

Tom Watson  
Interim Retirement Administrator



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

Date: May 1, 2014  
To: Board of Retirement  
From: Tom Watson, Interim Retirement Administrator *Tom Watson*  
Subject: Monthly Investment Report (All figures are Preliminary)

**1. Unrealized Gain/(Loss) Analysis – Cost and Market Bases**

The Unrealized Gain in investments on a cost basis of \$87,622,945 (or \$91,417,994 including the change in cash) as of March 31, 2014 is detailed by each mutual fund/investment vehicle in Attachment A. All the funds' figures, (including RREEF – America REIT II and the Cornerstone fund which only report quarterly) are those as of March 31, 2014. The total assets of \$430,863,226 on this sheet are different than the plan assets because this figure only includes investments and cash, but does not include \$180,680 in receivables. Attachment A shows an unrealized gain of \$43,546,269 for the fiscal year based on the change in fair market value of the investments over the course of the fiscal year to date. The fair market value of investments is the current valuation method used for financial reporting.

**2. Investment Portfolio – Target Analysis**

The Target Analysis for the Investment Portfolio as of March 31, 2014 is shown on Attachment B. This Analysis includes the market value of each fund, actual percentage, Target percentage, target percentage in dollars and the difference in dollars. As the Board knows, a rebalancing was done in February 2014 to bring the investments in line with target allocations and generate \$6 million in cash. The \$5 million apparent “under target” in Fixed Income investments is completely offset by over \$6 million in Cash. All investment types are well within target ranges and Callan can address re-balance/cash withdrawal with the quarterly review on May 7, 2014.

**3. Net Asset Value Per Share and Shares Owned by Mutual Fund**

The former Retirement Administrator, Rich White, produced a report by mutual fund of the market value of each fund with the number of shares owned and the net asset value of each mutual fund. Scott German, CPA, was able to produce this report from in-house investment record data. The report (see Attachment C) shows each mutual fund's cost basis, market value, shares owned and net asset value per share. These figures are as of March 31, 2014. Due to the actual shares and net asset values not being held exactly in hundredths, multiplying the net asset value in cents by the shares owned in hundredths does not exactly equal the market value of the ownership of MCERA in each mutual fund, however the market values do agree with other reports.

