



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
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AGENDA OF THE BOARD OF RETIREMENT ADMINISTRATIVE COMMITTEE MEETING Wednesday, July 27, 2022 @ 10:00 a.m.

TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE TO THE PUBLIC

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting. Any person addressing the Board will be limited to a maximum of five (5) minutes. A total of 15 minutes will be allotted for the Public Comment period unless otherwise extended by the Board Chair. If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing or sending one spokesperson to speak on behalf of the group. Members of the public may also submit public comment via U.S. mail or via email to BORPublicComment@tularecounty.ca.gov before the meeting. The comments received via U.S. mail or email before the meeting will be read to the Board of Retirement in open session during the meeting as long as the comments meet the requirements for Public Comments as posted in the agenda. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

Persons wishing to listen to the meeting may call the TCERA Office during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) within 48 hours of the meeting at 559-713-2900 for access information. Documents related to the items on this agenda are available for public inspection at the Retirement Office, 136 N Akers Street, Visalia, CA, during normal business hours. Such documents are also available on TCERA's website, www.tcera.org, subject to staff's ability to post the documents before the meeting.

As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

IV. AGENDA ITEMS

1. Discussion and possible action regarding the following items:
2. Review of Committee Minutes from the meeting of June 22, 2022.
 - a. TCERA and TCERA Property, Inc. Financial Statements – May 31, 2022
 - b. Ratify Retirement Administrator Actions Regarding Open Death Cases

- c. TCERA 2022 Strategic Planning Session – Consideration of Moderator
- d. Brown Armstrong – Engagement Partner Transition

V. UPCOMING MEETING

- 1. Wednesday, August 24, 2022 @ 10:00 a.m.

VI. ADJOURN

- 1. *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board of Retirement at (559) 713-2900. Notification 48 hours prior to the meeting will help enable staff to make reasonable arrangements to ensure meaningful access. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at TCERA, 136 N. Akers Street, Visalia, CA. during normal business hours.*



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MINUTES OF THE BOARD OF RETIREMENT
ADMINISTRATIVE COMMITTEE MEETING
Wednesday, June 22, 2022 @ 10:00 a.m.
TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 10:00 a.m.

II. ROLL CALL

Present: David Kehler, Chair; Cass Cook, Nathan Polk, Laura Hernandez (arrived 10:02 a.m.) Paul Sampietro (alternate)
Mary Warner, Susie Brown

III. PUBLIC COMMENT

None

IV. AGENDA ITEMS

1. Review of Committee Minutes from the meeting May 25, 2022.
Motion to approve minutes as presented.
Motion: Cook
Second: Polk
Motion approved unanimously.
2. Discussion and possible action regarding the following items:
 - a. **TCERA and TCERA Property, Inc. Financial Statements – April 30, 2022**
The Committee reviewed the financial statements.
Motion to recommend approval of the April 30, 2022 financial statements as presented.
Motion: Polk
Second: Cook
Motion approved unanimously
 - b. **Ratify Retirement Administrator Expenses**
Ms. Warner gave a brief review of why the expenses of both the Retirement Administrator and the Assistant Retirement Administrator must be ratified by the Administrative Committee.

Motion to ratify Retirement Administrator expenses as presented.

Motion: Cook

Second:

Hernandez

Motion approved unanimously.

c. Ratify Administrator Action for Surplus Equipment

Ms. Warner informed the committee that the policy regarding the disposal of TCERA assets that grants the Administrator the authority to make decisions regarding equipment with an estimated value of \$500 or less per item. The policy also requires that such actions be reported to the Administrative Committee for ratification.

Motion to ratify Administrator actions regarding disposal of inoperable and obsolete equipment.

Motion:

Hernandez

Second: Cook

Motion approved unanimously.

V. UPCOMING MEETING

1. Wednesday, July 27, 2022 @ 10:00 a.m.

Mr. Kehler requested this meeting status is pending based on whether there will be a quorum. Mr. Polk and Ms. Hernandez both reported to be absent this day.

VI. ADJOURN

The meeting was adjourned at 10:05 a.m.

Approved: _____
David Kehler, Chair

Date



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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.a.

Agenda Date: July 27, 2022

Subject: TCERA and TCERA Property, Inc. Financial Statements – May 31, 2022

Requests:

That the Administrative Committee:

1. Review the TCERA and TCERA Property, Inc. Financial Statements for May 31, 2022.
2. Forward the Financial Reports to the Board of Retirement with a recommendation for approval.

Summary:

The May 31, 2022 TCERA and TCERA Property, Inc. Financial Statements have been prepared by TCERA accounting staff for the Committee's review.

