



**City of El Paso Employees Retirement Trust**  
(A Component Unit of the City of El Paso, Texas)

**Financial Statements and  
Supplementary Information**

August 31, 2021 and 2020

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## **Introductory Section**

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(A Component of the City of El Paso, Texas)  
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August 31, 2021**

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## **Financial Section**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
City of El Paso Employees Retirement Trust  
El Paso, Texas

We have audited the accompanying financial statements of the City of El Paso Employees Retirement Trust (the "Fund"), a component unit of the City of El Paso, Texas (the "City"), which comprise the statements of fiduciary net position as of August 31, 2021 and 2020, and the statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Fund as of August 31, 2021 and 2020, and the changes in fiduciary net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter******Reporting Entity***

As discussed in Note 1, the financial statements of the Fund are intended to present the financial position and the changes in financial position of only the Fund. They do not purport to, and do not, present fairly the financial position of the City of El Paso, Texas, as of August 31, 2021 and 2020, the changes in its financial position for the years then ended in conformity in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis on pages 11-13 and the GASB supplementary pension schedules on pages 46-51 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purposes of forming an opinion on the basic financial statements as a whole. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
El Paso, Texas  
January 18, 2022

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) on the financial performance of City of El Paso Employees Retirement Trust (the "Fund") provides an overview of the Fund's financial activities for the fiscal year ended August 31, 2021. For more detailed information regarding the Fund's financial activities, the reader should also review the actual financial statements, including notes and supplementary schedules.

**2021 FINANCIAL HIGHLIGHTS**

Net position held in trust for pension benefits (net position) increased during the fiscal year 2021 by \$160.7 million.

The major reason for the increase in net assets was due to the performance of the capital markets, which resulted in net investment gain of \$202.1 million. Employer and plan member contributions totaled \$40.7 million, a decrease of \$0.7 million from the previous fiscal year. The decrease in contributions was primarily due to a decrease in employee pay rates. The cash balances includes cash held by investment managers used for investments and cash at the fund's custodial bank used to pay for operation expenses.

Benefit payments made during fiscal year 2021 totaled \$75.7 million, an increase of \$9.1 million over the fiscal year 2020 mainly due to an increase in number of retirees and larger benefit payments to the new retirees.

**2020 FINANCIAL HIGHLIGHTS**

Net position held in trust for pension benefits (net position) increased during the fiscal year 2020 by \$71.4 million.

The major reason for the increase in net assets was due to the performance of the capital markets, which resulted in net investment gain of \$102.5 million. Employer and plan member contributions totaled \$41.4 million, a decrease of \$0.8 million from the previous fiscal year. The decrease in contributions was primarily due to a decrease in employee pay rates. The cash balances includes cash held by investment managers used for investments and cash at the fund's custodial bank used to pay for operation expenses.

Benefit payments made during fiscal year 2020 totaled \$66.6 million, an increase of \$4.3 million over the fiscal year 2019 mainly due to an increase in number of retirees and larger benefit payments to the new retirees.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Management’s Discussion and Analysis**

**FINANCIAL STATEMENTS**

The financial statements of the Fund include statements of fiduciary net position and changes in fiduciary net position available for benefits. The purpose of these statements is to present information about the Fund’s present and future ability to pay benefits when they are due. These statements are presented using an economic resource measurement focus and the accrual basis of accounting.

The financial statements also include notes that explain the history and purpose of the Fund, significant accounting policies, investment details, statutory disclosures and other required supplementary information regarding the financial position of the Fund.