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

*Attachment A*

	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
<b>Domestic Fixed Income</b>						
1402	PIMCO - Total Return Institutional	\$ 54,093,396	\$ 56,381,033	\$ 2,287,637	\$ 47,352,582	\$ 9,028,451 3/31/2014
1401	Dodge & Cox - Income Fund	56,194,742	57,265,316	1,070,574	45,819,359	11,445,956 3/31/2014
	<b>Total Domestic Fixed Income</b>	<b>110,288,138</b>	<b>113,646,349</b>	<b>3,358,211</b>	<b>93,171,942</b>	<b>20,474,408</b>
<b>Small Cap Equities Growth</b>						
1441	Alliance Bernstein - US Small Cap Growth Fund	1,967,851	6,639,203	4,671,352	5,223,101	1,416,102 3/31/2014
1445	RS Investments - Small Cap Growth Fund Y	2,445,442	4,804,141	2,358,699	4,692,176	111,965 3/31/2014
	<b>Total Small Cap Growth</b>	<b>4,413,293</b>	<b>11,443,344</b>	<b>7,030,051</b>	<b>9,915,277</b>	<b>1,528,066</b>
1443	Managers - Micro-Cap Institutional	5,613,150	8,334,112	2,720,962	9,067,152	(733,040) 3/31/2014
	<b>Total Small/Micro Cap Equities Growth</b>	<b>10,026,443</b>	<b>19,777,456</b>	<b>9,751,014</b>	<b>18,982,429</b>	<b>795,027</b>
<b>Small Cap Value</b>						
1444	Prudential	10,075,198	12,177,948	2,102,750	11,295,007	882,940 3/31/2014
	<b>Total Small Cap Value</b>	<b>10,075,198</b>	<b>12,177,948</b>	<b>2,102,750</b>	<b>11,295,007</b>	<b>882,940</b>
	<b>Total small cap equities</b>	<b>20,101,640</b>	<b>31,955,404</b>	<b>11,853,764</b>	<b>30,277,437</b>	<b>1,677,967</b>
<b>Mid Cap Growth</b>						
1464	Morgan Stanley	3,215,188	4,769,206	1,554,018	4,831,131	(61,925) 3/31/2014
1463	Janus - Enterprise Fund	3,248,290	4,628,187	1,379,897	5,005,755	(377,567) 3/31/2014
	<b>Total Mid Cap Growth</b>	<b>6,463,478</b>	<b>9,397,393</b>	<b>2,933,915</b>	<b>9,836,886</b>	<b>(439,492)</b>
<b>Mid Cap Value</b>						
1466	Fidelity Low Priced Stock Fund	2,794,527	4,760,280	1,965,752	4,929,965	(169,686) 3/31/2014
1465	Royce - Total Return Fund	3,079,135	4,652,489	1,573,354	4,851,256	(198,767) 3/31/2014
	<b>Total Mid Cap Value</b>	<b>5,873,662</b>	<b>9,412,768</b>	<b>3,539,106</b>	<b>9,781,221</b>	<b>(368,453)</b>
	<b>Total mid cap equities</b>	<b>12,337,140</b>	<b>18,810,162</b>	<b>6,473,021</b>	<b>19,618,107</b>	<b>(807,945)</b>
<b>Large Cap Growth</b>						
	Vanguard Institutional Index Fund	20,723,872	22,728,301	2,004,429	-	22,728,301 3/31/2014
	<b>Total Large Cap Core</b>	<b>20,723,872</b>	<b>22,728,301</b>	<b>2,004,429</b>	<b>-</b>	<b>22,728,301</b>
1481	Harbor Capital Appreciation Fund	14,569,533	22,858,716	8,289,183.26	19,788,912	3,069,804 3/31/2014
