



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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AGENDA OF THE BOARD OF RETIREMENT ADMINISTRATIVE COMMITTEE MEETING **Wednesday, March 24, 2021 @ 10:30 a.m.** TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE OF TEMPORARY PROCEDURES FOR BOARD OF RETIREMENT MEETINGS

On March 17, 2020, California Governor Gavin Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. The Tulare County Employees' Retirement Association (TCERA) hereby provides notice that it will continue to convene its regularly scheduled public meetings of the Board of Retirement in the Board Room at 136 N. Akers Street, Visalia, as provided in the publicly posted agenda notice, and until further notice.

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. Members of the public may also submit public comment via email to BORPublicComment@tcera.org before the meeting. The comments received via 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. Persons wishing to listen to the meeting and/or participate in public comment remotely 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 login information. 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).)

I. CALL TO ORDER

II. ROLL CALL

1. 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.

III. PUBLIC COMMENT

1. 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. Review of Committee Minutes from the meeting of February 24, 2021.
2. Discussion and possible action regarding the following items:
 - a. TCERA and TCERA Property, Inc. Financial Statements – December 31, 2020 and January 31, 2021
 - b. County Counsel Invoices \$5,945.20 for the month ending February 28, 2021
 - c. Supplemental Retiree Benefit Reserve (SRBR) Analysis
 - d. TCERA Staffing – Secretary Vacancy and Recruitment

V. UPCOMING MEETING

1. Wednesday, April 28, 2021 @ 10:30 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, February 24, 2021 @ 10:30 a.m.
TCERA Executive Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 11:58 a.m.

II. ROLL CALL

Present: David Kehler, Chair; Roland Hill, Jim Young, Laura Hernandez,
George Finney (alternate)
Leanne Malison, Mary Warner (participating remotely)

III. PUBLIC COMMENT

None

IV. AGENDA ITEMS

1. Review of Committee Minutes from the meeting of January 27, 2021.
Motion to approve minutes as presented.
Motion: Young
Second: Hernandez
Motion approved unanimously.
2. Discussion and possible action regarding the following items:
 - a. **TCERA and TCERA Property, Inc. Preliminary Financial Statements – December 31, 2020**
The Committee reviewed the preliminary financial statements for December. Ms. Warner stated that the reports are preliminary at this time and will remain so until the December 31, 2020 interest figure is approved by the Board and posted to TCERA's member accounts and reserves. Ms. Warner indicated that the reports would come back before the Committee once finalized with the 12/31/20 interest posting.
No action taken.
 - b. **County Counsel Invoice \$5,148.00 for the month ending January 31, 2021**
The Committee reviewed the County Counsel invoices for January.
Motion to approve County Counsel invoices in the amount of \$5,148.00 as presented.
Motion: Young
Second: Hill
Motion approved unanimously.

c. TCERA Electronic Signature Policy

The Committee reviewed and discussed the Electronic Signature Policy. Ms. Warner stated that during the pandemic it has become apparent it would be beneficial for TCERA to be able to accept documents containing electronic signatures utilizing secure electronic signature technology. Ms. Malison added that this would be beneficial even after the pandemic. The implementation of this policy would facilitate the timely acceptance of documents from members and vendors thereby improving our service and streamlining processes. During Ms. Malison's review of DocuSign and Adobe Sign she found them to be very similar in functionality. If the policy is approved, she will be in communication with TCiCT regarding participating in the County's Enterprise license for DocuSign. Mr. Kehler asked how staff will determine the criteria is being met? Ms. Malison replied that the software verifies everything.

Motion to recommend to the Board to approve the Electronic Signature Policy as presented.

Motion: Hernandez

Second: Young

Motion approved unanimously.

V. UPCOMING MEETING

1. Wednesday, March 24, 2021 @ 10:30 a.m.

VI. ADJOURN

The meeting was adjourned at 12:11 p.m.

David Kehler, Chair



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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.a.

Agenda Date: March 24, 2021

Subject: TCERA and TCERA Property, Inc. Financial Statements – December 31, 2020 and January 31, 2021

Requests:

That the Administrative Committee:

1. Review the TCERA and TCERA Property, Inc. Financial Statements for December 31, 2020 and January 31, 2021.
2. Forward the Financial Reports to the Board of Retirement with a recommendation for approval.

Summary:

The December 31, 2020 and January 31, 2021 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 December 31, 2020
After Interest Posting - Final

	Dec 31, 20	Nov 30, 20	\$ Change	% Change	Dec 31, 19	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
(Note 1) 1110 · Cash in County Treasury	47,673,469.54	52,272,529.69	-4,599,060.15	-8.80%	15,329,108.44	32,344,361.10	211.00%
1120 · Cash in Custodial Account	39,227,605.70	38,059,324.55	1,168,281.15	3.07%	48,116,520.78	-8,888,915.08	-18.47%
1130 · Short Term Investments	6,539,752.17	6,945,794.79	-406,042.62	-5.85%	8,407,188.54	-1,867,436.37	-22.21%
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	93,440,827.41	97,277,649.03	-3,836,821.62	-3.94%	71,852,817.76	21,588,009.65	30.05%
Other Current Assets							
1310 · Fixed Income - Market	492,197,355.56	487,743,875.85	4,453,479.71	0.91%	470,320,602.81	21,876,752.75	4.65%
1340 · Equities - Market	895,427,010.92	845,296,758.75	50,130,252.17	5.93%	772,927,468.51	122,499,542.41	15.85%
1375 · Real Estate - REITS	180,468,196.35	176,468,196.35	4,000,000.00	2.27%	171,599,263.80	8,868,932.55	5.17%
(Note 2) 1385 · Hedge Funds	93,982.33	93,982.33	0.00	0.00%	89,419,074.84	-89,325,092.51	-99.90%
1386 · Private Equity	84,371,791.03	85,915,531.84	-1,543,740.81	-1.80%	75,207,905.87	9,163,885.16	12.19%
1388 · Private Credit	84,971,872.00	86,966,430.00	-1,994,558.00	-2.29%	62,193,992.00	22,777,880.00	36.62%
(Note 3) 1390 · Futures Overlay	0.00	0.00	0.00	0.00%	11,693,972.29	-11,693,972.29	-100.00%
Total Other Current Assets	1,737,530,208.19	1,682,484,775.12	55,045,433.07	3.27%	1,653,362,280.12	84,167,928.07	5.09%
Total Current Assets	1,830,971,035.60	1,779,762,424.15	51,208,611.45	2.88%	1,725,215,097.88	105,755,937.72	6.13%
Fixed Assets							
1501 · Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
1505 · Office Equipment & Computer Sys	153,661.50	153,661.50	0.00	0.00%	158,020.14	-4,358.64	-2.76%
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	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,449,954.90	-336,587.52	-13.74%
1512 · Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,670,926.35	1,670,926.35	0.00	0.00%	2,011,872.51	-340,946.16	-16.95%
Other Assets							
(Note 4) 1710 · Open Trades Sales	12,806,793.00	8,281,717.32	4,525,075.68	54.64%	11,105,978.39	1,700,814.61	15.31%
1730 · Investment Income Receivable	848,674.02	950,711.16	-102,037.14	-10.73%	957,304.22	-108,630.20	-11.35%
1735 · Real Estate Income Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
(Note 5) 1750 · Members Contribution Receivable	838,866.41	0.00	838,866.41	100.00%	661,613.91	177,252.50	26.79%
(Note 5) 1770 · Employer Contribution Receivable	222,101.12	0.00	222,101.12	100.00%	196,513.36	25,587.76	13.02%
1780 · Advances Rec- Holding Corp	536,230.00	545,230.00	-9,000.00	-1.65%	644,230.00	-108,000.00	-16.76%
(Note 6) 1785 · Pension Deaths Receivables	109.93	252.89	-142.96	-56.53%	0.00	109.93	100.00%
1790 · Other Receivables	8,739.99	9,025.29	-285.30	-3.16%	15,617.91	-6,877.92	-44.04%
Total Other Assets	15,281,514.47	9,786,936.66	5,474,577.81	55.94%	13,581,257.79	1,680,256.68	12.37%
TOTAL ASSETS	1,847,903,476.42	1,791,220,287.16	56,683,189.26	3.17%	1,740,808,228.18	107,095,248.24	6.15%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of December 31, 2020
After Interest Posting - Final