**SUMMARIZED FINANCIAL INFORMATION**

The following table displays the total assets, liabilities and net position of the Fund:

<b>Condensed Financial Information</b>					
	<b>Year Ended August 31,</b>			<b>Changes</b>	
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021-2020</b>	<b>2020-2019</b>
Assets	\$1,040,728,155	\$ 879,694,980	\$ 812,915,732	18.31%	8.21%
Liabilities	2,044,009	1,705,584	6,291,741	19.84%	-72.89%
Net position	\$1,038,684,146	\$ 877,989,396	\$ 806,623,991	18.30%	8.85%

The total net position increased by \$160,694,750 or 18.3%, during the fiscal year 2021 to \$1,038,684,146. The increase in net position is primarily a result of the fair value of investment assets increasing due to positive performance of capital markets during the current year. Total net position increased by \$71,365,405, or 8.8%, during fiscal year 2020 to \$877,989,396. The increase in net position was primarily a result of the fair value of investment assets increasing due to positive performance of the capital markets during the year.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Management's Discussion and Analysis**

**SUMMARIZED FINANCIAL INFORMATION (Continued)**

The following table displays the changes in plan net position of the Fund:

	Year Ended August 31,			Changes	
	2021	2020	2019	2021-2020	2020-2019
Contributions	\$ 40,702,548	\$ 41,410,781	\$ 42,171,245	-1.71%	-1.80%
Net investment income	202,050,667	102,470,526	12,819,847	97.18%	699.31%
<b>Total additions</b>	<b>242,753,215</b>	<b>143,881,307</b>	<b>54,991,092</b>	<b>68.72%</b>	<b>161.64%</b>
Benefits paid to plan members	75,728,963	66,555,726	62,251,632	13.78%	6.91%
Refunds	3,804,288	3,737,266	4,215,138	1.79%	-11.34%
Prepaid COLA payments	84,000	84,000	105,000	0.00%	-20.00%
Administrative expenses	2,441,214	2,138,910	1,761,619	14.13%	21.42%
<b>Total deductions</b>	<b>82,058,465</b>	<b>72,515,902</b>	<b>68,333,389</b>	<b>13.16%</b>	<b>6.12%</b>
Net increase (decrease) in net position	\$ 160,694,750	\$ 71,365,405	\$ (13,342,297)	125.17%	-634.88%

Contributions decreased during fiscal year 2021 primarily due to decreases in employee pay rates and decreased in 2020 primarily due to decreases in employee pay rates. Benefits paid increased during fiscal year 2021 due to an increase in the number of retirees and larger benefit payments to new retirees.

Administrative expenses increased during fiscal year 2021 related to an increase in custodial fees, consulting fees, legal fees, wages and benefits, and other operating expenses. During fiscal year 2020, administrative expenses increased due to an increase in legal fees and other operating expenses.

**FINANCIAL CONTACT**

Any questions regarding financial statements of the Fund should be directed to the Fund Administrator, 1039 Chelsea Street, El Paso, Texas 79903 or by telephoning (915) 212-0112.

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## **Basic Financial Statements**

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Statements of Fiduciary Net Position**

<b>August 31,</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,237,145	\$ 10,646,860
Receivables		
Commission credits receivable	7,883	6,109
Due from brokers for securities sold	9,324	1,876,024
Employer contributions	1,125,176	938,962
Plan member contributions	716,349	598,024
Accrued interest and dividends	99,380	170,007
Total receivables	1,958,112	3,589,126
Prepaid insurance	24,021	23,837
Investments, at fair value		
Corporate bonds and notes	-	87,807
Corporate stocks	57,204,722	93,199,769
Bank collective investment funds	386,639,407	266,196,098
Commingled funds		
Fixed income	168,209,104	128,051,475
Corporate stocks	211,646,739	208,456,625
Private real estate	86,581,226	72,038,810
Private equity investments	120,711,148	94,726,154
Total investments, at fair value	1,030,992,346	862,756,738
Capital assets		
Capital assets not being depreciated	571,674	521,174
Capital assets being depreciated	2,623,506	2,605,506
Less accumulated depreciation	(678,649)	(448,261)
Total capitals assets	2,516,531	2,678,419
<b>Total assets</b>	<b>1,040,728,155</b>	<b>879,694,980</b>
<b>Liabilities</b>		
Due to brokers for securities purchased	-	1,164,852
Accrued expenses	2,036,126	534,623
Unearned revenue-commission credits	7,883	6,109
<b>Total liabilities</b>	<b>2,044,009</b>	<b>1,705,584</b>
<b>Net position - restricted for pensions</b>	<b>\$ 1,038,684,146</b>	<b>\$ 877,989,396</b>

