



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, November 17, 2021 @ 10:30 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@tcera.org 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. Review of Committee Minutes from the meeting of September 22, 2021.
2. Discussion and possible action regarding the following items:
 - a. TCERA and TCERA Property, Inc. Financial Statements – July 31, 2021 - Final
 - b. TCERA and TCERA Property, Inc. Financial Statements – August 31, 2021 – Final
 - c. Ratify Administrator Action for Surplus Equipment
 - d. Review of Government Codes for Excess Earnings

V. UPCOMING MEETING

1. To Be Determined.

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, September 22, 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 10:33 a.m.

II. ROLL CALL

Present: David Kehler, Chair; Jim Young, Ty Inman, Laura Hernandez
George Finney (alternate)
Leanne Malison, Mary Warner

III. PUBLIC COMMENT

None

IV. AGENDA ITEMS

1. Review of Committee Minutes from the meeting of August 25, 2021.
Motion to approve minutes as presented.
Motion: Young
Second: Inman
Motion approved unanimously.
2. Discussion and possible action regarding the following items:
 - a. **TCERA and TCERA Property, Inc. Preliminary Financial Statements after Interest Posting – June 30, 2021 and July 31, 2021.**
The Committee reviewed the preliminary financial statements after interest posting for June 30th and July 31st. The Committee discussed the large gains in the Market Stabilization Reserves over last year due the positive returns.
No action taken.

V. UPCOMING MEETING

1. Wednesday, October 27, 2021 @ 10:30 a.m.

VI. ADJOURN

The meeting was adjourned at 10:43 a.m.

Approved:

David Kehler, Chair

Date



COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.a.

Agenda Date: November 17, 2021

Subject: TCERA and TCERA Property, Inc. Financial Statements – July 31, 2021

Requests:

That the Administrative Committee:

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

Summary:

The July 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.
BUDGET VS ACTUAL
July 2021
Accounting Period 1
8.33% of the Current Fiscal Year Budget
Final

	Jul 21	Jul 20	Jul 21	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	37,663.74	40,094.78	37,663.74	1,025,313.00	987,649.26	3.67%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
(Note 1) 5515 · (6003) Other Pay	4,840.96	396.80	4,840.96	28,672.00	23,831.04	16.88%
5520 · (6004) Benefits	6,764.09	7,108.95	6,764.09	159,376.00	152,611.91	4.24%
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.	5,909.69	5,015.38	5,909.69	136,235.00	130,325.31	4.34%
5540 · (6012) Social Security	3,279.25	3,113.82	3,279.25	76,404.00	73,124.75	4.29%
5545 · (1024) POB Cost	0.00	0.00	0.00	87,249.00	87,249.00	0.00%
(Note 2) 5550 · (6008) Board Fees-Per Diem Pmts	4,844.25	4,100.00	4,844.25	20,000.00	15,155.75	24.22%
5551 · Communications						
5552 · (7005) Communications	0.00	0.00	0.00	8,700.00	8,700.00	0.00%
5640 · (7005) Co. Telecommunication	0.00	561.00	0.00	12,039.00	12,039.00	0.00%
Total 5551 · Communications	0.00	561.00	0.00	20,739.00	20,739.00	0.00%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	0.00	0.00	0.00	104,821.00	104,821.00	0.00%
5697 · (7044) Computer Exp Hdw/Sftwr	0.00	1,005.64	0.00	32,138.00	32,138.00	0.00%
5698 · (7044) WSI/Q2 Digital	0.00	350.00	0.00	3,500.00	3,500.00	0.00%
Total 5553 · Data Processing	0.00	1,355.64	0.00	140,459.00	140,459.00	0.00%
5555 · (7009) Household Expense	58.85	1,321.21	58.85	17,380.00	17,321.15	0.34%
(Note 3) 5560 · (7010) Insurance	58,624.00	54,402.00	58,624.00	59,400.00	776.00	98.69%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	42.37	47.59	42.37	3,000.00	2,957.63	1.41%
(Note 4) 5575 · (7027) Memberships	4,000.00	0.00	4,000.00	7,100.00	3,100.00	56.34%
5580 · (7030) Due Diligence Expense	783.29	0.00	783.29	15,000.00	14,216.71	5.22%
5585 · (7036) Office Expense	146.85	1,113.08	146.85	50,080.00	49,933.15	0.29%
5586 · (7040) Courier	0.00	0.00	0.00	1,460.00	1,460.00	0.00%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
5592 · (7043) Prof & Spec - Audit	0.00	6,514.10	0.00	47,600.00	47,600.00	0.00%
5593 · (7043) Prof Sr -Outside Counsel	0.00	0.00	0.00	75,000.00	75,000.00	0.00%
Total 5590 · Prof & Specialized Exp	0.00	6,514.10	0.00	123,100.00	123,100.00	0.00%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	0.00	0.00	0.00	40,000.00	40,000.00	0.00%
5662 · (7046) Co Counsel - Disability	0.00	0.00	0.00	93,000.00	93,000.00	0.00%
Total 5594 · County Counsel Charges	0.00	0.00	0.00	133,000.00	133,000.00	0.00%
5595 · (7049) Prof Exp-Disabilities	628.05	0.00	628.05	164,000.00	163,371.95	0.38%
5600 · (7059) Publications	0.00	0.00	0.00	22,000.00	22,000.00	0.00%
5675 · (7059) Co. Print Services	0.00	0.00	0.00	14,500.00	14,500.00	0.00%
Total 5600 · (7059) Publications	0.00	0.00	0.00	36,500.00	36,500.00	0.00%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
July 2021
Accounting Period 1
8.33% of the Current Fiscal Year Budget
Final