1483	Janus - Research Fund	14,603,184	23,489,064	8,885,880.36	20,998,962	2,490,103 3/31/2014
	<b>Total Large Cap Growth</b>	<b>29,172,717</b>	<b>46,347,781</b>	<b>17,175,063.62</b>	<b>40,787,874</b>	<b>5,559,907</b>
<b>Large Cap Value</b>						
1485	Selected Funds (Note 2)	-	-	-	11,706,416	(11,706,416) 3/31/2014
1487	Dodge & Cox - Stock Fund	13,432,931	22,821,502	9,388,570.86	22,888,360	(66,858) 3/31/2014
1482	American Fund - Investment Company of America (Note 2)	-	-	-	12,255,780	(12,255,780) 3/31/2014
1484	ROBECO	14,500,000	22,912,039	8,412,038.64	19,198,948	3,713,091 3/31/2014
	OPEN	-	-	-	-	-
	<b>Total Large Cap Value</b>	<b>27,932,931</b>	<b>45,733,540</b>	<b>17,800,609.50</b>	<b>66,049,504</b>	<b>(20,315,963.58)</b>
	<b>Total Large Cap Equities</b>	<b>77,829,520</b>	<b>114,809,622</b>	<b>36,980,101.96</b>	<b>106,837,378</b>	<b>7,972,244.34</b>
<b>International Stock</b>						
1422	American Funds - EuroPacific	14,483,458	20,995,342	6,511,884	18,506,488	2,488,854 3/31/2014
1423	Harbor international	16,851,171	20,751,621	3,900,451	18,116,355	2,635,266 3/31/2014
1421	Columbia Management - International Fund	6,722,890	11,243,607	4,520,717	9,611,637	1,631,970 3/31/2014
1424	Janus Overseas	19,419,786	18,498,433	(921,353)	16,082,019	2,416,414 3/31/2014
1425	Mondrian	17,299,962	21,289,091	3,989,129	18,206,490	3,082,602 3/31/2014
1426	Oakmark	11,294,175	16,251,662	4,957,487	16,776,036	(524,374) 3/31/2014
	<b>Total International Stock</b>	<b>86,071,442</b>	<b>109,029,756</b>	<b>22,958,314</b>	<b>97,299,025</b>	<b>11,730,732</b>
<b>Real Estate</b>						
1503	RREEF - Comingled Fund	6,651,481	7,115,632	464,150	6,799,442	316,190 3/31/2014
1502	RREEF - America REIT II	12,732,452	16,118,155	3,385,704	14,567,844	1,550,312 3/31/2014
1504	Cornerstone Fund	10,073,066	12,259,855	2,186,791	11,627,492	632,363 3/31/2014
	625 Kings Court	901,112	864,000	(37,112)	864,000	-
	<b>Total Real Estate</b>	<b>30,358,111</b>	<b>36,357,642</b>	<b>5,999,533</b>	<b>33,858,778</b>	<b>2,498,864</b>
	<b>Total investments</b>	<b>336,985,992</b>	<b>424,608,936</b>	<b>87,622,945</b>	<b>381,062,666</b>	<b>43,546,269</b>
	<b>Total Invested Funds</b>	<b>\$ 336,985,992</b>	<b>\$ 424,608,936</b>	<b>\$ 87,622,945</b>	<b>\$ 381,062,666</b>	<b>43,546,269</b>
					<b>Note 1</b>	
	<u>Balance Beg of Year</u>	<u>Balance End of Period</u>	<u>Change</u>			
	Cash in County Treasury	\$ 2,459,241	\$ 6,254,290	\$ 3,795,049		
	<b>Total all available funds</b>	<b>\$ 339,445,233</b>	<b>\$ 430,863,226</b>	<b>\$ 91,417,994</b>		

