

City of El Paso Employees Retirement Trust

Treasurer's Report

Margarita Munoz

Comptroller, City of El Paso

December 31, 2022

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

	Unaudited <u>December 31, 2022</u>	Unaudited <u>August 31, 2022</u>	Audited <u>August 31, 2021</u>	Audited <u>August 31, 2020</u>
<u>Assets</u>				
Cash and Investments (at fair value):				
Cash and Cash Equivalents	\$ 19,753,673	\$ 13,243,016	\$ 3,580,457	\$ 10,646,860
Cash in Escrow	1,481,799	1,481,799	1,656,688	-
Investments	869,030,736	900,900,263	1,030,992,346	862,756,738
Total Cash and Investments	<u>890,266,208</u>	<u>915,625,078</u>	<u>1,036,229,491</u>	<u>873,403,598</u>
Receivables				
Unrestricted	4,865,570	2,151,228	1,950,229	3,583,017
Restricted - commission credits	7,883	7,883	7,883	6,109
Total Receivables	<u>4,873,453</u>	<u>2,159,111</u>	<u>1,958,112</u>	<u>3,589,126</u>
Prepaid Expenses	-	23,210	24,021	23,837
Capital Assets	<u>2,516,531</u>	<u>2,516,531</u>	<u>2,516,531</u>	<u>2,678,419</u>
Total Assets	<u>897,656,192</u>	<u>920,323,930</u>	<u>1,040,728,155</u>	<u>879,694,980</u>
<u>Liabilities</u>				
Due to Brokers for Securities Purchased	-	-	-	1,164,852
Accrued Expenses	887,921	554,156	2,036,126	534,623
Deferred Revenue - commission credits	7,883	7,883	7,883	6,109
Total Liabilities	<u>895,804</u>	<u>562,039</u>	<u>2,044,009</u>	<u>1,705,584</u>
Net Assets Available for Benefits	<u>\$ 896,760,388</u>	<u>\$ 919,761,891</u>	<u>\$ 1,038,684,146</u>	<u>\$ 877,989,396</u>

Preliminary Numbers

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

	<u>Unaudited</u> Four Months Ended December 31, 2022	<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	\$ 16,078,497	\$ 42,762,191	\$ 40,702,548	\$ 41,410,781
Investment Income				
Interest	472,682	793,010	1,049,280	4,109,088
Dividends	1,280,791	3,597,637	2,548,310	2,356,890
Net Change in Fair Value of Investments	(13,181,073)	(78,244,096)	201,182,318	99,563,115
Gain on Disposition of Assets	-	-	-	19,939
Other	24,672	-	24,567	11,301
Less Investment Advisor Fees	(887,054)	(2,480,568)	(2,753,808)	(3,589,807)
Net Investment Income	(12,289,982)	(76,334,017)	202,050,667	102,470,526
Total Net Additions	3,788,515	(33,571,826)	242,753,215	143,881,307
<u>Deductions</u>				
Benefits Paid to Retirees	25,325,105	77,936,687	73,108,342	66,639,726
Refunds	867,997	5,441,578	3,804,288	3,737,266
Administrative Expenses	596,916	1,690,771	2,441,214	2,138,910
Legal Settlement	-	281,393	2,704,621	-
Total Deductions	26,790,018	85,350,429	82,058,465	72,515,902
Net Increase (Decrease)	(23,001,503)	(118,922,255)	160,694,750	71,365,405
Beginning Net Assets Available for Benefits	919,761,891	1,038,684,146	877,989,396	806,623,991
Ending Net Assets Available for Benefits	\$ 896,760,388	\$ 919,761,891	\$ 1,038,684,146	\$ 877,989,396
<u>Reconciliation to Mellon Statements</u>				
Reported per Mellon Statement (Cash Basis)	\$ 885,342,739			
Adjustments to Accrual Basis:				
Prior Year Capitalization	10,415,599			
Accrue Contributions	1,667,537			
Accrue Investment Advisor Fees	(825,493)			
Accrue Administrative Expenses	(62,428)			
Adjust for Prepaid Insurance	(23,211)			
Land Sale	426,859			
Accrue Legal Settlement	(181,214)			
Reported per Treasurer's Report (Accrual Basis)	\$ 896,760,388			

