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

Date: August 17, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending June 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 decreased to -\$248,482 during the month and total net position decreased to \$426.3 million. MCERA's cash account held at the county dipped negative due to a longer than expected redemption process with the RREEF America II REIT fund.

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 \$2.5 million and year-to-date net position decreased by about \$17.8 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 decrease of \$811,820 during the month.

4. Office Building Rental Income – Net of Expenses

This report details the \$2,469 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Air conditioning repairs were recorded in June and together with other building repairs and security system maintenance that occurred earlier in the fiscal year pushed total YTD expenses over budget.

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
June 30, 2016
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County	\$	<u>(248,482)</u>
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TOTAL CASH AND EQUIVALENTS		(248,482)
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CURRENT ASSETS

Accounts Receivable		122,053
County Contributions Rec		789,423
Recoupments		<u>79,115</u>

TOTAL CURRENT ASSETS		990,591
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INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss)		64,404,642
Fixed Income		118,886,681
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		<u>32,257,408</u>

TOTAL INVESTMENTS, AT MARKET		<u>426,471,105</u>
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TOTAL ASSETS	\$	<u><u>427,213,214</u></u>
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LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	288,422
Accrued Wages - 1920 Account		<u>534,634</u>

TOTAL CURRENT LIABILITIES		<u>823,056</u>
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TOTAL NET POSITION	\$	<u><u>426,390,158</u></u>
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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
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Twelve Months Ended June 30, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 2,142,880	\$ 19,173,669
Plan Members	609,303	5,719,727
	<u>2,752,183</u>	<u>24,893,396</u>
TOTAL CONTRIBUTIONS		
INVESTMENT INCOME		
Unrealized Gain (Loss)	(3,534,567)	(27,677,309)
Rental Income, Net of Expenses	2,469	82,532
Interest	0	9,252
Dividends	1,128,969	7,479,769
Capital Gains	72,181	10,079,315
Less Investment Expense	(121,103)	(450,480)
	<u>(2,452,051)</u>	<u>(10,476,921)</u>
Net Investment Income	(2,452,051)	(10,476,921)
	<u>300,132</u>	<u>14,416,475</u>
TOTAL ADDITIONS	300,132	14,416,475
DEDUCTIONS		
Benefit Payments & Refunds	(2,793,942)	(31,058,640)
Administrative Expenses	(86,072)	(1,185,026)
	<u>2,880,014</u>	<u>32,243,666</u>
TOTAL DEDUCTIONS	2,880,014	32,243,666
Increase (Decrease) in Net Position	(2,579,882)	(17,827,191)
NET POSITION		
Beginning of Period	<u>428,970,044</u>	<u>444,217,351</u>
End of Period	<u>\$ 426,390,162</u>	<u>\$ 426,390,160</u>

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 Twelve Months Ended June 30, 2016
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	2,142,880	19,173,669
Plan Member	609,303	5,719,727
	2,752,183	24,893,396
INVESTMENT INCOME		
Rental Income, Net of Expenses	2,469	82,532
Interest	0	9,252
Dividends	0	3,168,087
Capital Gains	0	0
Less Investment Expense	(121,103)	(450,480)
	(118,634)	2,809,391
	2,633,549	27,702,787
DEDUCTIONS		
Benefit Payments & Refunds	(2,793,943)	(31,058,642)
Administrative Expenses	(86,072)	(1,185,026)
	(2,880,015)	(32,243,668)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	(904,533)	(113,718)
Accounts Payable	339,180	2,568
Sale/Purchase of Investments	(1)	3,005,400
	(565,354)	2,894,250
INCREASE (DECREASE) IN CASH	\$ (811,820)	\$ (1,646,631)
SUMMARY		
Cash at End of Period	\$ (248,482)	\$ (248,482)
Cash at Beginning of Period	563,339	1,398,146
INCREASE (DECREASE) IN CASH	\$ (811,821)	\$ (1,646,628)

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 Twelve Months Ending June 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	\$ 10,787	129,518	\$ 129,425	129,518	93
Total Revenues	<u>10,787</u>	<u>129,518</u>	<u>129,425</u>	<u>129,518</u>	<u>93</u>
Building Expenses					
Landscape & Maintenance	6,897	20,400	25,793	20,400	(5,393)
Security	246	1,800	2,231	1,800	(431)
Insurance	0	2,500	2,681	2,500	(181)
Utilities	<u>1,175</u>	<u>16,750</u>	<u>16,188</u>	<u>16,750</u>	<u>562</u>
Total building operating expenses	<u>8,318</u>	<u>41,450</u>	<u>46,893</u>	<u>41,450</u>	<u>(5,443)</u>
Net Income	\$ <u>2,469</u>	<u>88,068</u>	\$ <u>82,532</u>	<u>88,068</u>	<u>5,536</u>

