

City of El Paso Employees Retirement Trust

Treasurer's Report

Margarita Munoz

Comptroller, City of El Paso

May 31, 2022

City of El Paso Employees Retirement Trust
Statements of Net Assets Available for Benefits

	Unaudited May 31, 2022	Audited August 31, 2021	Audited August 31, 2020	Audited August 31, 2019
<u>Assets</u>				
Cash and Investments (at fair value):				
Cash and Cash Equivalents	\$ 6,121,399	\$ 3,580,457	\$ 10,646,860	\$ 17,959,516
Cash in Escrow	1,481,784	1,656,688	-	-
Investments	943,206,556	1,030,992,346	862,756,738	787,962,164
Total Cash and Investments	<u>950,809,739</u>	<u>1,036,229,491</u>	<u>873,403,598</u>	<u>805,921,680</u>
Receivables				
Unrestricted	1,413,797	1,950,229	3,583,017	3,812,901
Restricted - commission credits	7,883	7,883	6,109	3,697
Total Receivables	<u>1,421,680</u>	<u>1,958,112</u>	<u>3,589,126</u>	<u>3,816,598</u>
Prepaid Expenses	40,620	24,021	23,837	23,249
Capital Assets	<u>2,516,531</u>	<u>2,516,531</u>	<u>2,678,419</u>	<u>3,154,205</u>
Total Assets	<u>954,788,570</u>	<u>1,040,728,155</u>	<u>879,694,980</u>	<u>812,915,732</u>
<u>Liabilities</u>				
Due to Brokers for Securities Purchased	-	-	1,164,852	5,338,049
Accrued Expenses	595,508	2,036,126	534,623	949,995
Deferred Revenue - commission credits	7,883	7,883	6,109	3,697
Total Liabilities	<u>603,391</u>	<u>2,044,009</u>	<u>1,705,584</u>	<u>6,291,741</u>
Net Assets Available for Benefits	<u>\$ 954,185,179</u>	<u>\$ 1,038,684,146</u>	<u>\$ 877,989,396</u>	<u>\$ 806,623,991</u>

City of El Paso Employees Retirement Trust
Statements of Changes in Net Assets Available for Benefits

	<u>Unaudited</u> Nine Months Ended May 31, 2022	<u>Audited</u> Year Ended August 31, 2021	<u>Audited</u> Year Ended August 31, 2020	<u>Audited</u> Year Ended August 31, 2019
<u>Additions</u>				
Receipts				
Contributions	\$ 31,366,125	\$ 40,702,548	\$ 41,410,781	\$ 42,171,245
Investment Income				
Interest	432,457	1,049,280	4,109,088	4,169,630
Dividends	2,617,270	2,548,310	2,356,890	3,552,203
Net Change in Fair Value of Investments	(52,296,280)	201,182,318	99,563,115	7,981,580
Gain on Disposition of Assets	-	-	19,939	-
Other	-	24,567	11,301	37,424
Less Investment Advisor Fees	(2,065,888)	(2,753,808)	(3,589,807)	(2,920,990)
Net Investment Income	(51,312,441)	202,050,667	102,470,526	12,819,847
Total Net Additions	(19,946,316)	242,753,215	143,881,307	54,991,092
<u>Deductions</u>				
Benefits Paid to Retirees	59,102,518	75,812,963	66,639,726	62,356,632
Refunds	4,035,182	3,804,288	3,737,266	4,215,138
Administrative Expenses	1,208,592	2,441,214	2,138,910	1,761,619
Legal Settlement	206,359	-	-	-
Total Deductions	64,552,651	82,058,465	72,515,902	68,333,389
Net Increase (Decrease)	(84,498,967)	160,694,750	71,365,405	(13,342,297)
Beginning Net Assets Available for Benefits	1,038,684,146	877,989,396	806,623,991	819,966,288
Ending Net Assets Available for Benefits	\$ 954,185,179	\$ 1,038,684,146	\$ 877,989,396	\$ 806,623,991
<u>Reconciliation to Mellon Statements</u>				
Reported per Mellon Statement (Cash Basis)	\$ 943,163,987			
Adjustments to Accrual Basis:				
Prior Year Capitalization	10,416,411			
Accrue Contributions	1,335,304			
Accrue Investment Advisor Fees	(576,371)			
Accrue Administrative Expenses	(19,137)			
Adjust for Prepaid Insurance	16,599			
Accrue Legal Settlement	(151,615)			
Reported per Treasurer's Report (Accrual Basis)	\$ 954,185,179			

