

Tom Watson
Interim Retirement Administrator



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

Date: March 12, 2014
To: Board of Retirement
From: Tom Watson, Interim Retirement Administrator *Tom Watson*
Subject: Monthly Investment Report

1. Unrealized Gain/(Loss) Analysis – Cost Basis

The Unrealized Gain on a cost basis of \$77,579,434 as of January 31, 2014 is detailed out by each mutual fund/investment vehicle in the colored attachment. Two funds, RREEF – America REIT II and the Cornerstone fund (also a real estate investment) only report on a quarterly basis and the figures used are those as of December 31, 2013. The total assets of \$419,068,911 on this sheet are different than the plan assets because this figure only includes investments and cash and does not include \$163,468 in receivables.

2. Investment Portfolio – Target Analysis

The Target Analysis for the Investment Portfolio as of January 31, 2014 is shown on the second colored page. This Analysis includes the Target Asset Allocation by class (Domestic Fixed Income, Small Cap Equities Growth, etc.), actual market value, actual percentage, target percentage in dollars and the difference in dollars. As the Board knows, a rebalancing was done towards the end of February 2014 to bring the investments in line with target asset allocations and generate \$6 million in cash (see next item for details).

3. Investment Trust Fund Rebalancing Report

Former Retirement Administrator, Richard White, prepared a report detailing the rebalancing accomplished towards the end of February 2014. The Report shows the detail by fund of the withdrawal of \$9 million from the noted investments with two fund additions totaling \$3 million and the net of \$6 million in cash raised deposited into the County Treasury for MCERA cash needs over the next few months. This cash amount is in line with policies and per the February 19, 2014 action taken by the Board of Retirement. The individual amounts for withdrawals and additions to the funds noted are further detailed in the MCERA Market Value Worksheet January 31, 2014.

Mendocino County Employee Retirement Association
Unrealized Gain (Loss) Analysis - Callan Basis
January 31, 2014

		A	B	C	E	F	
		Cost Basis	Market Value	Unrealized Gain	Start of Fiscal Year Market Value	Fiscal Year Change in Market Value	Updated to
Domestic Fixed Income							
1402	PIMCO - Total Return Institutional	\$ 55,525,891	\$ 58,088,854	\$ 2,562,964	\$ 47,352,582	\$ 10,736,272	1/31/2014
1401	Dodge & Cox - Income Fund	57,474,513	58,787,033	1,312,520	45,819,359	12,967,674	1/31/2014
	Total Domestic Fixed Income	113,000,404	116,875,887	3,875,483	93,171,942	23,703,946	
Small Cap Equities Growth							
1441	Alliance Bernstein - US Small Cap Growth Fund	1,967,850	6,619,582	4,651,732	5,223,101	1,396,481	1/31/2014
1445	RS Investments - Small Cap Growth Fund Y	2,445,443	4,700,130	2,254,687	4,692,176	7,954	1/31/2014
	Total Small Cap Growth	4,413,293	11,319,712	6,906,419	9,915,277	1,404,434	
1443	Managers - Micro-Cap Institutional	6,287,214	8,903,967	2,616,753	9,067,152	(163,185)	1/31/2014
	Total Small/Micro Cap Equities Growth	10,700,506	20,223,679	9,523,172	18,982,429	1,241,249	
Small Cap Value							
1444	Prudential	10,075,197	11,537,474	1,462,278	11,295,007	242,467	1/31/2014
	Total Small Cap Value	10,075,197	11,537,474	1,462,278	11,295,007	242,467	
	Total small cap equities	20,775,703	31,761,153	10,985,450	30,277,437	1,483,716	
Mid Cap Growth							
1464	Morgan Stanley	3,215,188	4,740,552	1,525,364	4,831,131	(90,579)	1/31/2014
1463	Janus - Enterprise Fund	3,248,290	4,479,318	1,231,027	5,005,755	(526,437)	1/31/2014
	Total Mid Cap Growth	6,463,478	9,219,870	2,756,392	9,836,886	(617,016)	
Mid Cap Value							
1466	Fidelity Low Priced Stock Fund	2,794,526	4,509,341	1,714,815	4,929,965	(420,624)	1/31/2014
1465	Royce - Total Return Fund	3,735,940	5,427,916	1,691,976	4,851,256	576,660	1/31/2014
	Total Mid Cap Value	6,530,467	9,937,257	3,406,791	9,781,221	156,036	
	Total mid cap equities	12,993,945	19,157,127	6,163,182	19,618,107	(460,980)	
Large Cap Growth							
	Vanguard Institutional Index Fund	20,617,035	21,554,875	937,840	-	21,554,875	1/31/2014
	Total Large Cap Core	20,617,035	21,554,875	937,840	-	21,554,875	
1481	Harbor Capital Appreciation Fund	15,174,428	23,547,061	8,372,632.76	19,788,912	3,758,149	1/31/2014
1483	Janus - Research Fund	15,219,585	23,605,244	8,385,659.12	20,998,962	2,606,283	1/31/2014
	Total Large Cap Growth	30,394,014	47,152,305	16,758,291.88	40,787,874	6,364,432	
Large Cap Value							
1485	Selected Funds (Note 2)	-	-	-	11,706,416	(11,706,416)	1/31/2014
1487	Dodge & Cox - Stock Fund	14,032,853	22,816,658	8,783,805.31	22,888,360	(71,702)	1/31/2014
1482	American Fund - Investment Company of America (Note 2)	-	-	-	12,255,780	(12,255,780)	1/31/2014
1484	ROBECO	14,500,000	21,628,158	7,128,158.37	19,198,948	2,429,210	1/31/2014
	OPEN	-	-	-	-	-	
	Total Large Cap Value	28,532,853	44,444,816	15,911,963.67	66,049,504	(21,604,687.85)	
	Total Large Cap Equities	79,543,901	113,151,996	33,608,095.78	106,837,378	6,314,618.43	
International Stock							
1422	American Funds - EuroPacific	15,171,627	20,955,179	5,783,553	18,506,488	2,448,692	1/31/2014
1423	Harbor international	15,851,171	18,582,756	2,731,586	18,116,355	466,401	1/31/2014
1421	Columbia Management - International Fund	6,722,890	10,682,312	3,959,421	9,611,637	1,070,675	1/31/2014
1424	Janus Overseas	19,419,786	17,541,617	(1,878,169)	16,082,019	1,459,599	1/31/2014
1425	Mondrian	17,299,962	19,783,597	2,483,635	18,206,490	1,577,107	1/31/2014
1426	Oakmark	9,294,175	13,864,885	4,570,710	16,776,036	(2,911,151)	1/31/2014
	Total International Stock	83,759,611	101,410,347	17,650,736	97,299,025	4,111,322	
Real Estate							
1503	RREEF - Comingled Fund	6,651,482	6,750,624	99,142	6,799,442	(48,818)	1/31/2014
1502	RREEF - America REIT II	12,579,499	15,694,971	3,115,472	14,567,844	1,127,127	12/31/2013
1504	Cornerstone Fund	9,981,069	12,100,053	2,118,985	11,627,492	472,561	12/31/2013
	625 Kings Court	901,112	864,000	(37,112)	864,000	-	
	Total Real Estate	30,113,162	35,409,648	5,296,487	33,858,778	1,550,870	
Total investments		340,186,725	417,766,158	77,579,434	381,062,666	36,703,492	
Total Invested Funds		\$ 340,186,725	\$ 417,766,158	\$ 77,579,434	\$ 381,062,666	36,703,492	
Note 1							
		Balance Beg of Year	Balance End of Period	Change			
Cash in County Treasury		\$ 2,459,241	\$ 1,302,752	\$ (1,156,489)			
Total all available funds		\$ 342,645,966	\$ 419,068,911	\$ 76,422,945			

