

City of El Paso Employees Retirement Trust

Treasurer's Report

Margarita Munoz

Comptroller, City of El Paso

January 31, 2023

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

	Unaudited January 31, 2023	Unaudited August 31, 2022	Audited August 31, 2021	Audited August 31, 2020
<u>Assets</u>				
Cash and Investments (at fair value):				
Cash and Cash Equivalents	\$ 26,553,193	\$ 13,243,016	\$ 3,580,457	\$ 10,646,860
Cash in Escrow	1,481,799	1,481,799	1,656,688	-
Investments	893,067,295	900,900,263	1,030,992,346	862,756,738
Total Cash and Investments	921,102,287	915,625,078	1,036,229,491	873,403,598
Receivables				
Unrestricted	5,351,413	2,151,228	1,950,229	3,583,017
Restricted - commission credits	7,883	7,883	7,883	6,109
Total Receivables	5,359,296	2,159,111	1,958,112	3,589,126
Prepaid Expenses	68,845	23,210	24,021	23,837
Capital Assets	2,516,531	2,516,531	2,516,531	2,678,419
Total Assets	929,046,959	920,323,930	1,040,728,155	879,694,980
<u>Liabilities</u>				
Due to Brokers for Securities Purchased	274,009	-	-	1,164,852
Accrued Expenses	825,595	554,156	2,036,126	534,623
Deferred Revenue - commission credits	7,883	7,883	7,883	6,109
Total Liabilities	1,107,487	562,039	2,044,009	1,705,584
Net Assets Available for Benefits	\$ 927,939,472	\$ 919,761,891	\$ 1,038,684,146	\$ 877,989,396

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

	<u>Unaudited</u> Five Months Ended January 31, 2023	<u>Unaudited</u> Year Ended August 31, 2022	<u>Audited</u> Year Ended August 31, 2021	<u>Audited</u> Year Ended August 31, 2020
<u>Additions</u>				
Receipts				
Contributions	\$ 20,283,784	\$ 42,762,191	\$ 40,702,548	\$ 41,410,781
Investment Income				
Interest	869,603	793,010	1,049,280	4,109,088
Dividends	1,865,843	3,597,637	2,548,310	2,356,890
Net Change in Fair Value of Investments	20,018,505	(78,244,096)	201,182,318	99,563,115
Gain on Disposition of Assets	-	-	-	19,939
Other	94,204	-	24,567	11,301
Less Investment Advisor Fees	(1,184,949)	(2,480,568)	(2,753,808)	(3,589,807)
Net Investment Income	<u>21,663,206</u>	<u>(76,334,017)</u>	<u>202,050,667</u>	<u>102,470,526</u>
Total Net Additions	<u>41,946,990</u>	<u>(33,571,826)</u>	<u>242,753,215</u>	<u>143,881,307</u>
<u>Deductions</u>				
Benefits Paid to Retirees	31,715,411	77,936,687	73,108,342	66,639,726
Refunds	1,249,177	5,441,578	3,804,288	3,737,266
Administrative Expenses	804,821	1,690,771	2,441,214	2,138,910
Legal Settlement	-	281,393	2,704,621	-
Total Deductions	<u>33,769,409</u>	<u>85,350,429</u>	<u>82,058,465</u>	<u>72,515,902</u>
Net Increase (Decrease)	<u>8,177,581</u>	<u>(118,922,255)</u>	<u>160,694,750</u>	<u>71,365,405</u>
Beginning Net Assets Available for Benefits	<u>919,761,891</u>	<u>1,038,684,146</u>	<u>877,989,396</u>	<u>806,623,991</u>
Ending Net Assets Available for Benefits	<u>\$ 927,939,472</u>	<u>\$ 919,761,891</u>	<u>\$ 1,038,684,146</u>	<u>\$ 877,989,396</u>
<u>Reconciliation to Mellon Statements</u>				
Reported per Mellon Statement (Cash Basis)	\$ 915,971,592			
Adjustments to Accrual Basis:				
Prior Year Capitalization	10,415,601			
Accrue Contributions	2,086,595			
Accrue Investment Advisor Fees	(793,864)			
Accrue Administrative Expenses	(31,731)			
Adjust for Prepaid Insurance	45,635			
Land Sale	426,859			
Accrue Legal Settlement	(181,214)			
Reported per Treasurer's Report (Accrual Basis)	<u>\$ 927,939,472</u>			