**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  
March 31, 2014

Attachment B

	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
<b>Domestic Fixed Income</b>							
PIMCO - Total Return Institutional	\$ 56,381,033		\$ 56,381,033	13.28%	14.000%	\$ 59,445,251	\$(3,064,218)
Dodge & Cox - Income Fund	57,265,316		57,265,316	13.49%	14.000%	59,445,251	(2,179,935)
<b>Total Domestic Fixed Income</b>	<b>113,646,349</b>	<b>-</b>	<b>113,646,349</b>	<b>26.76%</b>	<b>28.000%</b>	<b>118,890,502</b>	<b>(5,244,153)</b>
<b>Small Cap Equities Growth</b>							
Alliance Bernstein - US Small Cap Growth Fund	6,639,203		6,639,203	1.56%	1.500%	6,369,134	270,069
RS Investments - Small Cap Growth Fund Y	4,804,141		4,804,141	1.13%	1.100%	4,670,698	133,442
Managers - Micro-Cap Institutional	8,334,112		8,334,112	1.96%	1.900%	8,067,570	266,543
<b>Total Small Cap Equities Growth</b>	<b>19,777,456</b>	<b>-</b>	<b>19,777,456</b>	<b>4.66%</b>	<b>4.500%</b>	<b>19,107,402</b>	<b>670,054</b>
<b>Small Cap Value</b>							
Prudential	12,177,948		12,177,948	2.87%	2.700%	11,464,441	713,506
<b>Total Small Cap Value</b>	<b>12,177,948</b>	<b>-</b>	<b>12,177,948</b>	<b>2.87%</b>	<b>2.700%</b>	<b>11,464,441</b>	<b>713,506</b>
<b>Total Small Cap Equities</b>	<b>31,955,404</b>	<b>-</b>	<b>31,955,404</b>	<b>7.53%</b>	<b>7.200%</b>	<b>30,571,843</b>	<b>1,383,560</b>
<b>Mid Cap Growth</b>							
Morgan Stanley	4,769,206		4,769,206	1.12%	1.150%	4,883,003	(113,797)
Janus - Enterprise Fund	4,628,187		4,628,187	1.09%	1.150%	4,883,003	(254,815)
<b>Total Mid Cap Growth</b>	<b>9,397,393</b>	<b>-</b>	<b>9,397,393</b>	<b>2.21%</b>	<b>2.300%</b>	<b>9,766,006</b>	<b>(368,612)</b>
<b>Mid Cap Value</b>							
Fidelity Low Priced Stock Fund	4,760,280		4,760,280	1.12%	1.150%	4,883,003	(122,723)
Royce - Total Return Fund	4,652,489		4,652,489	1.10%	1.150%	4,883,003	(230,514)
<b>Total Mid Cap Value</b>	<b>9,412,768</b>	<b>-</b>	<b>9,412,768</b>	<b>2.22%</b>	<b>2.300%</b>	<b>9,766,006</b>	<b>(353,237)</b>
<b>Total Mid Cap Equities</b>	<b>18,810,162</b>	<b>-</b>	<b>18,810,162</b>	<b>4.43%</b>	<b>4.600%</b>	<b>19,532,011</b>	<b>(721,849)</b>
<b>Large Cap Growth</b>							
Vanguard Institutional Index Fund	22,728,301		22,728,301	5.35%	4.900%	20,805,838	1,922,463
<b>Total Large Cap Core</b>	<b>22,728,301</b>	<b>-</b>	<b>22,728,301</b>	<b>5.35%</b>	<b>4.900%</b>	<b>20,805,838</b>	<b>1,922,463</b>
Harbor Capital Appreciation Fund	22,858,716		22,858,716	5.38%	5.300%	22,504,274	354,443
Janus - Research Fund	23,489,064		23,489,064	5.53%	5.300%	22,504,274	984,791
<b>Total Large Cap Growth</b>	<b>46,347,781</b>	<b>-</b>	<b>46,347,781</b>	<b>10.92%</b>	<b>10.600%</b>	<b>45,008,547</b>	<b>1,339,233</b>
<b>Large Cap Value</b>							
Selected Funds (Note 2)	-		-	0.00%	0.000%	-	-
Dodge & Cox Stock Fund	22,821,502		22,821,502	5.37%	5.300%	22,504,274	317,228
American Fund - Investment Company of America (Note 2)	-		-	0.00%	0.000%	-	-
ROBECO	22,912,039		22,912,039	5.40%	5.300%	22,504,274	407,765
Vanguard - Growth & Income Fund (Note 1)	-		-	0.00%	0.000%	-	-
<b>Total Large Cap Value</b>	<b>45,733,540</b>	<b>-</b>	<b>45,733,540</b>	<b>10.77%</b>	<b>10.60%</b>	<b>45,008,547</b>	<b>724,993</b>
<b>Total Large Cap Equities</b>	<b>114,809,622</b>	<b>-</b>	<b>114,809,622</b>	<b>27.04%</b>	<b>26.10%</b>	<b>110,822,932</b>	<b>3,986,690</b>
<b>International Stock</b>							
American Funds - EuroPacific	20,995,342		20,995,342	4.94%	4.700%	19,956,620	1,038,722
Harbor international	20,751,621		20,751,621	4.89%	4.700%	19,956,620	795,001
Columbia Management - International Fund	11,243,607		11,243,607	2.65%	2.500%	10,615,223	628,384
Janus Overseas	18,498,433		18,498,433	4.36%	4.700%	19,956,620	(1,458,187)
Mondrian	21,289,091		21,289,091	5.01%	4.700%	19,956,620	1,332,471
Oakmark	16,251,662		16,251,662	3.83%	3.800%	16,135,140	116,522
<b>Total International Stock</b>	<b>109,029,756</b>	<b>-</b>	<b>109,029,756</b>	<b>25.68%</b>	<b>25.100%</b>	<b>106,576,843</b>	<b>2,452,914</b>
<b>Real Estate</b>							
RREEF - Comingled Fund	7,115,632		7,115,632	1.68%	1.800%	7,642,961	(527,329)
RREEF - America REIT II	16,118,155		16,118,155	3.80%	3.500%	14,861,313	1,256,843
Cornerstone Fund	12,259,855		12,259,855	2.89%	3.500%	14,861,313	(2,601,457)
625 Kings Court	864,000		864,000	0.20%	0.200%	849,218	14,782
<b>Total Real Estate</b>	<b>36,357,642</b>	<b>-</b>	<b>36,357,642</b>	<b>8.56%</b>	<b>9.00%</b>	<b>38,214,804</b>	<b>(1,857,162)</b>
<b>Total Investments</b>	<b>424,608,936</b>	<b>-</b>	<b>424,608,936</b>	<b>100.00%</b>	<b>100.00%</b>	<b>424,608,936</b>	<b>(0)</b>
<b>Cash in County Treasury</b>	6,254,290		6,254,290	1.452%	0.000%	-	-
<b>Total All Available Funds</b>	<b>430,863,226</b>	<b>-</b>	<b>430,863,226</b>	<b>101.452%</b>	<b>100.200%</b>	<b>424,608,936</b>	<b>(0)</b>