Prepared by: Mary Warner

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of May 31, 2022

| | <u>May 31, 22</u> | <u>Apr 30, 22</u> | <u>\$ Change</u> | <u>% Change</u> | <u>May 31, 21</u> | <u>\$ Change</u> | <u>% Change</u> | |
|-----------------------------|---|-------------------------|-------------------------|-----------------------|-------------------|-------------------------|-----------------------|----------------|
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Checking/Savings | | | | | | | | |
| | 1110 · Cash in County Treasury | 13,734,962.56 | 19,908,780.09 | -6,173,817.53 | -31.01% | 16,926,750.39 | -3,191,787.83 | -18.86% |
| (Note 1) | 1120 · Cash in Custodial Account | 21,547,108.77 | 19,695,626.58 | 1,851,482.19 | 9.40% | 41,824,522.78 | -20,277,414.01 | -48.48% |
| (Note 2) | 1130 · Short Term Investments | 15,332,344.75 | 23,076,431.53 | -7,744,086.78 | -33.56% | 32,381,781.08 | -17,049,436.33 | -52.65% |
| | 1140 · Securities Lending Collateral | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| | 1150 · Impaired Assets | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| | Total Checking/Savings | 50,614,416.08 | 62,680,838.20 | -12,066,422.12 | -19.25% | 91,133,054.25 | -40,518,638.17 | -44.46% |
| Other Current Assets | | | | | | | | |
| | 1310 · Fixed Income - Market | 364,764,485.29 | 361,990,051.17 | 2,774,434.12 | 0.77% | 558,916,043.06 | -194,151,557.77 | -34.74% |
| | 1340 · Equities - Market | 867,397,603.96 | 871,766,604.39 | -4,369,000.43 | -0.50% | 937,517,049.75 | -70,119,445.79 | -7.48% |
| (Note 3) | 1375 · Real Assets | 379,427,494.65 | 380,671,226.04 | -1,243,731.39 | -0.33% | 182,581,945.61 | 196,845,549.04 | 107.81% |
| | 1386 · Private Equity | 127,291,400.39 | 127,727,384.80 | -435,984.41 | -0.34% | 93,872,497.66 | 33,418,902.73 | 35.60% |
| | 1388 · Private Credit | 111,468,415.00 | 110,846,042.00 | 622,373.00 | 0.56% | 97,502,856.00 | 13,965,559.00 | 14.32% |
| | Total Other Current Assets | 1,850,349,399.29 | 1,853,001,308.40 | -2,651,909.11 | -0.14% | 1,870,390,392.08 | -20,040,992.79 | -1.07% |
| | Total Current Assets | 1,900,963,815.37 | 1,915,682,146.60 | -14,718,331.23 | -0.77% | 1,961,523,446.33 | -60,559,630.96 | -3.09% |
| Fixed Assets | | | | | | | | |
| (Note 4) | 1501 · Building and Improvements | 1,186,558.95 | 1,178,366.03 | 8,192.92 | 0.70% | 1,178,366.03 | 8,192.92 | 0.70% |
| | 1505 · Office Equipment & Computer System | 178,552.49 | 178,552.49 | 0.00 | 0.00% | 207,404.81 | -28,852.32 | -13.91% |
| | 1506 · Project in Process CPAS | 2,755,095.55 | 2,755,095.55 | 0.00 | 0.00% | 2,755,095.55 | 0.00 | 0.00% |
| | 1511 · Accumulated Depreciation | -3,109,385.42 | -3,109,385.42 | 0.00 | 0.00% | -2,786,542.42 | -322,843.00 | -11.59% |
| | 1512 · Land | 370,345.69 | 370,345.69 | 0.00 | 0.00% | 370,345.69 | 0.00 | 0.00% |
| | Total Fixed Assets | 1,381,167.26 | 1,372,974.34 | 8,192.92 | 0.60% | 1,724,669.66 | -343,502.40 | -19.92% |
| Other Assets | | | | | | | | |
| (Note 5) | 1710 · Open Trades Sales | 13,871,420.84 | 59,539,284.41 | -45,667,863.57 | -76.70% | 9,941,819.95 | 3,929,600.89 | 39.53% |
| | 1730 · Investment Income Receivable | 912,920.21 | 778,966.12 | 133,954.09 | 17.20% | 1,005,771.23 | -92,851.02 | -9.23% |
| | 1735 · Real Assets Income Receivable | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| | 1750 · Members Contribution Receivable | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| | 1770 · Employer Contribution Receivable | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| | 1780 · Advances Rec- Holding Corp | 383,230.00 | 392,230.00 | -9,000.00 | -2.30% | 491,230.00 | -108,000.00 | -21.99% |
| (Note 6) | 1785 · Pension Deaths Receivables | 438.26 | 99.19 | 339.07 | 341.84% | 0.00 | 438.26 | 100.00% |
| | 1790 · Other Receivables | 0.00 | 0.00 | 0.00 | 0.00% | 7,302.07 | -7,302.07 | -100.00% |
| | Total Other Assets | 15,168,009.31 | 60,710,579.72 | -45,542,570.41 | -75.02% | 11,446,123.25 | 3,721,886.06 | 32.52% |
| | TOTAL ASSETS | 1,917,512,991.94 | 1,977,765,700.66 | -60,252,708.72 | -3.05% | 1,974,694,239.24 | -57,181,247.30 | -2.90% |