	Jul 21	Jul 20	Jul 21	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	15,640.00	15,640.00	187,680.00	172,040.00	8.33%
5610 · (7066) Spec Dept Exp - RIS	7,941.00	7,941.00	7,941.00	318,120.00	310,179.00	2.50%
5615 · (7073) Training	0.00	125.00	0.00	15,500.00	15,500.00	0.00%
5620 · (7074) Transportation & Travel	67.70	516.65	67.70	32,000.00	31,932.30	0.21%
(Note 5) 5625 · (7081) Utilities	2,223.67	2,501.25	2,223.67	20,400.00	18,176.33	10.90%
5627 · (7116) Postage - Co. Mail	1.10	0.00	1.10	46,900.00	46,898.90	0.00%
5630 · (7128) Co. Workers Comp Insurance	0.00	0.00	0.00	53,500.00	53,500.00	0.00%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,860.00	11,860.00	0.00%
5699 · (7719) Auditors Services	0.00	0.00	0.00	7,500.00	7,500.00	0.00%
Total 5695 · Co. Admin. Services	0.00	0.00	0.00	19,360.00	19,360.00	0.00%
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	153,458.86	151,868.25	153,458.86	3,376,781.00	3,223,322.14	4.54%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	0.00	0.00	200.00	200.00	0.00%
5760 · Insurance	0.00	0.00	0.00	9,000.00	9,000.00	0.00%
5765 · Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 · Courtyards Property Assn Dues	0.00	0.00	0.00	7,600.00	7,600.00	0.00%
5785 · Landscape Service	0.00	0.00	0.00	7,800.00	7,800.00	0.00%
5790 · Security Monitoring	35.66	0.00	35.66	7,750.00	7,714.34	0.46%
5795 · Maintenance & Improve - Bldg	100.00	560.00	100.00	244,365.00	244,265.00	0.04%
5797 · Utilities	458.09	415.06	458.09	7,000.00	6,541.91	6.54%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	70,400.00	70,400.00	0.00%
Total TCERA Property, Inc. Administrative Expense	593.75	975.06	593.75	356,115.00	355,521.25	0.17%
Total TCERA & TCERA Property Administrative Expense	154,052.61	152,843.31	154,052.61	3,732,896.00	3,578,843.39	4.13%

Notes:

- Note 1 Unrepresented one-time payment for continuity of operations during COVID-19 pandemic
- Note 2 Quarterly Per Diem paid
- Note 3 Annual insurance premiums paid
- Note 4 Annual memberships paid: SACRS
- Note 5 Increased electricity costs during summer months

Accrued Actuarial Liability	1,957,985,000
June 30, 2021	
.21% of AAL	4,111,768.50
8.33%	342,647.38
Expenses to date	(154,052.61)
(Over)/Under	188,594.77

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

Final

	Jul 31, 21	Jun 30, 21	\$ Change	% Change	Jul 31, 20	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
(Note 1) 1110 · Cash in County Treasury	42,171,615.13	11,067,944.93	31,103,670.20	281.03%	55,799,811.35	-13,628,196.22	-24.42%
(Note 2) 1120 · Cash in Custodial Account	26,155,498.15	25,908,344.66	247,153.49	0.95%	64,107,491.00	-37,951,992.85	-59.20%
(Note 3) 1130 · Short Term Investments	33,372,212.63	30,730,774.18	2,641,438.45	8.60%	6,975,935.19	26,396,277.44	378.39%
(Note 4) 1140 · Securities Lending Collateral	0.00	56,728,790.52	-56,728,790.52	-100.00%	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	101,699,325.91	124,435,854.29	-22,736,528.38	-18.27%	126,883,237.54	-25,183,911.63	-19.85%
Other Current Assets							
1310 · Fixed Income - Market	564,674,851.36	561,575,717.07	3,099,134.29	0.55%	480,576,674.58	84,098,176.78	17.50%
1340 · Equities - Market	960,089,773.88	950,147,939.37	9,941,834.51	1.05%	758,387,881.86	201,701,892.02	26.60%
1375 · Real Estate - REITS	195,567,700.51	195,567,700.51	0.00	0.00%	177,778,903.08	17,788,797.43	10.01%
(Note 5) 1385 · Hedge Funds	0.00	0.00	0.00	0.00%	93,982.33	-93,982.33	-100.00%
(Note 6) 1386 · Private Equity	124,163,726.01	123,940,907.37	222,818.64	0.18%	75,803,160.59	48,360,565.42	63.80%
1388 · Private Credit	107,955,953.00	107,036,138.00	919,815.00	0.86%	75,174,183.00	32,781,770.00	43.61%
1390 · Futures Overlay	0.00	0.00	0.00	0.00%	5,258,087.99	-5,258,087.99	-100.00%
Total Other Current Assets	1,952,452,004.76	1,938,268,402.32	14,183,602.44	0.73%	1,573,072,873.43	379,379,131.33	24.12%
Total Current Assets	2,054,151,330.67	2,062,704,256.61	-8,552,925.94	-0.42%	1,699,956,110.97	354,195,219.70	20.84%
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	178,552.49	178,552.49	0.00	0.00%	153,661.50	24,890.99	16.20%
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	1,372,974.34	1,372,974.34	0.00	0.00%	1,670,926.35	-297,952.01	-17.83%
Other Assets							
1710 · Open Trades Sales	13,328,431.32	23,884,042.73	-10,555,611.41	-44.20%	13,151,820.03	176,611.29	1.34%
1730 · Investment Income Receivable	941,001.64	913,779.72	27,221.92	2.98%	750,763.55	190,238.09	25.34%
(Note 7) 1735 · Real Estate Income Receivable	0.00	1,358,916.37	-1,358,916.37	-100.00%	0.00	0.00	0.00%
(Note 8) 1750 · Members Contribution Receivable	0.00	811,493.53	-811,493.53	-100.00%	0.00	0.00	0.00%
(Note 8) 1770 · Employer Contribution Receivable	0.00	202,396.54	-202,396.54	-100.00%	0.00	0.00	0.00%
1780 · Advances Rec- Holding Corp	473,230.00	482,230.00	-9,000.00	-1.87%	581,230.00	-108,000.00	-18.58%
(Note 9) 1785 · Pension Deaths Receivables	0.00	-473.48	473.48	100.00%	122.01	-122.01	-100.00%
1790 · Other Receivables	6,720.05	7,011.06	-291.01	-4.15%	11,537.58	-4,817.53	-41.76%
Total Other Assets	14,749,383.01	27,659,396.47	-12,910,013.46	-46.68%	14,495,473.17	253,909.84	1.75%
TOTAL ASSETS	2,070,273,688.02	2,091,736,627.42	-21,462,939.40	-1.03%	1,716,122,510.49	354,151,177.53	20.64%