Preliminary Numbers

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

	2nd QTR, FY 2023 <u>December 31, 2022</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	\$ 4,524,149	\$ 11,554,348	\$ 11,396,066	\$ 10,819,174	\$ 10,181,240	\$ 10,365,711
Investment Income						
Interest	70,901	401,781	360,553	304,458	(145,138)	273,137
Dividends	259,464	1,021,327	980,367	996,664	780,774	839,832
Net Change in Fair Value of Investments	(17,303,812)	4,122,739	(25,947,816)	(39,039,302)	(18,380,676)	5,123,698
Less Investment Advisor Fees	(277,446)	(609,608)	(414,680)	(714,509)	(422,764)	(928,615)
Net Investment Income (Loss)	<u>(17,226,221)</u>	<u>4,936,239</u>	<u>(25,021,576)</u>	<u>(38,452,689)</u>	<u>(18,167,804)</u>	<u>5,308,052</u>
Total Net Additions (Reductions)	<u>(12,702,072)</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	6,373,925	18,951,180	18,834,169	23,720,596	17,051,638	18,330,284
Refunds	162,314	705,683	1,406,396	1,179,397	1,228,086	1,627,699
Administrative Expenses	160,792	436,124	482,179	357,592	504,166	346,834
Legal Settlement	-	-	75,034	80,714	95,857	29,788
Total Deductions	<u>6,697,031</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>(19,399,103)</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>\$ 896,760,388</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>

Preliminary Numbers

City of El Paso Employees Retirement Trust
Investment Income Analysis

	Year to Date	Month			
	December 31, 2022	December	November	October	September
<u>Detail</u>					
Interest	\$ 472,682	\$ 70,901	\$ 35,267	\$ 330,789	\$ 35,725
Dividends	1,280,791	259,464	240,761	562,957	217,609
Realized Gain/Loss	2,610,126	(181,429)	574,291	388,396	1,828,868
Realized Gain/Loss Current Dividends	(148)	-	-	-	(148)
Unrealized Gain/Loss-Investments	(15,794,021)	(17,123,960)	37,104,806	17,087,814	(52,862,681)
Unrealized Gain/Loss Currency	2,970	1,577	2,541	(845)	(303)
Per Statements of Changes in Net Assets	<u>\$ (11,427,600)</u>	<u>\$ (16,973,447)</u>	<u>\$ 37,957,666</u>	<u>\$ 18,369,111</u>	<u>\$ (50,780,930)</u>

