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

Date: July 19, 2017
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Financial Report

Preliminary Monthly Financial Reports, month ending May 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 decreased slightly to \$152,937 during the month. Total net position increased to \$481.1 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 \$6.3 million and year-to-date net position increased by \$54.7 million. As part of the portfolio consolidation a number of funds were liquidated in May resulting in the recognition of capital gains.

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 \$7,811 during the month.

4. Office Building Rental Income – Net of Expenses

This report details the \$5,239 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. Maintenance and Utilities expense were elevated during the month due to general servicing and repairs including lighting maintenance. For the year-to-date total operating expenses are slightly below budgeted 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
May 31, 2017
Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash - Held at County \$ 152,937

TOTAL CASH AND EQUIVALENTS 152,937

CURRENT ASSETS

Accounts Receivable 6,468
 Recoupments 73,486

TOTAL CURRENT ASSETS 79,954

EQUIPMENT

Pension Gold Software 1,157,851

TOTAL EQUIPMENT 1,157,851

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain (Loss) 103,046,264
 Fixed Income 102,749,712
 International Equities 113,680,787
 Small Cap Equities 21,075,540
 Mid Cap Equities 21,991,277
 Large Cap Equities 84,822,731
 Real Estate 34,171,881

TOTAL INVESTMENTS, AT MARKET 481,538,192

TOTAL ASSETS \$ 482,928,934

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 9,946
 Accrued Wages - 1920 Account 493,522
 Accrued Courts POB Payments 153,805

TOTAL CURRENT LIABILITIES 657,273

OTHER LIABILITIES

Pension Gold Software 1,157,851

TOTAL OTHER LIABILITIES 1,157,851

TOTAL NET POSITION \$ 481,113,810

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 Eleven Months Ended May 31, 2017
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|--|----------------------|---------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | \$ 1,468,768 | \$ 16,902,248 |
| Plan Members | 432,365 | 5,110,349 |
| | <hr/> | <hr/> |
| TOTAL CONTRIBUTIONS | 1,901,133 | 22,012,597 |
| | <hr/> | <hr/> |
| INVESTMENT INCOME | | |
| Unrealized Gain (Loss) | (1,040,810) | 38,641,622 |
| Rental Income, Net of Expenses | 3,864 | 74,152 |
| Interest | 0 | 8,880 |
| Dividends | 117,028 | 5,422,194 |
| Capital Gains | 8,159,350 | 20,157,428 |
| | <hr/> | <hr/> |
| Less Investment Expense | (4,119) | (433,194) |
| | <hr/> | <hr/> |
| Net Investment Income | 7,235,313 | 63,871,082 |
| | <hr/> | <hr/> |
| TOTAL ADDITIONS | 9,136,446 | 85,883,679 |
| | <hr/> | <hr/> |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,745,273) | (29,948,641) |
| Administrative Expenses | (75,214) | (1,159,240) |
| | <hr/> | <hr/> |
| TOTAL DEDUCTIONS | 2,820,487 | 31,107,881 |
| | <hr/> | <hr/> |
| Increase (Decrease) in Net Position | 6,315,959 | 54,775,798 |
| | <hr/> | <hr/> |
| NET POSITION | | |
| Beginning of Period | 474,797,849 | 426,338,012 |
| | <hr/> | <hr/> |
| End of Period | \$ 481,113,808 | \$ 481,113,810 |
| | <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 Eleven Months Ended May 31, 2017
Preliminary

| | CURRENT MONTH | YEAR TO DATE |
|------------------------------------|----------------------|---------------------|
| ADDITIONS | | |
| CONTRIBUTIONS | | |
| Employer | 1,468,768 | 16,902,248 |
| Plan Member | 432,365 | 5,110,349 |
| | 1,901,133 | 22,012,597 |
| INVESTMENT INCOME | | |
| Rental Income, Net of Expenses | 3,864 | 74,152 |
| Interest | 0 | 8,880 |
| Dividends | 0 | 0 |
| Capital Gains | 0 | 0 |
| Less Investment Expense | (4,119) | (433,194) |
| | (255) | (350,162) |
| | 1,900,878 | 21,662,435 |
| DEDUCTIONS | | |
| Benefit Payments & Refunds | (2,745,273) | (29,948,640) |
| Administrative Expenses | (75,214) | (1,159,240) |
| | (2,820,487) | (31,107,880) |
| OTHER INCREASES/(DECREASES) | | |
| Accounts Receivable | 512 | 858,487 |
| Accounts Payable | (88,714) | (302,247) |
| Sale/Purchase of Investments | 1,000,000 | 9,154,156 |
| | 911,798 | 9,846,861 |
| INCREASE (DECREASE) IN CASH | \$ (7,811) | \$ 401,416 |
| SUMMARY | | |
| Cash at End of Period | \$ 152,937 | \$ 152,937 |
| Cash at Beginning of Period | 160,747 | (248,479) |
| INCREASE (DECREASE) IN CASH | \$ (7,810) | \$ 401,416 |

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 Eleven Months Ending May 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 | \$ 119,250 | 119,212 | (38) |
| Total Revenues | <u>10,868</u> | <u>130,068</u> | <u>119,250</u> | <u>119,212</u> | <u>(38)</u> |
| Building Expenses | | | | | |
| Landscape & Maintenance | 4,150 | 24,900 | 23,419 | 22,825 | (594) |
| Security | 205 | 2,100 | 1,398 | 1,925 | 527 |
| Insurance | 0 | 2,870 | 2,810 | 2,870 | 60 |
| Utilities | 1,274 | 18,200 | 16,096 | 16,450 | 354 |
| Total building operating expenses | <u>5,629</u> | <u>48,070</u> | <u>43,723</u> | <u>44,070</u> | <u>347</u> |
| Net Income | <u>\$ 5,239</u> | <u>81,998</u> | <u>\$ 75,527</u> | <u>75,142</u> | <u>(385)</u> |