	Dec 31, 20	Nov 30, 20	\$ Change	% Change	Dec 31, 19	\$ Change	% Change
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
2010 · Sec Lending Collateral Payable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	17,645,161.06	14,458,146.27	3,187,014.79	22.04%	16,046,612.81	1,598,548.25	9.96%
(Note 7) 2030 · Accounts Payable - Inv	729,928.27	0.00	729,928.27	100.00%	721,614.83	8,313.44	1.15%
(Note 7) 2040 · Refunds Payable	3,706,735.89	3,392,107.70	314,628.19	9.28%	3,338,817.23	367,918.66	11.02%
(Note 8) 2050 · Other Payables	149,204.29	-389.82	149,594.11	38375.18%	268,292.80	-119,088.51	-44.39%
(Note 7) 2100 · Payroll Liabilities	41,746.62	0.00	41,746.62	100.00%	33,928.23	7,818.39	23.04%
Total Other Current Liabilities	<u>22,272,776.13</u>	<u>17,849,864.15</u>	<u>4,422,911.98</u>	<u>24.78%</u>	<u>20,409,265.90</u>	<u>1,863,510.23</u>	<u>9.13%</u>
Total Current Liabilities	<u>22,272,776.13</u>	<u>17,849,864.15</u>	<u>4,422,911.98</u>	<u>24.78%</u>	<u>20,409,265.90</u>	<u>1,863,510.23</u>	<u>9.13%</u>
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	103,551.79	103,551.79	0.00	0.00%	90,299.72	13,252.07	14.68%
2070 · Advances Payable - TCERA	536,230.00	545,230.00	-9,000.00	-1.65%	644,230.00	-108,000.00	-16.76%
Total Long Term Liabilities	<u>639,781.79</u>	<u>648,781.79</u>	<u>-9,000.00</u>	<u>-1.39%</u>	<u>734,529.72</u>	<u>-94,747.93</u>	<u>-12.90%</u>
Total Liabilities	<u>22,912,557.92</u>	<u>18,498,645.94</u>	<u>4,413,911.98</u>	<u>23.86%</u>	<u>21,143,795.62</u>	<u>1,768,762.30</u>	<u>8.37%</u>
Equity							
3110 · Member Deposit Reserve	329,911,156.12	312,721,665.36	17,189,490.76	5.50%	313,703,116.77	16,208,039.35	5.17%
(Note 9) 3120 · Other Reserves - Unapportioned	3,127,636.01	4,222,692.91	-1,095,056.90	-25.93%	-2,164,851.52	5,292,487.53	244.47%
3210 · Employer Advance Reserves	902,630,252.28	844,646,172.06	57,984,080.22	6.87%	862,180,259.34	40,449,992.94	4.69%
3310 · Retiree Reserves	433,025,431.67	463,582,962.06	-30,557,530.39	-6.59%	425,572,921.36	7,452,510.31	1.75%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	108,348,474.77	-781,366.28	-0.72%	108,178,878.76	-611,770.27	-0.57%
3410 · Contingency Reserve	55,437,104.30	49,227,604.66	6,209,499.64	12.61%	52,224,246.85	3,212,857.45	6.15%
3510 · Market Stabilization	-7,569,506.00	-163,716,787.00	156,147,281.00	95.38%	-40,771,275.00	33,201,769.00	81.43%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	-204,309,472.39	786,925.66	-205,096,398.05	-26063.00%	-72,751,912.06	-131,557,560.33	-180.83%
Net Income	205,171,208.02	152,901,930.74	52,269,277.28	34.19%	73,493,048.06	131,678,159.96	179.17%
Total Equity	<u>1,824,990,918.50</u>	<u>1,772,721,641.22</u>	<u>52,269,277.28</u>	<u>2.95%</u>	<u>1,719,664,432.56</u>	<u>105,326,485.94</u>	<u>6.13%</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,847,903,476.42</u></u>	<u><u>1,791,220,287.16</u></u>	<u><u>56,683,189.26</u></u>	<u><u>3.17%</u></u>	<u><u>1,740,808,228.18</u></u>	<u><u>107,095,248.24</u></u>	<u><u>6.15%</u></u>

Notes:

- Note 1 Transfer to 421 Fund \$20M from Cash Reserve at Custodial Bank
- Note 2 Liquidation of Hedge Funds
- Note 3 Future Overlay - close account
- Note 4 Increase in Open Trade Sales over last mo. and last year
- Note 5 Accruals for EE & ER Contributions
- Note 6 Receivables resulting from reported deaths and the timing of repayments
- Note 7 Accruals: Inv. Mgmt Fees, Refunds, & Payroll
- Note 8 Accruals: Actuary, Inv. Consultant, Custodial; decrease over last yr. due to timing of Custodial invoices
- Note 9 Interim interest payments/adjustments and equity adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
December 31, 2020
After Interest Posting - Final