MCERA
Vendor Ledgers
For the Period From Jun 1, 2016 to Jun 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.	6/27/16	2002540	CDJ		3,528.83	3,528.83	0.00
amcre AMCRE	6/27/16	2002542	CDJ		916.40	916.40	0.00
att AT&T	6/9/16	4238289	CDJ		111.30	111.30	0.00
	6/23/16	4239388	CDJ		106.31	106.31	0.00
	6/30/16	4240092	CDJ		112.35	112.35	0.00
	6/30/16	000008309206	PJ			112.61	112.61
calass Callan Associates, Inc.	6/30/16	4240147	CDJ		36,400.00	36,400.00	0.00
caldis California State Dusbusement	6/27/16	Cal 062716	CDJ		200.00	200.00	0.00
cituki City of Ukiah	6/30/16	4240499	CDJ		215.08	215.08	0.00
	6/30/16	4240496	CDJ		42.02	42.02	0.00
	6/30/16	4240501	CDJ		360.46	360.46	0.00
	6/30/16	4240497	CDJ		105.93	105.93	0.00
	6/30/16	4240500	CDJ		325.46	325.46	0.00
clemen Clearly Mendocino Water Comp	6/9/16	4238340	CDJ		30.00	30.00	0.00
	6/30/16	34079	PJ			24.00	24.00
coumen County of Mendocino	6/3/16	AJE060316	CDJ		204.37	204.37	0.00
	6/23/16	AJE 062216	CDJ		2,042.38	2,042.38	0.00
	6/30/16	AJE 063016 B	CDJ		198.72	198.72	0.00
	6/30/16	20166-1920	PJ			2,286.16	2,286.16
	6/30/16	20165-1920	PJ			2,076.38	4,362.54
	6/30/16	GSA- June201	PJ			1,597.02	5,959.56
	6/30/16	June '16 Court	PJ			203,614.82	209,574.38
curdis Curry's Discount Inc.	6/30/16	4240187	CDJ		4.89	4.89	0.00
	6/30/16	4240188	CDJ		9.66	9.66	0.00
	6/30/16	4240189	CDJ		43.20	43.20	0.00
depval Deep Valley Security	6/9/16	4238375	CDJ		24.95	24.95	0.00
	6/9/16	4238376	CDJ		44.95	44.95	0.00
	6/30/16	298147	PJ			44.95	44.95
	6/30/16	298146	PJ			24.95	69.90
edd EDD	6/27/16	EDD 062716	CDJ		53,450.82	53,450.82	0.00
hanbri Hanson Bridgett	6/9/16	4238426	CDJ		275.50	275.50	0.00
	6/30/16	1169287	PJ			104.00	104.00
	6/30/16	1170453	PJ			1,170.00	1,274.00
Intshrd Integrity Shred	6/23/16	536044	CDJ		28.00	28.00	0.00
	6/23/16	536235	CDJ		28.00	28.00	0.00
	6/23/16	536272	CDJ		28.00	28.00	0.00
irs IRS	6/27/16	IRS 062716	CDJ		218,188.91	218,188.91	0.00
jamwil James Wilbanks	6/30/16	4240546	CDJ		411.82	411.82	0.00
Jerihar Jerilyn Harris	6/30/16	4240253	CDJ		200.00	200.00	0.00
johsak John Sakowicz	6/30/16	4240437	CDJ		400.00	400.00	0.00

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Vendor Ledgers
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Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
judzel Judith Zeller	6/30/16	4240568	CDJ		34.56	34.56	0.00
linsol Linea Solutions	6/23/16 6/30/16	4239747 MD-2016-C06	CDJ PJ		4,021.88	4,021.88 4,118.13	0.00 4,118.13
LRS Inc Levi, Ray & Shoup, Inc	6/23/16 6/30/16	4239738 161297	CDJ PJ		862.50	862.50 1,350.00	0.00 1,350.00
mmro Managed Medical Review Organ	6/30/16	4240325	CDJ		2,435.00	2,435.00	0.00
moncle Moonlight Cleaning Service	6/9/16 6/9/16 6/30/16 6/30/16	4238503 4238502 17069 17070	CDJ CDJ PJ PJ		990.00 435.00	990.00 435.00 990.00 435.00	0.00 0.00 990.00 1,425.00
Monpart Mondrian Investment Partners Li	6/30/16	MondrianJune2	PJ			43,117.75	43,117.75
Nossmn Nossaman LLP	6/30/16	4240379	CDJ		252.50	252.50	0.00
pacgro Pacific Group Agencies, Inc.	6/27/16	2002541	CDJ		22,696.37	22,696.37	0.00
ricsho Richard Shoemaker	6/30/16	4240453	CDJ		100.00	100.00	0.00
segal SEGAL	6/30/16 6/30/16	284577 284615	PJ PJ			1,500.00 17,484.00	1,500.00 18,984.00
soncou Sonoma County Counsel	6/23/16 6/30/16	4239971 9432	CDJ PJ		3,003.00	3,003.00 3,580.50	0.00 3,580.50
sonswe Sonoma Sweepers, Inc.	6/9/16 6/9/16 6/30/16 6/30/16	4238589 4238588 4240460 4240459	CDJ CDJ CDJ CDJ		152.00 52.00 152.00 52.00	152.00 52.00 152.00 52.00	0.00 0.00 0.00 0.00
StateStreet State Street Bank & Trust	6/9/16 6/9/16 6/9/16 6/9/16 6/30/16	4238596 4238597 4238598 4238599 1604119149-6	CDJ CDJ CDJ CDJ PJ		4,484.75 4,484.76 4,484.76 4,484.76 4,484.76	4,484.75 4,484.76 4,484.76 4,484.76 4,484.75	0.00 0.00 0.00 0.00 4,484.75
tedste Ted Stephens	6/30/16	4240470	CDJ		300.00	300.00	0.00
timknu Timothy Knudsen	6/30/16	4240293	CDJ		400.00	400.00	0.00
tosfin Toshiba Financial Services	6/23/16	4240006	CDJ		212.52	212.52	0.00
ukiwas Ukiah Waste Solutions, Inc.	6/23/16 6/30/16	536368 0900-July1	CDJ PJ		62.83	62.83 62.83	0.00 62.83
usban US Bank	6/1/16 6/22/16 6/30/16 6/30/16	Balance Fwd 4728-062216 AJE 063016 AJE 063016 A				194.78	2,332.41 2,527.19 1,200.62 194.78
verwir	6/23/16	4240041	CDJ		41.60	41.60	0.00

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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
Verizon Wireless	6/30/16	9768264381	PJ			49.60	49.60
Report Total					374,565.51	660,655.33	288,422.23