Note 1 The fiscal year change does not account for funds sold in their entirety and therefore does not tie to Income Statement

Note 2 These funds were fully liquidated as part of the September/October 2013 rebalance

Mendocino County Employee Retirement Association
Investment Portfolio - Target Analysis
January 31, 2014

	A	B	C	D	F	G	H
	Market Value of Investments	Cash Reserved	Total Available	Percent of Portfolio	Target % (2013 Study)	Target In Dollars	Difference In Dollars
Domestic Fixed Income							
PIMCO - Total Return Institutional	\$ 58,088,854		\$ 58,088,854	13.90%	14.000%	\$ 58,487,262	\$ (398,408)
Dodge & Cox - Income Fund	58,787,033		58,787,033	14.07%	14.000%	58,487,262	299,771
Total Domestic Fixed Income	116,875,887	-	116,875,887	27.98%	28.000%	116,974,524	(98,637)
Small Cap Equities Growth							
Alliance Bernstein - US Small Cap Growth Fund	6,619,582		6,619,582	1.58%	1.500%	6,266,492	353,089
RS Investments - Small Cap Growth Fund Y	4,700,130		4,700,130	1.13%	1.100%	4,595,428	104,702
Managers - Micro-Cap Institutional	8,903,967		8,903,967	2.13%	1.900%	7,937,557	966,410
Total Small Cap Equities Growth	20,223,679	-	20,223,679	4.84%	4.500%	18,799,477	1,424,201
Small Cap Value							
Prudential	11,537,474		11,537,474	2.76%	2.700%	11,279,686	257,788
Total Small Cap Value	11,537,474	-	11,537,474	2.76%	2.700%	11,279,686	257,788
Total Small Cap Equities	31,761,153	-	31,761,153	7.60%	7.200%	30,079,163	1,681,990
Mid Cap Growth							
Morgan Stanley	4,740,552		4,740,552	1.13%	1.150%	4,804,311	(63,759)
Janus - Enterprise Fund	4,479,318		4,479,318	1.07%	1.150%	4,804,311	(324,993)
Total Mid Cap Growth	9,219,870	-	9,219,870	2.21%	2.300%	9,608,622	(388,752)
Mid Cap Value							
Fidelity Low Priced Stock Fund	4,509,341		4,509,341	1.08%	1.150%	4,804,311	(294,970)
Royce - Total Return Fund	5,427,916		5,427,916	1.30%	1.150%	4,804,311	623,605
Total Mid Cap Value	9,937,257	-	9,937,257	2.38%	2.300%	9,608,622	328,636
Total Mid Cap Equities	19,157,127	-	19,157,127	4.59%	4.600%	19,217,243	(60,116)
Large Cap Growth							
Vanguard Institutional Index Fund	21,554,875		21,554,875	5.16%	4.900%	20,470,542	1,084,333
Total Large Cap Core	21,554,875	-	21,554,875	5.16%	4.900%	20,470,542	1,084,333
Harbor Capital Appreciation Fund	23,547,061		23,547,061	5.64%	5.300%	22,141,606	1,405,455
Janus - Research Fund	23,605,244		23,605,244	5.65%	5.300%	22,141,606	1,463,638
Total Large Cap Growth	47,152,305	-	47,152,305	11.29%	10.600%	44,283,213	2,869,093
Large Cap Value							
Selected Funds (Note 2)	-		-	0.00%	0.000%	-	-
Dodge & Cox Stock Fund	22,816,658		22,816,658	5.46%	5.300%	22,141,606	675,051
American Fund - Investment Company of America (Note 2)	-		-	0.00%	0.000%	-	-
ROBECO	21,628,158		21,628,158	5.18%	5.300%	22,141,606	(513,448)
Vanguard - Growth & Income Fund (Note 1)	-		-	0.00%	0.000%	-	-
Total Large Cap Value	44,444,816	-	44,444,816	10.64%	10.60%	44,283,213	161,603
Total Large Cap Equities	113,151,996	-	113,151,996	27.09%	26.10%	109,036,967	4,115,029
International Stock							
American Funds - EuroPacific	20,955,179		20,955,179	5.02%	4.700%	19,635,009	1,320,170
Harbor international	18,582,756		18,582,756	4.45%	4.700%	19,635,009	(1,052,253)
Columbia Management - International Fund	10,682,312		10,682,312	2.56%	2.500%	10,444,154	238,158
Janus Overseas	17,541,617		17,541,617	4.20%	4.700%	19,635,009	(2,093,392)
Mondrian	19,783,597		19,783,597	4.74%	4.700%	19,635,009	148,588
Oakmark	13,864,885		13,864,885	3.32%	3.800%	15,875,114	(2,010,229)
Total International Stock	101,410,347	-	101,410,347	24.27%	25.100%	104,859,306	(3,448,959)
Real Estate							
RREEF - Comingled Fund	6,750,624		6,750,624	1.62%	1.800%	7,519,791	(769,167)
RREEF - America REIT II	15,694,971		15,694,971	3.76%	3.500%	14,621,816	1,073,156
Cornerstone Fund	12,100,053		12,100,053	2.90%	3.500%	14,621,816	(2,521,762)
625 Kings Court	864,000		864,000	0.207%	0.200%	835,532	28,468
Total Real Estate	35,409,648	-	35,409,648	8.48%	9.00%	37,598,954	(2,189,306)
Total Managed Investments	417,766,158	-	417,766,158	100.00%	100.00%	417,766,158	0
Total Invested Funds	418,630,158	-	417,766,158	100.000%	100.200%	417,766,158	0
Cash in County Treasury	1,302,752		1,302,752	0.311%	0.000%	-	-
Total All Available Funds	419,932,911	-	419,068,911	100.311%	100.200%	417,766,158	0