MCERA
Vendor Ledgers
For the Period From May 1, 2017 to May 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. | 5/31/17 | 2003290 | CDJ | | 3,532.81 | 3,532.81 | 0.00 |
| amcre AMCRE | 5/31/17 | 2003291 | CDJ | | 941.74 | 941.74 | 0.00 |
| att AT&T | 5/25/17 | 4261002 | CDJ | | 134.84 | 134.84 | 0.00 |
| BofA P-Card Bank of America P-Card | 5/22/17 | AJE 052217 | CDJ | | 48.25 | 48.25 | 0.00 |
| caldis California State Dusbursement | 5/26/17 | Cal 052617 | CDJ | | 200.00 | 200.00 | 0.00 |
| cituki City of Ukiah | 5/25/17 | 4261416 | CDJ | | 30.33 | 30.33 | 0.00 |
| | 5/25/17 | 4261417 | CDJ | | 109.11 | 109.11 | 0.00 |
| | 5/25/17 | 4261418 | CDJ | | 168.69 | 168.69 | 0.00 |
| | 5/25/17 | 4261419 | CDJ | | 220.96 | 220.96 | 0.00 |
| | 5/25/17 | 4261420 | CDJ | | 254.24 | 254.24 | 0.00 |
| clemen Clearly Mendocino Water Comp | 5/11/17 | 4260042 | CDJ | | 24.00 | 24.00 | 0.00 |
| coumen County of Mendocino | 5/1/17 | Balance Fwd | | | | | 134,585.70 |
| | 5/5/17 | AJE 050517 | CDJ | | 149.50 | 149.50 | 134,585.70 |
| | 5/12/17 | AJE 051217 | CDJ | | 156.15 | 156.15 | 134,585.70 |
| | 5/16/17 | AJE 051617 | CDJ | | 3,348.51 | 3,348.51 | 134,585.70 |
| | 5/19/17 | AJE 051917 | CDJ | | 134,585.70 | | 0.00 |
| | 5/26/17 | AJE 052617 | CDJ | | 691.90 | 691.90 | 0.00 |
| | 5/30/17 | AJE 053017 | CDJ | | 218.89 | 218.89 | 0.00 |
| depval Deep Valley Security | 5/11/17 | 4260080 | CDJ | | 44.95 | 44.95 | 0.00 |
| | 5/11/17 | 4260079 | CDJ | | 24.95 | 24.95 | 0.00 |
| edd EDD | 5/26/17 | EDD 052617 | CDJ | | 52,563.77 | 52,563.77 | 0.00 |
| ExpIT Express IT | 5/4/17 | 4259677 | CDJ | | 828.09 | 828.09 | 0.00 |
| irs IRS | 5/26/17 | IRS 052617 | CDJ | | 235,764.69 | 235,764.69 | 0.00 |
| judzel Judith Zeller | 5/11/17 | 4260424 | CDJ | | 32.10 | 32.10 | 0.00 |
| LRS Inc Levi, Ray & Shoup, Inc | 5/18/17 | 4260678 | CDJ | | 1,650.00 | 1,650.00 | 0.00 |
| | 5/18/17 | 4260677 | CDJ | | 112.50 | 112.50 | 0.00 |
| moncle Moonlight Cleaning Service | 5/11/17 | 4260218 | CDJ | | 1,030.00 | 1,030.00 | 0.00 |
| | 5/11/17 | 4260217 | CDJ | | 455.00 | 455.00 | 0.00 |
| Monpart Mondrian Investment Partners L | 5/1/17 | Balance Fwd | | | | | 55,389.32 |
| | 5/25/17 | 4261272 | CDJ | | 55,389.32 | | 0.00 |
| Offspt Office Spot | 5/4/17 | 4259916 | CDJ | | 144.55 | 144.55 | 0.00 |
| | 5/11/17 | 4260351 | CDJ | | 11,324.18 | 11,324.18 | 0.00 |
| pacgro Pacific Group Agencies, Inc. | 5/31/17 | 2003292 | CDJ | | 23,273.57 | 23,273.57 | 0.00 |
| pge PG&E | 5/18/17 | 4260782 | CDJ | | 425.44 | 425.44 | 0.00 |

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

Filter Criteria includes: Report order is by ID.

| Vendor ID Vendor | Date | Trans No | Type | Paid | Debit Amt | Credit Amt | Balance |
|--|--------------------|-----------------------------|-----------|------|-------------------|-------------------|----------------------|
| sacrs SACRS | 5/4/17 | 4259880 | CDJ | | 600.00 | 600.00 | 0.00 |
| soncou Sonoma County Counsel | 5/25/17 5/31/17 | 4261382 10332 | CDJ PJ | * | 63.50 | 63.50 5,461.00 | 0.00 5,461.00 |
| StateStreet State Street Bank & Trust | 5/1/17 5/11/17 | Balance Fwd 4260339 | CDJ | | 4,119.06 | 4,119.06 | 4,484.75 4,484.75 |
| tosfin Toshiba Financial Services | 5/11/17 | 4260355 | CDJ | | 218.34 | 218.34 | 0.00 |
| ukiwas Ukiah Waste Solutions, Inc. | 5/18/17 | 585122 | CDJ | | 65.08 | 65.08 | 0.00 |
| usban US Bank | 5/1/17 5/5/17 | Balance Fwd AJE 050517 A | CDJ | | 95.22 | | 95.22 0.00 |
| verwir Verizon Wireless | 5/25/17 | 4261445 | CDJ | | 65.46 | 65.46 | 0.00 |
| Report Total | | | | | 533,105.39 | 348,496.15 | 9,945.75 |