	Dec 20	Nov 20	\$ Change	% Change	Jul - Dec 20	Jul - Dec 19	\$ Change	% Change
Ordinary Income/Expense								
Income								
(Note 1) 4110 · Interest Income	462,157.58	242,843.22	219,314.36	90.31%	1,998,098.81	2,737,398.25	-739,299.44	-27.01%
4120 · Dividend Income	362,622.42	478,950.45	-116,328.03	-24.29%	2,013,766.65	2,131,432.09	-117,665.44	-5.52%
4130 · Real Estate Income	0.00	0.00	0.00	0.0%	1,434,936.61	1,286,976.88	147,959.73	11.5%
(Note 2) 4140 · Other Investment Income	4,264,048.88	224,776.80	4,039,272.08	1,797.02%	5,461,712.17	3,758,217.81	1,703,494.36	45.33%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	93,840.00	93,840.00	0.00	0.0%
4310 · Commission Rebates	212.65	250.95	-38.30	-15.26%	1,385.81	3,675.51	-2,289.70	-62.3%
4410 · Securities Lending Income	4,583.36	4,476.47	106.89	2.39%	25,403.77	48,901.14	-23,497.37	-48.05%
(Note 3) 4510 · Realized Gains/Losses	4,792,337.06	6,034,795.34	-1,242,458.28	-20.59%	42,976,900.83	6,562,348.67	36,414,552.16	554.9%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 4) 4610 · Employee Contributions	3,622,107.78	1,781,330.06	1,840,777.72	103.34%	11,999,472.66	11,519,757.22	479,715.44	4.16%
(Note 4) 4620 · Employer Contributions	457,311.16	236,792.93	220,518.23	93.13%	37,275,599.77	35,312,965.14	1,962,634.63	5.56%
Total Income	13,981,020.89	9,019,856.22	4,961,164.67	55.0%	103,281,117.08	63,455,512.71	39,825,604.37	62.76%
Expense								
5110 · Benefit Payments	7,668,970.77	7,639,824.89	29,145.88	0.38%	45,621,978.02	43,140,114.16	2,481,863.86	5.75%
(Note 5) 5120 · Refunds	379,983.82	79,016.88	300,966.94	380.89%	1,469,609.58	2,226,520.43	-756,910.85	-34.0%
(Note 6) 5130 · Death Retiree ROC	0.00	25,766.68	-25,766.68	-100.0%	76,646.62	0.00	76,646.62	100.0%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5210 · Investment Management Fees	2,173,319.10	296,469.44	1,876,849.66	633.07%	2,988,824.93	3,661,493.84	-672,668.91	-18.37%
5250 · Inv. Consultant/Custodial Fees	118,851.86	117,427.45	1,424.41	1.21%	277,279.31	308,653.83	-31,374.52	-10.17%
5270 · Securities Lending Expense	862.92	740.51	122.41	16.53%	3,972.35	4,260.04	-287.69	-6.75%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 · Real Estate Mgr Fees	817,836.72	0.00	817,836.72	100.0%	842,733.31	769,177.17	73,556.14	9.56%
(Note 8) 5280 · Other Investment Expense	-24,887.85	655.38	-25,543.23	-3,897.47%	131,292.38	240,655.08	-109,362.70	-45.44%
(Note 9) 5410 · Actuarial Study Fees	30,742.25	83,124.25	-52,382.00	-63.02%	113,866.50	86,055.58	27,810.92	32.32%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	222,296.20	156,058.49	66,237.71	42.44%	1,106,221.14	1,114,489.49	-8,268.35	-0.74%
* 5750 · TCERA Property Admin Expense	2,662.33	1,503.63	1,158.70	77.06%	22,228.93	15,645.26	6,583.67	42.08%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	11,390,638.12	8,400,587.60	2,990,050.52	35.59%	52,654,653.07	51,567,064.88	1,087,588.19	2.11%
Net Ordinary Income	2,590,382.77	619,268.62	1,971,114.15	318.3%	50,626,464.01	11,888,447.83	38,738,016.18	325.85%

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
December 31, 2020
After Interest Posting - Final

	<u>Dec 20</u>	<u>Nov 20</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Dec 20</u>	<u>Jul - Dec 19</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
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	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
Net Income	<u>52,269,277.28</u>	<u>91,154,480.43</u>	<u>-38,885,203.15</u>	<u>-42.66%</u>	<u>205,171,208.02</u>	<u>73,493,048.06</u>	<u>131,678,159.96</u>	<u>179.17%</u>

Notes:

- Note 1 Interest Income increase over last mo. from Co. qtrly payment; decrease over last year
- Note 2 Other Investment Income increase over last mo. in Private Equity; increase over last year in Private Equity & Private Credit
- Note 3 Decrease in Realized Gains over last mo. in Total Equity & Private Credit; increase over last year in Total Equity
- Note 4 Accruals for EE & ER Contributions
- Note 5 Semi-Annual Refund Accrual
- Note 6 Decrease in retiree deaths with remaining contributions
- Note 7 Quarterly Fees Accrued
- Note 8 Decrease in Other Investment Expense in Private Credit over last mo and over last year
- Note 9 Timing of payments

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

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
December 2020
Accounting Period 6
50.00% of the Current Fiscal Year Budget
After Interest Posting - Final

	Dec 20	Jul - Dec 19	Jul - Dec 20	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	127,538.08	394,479.54	404,598.08	932,580.00	527,981.92	43.38%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 · (6003) Other Pay	1,522.09	4,078.17	4,334.03	27,564.00	23,229.97	15.72%
5520 · (6004) Benefits	16,866.36	58,653.33	68,436.31	146,469.00	78,032.69	46.72%
5525 · (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 · (6006) Sick Leave Buy Back	0.00	0.00	0.00	0.00	0.00	0.00%
5535 · (6011) Retirement- Co. Port.	15,640.46	46,569.11	51,817.94	112,084.00	60,266.06	46.23%
5540 · (6012) Social Security	8,571.60	27,452.65	29,154.75	69,313.00	40,158.25	42.06%
5545 · (1024) POB Cost	0.00	32,654.99	7,071.24	79,475.00	72,403.76	8.90%
5550 · (6008) Board Fees-Per Diem Pmts	0.00	9,500.00	9,300.00	20,000.00	10,700.00	46.50%
5551 · Communications						
5552 · (7005) Communications	686.31	2,991.85	2,775.79	8,000.00	5,224.21	34.70%
5640 · (7005) Co. Telecommunication	1,411.52	2,938.22	4,059.57	13,709.00	9,649.43	29.61%
Total 5551 · Communications	2,097.83	5,930.07	6,835.36	21,709.00	14,873.64	31.49%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	0.00	26,805.54	21,018.16	66,000.00	44,981.84	31.85%
(Note 1) 5697 · (7044) Computer Exp Hdwr/Sftwr	2,576.37	22,237.37	10,506.54	16,818.00	6,311.46	62.47%
5698 · (7044) WSI/Q2 Digital	350.00	0.00	1,750.00	24,900.00	23,150.00	7.03%
Total 5553 · Data Processing	2,926.37	49,042.91	33,274.70	107,718.00	74,443.30	30.89%
5555 · (7009) Household Expense	1,321.21	6,871.68	7,101.88	17,380.00	10,278.12	40.86%
(Note 2) 5560 · (7010) Insurance	0.00	53,402.00	54,402.00	56,365.00	1,963.00	96.52%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	121.92	801.96	666.03	3,000.00	2,333.97	22.20%
(Note 3) 5575 · (7027) Memberships	1,500.00	4,510.00	6,010.00	6,800.00	790.00	88.38%
5580 · (7030) Due Diligence Expense	0.00	1,416.54	0.00	15,000.00	15,000.00	0.00%
5585 · (7036) Office Expense	2,110.21	12,875.56	6,453.90	33,118.00	26,664.10	19.49%
5586 · (7040) Courier	111.15	530.90	556.77	1,300.00	743.23	42.83%
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	13,964.59	41,800.00	44,570.00	47,600.00	3,030.00	93.63%
5593 · (7043) Prof Sr -Outside Counsel	2,326.50	32,841.00	11,612.70	75,000.00	63,387.30	15.48%
Total 5590 · Prof & Specialized Exp	16,291.09	74,641.00	56,182.70	123,100.00	66,917.30	45.64%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	1,706.10	9,738.20	6,040.10	35,000.00	28,959.90	17.26%
5662 · (7046) Co Counsel - Disability	3,925.80	28,260.70	30,349.00	93,000.00	62,651.00	32.63%
Total 5594 · County Counsel Charges	5,631.90	37,998.90	36,389.10	128,000.00	91,610.90	28.43%
5595 · (7049) Prof Exp-Disabilities	0.00	50,136.52	29,969.44	164,000.00	134,030.56	18.27%
5600 · (7059) Publications	0.00	4,086.63	4,137.60	21,000.00	16,862.40	19.70%
5675 · (7059) Co. Print Services	862.25	4,727.80	2,444.91	14,500.00	12,055.09	16.86%
Total 5600 · (7059) Publications	862.25	8,814.43	6,582.51	35,500.00	28,917.49	18.54%

TCERA and TCERA Property, Inc.

