

James R. Wilbanks, Ph.D.  
Retirement Administrator



Telephone: (707) 463-4328  
(707) 467-6473  
Fax: (707) 467-6472

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

Date: November 12, 2015  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Financial Report

**Preliminary Monthly Financial Reports, month ending August 31, 2015**

**1. Statement of Plan Net Position**

The report indicates the assets available for future payments to retirees and any current liabilities owed at the end of the month. Cash decreased to \$1.6 million during the month and total net position decreased to \$424.8 million primarily due to unrealized losses related to increased market volatility during 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 a decrease in net position of \$21.3 million and year to date net position decreased by \$19.4 million. Contributions are about \$400,000 higher when compared to the same period last year due to the change in contribution rates.

**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. Cash decreased by \$ 0.5 million during the month.

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

This report details the \$4,302 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. The annual insurance premium was paid this month resulting in a lower monthly net income. Total operating expenses for the month and year to date are slightly above budget.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF PLAN NET POSITION**  
**August 31, 2015**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash - Held at County	\$	1,615,414
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<b>TOTAL CASH AND EQUIVALENTS</b>		<b>1,615,414</b>
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**CURRENT ASSETS**

Accounts Receivable		191,443
Recoupments		79,369

<b>TOTAL CURRENT ASSETS</b>		<b>270,812</b>
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**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain (Loss)		73,564,314
Fixed Income		116,002,123
International Equities		88,795,742
Small Cap Equities		22,577,883
Mid Cap Equities		14,145,115
Large Cap Equities		76,129,692
Real Estate		31,836,643

<b>TOTAL INVESTMENTS, AT MARKET</b>		<b>423,051,512</b>
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<b>TOTAL ASSETS</b>	<b>\$</b>	<b>424,937,738</b>
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable	\$	58,215
Federal Withholding		200
Accrued Wages - 1920 Account		63,367

<b>TOTAL CURRENT LIABILITIES</b>		<b>121,782</b>
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<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>424,815,956</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 POSITION**  
**For the Two Months Ended August 31, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,423,557	\$ 2,333,035
Plan Members	411,794	679,333
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,835,351</b>	<b>3,012,368</b>
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<b>INVESTMENT INCOME</b>		
Unrealized Gain (Loss)	(20,734,444)	(18,517,637)
Rental Income, Net of Expenses	4,302	11,598
Interest	0	0
Dividends	178,253	393,821
Capital Gains	0	806,329
Less Investment Expense	0	0
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>(20,551,889)</b>	<b>(17,305,889)</b>
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<b>TOTAL ADDITIONS</b>	<b>(18,716,538)</b>	<b>(14,293,521)</b>
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<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,511,548)	(4,989,205)
Administrative Expenses	(85,815)	(118,672)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>2,597,363</b>	<b>5,107,877</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Position</b>	<b>(21,313,901)</b>	<b>(19,401,398)</b>
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<b>NET POSITION</b>		
Beginning of Period	446,129,856	444,217,351
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End of Period	\$ 424,815,955	\$ 424,815,953
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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 Two Months Ended August 31, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,423,557	2,333,035
Plan Member	411,794	679,333
	<b>1,835,351</b>	<b>3,012,368</b>
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	4,302	11,598
Interest	0	0
Dividends	178,253	393,821
Capital Gains	0	0
Less Investment Expense	0	0
	<b>182,555</b>	<b>405,419</b>
<b>TOTAL ADDITIONS</b>	<b>2,017,906</b>	<b>3,417,787</b>
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,511,548)	(4,989,206)
Administrative Expenses	(85,815)	(118,672)
	<b>(2,597,363)</b>	<b>(5,107,878)</b>
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	40,040	606,061
Accounts Payable	(3,732)	(698,705)
Sale/Purchase of Investments	0	2,000,000
	<b>36,308</b>	<b>1,907,356</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (543,149)</b>	<b>\$ 217,265</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ 1,615,414	\$ 1,615,414
Cash at Beginning of Period	2,158,562	1,398,146
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (543,148)</b>	<b>\$ 217,268</b>

**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 Two Months Ending August 31, 2015

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
<b>Revenues</b>					
Rental Income	\$ 10,785	129,518	\$ 21,570	21,570	0
Total Revenues	<u>10,785</u>	<u>129,518</u>	<u>21,570</u>	<u>21,570</u>	<u>0</u>
<b>Building Expenses</b>					
Landscape & Maintenance	1,591	20,400	3,439	3,400	(39)
Security	150	1,800	299	300	1
Insurance	2,681	2,500	2,681	2,500	(181)
Utilities	2,061	16,750	3,553	3,200	(353)
Total building operating expenses	<u>6,483</u>	<u>41,450</u>	<u>9,972</u>	<u>9,400</u>	<u>(572)</u>
Net Income	<u>\$ 4,302</u>	<u>88,068</u>	<u>\$ 11,598</u>	<u>12,170</u>	<u>572</u>

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Date: November 12, 2015  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Financial Report

**Preliminary Monthly Financial Reports, month ending September 30, 2015**

**1. Statement of Plan Net Position**

The report indicates the assets available for future payments to retirees and any current liabilities owed at the end of the month. Cash increased to \$1.8 million during the month and total net position decreased to \$414.3 million. Please note the addition of the investment trades receivable related to the liquidation of Janus Overseas. The receivable was invested in Mondrian International on October 1<sup>st</sup>. Mondrian only offers monthly liquidity.