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of May 31, 2022

| | <u>May 31, 22</u> | <u>Apr 30, 22</u> | <u>\$ Change</u> | <u>% Change</u> | <u>May 31, 21</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------------------------|--|-------------------------|-------------------------|-----------------------|-------------------------|------------------------|-----------------|
| LIABILITIES & EQUITY | | | | | | | |
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| | 2010 · Sec Lending Collateral Payable | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% |
| (Note 7) | 2020 · Open Trades - Purchases | 23,253,590.63 | 75,391,144.76 | -52,137,554.13 | 37,571,191.97 | -14,317,601.34 | -38.11% |
| (Note 8) | 2030 · Accounts Payable - Inv | 11,878.00 | 11,878.00 | 0.00 | 0.00 | 11,878.00 | 100.00% |
| | 2040 · Refunds Payable | 5,718,404.40 | 5,718,404.40 | 0.00 | 3,706,735.89 | 2,011,668.51 | 54.27% |
| | 2050 · Other Payables | 0.00 | 0.00 | 0.00 | -389.82 | 389.82 | 100.00% |
| | 2100 · Payroll Liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| | Total Other Current Liabilities | <u>28,983,873.03</u> | <u>81,121,427.16</u> | <u>-52,137,554.13</u> | <u>41,277,538.04</u> | <u>-12,293,665.01</u> | <u>-29.78%</u> |
| | Total Current Liabilities | <u>28,983,873.03</u> | <u>81,121,427.16</u> | <u>-52,137,554.13</u> | <u>41,277,538.04</u> | <u>-12,293,665.01</u> | <u>-29.78%</u> |
| Long Term Liabilities | | | | | | | |
| | 2060 · Accrual-Benefits at Termination | 115,302.68 | 115,302.68 | 0.00 | 103,551.79 | 11,750.89 | 11.35% |
| | 2070 · Advances Payable - TCERA | 383,230.00 | 392,230.00 | -9,000.00 | 491,230.00 | -108,000.00 | -21.99% |
| | Total Long Term Liabilities | <u>498,532.68</u> | <u>507,532.68</u> | <u>-9,000.00</u> | <u>594,781.79</u> | <u>-96,249.11</u> | <u>-16.18%</u> |
| | Total Liabilities | <u>29,482,405.71</u> | <u>81,628,959.84</u> | <u>-52,146,554.13</u> | <u>41,872,319.83</u> | <u>-12,389,914.12</u> | <u>-29.59%</u> |
| Equity | | | | | | | |
| | 3110 · Member Deposit Reserve | 339,464,971.14 | 341,207,933.60 | -1,742,962.46 | 320,937,896.11 | 18,527,075.03 | 5.77% |
| (Note 9) | 3120 · Other Reserves - Unapportioned | -10,624,415.97 | -10,624,415.97 | 0.00 | 3,066,864.75 | -13,691,280.72 | -446.43% |
| | 3210 · Employer Advance Reserves | 939,622,624.37 | 943,004,589.16 | -3,381,964.79 | 881,535,089.14 | 58,087,535.23 | 6.59% |
| | 3310 · Retiree Reserves | 485,706,514.29 | 480,581,587.04 | 5,124,927.25 | 463,154,626.08 | 22,551,888.21 | 4.87% |
| | 3320 · Supp. Retiree Benefit Reserve | 113,579,360.95 | 113,579,360.95 | 0.00 | 107,567,108.49 | 6,012,252.46 | 5.59% |
| | 3410 · Contingency Reserve | 64,035,077.22 | 64,035,077.22 | 0.00 | 55,437,104.30 | 8,597,972.92 | 15.51% |
| | 3510 · Market Stabilization | 104,263,467.00 | 104,263,467.00 | 0.00 | -7,569,506.00 | 111,832,973.00 | 1477.41% |
| | 3810 · Income Summary Account | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| | 3900 · Retained Earnings | -59,862,746.31 | -59,862,746.31 | 0.00 | -204,309,472.39 | 144,446,726.08 | 70.70% |
| | Net Income | <u>-88,154,266.46</u> | <u>-80,048,111.87</u> | <u>-8,106,154.59</u> | <u>313,002,208.93</u> | <u>-401,156,475.39</u> | <u>-128.16%</u> |
| | Total Equity | <u>1,888,030,586.23</u> | <u>1,896,136,740.82</u> | <u>-8,106,154.59</u> | <u>1,932,821,919.41</u> | <u>-44,791,333.18</u> | <u>-2.32%</u> |
| | TOTAL LIABILITIES & EQUITY | <u>1,917,512,991.94</u> | <u>1,977,765,700.66</u> | <u>-60,252,708.72</u> | <u>1,974,694,239.24</u> | <u>-57,181,247.30</u> | <u>-2.90%</u> |

Notes:

- Note 1 Rebalancing assets and cash flow needs
- Note 2 Timing of manager short term positions
- Note 3 Increase over last year due to 3 new Real Asset managers: SSGA US REIT, Invesco and ARA
- Note 4 Reclassify convert bldg. lights to LED \$8,192.92
- Note 5 Decrease in Open Trade Sales over last mo.; increase over last year
- Note 6 Pension Death Receivables timing of payments
- Note 7 Decrease in Open Trade Purchases over last mo. and last year
- Note 8 Accruals recorded for 12/31
- Note 9 Interim interest payments/adjustments and private market adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
May 31, 2022

