

Richard A. White, Jr.
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: September 18, 2013
To: Board of Retirement
From: Richard White, Retirement Administrator *rw*
Subject: Monthly Financial Report

A. Financial Reports

The monthly reports for **July 2013** are included for your review.

1. Statement of Plan Net Assets.

- This report details a "snapshot" of account balances for the period covered and the fiscal year to date activity. The report indicates the assets available for future payments to retirees and any current liabilities owed.

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 and covers the most recently available and the fiscal year to date activity.

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.

4. Rental Income – Net of Expenses.

- This report shows the rental income received by the two tenants (State of California and MCERA) and the expenses associated with the 625 Kings Court trust fund asset.

5. Vendor Ledger.

- This report is generated from the Peachtree accounting system and includes vendor transactions and balances for the month of **August 2013**.

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

**July 31, 2013
Preliminary**

ASSETS

CASH AND EQUIVALENTS

Trust Cash-held at county \$ 1,506,509

TOTAL CASH AND EQUIVALENTS **1,506,509**

CURRENT ASSETS

Accounts Receivable 3,000
Recoupments (319)

TOTAL CURRENT ASSETS **2,681**

PROPERTY AND EQUIPMENT

Equipment 3,786

TOTAL PROPERTY AND EQUIPMENT **3,786**

INVESTMENTS, ADJUSTED TO MARKET

Unrealized Gain(Loss) Invest 74,018,236
Fixed Income 90,619,505
International Equities 86,221,211
Small Cap Equities 21,033,686
Mid Cap Equities 13,810,042
Large Cap Equities 80,273,629
Real Estate 30,022,970

TOTAL INVESTMENTS, AT MARKET **395,999,279**

TOTAL ASSETS **\$ 397,512,255**

LIABILITIES

CURRENT LIABILITIES

Accounts Payable \$ 45,962
AMCRE Dues 828
Wage Attchments 177
Accrued Wages - 1920 Account 24,127
PEDIT Trust Dental 18,907
AFLAC INSURANCE 3,726
Buck Settlement Reserve 200,106

TOTAL CURRENT LIABILITIES **293,833**

TOTAL NET ASSETS **\$ 397,218,422**

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 One Month Ended July 31, 2013
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ 888,447	\$ 888,447
Plan Members	286,346	286,346
	<hr/>	<hr/>
TOTAL CONTRIBUTIONS	1,174,793	1,174,793
INVESTMENT INCOME		
Unrealized Gain/(Loss) Invests	14,232,312	14,232,312
Rental Income, Net of Expenses	6,259	6,259
Interest	0	0
Dividends	165,320	165,320
Capital Gains	638,487	638,487
Less Investment Expense	0	0
	<hr/>	<hr/>
Net Investment Income	15,042,378	15,042,378
	<hr/>	<hr/>
TOTAL ADDITIONS	16,217,171	16,217,171
DEDUCTIONS		
Benefit Payment, Subsidies, & Refunds	(2,156,800)	(2,156,800)
Administrative Expenses	(38,766)	(38,766)
	<hr/>	<hr/>
TOTAL DEDUCTIONS	2,195,566	2,195,566
	<hr/>	<hr/>
Increase (Decrease) in Net Assets	14,021,605	14,021,605
NET ASSETS		
Beginning of Period	383,196,816	383,196,816
	<hr/>	<hr/>
End of Period	\$ 397,218,421	\$ 397,218,421
	<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 One Month Ended July 31, 2013
Preliminary

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
Employer	888,447	888,447
Plan Member	286,346	286,346
	<hr/>	<hr/>
TOTAL CONTRIBUTIONS	1,174,793	1,174,793
	<hr/>	<hr/>
INVESTMENT INCOME		
Rental Income, Net of Expenses	6,259	6,259
Interest	0	0
Dividends	99,507	99,507
Capital Gains	0	0
	<hr/>	<hr/>
Less Investment Expense	0	0
	<hr/>	<hr/>
TOTAL INVESTMENT INCOME	105,766	105,766
	<hr/>	<hr/>
TOTAL ADDITIONS	1,280,559	1,280,559
	<hr/>	<hr/>
DEDUCTIONS		
Benefit Payments and Subsidies	(2,156,800)	(2,156,800)
Administrative Expenses	(38,766)	(38,766)
	<hr/>	<hr/>
TOTAL DEDUCTIONS	(2,195,566)	(2,195,566)
	<hr/>	<hr/>
OTHER INCREASES/(DECREASES)		
Accounts Receivable	6,637	6,637
Accounts Payable	(44,363)	(44,363)
Buck Settlement	0	0
Sale/Purchase of Investments	0	0
	<hr/>	<hr/>
TOTAL OTHER INCREASES/(DECREASES)	(37,726)	(37,726)
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH	\$ (952,733)	\$ (952,733)
	<hr/> <hr/>	<hr/> <hr/>
SUMMARY		
Cash at End of Period	\$ 1,506,509	\$ 1,506,509
Cash at Beginning of Period	2,459,240	2,459,240
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH	\$ (952,731)	\$ (952,731)
	<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