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

**Mendocino County Employee Retirement Association**  
**Shares Owned and NAV Analysis**  
**March 31, 2014**

*Attachment C*

	A	B	C	D	
	Cost Basis	Market Value	Shares Owned	Net Asset Value	
<b>Domestic Fixed Income</b>					
1402	PIMCO - Total Return Institutional	\$ 54,093,396	\$ 56,381,033	5,230,151.52	10.78
1401	Dodge & Cox - Income Fund	56,194,742	57,265,316	4,183,003.34	13.69
	<b>Total Domestic Fixed Income</b>	<b>110,288,138</b>	<b>113,646,349</b>		
<b>Small Cap Equities Growth</b>					
1441	Alliance Bernstein - US Small Cap Growth Fund	1,967,851	6,639,203	133,843.31	49.60
1445	RS Investments - Small Cap Growth Fund Y	2,445,442	4,804,141	72,734.91	66.05
	<b>Total Small Cap Growth</b>	<b>4,413,293</b>	<b>11,443,344</b>		
1443	Managers - Micro-Cap Institutional	5,613,150	8,334,112	169,495.88	49.17
	<b>Total Small/Micro Cap Equities Growth</b>	<b>10,026,443</b>	<b>19,777,456</b>		
<b>Small Cap Value</b>					
1444	Prudential	10,075,198	12,177,948	447,883.32	27.19
	<b>Total Small Cap Value</b>	<b>10,075,198</b>	<b>12,177,948</b>		
	<b>Total small cap equities</b>	<b>20,101,640</b>	<b>31,955,404</b>		
<b>Mid Cap Growth</b>					
1464	Morgan Stanley	3,215,188	4,769,206	105,094.89	45.38
1463	Janus - Enterprise Fund	3,248,290	4,628,187	55,136.85	83.94
	<b>Total Mid Cap Growth</b>	<b>6,463,478</b>	<b>9,397,393</b>		
<b>Mid Cap Value</b>					
1466	Fidelity Low Priced Stock Fund	2,794,527	4,760,280	94,337.68	50.46
1465	Royce - Total Return Fund	3,079,135	4,652,489	287,368.06	16.19
	<b>Total Mid Cap Value</b>	<b>5,873,662</b>	<b>9,412,768</b>		
	<b>Total mid cap equities</b>	<b>12,337,140</b>	<b>18,810,162</b>		
<b>Large Cap Growth</b>					
	Vanguard Institutional Index Fund	20,723,872	22,728,301	132,526.54	171.50
	<b>Total Large Cap Core</b>	<b>20,723,872</b>	<b>22,728,301</b>		
1481	Harbor Capital Appreciation Fund	14,569,533	22,858,716	403,721.59	56.62
1483	Janus - Research Fund	14,603,184	23,489,064	531,547.06	44.19
	<b>Total Large Cap Growth</b>	<b>29,172,717</b>	<b>46,347,781</b>		
<b>Large Cap Value</b>					
1485	Selected Funds (Note 2)	-	-	-	-
1487	Dodge & Cox - Stock Fund	13,432,931	22,821,502	132,829.88	171.81
1482	American Fund - Investment Company of America (Note 2)	-	-	-	-
1484	ROBECO	14,500,000	22,912,039	1,431,304.65	16.01
	OPEN	-	-	-	-
	<b>Total Large Cap Value</b>	<b>27,932,931</b>	<b>45,733,540</b>		
	<b>Total Large Cap Equities</b>	<b>77,829,520</b>	<b>114,809,622</b>		
<b>International Stock</b>					
1422	American Funds - EuroPacific	14,483,458	20,995,342	425,179.05	49.38
1423	Harbor international	16,851,171	20,751,621	289,261.52	71.74
1421	Columbia Management - International Fund	6,722,890	11,243,607	236,359.20	47.57
1424	Janus Overseas	19,419,786	18,498,433	506,251.58	36.54
1425	Mondrian	17,299,962	21,289,091	1,206,803.02	17.64
1426	Oakmark	11,294,175	16,251,662	612,576.78	26.53
	<b>Total International Stock</b>	<b>86,071,442</b>	<b>109,029,756</b>		
<b>Real Estate</b>					
1503	RREEF - Comingled Fund	6,651,481	7,115,632	203,776.00	34.92
1502	RREEF - America REIT II	12,732,452	16,118,155	172,133.31	93.64
1504	Cornerstone Fund	10,073,066	12,259,855	118,958.88	103.06
	625 Kings Court	901,112	864,000	N/A	N/A
	<b>Total Real Estate</b>	<b>30,358,111</b>	<b>36,357,642</b>		
	<b>Total investments</b>	<b>336,985,992</b>	<b>424,608,936</b>		
	<b>Total Invested Funds</b>	<b>\$ 336,985,992</b>	<b>\$ 424,608,936</b>		