| | <u>May 22</u> | <u>Apr 22</u> | <u>\$ Change</u> | <u>% Change</u> | <u>Jul '21 - May 22</u> | <u>Jul '20 - May 21</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|----------------------|----------------------|-----------------------|-----------------|-------------------------|-------------------------|-----------------------|-----------------|
| Ordinary Income/Expense | | | | | | | | |
| Income | | | | | | | | |
| 4110 · Interest Income | 261,565.39 | 242,122.73 | 19,442.66 | 8.03% | 2,939,766.89 | 3,341,374.02 | -401,607.13 | -12.02% |
| (Note 1) 4120 · Dividend Income | 481,073.40 | 158,843.46 | 322,229.94 | 202.86% | 3,319,635.05 | 3,817,886.38 | -498,251.33 | -13.05% |
| (Note 2) 4130 · Real Assets Income | 0.00 | 2,637,178.92 | -2,637,178.92 | -100.0% | 6,988,655.08 | 5,715,335.57 | 1,273,319.51 | 22.28% |
| (Note 3) 4140 · Other Investment Income | 819,831.98 | 87,448.76 | 732,383.22 | 837.5% | 5,193,578.63 | 8,019,027.10 | -2,825,448.47 | -35.23% |
| 4200 · Lease Payments from TCERA | 15,640.00 | 15,640.00 | 0.00 | 0.0% | 172,040.00 | 172,040.00 | 0.00 | 0.0% |
| 4310 · Commission Rebates | 0.00 | 9.49 | -9.49 | -100.0% | 468.37 | 2,671.16 | -2,202.79 | -82.47% |
| (Note 4) 4410 · Securities Lending Income | 8,980.34 | 10,882.73 | -1,902.39 | -17.48% | 92,632.58 | 61,996.31 | 30,636.27 | 49.42% |
| (Note 5) 4510 · Realized Gains/Losses | 1,642,632.62 | 12,816,645.17 | -11,174,012.55 | -87.18% | 102,525,585.78 | 120,276,435.21 | -17,750,849.43 | -14.76% |
| 4530 · Gn/Ls Disposal of Fixed Asset | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| (Note 6) 4610 · Employee Contributions | 2,939,105.93 | 1,963,462.13 | 975,643.80 | 49.69% | 22,989,954.30 | 20,088,288.42 | 2,901,665.88 | 14.45% |
| (Note 6) 4620 · Employer Contributions | 345,105.47 | 235,918.57 | 109,186.90 | 46.28% | 41,971,640.03 | 38,292,551.64 | 3,679,088.39 | 9.61% |
| Total Income | 6,513,935.13 | 18,168,151.96 | -11,654,216.83 | -64.15% | 186,193,956.71 | 199,787,605.81 | -13,593,649.10 | -6.8% |
| Expense | | | | | | | | |
| 5110 · Benefit Payments | 8,394,245.20 | 8,464,678.68 | -70,433.48 | -0.83% | 89,213,514.63 | 84,575,213.84 | 4,638,300.79 | 5.48% |
| (Note 7) 5120 · Refunds | 765,218.92 | 531,012.11 | 234,206.81 | 44.11% | 5,975,109.73 | 2,710,899.95 | 3,264,209.78 | 120.41% |
| (Note 8) 5130 · Death Retiree ROC | 71,207.86 | 0.00 | 71,207.86 | 100.0% | 102,846.01 | 88,595.45 | 14,250.56 | 16.09% |
| 5140 · SDA Payments | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| (Note 9) 5210 · Investment Management Fees | 372,908.65 | 1,074,100.19 | -701,191.54 | -65.28% | 5,142,900.86 | 3,844,145.26 | 1,298,755.60 | 33.79% |
| (Note 9) 5250 · Inv. Consultant/Custodial Fees | 22,500.00 | 180,206.11 | -157,706.11 | -87.51% | 458,450.00 | 340,613.50 | 117,836.50 | 34.6% |
| 5270 · Securities Lending Expense | 496.24 | 592.98 | -96.74 | -16.31% | 7,191.31 | 9,257.48 | -2,066.17 | -22.32% |
| 5275 · Real Assets Investment Expense | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| (Note 9) 5276 · Real Assets Mgr Fees | 2,711.40 | 754,416.69 | -751,705.29 | -99.64% | 1,855,712.40 | 1,273,323.58 | 582,388.82 | 45.74% |
| (Note 10) 5280 · Other Investment Expense | 2,368.16 | 1,223.44 | 1,144.72 | 93.57% | 515,880.73 | 183,514.62 | 332,366.11 | 181.11% |
| (Note 9) 5410 · Actuarial Study Fees | 0.00 | 9,437.89 | -9,437.89 | -100.0% | 121,965.78 | 118,415.00 | 3,550.78 | 3.0% |
| 5450 · Compensated Benefit Expense | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| * 5500 · Administrative Expense | 218,669.40 | 167,012.16 | 51,657.24 | 30.93% | 2,122,158.75 | 1,908,071.00 | 214,087.75 | 11.22% |
| * 5750 · TCERA Property Admin Expense | -6,704.44 | 1,439.93 | -8,144.37 | -565.61% | 38,274.31 | 32,479.97 | 5,794.34 | 17.84% |
| 5910 · Depreciation of Fixed Assets | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Expense | 9,843,621.39 | 11,184,120.18 | -1,340,498.79 | -11.99% | 105,554,004.51 | 95,084,529.65 | 10,469,474.86 | 11.01% |
| Net Ordinary Income | -3,329,686.26 | 6,984,031.78 | -10,313,718.04 | -147.68% | 80,639,952.20 | 104,703,076.16 | -24,063,123.96 | -22.98% |