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

Final

	Jul 31, 21	Jun 30, 21	\$ Change	% Change	Jul 31, 20	\$ Change	% Change
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
(Note 4) 2010 · Sec Lending Collateral Paya	0.00	56,728,790.52	-56,728,790.52	-100.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	44,119,776.52	51,172,031.19	-7,052,254.67	-13.78%	19,025,949.23	25,093,827.29	131.89%
2030 · Accounts Payable - Inv	634,592.88	832,998.13	-198,405.25	-23.82%	439,767.43	194,825.45	44.30%
2040 · Refunds Payable	4,098,875.89	4,098,875.89	0.00	0.00%	3,392,107.70	706,768.19	20.84%
(Note 8) 2050 · Other Payables	89,673.30	2,086,862.15	-1,997,188.85	-95.70%	167,803.12	-78,129.82	-46.56%
(Note 8) 2100 · Payroll Liabilities	0.00	34,684.17	-34,684.17	-100.00%	0.00	0.00	0.00%
Total Other Current Liabilities	48,942,918.59	114,954,242.05	-66,011,323.46	-57.42%	23,025,627.48	25,917,291.11	112.56%
Total Current Liabilities	48,942,918.59	114,954,242.05	-66,011,323.46	-57.42%	23,025,627.48	25,917,291.11	112.56%
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	115,302.68	115,302.68	0.00	0.00%	103,551.79	11,750.89	11.35%
2070 · Advances Payable - TCERA	473,230.00	482,230.00	-9,000.00	-1.87%	581,230.00	-108,000.00	-18.58%
Total Long Term Liabilities	588,532.68	597,532.68	-9,000.00	-1.51%	684,781.79	-96,249.11	-14.06%
Total Liabilities	49,531,451.27	115,551,774.73	-66,020,323.46	-57.14%	23,710,409.27	25,821,042.00	108.90%
Equity							
3110 · Member Deposit Reserve	338,548,528.23	339,546,251.96	-997,723.73	-0.29%	318,083,126.07	20,465,402.16	6.43%
(Note 10) 3120 · Other Reserves - Unapportioned	2,652,760.29	2,660,548.76	-7,788.47	0.29%	4,268,735.04	-1,615,974.75	-37.86%
3210 · Employer Advance Reserves	907,033,895.47	908,886,804.19	-1,852,908.72	-0.20%	855,626,191.34	51,407,704.13	6.01%
3310 · Retiree Reserves	449,113,998.47	446,255,577.55	2,858,420.92	0.64%	447,195,439.94	1,918,558.53	0.43%
3320 · Supp. Retiree Benefit Reserve	108,446,851.09	108,446,851.09	0.00	0.00%	108,348,474.77	98,376.32	0.09%
3410 · Contingency Reserve	60,735,602.01	60,735,602.01	0.00	0.00%	49,227,604.66	11,507,997.35	23.38%
3510 · Market Stabilization	108,713,808.00	108,713,808.00	0.00	0.00%	-163,716,787.00	272,430,595.00	166.40%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	939,409.13	-355,425,733.08	356,365,142.21	100.26%	786,925.66	152,483.47	19.38%
Net Income	44,557,384.06	356,365,142.21	-311,807,758.15	-87.50%	72,592,390.74	-28,035,006.68	-38.62%
Total Equity	2,020,742,236.75	1,976,184,852.69	44,557,384.06	2.26%	1,692,412,101.22	328,330,135.53	19.40%
TOTAL LIABILITIES & EQUITY	2,070,273,688.02	2,091,736,627.42	-21,462,939.40	-1.03%	1,716,122,510.49	354,151,177.53	20.64%

Notes:

- Note 1 County Prepaid Contributions for fiscal year 21/22 \$37,346,269
- Note 2 Decrease in Cash in Custodial from last year liquidation of Hedge Funds
- Note 3 Timing of managers short term positions
- Note 4 Annual Securities Lending Accruals & Adjustments
- Note 5 Hedge Funds - accounts closed
- Note 6 Increase in Private Equity from last mo. and last year
- Note 7 Timing of receipt of Real Estate Distributions vs. lag in Real Estate reporting
- Note 8 Accruals
- Note 9 Timing of payment of Pension Death Receivable
- Note 10 Interim interest payments/adjustments and equity adjustments prior to period close