**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 reb:

Tom Watson  
Interim Retirement Administrator



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Fax: (707) 467-6472

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

Date: May 1, 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 ending March 31, 2014 are included for your review.

**1. Statement of Plan Net Assets**

This report details a "snapshot" of asset and liability account balances as of March 31, 2014. The report indicates the assets available for future payments to retirees and any current liabilities owed. The cash has increased to \$6.2 million with the infusion of \$6 million from investments sold in February. The market value of investments decreased over \$1.3 million during the month. Net assets were \$432,017,470 at the end of February and \$430,471,804 at the end of March.

**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 through March 31, 2014. The Administrative expenses and Benefit payments exceeded employer and employee contributions by \$956,698 for the month (and thus the constant need to use investment income to pay obligations). 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 (March, 2014). MCERA monitors the cash within the fund in accordance with the cash flow policy. This report shows a decrease in total cash of \$247,417 during the month reflecting the additions of \$1.44 million in contributions and \$0.75 million in investment income offset by \$2.40 million in benefits paid and administrative expenses and \$0.04 million in changes to accounts receivable and payables balances.

**A. Regular Monthly Financial Reports (continued)**

**4. Office Building Rental Income – Net of Expenses**

This report shows the \$10,716 in rental income received by MCERA for the Month of March 2014 from the two tenants (State of California and MCERA Administration) and the monthly expenses of \$4,518 (for a net income of \$6,198 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 \$63,810.

**5. Vendor Ledgers**

The Vendor Ledgers report includes vendor transactions and balances for this monthly report period (March 2014). Only names of Vendors and dollar amounts appear on this report.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF PLAN NET ASSETS**  
**March 31, 2014**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash-held at county	\$	6,254,290	
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<b>TOTAL CASH AND EQUIVALENTS</b>			<b>6,254,290</b>
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**CURRENT ASSETS**

Accounts Receivable		103,591	
Recoupments		77,089	

<b>TOTAL CURRENT ASSETS</b>			<b>180,680</b>
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**PROPERTY AND EQUIPMENT**

<b>TOTAL PROPERTY AND EQUIPMENT</b>			<b>0</b>
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**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain(Loss) Invest		87,622,945	
Fixed Income		110,288,138	
International Equities		86,071,442	
Small Cap Equities		20,101,640	
Mid Cap Equities		12,337,140	
Large Cap Equities		77,829,520	
Real Estate		30,358,111	

<b>TOTAL INVESTMENTS, AT MARKET</b>			<b>424,608,936</b>
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<b>TOTAL ASSETS</b>	<b>\$</b>		<b>431,043,906</b>
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable	\$	47,555	
AMCRE Dues		850	
Accrued Wages - 1920 Account		299,652	
PEDIT Trust Dental		20,255	
AFLAC Insurance		3,684	
Buck Settlement Reserve		200,106	

<b>TOTAL CURRENT LIABILITIES</b>			<b>572,102</b>
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<b>TOTAL NET ASSETS</b>	<b>\$</b>		<b>430,471,804</b>
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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 ASSETS**  
**For the Nine Months Ended March 31, 2014**  
**Preliminary**