BUDGET VS ACTUAL

December 2020

Accounting Period 6

50.00% of the Current Fiscal Year Budget

After Interest Posting - Final

	Dec 20	Jul - Dec 19	Jul - Dec 20	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	93,840.00	93,840.00	187,680.00	93,840.00	50.00%
5610 · (7066) Spec Dept Exp - RIS	0.00	95,757.75	107,441.31	307,821.00	200,379.69	34.90%
5615 · (7073) Training	0.00	6,285.00	1,870.00	15,500.00	13,630.00	12.06%
5620 · (7074) Transportation & Travel	0.00	11,066.02	975.56	32,000.00	31,024.44	3.05%
5625 · (7081) Utilities	912.85	7,938.89	9,756.34	20,400.00	10,643.66	47.83%
5627 · (7116) Postage - Co. Mail	2,630.83	18,664.42	13,296.61	44,656.00	31,359.39	29.78%
(Note 2) 5630 · (7128) Co. Workers Comp Insurance	0.00	0.00	59,381.00	60,000.00	619.00	98.97%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,291.00	11,291.00	0.00%
5699 · (7719) Auditors Services	0.00	577.15	523.58	7,500.00	6,976.42	6.98%
Total 5695 · Co. Admin. Services	0.00	577.15	523.58	18,791.00	18,267.42	2.79%
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	21,580.00	21,580.00	0.00%
5911 · Depreciation - TCERA	0.00	0.00	0.00	19,000.00	19,000.00	0.00%
5913 · Amortization - CPAS	0.00	0.00	0.00	320,000.00	320,000.00	0.00%
Total TCERA Administrative Expense	222,296.20	1,114,489.49	1,106,221.14	3,155,404.00	2,049,182.86	35.06%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	94.15	25.00	200.00	175.00	12.50%
(Note 5) 5760 · Insurance	0.00	6,384.00	7,452.00	6,750.00	-702.00	110.40%
5765 · Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 · Courtyards Property Assn Dues	1,707.67	3,349.30	3,415.34	7,200.00	3,784.66	47.44%
5785 · Landscape Service	375.00	1,875.00	2,047.25	7,800.00	5,752.75	26.25%
5790 · Security Monitoring	163.34	849.00	808.58	7,750.00	6,941.42	10.43%
5795 · Maintenance & Improve - Bldg	60.00	398.08	6,105.77	14,500.00	8,394.23	42.11%
5797 · Utilities	356.32	2,695.73	2,374.99	6,100.00	3,725.01	38.93%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	32,600.00	32,600.00	0.00%
Total TCERA Property, Inc. Administrative Expense	2,662.33	15,645.26	22,228.93	84,900.00	62,671.07	26.18%
Total TCERA & TCERA Property Administrative Expense	224,958.53	1,130,134.75	1,128,450.07	3,240,304.00	2,111,853.93	34.83%

Notes:

- Note 1 Workroom printer, scanner, 2 laptops, 4 Adobe Pro licenses, and 3 Trustee iPads
- Note 2 Annual insurance premiums paid
- Note 3 Annual CALAPRS, SACRS & NCPERS membership paid
- Note 4 Annual audit expense paid in the first half of fiscal year
- Note 5 Annual property insurance higher than anticipated

Accrued Actuarial Liability	1,875,797.000
June 30, 2020	
.21% of AAL	3,939,173.70
50.00%	1,969,586.85
Expenses to date	(1,128,450.07)
(Over)/Under	841,136.78

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of January 31, 2021

	Jan 31, 21	Dec 31, 20	\$ Change	% Change	Jan 31, 20	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
(Note 1) 1110 · Cash in County Treasury	41,598,863.48	47,673,469.54	-6,074,606.06	-12.74%	9,570,145.13	32,028,718.35	334.67%
1120 · Cash in Custodial Account	42,585,904.86	39,227,605.70	3,358,299.16	8.56%	91,774,648.35	-49,188,743.49	-53.60%
(Note 2) 1130 · Short Term Investments	10,319,493.09	6,539,752.17	3,779,740.92	57.80%	5,094,392.66	5,225,100.43	102.57%
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	94,504,261.43	93,440,827.41	1,063,434.02	1.14%	106,439,186.14	-11,934,924.71	-11.21%
Other Current Assets							
1310 · Fixed Income - Market	487,452,958.63	492,197,355.56	-4,744,396.93	-0.96%	477,388,676.06	10,064,282.57	2.11%
1340 · Equities - Market	896,809,902.61	895,427,010.92	1,382,891.69	0.15%	772,535,949.12	124,273,953.49	16.09%
1375 · Real Estate - REITS	180,503,855.21	180,468,196.35	35,658.86	0.02%	172,552,061.33	7,951,793.88	4.61%
(Note 3) 1385 · Hedge Funds	93,982.33	93,982.33	0.00	0.00%	46,589,072.80	-46,495,090.47	-99.80%
1386 · Private Equity	84,748,788.80	84,371,791.03	376,997.77	0.45%	76,748,555.42	8,000,233.38	10.42%
1388 · Private Credit	84,971,872.00	84,971,872.00	0.00	0.00%	62,193,992.00	22,777,880.00	36.62%
(Note 4) 1390 · Futures Overlay	0.00	0.00	0.00	0.00%	10,199,514.89	-10,199,514.89	-100.00%
Total Other Current Assets	1,734,581,359.58	1,737,530,208.19	-2,948,848.61	-0.17%	1,618,207,821.62	116,373,537.96	7.19%
Total Current Assets	1,829,085,621.01	1,830,971,035.60	-1,885,414.59	-0.10%	1,724,647,007.76	104,438,613.25	6.06%
Fixed Assets							
1501 · Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
1505 · Office Equipment & Computer Sys	153,661.50	153,661.50	0.00	0.00%	158,020.14	-4,358.64	-2.76%
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	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,449,954.90	-336,587.52	-13.74%
1512 · Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,670,926.35	1,670,926.35	0.00	0.00%	2,011,872.51	-340,946.16	-16.95%
Other Assets							
1710 · Open Trades Sales	17,537,867.05	12,806,793.00	4,731,074.05	36.94%	19,498,741.73	-1,960,874.68	-10.06%
1730 · Investment Income Receivable	835,646.77	848,674.02	-13,027.25	-1.54%	649,763.46	185,883.31	28.61%
1735 · Real Estate Income Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
(Note 5) 1750 · Members Contribution Receivable	0.00	838,866.41	-838,866.41	-100.00%	0.00	0.00	0.00%
(Note 5) 1770 · Employer Contribution Receivable	0.00	222,101.12	-222,101.12	-100.00%	0.00	0.00	0.00%
1780 · Advances Rec- Holding Corp	527,230.00	536,230.00	-9,000.00	-1.68%	635,230.00	-108,000.00	-17.00%
(Note 6) 1785 · Pension Deaths Receivables	836.93	109.93	727.00	661.33%	0.00	836.93	100.00%
1790 · Other Receivables	8,454.69	8,739.99	-285.30	-3.26%	15,038.20	-6,583.51	-43.78%
Total Other Assets	18,910,035.44	15,261,514.47	3,648,520.97	23.91%	20,798,773.39	-1,888,737.95	-9.08%
TOTAL ASSETS	1,849,666,582.80	1,847,903,476.42	1,763,106.38	0.10%	1,747,457,653.66	102,208,929.14	5.85%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of January 31, 2021