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

	2nd QTR, FY 2023 <u>January 31, 2023</u>	1st QTR, FY 2023 <u>November 30, 2022</u>	4th QTR, FY 2022 <u>August 31, 2022</u>	3rd QTR, FY 2022 <u>May 31, 2022</u>	2nd QTR, FY 2022 <u>February 28, 2022</u>	1st QTR, FY 2022 <u>November 30, 2021</u>
<u>Additions</u>						
Receipts						
Contributions	\$ 8,729,436	\$ 11,554,348	\$ 11,396,066	\$ 10,819,174	\$ 10,181,240	\$ 10,365,711
Investment Income						
Interest	467,822	401,781	360,553	304,458	(145,138)	273,137
Dividends	844,516	1,021,327	980,367	996,664	780,774	839,832
Net Change in Fair Value of Investments	15,895,766	4,122,739	(25,947,816)	(39,039,302)	(18,380,676)	5,123,698
Less Investment Advisor Fees	(575,341)	(609,608)	(414,680)	(714,509)	(422,764)	(928,615)
Net Investment Income (Loss)	16,726,967	4,936,239	(25,021,576)	(38,452,689)	(18,167,804)	5,308,052
Total Net Additions (Reductions)	<u>25,456,403</u>	<u>16,490,587</u>	<u>(13,625,510)</u>	<u>(27,633,515)</u>	<u>(7,986,564)</u>	<u>15,673,763</u>
<u>Deductions</u>						
Benefits Paid to Retirees	12,764,231	18,951,180	18,834,169	23,720,596	17,051,638	18,330,284
Refunds	543,494	705,683	1,406,396	1,179,397	1,228,086	1,627,699
Administrative Expenses	368,697	436,124	482,179	357,592	504,166	346,834
Legal Settlement	-	-	75,034	80,714	95,857	29,788
Total Deductions	<u>13,676,422</u>	<u>20,092,987</u>	<u>20,797,778</u>	<u>25,338,299</u>	<u>18,879,747</u>	<u>20,334,605</u>
Net Increase (Decrease)	<u>11,779,981</u>	<u>(3,602,400)</u>	<u>(34,423,288)</u>	<u>(52,971,814)</u>	<u>(26,866,311)</u>	<u>(4,660,842)</u>
Beginning Net Assets Available for Benefits	<u>916,159,491</u>	<u>919,761,891</u>	<u>954,185,179</u>	<u>1,007,156,993</u>	<u>1,034,023,304</u>	<u>1,038,684,146</u>
Ending Net Assets Available for Benefits	<u>\$ 927,939,472</u>	<u>\$ 916,159,491</u>	<u>\$ 919,761,891</u>	<u>\$ 954,185,179</u>	<u>\$ 1,007,156,993</u>	<u>\$ 1,034,023,304</u>