	CURRENT MONTH	YEAR TO DATE
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,091,766	\$ 10,312,359
Plan Members	355,926	3,276,681
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,447,692</b>	<b>13,589,040</b>
<b>INVESTMENT INCOME</b>		
Unrealized Gain/(Loss) Invests	(1,870,810)	27,837,021
Rental Income, Net of Expenses	6,198	63,810
Interest	0	22,776
Dividends	1,323,353	5,457,891
Capital Gains	0	21,710,566
Less Investment Expense	(47,703)	(290,853)
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>(588,962)</b>	<b>54,801,211</b>
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>858,730</b>	<b>68,390,251</b>
<b>DEDUCTIONS</b>		
Benefit Payment, Subsidies, & Refunds	(2,304,419)	(20,394,106)
Administrative Expenses	(99,971)	(721,158)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>2,404,390</b>	<b>21,115,264</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Assets</b>	<b>(1,545,660)</b>	<b>47,274,987</b>
<b>NET ASSETS</b>		
<b>Beginning of Period</b>	<b>432,017,471</b>	<b>383,196,816</b>
	<hr/>	<hr/>
<b>End of Period</b>	<b>\$ 430,471,811</b>	<b>\$ 430,471,803</b>
	<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, 2014**  
**Preliminary**

	CURRENT MONTH	YEAR TO DATE
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,091,766	10,312,359
Plan Member	355,926	3,276,681
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,447,692</b>	<b>13,589,040</b>
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	6,198	63,810
Interest	0	22,776
Dividends	792,259	2,403,611
Capital Gains	0	0
	<hr/>	<hr/>
Less Investment Expense	(47,703)	(290,853)
	<hr/>	<hr/>
<b>TOTAL INVESTMENT INCOME</b>	<b>750,754</b>	<b>2,199,344</b>
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>2,198,446</b>	<b>15,788,384</b>
<b>DEDUCTIONS</b>		
Benefit Payments and Subsidies	(2,304,419)	(20,394,106)
Administrative Expenses	(99,971)	(721,158)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>(2,404,390)</b>	<b>(21,115,264)</b>
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	(96,721)	(171,362)
Accounts Payable	55,252	233,906
Buck Settlement	0	0
Sale/Purchase of Investments	1	9,055,599
	<hr/>	<hr/>
<b>TOTAL OTHER INCREASES/(DECREASES)</b>	<b>(41,468)</b>	<b>9,121,929</b>
	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (247,412)</b>	<b>\$ 3,795,049</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ 6,254,290	\$ 6,254,290
Cash at Beginning of Period	6,501,707	2,459,240
	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (247,417)</b>	<b>\$ 3,795,050</b>
	<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****Rental Income - Net of Expenses**

For the Nine Months Ending March 31, 2014

	<u>Current Month</u>	<u>Year to Date</u>
<b>Revenues</b>		
Rental Income	\$ 10,716	\$ 96,075
Total Revenues	<u>10,716</u>	<u>96,075</u>
<b>Building Expenses</b>		
Building Expenses	0	1,472
Landscape & Maintenance	3,198	13,980
Security	70	1,960
Insurance	0	2,450
Utilities	1,250	12,403
Total building operating expenses	<u>4,518</u>	<u>32,265</u>
Net Income	<u>\$ 6,198</u>	<u>\$ 63,810</u>

**MCERA**  
**Vendor Ledgers**  
**For the Period From Mar 1, 2014 to Mar 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.	3/6/14	4175438	CDJ		3,585.75	3,585.75	0.00
allber Alliance Bernstein							0.00
allins Alliant Insurance Service							0.00
amcre AMCRE	3/6/14	4175442	CDJ		849.10	849.10	0.00
antgra Anthony Graham							0.00
aonhek Hewitt Ennis Knupp, Inc							0.00
arbmed Arbitration and Mediation							0.00
att AT&T	3/20/14	4176486	CDJ		65.17	65.17	0.00
bobmir Bob Mirata	3/27/14	4177379	CDJ		300.00	300.00	0.00
calapr CALAPRS							0.00
calass Callan Associates, Inc.	3/31/14	SI-1403099	PJ	*		36,400.00	36,400.00
caldis California State Dusburse	3/31/14	WIRE33114 S	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							0.00
cituki City of Ukiah	3/20/14	4177051	CDJ		269.64	269.64	0.00
	3/20/14	4177048	CDJ		104.55	104.55	0.00
	3/20/14	4177049	CDJ		128.62	128.62	0.00
	3/20/14	4177047	CDJ		46.76	46.76	0.00
	3/20/14	4177050	CDJ		196.03	196.03	0.00
claads Class Ads						0.00	
clemen Clearly Mendocino Water	3/13/14	4176120	CDJ		24.00	24.00	0.00
	3/31/14	33114	PJ	*		30.00	30.00
coumen County of Mendocino	3/1/14	Balance Fwd					6,077.54
	3/4/14	21214	CDJ		72.14	72.14	6,077.54