Summary

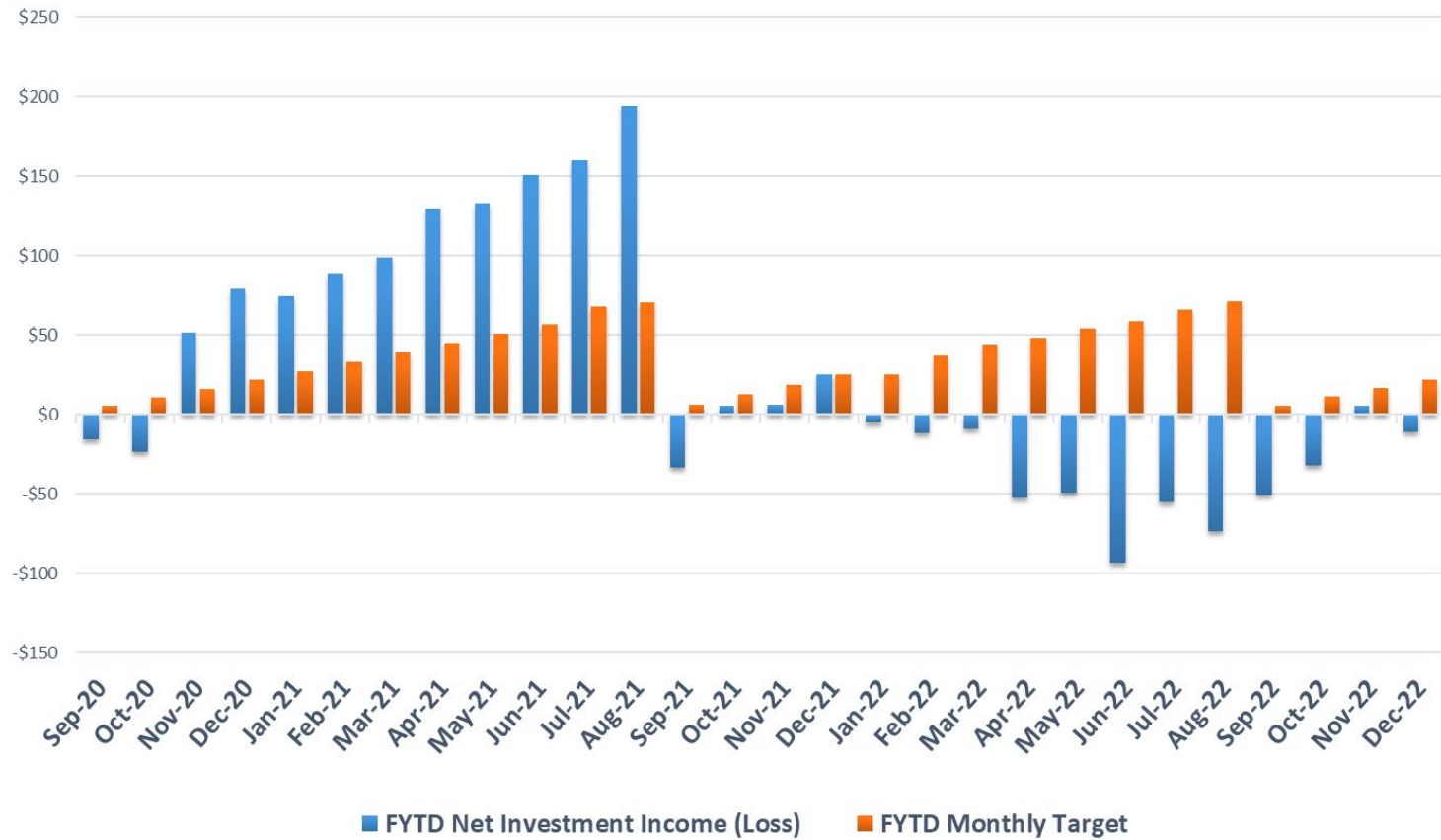
Interest	\$ 472,682
Dividends	1,280,791
Net Market Value Depreciation	<u>(13,181,073)</u>
Net Investment Loss (NIL)	<u>\$ (11,427,600)</u>
Fiscal Year NIL to Date / Avg Net Assets Avail for Benefits	-1.26%
Net Assets Available for Benefits - August 31, 2022	\$ 919,761,891
Target Rate of Return	7.25%
Cumulative Target Rate of Return	2.42%
Fiscal Year 2023 Nil Target	\$ 65,848,933