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

	<i>Final</i>							
	Jul 21	Jun 21	\$ Change	% Change	Jul 21	Jul 20	\$ Change	% Change
Ordinary Income/Expense								
Income								
4110 • Interest Income	252,120.49	308,111.94	-55,991.45	-18.17%	252,120.49	253,765.47	-1,644.98	-0.65%
4120 • Dividend Income	219,559.77	334,695.33	-115,135.56	-34.4%	219,559.77	205,650.11	13,909.66	6.76%
(Note 1) 4130 • Real Estate Income	0.00	299,659.60	-299,659.60	-100.0%	0.00	0.00	0.00	0.0%
(Note 2) 4140 • Other Investment Income	163,169.80	423,987.52	-260,817.72	-61.52%	163,169.80	87,019.03	76,150.77	87.51%
4200 • Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	15,640.00	15,640.00	0.00	0.0%
4310 • Commission Rebates	0.00	105.87	-105.87	-100.0%	0.00	22.75	-22.75	-100.0%
(Note 3) 4410 • Securities Lending Income	0.00	58,857.33	-58,857.33	-100.0%	0.00	0.00	0.00	0.0%
(Note 4) 4510 • Realized Gains/Losses	36,445,683.03	8,971,131.80	27,474,551.23	306.26%	36,445,683.03	1,898,916.03	34,546,767.00	1,819.29%
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	1,172,737.20	3,447,534.48	-2,274,797.28	-65.98%	1,172,737.20	1,170,068.09	2,669.11	0.23%
(Note 5) 4620 • Employer Contributions	39,319,706.14	-1,526,325.95	40,846,032.09	2,676.1%	39,319,706.14	35,752,778.47	3,566,927.67	9.98%
Total Income	77,588,616.43	12,333,397.92	65,255,218.51	529.09%	77,588,616.43	39,383,859.95	38,204,756.48	97.01%
Expense								
5110 • Benefit Payments	7,935,146.48	8,025,735.10	-90,588.62	-1.13%	7,935,146.48	7,585,800.52	349,345.96	4.61%
(Note 6) 5120 • Refunds	297,048.63	875,259.88	-578,211.25	-66.06%	297,048.63	123,801.92	173,246.71	139.94%
5130 • Death Retiree ROC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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	120,635.00	2,843,631.10	-2,722,996.10	-95.76%	120,635.00	36,397.00	84,238.00	231.44%
(Note 7) 5250 • Inv. Consultant/Custodial Fees	0.00	223,209.64	-223,209.64	-100.0%	0.00	0.00	0.00	0.0%
(Note 8) 5270 • Securities Lending Expense	0.00	42,833.01	-42,833.01	-100.0%	0.00	0.00	0.00	0.0%
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	440,548.96	-440,548.96	-100.0%	0.00	0.00	0.00	0.0%
(Note 9) 5280 • Other Investment Expense	5,922.45	-3,603.32	9,525.77	264.36%	5,922.45	10,030.78	-4,108.33	-40.96%
(Note 7) 5410 • Actuarial Study Fees	0.00	10,756.25	-10,756.25	-100.0%	0.00	0.00	0.00	0.0%
(Note 10) 5450 • Compensated Benefit Expense	0.00	11,750.89	-11,750.89	-100.0%	0.00	0.00	0.00	0.0%
* 5500 • Administrative Expense	153,458.86	297,253.88	-143,795.02	-48.37%	153,458.86	151,868.25	1,590.61	1.05%
* 5750 • TCERA Property Admin Expense	593.75	9,747.13	-9,153.38	-93.91%	593.75	975.06	-381.31	-39.11%
5910 • Depreciation of Fixed Assets	0.00	351,695.32	-351,695.32	-100.0%	0.00	0.00	0.00	0.0%
Total Expense	8,512,805.17	13,128,817.84	-4,616,012.67	-35.16%	8,512,805.17	7,908,873.53	603,931.64	7.64%
Net Ordinary Income	69,075,811.26	-795,419.92	69,871,231.18	8,784.19%	69,075,811.26	31,474,986.42	37,600,824.84	119.46%

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

	<i>Final</i>							
	<u>Jul 21</u>	<u>Jun 21</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul 21</u>	<u>Jul 20</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	-24,518,427.20	44,158,353.20	-68,676,780.40	-155.52%	-24,518,427.20	41,117,404.32	-65,635,831.52	-159.63%
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	-24,518,427.20	44,158,353.20	-68,676,780.40	-155.52%	-24,518,427.20	41,117,404.32	-65,635,831.52	-159.63%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-24,518,427.20	44,158,353.20	-68,676,780.40	-155.52%	-24,518,427.20	41,117,404.32	-65,635,831.52	-159.63%
Net Income	<u>44,557,384.06</u>	<u>43,362,933.28</u>	<u>1,194,450.78</u>	<u>2.76%</u>	<u>44,557,384.06</u>	<u>72,592,390.74</u>	<u>-28,035,006.68</u>	<u>-38.62%</u>

Notes:

- Note 1** Real Estate Income reported quarterly and one mo. in arrears
- Note 2** Other Investment Income decrease over last mo. in Private Equity; increase over last year in Total Equity
- Note 3** Decrease Securities Lending Income over last mo.
- Note 4** Increase in Realized Gains over last mo. and over last year in Total Equity
- Note 5** Accruals for EE & ER Contributions; Co. Prepayment ER Contributions
- Note 6** Semi-Annual Refund Accrual; increase in the \$ amount of Refunds overlast year
- Note 7** Quarterly Fees Accrued
- Note 8** Decrease in Securities Lending Expense over last mo.
- Note 9** Increase in Other Investment Expenses over last mo. In Private Equity; decrease over last year in Private Credit
- Note 10** Accrual of Compensated Benefits

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



COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.b.

Agenda Date: November 17, 2021

Subject: TCERA and TCERA Property, Inc. Financial Statements – August 31, 2021

Requests:

That the Administrative Committee:

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

Summary:

The August 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.
BUDGET VS ACTUAL
August 2021
Accounting Period 2
16.67% of the Current Fiscal Year Budget