Note 1 This fund was liquidated in full as part of the December 2012 rebalance

Note 2 These funds were fully liquidated as part of the September/October 2013 rebalance

MCERA
Investment Trust Fund Rebalancing Report
March 2014

In accordance with the Cash Management and Rebalancing Policy, plus the direction received from the Board at last month's meeting, the trust fund was rebalanced in February that included raising funds for the cash account.

A. Fund withdrawals. Funds were withdrawn from equity funds to bring them closer to their investment target and funds were withdrawn from fixed income funds for the cash account, as follows:

a. Fixed Income		
i. Dodge and Cox Income Fund	--	\$1,500,000
ii. PIMCO		\$1,500,000
b. US Equity		
i. Dodge and Cox Stock Fund		\$1,000,000
ii. Harbor Cap Appreciation		\$1,000,000
iii. Janus Research Fund		\$1,000,000
iv. Royce Total Return Fund		\$1,000,000
v. Managers Fund		\$1,000,000
c. Non-US Equity		
i. EuroPacific Fund		\$1,000,000
d. Total		(\$9,000,000)

B. Fund additions. Funds were added to equity funds to bring them closer to their investment target.

a. Non-US Equity		
i. Oakmark		\$2,000,000
ii. Harbor International Fund		\$1,000,000
b. Total		\$3,000,000

C. Cash account. Funds that were withdrawn and retained in the cash account with the goal to have approximately 1.5% of the fund in the cash account. This account will be spent down in the next couple of months through the monthly benefit payroll and administrative expenses.

a. Cash retained in the cash account		\$6,000,000
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MCERA Market Value Worksheet
January 31, 2014