Preliminary Numbers

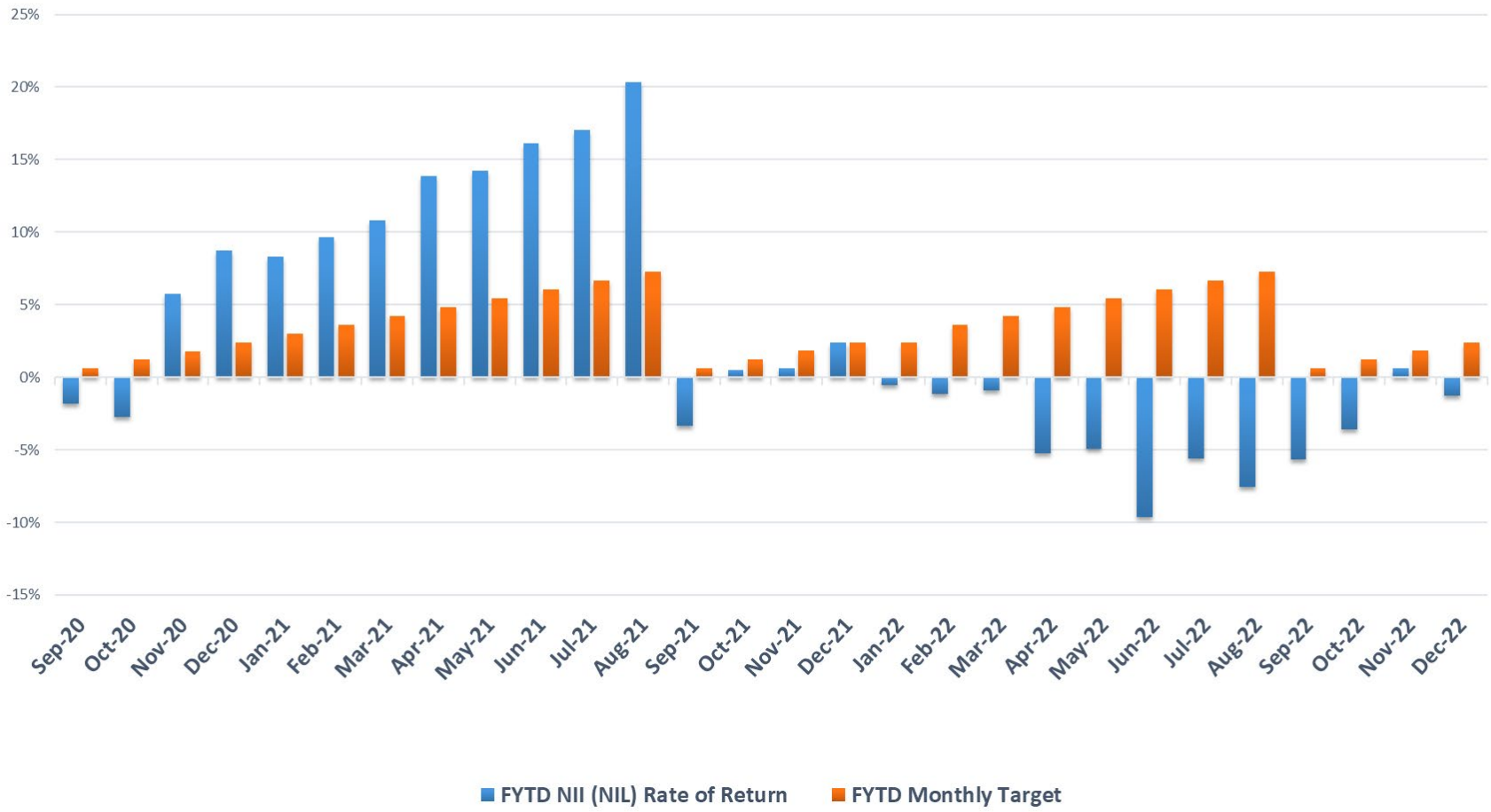
CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
CITY PENSION ADMINISTRATION ACTUAL/BUDGET COMPARISON
For Four Months Ended December 31, 2022