City of El Paso Employees Retirement Trust
Investment Income Analysis

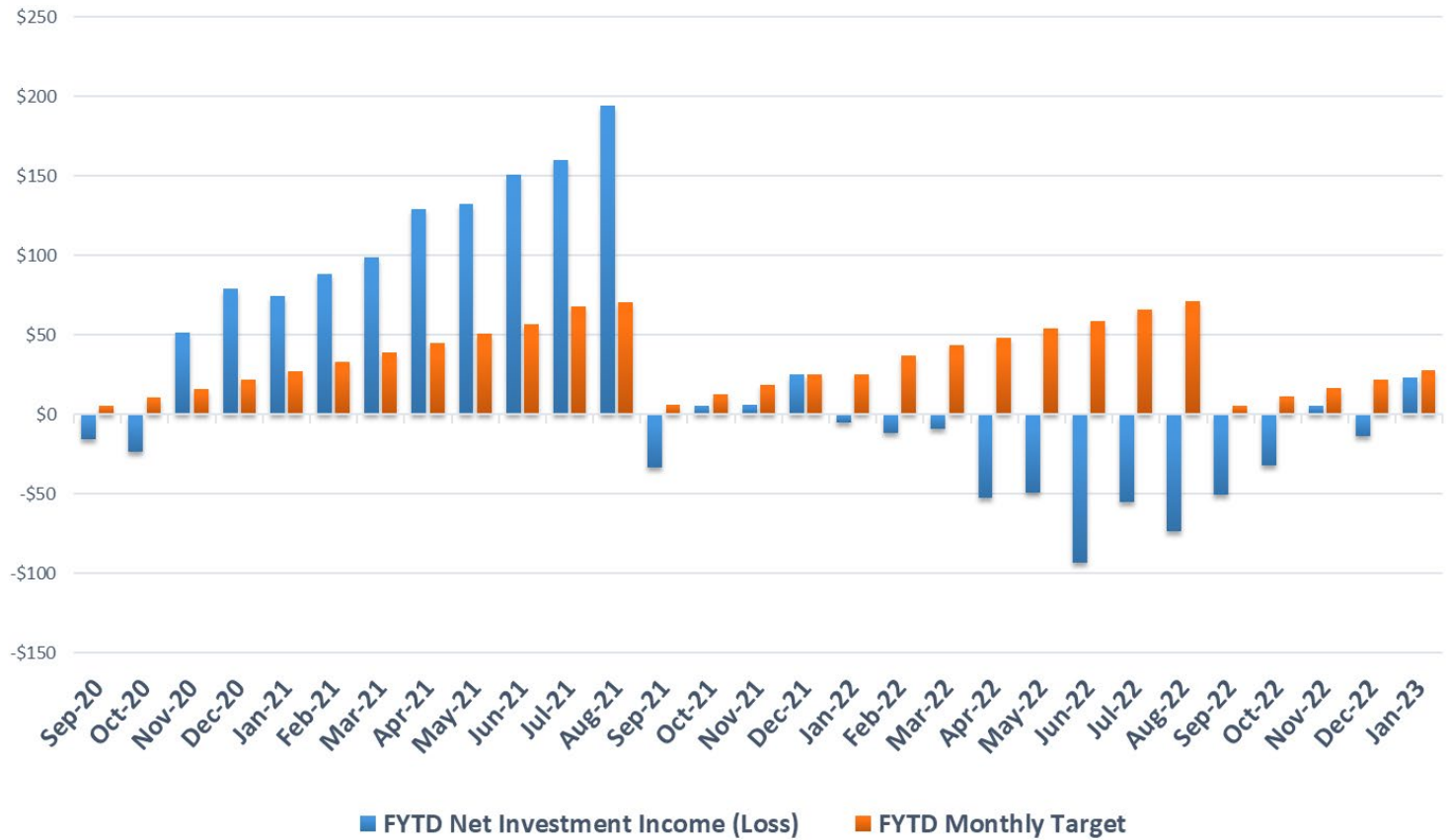
	Year to Date	Month				
	January 31, 2023	January	December	November	October	September
<u>Detail</u>						
Interest	\$ 869,603	\$ 108,307	\$ 359,515	\$ 35,267	\$ 330,789	\$ 35,725
Dividends	1,865,843	585,052	259,464	240,761	562,957	217,609
Realized Gain/Loss	2,930,658	320,532	(181,429)	574,291	388,396	1,828,868
Realized Gain/Loss Current Dividends	(148)	-	-	-	-	(148)
Unrealized Gain/Loss-Investments	17,084,642	35,516,889	(19,762,186)	37,104,806	17,087,814	(52,862,681)
Unrealized Gain/Loss Currency	3,353	383	1,577	2,541	(845)	(303)
Per Statements of Changes in Net Assets	<u>\$ 22,753,951</u>	<u>\$ 36,531,163</u>	<u>\$ (19,323,059)</u>	<u>\$ 37,957,666</u>	<u>\$ 18,369,111</u>	<u>\$ (50,780,930)</u>

<u>Summary</u>	
Interest	\$ 869,603
Dividends	1,865,843
Net Market Value Appreciation	<u>20,018,505</u>
Net Investment Income (NII)	<u>\$ 22,753,951</u>
Fiscal Year NII to Date / Avg Available Net Assets	2.46%
Net Assets Available for Benefits - August 31, 2022	\$ 919,761,891
Target Rate of Return	7.25%
Cumulative Target Rate of Return	3.02%
Fiscal Year 2023 NII Target	\$ 66,979,174