City of El Paso Employees Retirement Trust
Quarterly Statements of Changes in Net Assets Available for Benefits

	3rd QTR, FY 2022 May 31, 2022	2nd QTR, FY 2022 February 28, 2022	1st QTR, FY 2022 November 30, 2021	4th QTR, FY 2021 August 31, 2021	3rd QTR, FY 2021 May 31, 2021	2nd QTR, FY 2021 February 28, 2021
<u>Additions</u>						
Receipts						
Contributions	\$ 10,819,174	\$ 10,181,240	\$ 10,365,711	\$ 10,518,718	\$ 10,207,076	\$ 9,919,609
Investment Income						
Interest	304,458	(145,138)	273,137	272,132	289,774	265,017
Dividends	996,664	780,774	839,832	732,765	655,659	623,716
Net Change in Fair Value of Investments	(39,039,302)	(18,380,676)	5,123,698	71,689,524	43,245,583	35,840,704
Other	-	-	-	6,959	18,603	-
Less Investment Advisor Fees	(714,509)	(422,764)	(928,615)	(836,984)	(478,642)	(1,032,775)
Net Investment Income (Loss)	(38,452,689)	(18,167,804)	5,308,052	71,864,396	43,730,977	35,696,662
Total Net Additions (Reductions)	(27,633,515)	(7,986,564)	15,673,763	82,383,114	53,938,053	45,616,271
<u>Deductions</u>						
Benefits Paid to Retirees	23,720,596	17,051,638	18,330,284	19,779,243	17,985,413	17,784,596
Refunds	1,179,397	1,228,086	1,627,699	1,372,403	905,644	647,875
Administrative Expenses	357,592	504,166	346,834	620,217	726,138	505,031
Legal Settlement	80,714	95,857	29,788	39,203	309,237	245,469
Total Deductions	25,338,299	18,879,747	20,334,605	21,811,066	19,926,432	19,182,971
Net Increase (Decrease)	(52,971,814)	(26,866,311)	(4,660,842)	60,572,048	34,011,621	26,433,300
Beginning Net Assets Available for Benefits	1,007,156,993	1,034,023,304	1,038,684,146	978,112,098	944,100,477	917,667,177
Ending Net Assets Available for Benefits	\$ 954,185,179	\$ 1,007,156,993	\$ 1,034,023,304	\$ 1,038,684,146	\$ 978,112,098	\$ 944,100,477

City of El Paso Employees Retirement Trust
Investment Income Analysis

	Year to Date		Month							
	May 31, 2022	May	April	March	February	January	December	November	October	September
<u>Detail</u>										
Interest	\$ 432,457	\$ 7,131	\$ 274,327	\$ 23,000	\$ 105	\$ 272,311	\$ (417,554)	\$ 156	\$ 272,924	\$ 57
Dividends	2,617,270	201,442	580,961	214,261	140,465	452,453	187,856	175,790	497,557	166,485
Realized Gain/Loss	92,227,752	119,108	26,638	6,276,584	78,524	4,592,535	7,138,261	67,163,270	190,449	6,642,383
Unrealized Gain/Loss-Investments	(144,520,076)	3,006,954	(44,417,951)	(4,048,222)	(6,415,738)	(35,343,386)	11,569,710	(66,246,831)	30,212,774	(32,837,386)
Unrealized Gain/Loss Currency	(3,956)	674	(2,909)	(178)	805	(2,631)	1,244	(1,084)	1,596	(1,473)
Per Statements of Changes in Net Assets	<u>\$ (49,246,553)</u>	<u>\$ 3,335,309</u>	<u>\$ (43,538,934)</u>	<u>\$ 2,465,445</u>	<u>\$ (6,195,839)</u>	<u>\$ (30,028,718)</u>	<u>\$ 18,479,517</u>	<u>\$ 1,091,301</u>	<u>\$ 31,175,300</u>	<u>\$ (26,029,934)</u>

<u>Summary</u>	
Interest	\$ 432,457
Dividends	2,617,270
Net Market Value Depreciation	<u>(52,296,280)</u>
Net Investment Loss (NIL)	<u>\$ (49,246,553)</u>