	Aug 21	Jul - Aug 20	Jul - Aug 21	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	63,168.84	102,256.65	100,832.58	1,025,313.00	924,480.42	9.83%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
(Note 1) 5515 · (6003) Other Pay	658.06	997.24	5,499.02	28,672.00	23,172.98	19.18%
5520 · (6004) Benefits	11,229.80	18,045.79	17,993.89	159,376.00	141,382.11	11.29%
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.	8,412.03	12,658.26	14,321.72	136,235.00	121,913.28	10.51%
5540 · (6012) Social Security	4,925.72	7,940.09	8,204.97	76,404.00	68,199.03	10.74%
5545 · (1024) POB Cost	5,623.87	0.00	5,623.87	87,249.00	81,625.13	6.45%
(Note 2) 5550 · (6008) Board Fees-Per Diem Pmts	0.00	4,100.00	4,844.25	20,000.00	15,155.75	24.22%
5551 · Communications						
5552 · (7005) Communications	484.16	527.32	484.16	8,700.00	8,215.84	5.57%
5640 · (7005) Co. Telecommunication	1,524.34	1,133.96	1,524.34	12,039.00	10,514.66	12.66%
Total 5551 · Communications	2,008.50	1,661.28	2,008.50	20,739.00	18,730.50	9.68%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	0.00	5,248.82	0.00	104,821.00	104,821.00	0.00%
5697 · (7044) Computer Exp Hdw/Sftwr	4,754.93	6,457.09	4,754.93	32,138.00	27,383.07	14.80%
5698 · (7044) WSI/Q2 Digital	0.00	700.00	0.00	3,500.00	3,500.00	0.00%
Total 5553 · Data Processing	4,754.93	12,405.91	4,754.93	140,459.00	135,704.07	3.39%
5555 · (7009) Household Expense	2,642.42	2,696.67	2,701.27	17,380.00	14,678.73	15.54%
(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	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	149.89	199.15	192.26	3,000.00	2,807.74	6.41%
(Note 4) 5575 · (7027) Memberships	0.00	4,000.00	4,000.00	7,100.00	3,100.00	56.34%
(Note 5) 5580 · (7030) Due Diligence Expense	1,738.63	0.00	2,521.92	15,000.00	12,478.08	16.81%
5585 · (7036) Office Expense	2,287.82	3,164.31	2,434.67	50,080.00	47,645.33	4.86%
5586 · (7040) Courier	117.97	111.56	117.97	1,460.00	1,342.03	8.08%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
(Note 6) 5592 · (7043) Prof & Spec - Audit	23,895.50	21,256.82	23,895.50	47,600.00	23,704.50	50.20%
5593 · (7043) Prof Sr -Outside Counsel	0.00	0.00	0.00	75,000.00	75,000.00	0.00%
Total 5590 · Prof & Specialized Exp	23,895.50	21,256.82	23,895.50	123,100.00	99,204.50	19.41%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	1,327.20	968.00	1,327.20	40,000.00	38,672.80	3.32%
5662 · (7046) Co Counsel - Disability	5,738.00	5,302.30	5,738.00	93,000.00	87,262.00	6.17%
Total 5594 · County Counsel Charges	7,065.20	6,270.30	7,065.20	133,000.00	125,934.80	5.31%
5595 · (7049) Prof Exp-Disabilities	333.58	13,365.15	961.63	164,000.00	163,038.37	0.59%
5600 · (7059) Publications	0.00	0.00	0.00	22,000.00	22,000.00	0.00%
5675 · (7059) Co. Print Services	0.00	0.00	0.00	14,500.00	14,500.00	0.00%
Total 5600 · (7059) Publications	0.00	0.00	0.00	36,500.00	36,500.00	0.00%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
August 2021
Accounting Period 2
16.67% of the Current Fiscal Year Budget

	Aug 21	Jul - Aug 20	Jul - Aug 21	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	31,280.00	31,280.00	187,680.00	156,400.00	16.67%
5610 · (7066) Spec Dept Exp - RIS	7,941.00	7,941.00	15,882.00	318,120.00	302,238.00	4.99%
5615 · (7073) Training	550.00	175.00	550.00	15,500.00	14,950.00	3.55%
5620 · (7074) Transportation & Travel	286.50	516.65	354.20	32,000.00	31,645.80	1.11%
(Note 7) 5625 · (7081) Utilities	2,357.06	4,444.72	4,580.73	20,400.00	15,819.27	22.45%
5627 · (7116) Postage - Co. Mail	3,510.21	0.00	3,511.31	46,900.00	43,388.69	7.49%
5630 · (7128) Co. Workers Comp Insurance	0.00	0.00	0.00	53,500.00	53,500.00	0.00%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,860.00	11,860.00	0.00%
5699 · (7719) Auditors Services	0.00	0.00	0.00	7,500.00	7,500.00	0.00%
Total 5695 · Co. Admin. Services	0.00	0.00	0.00	19,360.00	19,360.00	0.00%
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	169,297.53	309,888.55	322,756.39	3,376,781.00	3,054,024.61	9.56%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	0.00	0.00	200.00	200.00	0.00%
(Note 3) 5760 · Insurance	7,909.00	0.00	7,909.00	9,000.00	1,091.00	87.88%
5765 · Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 · Courtyards Property Assn Dues	0.00	0.00	0.00	7,600.00	7,600.00	0.00%
5785 · Landscape Service	425.00	427.50	425.00	7,800.00	7,375.00	5.45%
5790 · Security Monitoring	249.62	237.72	285.28	7,750.00	7,464.72	3.68%
5795 · Maintenance & Improve - Bldg	5,830.00	1,874.39	5,930.00	244,365.00	238,435.00	2.43%
5797 · Utilities	616.68	831.87	1,074.77	7,000.00	5,925.23	15.35%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	70,400.00	70,400.00	0.00%
Total TCERA Property, Inc. Administrative Expense	15,030.30	3,371.48	15,624.05	356,115.00	340,490.95	4.39%
Total TCERA & TCERA Property Administrative Expense	184,327.83	313,260.03	338,380.44	3,732,896.00	3,394,515.56	9.06%

Notes:

- Note 1 Unrepresented one-time payment for continuity of operations during COVID-19 pandemic
- Note 2 Quarterly Per Diem paid
- Note 3 Annual insurance premiums paid
- Note 4 Annual memberships paid: SACRS
- Note 5 Due Diligence Investment Consultant
- Note 6 Annual audit expense paid in the first half of fiscal year
- Note 7 Increased electricity costs during summer months

Accrued Actuarial Liability	1,957,985,000
June 30, 2021	
.21% of AAL	4,111,768.50
16.67%	685,294.75
Expenses to date	(338,380.44)
(Over)/Under	346,914.31