Asset Class	Market Value 12/31/2013	Current % Allocation	Target 28.0%	Sub-Asset Class Weight	% Difference Current - Target	\$ Value Difference New Target - Current	Target 28.0%	Sub-Asset Class Weight	% Difference Current - Target	\$ Value Difference New Target - Current
Total Fixed Income	\$ 116,875,887	27.9%	23% to 33%							
DODGE & COX INCOME	\$ 58,787,033	14.0%		50%	-0.1%	\$ 669,081	14.0%	50%	-0.3%	\$ 1,435,457
PIMCO	\$ 58,086,854	13.8%		50%	-0.2%	\$ 633,630	14.0%	50%	-0.5%	\$ 2,133,630
US Equity	\$ 164,070,280	39.1%	33% to 43%							
Large Cap Value	\$ 44,444,816	10.6%		28.0%	0.0%	\$ 184,272	10.6%	28%	-0.3%	\$ 1,184,272
DODGE & COX	\$ 22,816,658	5.4%		14.0%	0.1%	\$ 502,174	5.3%	14%	-0.1%	\$ 497,866
ROBECCO	\$ 21,628,158	5.2%		14.0%	-0.2%	\$ 866,366	5.3%	14%	-0.2%	\$ 666,366
Large Cap Growth	\$ 47,162,305	11.2%		28.0%	0.6%	\$ 2,523,217	10.6%	28%	0.1%	\$ 623,217
HARBOR CAP APPRE	\$ 23,547,061	5.6%		14.0%	0.3%	\$ 1,232,517	5.3%	14%	0.1%	\$ 232,517
JANUS RESEARCH	\$ 23,605,244	5.6%		14.0%	0.3%	\$ 1,290,700	5.3%	14%	0.1%	\$ 290,700
Large Cap Core	\$ 21,554,875	5.1%		13.0%	0.2%	\$ 834,227	4.9%	13%	0.2%	\$ 834,227
SSP 500 FUND	\$ 21,554,875	5.1%		13.0%	0.2%	\$ 834,227	4.9%	13%	0.2%	\$ 834,227
Mid Cap Value	\$ 9,937,257	2.4%		6.0%	0.1%	\$ 373,881	2.3%	6%	-0.1%	\$ 626,119
FIDELITY LP STOCK	\$ 4,509,341	1.1%		3.0%	-0.1%	\$ 272,347	1.1%	3%	-0.1%	\$ 272,347
ROYCE TOTAL RTN	\$ 5,427,916	1.3%		3.0%	0.2%	\$ 646,228	1.1%	3%	-0.1%	\$ 353,772
Mid Cap Growth	\$ 9,219,870	2.2%		6.0%	-0.1%	\$ 343,506	2.3%	6%	-0.1%	\$ 343,506
MORGAN STANLEY	\$ 4,740,552	1.1%		3.0%	0.0%	\$ 41,136	1.1%	3%	0.0%	\$ 41,136
JANUS ENTERPRISE	\$ 4,479,318	1.1%		3.0%	-0.1%	\$ 302,370	1.1%	3%	-0.1%	\$ 302,370
Small Cap Value	\$ 11,537,474	2.8%		7.0%	0.1%	\$ 380,202	2.7%	7%	0.1%	\$ 380,202
Prudential	\$ 11,537,474	2.8%		7.0%	0.1%	\$ 380,202	2.7%	7%	0.1%	\$ 380,202
Small Cap Growth	\$ 11,319,716	2.7%		7.0%	0.0%	\$ 162,444	2.7%	7%	0.0%	\$ 162,444
ALLIANCE	\$ 6,619,586	1.6%		4.0%	0.1%	\$ 244,002	1.5%	4%	0.1%	\$ 244,002
RS EMERGING	\$ 4,700,130	1.1%		3.0%	0.0%	\$ 81,558	1.1%	3%	0.0%	\$ 81,558
Micro Cap	\$ 8,903,967	2.1%		5.0%	0.2%	\$ 934,487	1.9%	5%	0.0%	\$ 65,513
FREEMONT	\$ 8,903,967	2.1%		5.0%	0.2%	\$ 934,487	1.9%	5%	0.0%	\$ 65,513
Non-US Equity	\$ 101,410,346	24.2%	20% to 30%							
International Value	\$ 38,366,353	9.1%		37.5%	-0.2%	\$ 956,739	9.4%	38%	0.0%	\$ 43,261
HARBOR INTL	\$ 16,582,756	4.4%		18.8%	-0.3%	\$ 1,078,700	4.7%	19%	0.0%	\$ 78,790
MONDRIAN	\$ 19,783,597	4.7%		18.8%	0.0%	\$ 122,051	4.7%	19%	0.0%	\$ 122,051
International Growth	\$ 38,496,796	9.2%		37.5%	-0.2%	\$ 826,296	9.4%	38%	-0.4%	\$ 1,826,296
EUROPACIFIC	\$ 20,955,179	5.0%		18.8%	0.3%	\$ 1,293,633	4.8%	19%	0.1%	\$ 293,633
JANUS INTL	\$ 17,541,617	4.2%		18.8%	-0.5%	\$ 2,119,929	4.2%	19%	-0.5%	\$ 2,119,929
Benchmark Unaware	\$ 13,864,885	3.3%		15.0%	-0.4%	\$ 1,864,352	3.8%	15%	0.0%	\$ 135,646
OAKMARK	\$ 13,864,885	3.3%		15.0%	-0.4%	\$ 1,864,352	3.8%	15%	0.0%	\$ 135,646
International Small Cap	\$ 10,682,312	2.5%		10.0%	0.0%	\$ 196,154	2.5%	10%	0.0%	\$ 196,154
ACORN INTL	\$ 10,682,312	2.5%		10.0%	0.0%	\$ 196,154	2.5%	10%	0.0%	\$ 196,154
REAL ESTATE	\$ 35,242,188	8.4%		100%	-0.6%	\$ 2,507,980	9.0%	100%	-0.6%	\$ 2,507,980
RREEF PUBLIC	\$ 6,750,624	1.6%		20%	-0.1%	\$ 626,610	1.8%	20%	-0.1%	\$ 626,610
RREEF America II	\$ 15,527,511	3.7%		40%	0.2%	\$ 773,044	3.5%	40%	0.2%	\$ 773,044
Comerstone Patriot Fund	\$ 12,100,053	2.9%		40%	-0.6%	\$ 2,654,414	3.5%	40%	-0.6%	\$ 2,654,414
625 B KINGS COURT	\$ 864,000	0.2%		0%	0.0%	\$ 864,000	0.2%	0%	0.0%	\$ 864,000
Short-Term Cash*	\$ 1,847,615	0.4%		0%	0.4%	\$ 1,847,615	0.0%	100%	1.9%	\$ 7,847,615
Total MCERA Pension Plan	\$ 419,446,316	100.0%								

2/20/2014 → Rebalancing and cash raise post BOR meeting.
 → Callon comfortable with 10% cash - no more than 2%.
 → BOR directed 1.5% cash.