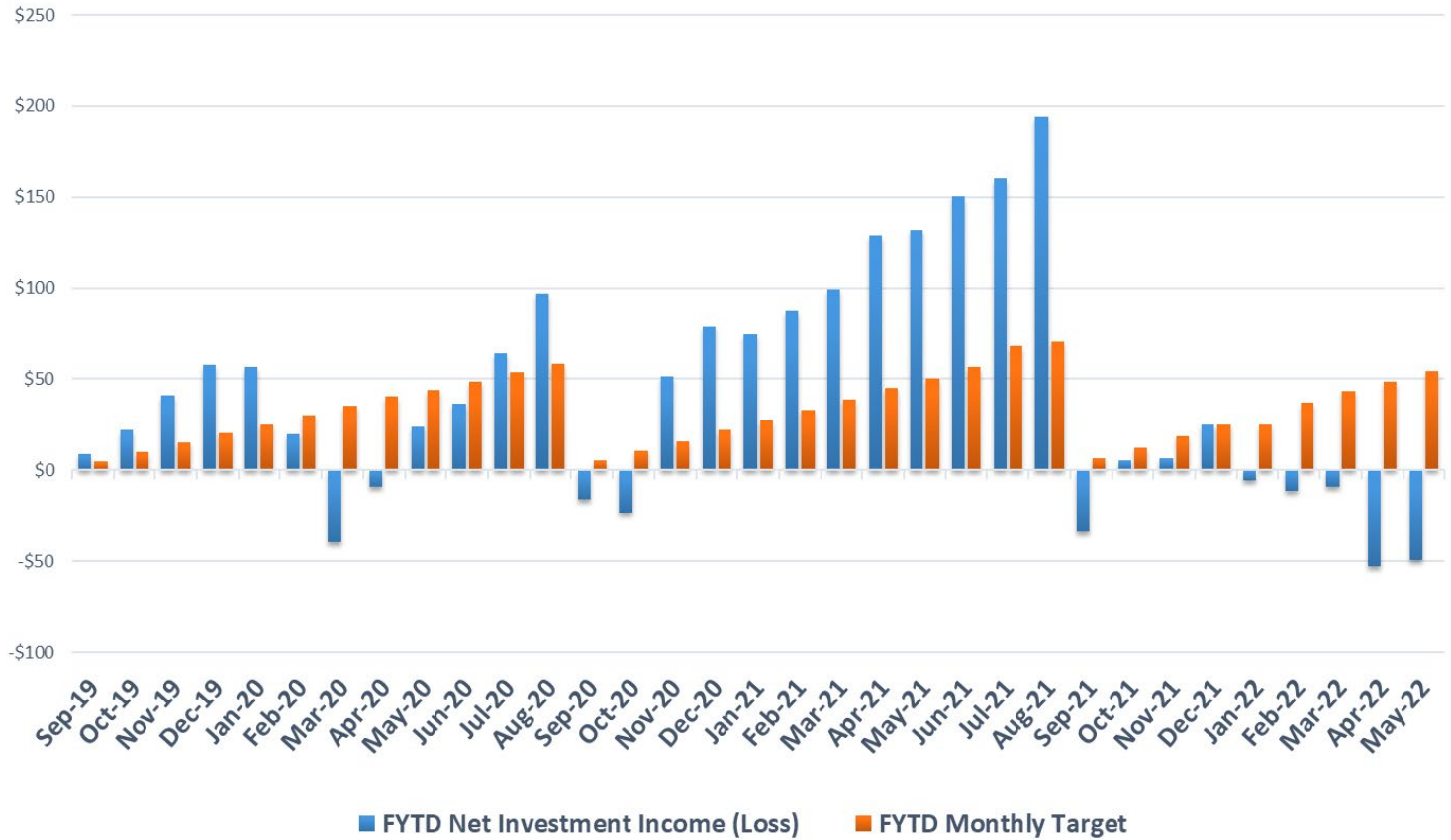
Fiscal Year NIL to Date / Avg Net Assets Avail for Benefits	-4.94%
Net Assets Available for Benefits - August 31, 2021	\$ 1,038,684,146
Target Rate of Return	7.25%
Cumulative Target Rate of Return	5.44%
Fiscal Year 2022 Nil Target	\$ 72,241,513

NOTE: Target Rate of Return changed from 7.50% to 7.25% in May 2020 following Board approval