DESCRIPTION	BUDGET	ACTUAL	PERCENT UTILIZED	UNDER(OVER) BUDGET
<u>EXPENDITURES</u>				
NON-UNIFORM WAGES AND SALARIES	\$ 715,780	\$ 190,968	26.7%	\$ 524,812
SHIFT DIFFERENTIAL - CIVILIAN	25	-	0.0%	25
EQUIPMENT ALLOWANCE	3,800	1,068	28.1%	2,732
WORKERS COMPENSATION- CIVILIAN	2,147	619	28.8%	1,528
UNEMPLOYMENT COMPEN - CIVILIAN	713	193	27.1%	520
POS CITY - EMPLOYER CONTRIB	39,602	9,281	23.4%	30,321
LIFE INSURANCE - CIVILIAN	400	79	0.0%	321
ALLOW(EXC MIL& UNIF)-CIVILIA	4,850	1,424	29.4%	3,426
INSURANCE & ANCILLARY BENEFITS	36,370	3,977	10.9%	32,393
OTHER EMPLOYEE BENEFITS	17,882	5,335	29.8%	12,547
CITY PENSION PLAN CONTRIBUTION	100,146	26,829	26.8%	73,317
FICA CITY MATCH - CIVILIAN	38,297	7,324	19.1%	30,973
FICA MED- CITY MATCH-CIVILIAN	10,335	2,745	26.6%	7,590
Salaries Wages & Employee Benefits	<u>970,347</u>	<u>249,842</u>	25.7%	<u>720,505</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	3,154	23.5%	10,246
PRINTING SERVICES CONTRACTS	7,000	535	7.6%	6,465
SECURITY CONTRACTS	2,500	360	14.4%	2,140
OUTSIDE CONTRACTS - NOC	8,500	535	6.3%	7,965
PEST CONTROL CONTRACTS	1,000	190	19.0%	810
GROUNDKEEPING HORTI CONTRACTS	4,000	739	18.5%	3,261
OFFICE EQUIP MAINT CONTRACTS	1,600	-	0.0%	1,600
MAIL ROOM CHARGES	21,000	-	0.0%	21,000
COPIER CONTRACT SERVICES	4,000	390	9.8%	3,610
Contractual Services	<u>149,300</u>	<u>26,265</u>	17.6%	<u>123,035</u>
OFFICE SUPPLIES	9,000	2,611	29.0%	6,389
SUPPLIES COMPUTER EQUIPMENT	29,800	-	0.0%	29,800
CLEANING SUPPLIES	1,500	86	5.7%	1,414
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>5,927</u>	7.8%	<u>70,173</u>
PHONE & INTERNET	300	-	0.0%	300
LONG DISTANCE	100	-	0.0%	100
WIRELESS COMMUNICATION SERVICE	1,800	595	33.1%	1,205
POSTAGE	600	-	0.0%	600
ELECTRICITY	9,200	2,732	29.7%	6,468
WATER	7,000	1,786	25.5%	5,214
NATURAL GAS OTHER	4,000	924	23.1%	3,076
TRAVEL EXPENSES - EMPLOYEES	6,500	34	0.5%	6,466
TRAVEL EXPENSES - BOARD MEMBER	11,000	133	1.2%	10,867
MILEAGE ALLOWANCES	100	-	0.0%	100
OTHER SERVICES CHARGES EXPENSE	11,500	40	0.3%	11,460
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>151,021</u>	<u>21,098</u>	14.0%	<u>129,923</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>303,132</u>	22.5%	<u>\$ 1,043,636</u>
Expenses paid directly by Mellon Trust		<u>293,784</u>		
Total Administrative expenses		<u>\$ 596,916</u>		

