	2002804	CDJ		920.06	920.06	0.00
att AT&T	9/22/16	4245417	CDJ		125.23	125.23	0.00
	9/29/16	4245916	CDJ		116.73	116.73	0.00
calapr CALAPRS	9/1/16	4244393	CDJ		1,000.00	1,000.00	0.00
	9/29/16	4245963	CDJ		300.00	300.00	0.00
calass Callan Associates, Inc.	9/30/16	SI-1609688	PJ			36,400.00	36,400.00
caldis California State Dusbursement	9/23/16	Cal 092316	CDJ		200.00	200.00	0.00
cituki City of Ukiah	9/29/16	4246288	CDJ		297.03	297.03	0.00
	9/29/16	4246287	CDJ		105.93	105.93	0.00
	9/29/16	4246289	CDJ		448.96	448.96	0.00
	9/29/16	4246286	CDJ		16.54	16.54	0.00
	9/29/16	4246290	CDJ		965.80	965.80	0.00
clemen Clearly Mendocino Water Comp	9/8/16	4244812	CDJ		42.00	42.00	0.00
coumen County of Mendocino	9/2/16	AJE 090216	CDJ		44.94	44.94	0.00
	9/8/16	AJE 090816	CDJ		185.47	185.47	0.00
	9/30/16	20168-1920	PJ			820.37	820.37
	9/30/16	20167-1920	PJ			4,703.47	5,523.84
	9/30/16	20169-1920	PJ			801.53	6,325.37
curdis Curry's Discount Inc.	9/22/16	4245546	CDJ		38.73	38.73	0.00
	9/22/16	4245547	CDJ		43.20	43.20	0.00
	9/22/16	4245544	CDJ		7.33	7.33	0.00
	9/22/16	4245545	CDJ		9.43	9.43	0.00
	9/29/16	4246013	CDJ		9.33	9.33	0.00
depval Deep Valley Security	9/8/16	4244851	CDJ		65.00	65.00	0.00
	9/8/16	4244850	CDJ		44.95	44.95	0.00
	9/8/16	4244849	CDJ		24.95	24.95	0.00
edd EDD	9/23/16	EDD 092316	CDJ		53,667.82	53,667.82	0.00
galllp Gallina, LLP	9/30/16	GA2219350	PJ			34,600.00	34,600.00
hanbri Hanson Bridgett	9/8/16	4244898	CDJ		367.26	367.26	0.00
	9/8/16	4244899	CDJ		448.00	448.00	0.00
	9/30/16	1175052	PJ			444.50	444.50
irs IRS	9/23/16	IRS 092316	CDJ		220,087.17	220,087.17	0.00
Jerihar Jerilyn Harris	9/29/16	4246074	CDJ		200.00	200.00	0.00
johsak John Sakowicz	9/29/16	4246241	CDJ		300.00	300.00	0.00
judzel Judith Zeller	9/29/16	4246342	CDJ		38.88	38.88	0.00

MCERA
Vendor Ledgers
For the Period From Sep 1, 2016 to Sep 30, 2016

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
linsol	9/22/16	4245676	CDJ		1,608.75	1,608.75	0.00
Linea Solutions	9/30/16	MD-2016-C09	PJ			556.88	556.88
LRS Inc	9/8/16	4244941	CDJ		37.50	37.50	0.00
Levi, Ray & Shoup, Inc							
moncle	9/8/16	4244968	CDJ		990.00	990.00	0.00
Moonlight Cleaning Service	9/8/16	4244969	CDJ		435.00	435.00	0.00
Monpart	9/30/16	Sept Billing Est	PJ			44,638.10	44,638.10
Mondrian Investment Partners L							
Nossmn	9/30/16	457426	PJ			303.00	303.00
Nossaman LLP							
pacgro	9/22/16	2002805	CDJ		22,621.92	22,621.92	0.00
Pacific Group Agencies, Inc.							
ricsho	9/29/16	4246258	CDJ		200.00	200.00	0.00
Richard Shoemaker							
segal	9/22/16	4245824	CDJ		24,525.00	24,525.00	0.00
SEGAL	9/30/16	290498	PJ			1,500.00	1,500.00
soncou	9/1/16	4244669	CDJ		1,905.00	1,905.00	0.00
Sonoma County Counsel	9/30/16	9573	PJ			8,699.50	8,699.50
sonsw	9/1/16	4244672	CDJ		152.00	152.00	0.00
Sonoma Sweepers, Inc.	9/1/16	4244671	CDJ		52.00	52.00	0.00
	9/29/16	4246263	CDJ		152.00	152.00	0.00
	9/29/16	4246262	CDJ		52.00	52.00	0.00
tedste	9/29/16	4246270	CDJ		300.00	300.00	0.00
Ted Stephens							
timknu	9/29/16	4246104	CDJ		300.00	300.00	0.00
Timothy Knudsen							
tosfin	9/22/16	4245852	CDJ		217.83	217.83	0.00
Toshiba Financial Services							
ukiwas	9/22/16	549768	CDJ		62.83	62.83	0.00
Ukiah Waste Solutions, Inc.							
usban	9/1/16	Balance Fwd					284.96
US Bank	9/22/16	092216 - 4728	PJ			64.47	349.43
	9/30/16	AJE 093016	CDJ		284.96		64.47
verwir	9/22/16	4245877	CDJ		42.68	42.68	0.00
Verizon Wireless							
Report Total					337,585.04	470,831.90	133,531.82