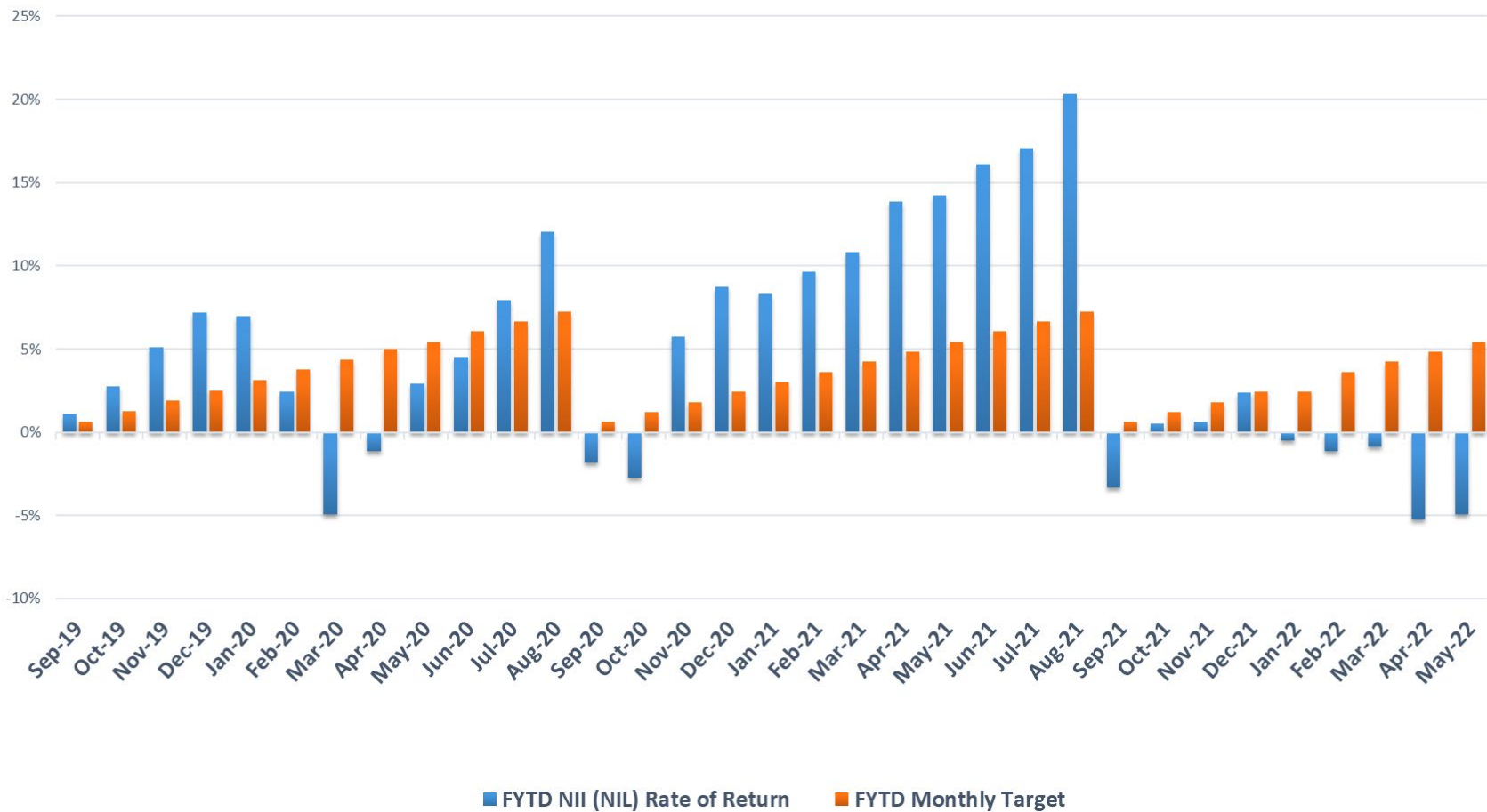
CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
 CITY PENSION ADMINISTRATION ACTUAL/BUDGET COMPARISON
 For The Nine Months Ended May 31, 2022