Rental Income - Net of Expenses For the One Month Ending July 31, 2013

	<u>Current Month</u>		<u>Year to Date</u>	
Revenues				
Rental Income	\$	6,376	0.04	\$
				6,376
				0.04
Total Revenues		6,376	0.04	6,376
				0.04
Building Expenses				
Building Expenses		0	0.00	0
Landscape & Maintenance		0	0.00	0
Security		117	0.00	117
Insurance		0	0.00	0
Utilities		0	0.00	0
		117	0.00	117
Total building operating expenses		117	0.00	117
				0.00
Net Income	\$	6,259	0.04	\$
				6,259
				0.04

MCERA
Vendor Ledgers
For the Period From Aug 1, 2013 to Aug 30, 2013

Filter Criteria includes: Report order is by Name.

Vendor	Date	Debit Amt	Credit Amt
Anthony Graham	8/1/13		
	8/1/13	1,150.00	
	8/1/13	2,413.90	2,413.90
AT&T	8/15/13	47.78	47.78
	8/22/13	124.07	124.07
CALAPRS	8/15/13	1,000.00	1,000.00
Capital Insurance Group	8/15/13	2,450.00	2,450.00
City of Ukiah	8/1/13	728.46	728.46
	8/1/13	34.63	34.63
	8/1/13	266.90	266.90
	8/1/13	104.55	104.55
	8/1/13	256.39	256.39
	8/15/13	30.00	30.00
	8/22/13	332.79	332.79
	8/22/13	677.67	677.67
	8/22/13	104.55	104.55
	8/22/13	256.39	256.39
	8/22/13	33.64	33.64
Clearly Mendocino Water Compa	8/15/13	18.00	18.00
Curry's Discount Inc.	8/15/13	9.94	9.94
	8/15/13	172.95	172.95
	8/22/13	43.20	43.20
	8/22/13	9.86	9.86
Deep Valley Security	8/15/13	44.95	44.95
	8/15/13	24.95	24.95
Fechter & Company, CPAs	8/1/13		
	8/8/13	6,884.24	
Manatt, Phelps, Phillips, LLP	8/29/13	9,577.80	9,577.80
Mondrian Investment Partners Li	8/1/13		
	8/22/13	35,047.49	35,047.49
PG&E	8/22/13	32.32	32.32
Shred-It USA-Concord	8/1/13	17.02	17.02
Sonoma Sweepers, Inc.	8/1/13	45.00	45.00
	8/1/13	140.00	140.00
	8/29/13	140.00	140.00
	8/29/13	45.00	45.00
Toshiba Financial Services	8/1/13	133.03	133.03
	8/22/13	257.67	257.67
	8/29/13	187.49	187.49
Verizon Wireless	8/29/13	19.71	19.71
		62,862.34	54,828.10

Richard A. White, Jr.
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: September 18, 2013
To: Board of Retirement
From: Richard White, Retirement Administrator *raw*
Subject: Monthly Investment Report

1. Investment Goal Statements (excerpts from MCERA Investment Policy Statement)

- a. The overall goal of MCERA's investments is to provide Plan participants with retirement, disability, and death and survivor benefits as provided for under the County Employees' Retirement Law of 1937. This will be accomplished through a carefully planned and executed long-term investment program.
- b. The investment activities are designed and executed in a manner that serves the best interests of the members and beneficiaries of the Association.
- c. All transactions undertaken will be for the sole benefit of MCERA's members and beneficiaries and for the exclusive purpose of providing benefits to them, minimizing contributions to the Plan and defraying reasonable associated administrative expenses.

2. MCERA Trust Fund Performance Information

MCERA Investment Portfolio Performance as of June 30, 2013

	One Year	Three Year	Five Year	Seven Year	10-Year	17-Year
Returns	14.52%	11.36%	5.71%	5.95%	7.92%	6.73%
Benchmark	12.29%	11.59%	5.10%	5.03%	-	-

MCERA Investment Portfolio Market Value

June 30, 2013	\$ 383,521,766
March 31, 2013	\$ 381,456,435
December 31, 2012	\$ 363,785,244
September 30, 2012	\$ 357,411,731
June 30, 2012	\$ 343,863,518

NOTE: MCERA investment returns are reported net of investment manager fees and includes cash.