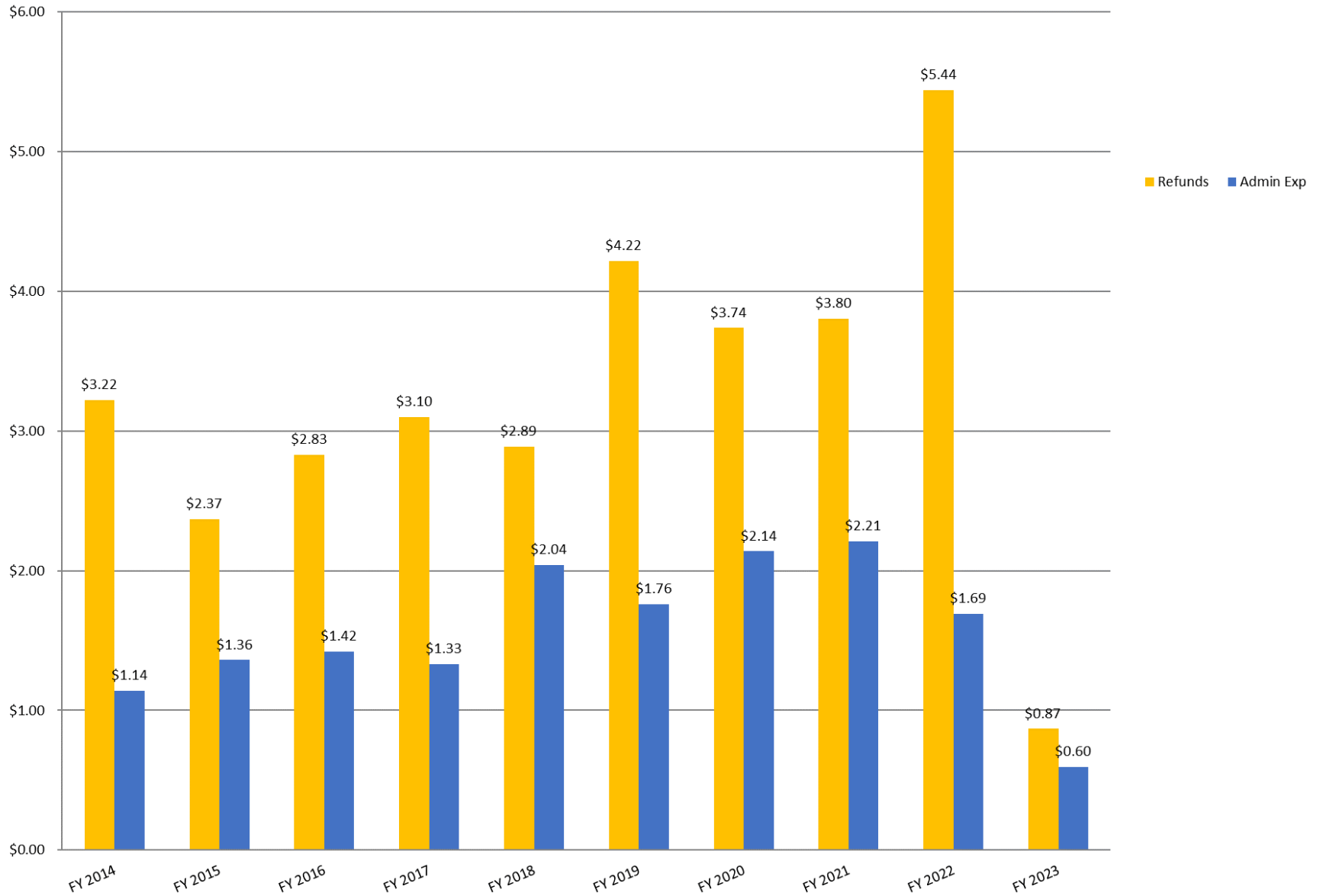
Net YTD Investment Income Monthly through December 31, 2022 *(Millions)*



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

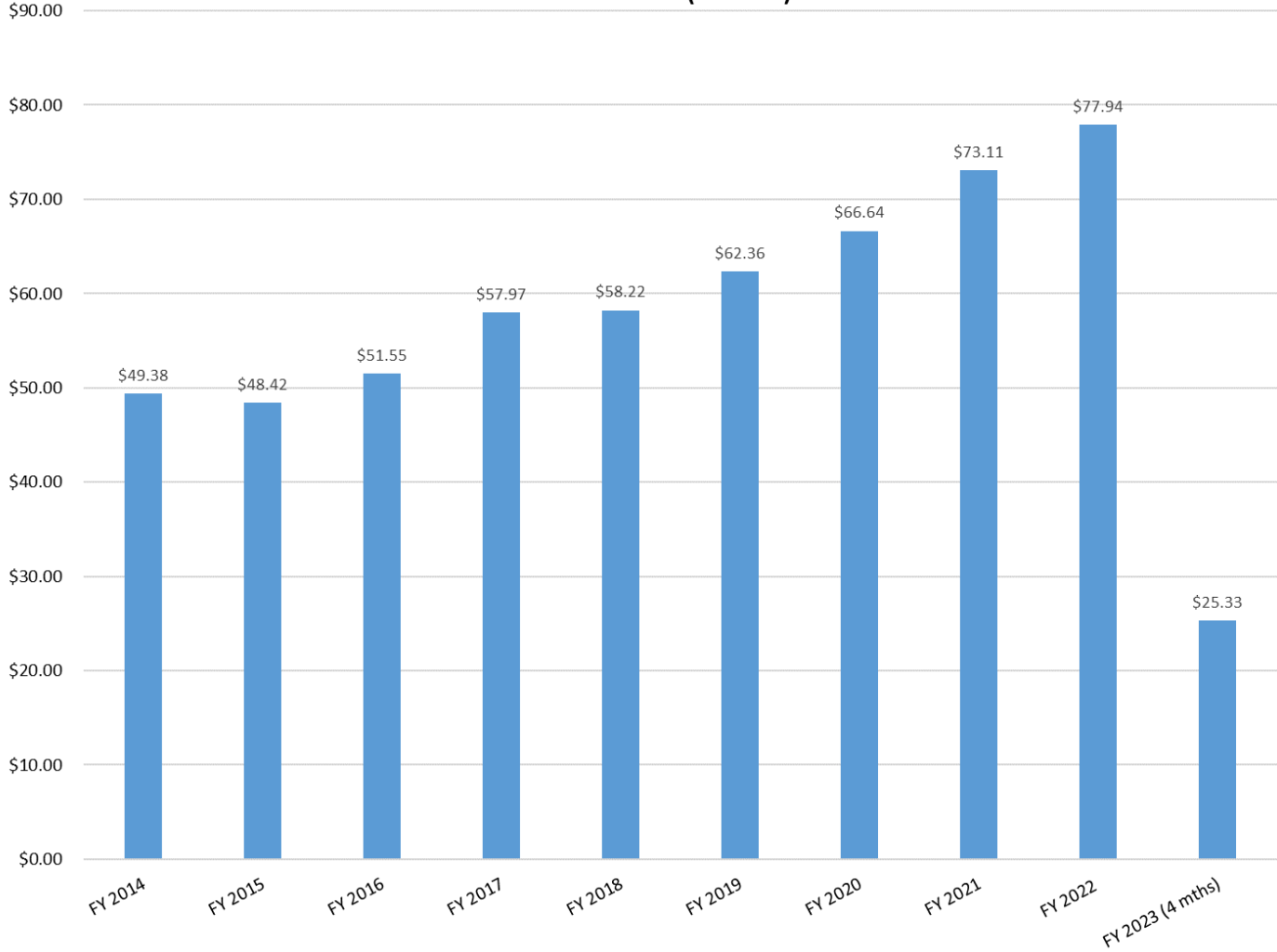


Refunds & Administrative Expenses Yearly through December 31, 2022 (Millions)



Benefits Paid to Retirees Yearly through December 31, 2022

(Millions)



Note: Current Fiscal Year Annualized Benefit Amount \$75,975,315

13th Payments as follows: 05/20/2022- \$4,897,500; 07/21/2017 - \$2,198,400 and 05/08/2014 - \$3,480,689