DESCRIPTION	BUDGET	ACTUAL	PERCENT UTILIZED	UNDER(OVER) BUDGET
<u>EXPENDITURES</u>				
NON-UNIFORM WAGES AND SALARIES	\$ 583,038	\$ 482,431	82.7%	\$ 100,607
SHIFT DIFFERENTIAL - CIVILIAN	25	-	0.0%	25
EQUIPMENT ALLOWANCE	3,800	2,601	68.4%	1,199
WORKERS COMPENSATION- CIVILIAN	1,749	1,291	73.8%	458
UNEMPLOYMENT COMPEN - CIVILIAN	569	465	81.7%	104
POS CITY - EMPLOYER CONTRIB	32,534	22,200	68.2%	10,334
LIFE INSURANCE - CIVILIAN	400	199	0.0%	201
ALLOW(EXC MIL& UNIF)-CIVILIA	4,850	3,468	71.5%	1,382
INSURANCE & ANCILLARY BENEFITS	36,370	6,607	18.2%	29,763
OTHER EMPLOYEE BENEFITS	17,882	12,903	72.2%	4,979
CITY PENSION PLAN CONTRIBUTION	79,941	64,458	80.6%	15,483
FICA CITY MATCH - CIVILIAN	31,545	23,917	75.8%	7,628
FICA MED- CITY MATCH-CIVILIAN	8,250	6,551	79.4%	1,699
Salaries Wages & Employee Benefits	<u>800,953</u>	<u>627,091</u>	78.3%	<u>173,862</u>
HEALTH CARE PROVIDERS SERVICES	2,500	-	0.0%	2,500
INTERPRETER SERVICES	500	-	0.0%	500
INVESTIGATIVE SERVICES	1,800	-	0.0%	1,800
DATA PROCESS SERVICES CONTRACT	81,500	60,000	73.6%	21,500
MAINT SVCS CONTRACT-JANITORIAL	12,000	9,482	79.0%	2,518
PRINTING SERVICES CONTRACTS	7,000	2,202	31.5%	4,798
SECURITY CONTRACTS	2,500	3,299	132.0%	(799)
OUTSIDE CONTRACTS - NOC	7,200	2,180	30.3%	5,020
PEST CONTROL CONTRACTS	1,000	601	60.1%	399
GROUNDKEEPING HORTI CONTRACTS	4,000	2,961	74.0%	1,039
OFFICE EQUIP MAINT CONTRACTS	1,600	1,472	92.0%	128
EQUIP MAINT-INTERFUND SVCS	500	-	0.0%	500
MAIL ROOM CHARGES	21,000	-	0.0%	21,000
COPIER CONTRACT SERVICES	4,000	2,739	68.5%	1,261
Contractual Services	<u>147,100</u>	<u>84,936</u>	57.7%	<u>62,164</u>
OFFICE SUPPLIES	9,000	6,574	73.0%	2,426
SUPPLIES COMPUTER EQUIPMENT	1,950	490	25.1%	1,460
CLEANING SUPPLIES	1,500	419	27.9%	1,081
BUILDING MAINTENANCE SUPPLIES	11,099	4,342	39.1%	6,757
DATA PROCESS EQUIP	3,550	-	0.0%	3,550
Material and Supplies	<u>27,099</u>	<u>11,825</u>	43.6%	<u>15,274</u>
PHONE & INTERNET	300	-	0.0%	300
LONG DISTANCE	100	-	0.0%	100
WIRELESS COMMUNICATION SERVICE	1,600	1,204	75.3%	396
POSTAGE	800	615	76.9%	185
ELECTRICITY	8,500	6,614	77.8%	1,886
WATER	7,000	4,434	63.3%	2,566
NATURAL GAS OTHER	3,000	3,078	102.6%	(78)
TRAVEL EXPENSES - EMPLOYEES	2,701	2,627	97.3%	74
TRAVEL EXPENSES - BOARD MEMBER	11,000	215	2.0%	10,785
MILEAGE ALLOWANCES	100	-	0.0%	100
OTHER SERVICES CHARGES EXPENSE	13,000	3,014	23.2%	9,986
SEMINARS CONTINUING EDUCATION	675	255	37.8%	420
PROFESSIONAL LICENSES & MEMBER INSURANCE	6,000	6,660	111.0%	(660)
Operating Expenditures	<u>144,425</u>	<u>108,460</u>	75.1%	<u>35,965</u>
MAJOR OFFICE EQUIP & APPLIANCE	-	-	0.0%	-
AUDIO VISUAL	-	-	0.0%	-
FURNITURE AND FIXTURES	-	-	0.0%	-
Capital Outlay	-	-	0.0%	-
Total In-House Administrative Expenses	<u>\$ 1,119,577</u>	<u>832,312</u>	74.3%	<u>\$ 287,265</u>
Expenses paid directly by Mellon Trust		<u>376,280</u>		
Total Administrative expenses		<u>\$ 1,208,592</u>		