*The accompanying notes are an integral part of these financial statements.*



**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Statements of Changes in Fiduciary Net Position**

<b>For the years ended August 31,</b>	<b>2021</b>	<b>2020</b>
<b>Additions</b>		
Contributions		
Employer	\$ 25,603,188	\$ 25,296,642
Plan members	15,099,360	16,114,139
<b>Total contributions</b>	<b>40,702,548</b>	<b>41,410,781</b>
Investment (loss) income		
Net appreciation in fair value of investments	201,182,318	99,563,115
Interest	1,049,280	4,109,088
Dividends	2,548,310	2,356,890
Securities lending income	24,567	11,184
Investment advisor fees	(2,753,808)	(3,589,807)
Gain on disposition of assets	-	19,939
Miscellaneous income	-	117
<b>Net investment income</b>	<b>202,050,667</b>	<b>102,470,526</b>
<b>Total additions</b>	<b>242,753,215</b>	<b>143,881,307</b>
<b>Deletions</b>		
Benefits paid to plan members	75,728,963	66,555,726
Refunds	3,804,288	3,737,266
Prudential COLA payments	84,000	84,000
Administrative expenses	2,441,214	2,138,910
<b>Total deletions</b>	<b>82,058,465</b>	<b>72,515,902</b>
<b>Net increase in fiduciary net position</b>	<b>160,694,750</b>	<b>71,365,405</b>
<b>Net position restricted for pensions, beginning of year</b>	<b>877,989,396</b>	<b>806,623,991</b>
<b>Net position restricted for pensions, end of year</b>	<b>\$ 1,038,684,146</b>	<b>\$ 877,989,396</b>

*The accompanying notes are an integral part of these financial statements.*

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 1: DESCRIPTION OF THE PLAN**

The City of El Paso Employees Retirement Trust (“Fund” or “Plan”) is a single-employer Public Employee Retirement System (“PERS”) defined benefit plan administered by the Board of Trustees (“Board”) of the Fund and was established in accordance with authority granted by Chapter 2.64 of the *El Paso City Code*. The Fund is a component unit (fiduciary fund type) of the City of El Paso, Texas (“City”).

***General***

The designated purpose of the Fund is to provide retirement, death and disability benefits to participants or their beneficiaries. The Fund is administered by the Board of Directors, which is comprised of two citizens, who are not officers of employees of the City, nominated by the mayor and approved by city council, four elected City employees, a retiree and two district representatives as designated by city council. The Board contracts with an independent pension custodian, investment managers, and investment consultant, and actuary and an attorney to assist in managing the Fund.

***Eligibility***

Substantially all full-time employees of the City are eligible to participate in the Plan, except for uniformed firefighters and police officers who are covered under separate plans. Nonemployer contributions are limited to participating employees of the Fund.

The Fund’s membership was as follows at August 31:

	2021	2020
Inactive plan members (or their beneficiaries)		
currently receiving benefits	3,719	3,457
Inactive plan members entitled to but not yet		
receiving benefits	213	111
Active plan members	4,154	4,290
Total plan members	8,086	7,858

***Contributions***

Through August 31, 2021 and 2020, the City is the only contributing employer. The Fund pays direct administrative costs. The City provides indirect administrative support such as IT services. The Fund reimburses the City for various costs of processing pension checks, such as postage and supplies.

Contribution rates for the Fund are based upon local statutes as enacted by the El Paso City Council and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial liability (using entry-age-normal cost method) over 30 years. As of the most recent actuarial valuation, the contribution rate was 23.00% of annual covered payroll.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 1: DESCRIPTION OF THE PLAN (Continued)**

***Contributions (Continued)***

Contributions were made as follows:

For the Years Ended August 31,	Employer Contributions		Employee Contributions		Total	
	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll
2021	\$ 25,603,188	14.05%	\$ 15,099,360	8.95%	\$ 40,702,548	23.00%
2020	25,296,642	14.05%	16,114,139	8.95%	41,410,781	23.00%
2019	26,424,696	14.05%	15,746,549	8.95%	42,171,245	23.00%

The Fund is not required to maintain any legally required reserves.