1.4

Tom Watson
Interim Retirement Administrator



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

Date: March 12, 2014
To: Board of Retirement
From: Tom Watson, Interim Retirement Administrator *Tom Watson*
Subject: Monthly Financial Report

A. Regular Monthly Financial Reports

The monthly reports for the month of January 2014 are included for your review.

1. Statement of Plan Net Assets

This report details a "snapshot" of account balances for the month and fiscal year-to-date activity. The report indicates the assets available for future payments to retirees and any current liabilities owed. The cash has declined \$801,416 from the prior month. Market losses of about \$6.5 million are reflected in the lower Unrealized Gains/(Losses) on Investments (but February market gains will show about \$5 million more than in December 2013). Two payable accounts noted on the prior month were already paid at this month's end.

2. Statement of Changes in Plan Net Assets

This report details a view of the current fiscal year additions to and deductions from the plan. It covers both monthly and fiscal year-to-date activity. The year-to-date Investment Expenses were lower by \$39,385 due to a re-classification of expenses that were Administrative and Benefit Payments. The adjustments increased expenses to Administrative of \$37,136 and expenses to Benefits of \$2,248. As always with these reports, rounding may yield differences of a few dollars.

3. Cash Flow Analysis

This report is a "snapshot" of the cash available to MCERA during the reporting period. MCERA monitors the cash within the fund in accordance with the cash flow policy. This report shows a decrease in cash of \$801,416 during the month and a total decrease of \$1,156,488 for the fiscal year-to-date.

A. Regular Monthly Financial Reports (continued)

4. Office Building Rental Income – Net of Expenses

This report shows the \$10,670 in rental income received by MCERA for the month from the two tenants (State of California and MCERA Administration) and the monthly expenses of \$4,598 (for a net income of \$6,072 for the month) associated with the 625 Kings Court trust fund asset. Total year-to-date net income as of the month end report period is \$49,997.

5. Vendor Ledgers (regular) and Cash Disbursements Journal (new)

The Vendor Ledgers report includes vendor transactions and balances for this monthly report period. The (new) Cash Disbursements Journal shows all one-time cash disbursements (including death benefits paid to members) for the report month. This Journal does not include recurring payments such as monthly retirement allowances paid to retired members. Staff requests the Board's direction as to whether the Board would like to continue to receive the Cash Disbursements Journal in addition to the Vendor Ledgers report, instead of the Vendor Ledgers report (eliminate that report), or not at all.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF PLAN NET ASSETS**

January 31, 2014

Preliminary

ASSETS

CASH AND EQUIVALENTS

Trust Cash-held at county \$ 1,302,752

TOTAL CASH AND EQUIVALENTS

1,302,752

CURRENT ASSETS

Accounts Receivable 85,391

Recoupments 78,077

TOTAL CURRENT ASSETS

163,468

PROPERTY AND EQUIPMENT

TOTAL PROPERTY AND EQUIPMENT

0

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain(Loss) Invest 77,579,429

Fixed Income 113,000,404

International Equities 83,759,612

Small Cap Equities 20,775,704

Mid Cap Equities 12,993,946

Large Cap Equities 79,543,901

Real Estate 30,113,162

TOTAL INVESTMENTS, AT MARKET

417,766,158

TOTAL ASSETS

\$ 419,232,378

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 5,801

AMCRE Dues 848

Accrued Wages - 1920 Account 235,261

PEDIT Trust Dental 20,507

AFLAC Insurance 3,586

Buck Settlement Reserve 200,106

TOTAL CURRENT LIABILITIES

466,109

TOTAL NET ASSETS

\$ 418,766,269

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 ASSETS
For the Seven Months Ended January 31, 2014
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 1,084,300	\$ 8,102,909
Plan Members	350,779	2,566,050
	1,435,079	10,668,959
INVESTMENT INCOME		
Unrealized Gain/(Loss) Invests	(6,478,999)	17,793,505
Rental Income, Net of Expenses	6,072	49,997
Interest	3,192	11,230
Dividends	78,304	4,124,502
Capital Gains	0	19,452,431
Less Investment Expense	(16,800)	(153,570)
	(6,408,231)	41,278,095
Net Investment Income		
	(4,973,152)	51,947,054
DEDUCTIONS		
Benefit Payment, Subsidies, & Refunds	(2,202,034)	(15,823,409)
Administrative Expenses	(74,830)	(554,195)
	2,276,864	16,377,604
TOTAL DEDUCTIONS		
	(7,250,016)	35,569,450
Increase (Decrease) in Net Assets		
	426,016,286	383,196,816
NET ASSETS		
Beginning of Period		
	418,766,270	418,766,266
End of Period	\$ 418,766,270	\$ 418,766,266

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 Seven Months Ended January 31, 2014
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	1,084,300	8,102,909
Plan Member	350,779	2,566,050
	1,435,079	10,668,959
INVESTMENT INCOME		
Rental Income, Net of Expenses	6,072	49,997
Interest	3,192	11,230
Dividends	78,304	1,611,351
Capital Gains	0	0
Less Investment Expense	(16,800)	(153,570)
	70,768	1,519,008
TOTAL ADDITIONS	1,505,847	12,187,967
DEDUCTIONS		
Benefit Payments and Subsidies	(2,202,034)	(15,823,409)
Administrative Expenses	(74,830)	(554,195)
	(2,276,864)	(16,377,604)
OTHER INCREASES/(DECREASES)		
Accounts Receivable	(7,981)	(154,150)
Accounts Payable	(22,418)	127,914
Buck Settlement	0	0
Sale/Purchase of Investments	0	3,055,598
	(30,399)	3,033,148
INCREASE (DECREASE) IN CASH	\$ (801,416)	\$ (1,156,489)
SUMMARY		
Cash at End of Period	\$ 1,302,752	\$ 1,302,752
Cash at Beginning of Period	2,104,168	2,459,240
INCREASE (DECREASE) IN CASH	\$ (801,416)	\$ (1,156,488)