Net YTD Investment Income
Monthly through May 31, 2022
(Millions)



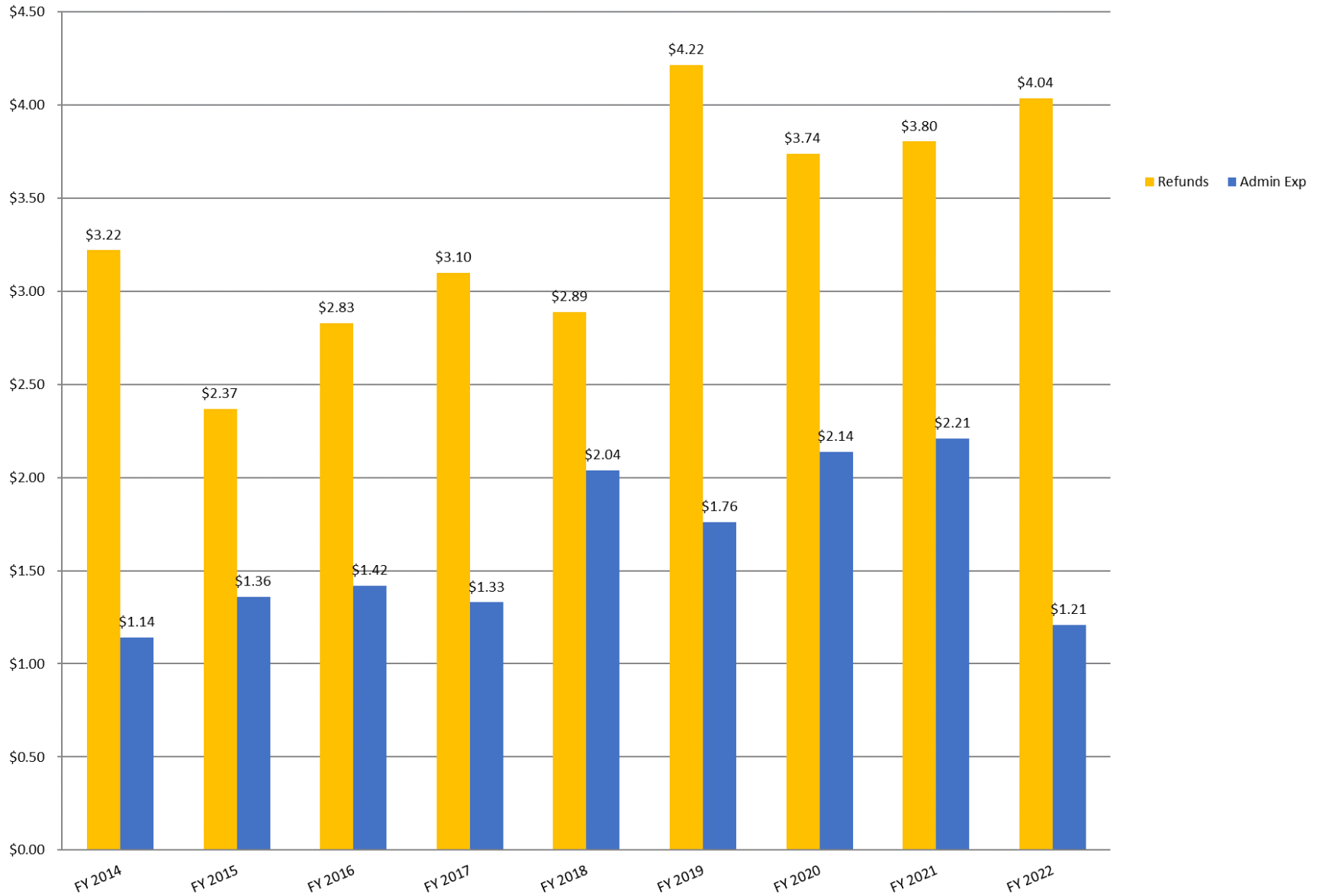
Net Investment Income Rate of Return Monthly through May 31, 2022