***Vesting***

Participation is mandatory for classified employees (except permanent part-time employees). For nonclassified employees, participation is mandatory for employees hired after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the Fund.

Members who were first participants prior to September 1, 2011, accrue benefits based on Tier I provisions as follows:

Participants who leave the Plan before completion of five years of service receive a refund of their contributions. Participants leaving the Plan with more than five years by less than 10 years of service may receive a refund of the contributions plus interest at 5.5% compounded annually.

Participants become fully vested after reaching 40 years of age and 10 years of service or 45 years of age and 7 years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, (ii) 60 years of age with 7 years of service or (iii) 30 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, or 2.5 % of the average monthly base salary received by the employee during the year immediately prior to retirement, or 2.5% of the monthly base salary pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus .2083 of 1% of such average for each additional completed or fractional part of a month of service.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 1: DESCRIPTION OF THE PLAN (Continued)**

Members who were first participants on or after September 1, 2011, accrue benefits based on Tier II provisions as follows:

Participants who leave the Plan before completion of seven years of service receive a refund of their contributions. Participants leaving the Plan with more than seven years but less than 10 years of service may receive a refund of their contributions plus interest at 3% compounded annually.

Participants become fully vested after reaching 45 years of age and seven years of service. Normal retirement is the earlier of: (i) 60 years of age with 7 years of service, or (ii) 35 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus .1875 of 1% of such average for each additional completed or fractional part of a month of service, limited to 90% of the 3 year average final pay.

A pension benefit is available to surviving spouses and dependents. The Plan includes no automatic increase in retirement benefits. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad-hoc costs of living or other increases in retirement benefits.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accounting policies of the Fund have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The Fund is accounted for on an economic resources measurement focus using the accrual basis of accounting.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Fund's management to make estimate and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities and the actuarial valuation of the Fund's benefits at the date of the financial statements, and the reported changes in fiduciary net position during the reporting period. Actual results may differ from those estimates.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Valuation of Investments***

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments, including U.S government securities, corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at statements of fiduciary net position dates. The fair value of investment in bank collective investment, commingled funds, real estate investment funds and private equity limited partnerships are determined by the investment managers based on fair value of the underlying securities in the funds. In general, the fair value of the underlying securities held in real estate investment funds are based upon property appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) within a reasonable amount of time following acquisition of the real estate and no less frequently than annually thereafter. In general, the fair value of the underlying securities held in private equity limited partnerships are based on GASB Statement No. 72, *Fair Value Measurement*, and limited partnership financial statements are audited by independent certified public accountants. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the Office of Comptroller of the Currency and by the other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net appreciation in fair value of investments reflected in the accompanying statements of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the fiscal year.

***Receivables***

All receivables are reported at their gross value. In the statement of fiduciary net position, employer and employee contributions are recorded based on amounts earned by the employees through August 31, 2021 and 2020. Employer and employee contributions are considered to be 100% collectible.

***Revenue and Expense Recognition***

Plan member and employer contributions are recognized (additions) in the period in which the plan member services are performed. Benefits and refunds are recognized when paid in accordance with the terms of the Plan. Expenses (deductions) are recognized as incurred.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue and Expense Recognition (Continued)***

The Fund's brokers accumulate commission rebates that are restricted for the use by the Fund under agreements with brokers for capital expenditures, research and development and investment-related expenditures. Proposed expenditures of these funds go before the Board for approval. Brokers provide the Fund detailed statements on commission rebates with credits earned and requested payments. Knowing that direct brokerage commission rebates are available, investment managers use these brokers as directed by the Fund's *Investment Rules and Regulations*. The available credits are reported as unearned revenue until such time as qualifying expenditures are made, in which the use of the credits is reported as a reduction in the appropriate expense categories in the accompanying statements of changes in fiduciary net position.

***Property and Equipment***

GASB standards require that all capital assets be recorded and depreciated in the statements of fiduciary net position and changes in fiduciary net position.