3. Monthly Investment Account Balance Report

The monthly investment account report for July and August are for the Board's information. The information is preliminary. Please refer to the most recent Callan Quarterly Review (June, 2013) for complete information on the investment accounts.

Mendocino County Employee Retirement Association
Unrealized Gain (Loss) Analysis
July 31, 2013

	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						
PIMCO - Total Return Institutional	\$ 45,044,992	\$ 47,484,606	\$ 2,439,614	\$ 47,352,582	\$ 132,024	7/31/2013
Dodge & Cox - Income Fund	45,574,513	46,023,303	448,790	45,819,359	203,944	7/31/2013
Total Domestic Fixed Income	90,619,505	93,507,909	2,888,404	93,171,942	335,968	
Small Cap Equities Growth						
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	5,625,902	3,658,052	5,223,101	402,800	7/31/2013
RS Investments - Small Cap Growth Fund Y	2,500,101	5,185,280	2,685,178	4,692,176	493,104	7/31/2013
Managers - Micro-Cap Institutional	6,400,253	9,892,940	3,492,687	9,067,152	825,788	7/31/2013
Total Small Cap Equities Growth	10,868,204	20,704,121	9,835,917	18,982,429	1,721,692	
Small Cap Value						
Prudential	10,165,482	11,935,989	1,770,506	11,295,007	640,981	7/31/2013
Total Small Cap Value	10,165,482	11,935,989	1,770,506	11,295,007	640,981	
Total small cap equities	21,033,686	32,640,110	11,606,424	30,277,437	2,362,673	
Mid Cap Growth						
Morgan Stanley	3,605,091	5,070,751	1,465,660	4,831,131	239,620	7/31/2013
Janus - Enterprise Fund	3,875,032	5,260,103	1,385,071	5,005,755	254,348	7/31/2013
Total Mid Cap Growth	7,480,123	10,330,854	2,850,731	9,836,886	493,968	
Mid Cap Value						
Fidelity Low Priced Stock Fund	3,076,901	5,178,953	2,102,053	4,929,965	248,988	7/31/2013
Royce - Total Return Fund	3,253,018	5,160,233	1,907,215	4,851,256	308,977	7/31/2013
Total Mid Cap Value	6,329,919	10,339,186	4,009,268	9,781,221	557,965	
Total mid cap equities	13,810,041	20,670,040	6,859,999	19,618,107	1,051,933	
Large Cap Growth						
OPEN	-	-	-	-	-	
Total Large Cap Core	-	-	-	-	-	
Harbor Capital Appreciation Fund	15,092,477	21,047,782	5,955,305.05	19,788,912	1,258,870	7/31/2013
Janus - Research Fund	15,719,160	22,223,039	6,503,879.20	20,998,962	1,224,077	7/31/2013
Total Large Cap Growth	30,811,637	43,270,821	12,459,184.25	40,787,874	2,482,947	
Large Cap Value						
Selected Funds	9,568,933	12,360,248	2,791,315.20	11,706,416	653,832	7/31/2013
Dodge & Cox - Stock Fund	16,293,630	24,360,974	8,067,344.33	22,888,360	1,472,614	7/31/2013
American Fund - Investment Company of America	9,099,430	12,904,080	3,804,649.58	12,255,780	648,300	7/31/2013
ROBECO	14,500,000	20,330,394	5,830,394.44	19,198,948	1,131,446	7/31/2013
OPEN	-	-	-	-	-	
Total Large Cap Value	49,461,993	69,955,697	20,493,703.54	66,049,504	3,906,192.80	
Total Large Cap Equities	80,273,630	113,226,518	32,952,887.80	106,837,378	6,389,139.92	
International Stock						
American Funds - EuroPacific	14,901,330	19,289,319	4,387,990	18,506,488	782,831	7/31/2013
Harbor international	16,670,291	19,081,011	2,410,721	18,116,355	964,656	7/31/2013
Columbia Management - International Fund	6,129,417	9,899,357	3,769,940	9,611,637	287,720	7/31/2013
Janus Overseas	18,707,173	16,558,451	(2,148,723)	16,082,019	476,432	7/31/2013
Mondrian	17,299,962	18,761,443	1,461,480	18,206,490	554,953	7/31/2013
Oakmark	12,513,038	18,462,439	5,949,400	16,776,036	1,686,402	7/31/2013
Total International Stock	86,221,211	102,052,019	15,830,808	97,299,025	4,752,994	
Real Estate						
RREEF - Comingled Fund	6,651,482	6,843,346	191,864	6,799,442	43,904	7/31/2013
RREEF - America REIT II	12,579,499	14,567,844	1,988,344	14,567,844	-	7/31/2013
Cornerstone Fund	9,890,877	11,627,492	1,736,616	11,627,492	-	6/30/2013
Total Real Estate (Note 1)	29,121,858	33,038,682	3,916,824	32,994,778	43,904	
Total managed investments	321,079,932	395,135,279	74,055,347	380,198,666	14,936,613	
Other Real Estate						
625 Kings Court (Note 2)	901,112	864,000	(37,112)	864,000	-	
Total Invested Funds	\$ 321,981,044	\$ 395,999,279	\$ 74,018,235	\$ 381,062,666	14,936,613	
					Note 2	
	Balance Beg of Year	Balance End of Period	Change			
Cash in County Treasury	\$ 2,459,241	\$ -	\$ (2,459,241)			
Total all available funds	\$ 324,440,285	\$ 395,999,279	\$ 71,558,994			