	Jan 31, 21	Dec 31, 20	\$ Change	% Change	Jan 31, 20	\$ Change	% Change
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
2010 · Sec Lending Collateral Paya	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	24,259,342.04	17,645,161.06	6,614,180.98	37.48%	23,904,794.97	354,547.07	1.48%
(Note 7) 2030 · Accounts Payable - Inv	547,203.65	729,928.27	-182,724.62	-25.03%	447,920.15	99,283.50	22.17%
(Note 7) 2040 · Refunds Payable	3,706,735.89	3,706,735.89	0.00	0.00%	3,338,817.23	367,918.66	11.02%
(Note 8) 2050 · Other Payables	-389.82	149,204.29	-149,594.11	-100.26%	0.00	-389.82	-100.00%
(Note 7) 2100 · Payroll Liabilities	0.00	41,746.62	-41,746.62	-100.00%	0.00	0.00	0.00%
Total Other Current Liabilities	28,512,891.76	22,272,776.13	6,240,115.63	28.02%	27,691,532.35	821,359.41	2.97%
Total Current Liabilities	28,512,891.76	22,272,776.13	6,240,115.63	28.02%	27,691,532.35	821,359.41	2.97%
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	103,551.79	103,551.79	0.00	0.00%	90,299.72	13,252.07	14.68%
2070 · Advances Payable - TCERA	527,230.00	536,230.00	-9,000.00	-1.68%	635,230.00	-108,000.00	-17.00%
Total Long Term Liabilities	630,781.79	639,781.79	-9,000.00	-1.41%	725,529.72	-94,747.93	-13.06%
Total Liabilities	29,143,673.55	22,912,557.92	6,231,115.63	27.20%	28,417,062.07	726,611.48	2.56%
Equity							
3110 · Member Deposit Reserve	328,431,768.25	329,911,156.12	-1,479,387.87	-0.45%	312,054,257.45	16,377,510.80	5.25%
(Note 9) 3120 · Other Reserves - Unapportioned	3,127,636.01	3,127,636.01	0.00	0.00%	-2,163,568.89	5,291,204.90	244.56%
3210 · Employer Advance Reserves	899,363,956.29	902,630,252.28	-3,266,295.99	-0.36%	858,863,580.61	40,500,375.68	4.72%
3310 · Retiree Reserves	437,771,115.53	433,025,431.67	4,745,683.86	1.10%	430,537,176.78	7,233,938.75	1.68%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	107,567,108.49	0.00	0.00%	108,178,878.76	-611,770.27	-0.57%
3410 · Contingency Reserve	55,437,104.30	55,437,104.30	0.00	0.00%	52,224,246.85	3,212,857.45	6.15%
3510 · Market Stabilization	-7,569,506.00	-7,569,506.00	0.00	0.00%	-40,771,275.00	33,201,769.00	81.43%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	-204,309,472.39	-204,309,472.39	0.00	0.00%	-72,751,912.06	-131,557,560.33	-180.83%
Net Income	200,703,198.77	205,171,208.02	-4,468,009.25	-2.18%	72,869,207.09	127,833,991.68	175.43%
Total Equity	1,820,522,909.25	1,824,990,918.50	-4,468,009.25	-0.25%	1,719,040,591.59	101,482,317.66	5.90%
TOTAL LIABILITIES & EQUITY	1,849,666,582.80	1,847,903,476.42	1,763,106.38	0.10%	1,747,457,653.66	102,208,929.14	5.85%

Notes:

- Note 1 Transfer to 421 Fund \$20M from Cash Reserve at Custodial Bank
- Note 2 Timing of managers short term positions
- Note 3 Liquidation of Hedge Funds
- Note 4 Future Overlay - close account
- Note 5 Accruals for EE & ER Contributions for 12/31
- Note 6 Receivables resulting from reported deaths and the timing of repayments
- Note 7 Accruals: Inv. Mgmt Fees, Refunds, & Payroll recorded 12/31
- Note 8 Accruals: Actuary, Inv. Consultant, Custodial recorded 12/31; decrease over last yr. from US Bank Due diligence credit accrual
- Note 9 Interim interest payments/adjustments and equity adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
January 31, 2021