Capital assets are defined as assets with an initial cost of \$5,000 or more and an estimated useful life greater than one year. Capital assets are recorded at cost, if purchased or constructed, or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the estimated remaining useful lives of the related capital assets. Capital assets are depreciated or amortized using the straight-line method and the following estimated useful lives:

Building and improvements	25 to 50 years
Furniture and equipment	5 to 12 years
Software	5 years

When capital assets are retired from service or otherwise disposed of, any gain or loss on disposal of assets is recognized.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Securities Lending Transactions***

The Fund enters into securities lending transactions with broker/dealers for which fees are paid to the Fund and are recognized as revenue during the periods in which they were loaned. The Board may legally and contractually authorize the use of the Fund's securities for lending transactions. The securities involved in the lending transactions continue to be recorded at fair value in the accompanying financial statements. Parameters are established by the Fund's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and that securities lending transactions be collateralized using U.S. issuer securities at 102% and non-U.S. issuer securities at 105% of the fair value of the securities loaned. U.S. issued securities used as collateral are marked to the market on a daily basis to evaluate whether the collateralization requirements of the fair value of investments is always maintained. The Fund may not pledge or sell the collateral securities except on default of the borrower and therefore not recorded as assets in the accompanying financial statements. Because of this, the Fund administration believes there is some minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the Fund by the investment managers to broker/dealers.

***Due to Brokers***

The liability for due to brokers for securities purchased consist of unpaid amounts for security purchases.

***Accrued expenses***

Accrued expenses are comprised of unpaid investment advisor fees, the payroll expenditures based of amounts earned by the employees through August 31, 2021 and 2020, along with applicable Social Security Taxes and Medicare payable.

***Risks and Uncertainties***

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in value of investment securities will occur in the near term and that these changes could materially affect amounts reported in the Plan's financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 18, 2022, and determined there were no events that occurred that require disclosure.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements***

The Fund implemented GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seek to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement had no impact on the Fund's reporting in the current fiscal year.

The Fund implemented GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of this Statement had no impact on the Fund's reporting in the current fiscal year.

The Fund further implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The implementation of this Statement had no impact on the Fund's reporting in the current fiscal year.

The Fund implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Fund has changed the report name to the Annual Comprehensive Financial Report for the current year.



**City of El Paso Employees Retirement Trust  
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Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (This new effective date reflects the immediate implementation of GASB Statement No. 95).

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (This new effective date reflects the immediate implementation of GASB Statement No. 95).

**City of El Paso Employees Retirement Trust  
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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (This new effective date reflects the immediate implementation of GASB Statement No. 95).

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

The Fund is evaluating the requirements of the above statements and the impact on reporting.

**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING**

The Fund's cash equivalents and investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the Board, under contracts with the Fund. The cash equivalents and investments are held by the Fund's custodian in the Fund's name. The cash equivalents and investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate trusts and financial derivatives. Certain investment managers have invested in certain bank collective investment funds, which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures and temporary collective investment funds and may enter into collateralized securities lending transactions. Certain investment managers also invest in private equity limited partnerships.

Through adherence to the Fund's Investment Rules and Regulations, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below:

- **Large Cap Index Equity Managers** – Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments at S&P 500 Index or Russell 1000 commingled funds or exchange-traded funds ("ETFs").
- **Large Cap Managers** - Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will actively allocate assets across the equity, fixed income and cash markets of the U.S. The assets of the portfolio may be invested in securities, derivatives and a combination of other collective funds. Long and short positions in financial futures, options on financial futures, index options, exchange-traded options and over-the-counter options, may be used.