Note 1 The real estate category on the Balance Sheet combines both managed and other real estate

MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION				
TRUST FUND ACCOUNT BALANCES				
<i>Preliminary Report</i>				
August 31, 2013	SHARES	NAV	Ending Market Value	
DOMESTIC EQUITIES			\$ 164,262,992	
LARGE CAP EQUITIES			111,630,463	
Selected American Shares Class D	261,150.3900	\$46.10	12,039,032.98	
American Fund: Investment Co. Of America	364,213.3790	\$34.74	12,652,772.79	
Dodge & Cox Stock Fund	161,117.5560	\$145.56	23,452,271.45	
Robeco Large Cap	1,431,304.0000	\$14.20	20,330,394.44	7/31/2013
Harbor Capital Appreciation Fund	425,293.6380	\$49.22	20,932,952.86	
Janus Research Fund I Shares	574,684.2240	\$38.67	22,223,038.94	7/31/2013
MID CAP EQUITIES			\$ 20,375,405.76	
Fidelity Investments Low Priced Stock Fund	108,255.7150	\$46.98	5,085,853.49	
The Royce Total Return Fund	318,532.9030	\$15.55	4,953,186.64	
Morgan Stanley Mid Cap Growth Portfolio Class I	121,020.3100	\$41.94	5,075,591.80	
Janus Enterprise Fund I Shares	67,110.2670	\$78.39	5,260,773.83	7/31/2013
SMALL CAP EQUITIES			22,675,917	
Prudential Target Small Cap Val Port	457,843.8330	\$26.07	11,935,988.73	7/31/2013
Alliance Bernstein	133,843.3000	\$42.03	5,625,902.00	7/31/2013
Rs Investments Small Cap Growth Fund Y	80,969.3880	\$63.16	5,114,026.55	
MICRO CAP EQUITIES			9,581,205	
Managers Micro-Cap Institutional	206,446.9950	\$46.41	9,581,205.04	
INTERNATIONAL EQUITIES			\$ 100,252,197	
American Fund: Euro Pacific Growth Fund	439,792.9640	\$43.12	18,963,872.61	
Harbor International Fund	290,559.0290	\$64.99	18,883,431.29	
Columbia Acom International Fund-Z	224,781.0310	\$43.46	9,768,983.61	
Janus Overseas Fund I Shares	486,155.3360	\$34.06	16,558,450.74	7/31/2013
Oakmark International Fund	733,218.3700	\$24.20	17,743,884.55	
Mondrian All Countries World Ex-US Equity Fund	1,206,803.0221	\$15.19	18,333,574.00	
DOMESTIC FIXED INCOME			\$ 93,303,966	
Dodge & Cox Income Fund	3,399,062.2630	\$13.48	45,819,359.31	
Pimco Total Return	4,400,797.6130	\$10.79	47,484,606.24	7/31/2013
REAL ESTATE			\$ 33,858,783	
Rreef Real Estate Securities Commingled Fund			14,567,844.00	7/31/2013
Rreef America Reit II			6,799,442.00	7/31/2013
Cornerstone Patriot Fund LP			11,627,497.00	6/30/2013
625 Kings Court			864,000.00	6/30/2013
CASH			\$ 2,771,561	
Cash account balance				
TOTAL FUND*			\$ 394,449,498	