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 Seven Months Ending January 31, 2014

	<u>Current Month</u>	<u>Year to Date</u>
Revenues		
Rental Income	\$ 10,670	\$ 74,689
	<hr/>	<hr/>
Total Revenues	10,670	74,689
	<hr/>	<hr/>
Building Expenses		
Building Expenses	83	1,472
Landscape & Maintenance	1,670	9,405
Security	435	1,645
Insurance	0	2,450
Utilities	2,410	9,720
	<hr/>	<hr/>
Total building operating expenses	4,598	24,692
	<hr/>	<hr/>
Net Income	\$ 6,072	\$ 49,997
	<hr/> <hr/>	<hr/> <hr/>

MCERA
Vendor Ledgers
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
aflac AFLAC, INC.	1/2/14	4170781	CDJ		3,585.75	3,585.75	0.00
allber Alliance Bernstein	1/23/14	4172134	CDJ		16,485.41	16,485.41	0.00
allins Alliant Insurance Service							0.00
amcre AMCRE	1/2/14	4170791	CDJ		833.78	833.78	0.00
antgra Anthony Graham	1/23/14	4172306	CDJ		5,214.04	5,214.04	0.00
	1/23/14	4172305	CDJ		2,870.72	2,870.72	0.00
	1/23/14	4172304	CDJ		1,550.00	1,550.00	0.00
aonhek Hewitt Ennis Knupp, Inc							0.00
arbmed Arbitration and Mediation							0.00
att AT&T	1/2/14	4170769	CDJ		128.18	128.18	0.00
	1/16/14	4171613	CDJ		49.58	49.58	0.00
	1/23/14	4172125	CDJ		122.34	122.34	0.00
bobmir Bob Mirata	1/1/14	Balance Fwd					400.00
	1/2/14	4170953	CDJ		400.00		0.00
calapr CALAPRS	1/1/14	Balance Fwd					650.00
	1/2/14	4170810	CDJ		500.00	500.00	650.00
	1/2/14	4170811	CDJ		650.00		0.00
calass Callan Associates, Inc.	1/1/14	Balance Fwd					36,400.00
	1/2/14	4170812	CDJ		36,400.00		0.00
caldis California State Dusburse	1/31/14	Jan14CalDis	CDJ		692.00	692.00	0.00
calext California Exterminators							0.00
canser Canteen Services							0.00
capins Capital Insurance Group							0.00
chrofa Christie O'Farrall	1/2/14	4170972	CDJ		14.13	14.13	0.00
cituki City of Ukiah	1/2/14	4171071	CDJ		227.41	227.41	0.00
	1/2/14	4171067	CDJ		26.88	26.88	0.00
	1/2/14	4171070	CDJ		151.85	151.85	0.00
	1/2/14	4171068	CDJ		104.55	104.55	0.00
	1/2/14	4171072	CDJ		272.29	272.29	0.00
	1/30/14	4173079	CDJ		224.59	224.59	0.00
	1/30/14	4173082	CDJ		104.55	104.55	0.00
	1/30/14	4173082	CDJ		136.38	136.38	0.00
	1/30/14	4173081	CDJ		46.01	46.01	0.00
	1/30/14	4173084	CDJ		234.60	234.60	0.00

MCERA
Vendor Ledgers
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
pacgro Pacific Group Agencies, I	1/2/14	4170982	CDJ		18,668.21	18,668.21	0.00
petsta Peter Stadler							0.00
pge PG&E	1/6/14	4171932	CDJ		818.40	818.40	0.00
pubretj The Public Retirement Jo							0.00
Rangood Randall Goodman							0.00
rebwil Rebecca Wilson							0.00
relent Reliance Enterprises							0.00
renesm Renaissance Esmeralda							0.00
ricsho Richard Shoemaker	1/1/14 1/2/14	Balance Fwd 4171037	CDJ		400.00		400.00 0.00
ricwhi Richard White							0.00
sacrs SACRS							0.00
SanRosOrtho Santa Rosa Orthopaedics	1/2/14	4170974	CDJ		15.00	15.00	0.00
segal SEGAL	1/1/14 1/16/14	Balance Fwd 4172013	CDJ		1,500.00		1,500.00 0.00
shredt Shred-It USA-Concord							0.00
smawor Small World Solutions	1/16/14	4172022	CDJ		46.00	46.00	0.00
soncou Sonoma County Counsel	1/1/14 1/2/14 1/30/14	Balance Fwd 4171042 4173050	CDJ CDJ CDJ		4,011.50 4,181.00	4,181.00	4,011.50 0.00 0.00
sonswe Sonoma Sweepers, Inc.	1/2/14 1/2/14 1/30/14 1/30/14	4171043 4171044 4173052 4173052	CDJ CDJ CDJ CDJ		45.00 140.00 45.00 140.00	45.00 140.00 45.00 140.00	0.00 0.00 0.00 0.00
thomil Thomas P. Miles, MD							0.00
timknu Timothy Knudsen	1/1/14 1/2/14	Balance Fwd 4170906	CDJ		400.00		400.00 0.00
tosfin Toshiba Financial Service	1/2/14 1/16/14	4171062 4172054	CDJ CDJ		82.45 187.49	82.45 187.49	0.00 0.00