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
May 31, 2022

| | <u>May 22</u> | <u>Apr 22</u> | <u>\$ Change</u> | <u>% Change</u> | <u>Jul '21 - May 22</u> | <u>Jul '20 - May 21</u> | <u>\$ Change</u> | <u>% Change</u> |
|---|----------------------|-----------------------|----------------------|-----------------|-------------------------|-------------------------|------------------------|-----------------|
| Other Income/Expense | | | | | | | | |
| Other Income | | | | | | | | |
| 4520 · Unrealized Gains/Losses | -4,776,468.33 | -79,854,085.99 | 75,077,617.66 | 94.02% | -168,794,218.66 | 208,299,132.77 | -377,093,351.43 | -181.04% |
| 4525 · Unrealized Gns/Ls Building/Land | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| 5000 · Other Income | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Other Income | -4,776,468.33 | -79,854,085.99 | 75,077,617.66 | 94.02% | -168,794,218.66 | 208,299,132.77 | -377,093,351.43 | -181.04% |
| Other Expense | 0.00 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Other Income | -4,776,468.33 | -79,854,085.99 | 75,077,617.66 | 94.02% | -168,794,218.66 | 208,299,132.77 | -377,093,351.43 | -181.04% |
| Net Income | -8,106,154.59 | -72,870,054.21 | 64,763,899.62 | 88.88% | -88,154,266.46 | 313,002,208.93 | -401,156,475.39 | -128.16% |

Notes:

- Note 1 Increase in Dividend Income over last mo. from Public Equity; decrease over last year
- Note 2 Real Assets Investment Income reported quarterly and one-two month in arrears
- Note 3 Increase in Other Investment Income over last mo. from Private Credit; decrease over last year
- Note 4 Decrease in Securities Lending Income over last mo.; increase over last year
- Note 5 Decrease in Realized Gains/Losses over last mo. from the close/transfer of Ivy to William Blair Lrg Cap
- Note 6 EE & ER Contributions: 3 pay periods in May
- Note 7 Increase in the # of Refunds over last mo. and last year
- Note 8 Increase in Death Retiree ROC over last mo. and last year
- Note 9 Timing of payments
- Note 10 Increase in Other Investment Expenses over last mo. and last year from Priv. Credit

* See Budget report for detail of Administrative expenses (5500 and 5750)