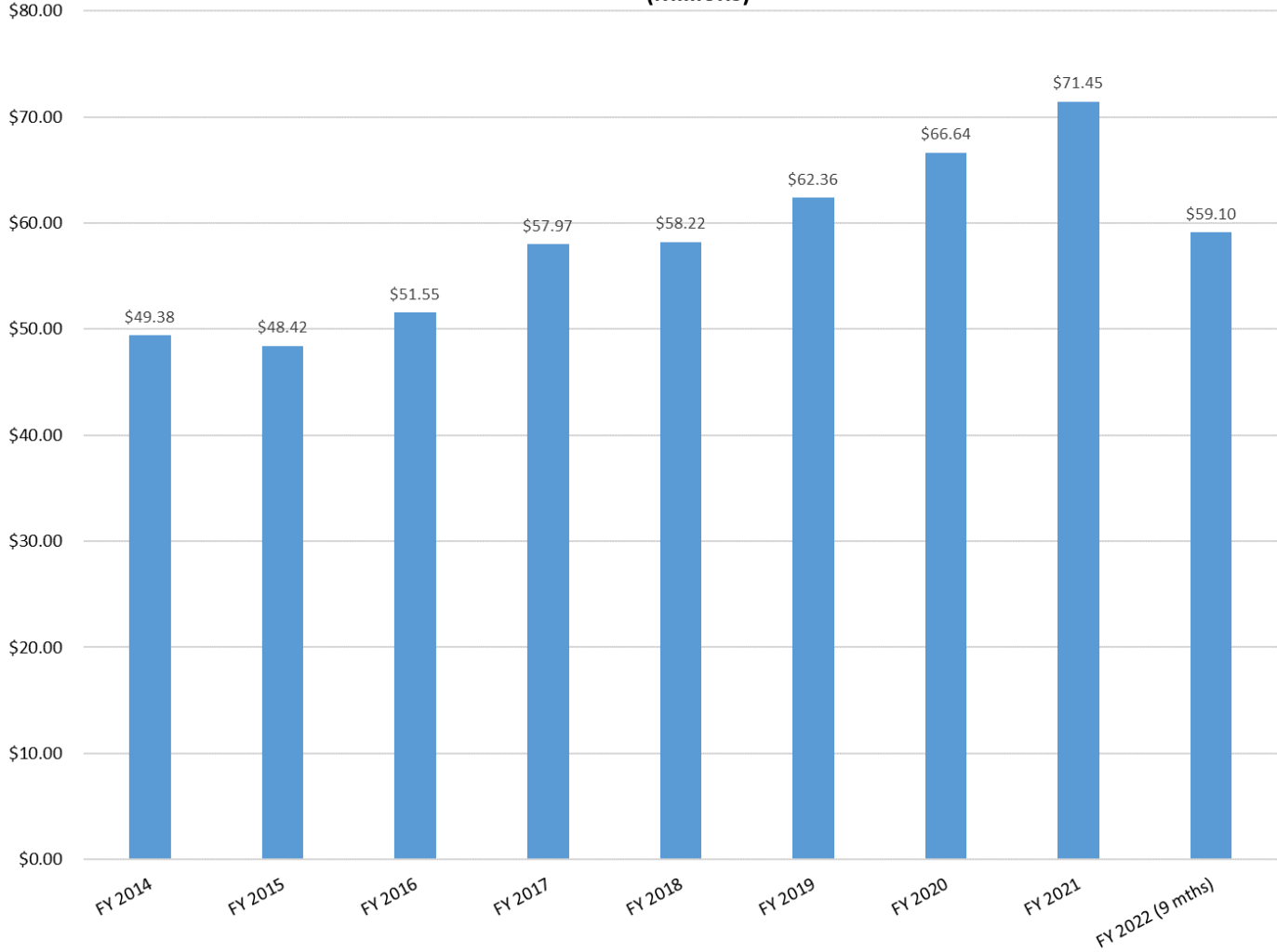
Refunds & Administrative Expenses

Yearly through May 31, 2022

(Millions)



**Benefits Paid to Retirees
Yearly through May 31, 2022
(Millions)**



Note: Current Fiscal Year Annualized Benefit Amount \$77,170,857
13th Payments as follows: 05/20/2022- \$4,897,500; 07/21/2017 - \$2,198,400 and 05/08/2014 - \$3,480,689