MCERA
Vendor Ledgers
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
	1/30/14	4173073	CDJ		508.61	508.61	0.00
tyltec Tyler Technologies							0.00
ukiwas Ukiah Waste Solutions, I	1/6/14	4172077	CDJ		62.07	62.07	0.00
usban US Bank	1/2/14	WIRE112214	CDJ		314.61	314.61	0.00
	1/22/14	2247-12214	PJ	*		80.79	80.79
	1/22/14	2221-12214	PJ	*		266.00	346.79
	1/30/14	WIRE122313	CDJ		1,071.63	1,071.63	346.79
usbank US Bank Cal Card							0.00
usps U.S. Post Office							0.00
verwir Verizon Wireless	1/2/14	4171092	CDJ		28.02	28.02	0.00
	1/23/14	4172658	CDJ		26.41	26.41	0.00
vinrep VINTAGE REPORTING S							0.00
watcon Waters Construction, Inc.							0.00
Report Total					351,747.50	294,295.74	5,801.24

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/1/14	Mail dec13	9145	Mail changes for December 2013	108.65	
		1001	County of Mendocino		108.65
1/2/14	4170769	9210	12/10/2013	128.18	
		1001	AT&T		128.18
1/2/14	4170781	2023		3,585.75	
		1001	AFLAC, INC.		3,585.75
1/2/14	4170791	2002		833.78	
		1001	AMCRE		833.78
1/2/14	4170810	9140	Annual membership fee	500.00	
		1001	CALAPRS		500.00
1/2/14	4170811	2001	Invoice: 7/1-12/31/13	650.00	
		1001	CALAPRS		650.00
1/2/14	4170812	2001	Invoice: SI-1312274	36,400.00	
		1001	Callan Associates, Inc.		36,400.00
1/2/14	4170865	4512	Death Benefit PS	750.00	
			Ford		
		7060	Death Benefit PS	250.00	
			Ford		
		1001	Patrick Ford		1,000.00
1/2/14	4170879	2001	Invoice: 155771	2,500.00	
		1001	Gallina, LLP		2,500.00
1/2/14	4170886	2001	Invoice: 111626	2,382.75	
		1001	Hanson Bridgett		2,382.75
1/2/14	4170898	2005	D Spurlock	176.74	
		1001	IRS		176.74
1/2/14	4170906	2001	Invoice: Dec 2013	400.00	
		1001	Timothy Knudsen		400.00
1/2/14	4170953	2001	Invoice: Dec 2013	400.00	
		1001	Bob Mirata		400.00
1/2/14	4170972	9160		14.13	
		1001	Christie O'Farrall		14.13
1/2/14	4170974	9127	Applicant Yolanda Ruiz	15.00	
		1001	Santa Rosa Orthopaedics		15.00
1/2/14	4170982	2020		18,668.21	
		1001	Pacific Group Agencies, Inc.		18,668.21
1/2/14	4171022	2001	Invoice: Dec 2013	400.00	
		1001	John Sakowicz		400.00
1/2/14	4171037	2001	Invoice: Dec 2013	400.00	
		1001	Richard Shoemaker		400.00
1/2/14	4171042	2001	Invoice: 7690	4,011.50	

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1001	Sonoma County Counsel		4,011.50
1/2/14	4171043	9205	Invoice: 107568. 12/15/2013.	45.00	
		1001	Sonoma Sweepers, Inc.		45.00
1/2/14	4171044	9205	Invoice: 107567. 12/15/2013	140.00	
		1001	Sonoma Sweepers, Inc.		140.00
1/2/14	4171049	2001 1001	Invoice: Dec 2013 Edward Stephens	300.00	300.00
1/2/14	4171062	9145 1001	Invoice Toshiba Financial Services	82.45	82.45
1/2/14	4171067	9215	Electric meter: 59690933. 12/11/2013	26.88	
		1001	City of Ukiah		26.88
1/2/14	4171068	9215	Water meter: 97968530. 12/11/2013.	104.55	
		1001	City of Ukiah		104.55
1/2/14	4171070	9215	Electric meter: 02048852. 12/11/2013	151.85	
		1001	City of Ukiah		151.85
1/2/14	4171071	9215	Electric meter 02048802. 12/11/2013	227.41	
		1001	City of Ukiah		227.41
1/2/14	4171072	9215	Water meter: 88997059. 12/11/2013	272.29	
		1001	City of Ukiah		272.29
1/2/14	4171092	9145 1001	Invoice: 9716216854 Verizon Wireless	28.02	28.02
1/2/14	4171113	9160 1001	Judith Zeller	48.59	48.59
1/2/14	WIRE112214	9145	Board packets	19.32	
		9145	Postage	138.00	
		9145	Board packets	44.47	
		9145	Postage	20.70	
		9300	FedEx for Medallion	20.66	
		9300	FedEx for Medallion	13.46	
		9300	FedEx for Medallion	52.87	
		9145	Office supplies	5.13	
		1001	US Bank		314.61
1/6/14	4171932	9215		818.40	