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
May 2022

Accounting Period 11
91.67% of the Current Fiscal Year Budget

| | <u>May 22</u> | <u>Jul '20 - May 21</u> | <u>Jul '21 - May 22</u> | <u>Annual Budget</u> | <u>Remaining Budget</u> | <u>% Annual Budget</u> |
|---|------------------|-------------------------|-------------------------|----------------------|-------------------------|------------------------|
| 5500 · Administrative Expense | | | | | | |
| 5505 · (6001) Allocated Salaries | 104,691.42 | 707,550.08 | 779,433.24 | 1,025,313.00 | 245,879.76 | 76.02% |
| 5510 · (6002) Overtime | 0.00 | 0.00 | 0.00 | 1,000.00 | 1,000.00 | 0.00% |
| 5515 · (6003) Other Pay | 1,094.32 | 10,568.35 | 14,635.34 | 28,672.00 | 14,036.66 | 51.04% |
| 5520 · (6004) Benefits | 11,625.38 | 121,368.60 | 114,172.68 | 159,376.00 | 45,203.32 | 71.64% |
| (Note 1) 5525 · (6005) Extra-Help | 0.00 | 0.00 | 9,609.19 | 500.00 | -9,109.19 | 1921.84% |
| 5535 · (6011) Retirement- Co. Port. | 13,870.21 | 88,929.76 | 101,317.41 | 136,235.00 | 34,917.59 | 74.37% |
| 5540 · (6012) Social Security | 8,156.65 | 52,916.68 | 58,078.69 | 76,404.00 | 18,325.31 | 76.02% |
| 5545 · (1024) POB Cost | 4,604.23 | 53,084.29 | 60,427.24 | 87,249.00 | 26,821.76 | 69.26% |
| 5550 · (6008) Board Fees-Per Diem Pmts | 0.00 | 19,096.07 | 18,300.50 | 20,000.00 | 1,699.50 | 91.50% |
| 5551 · Communications | | | | | | |
| 5552 · (7005) Communications | 550.10 | 5,006.38 | 5,200.39 | 8,700.00 | 3,499.61 | 59.77% |
| 5640 · (7005) Co. Telecommunication | 0.00 | 7,674.72 | 7,431.74 | 12,039.00 | 4,607.26 | 61.73% |
| Total 5551 · Communications | 550.10 | 12,681.10 | 12,632.13 | 20,739.00 | 8,106.87 | 60.91% |
| 5553 · Data Processing | | | | | | |
| 5650 · (7044) ICT Qtrly - Data Process | 5,034.60 | 52,509.85 | 46,935.04 | 104,821.00 | 57,885.96 | 44.78% |
| (Note 2) 5697 · (7044) Computer Exp Hdwr/Sftwr | 11,589.17 | 7,888.58 | 32,046.26 | 32,138.00 | 91.74 | 99.71% |
| 5698 · (7044) WSI/Q2 Digital | 0.00 | 3,500.00 | 0.00 | 3,500.00 | 3,500.00 | 0.00% |
| Total 5553 · Data Processing | 16,623.77 | 63,898.43 | 78,981.30 | 140,459.00 | 61,477.70 | 56.23% |
| 5555 · (7009) Household Expense | 1,347.63 | 12,525.89 | 15,248.95 | 17,380.00 | 2,131.05 | 87.74% |
| (Note 3) 5560 · (7010) Insurance | 0.00 | 54,402.00 | 58,624.00 | 59,400.00 | 776.00 | 98.69% |
| 5565 · (7011) Unemployment Insurance | 0.00 | 0.00 | 14.67 | 6,000.00 | 5,985.33 | 0.00% |
| 5570 · (7021) Maintenance-Equipment | 100.74 | 1,361.77 | 1,329.32 | 3,000.00 | 1,670.68 | 44.31% |
| 5575 · (7027) Memberships | 0.00 | 6,430.00 | 6,320.00 | 7,100.00 | 780.00 | 89.01% |
| 5580 · (7030) Due Diligence Expense | 0.00 | 0.00 | 2,521.92 | 15,000.00 | 12,478.08 | 16.81% |
| 5585 · (7036) Office Expense | 815.31 | 19,392.84 | 42,893.96 | 50,080.00 | 7,186.04 | 85.65% |
| 5586 · (7040) Courier | 118.12 | 1,004.66 | 1,181.26 | 1,460.00 | 278.74 | 80.91% |
| 5590 · Prof & Specialized Exp | | | | | | |
| 5591 · (7043) Prof & Special Gen Exp | 0.00 | 0.00 | 0.00 | 500.00 | 500.00 | 0.00% |
| (Note 4) 5592 · (7043) Prof & Spec - Audit | 0.00 | 44,570.00 | 44,570.00 | 47,600.00 | 3,030.00 | 93.63% |
| (Note 5) 5593 · (7043) Prof Sr -Outside Counsel | 14,395.50 | 14,934.75 | 68,951.80 | 75,000.00 | 6,048.20 | 91.94% |
| Total 5590 · Prof & Specialized Exp | 14,395.50 | 59,504.75 | 113,521.80 | 123,100.00 | 9,578.20 | 92.22% |
| 5594 · County Counsel Charges | | | | | | |
| 5661 · (7046) Co Counsel - General Exp | 2,452.90 | 9,872.70 | 11,864.80 | 40,000.00 | 28,135.20 | 29.66% |
| 5662 · (7046) Co Counsel - Disability | 5,843.80 | 50,523.60 | 31,517.90 | 93,000.00 | 61,482.10 | 33.89% |
| Total 5594 · County Counsel Charges | 8,296.70 | 60,396.30 | 43,382.70 | 133,000.00 | 89,617.30 | 32.62% |
| 5595 · (7049) Prof Exp-Disabilities | 121.10 | 49,185.36 | 40,861.52 | 164,000.00 | 123,138.48 | 24.92% |
| 5600 · (7059) Publications | 0.00 | 16,768.61 | 17,785.21 | 22,000.00 | 4,214.79 | 80.84% |
| 5675 · (7059) Co. Print Services | 298.10 | 5,735.49 | 5,430.89 | 14,500.00 | 9,069.11 | 37.45% |
| Total 5600 · (7059) Publications | 298.10 | 22,504.10 | 23,216.10 | 36,500.00 | 13,283.90 | 63.61% |

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
May 2022
Accounting Period 11
91.67% of the Current Fiscal Year Budget