**City of El Paso Employees Retirement Trust**  
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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

- **Small/Mid Cap Equity Managers** – Under current policies, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than \$100 million and under \$5 billion; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, as well as real estate investment trusts (“REITs”), preferred stocks, convertible securities, American depository receipts (“ADRs”) of non-U.S. issuers, , publicly traded stocks of foreign corporations listed on U.S. stock exchanges, Exchange Traded Funds (“ETFs”), futures and short-term investments, money market instruments or equivalent. The maximum position size in any one company will be 5% of the portfolio value at the time of purchase and shall not exceed a maximum appreciated position size of 8% of the portfolio value for the year ended August 31, 2020. There were no position size restrictions for August 31, 2021. Leverage, short sales and buying and selling on margin are not permitted.
- **All Cap Equity Managers** – For the year ended August 31, 2020, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations that span the broad equity market in concentrated manner, generally with 20-80 holdings. The portfolio may invest in publicly traded stocks of U.S. corporations, ADRs, publicly traded stocks of foreign corporations, ETFs and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted. No all cap equity was held at August 31, 2021.
- **International Equity-Developed Country Index Managers** – Investment passively managed is made using commingled funds. As such, the investment guidelines are governed by the fund’s prospectus. Permissible investments are MSCI EAFE Index commingled funds or ETFs.
- **International Equity-All Country Managers** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund’s prospectus. The portfolio will invest primarily in equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. For the year ended August 31, 2021 and 2020, the maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US IMI Index weight plus 15%.
- **International Equity-Emerging Markets Managers** – Investment is made with commingled funds. As such, the investment guidelines are governed by the fund’s prospectus. For the year ended August 31, 2021 and 2020, the portfolio will invest in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 20% in any one county.

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

- **International Equity-All County Small Cap Managers** - Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. For the year ended August 31, 2021 and 2020, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US Small Cap Index weight plus 15%.
- **Fixed Income Core Index Managers** – Investments are passively managed and are made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are Barclays Capital Aggregate Index commingled funds or ETFs.
- **Fixed Income Core Plus Managers** – Under current policies for the year ended August 31, 2021 and 2020, except for U.S. Treasury, its agencies, agency MBS and approved derivative products, the fixed income account shall not contain more than 5% of any issuer. For the year ended August 31, 2020 the account will not invest more than 15% in cash and cash equivalents and will not invest in equity securities, with the exception of preferred and convertible preferred securities, in which no more than 10% will be invested. For the year ended August 31, 2020 the account may invest up to 15% in illiquid securities. The account may invest up to 20% and 35% in non-investment grade bonds for the year ended August 31, 2021 and 2020, respectively; defined as bonds that are rated non-investment grade by two of the three major ratings agencies. The dollar weighted credit quality of the account will generally be AA or less, with a minimum dollar weighted-average quality of BBB-. The effective duration of the account should range between +/- 1.5 years or +25%/-40% of the benchmark's duration for the year ended August 31, 2021 and 2020, respectively. The account will not employ leverage.
- **Real Estate Managers** – For the year ended August 31, 2021 and 2020, real estate investments will be diversified to the extent possible by geographic location and property type. For private real estate investments, managers should diversify the portfolio by property type and by various geographic regions of the U.S. Leverage is limited to no more than 30% of the fund.
- **Private Equity Managers** – As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities; the investment guidelines will be determined by the fund-of-funds legal documentation. The pooled/fund-of-funds vehicle should not represent more than 20% of the total fair value of the pooled/fund-of-fund. It is also preferred that this holds true for any other investor in the pooled/fund-of-funds. The manager of the fund-of-funds vehicle shall be a bank or a registered advisor under the *Investment Advisors Act of 1940*. If fund-of-funds provides the option of receiving distributions in cash or securities, the trust will opt to receive cash.

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

The following was the Board's adopted asset allocation policy as of August 31, 2021:

<b>Asset Class</b>	<b>Target Allocation</b>
Domestic equity	31%
International equity	21%
Fixed income	24%
Real estate	10%
Private equity	13%
Cash	1%
	100%

***Deposits***

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Fund's investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2021 and 2020, the Fund holds no deposits.

***Investments***

Interest rate risk is the risk that the fair value of securities will fall due to changes in market interest rates. The Fund's policy is to minimize interest rate risk by structuring the investment portfolio so that the duration securities are held and the coupon rates of such are appropriately diversified.