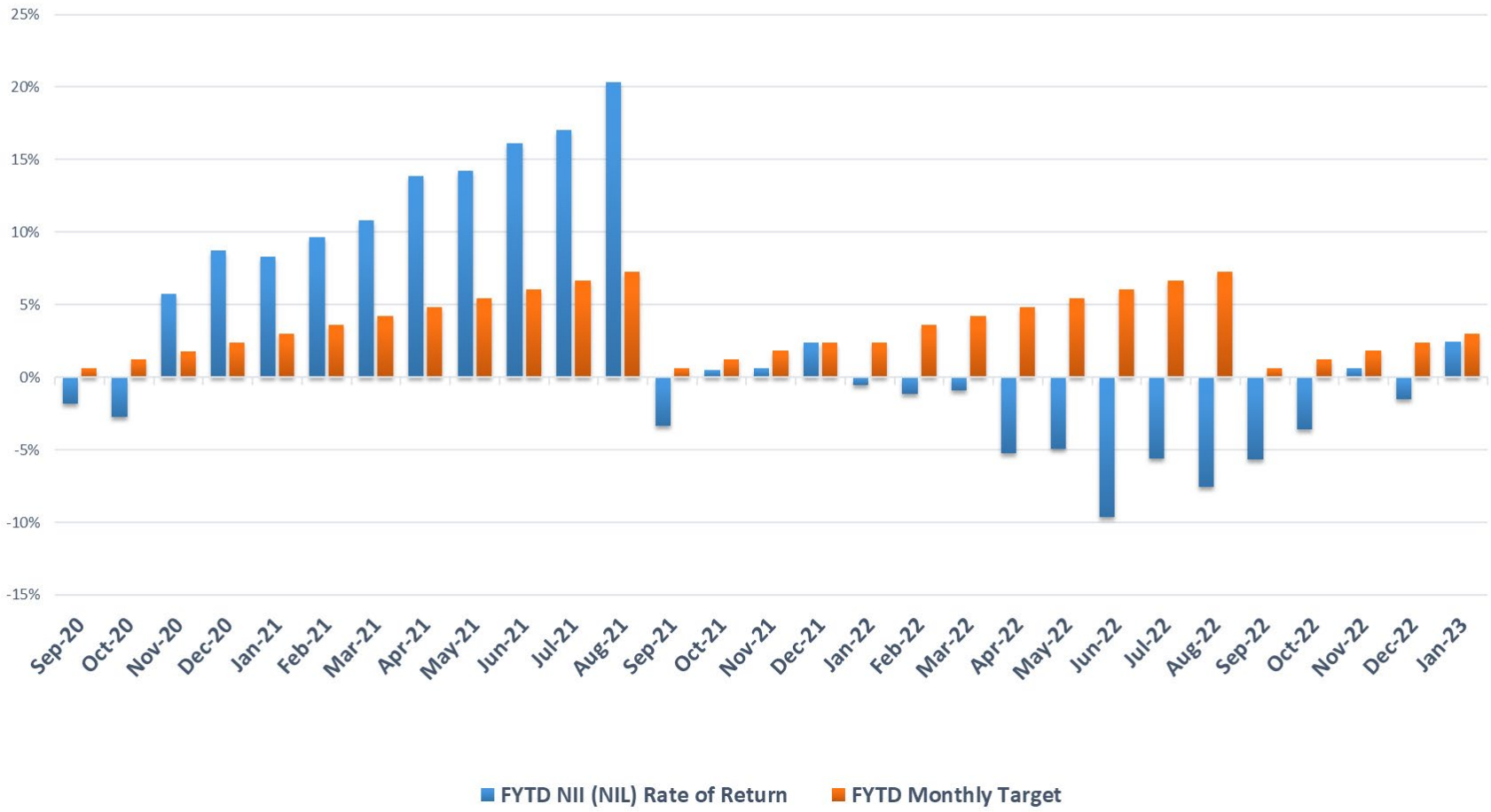
CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
 CITY PENSION ADMINISTRATION ACTUAL/BUDGET COMPARISON
 For Five Months Ended January 31, 2023