| | <u>May 22</u> | <u>Jul '20 - May 21</u> | <u>Jul '21 - May 22</u> | <u>Annual Budget</u> | <u>Remaining Budget</u> | <u>% Annual Budget</u> |
|--|-------------------|-------------------------|-------------------------|----------------------|-------------------------|------------------------|
| 5605 · (7062) Rent & Lease -Building | 15,640.00 | 172,040.00 | 172,040.00 | 187,680.00 | 15,640.00 | 91.67% |
| 5610 · (7066) Spec Dept Exp - RIS | 7,941.00 | 209,105.99 | 215,118.77 | 318,120.00 | 103,001.23 | 67.62% |
| 5615 · (7073) Training | -3,000.00 | 4,050.00 | 6,445.25 | 15,500.00 | 9,054.75 | 41.58% |
| 5620 · (7074) Transportation & Travel | 4,121.10 | 1,701.25 | 8,268.13 | 32,000.00 | 23,731.87 | 25.84% |
| 5625 · (7081) Utilities | 1,157.42 | 14,204.16 | 18,037.61 | 20,400.00 | 2,362.39 | 88.42% |
| 5627 · (7116) Postage - Co. Mail | 6,100.60 | 29,224.29 | 40,090.89 | 46,900.00 | 6,809.11 | 85.48% |
| (Note 3) 5630 · (7128) Co. Workers Comp Insurance | 0.00 | 59,381.00 | 52,514.00 | 53,500.00 | 986.00 | 98.16% |
| 5695 · Co. Admin. Services | | | | | | |
| (Note 6) 5666 · (7719) HR/Risk Services | 0.00 | 0.00 | 11,362.19 | 11,860.00 | 497.81 | 95.80% |
| 5699 · (7719) Auditors Services | 0.00 | 1,563.28 | 1,577.99 | 7,500.00 | 5,922.01 | 21.04% |
| Total 5695 · Co. Admin. Services | 0.00 | 1,563.28 | 12,940.18 | 19,360.00 | 6,419.82 | 66.84% |
| 5720 · (7421) Interest Expense | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 0.00% |
| 5450 · Compensated Benefit Expense | 0.00 | 0.00 | 0.00 | 26,353.00 | 26,353.00 | 0.00% |
| 5911 · Depreciation - TCERA | 0.00 | 0.00 | 0.00 | 20,000.00 | 20,000.00 | 0.00% |
| 5913 · Amortization - CPAS | 0.00 | 0.00 | 0.00 | 325,000.00 | 325,000.00 | 0.00% |
| Total TCERA Administrative Expense | 218,669.40 | 1,908,071.00 | 2,122,158.75 | 3,376,781.00 | 1,254,622.25 | 62.85% |
| 5750 · TCERA Property Administrative Expense | | | | | | |
| (Note 7) 5755 · Fees and Taxes | 75.00 | 85.00 | 188.75 | 200.00 | 11.25 | 94.38% |
| 5760 · Insurance | 0.00 | 7,452.00 | 7,909.00 | 9,000.00 | 1,091.00 | 87.88% |
| 5765 · Professional & Spec Services | 0.00 | 427.20 | 0.00 | 2,000.00 | 2,000.00 | 0.00% |
| 5780 · Courtyards Property Assn Dues | 0.00 | 5,123.01 | 5,123.01 | 7,600.00 | 2,476.99 | 67.41% |
| 5785 · Landscape Service | 425.00 | 4,392.25 | 4,315.00 | 7,800.00 | 3,485.00 | 55.32% |
| 5790 · Security Monitoring | 350.00 | 2,123.06 | 3,636.03 | 7,750.00 | 4,113.97 | 46.92% |
| (Note 8) 5795 · Maintenance & Improve - Bldg | -7,892.92 | 8,878.34 | 12,672.29 | 244,365.00 | 231,692.71 | 5.19% |
| 5797 · Utilities | 338.48 | 3,999.11 | 4,430.23 | 7,000.00 | 2,569.77 | 63.29% |
| 5912 · Depreciation - TCERA Property | 0.00 | 0.00 | 0.00 | 70,400.00 | 70,400.00 | 0.00% |
| Total TCERA Property, Inc. Administrative Expense | -6,704.44 | 32,479.97 | 38,274.31 | 356,115.00 | 317,840.69 | 10.75% |
| Total TCERA & TCERA Property Administrative Expense | 211,964.96 | 1,940,550.97 | 2,160,433.06 | 3,732,896.00 | 1,572,462.94 | 57.88% |

Notes:

- Note 1 Extra Help Office Assistant hired until full time replacement found
- Note 2 Purchase: 4 iPads, 6 Monitors, DocuSign
- Note 3 Annual Insurance premiums paid
- Note 4 Annual audit expense paid in the first half of fiscal year
- Note 5 Hours greater than anticipated for Nossaman
- Note 6 Annual charges for HR&D services
- Note 7 Annual expense paid: Delta Vector Control District
- Note 8 Reclassify convert bldg. lights to LED \$8,192.92

| | |
|------------------------------------|----------------------|
| Accrued Actuarial Liability | 1,957,985,000 |
| June 30, 2021 | |
| .21% of AAL | 4,111,768.50 |
| 91.67% | 3,769,121.13 |
| Expenses to date | (2,160,433.06) |
| (Over)/Under | 1,608,688.07 |



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.b.

Agenda Date: July 27, 2022

Subject: Ratify Retirement Administrator Actions Regarding Open Death Cases

Requests:

That the Administrative Committee:

1. Review and ratify the write off of amounts owed and due related to open death cases.

Summary:

Board of Retirement policy authorizes the Retirement Administrator to approve the write-off of funds owed and due, in amounts not to exceed \$2,500 per case. The Retirement Administrator has reviewed the following cases and finds that staff has exhausted measures to recover or pay out these funds. The Retirement Administrator has authorized the write off of amounts owed and due and has further directed staff to close these cases:

Canales, Juan – Amount due TCERA = \$164.13

Esquivel Josephine – Amount owed beneficiary = \$20.62

Flynn, Nicholasa – Amount due TCERA = \$490.36

Staff requests that the Administrative Committee ratify the Retirement Administrator's actions.

Prepared by: Mary Warner



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
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DATE: 07/13/2022
TO: Leanne Malison
FROM: Darcy Nunes

SUBJECT: RETIREE DEATH CASES – NO RESPONSE OR UNABLE TO LOCATE BENEFICIARY

There are currently 3 files where I believe all efforts have been exhausted. I am requesting that we seek approval to write-off these cases. The cases included in this request are as follows:

- Canales, Juan 0295CAN, DOD 10/23/2021
 - Amount Due TCERA <\$164.13>

- Esquivel, Josephine 7623ESQ, DOD 07/03/2021
 - Final Retirement Allowance owed to beneficiary \$20.62

- Flynn, Nicholasa 7856FLY, DOD 03/23/2021
 - Amount Due TCERA <\$490.36>

Juan Canales

Case Type: Continuant Death

DOD: 10/23/2021

Amount Due: \$164.13

Correspondence:

- **November 24th, 2021:** First Letter Notice Sent.
 - **January 10th, 2022:** Second Letter Notice Sent.
 - **April 5th, 2022:** Third Letter Notice Sent.
 - **April 5th, 2022:** Called number provided for beneficiary (559) 816-6928, and left message in regard to Juan Canales
 - **May 19th, 2022:** Final Regular & Certified Notice Sent.
-