As of August 31, 2021 and 2020, the Fund had the following investments subject to interest rate risk:

<b>Investment Type</b>	<b>2021</b>		<b>2020</b>	
	<b>Fair Value</b>	<b>Weighted-Average Maturity (In Years)</b>	<b>Fair Value</b>	<b>Weighted-Average Maturity (In Years)</b>
Cash equivalents (money market funds)	\$ 5,237,145	0.08	\$ 10,646,860	0.08
Corporate bonds and notes	-	-	87,807	4.57
Bank collective investment funds	120,672,290	-	89,826,357	-
Commingled funds	47,536,814	-	38,225,118	-
<b>Total</b>	<b>\$ 173,446,249</b>		<b>\$ 138,786,142</b>	
<b>Portfolio weighted-average maturity</b>		<b>0.00</b>		<b>0.01</b>

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Nationally-recognized statistical rating organizations assign ratings to measure credit risks. These rating agencies assess a firm's or government's willingness and ability to repay its debt obligations based on many factors.

The Fund employs one core bond manager that primarily invests in U.S. fixed income and non-U.S. fixed income securities. The Fund also invests in two commingled funds, one passive core fixed income index fund and one opportunistic fixed income fund. The investment management agreement between the Fund and its core bond manager contains specific guidelines that identify permitted fixed income investments.

For the year ended August 31, 2021 and 2020 the Fund's investment policy indicates that the fixed income core plus manager may invest up to 35% of net assets in non-investment grade bonds, at time of purchase. The fixed income core plus portfolio obligations will generally have a dollar weighted average credit quality of generally AA or less, with a minimum dollar weighted average credit quality of BBB-.

The following table identifies the credit quality of the Fund's fixed income strategies based on portfolio holdings as of August 31, 2021 and 2020:

<b>August 31, 2021</b>						
<b>Commercial</b>						
<b>S&amp;P Quality Rating</b>	<b>Total Fair Value</b>	<b>Asset-Backed Securities</b>	<b>Mortgaged-Backed Securities</b>	<b>Collateralized Mortgage Obligations</b>	<b>Corporates (a)</b>	<b>Government &amp; Agency Obligations (b)</b>
A+	\$ 120,672,290	\$ -	\$ -	\$ -	\$ -	\$ 120,672,290
NR	47,536,814	-	-	-	47,536,814	-
<b>Totals</b>	<b>\$ 168,209,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,536,814</b>	<b>\$ 120,672,290</b>

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.

(b) Includes international and municipal holdings.

<b>August 31, 2020</b>						
<b>Commercial</b>						
<b>S&amp;P Quality Rating</b>	<b>Total Fair Value</b>	<b>Asset-Backed Securities</b>	<b>Mortgaged-Backed Securities</b>	<b>Collateralized Mortgage Obligations</b>	<b>Corporates (a)</b>	<b>Government &amp; Agency Obligations (b)</b>
A+	\$ 89,826,357	\$ -	\$ -	\$ -	\$ -	\$ 89,826,357
BBB	87,807	-	-	-	87,807	-
NR	38,225,118	-	-	-	38,225,118	-
<b>Totals</b>	<b>\$ 128,139,282</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,312,925</b>	<b>\$ 89,826,357</b>

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.

(b) Includes international and municipal holdings.

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

At August 31, 2021 and 2020, the Fund held various bond instruments in the aggregate fair value of \$168,209,104 and \$128,139,282, respectively. Fixed income core plus portfolios held bond instruments with ratings of BBB or better by Standard & Poor's. Approximately 28% of the portfolio was of non-investment grade bonds as of August 31, 2021.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table represents the fair value of investments that represents 5% or more of the Fund's net position at August 31, 2021 and 2020.

These investments were in bank collective investment and commingled funds, which consist of diversified portfolios of investments as described above, and none of these investments consist of any one company holding 5% or more of the total investment.