	Jan 21	Dec 20	\$ Change	% Change	Jul '20 - Jan 21	Jul '19 - Jan 20	\$ Change	% Change
Ordinary Income/Expense								
Income								
4110 · Interest Income	235,586.71	462,157.58	-226,570.87	-49.03%	2,233,685.52	3,094,652.69	-860,967.17	-27.82%
4120 · Dividend Income	270,532.65	362,622.42	-92,089.77	-25.4%	2,284,299.30	2,386,385.36	-102,086.06	-4.28%
(Note 1) 4130 · Real Estate Income	1,461,637.04	0.00	1,461,637.04	100.0%	2,896,573.65	2,700,367.84	196,205.81	7.27%
(Note 2) 4140 · Other Investment Income	1,732,649.34	4,264,048.88	-2,531,399.54	-59.37%	7,194,361.51	3,785,353.08	3,409,008.43	90.06%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	109,480.00	109,480.00	0.00	0.0%
4310 · Commission Rebates	546.07	212.65	333.42	156.79%	1,931.88	3,675.51	-1,743.63	-47.44%
(Note 3) 4410 · Securities Lending Income	5,752.03	4,583.36	1,168.67	25.5%	31,155.80	63,088.60	-31,932.80	-50.62%
(Note 4) 4510 · Realized Gains/Losses	7,089,562.57	4,792,337.06	2,297,225.51	47.94%	50,066,463.40	27,010,592.49	23,055,870.91	85.36%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 5) 4610 · Employee Contributions	942,858.15	3,622,107.78	-2,679,249.63	-73.97%	12,942,330.81	12,624,767.93	317,562.88	2.52%
(Note 5) 4620 · Employer Contributions	13,043.84	457,311.16	-444,267.32	-97.15%	37,288,643.61	35,348,328.09	1,940,315.52	5.49%
Total Income	11,767,808.40	13,981,020.89	-2,213,212.49	-15.83%	115,048,925.48	87,126,691.59	27,922,233.89	32.05%
Expense								
5110 · Benefit Payments	7,642,229.79	7,668,970.77	-26,740.98	-0.35%	53,264,207.81	50,343,628.94	2,920,578.87	5.8%
5120 · Refunds	257,187.31	379,983.82	-122,796.51	-32.32%	1,726,796.89	2,474,819.23	-748,022.34	-30.23%
(Note 6) 5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	76,646.62	47,068.47	29,578.15	62.84%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5210 · Investment Management Fees	-26,416.60	2,173,319.10	-2,199,735.70	-101.22%	2,962,408.33	3,469,521.16	-507,112.83	-14.62%
(Note 7) 5250 · Inv. Consultant/Custodial Fees	-78,485.47	118,851.86	-197,337.33	-166.04%	198,793.84	223,820.99	-25,027.15	-11.18%
5270 · Securities Lending Expense	1,036.85	862.92	173.93	20.16%	5,009.20	5,220.97	-211.77	-4.06%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 · Real Estate Mgr Fees	0.00	817,836.72	-817,836.72	-100.0%	842,733.31	769,177.17	73,556.14	9.56%
(Note 8) 5280 · Other Investment Expense	336.71	-24,887.85	25,224.56	101.35%	131,629.09	241,240.32	-109,611.23	-45.44%
(Note 9) 5410 · Actuarial Study Fees	0.00	30,742.25	-30,742.25	-100.0%	113,866.50	31,867.50	81,999.00	257.31%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	92,826.40	222,296.20	-129,469.80	-58.24%	1,199,047.54	1,313,724.19	-114,676.65	-8.73%
* 5750 · TCERA Property Admin Expense	2,121.19	2,662.33	-541.14	-20.33%	24,350.12	16,870.93	7,479.19	44.33%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	7,890,836.18	11,390,638.12	-3,499,801.94	-30.73%	60,545,489.25	58,936,959.87	1,608,529.38	2.73%
Net Ordinary Income	3,876,972.22	2,590,382.77	1,286,589.45	49.67%	54,503,436.23	28,189,731.72	26,313,704.51	93.35%

**TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
January 31, 2021**

	<u>Jan 21</u>	<u>Dec 20</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul '20 - Jan 21</u>	<u>Jul '19 - Jan 20</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
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	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
Net Income	<u>-4,468,009.25</u>	<u>52,269,277.28</u>	<u>-56,737,286.53</u>	<u>-108.55%</u>	<u>200,703,198.77</u>	<u>72,869,207.09</u>	<u>127,833,991.68</u>	<u>175.43%</u>

Notes:

- Note 1 Real Estate Income reported qtrly and 1-2 months in arrears
- Note 2 Other Investment Income decrease over last mo. in Priv. Equity & Priv. Credit; increase over last year in Private Equity
- Note 3 Increase in Security Lending Income over last mo.; decrease over last year
- Note 4 Increase in Realized Gains over last mo. in Total Equity; increase over last year in Total Equity
- Note 5 Accruals for EE & ER Contributions
- Note 6 Increase in retiree deaths with remaining contributions over last year
- Note 7 Quarterly Fees Accrued
- Note 8 Increase in Other Investment Expense over last mo.; decrease over last year in Priv. Equity & Priv. Credit
- Note 9 Timing of payments and the 3yr Experience Study in this FY

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

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
January 2021
Accounting Period 7
58.33% of the Current Fiscal Year Budget

	Jan 21	Jul '19 - Jan 20	Jul '20 - Jan 21	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	36,543.72	437,050.33	441,141.80	932,580.00	491,438.20	47.30%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 · (6003) Other Pay	905.28	5,135.32	5,239.31	27,564.00	22,324.69	19.01%
5520 · (6004) Benefits	6,398.37	65,986.02	74,834.68	146,469.00	71,634.32	51.09%
5525 · (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 · (6006) Sick Leave Buy Back	0.00	0.00	0.00	0.00	0.00	0.00%
5535 · (6011) Retirement- Co. Port.	4,495.72	51,633.96	56,313.66	112,084.00	55,770.34	50.24%
5540 · (6012) Social Security	2,885.17	30,798.20	32,039.92	69,313.00	37,273.08	46.22%
5545 · (1024) POB Cost	0.00	36,305.35	7,071.24	79,475.00	72,403.76	8.90%
(Note 1) 5550 · (6008) Board Fees-Per Diem Pmts	3,416.95	13,300.00	12,716.95	20,000.00	7,283.05	63.58%
5551 · Communications						
5552 · (7005) Communications	634.80	3,578.52	3,410.59	8,000.00	4,589.41	42.63%
5640 · (7005) Co. Telecommunication	0.00	4,098.62	4,059.57	13,709.00	9,649.43	29.61%
Total 5551 · Communications	634.80	7,677.14	7,470.16	21,709.00	14,238.84	34.41%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	5,262.36	32,167.27	26,280.52	66,000.00	39,719.48	39.82%
5697 · (7044) Computer Exp Hdwr/Sftwr	-5,765.32	22,237.37	4,741.22	16,818.00	12,076.78	28.19%
5698 · (7044) WSI/Q2 Digital	700.00	850.00	2,450.00	24,900.00	22,450.00	9.84%
Total 5553 · Data Processing	197.04	55,254.64	33,471.74	107,718.00	74,246.26	31.07%
5555 · (7009) Household Expense	-1,354.32	7,967.17	5,747.56	17,380.00	11,632.44	33.07%
(Note 2) 5560 · (7010) Insurance	0.00	53,402.00	54,402.00	56,365.00	1,963.00	96.52%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	74.46	919.78	740.49	3,000.00	2,259.51	24.68%
(Note 3) 5575 · (7027) Memberships	0.00	6,010.00	6,010.00	6,800.00	790.00	88.38%
5580 · (7030) Due Diligence Expense	0.00	1,416.54	0.00	15,000.00	15,000.00	0.00%
5585 · (7036) Office Expense	2,672.21	21,759.54	9,126.11	33,118.00	23,991.89	27.56%
5586 · (7040) Courier	0.00	637.08	556.77	1,300.00	743.23	42.83%
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	41,800.00	44,570.00	47,600.00	3,030.00	93.63%
5593 · (7043) Prof Sr -Outside Counsel	114.00	41,479.50	11,726.70	75,000.00	63,273.30	15.64%
Total 5590 · Prof & Specialized Exp	114.00	83,279.50	56,296.70	123,100.00	66,803.30	45.73%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	638.00	14,354.80	6,678.10	35,000.00	28,321.90	19.08%
5662 · (7046) Co Counsel - Disability	3,643.00	36,669.30	33,992.00	93,000.00	59,008.00	36.55%
Total 5594 · County Counsel Charges	4,281.00	51,024.10	40,670.10	128,000.00	87,329.90	31.77%
5595 · (7049) Prof Exp-Disabilities	4,595.56	59,302.56	34,565.00	164,000.00	129,435.00	21.08%
5600 · (7059) Publications	8,430.25	11,786.77	12,567.85	21,000.00	8,432.15	59.85%
5675 · (7059) Co. Print Services	0.00	5,649.66	2,444.91	14,500.00	12,055.09	16.86%
Total 5600 · (7059) Publications	8,430.25	17,436.43	15,012.76	35,500.00	20,487.24	42.29%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
January 2021
Accounting Period 7
58.33% of the Current Fiscal Year Budget