DESCRIPTION	BUDGET	ACTUAL	PERCENT UTILIZED	UNDER(OVER) BUDGET
<u>EXPENDITURES</u>				
NON-UNIFORM WAGES AND SALARIES	\$ 715,780	\$ 241,052	33.7%	\$ 474,728
SHIFT DIFFERENTIAL - CIVILIAN	25	-	0.0%	25
EQUIPMENT ALLOWANCE	3,800	1,345	35.4%	2,455
WORKERS COMPENSATION- CIVILIAN	2,147	702	32.7%	1,445
UNEMPLOYMENT COMPEN - CIVILIAN	713	244	34.2%	469
POS CITY - EMPLOYER CONTRIB	39,602	12,046	30.4%	27,556
LIFE INSURANCE - CIVILIAN	400	103	0.0%	297
ALLOW(EXC MIL& UNIF)-CIVILIA	4,850	1,793	37.0%	3,057
INSURANCE & ANCILLARY BENEFITS	36,370	3,977	10.9%	32,393
OTHER EMPLOYEE BENEFITS	17,882	6,711	37.5%	11,171
CITY PENSION PLAN CONTRIBUTION	100,146	33,866	33.8%	66,280
FICA CITY MATCH - CIVILIAN	38,297	10,411	27.2%	27,886
FICA MED- CITY MATCH-CIVILIAN	10,335	3,467	33.5%	6,868
Salaries Wages & Employee Benefits	<u>970,347</u>	<u>315,717</u>	32.5%	<u>654,630</u>
HEALTH CARE PROVIDERS SERVICES	2,500	-	0.0%	2,500
INTERPRETER SERVICES	500	-	0.0%	500
INVESTIGATIVE SERVICES	1,800	362	20.1%	1,438
DATA PROCESS SERVICES CONTRACT	81,500	20,000	24.5%	61,500
MAINT SVCS CONTRACT-JANITORIAL	13,400	3,993	29.8%	9,407
PRINTING SERVICES CONTRACTS	7,000	535	7.6%	6,465
SECURITY CONTRACTS	2,500	360	14.4%	2,140
OUTSIDE CONTRACTS - NOC	8,500	1,335	15.7%	7,165
PEST CONTROL CONTRACTS	1,000	238	23.8%	762
GROUNDKEEPING HORTI CONTRACTS	4,000	1,351	33.8%	2,649
OFFICE EQUIP MAINT CONTRACTS	1,600	-	0.0%	1,600
MAIL ROOM CHARGES	21,000	-	0.0%	21,000
COPIER CONTRACT SERVICES	4,000	513	12.8%	3,487
Contractual Services	<u>149,300</u>	<u>28,687</u>	19.2%	<u>120,613</u>
OFFICE SUPPLIES	9,000	2,709	30.1%	6,291
SUPPLIES COMPUTER EQUIPMENT	29,800	268	0.9%	29,532
CLEANING SUPPLIES	1,500	193	12.9%	1,307
BUILDING MAINTENANCE SUPPLIES	30,500	3,230	10.6%	27,270
DATA PROCESS EQUIP	5,300	-	0.0%	5,300
Material and Supplies	<u>76,100</u>	<u>6,400</u>	8.4%	<u>69,700</u>
PHONE & INTERNET	300	-	0.0%	300
LONG DISTANCE	100	-	0.0%	100
WIRELESS COMMUNICATION SERVICE	1,800	744	41.3%	1,056
POSTAGE	600	-	0.0%	600
ELECTRICITY	9,200	3,464	37.7%	5,736
WATER	7,000	2,322	33.2%	4,678
NATURAL GAS OTHER	4,000	1,665	41.6%	2,335
TRAVEL EXPENSES - EMPLOYEES	6,500	34	0.5%	6,466
TRAVEL EXPENSES - BOARD MEMBER	11,000	180	1.6%	10,820
MILEAGE ALLOWANCES	100	-	0.0%	100
OTHER SERVICES CHARGES EXPENSE	11,500	481	4.2%	11,019
VEHICLES - MAINT & REPAIRS	500	200	40.0%	300
SEMINARS CONTINUING EDUCATION	675	-	0.0%	675
PROFESSIONAL LICENSES & MEMBER INSURANCE	7,000	5,245	74.9%	1,755
Operating Expenditures	<u>90,746</u>	<u>84,513</u>	93.1%	<u>6,233</u>
Operating Expenditures	<u>151,021</u>	<u>98,848</u>	65.5%	<u>52,173</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>\$ 1,346,768</u>	<u>449,652</u>	33.4%	<u>\$ 897,116</u>
Expenses paid directly by Mellon Trust		355,169		
Total Administrative expenses		<u>\$ 804,821</u>		