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

	Aug 31, 21	Jul 31, 21	\$ Change	% Change	Aug 31, 20	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
1110 · Cash in County Treasury	37,563,478.62	42,171,615.13	-4,608,136.51	-10.93%	49,804,977.05	-12,241,498.43	-24.58%
1120 · Cash in Custodial Account	34,362,460.92	26,155,498.15	8,206,962.77	31.38%	62,996,648.38	-28,634,187.46	-45.45%
(Note 1) 1130 · Short Term Investments	33,131,024.41	33,372,212.63	-241,188.22	-0.72%	4,422,800.67	28,708,223.74	649.10%
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	105,056,963.95	101,699,325.91	3,357,638.04	3.30%	117,224,426.10	-12,167,462.15	-10.38%
Other Current Assets							
1310 · Fixed Income - Market	566,200,802.82	564,674,851.36	1,525,951.46	0.27%	480,394,836.47	85,805,966.35	17.86%
1340 · Equities - Market	983,697,365.74	960,089,773.88	23,607,591.86	2.46%	794,013,155.43	189,684,210.31	23.89%
1375 · Real Estate - REITS	195,567,700.51	195,567,700.51	0.00	0.00%	177,778,903.08	17,788,797.43	10.01%
(Note 2) 1385 · Hedge Funds	0.00	0.00	0.00	0.00%	93,982.33	-93,982.33	-100.00%
1386 · Private Equity	114,288,553.08	124,163,726.01	-9,875,172.93	-7.95%	76,812,028.11	37,476,524.97	48.79%
1388 · Private Credit	107,955,953.00	107,955,953.00	0.00	0.00%	75,174,183.00	32,781,770.00	43.61%
(Note 3) 1390 · Futures Overlay	0.00	0.00	0.00	0.00%	5,253,596.17	-5,253,596.17	-100.00%
Total Other Current Assets	1,967,710,375.15	1,952,452,004.76	15,258,370.39	0.78%	1,609,520,684.59	358,189,690.56	22.25%
Total Current Assets	2,072,767,339.10	2,054,151,330.67	18,616,008.43	0.91%	1,726,745,110.69	346,022,228.41	20.04%
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	178,552.49	178,552.49	0.00	0.00%	153,661.50	24,890.99	16.20%
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	1,372,974.34	1,372,974.34	0.00	0.00%	1,670,926.35	-297,952.01	-17.83%
Other Assets							
(Note 4) 1710 · Open Trades Sales	22,321,238.55	13,328,431.32	8,992,807.23	67.47%	9,976,622.39	12,344,616.16	123.74%
1730 · Investment Income Receivable	915,438.75	941,001.64	-25,562.89	-2.72%	939,490.21	-24,051.46	-2.56%
1735 · Real Estate 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	464,230.00	473,230.00	-9,000.00	-1.90%	572,230.00	-108,000.00	-18.87%
(Note 5) 1785 · Pension Deaths Receivables	0.00	0.00	0.00	0.00%	349.93	-349.93	-100.00%
1790 · Other Receivables	6,429.04	6,720.05	-291.01	-4.33%	10,952.28	-4,523.24	-41.30%
Total Other Assets	23,707,336.34	14,749,383.01	8,957,953.33	60.73%	11,499,644.81	12,207,691.53	106.16%
TOTAL ASSETS	2,097,847,649.78	2,070,273,688.02	27,573,961.76	1.33%	1,739,915,681.85	357,931,967.93	20.57%

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

	Aug 31, 21	Jul 31, 21	\$ Change	% Change	Aug 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%
(Note 6)	2020 · Open Trades - Purchases	53,543,672.51	44,119,776.52	9,423,895.99	21.36%	14,550,913.11	38,992,759.40	267.98%
(Note 7)	2030 · Accounts Payable - Inv	167,731.18	634,592.88	-466,861.70	-73.57%	55,772.39	111,958.79	200.74%
	2040 · Refunds Payable	4,098,875.89	4,098,875.89	0.00	0.00%	3,392,107.70	706,768.19	20.84%
(Note 7)	2050 · Other Payables	78,917.05	89,673.30	-10,756.25	-12.00%	165,803.12	-86,886.07	-52.40%
	2100 · Payroll Liabilities	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	Total Other Current Liabilities	57,889,196.63	48,942,918.59	8,946,278.04	18.28%	18,164,596.32	39,724,600.31	218.69%
	Total Current Liabilities	57,889,196.63	48,942,918.59	8,946,278.04	18.28%	18,164,596.32	39,724,600.31	218.69%
Long Term Liabilities								
	2060 · Accrual-Benefits at Termination	115,302.68	115,302.68	0.00	0.00%	103,551.79	11,750.89	11.35%
	2070 · Advances Payable - TCERA	464,230.00	473,230.00	-9,000.00	-1.90%	572,230.00	-108,000.00	-18.87%
	Total Long Term Liabilities	579,532.68	588,532.68	-9,000.00	-1.53%	675,781.79	-96,249.11	-14.24%
	Total Liabilities	58,468,729.31	49,531,451.27	8,937,278.04	18.04%	18,840,378.11	39,628,351.20	210.34%
Equity								
	3110 · Member Deposit Reserve	335,732,569.05	338,548,528.23	-2,815,959.18	-0.83%	317,106,654.61	18,625,914.44	5.87%
(Note 8)	3120 · Other Reserves - Unapportioned	2,559,529.24	2,652,760.29	-93,231.05	-3.51%	4,230,117.62	-1,670,588.38	-39.49%
	3210 · Employer Advance Reserves	901,651,348.66	907,033,895.47	-5,382,546.81	-0.59%	853,871,710.21	47,779,638.45	5.60%
	3310 · Retiree Reserves	457,405,735.51	449,113,998.47	8,291,737.04	1.85%	449,965,009.95	7,440,725.56	1.65%
	3320 · Supp. Retiree Benefit Reserve	108,446,851.09	108,446,851.09	0.00	0.00%	108,348,474.77	98,376.32	0.09%
	3410 · Contingency Reserve	60,735,602.01	60,735,602.01	0.00	0.00%	49,227,604.66	11,507,997.35	23.38%
	3510 · Market Stabilization	108,713,808.00	108,713,808.00	0.00	0.00%	-163,716,787.00	272,430,595.00	166.40%
	3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	3900 · Retained Earnings	939,409.13	939,409.13	0.00	0.00%	786,925.66	152,483.47	19.38%
	Net Income	63,194,067.78	44,557,384.06	18,636,683.72	41.83%	101,255,593.26	-38,061,525.48	-37.59%
	Total Equity	2,039,378,920.47	2,020,742,236.75	18,636,683.72	0.92%	1,721,075,303.74	318,303,616.73	18.49%
TOTAL LIABILITIES & EQUITY		2,097,847,649.78	2,070,273,688.02	27,573,961.76	1.33%	1,739,915,681.85	357,931,967.93	20.57%

Notes:

- Note 1** Timing of managers short term positions
- Note 2** Hedge Funds - accounts closed
- Note 3** Futures Overlay - accounts closed
- Note 4** Increase in Open Trade Sales over last mo. and last year
- Note 5** Timing of payment of Pension Death Receivable
- Note 6** Increase in Open Trade Purchases over last mo. and last year
- Note 7** Accruals
- Note 8** Interim interest payments/adjustments and equity adjustments prior to period close

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

	<u>Aug 21</u>	<u>Jul 21</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Aug 21</u>	<u>Jul - Aug 20</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense								
Income								
4110 · Interest Income	249,032.90	252,120.49	-3,087.59	-1.23%	501,153.39	509,682.47	-8,529.08	-1.67%
(Note 1) 4120 · Dividend Income	346,081.61	219,559.77	126,521.84	57.63%	565,641.38	621,730.77	-56,089.39	-9.02%
4130 · Real Estate Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 2) 4140 · Other Investment Income	73,274.13	163,169.80	-89,895.67	-55.09%	236,443.93	350,921.72	-114,477.79	-32.62%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	31,280.00	31,280.00	0.00	0.0%
4310 · Commission Rebates	0.00	0.00	0.00	0.0%	0.00	658.46	-658.46	-100.0%
(Note 3) 4410 · Securities Lending Income	5,588.23	0.00	5,588.23	100.0%	5,588.23	6,745.17	-1,156.94	-17.15%
(Note 4) 4510 · Realized Gains/Losses	13,746,088.50	36,445,683.03	-22,699,594.53	-62.28%	50,191,771.53	18,564,500.20	31,627,271.33	170.36%
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	2,055,574.04	1,172,737.20	882,836.84	75.28%	3,228,311.24	2,964,112.89	264,198.35	8.91%
(Note 5) 4620 · Employer Contributions	339,204.04	39,319,706.14	-38,980,502.10	-99.14%	39,658,910.18	35,986,057.46	3,672,852.72	10.21%
Total Income	16,830,483.45	77,588,616.43	-60,758,132.98	-78.31%	94,419,099.88	59,035,689.14	35,383,410.74	59.94%
Expense								
5110 · Benefit Payments	8,029,248.33	7,935,146.48	94,101.85	1.19%	15,964,394.81	15,173,892.64	790,502.17	5.21%
(Note 6) 5120 · Refunds	370,982.11	297,048.63	73,933.48	24.89%	668,030.74	392,084.26	275,946.48	70.38%
5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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	141,032.54	120,635.00	20,397.54	16.91%	261,667.54	158,578.98	103,088.56	65.01%
(Note 7) 5250 · Inv. Consultant/Custodial Fees	19,729.08	0.00	19,729.08	100.0%	19,729.08	20,000.00	-270.92	-1.36%
(Note 3) 5270 · Securities Lending Expense	1,015.47	0.00	1,015.47	100.0%	1,015.47	754.15	261.32	34.65%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5276 · Real Estate Mgr Fees	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 8) 5280 · Other Investment Expense	11,256.01	5,922.45	5,333.56	90.06%	17,178.46	10,765.56	6,412.90	59.57%
(Note 7) 5410 · Actuarial Study Fees	970.00	0.00	970.00	100.0%	970.00	0.00	970.00	100.0%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	169,297.53	153,458.86	15,838.67	10.32%	322,756.39	309,888.55	12,867.84	4.15%
* 5750 · TCERA Property Admin Expense	15,030.30	593.75	14,436.55	2,431.42%	15,624.05	3,371.48	12,252.57	363.42%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	8,758,561.37	8,512,805.17	245,756.20	2.89%	17,271,366.54	16,069,335.62	1,202,030.92	7.48%
Net Ordinary Income	8,071,922.08	69,075,811.26	-61,003,889.18	88.31%	77,147,733.34	42,966,353.52	34,181,379.82	79.55%

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

	<u>Aug 21</u>	<u>Jul 21</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Aug 21</u>	<u>Jul - Aug 20</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	10,564,761.64	-24,518,427.20	35,083,188.84	143.09%	-13,953,665.56	58,289,239.74	-72,242,905.30	-123.94%
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	10,564,761.64	-24,518,427.20	35,083,188.84	143.09%	-13,953,665.56	58,289,239.74	-72,242,905.30	-123.94%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	10,564,761.64	-24,518,427.20	35,083,188.84	143.09%	-13,953,665.56	58,289,239.74	-72,242,905.30	-123.94%
Net Income	<u>18,636,683.72</u>	<u>44,557,384.06</u>	<u>-25,920,700.34</u>	<u>-58.17%</u>	<u>63,194,067.78</u>	<u>101,255,593.26</u>	<u>-38,061,525.48</u>	<u>-37.59%</u>

Notes:

- Note 1** Dividend Income increase over last mo.; decrease over last year
- Note 2** Other Investment Income decrease over last mo. in Total Equity; decrease over last year in Private Equity
- Note 3** Annual Securities Lending Accruals & Adjustments
- Note 4** Decrease in Realized Gains over last mo in Total Equity; increase over last year in Total Equity
- Note 5** Accruals for EE & ER Contributions; Co. Prepayment ER Contributions
- Note 6** Increase in the \$ amount of Refunds over last year
- Note 7** Timing of payments
- Note 8** Increase in Other Investment Expenses over last mo. in Private Equity and over last year

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



COUNTY OF TULARE

BOARD OF RETIREMENT

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Retirement Administrator

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TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.c.

Agenda Date: November 17, 2021

Subject: Ratify Administrator actions regarding disposal of inoperable and obsolete equipment

Requests:

That the Administrative Committee:

1. Ratify the Administrator's actions regarding the disposal of inoperable and obsolete equipment as reported.

Summary:

The Board of Retirement has established a 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. Attached is a list of equipment that the Administrator has authorized to be transferred to the Tulare County Surplus Store.

The Committee is asked to take action to ratify the Administrator's actions regarding the disposal of inoperable and obsolete equipment as reported.

Prepared by: Mary Warner

Inoperable and/or Obsolete Equipment

(Value less than \$500 per item)

Ratified by the Administrative Committee

Sent to County Surplus

9/29/2021

Retired Capital Assets	SN#	Inoperable	Obsolete
Oak Desk		X	

Retired Small Assets	SN#	Inoperable	Obsolete
Cisco IP Phone 7931	FCH1228AYCJ		X
Cisco IP Phone 7931	FCH1228AXSL		X
Cisco IP Phone 7931	FCH1228AYNK		X
Cisco IP Conference station Model 7937	0004F2E16FA0		X
Cisco IP Conference station Model 7937	0004F2E17262		X
Cisco IP Phone 7931	FCH12309HLY		X
Bell Howell Compact 4000 Microfiche Reader			X
Server Racks, Brackets and Cords			X
3 Mice & 4 Keyboards		X	
3 Chairs		X	
4 Fellowes Store/Filing Box			X
Binders			X



COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement

Administrative Committee

Agenda Item # IV.2.d.

Agenda Date: November 27, 2021

Subject: Review Government Codes for Excess Earnings

Requests:

That the Administrative Committee:

1. Review the attached Government Codes
2. Discuss interest crediting and excess earnings options for Tier 4 members.
3. Possibly forward to the Board of Retirement a policy on how to split excess earnings with a recommendation for approval.

Summary:

Article 5.5 of the '37 Act was adopted by TCERA and provides very specific instructions as to how earnings of the plan are to be distributed to the various member accounts for Tier 1-3 and other reserves. One of the requirements of article 5.5 is the establishment of a Supplemental Retiree Benefit Reserve (SRBR) that is to receive 50% of any excess earnings. The remaining earnings are distributed back to the active member accounts and other reserves in the form of higher interest.

Tier 4 members do not participate in the SRBR and since the addition of Tier 4, the plan has not had any excess earnings nor has adopted any policy on excess earnings for Tier 4. Staff have attached Government codes §31591, §31592, 1§ 31592.2, and §31592.3 for the Committees review and discussion to determine the best course of action for the plan and if a policy on excess earnings for Tier 4 is needed.

Prepared by: Mary Warner

thereof within this state, to process and issue payments by check or electronic fund transfer.

(Amended by Stats. 1995, Ch. 584 (AB 1021), Sec. 6)

(Amended by Stats. 1996, Ch. 493 (SB 792), Sec. 5)

§31591. Interest credits; rate; termination of interest on cessation of membership

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date. Interest at the rate of 2 ½ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected in writing a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

(Amended by Stats. 1995, Ch. 457 (AB 847), Sec. 1)

(Amended by Stats. 1997, Ch. 43 (SB 419), Sec. 1)

§31592. Excess interest as reserve against contingencies

Earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during such year shall remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments and other contingencies, except as provided in Sections 31529.5 and 31592.2.

(Amended by Stats. 1977, Ch. 202, Sec. 2)

§31592.2. Excess interest; disposition

(a) In any county, earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during such year shall remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies, except that, when such surplus exceeds 1 percent of the total assets of the retirement system, the board may transfer all, or any part, of such surplus in excess of 1 percent of the said total assets into county advance reserves for the sole purpose of payment of the cost of the benefits described in this chapter.

(b) Where the board of supervisors has provided for the payment of all, or a portion, of the premiums, dues, or other charges for health benefits, Medicare, or the payment of accrued sick leave at retirement to or for all, or a portion, of officers, employees, and retired employees and their dependents, from the county general fund or other sources, the board of retirement may authorize the payment of all, or a portion, of payments of the benefits described in this subdivision from the county advance reserves. This payment shall comply with the requirements of Section 401 of Title 26 of the United States Code. Payment may be made directly from the county advance reserves for the benefits described in Section 31691.1.

(Amended by Stats. 1980, Ch. 1116, Sec. 1, Effective September 26, 1980)

(Amended by Stats. 2014, Ch. 740 (AB 2473), Sec. 6)

§31592.3. Excess earnings; reserve; transfer to increase retirement allowance

In any county, earnings of the retirement fund, in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies, except that when the total amount in the reserve exceeds 1 percent of the total assets of the retirement system, the board may transfer all or any part of such reserve in excess of 1 percent of the total assets into a special fund which shall be used for the sole purpose of providing an increase in monthly retirement allowance pursuant to Section 31681.7 or Section 31739.4. In the event the amount credited to the special fund is not sufficient to pay the entire amount of the increase provided for by Section 31681.7 or Section 31739.4 then the amount of the increase shall be reduced in proportion to the amount of the balance on hand in the special fund at the close of the fiscal year preceding the fiscal year during which such increase is operative.

This section shall not be operative in any county until such time as the board of supervisors shall, by ordinance, make the provisions of this section applicable in such county. The board of supervisors may in such ordinance provide that the increase in monthly retirement allowance provided for by Section 31681.7 or 31739.4 shall be effective only subject to the provisions of this section.

(Amended by Stats. 1968, Ch. 94, Sec. 1, Effective May 10, 1968)

§31592.4. Excess earnings; treatment as appropriations, transfers and contributions by county and applicable districts; "excess earnings" defined; compliance with federal and state income tax laws; operation of section

(a) The amount of excess earnings available at the end of a fiscal year of the retirement fund, shall, subject to the limitations in this section, be treated in the immediately succeeding fiscal year, for all purposes under this chapter, as appropriations, transfers, and contributions made to the retirement fund by the county and applicable districts. That treatment shall occur only to the extent that, in the immediately succeeding fiscal year, the county and applicable districts pay for an equal amount of health benefits for members heretofore or hereafter retired and their dependents or make contributions in an equal amount to an account established under Section 401(h) of Title 26 of the United States Code solely for the purpose of providing health benefits for retired members, their spouses, and dependents, and for the associated administrative and investment expenses.

(b) For purposes of this section, "excess earnings" means earnings of the retirement fund at the end of any fiscal year that exceed the total interest credited to contributions and reserves plus 1 percent of the total assets of the retirement fund.

(c) The board of supervisors or the board of retirement shall take any actions necessary and appropriate to ensure that the program provided by this section complies with all applicable federal and state income tax laws, including, but not limited to, establishing rules and procedures for establishing and maintaining an account under Section 401(h) of Title 26 of the United States Code.

(d) In accordance with Section 401(h) of Title 26 of the United States Code and Section 1.401-14(c) of the Code of Federal Regulations:

(1) The retirement system shall specify the medical benefits that will be available and shall set out the amount that will be paid.

(2) Medical benefits shall be subordinate to the retirement benefits when added to any life insurance benefits.

(3) A separate account shall be maintained for contributions to fund the medical benefits.