**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 \$10.49 million and year to date net position decreased by \$29.89 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. Cash increased by \$ 184,834 during the month.

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

This report details the \$7,021 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. YTD expenses are slightly above budget due to costs related to the water line break that occurred early in the quarter.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF PLAN NET POSITION**  
**September 30, 2015**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash - Held at County \$ 1,800,246

**TOTAL CASH AND EQUIVALENTS** **1,800,246**

**CURRENT ASSETS**

Accounts Receivable 184,581  
Investment Trades Receivable 3,129,911  
Recoupments 78,830

**TOTAL CURRENT ASSETS** **3,393,322**

**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain (Loss) 67,426,576  
Fixed Income 116,002,123  
International Equities 82,296,177  
Small Cap Equities 22,577,883  
Mid Cap Equities 14,340,624  
Large Cap Equities 74,600,893  
Real Estate 32,158,358

**TOTAL INVESTMENTS, AT MARKET** **409,402,634**

**TOTAL ASSETS** **\$ 414,596,202**

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable \$ 170,530  
Federal Withholding 200  
Accrued Wages - 1920 Account 100,434

**TOTAL CURRENT LIABILITIES** **271,164**

**TOTAL NET POSITION** **\$ 414,325,038**

**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, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,575,046	\$ 3,908,080
Plan Members	460,180	1,139,512
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>2,035,226</b>	<b>5,047,592</b>
	<hr/>	<hr/>
<b>INVESTMENT INCOME</b>		
Unrealized Gain (Loss)	(6,137,738)	(24,655,375)
Rental Income, Net of Expenses	7,021	18,618
Interest	2,377	2,377
Dividends	1,148,196	1,542,016
Capital Gains	(4,859,657)	(4,053,328)
	<hr/>	<hr/>
Less Investment Expense	(89,174)	(89,174)
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>(9,928,975)</b>	<b>(27,234,866)</b>
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>(7,893,749)</b>	<b>(22,187,274)</b>
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<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,463,785)	(7,452,989)
Administrative Expenses	(133,383)	(252,056)
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<b>TOTAL DEDUCTIONS</b>	<b>2,597,168</b>	<b>7,705,045</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Position</b>	<b>(10,490,917)</b>	<b>(29,892,319)</b>
	<hr/>	<hr/>
<b>NET POSITION</b>		
Beginning of Period	424,815,957	444,217,351
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End of Period	\$ 414,325,040	\$ 414,325,032
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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, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,575,046	3,908,080
Plan Member	460,180	1,139,512
	<b>2,035,226</b>	<b>5,047,592</b>
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	7,021	18,618
Interest	2,377	2,377
Dividends	669,768	1,063,588
Capital Gains	0	0
Less Investment Expense	(89,174)	(89,174)
	<b>589,992</b>	<b>995,409</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>2,035,226</b>	<b>5,047,592</b>
<b>TOTAL ADDITIONS</b>	<b>2,625,218</b>	<b>6,043,001</b>
<b>DEDUCTIONS</b>		
Benefit Payments & Refunds	(2,463,785)	(7,452,990)
Administrative Expenses	(133,383)	(252,056)
	<b>(2,597,168)</b>	<b>(7,705,046)</b>
<b>TOTAL DEDUCTIONS</b>	<b>(2,597,168)</b>	<b>(7,705,046)</b>
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	(3,122,510)	(2,516,449)
Accounts Payable	149,382	(549,324)
Sale/Purchase of Investments	3,129,912	5,129,912
	<b>156,784</b>	<b>2,064,139</b>
<b>TOTAL OTHER INCREASES/(DECREASES)</b>	<b>156,784</b>	<b>2,064,139</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ 184,834</b>	<b>\$ 402,094</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ 1,800,246	\$ 1,800,246
Cash at Beginning of Period	1,615,415	1,398,146
	<b>\$ 184,831</b>	<b>\$ 402,100</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ 184,831</b>	<b>\$ 402,100</b>

**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, 2015

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Difference</u>
<b>Revenues</b>					
Rental Income	\$ 10,785	129,518	\$ 32,354	32,354	0
Total Revenues	<u>10,785</u>	<u>129,518</u>	<u>32,354</u>	<u>32,354</u>	<u>0</u>
<b>Building Expenses</b>					
Landscape & Maintenance	1,792	20,400	5,231	5,100	(131)
Security	171	1,800	470	450	(20)
Insurance	0	2,500	2,681	2,500	(181)
Utilities	1,801	16,750	5,354	4,800	(554)
Total building operating expenses	<u>3,764</u>	<u>41,450</u>	<u>13,736</u>	<u>12,850</u>	<u>(886)</u>
Net Income	<u>\$ 7,021</u>	<u>88,068</u>	<u>\$ 18,618</u>	<u>19,504</u>	<u>886</u>