Josephine Esquivel

Case Type: Continuant Death

DOD: July 3rd, 2021

FRA: \$20.62

Correspondence:

- **First Letter Notice Sent: July 12th, 2021.**
- **Second Letter Notice Sent: September 22nd, 2021.**
- **Christine Galicia Called RE: Benefits & Mother's Death on October 10th, 2021. Informed us that beneficiary, Theresa Gonzalez, was being accused/prosecuted for Fraud. – See file**
- **Third Letter Notice Sent: December 9th, 2021.**
- **Final & Certified Notice Sent: February 1st, 2022.**
- **Called Beneficiary Theresa Gonzalez on June 23rd, 2022. She explained that she recently experienced theft and fraud, so she is hesitant to handout her personal information. Stated that she wanted amount to be written off due to being a low balance.**

Nicholasa Flynn

Case Type: Continuant Death

DOD: 03/23/2021

Amount Due: \$490.36

Correspondence:

- **First Letter Notice Sent: April 14th, 2021.**
- **Second Letter Notice Sent: August 3rd, 2021.**
- **Third Letter Notice Sent: September 27th, 2021.**
- **Final & Certified Notice Sent: November 19th, 2021.**
- **Called #'s (559) 625-0146 & (559) 732-1819 on June 23rd, 2022. Attempted to call, but numbers were disconnected.**



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.c.

Agenda Date: July 27, 2022

Subject: TCERA 2022 Strategic Planning Session – Consideration of Moderator

Requests:

That the Administrative Committee:

1. Discuss the possibility of including a moderator for the September 28, 2022 Strategic Planning Session.
2. Forward a recommendation to the Board of Retirement.

Summary:

The Board of Retirement has scheduled a Strategic Planning Session in lieu of the regular Board meeting to be held on September 28, 2022. At the request of a trustee, the Administrative Committee was directed to consider the use of a moderator for the meeting, in particular to assist with the discussion of committee roles and responsibilities. Staff is requesting direction regarding this matter in order to adequately plan for the meeting.

Prepared by: Leanne Malison



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.d.

Agenda Date: July 27, 2022

Subject: Brown Armstrong – Engagement Partner Transition

Requests:

That the Administrative Committee:

1. Review the resume of the proposed Engagement Partner for Brown Armstrong independent audit services.
2. Provide direction to Staff regarding any issues or concerns with the transition.
3. Recommend that the Board of Retirement approves the transition.

Summary:

Brown Armstrong has notified Staff that the current Engagement Partner for TCERA audit services, Rosalva Flores, will be transitioning to an administrative role in the firm. The proposed replacement, Neeraj Datta, has been with Brown Armstrong since 2012 and has over 20 years of auditing experience including experience with audits of '37 Act counties. His resume is provided for the Committee's review. Working with Mr. Datta will be Andy Paulden, acting as the Relationship Partner for TCERA. Mr. Paulden has a long history of working with TCERA, including experience as TCERA's Engagement Partner in some previous audit years.

Staff has reviewed Mr. Datta's qualifications and is comfortable with his assignment as Engagement Partner. Mr. Paulden's association with the engagement provides an added measure of comfort in ensuring a smooth transition. There is no specific target date for completion of the transition but it is expected to occur as soon as reasonably possible. There are no other changes to the audit team associated with this transition.

Staff is requesting direction regarding any issues or concerns with the proposed transition. Absent any concerns, Staff requests that the Committee forward the proposal to the Board of Retirement for approval.

Prepared by: Leanne Malison



NEERAJ DATTA

ENGAGEMENT PARTNER, CPA,
CGMA

EDUCATION

Delhi University, India

Bachelor of Commerce Honors Degree
with a Concentration in Accounting

CONTACT

PHONE:
661-324-4971

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www.ba.cpa

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BACKGROUND

Neeraj is the engagement partner of the project. He has more than 12 years of governmental auditing experience and 20 years of auditing experience. He has been with the firm since August of 2012, after 8 years of auditing experience that includes Big Four accounting firms, KPMG San Francisco, KPMG New York, Ernst and Young New York, and Deloitte and Touché, Toronto. His primary business focus is governmental entities audit and accounting. His audit specialties include special districts, counties, cities, retirement systems, and investment funds.

Neeraj has always ensured that we provide the highest level of audit and consulting services to all our clients. He will be easily accessible for the District at all times. He is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

EXPERIENCE

Cities

City of Fresno
City of Pasadena
City of Tulare

Counties

County of Fresno
County of Tulare

Special Districts

Cawelo Water District
Carpinteria Valley Water District
Goleta Water District
Mojave Air and Space Port
Pixley Public Utility District

Port Hueneme Water Agency
North of the River Municipal
Water District

Retirements

Fresno County Employees' Retirement Association
Imperial County Employees' Retirement System
Marin County Employees' Retirement Association
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

Nonprofits

California State University, Sonoma Campus
Pasadena Community Access Corporation
Rotary Club of Bakersfield
Rotary Waterman Foundation
National Test Pilot School

ROLES AND RESPONSIBILITIES

- Audit and client deliverables responsibility
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the Organization, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery