

CASH BOOKS & ANNUAL STATEMENT TRAINING



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February 16, 2023

Book 1 (Cash Books)



CASH BOOKS

Sarita Yee
2/16/2023

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Overview

- Reporting Components and Requirements
- What does PERAC do with the cash books?
- Preparing for Year-end: Accounts Receivable and Payables
- Carried Interest, Equalization Expense, and Miscellaneous Investment Expense Refresher
- Summary

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NOTES:



REPORTING COMPONENTS AND REQUIREMENTS

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Primary Components:

- Monthly Cash Books
 - Year to Date Trial Balance (TB) report
 - Month to Date Cash Receipts (CR), Cash Disbursements (CD), Adjustments (AJE), and General Ledger (GL) reports
 - Example September Cash Book Package:
 - YTD TB: 1/1/2021 – 9/30/2021
 - MTD CR/CD/AJE & GL: 9/1/2021 – 9/30/2021

Ref. Memo #16/2019 – Cashbook Submissions

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NOTES:



Additional Components:

- Investment Manager Statements or Pooled Fund Worksheets (PFW) (Monthly/Quarterly)
- Custodian reports (Monthly)
- Consultant Statements (Quarterly)

(Ref. 840 CMR 4.03)

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December/Year End Reporting

- December cash books:
 - **Pre-Close books:** (Before closing entries) In addition to regular monthly entries, should also include all year-end accruals and adjusting entries (i.e.- Everything up until, but before, closing entries).
 - **Post-Close books:** (After closing entries) There should not be any additional activity reflected except for the closing entries. 4000 and 5000 accounts on TB should be zero.
- The Pre-Close books should reconcile to the Assets, Liabilities, Receipts, and Disbursements accounts of the Annual Statement.

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NOTES:



Due Dates:

- Monthly Cash Book Packages are due within four (4) weeks of the close of each month.

(Memo #16/2019 & 840 CMR 4.03)

- Cash book Reminder Notices:

- First notice: 45 days late. E-mail will be sent to cash book preparer and Admin
- Second notice: 60 days late with no response to first notice. E-mail will be sent to Chair and Admin
- Suspension notice: 90 days late with no response to previous notices. Physical letter sent to Chair. Board members and Admin are CC'd

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Cash Book Submissions:

- Monthly Cash Book Packages:
 - Continue sending any remaining 2022 reporting to PerCashbooks@mass.gov. Please be sure to also CC the PERAC Investment Analyst for your retirement board: Sarita.Yee@mass.gov or Veronica.Colon@Mass.gov
 - Starting with January 2023 reporting, files will be uploaded to Prosper.
- Manager Statements, Custodian Reports, Consultant reports should be sent directly to your PERAC Investment Analyst and should not be e-mailed to PerCashbooks
- Pooled Fund Worksheets can be filled out online:
<https://www.mass.gov/forms/pooled-fund-worksheet>

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NOTES:

WHAT DOES PERAC DO WITH THE CASH BOOKS?

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Trial Balance Flow Check

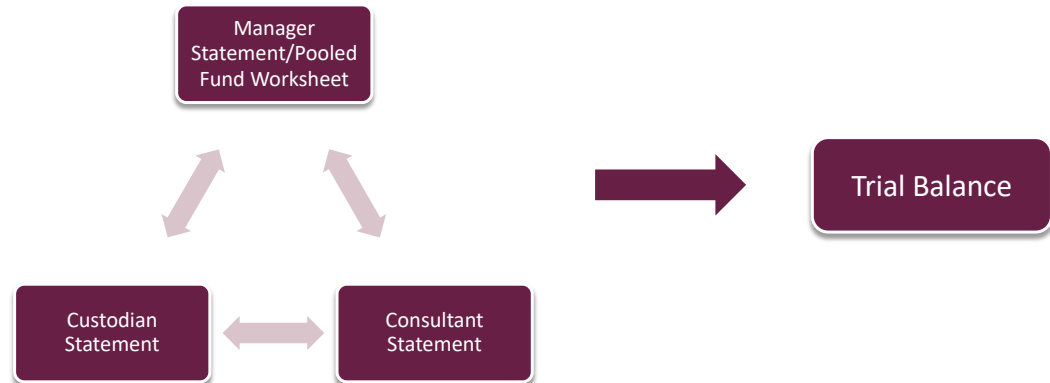
Retirement Board				Cash Receipts Report		04/01/2019 03:28:45	
Transaction Date Between 02/01/2019 & 02/28/2019				User		Page 3	
ID	Transaction Date	DR/CR Acct #	Debit/Credit Account Description	Transaction Description	Journal Number/Payer	Debit Amt	Credit Amt
Records Reported On: 19						887,619.91	887,619.91

Retirement Board				Trial Balance		06/10/2019 10:58:11	
For Month 01/01/2019 Through 02/28/2019				User		Page 3	
Acct Nbr	Description	Beginning Balance	Debits	Credits	Ending Balance		
9010-0000	International Investments	0.00	0.00	0.00	0.00		
9020-0000	Investments-Mutual Fund	0.00	0.00	0.00	0.00		
9030-0000	Commission Receipts	0.00	0.00	0.00	0.00		
9040-0000	Report Funds (Form 990, 91)	0.00	0.00	0.00	0.00		
9050-0000	Invest in Cash & Money Mkt	0.00	0.00	0.00	0.00		
9060-0000	Invest in Credit & Mortgage	0.00	0.00	0.00	0.00		
9070-0000	Invest in Equity	0.00	0.00	0.00	0.00		
9080-0000	Invest in Real Estate	0.00	0.00	0.00	0.00		
9090-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9100-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9110-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9120-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9130-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9140-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9150-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9160-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9170-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9180-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9190-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9200-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9210-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9220-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9230-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9240-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9250-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9260-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9270-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9280-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9290-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9300-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9310-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9320-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9330-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9340-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9350-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9360-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9370-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9380-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9390-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9400-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9410-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9420-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9430-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9440-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9450-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9460-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9470-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9480-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9490-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9500-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9510-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9520-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9530-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9540-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9550-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9560-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9570-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9580-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9590-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9600-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9610-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9620-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9630-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9640-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9650-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9660-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9670-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9680-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9690-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9700-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9710-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9720-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9730-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9740-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9750-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9760-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9770-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9780-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9790-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9800-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9810-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9820-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9830-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9840-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9850-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9860-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9870-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9880-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9890-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9900-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9910-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9920-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9930-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9940-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9950-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9960-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9970-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9980-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
9990-0000	Invest in Subordinated Control	0.00	0.00	0.00	0.00		
Sub Total		0.00	0.00	0.00	0.00		
Grand Total		0.00	12,445,716.10	12,445,716.10	0.00		

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NOTES:

Asset Cross-Comparison and Verification



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Annual Statement of the _____ Retirement System for the Year Ended December 31, 2021		
Schedule A: Schedule of Assets (Investments and Accounts Payable)		
Accounts Receivable	Amount	Original Date
4401 Transfer From Other Systems		
4402 Allocation of Sales Tax Payments and Refunds		
4403 Member's Payments From Refunds		
4404 System Reimbursement for Death Benefits		
4405 System Reimbursement for COBRA and Section 401(a)		
4406 Pension Fund Appropriation (Current Fund) Net		
4407 Pension Fund Appropriation - Pension Fund Net		
4408 Contributions Received From Municipality or Account of Military Service		
4409 Current Fund Reimbursement		
4410 Pension Fund Reimbursement		
Investments Sold But Funds Not Received (See Individually)		
TOTAL RECEIVABLES		In Page 6, Line 20
Accounts Payable		
1011 Bonds to Members		
1104 Transfers to Other Systems		
1204 Accounts Payable		
1301 Pension Fund		
1302 System Reimbursements to Other Systems		
1303 COBRA Fund		
1304 Other Fund		
1305 Other Fund		
1306 Management Fees		
1307 Commodity Fees		
1308 Other Fees		
1309 Legal Expenses		
1310 Other Expenses		
1311 General Expenses		
1312 Professional Services		
1313 Education and Training		
1314 Insurance and Equipment		
1315 Travel Expense		
Investments Purchased But Funds Not Paid (See Individually)		
TOTAL PAYABLES		In Page 6, Line 22

- Track clearing of accounts receivables and payables from Prior Years Schedule A.
- Review and track performance: Monthly, Quarterly, and Annual



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NOTES:



RECOMMENDED ACCOUNTING PRACTICES AND TIPS

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Topics:

- Year-End Preparation of Accounts Receivables (AR) and Accounts Payables (AP)
- AR/AP relief: Single vs Double entry
- Private Equity Investments Expense Accounts: Carried Interest (4701), Equalization Expense (4702), and Miscellaneous Investment Expenses (4703)

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NOTES:



Accounts Receivable

- Member deductions
 - Paycheck in December, withholdings received in January
- Appropriation payments
 - Due to be paid January-June
 - Equates calendar year amount to funding schedule's fiscal year amount
- Retirees show up here too
 - Waiting for estate of overpaid retiree

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Accounts Receivable *(Continued)*

- Set up a receivable for service purchases?
 - If Board allows installment plans; If a significant number of members or dollars are involved
 - Should be tracking the remaining balances, making a total still owed easy to find
 - If you have set one up already - Need to lower the receivable by amount received; Increase receivable for interest on in-process plans and brand-new purchases
- Open Sells/Redemptions with January settlement dates

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NOTES:

Accounts Payable

- Cost of service incurred before year's end, bill paid in January or later
 - 4th Q investment fees
 - Utilities
 - Legal fees
- Many involve retirement allowances or small refunds
 - Retiree's final month's payment stopped in time, no clear payee
 - Uncashed checks that have been voided
- Open Buys with January settlement dates

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NOTES:

AR/AP Relief (Clearing): Single Entry Method

Retirement Board

Cash Disbursements Report

Transaction Date Between 01/01/2019 & 01/31/2019

03/19/2019 01:27:43 Page: 1 User: [redacted]

ID	Transaction Date	DR/CR Acct #	Debit/Credit Account Description	Transaction Description Journal #/Warrant #/Chk #/Chk Dt/Chk Prt Flg/Vendor	Debit Amt	Credit Amt
5828	01/31/2019	2020-0000 1041-0000	Accounts Payable Vendor checking	TWIN Mgmt Fee A/P/ W #0119, C #5549, C Dt:01/31/2019, CPF:Y, V:TWIN Capital Mgm..	11,463.75	11,463.75
5829	01/31/2019	2020-0000 1041-0000	Accounts Payable Vendor checking	Rhumblin Russell Mgmt Fee W #0119, C #5550, C Dt:01/31/2019, CPF:Y, V:Rhumblin Advisers	877.00	877.00
5830	01/31/2019	2020-0000 1041-0000	Accounts Payable Vendor checking	Rhumblin S&P A/P W #0119, C #5551, C Dt:01/31/2019, CPF:Y, V:Rhumblin Advisers	2,125.00	2,125.00
5831	01/31/2019	2020-0000 1041-0000	Accounts Payable Vendor checking	Lyrical Mgmt Fee A/P W #0119, C #5552, C Dt:01/31/2019, CPF:Y, V:Lyrical Asset Mana..	16,388.70	16,388.70



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AR/AP Relief (Clearing): Double Entry Method

Retirement Board

Cash Disbursements Report

Transaction Date Between 01/01/2019 & 01/31/2019

03/15/2019 12:35:42 Page: 1 User: [redacted]

ID	Transaction Date	DR/CR Acct #	Debit/Credit Account Description	Transaction Description Journal #/Warrant #/Chk #/Chk Dt/Chk Prt Flg/Vendor	Debit Amt	Credit Amt
7915	01/31/2019	5119-0000 1040-0000	Staff Salaries Checking	Disbursement 12/24/18-1/18/19 W #1720, C Dt:01/31/2019, CPF:Y, V:	11,261.86	11,261.86
7916	01/31/2019	5312-0000 1040-0000	Rent Expense Checking	Internet W #1721, C Dt:01/31/2019, CPF:Y, V:	1,595.00	1,595.00
7917	01/31/2019	5589-0000 1040-0000	Administrative Expenses Checking	Printer Lease W #1722, C Dt:01/31/2019, CPF:Y, V:	148.94	148.94
7918	01/31/2019	5311-0000 1040-0000	Service Contracts Checking	Printer Lease W #1723, C Dt:01/31/2019, CPF:Y, V:	107.91	107.91
7919	01/31/2019	5589-0000 1040-0000	Administrative Expenses Checking	Printer Lease W #1724, C Dt:01/31/2019, CPF:Y, V:	300.00	300.00
7920	01/31/2019	5308-0000 1040-0000	Legal Expenses Checking	Printer Lease W #1725, C Dt:01/31/2019, CPF:Y, V:	2,204.08	2,204.08

Adjustments Report

Transaction Date Between 03/01/2019 & 03/31/2019

04/30/2019 12:41:20 Page: 1 User: [redacted]

ID	Transaction Date	DR/CR Acct #	Debit/Credit Account Description	Transaction Description Journal Number	Debit Amt	Credit Amt
2541	03/31/2019	2020-0000 5755-0000	Accounts Payable 3(8)(c) Reimb To Other Systems	Adjust '18 3(8)(c) to actual	748.52	748.52
2542	03/31/2019	2020-0000 5308-0000	Accounts Payable Legal Expenses	reverse accrual from 12/31/18	2,204.08	2,204.08

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NOTES:



Private Equity Expense Accounts

- Carried Interest (4701)
 - Represents incentive allocations paid to the fund's general partner.
 - Debit entry if investment performs well (Credit the Asset)
 - Credit entry when investment performs poorly (Debit the Asset)

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Private Equity Expense Accounts (*Continued*)

- Equalization Expense (4702)
 - Also called “True-Ups”. Represents the adjustment (“equalization”) of incentive fees across all shareholders as if they had all joined a fund on its initial closing date
 - Usually a debit – paid to prior investors if joining a fund after establishment
 - Credit entry if new investors join fund after you – subsequent investors will be paying this equalization expense to **you**.

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NOTES:

Private Equity Expense Accounts (Continued)

- Miscellaneous Investment Expenses (4703)
 - Will include all other investment related fees that are not management fees, carried interest, or equalization expense.
 - Trade, professional, and “other” fees.
 - Always a Debit

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Account Description	Account No.	Debit	Credit
Pooled Alternative Investments	1193	\$ 174,241.00	
Management Fee	5304	\$ 15,720.00	
Realized Loss	4885	\$ 5,280.00	
Investment Income	4821		\$ 31,071.00
Carried Interest	4701		
Unrealized Loss	4887	\$ 46,010.00	
Carried Interest	4701		\$ 210,180.00
To record Q4 adjustment for Terracap			



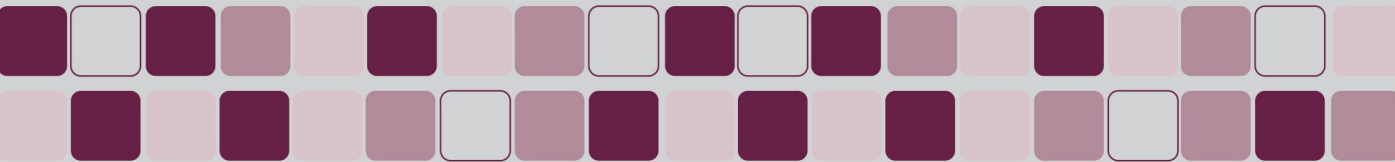
Statement of Changes in Partner's Capital For the Quarter Ended 12/31/2021 (Unaudited)



	Cost	Fair Value
Partner's Capital as of 10/01/2021	2,985,070	5,686,815
Capital Contributions	-	-
Distributions	-	-
Syndication Costs 4703	-	-
Management Fees 5304	(15,720)	(15,720)
Realized Gain (Loss)	(5,280)	(5,280)
Net Other Income (Expenses) 4821 (4703)	31,071	31,071
Carried Interest Reallocation 4701	-	-
Unrealized Gain (Loss)	-	(46,010)
Partner's Capital as of 12/31/2021 before Provisional Carried Interest Allocation	2,995,140	5,650,875
Provisional Carried Interest Allocation to General Partner 4701	-	210,180
Partner's Capital as of 12/31/2021	2,995,140	5,861,055

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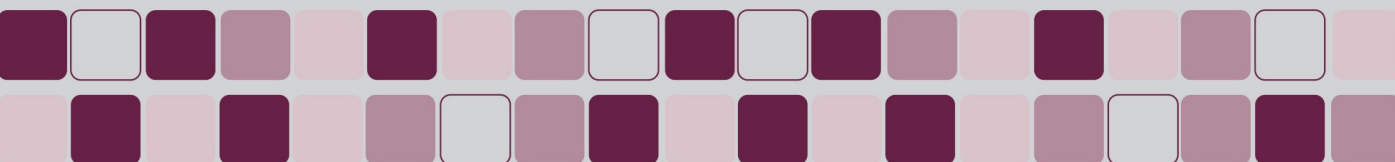
NOTES:




Account Description	Account No.	Debit	Credit
Pooled Alternative Investments	1193	\$ 352,353.40	
Management Fee	5304	\$ 14,233.74	
Carried Interest	4701	\$ 39,150.38	
Misc Investment Expense	4703	\$ 1,970.85	
Investment Income	4821		\$ 44,714.17
Realized Gain	4884		\$ 443.89
Unrealized Gain	4886		\$ 281,027.69
Realized Gain(FX)	4884		\$ 20,238.64
Unrealized Gain(FX)	4886		\$ 61,283.98
To record Q3 adjustment for IFM			

		<div>Current Year Start: 01/01/2021 Current Period Start: 01/07/2021 Period End: 30/09/2021</div>					
IFM Global Infrastructure (US), L.P. Class A Interests		QTD (USD) (Jan-21 + Sep-21)	YTD (USD) (Jan-21 + Sep-21)	QTD (USD) (Jan-21 + Sep-21)	YTD (USD) (Jan-21 + Sep-21)	QTD (USD) (Jan-21 + Sep-21)	YTD (USD) (Jan-21 + Sep-21)
United Partner's Percentage Ownership: 0.00%							
A. Capital Account Statement							
K1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation		LP's Allocation of Total Fund		Total Fund (incl. GP Allocation)		GP's Allocation of Total Fund	
Beginning NAV - Net of Incentive Allocation		9,931,344.81	9,008,127.51	\$ 9,931,344.81	\$ 9,008,127.51	0.00	0.00
Contributions: Cash & Non-Cash		0.00	0.00	299,498,824.32	318,636,131.71	0.00	0.00
Distributions: Cash & Non-Cash		300,069.82	378,765.40	379,151,661.47	464,427,661.87	0.00	0.00
Redemptions: Cash & Non-Cash		0.00	0.00	0.00	2,000,000.00	0.00	0.00
Total Cash/Non-Cash Flows (contributions, less distributions)		(300,069.82)	(378,765.40)	(179,652.85)	(147,821,524.16)	0.00	0.00
Net Operating Income (Expense)		(14,233.74)	(11,812.42)	(18,033,998.68)	(51,922,380.18)	0.00	0.00
Management Fees - Gross of Offsets, Waivers & Rebates ⁽¹⁾		(124,421.95)	(124,421.95)	(51,263,986.43)	(153,440,733.29)	0.00	0.00
Accrued Incentive Allocation - Starting Period Balance		(5,979,931.81)	(2,281.21)	(2,497,222.52)	(9,383,198.89)	0.00	0.00
Partnership Expenses - Limited 4702		0.00	0.00	0.00	0.00	0.00	0.00
Partnership Expenses - Accounting, Administration & IT ⁽²⁾		(77.07)	(543.10)	(520,787.72)	(667,787.40)	0.00	0.00
Partnership Expenses - Legal ⁽³⁾		(398.34)	(1,593.61)	(509,561.35)	(6,671,205.68)	0.00	0.00
Partnership Expenses - Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00
Partnership Expenses - Organization Costs		(430.41)	(2,426.04)	(445,322.34)	(2,995,892.83)	0.00	0.00
Partnership Expenses - Bank Fees		(254,475)	(623.48)	(225,223.84)	(1,919,896.88)	0.00	0.00
Partnership Expenses - Insurance of LHM (non-Cash)		0.00	0.00	0.00	0.00	0.00	0.00
Partnership Expenses - Advice Fees		(661.21)	(1,999.69)	(637,733.32)	(2,448,372.87)	0.00	0.00
Partnership Expenses - Other ⁽⁴⁾		0.00	0.00	0.00	0.00	0.00	0.00
Total Fees to Partners & Expenses (applied during periods)		(1,034.02)	(3,666.22)	(1,034,020.00)	(3,666,220.00)	0.00	0.00
(Total Management Fees & Partnership Expenses, Net of Offsets & Rebates, Gross of Fee Waiver)		(1,034.02)	(3,666.22)	(1,034,020.00)	(3,666,220.00)	0.00	0.00
Interest Income		15,511.20	15,716.96	56,453,199.66	161,613,531.56	0.00	0.00
Dividends/Distributions Income		60.71	199,187.45	102,369.37	244,336,435.62	0.00	0.00
Interest Expense		0.00	0.00	0.00	0.00	0.00	0.00
Other Income		92.23	301.36	114,699.73	373,347.05	0.00	0.00
Total Net Operating Income / Expense		(864,818.89)	157,366.41	(14,180,691.58)	(21,396,437.72)	0.00	0.00
GP (Accrued) Fee		0.00	0.00	0.00	0.00	0.00	0.00
Realized Gains / Losses		443.89	1,272.02	362,367.13	1,886,801.36	0.00	0.00
Change in Unrealized Gains / Losses		281,027.69	632,311.29	396,079,692.21	811,627,681.98	0.00	0.00
Realized Gains / Losses - FX Derivatives		30,238.64	48,997.76	21,640,851.78	63,848,997.48	0.00	0.00
Change in Unrealized Gains / Losses - FX Derivatives		61,283.98	43,175.79	77,651,951.79	62,897,479.16	0.00	0.00
Ending NAV - Net of Incentive Allocation		7,665,560.66	7,558,530.89	9,576,421,186.20	9,576,421,186.20	0.00	0.00
Reconciliation for Accrued Incentive Allocation							
Accrued Incentive Allocation - Starting Period Balance		0.00	89,086.46	0.00	61,990,431.73	0.00	0.00
Incentive Allocation - Paid During the Period		0.00	0.00	0.00	0.00	0.00	0.00
Incentive Allocation - Transfer Out / Transfer In During the Period		(90,130.30)	(124,421.95)	(51,263,986.43)	(133,440,733.29)	0.00	0.00
Accrued Incentive Allocation - Periodic Change		(124,421.95)	(124,421.95)	(147,009,646.88)	(147,009,646.88)	0.00	0.00
Ending NAV - Gross of Accrued Incentive Allocation		7,665,560.66	7,665,560.66	9,773,430,877.38	9,773,430,877.38	0.00	0.00

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Account Description	Account No.	Debit	Credit
Cash	1040		\$ 10,000,000.00
Pooled RE fund	1194	\$ 9,611,690.21	
Equalization Expense	4702	\$ 388,309.79	
To record initial subscription to Terracap			



Inception to 06/30/2016 Investor Statement

Statement Date: August 31, 2016

Account Number:
Federal Tax ID:

Investor's Total Subscription Balance \$ 9,611,690.21
Ownership % of Fund at 06/30/2016 8.09%

4702

5304

Date	Description	Cash Received	Total Up Paid	Subscription Amount	Partnership Income (Loss)	Management Fees**	Amounts Due to Investor	Amounts Refunded to Investor	Total Account Activity	Cumulative Balance
01/11/16	Subscription investment	\$ 10,000,000.00	(188,309.79)	9,611,690.21	-	\$ -	\$ -	\$ -	9,611,690.21	9,611,690.21
03/31/16	Allocation of profit/loss for the quarter ended	-	-	-	(134,133.01)	(272,121.56)	-	-	(406,254.57)	9,205,435.64
06/07/16	GPI paid interest	-	-	-	-	3,039.59	(3,039.59)	-	-	9,205,435.64
06/07/16	True ups from other investors	-	-	-	-	260,032.51	(260,032.51)	-	-	9,205,435.64
05/30/16	Allocation of profit/loss for the quarter ended	-	-	-	(12,267.91)	(86,215.62)	-	-	(98,483.53)	9,106,952.11
Ending balance		\$ 10,000,000.00	\$ (188,309.79)	\$ 9,611,690.21	\$ (146,400.92)	\$ (338,337.18)	\$ 263,072.10	\$ (263,072.10)	\$ 9,106,952.11	\$ 9,106,952.11

** Management fee recorded in Q2 2016 reflect any changes that may have occurred in your account from inception to 6/30/2016. These changes are a result of the elections that were made earlier this year.

Net Asset Value	
6/30/2016	
Fund Fair Value	\$ 110,508,356
Investor Ownership %	8.09%
Investor Fair Value	\$ 9,930,574.30

Summary

- Cash books are due within four (4) weeks of the close of each month!
- Monthly cash book package consists of 5 core reports:
 - Trial Balance (YTD)
 - Cash Receipts, Cash Disbursements, Adjusting Journal, and General Ledger (MTD)
- Manager Statements/Pooled Fund Worksheets, Custodian, and Consultant reports are also required within four (4) weeks of receipt by Board.
- Accounts Receivable/Payable Clearing – Single entry method is preferred!
- Carried Interest, Equalization, and Misc. expenses can be tricky, but not impossible!

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Questions?



Slide 29

NOTES:

COMMONWEALTH OF MASSACHUSETTS

Public Employee Retirement Administration Commission

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