Net YTD Investment Income
Monthly through January 31, 2023
(Millions)



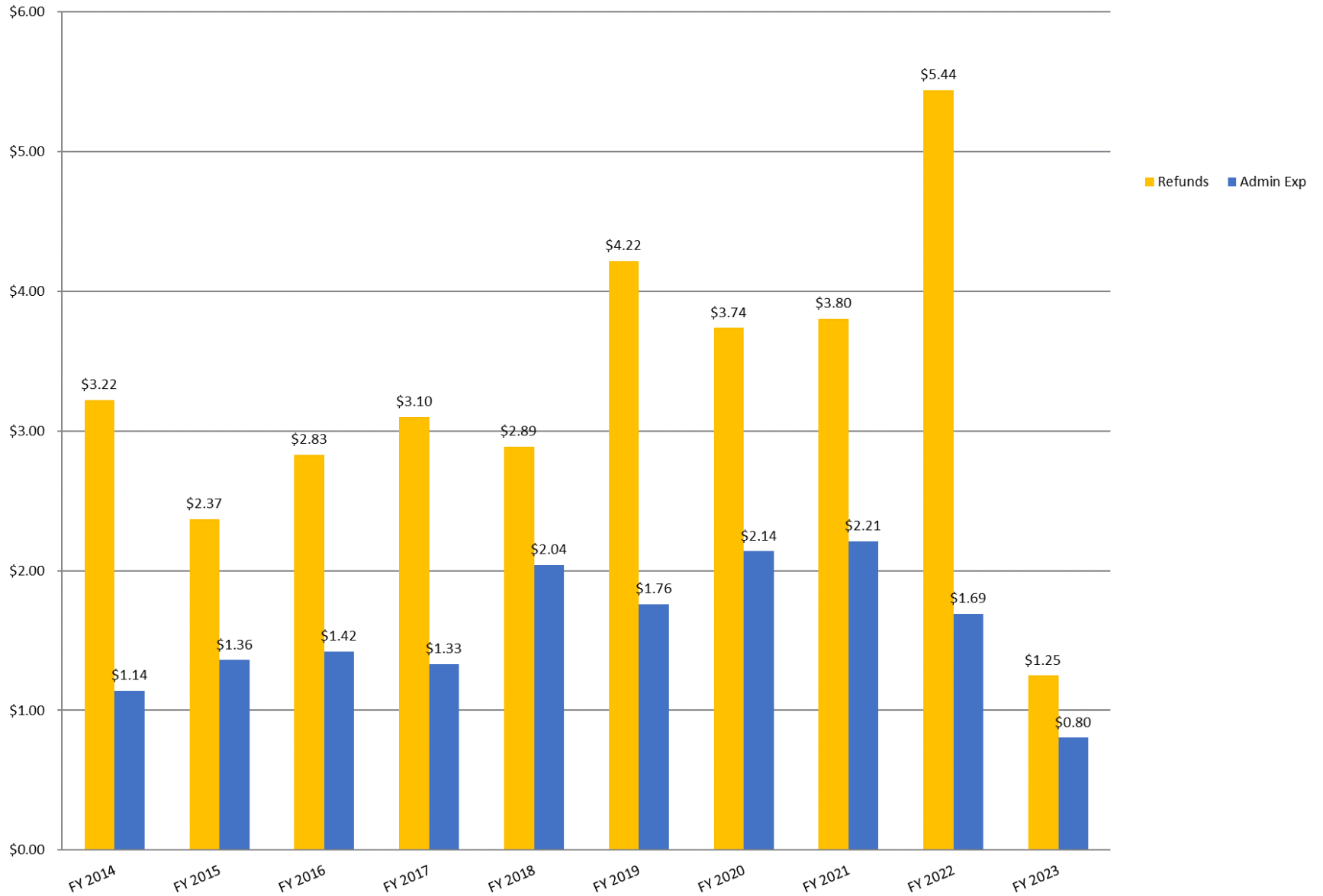
Net Investment Income Rate of Return Monthly through January 31, 2023