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1001	PG&E		818.40
1/6/14	4172077	9215 1001	Ukiah Waste Solutions, Inc.	62.07	62.07
1/9/14	4171246	2001 1001	Invoice: SAG122013 Fechter & Company, CPAs	4,751.25	4,751.25
1/9/14	4171339	4512 7060 1001	Death Benefit F Kendall Death Benefit F Kendall Patricia Kendall	750.00 250.00	1,000.00
1/9/14	4171410	9205 1001	Inv#14176 Moonlight Cleaning Service	400.00	400.00
1/9/14	4171411	9205 1001	Inv#14175 Moonlight Cleaning Service	900.00	900.00
1/14/14	AJE11414	9200 1001	Repairs of lights and sensor County of Mendocino	83.06	83.06
1/16/14	4171613	9210 1001	AT&T	49.58	49.58
1/16/14	4171700	9145 1001	Clearly Mendocino Water Company	24.00	24.00
1/16/14	4171727	9145 1001	Curry's Discount Inc.	49.80	49.80
1/16/14	4171728	9145 1001	Curry's Discount Inc.	64.26	64.26
1/16/14	4171735	9210 1001	Deep Valley Security	24.95	24.95
1/16/14	4171736	9210 1001	Deep Valley Security	44.95	44.95
1/16/14	4171853	2001 1001	Invoice: MD-2013-C09 Linea Solutions	9,157.50	9,157.50
1/16/14	4172013	2001 1001	Invoice: 222112 SEGAL	1,500.00	1,500.00
1/16/14	4172022	9120 1001	Small World Solutions	46.00	46.00
1/16/14	4172035	4512 7060 1001	Death Benefit Roberta Stearns Death Benefit Roberta Stearns Peter Stearns	750.00 250.00	1,000.00

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/16/14	4172054	9145 1001	Toshiba Financial Services	187.49	187.49
1/17/14	AJECm117	9147	Normal business services	58.94	
		9147	Normal business services	135.00	
		9180	Automation project support	2,289.88	
		1001	County of Mendocino		2,483.82
1/23/14		9135	County Counsel Legal Services	16.00	
		1001	County of Mendocino		16.00
1/23/14	4172125	9210	Invoice: 000005025227	122.34	
		1001	AT&T		122.34
1/23/14	4172134	9300	Invoice 20131231-17821-A	16,485.41	
		1001	Alliance Bernstein		16,485.41
1/23/14	4172304	9125 1001	Timothy Goss Anthony Graham	1,550.00	1,550.00
1/23/14	4172305	9125 1001	Peggy Yee Anthony Graham	2,870.72	2,870.72
1/23/14	4172306	9125 1001	Kimberly Koskinen Anthony Graham	5,214.04	5,214.04
1/23/14	4172362	4001 1001	Distribution Alexandra Khoury	3,567.60	3,567.60
1/23/14	4172569	4001 2003 1001	Separation payment Separation payment Stephan Scalisi	245.16	49.03 196.13
1/23/14	4172658	9145 1001	Invoice 9717924851 Verizon Wireless	26.41	26.41
1/30/14	4172728	9127 1001	Invoice 1/1/2014 Kristine Bartlett, Psy.D.	2,325.00	2,325.00
1/30/14	4172733	4001 2003 1001	Separation payment Separation payment Lisa Ann Bernard	2,611.50	522.30 2,089.20
1/30/14	4172796	9145 1001	Curry's Discount Inc.	26.38	26.38
1/30/14	4172797	9145 1001	Curry's Discount Inc.	43.20	43.20
1/30/14	4172808	9210	Invoice 253656 1/17/2014	65.00	
		1001	Deep Valley Security		65.00
1/30/14	4172823	9111 1001	Invoice 1/17/2014 Fechter & Company,	6,929.25	6,929.25

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
			CPAs		
1/30/14	4172887	9125	Invoice 11-sr923. 1-6-2014	451.07	
		1001	Kevan D. Kurt & Associates		451.07
1/30/14	4172888	9125	Invoice 11-SR923 11/26/2013	2,326.68	
		1001	Kevan D. Kurt & Associates		2,326.68
1/30/14	4173050	9135	Invoice 7732: January 16 2014	4,181.00	
		1001	Sonoma County Counsel		4,181.00
1/30/14	4173052	9205	Invoice 107707 1/15/2014	45.00	
		1001	Sonoma Sweepers, Inc.		45.00
1/30/14	4173052	9205	Invoice 107706 1/15/2014	140.00	
		1001	Sonoma Sweepers, Inc.		140.00
1/30/14	4173065	4001	Refund of 2009 Overpayment R3	157.69	
		4003	Refund of 2009 Overpayment R3	49.06	
		1001	Lynn Sullivan		206.75
1/30/14	4173073	9145	Invoice	508.61	
		1001	Toshiba Financial Services		508.61
1/30/14	4173079	9215	Invoice 1/15/14 Water Meter	224.59	
		1001	City of Ukiah		224.59
1/30/14	4173081	9215	Invoice 1/15/2014 Electric Meter	46.01	
		1001	City of Ukiah		46.01
1/30/14	4173082	9215	Invoice 1/15/2014 Water Meter	104.55	
		1001	City of Ukiah		104.55
1/30/14	4173082	9215	Invoice 1/15/2014 Electric Meter	136.38	
		1001	City of Ukiah		136.38
1/30/14	4173084	9215	Invoice 1/15/2014 Electric Meter	234.60	
		1001	City of Ukiah		234.60
1/30/14	WIRE122313	9300	FedEx for Medallion	163.55	
		9300	FedEx for Medallion	20.56	
		9300	FedEx for Medallion	27.68	
		9300	FedEx for Medallion	16.18	

MCERA
Cash Disbursements Journal
For the Period From Jan 1, 2014 to Jan 31, 2014

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		9180	Projector	764.32	
		9180	Projector	79.34	
		1001	US Bank		1,071.63
1/31/14	Jan14CalDis	2005		692.00	
		1001	California State Disbursement Unit		692.00
1/31/14	Jan14IRS	2003		168,096.60	
		1001	IRS		168,096.60
1/31/14	Jan2014EDD	2004		43,851.56	
		1001	EDD		43,851.56
	Total			361,378.51	361,378.51