	Jan 21	Jul '19 - Jan 20	Jul '20 - Jan 21	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	109,480.00	109,480.00	187,680.00	78,200.00	58.33%
5610 · (7066) Spec Dept Exp - RIS	1,136.56	95,757.75	108,577.87	307,821.00	199,243.13	35.27%
5615 · (7073) Training	100.00	6,285.00	1,970.00	15,500.00	13,530.00	12.71%
5620 · (7074) Transportation & Travel	314.93	11,970.90	1,290.49	32,000.00	30,709.51	4.03%
5625 · (7081) Utilities	944.76	9,079.98	10,701.10	20,400.00	9,698.90	52.46%
5627 · (7116) Postage - Co. Mail	0.00	21,264.75	13,296.61	44,656.00	31,359.39	29.78%
(Note 2) 5630 · (7128) Co. Workers Comp Insurance	0.00	53,013.00	59,381.00	60,000.00	619.00	98.97%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,291.00	11,291.00	0.00%
5699 · (7719) Auditors Services	399.94	577.15	923.52	7,500.00	6,576.48	12.31%
Total 5695 · Co. Admin. Services	399.94	577.15	923.52	18,791.00	17,867.48	4.91%
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	21,580.00	21,580.00	0.00%
5911 · Depreciation - TCERA	0.00	0.00	0.00	19,000.00	19,000.00	0.00%
5913 · Amortization - CPAS	0.00	0.00	0.00	320,000.00	320,000.00	0.00%
Total TCERA Administrative Expense	92,826.40	1,313,724.19	1,199,047.54	3,155,404.00	1,956,356.46	38.00%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	94.15	25.00	200.00	175.00	12.50%
(Note 5) 5760 · Insurance	0.00	6,384.00	7,452.00	6,750.00	-702.00	110.40%
5765 · Professional & Spec Services	427.20	0.00	427.20	2,000.00	1,572.80	21.36%
5780 · Courtyards Property Assn Dues	0.00	3,349.30	3,415.34	7,200.00	3,784.66	47.44%
5785 · Landscape Service	375.00	2,250.00	2,422.25	7,800.00	5,377.75	31.05%
5790 · Security Monitoring	559.58	1,402.50	1,368.16	7,750.00	6,381.84	17.65%
5795 · Maintenance & Improve - Bldg	445.00	398.08	6,550.77	14,500.00	7,949.23	45.18%
5797 · Utilities	314.41	2,992.90	2,689.40	6,100.00	3,410.60	44.09%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	32,600.00	32,600.00	0.00%
Total TCERA Property, Inc. Administrative Expense	2,121.19	16,870.93	24,350.12	84,900.00	60,549.88	28.68%
Total TCERA & TCERA Property Administrative Expense	94,947.59	1,330,595.12	1,223,397.66	3,240,304.00	2,016,906.34	37.76%

Notes:

- Note 1 Quarterly Per Diem paid Q4
- Note 2 Annual insurance premiums paid
- Note 3 Annual CALAPRS, SACRS & NCPERS membership paid
- Note 4 Annual audit expense paid in the first half of fiscal year
- Note 5 Annual property insurance higher than anticipated

Accrued Actuarial Liability	1,875,797.000
June 30, 2020	
21% of AAL	3,939,173.70
58.33%	2,297,851.33
Expenses to date	(1,223,397.66)
(Over)/Under	1,074,453.67



COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.b.

Agenda Date: March 24, 2021

Subject: County Counsel Invoices for the month ending February 28, 2021

Requests:

That the Administrative Committee:

1. Review and approve the attached County Counsel invoices in the amount of \$5,945.20.

Summary:

The Board of Retirement has delegated approval authority to the Administrative Committee for County Counsel invoices. The attached invoice has been reviewed by staff and are recommended for approval.

Prepared by: Mary Warner



COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.c.

Agenda Date: March 24, 2021

Subject: Supplemental Retiree Benefit Reserve (SRBR) Analysis

Requests:

That the Administrative Committee:

1. Discuss SRBR scenarios for submission to TCERA's actuary for analysis as part of the June 30, 2021 actuarial valuation.
2. Provide a recommendation to the Board of Retirement.

Summary:

The Board of Retirement has directed the Administrative Committee to provide a recommendation regarding SRBR analysis scenarios to help evaluate the viability of the current benefit levels for existing and future retirees. This direction was a result of Board discussion regarding the status of the reserve as presented in the June 30, 2020 actuarial valuation. The information regarding the current reserve and benefit levels presented to the Board at the February 24, 2021 Board meeting is attached.

Because Tier 4 members are not eligible for SRBR benefits, new active members eligible for the benefit will be limited to rehires or members with incoming reciprocity with eligibility for an earlier tier. This means that the greatest impact to the reserve will be the investment returns of the fund, rather than growth of the eligible membership population, most specifically the ability for the plan to meet or exceed its investment assumption rate. Based on this, Staff suggests that the scenarios discussed should focus on the projected status of the reserve assuming various return scenarios.

Prepared by: Leanne Malison



COUNTY OF TULARE

BOARD OF RETIREMENT

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DATE: February 24, 2021
FROM: Leanne Malison, Retirement Administrator
TO: Tulare County Board of Retirement
RE: Supplemental Benefits Paid to TCERA Retirees

Staff has placed this item on the agenda as directed by the Board of Retirement. During the presentation of the June 30, 2020 Actuarial Valuation, Graham Schmidt of Cheiron indicated that he would recommend a discussion specific to the viability of the current level of supplemental benefits as part of the June 30, 2021 Actuarial Valuation presentation. The Board subsequently requested that discussion of the supplemental benefits be placed on a future agenda to provide the opportunity for the Board to discuss the matter in advance of any discussion with the actuary.