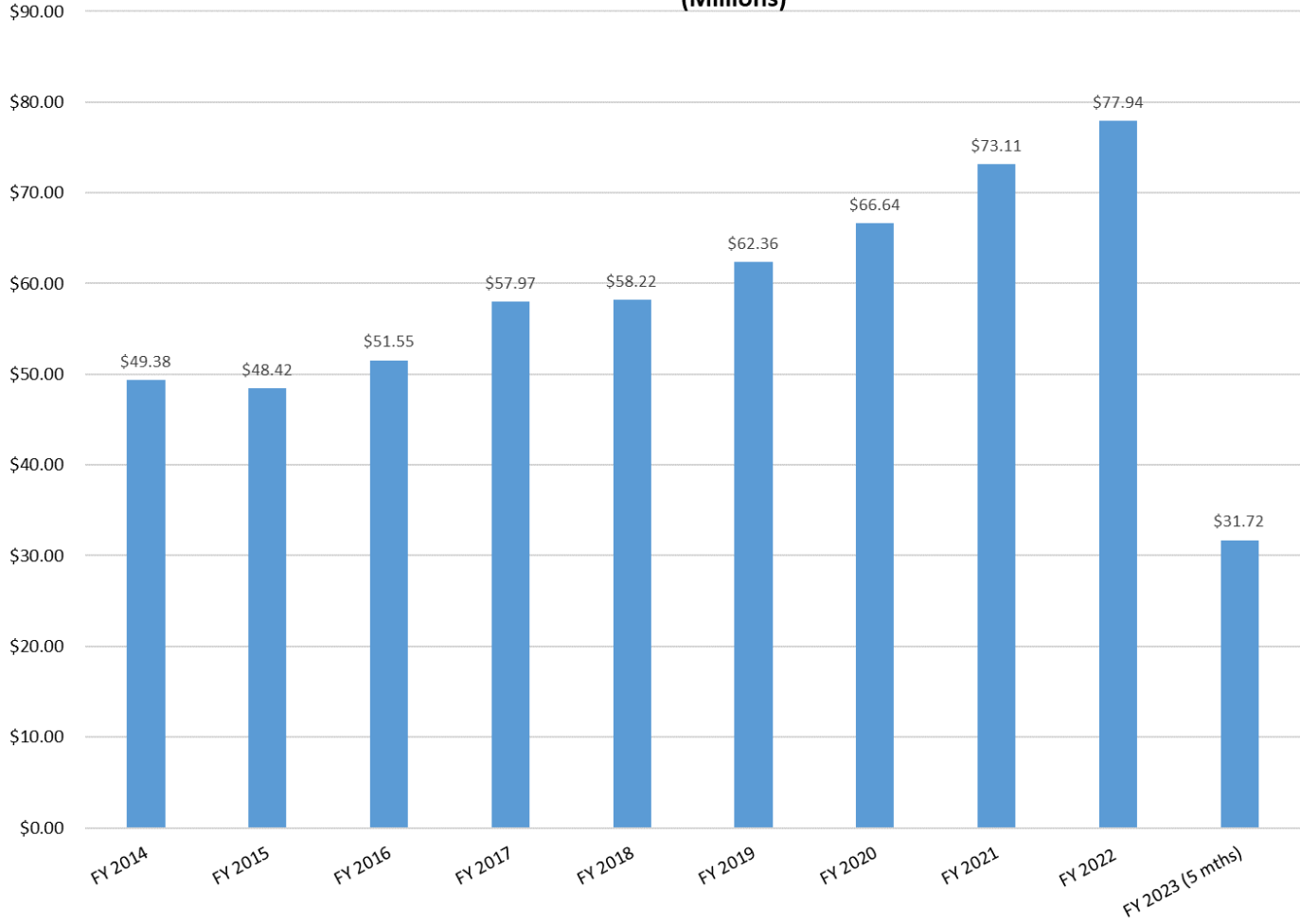
Refunds & Administrative Expenses

Yearly through January 31, 2023

(Millions)



Benefits Paid to Retirees
Yearly through January 31, 2023
(Millions)



Note: Current Fiscal Year Annualized Benefit Amount \$76,116,986
13th Payments as follows: 05/20/2022- \$4,897,500; 07/21/2017 - \$2,198,400 and 05/08/2014 - \$3,480,689