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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
IRS - Garnishment							
jacpan Jacob P. Panzarells, PHD							0.00
jacwax Jack Waxman, MD							0.00
jamand James Anderson							0.00
jeffer Jeff Berk							0.00
jeffrap Jeffrey A Rapp, MD	3/27/14	4177447	CDJ		1,830.52	1,830.52	0.00
jenben Jennifer Bennett-Jordan,							0.00
johsak John Sakowicz	3/27/14	4177478	CDJ		300.00	300.00	0.00
judzel Judith Zeller	3/1/14 3/6/14	Balance Fwd 4176037	CDJ		42.56		42.56 0.00
katric Katy Richardson							0.00
kensmi Kendall Smith							0.00
kevkurt Kevan D. Kurt & Associat							0.00
KrisBart Kristine Bartlett, Psy.D.							0.00
linsol Linea Solutions	3/20/14	4176787	CDJ		12,127.50	12,127.50	0.00
llowee Lloyd Weer							0.00
manphe Manatt, Phelps, Phillips,							0.00
melsta Melissa Staehle, Ph.D.							0.00
menacc Mendocino Access Televi	3/31/14	311	PJ	*		760.00	760.00
menroo Mendocino Roofing, Inc.							0.00
micman Michel R. Mandel, MD							0.00
moncle Moonlight Cleaning Servi	3/13/14 3/13/14 3/27/14	4176297 4176298 14546	CDJ CDJ PJ		400.00 900.00	400.00 900.00 900.00	0.00 0.00 900.00

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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
	3/27/14	14547	PJ	*		400.00	1,300.00
Monpart Mondrian Investment Part							0.00
pacgro Pacific Group Agencies, I	3/6/14	4175841	CDJ		20,361.27	20,361.27	0.00
petsta Peter Stadler							0.00
pge PG&E	3/20/14	4176900	CDJ		441.84	441.84	0.00
pubretj The Public Retirement Jo	3/27/14	4177439	CDJ		390.00	390.00	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	3/27/14	4177500	CDJ		300.00	300.00	0.00
ricwhi Richard White							0.00
sacrs SACRS	3/20/14	4176973	CDJ		360.00	360.00	0.00
SanRosOrtho Santa Rosa Orthopaedics							0.00
segal SEGAL	3/13/14 3/31/14	4176380 228793	CDJ PJ		9,803.00	9,803.00 1,500.00	0.00 1,500.00
shredt Shred-It USA-Concord							0.00
smawor Small World Solutions	3/20/14	4177002	CDJ		700.00	700.00	0.00
soncou Sonoma County Counsel	3/13/14 3/13/14 3/27/14	4176392 4176393 4177510	CDJ CDJ CDJ		5,537.00 5,593.50 3,616.00	5,537.00 5,593.50 3,616.00	0.00 0.00 0.00
sonswe Sonoma Sweepers, Inc.	3/27/14 3/27/14	4177513 4177512	CDJ CDJ		150.00 50.00	150.00 50.00	0.00 0.00
thomil Thomas P. Miles, MD	3/27/14	4177378	CDJ		5,550.00	5,550.00	0.00
timknu Timothy Knudsen	3/27/14	4177324	CDJ		300.00	300.00	0.00

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

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
tomwat Tom Watson							0.00
tosfin Toshiba Financial Service	3/13/14 3/20/14	4176423 406820	CDJ CDJ		187.49 247.53	187.49 247.53	0.00 0.00
tyltec Tyler Technologies							0.00
ukiwas Ukiah Waste Solutions, I	3/20/14	406826	CDJ		62.91	62.91	0.00
usban US Bank	3/1/14 3/31/14	Balance Fwd March 14 4728		PJ		41.01	5,087.00 5,128.01
usbank US Bank Cal Card	3/31/14	March Chgs 22		PJ		446.27	446.27
usps U.S. Post Office							0.00
verwir Verizon Wireless							0.00
vinrep VINTAGE REPORTING S							0.00
watcon Waters Construction, Inc.							0.00
<b>Report Total</b>					<b>348,380.48</b>	<b>371,766.38</b>	<b>47,555.04</b>