Table IV-3 *Supplemental Retiree Benefit Reserve as of June 30, 2020* from the most recent Actuarial Valuation is attached for the Board's reference. The table provides the most recent valuation data for the Supplemental Retiree Benefit Reserve (SRBR). Supplemental benefits are available to qualified members in Tiers 1, 2 and 3. Tier 4 members are specifically excluded. The benefits are neither vested nor guaranteed and can be changed at any time at the sole discretion of the Board of Retirement. The SRBR funds the following supplemental benefits for retirees as approved by the Board of Retirement:

Level One – Monthly Cash Benefit of \$12.50 per year of TCERA service. Ten years of TCERA service is the minimum qualification for this benefit. The benefit reaches the maximum benefit of \$250 per month at twenty years of TCERA service. There are currently 2,615 retirees/beneficiaries (77%) receiving a Level One supplemental benefit. The benefit amount and the number of members receiving this benefit is increasing each year. Approximately 93% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

Level Two – Supplemental COLA (Purchasing Power) provides a monthly supplement that ensures that retirees/beneficiaries continue to receive a minimum of 85% of the original purchasing power of their retirement benefit as determined by annual COLA adjustments. There are currently 52 retirees/beneficiaries (1.5%) who retired prior to April 1, 1991 who qualify for a Level Two supplemental benefit. The benefit amount and number of members receiving this benefit is decreasing each year due to the low rates of inflation/CPI increases and the age of the current recipients. Approximately 0.7% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

Level Three – Post-Retirement Spousal Continuation provides a lifetime continuance for spouses that are able to qualify as beneficiaries under the unmodified option, who would not otherwise be eligible, if certain criteria are met. There are currently 20 post-retirement spouses receiving a Level Three supplemental benefit. The benefit amount and number of beneficiaries receiving this benefit is increasing each year. Approximately 4.5% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

After accounting for the present value of future SRBR benefits at current benefit levels, there is a net "excess" reserve of \$2,042.810. From an actuarial perspective, this amount exceeds the funds required to pay supplemental benefits to the closed group as of June 30, 2020. This excess funding amount experienced a decrease of over \$4 million dollars compared to the prior year and has been in a declining mode for a number of years. This is attributable to the more recent experience of the plan which is paying out more in benefits than is being credited to the reserve each six months. The SRBR has only two sources of funding: 1) Interest posting to reserves each six months, and 2) 50% of "excess earnings" over and above the assumed rate of return after ten-year smoothing as calculated each six months. TCERA has not had such excess earnings since June 30, 2008.

The Board of Retirement periodically reviews and updates supplemental benefits as it deems necessary to maintain the reserve at levels sufficient to sustain supplemental benefits for retirees. The most recent change enacted was a schedule of reductions to the Monthly Cash Benefit. As of July 1, 2007, the cash benefit was paid at a rate of \$18.00 per year of service. Effective July 1, 2013 the Board implemented a gradual reduction each year until July 1, 2017 when the benefit was reduced to its current level of \$12.50 per year of service.

Based on the rate of depletion of the reserve experienced in recent years and projecting that depletion forward, it is expected that the net reserve (reserves in excess of funds necessary to pay benefits to the closed group) will move into negative territory. The Board has the following options available:

1. Take no action with the assumption that the recently approved lower assumed rate of return of 7.0% will create an environment for "excess returns" in the future thereby replenishing the reserve. (The investment performance for the six months ending December 31, 2020 resulted in an investment gain of \$151 million. TCERA will draw from that return, as well as other gains and losses, over the next ten years as part of the smoothing process.)
2. Take no action pending the results of the June 30, 2021 actuarial valuation with discussion to resume with the actuary when the results are available.
3. Reduce Level One, Level Two, and/or Level Three benefits as the Board deems necessary and prudent to maintain an adequate reserve for supplemental benefits for current and future retirees.
4. Request an actuarial study of possible benefit reductions as specified by the Board to determine the effect on the reserve balance.

Staff requests Board direction on next steps regarding the SRBR and supplemental benefit levels.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2020**

SECTION IV – LIABILITIES

Table IV-3 shows the present value of future SRBR benefits at current benefit levels and the calculation of the net reserve based on the SRBR balance. The net reserve as of June 30, 2020 is positive, meaning that the current SRBR balance is expected to cover SRBR benefits at current levels.

Table IV-3 Supplemental Retiree Benefit Reserve as of June 30, 2020		
	June 30, 2019	June 30, 2020
Level One		
1. Current Retirees	\$ 57,858,377	\$ 60,262,708
2. Inactive Members	2,216,918	2,051,922
3. Active members	<u>37,226,796</u>	<u>38,425,932</u>
4. Subtotal	\$ 97,302,091	\$ 100,740,562
Level Two		
5. Supplemental COLA for those who have lost at least 15% of Purchasing Power	\$ 797,753	\$ 718,407
Level Three		
6. Supplemental Spousal Death Benefit	\$ 3,449,188	\$ 4,846,221
7. Total SRBR Combined Liability: (4) + (5) + (6)	\$ 101,549,032	\$ 106,305,190
8. Supplemental Retiree Benefit Reserve: (SRBR)	<u>107,766,000</u>	<u>108,348,000</u>
9. Net Reserve: (8) - (7)	\$ 6,216,968	\$ 2,042,810

Numbers may not add to totals due to rounding.

Six Month Period		Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
From	To					
7/11	12/11	(58,996,703)	39,029,015	(98,025,719)	0.05	(4,901,286)
1/12	6/12	46,133,182	36,032,847	10,100,335	0.10	1,010,034
7/12	12/12	61,934,352	38,223,420	23,710,932	0.15	3,556,640
1/13	6/13	45,446,072	39,915,825	5,530,247	0.20	1,106,049
7/13	12/13	114,083,453	41,675,731	72,407,722	0.25	18,101,930
1/14	6/14	62,482,815	45,022,478	17,460,337	0.30	5,238,101
7/14	12/14	(17,886,044)	46,676,782	(64,562,826)	0.35	(22,596,989)
1/15	6/15	26,507,383	44,856,580	(18,349,197)	0.40	(7,339,679)
7/15	12/15	(45,631,715)	45,909,756	(91,541,471)	0.45	(41,193,662)
1/16	6/16	24,729,226	43,045,278	(18,316,052)	0.50	(9,158,026)
7/16	12/16	44,835,718	44,015,787	819,931	0.55	450,962
1/17	6/17	84,564,705	42,691,625	41,873,080	0.60	25,123,848
7/17	12/17	79,943,304	45,809,189	34,134,115	0.65	22,187,175
1/18	6/18	11,201,303	48,460,635	(37,259,332)	0.70	(26,081,532)
7/18	12/18	(54,685,836)	56,898,055	(111,583,891)	0.75	(83,687,918)
1/19	6/19	143,284,434	53,981,060	89,303,374	0.80	71,442,699
7/19	12/19	74,015,847	59,050,363	14,965,484	0.85	12,720,661
1/20	6/20	(69,767,060)	60,619,959	(130,387,018)	0.90	(117,348,317)
7/20	12/20	207,466,372	56,098,158	151,368,214	0.95	143,799,803

1. Total deferred return	(7,569,506)
2. Net Market Value (Total Equity)	1,824,990,919
3. Actuarial Value of Assets for Funding Ratio (Item 2 - Item 1)	1,832,560,425
4. Corridor around Market Value	
70% corridor minimum	1,277,493,643
130% corridor maximum	2,372,488,194
5. Non-valuation reserves and designations:	
Supplemental Retiree Benefit Reserve	108,348,475
6. Adjusted Actuarial Value of Assets for valuation (Item 3 - Item 5)	1,724,211,950



COUNTY OF TULARE BOARD OF RETIREMENT

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.d.

Agenda Date: March 24, 2021

Subject: TCERA Staffing – Secretary Vacancy and Recruitment

Requests:

That the Administrative Committee:

1. Discuss TCERA's decision to fill Secretary vacancy.

Summary:

Choosing to be completely transparent, staff is wanting to inform the Board that TCERA is planning to fill this vacant position.

Prepared by: Mary Warner