	Shares/ Par Value	Fair Value
<b>August 31, 2021</b>		
Mellon DB SL International Stock Investment Fund Mellon Capital Management Corporation	154,940	\$ 94,518,960
Mellon DB SL Stock Index Fund Mellon Capital Management Corporation	17,871	122,544,365
Mellon NSL Dynamic U.S Equity Fund Mellon Capital Management Corporation	193,100	108,776,932
Mellon DB SL Aggregate Bond Index Fund Mellon Capital Management Corporation	203,671	120,672,290
Blackrock Total Return Bond Fund Blackrock Capital Management	4,892,849	59,748,563
Wellington Fund Wellington Capital Management	4,454,948	60,186,342
WTC-CIF II SMID Cap Res-Series 3 Wellington Capital Management	2,277,258	57,204,722
AB US Small and Mid Cap Core Bernstein	3,023,329	60,799,150
<b>August 31, 2020</b>		
Mellon DB SL International Stock Investment Fund Mellon Capital Management Corporation	169,812	\$ 81,873,837
Mellon DB SL Stock Index Fund Mellon Capital Management Corporation	20,345	106,356,891
Mellon NSL Dynamic U.S Equity Fund Mellon Capital Management Corporation	182,992	77,965,370
Mellon DB SL Aggregate Bond Index Fund Mellon Capital Management Corporation	151,434,773	89,826,357
Blackrock Total Return Bond Fund Blackrock Capital Management	4,156,651	49,876,655
Wellington Fund Wellington Capital Management	3,638,213	49,334,168



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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund's investment policy allows 18%-24% of equity securities be invested in foreign markets. The Fund's exposure to foreign currency risk at August 31, 2021 and 2020 was as follows:

Local Currency Name	2021		
	Equity	Fixed Income	Total
Australian Dollar	\$ 7,411,881	\$ -	\$ 7,411,881
Bahamian Dollar	542,461	-	542,461
Brazilian Real	3,788,692	-	3,788,692
British Pound	19,447,352	-	19,447,352
Canadian Dollar	3,914,631	-	3,914,631
Chilean Peso	149,628	-	149,628
Chinese Renminbi	21,720,455	-	21,720,455
Danish Krone	4,028,305	-	4,028,305
Euro Currency Unit	58,783,890	-	58,783,890
Hong Kong Dollar	6,193,022	-	6,193,022
Indian Rupee	5,188,799	-	5,188,799
Indonesian Rupiah	2,011,733	-	2,011,733
Israeli Shekel	1,025,897	-	1,025,897
Japanese Yen	38,239,618	-	38,239,618
Jordan Dinar	32,285	-	32,285
Macau Pataca	68,792	-	68,792
Malaysian Ringgit	857,671	-	857,671
Mexican Peso	1,516,291	-	1,516,291
New Zealand Dollar	295,836	-	295,836
Norwegian Krone	1,695,271	-	1,695,271
Philippine Peso	227,435	-	227,435
Polish Zloty	23,038	-	23,038
Qatari Riyal	151,759	-	151,759
Russian Ruble	977,970	-	977,970
Saudi Arabia Riyal	1,216,986	-	1,216,986
Singapore Dollar	1,420,304	-	1,420,304
South African Rand	2,172,012	-	2,172,012
South Korean Won	8,964,892	-	8,964,892
Swedish Krona	7,149,472	-	7,149,472
Swiss Franc	14,815,851	-	14,815,851
Taiwanese Dollar	9,279,197	-	9,279,197
Thai Baht	1,483,141	-	1,483,141
Turkish Lira	106,849	-	106,849
Ukrainian Hryvnia	-	-	-
United Arab Emirates Dirham	109,141	-	109,141
<b>Total</b>	<b>\$ 225,010,557</b>	<b>\$ -</b>	<b>\$ 225,010,557</b>

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

Local Currency Name	2020		
	Equity	Fixed Income	Total
Australian Dollar	\$ 5,499,579	\$ -	\$ 5,499,579
Bahamian Dollar	790,714	-	790,714
Bermudian Dollar	265,643	-	265,643
Brazilian Real	4,091,969	-	4,091,969
British Pound	18,186,814	-	18,186,814
Canadian Dollar	5,694,766	-	5,694,766
Chilean Peso	465,406	-	465,406
Chinese Renminbi	14,309,774	-	14,309,774
Danish Krone	2,760,078	-	2,760,078
Euro Currency Unit	43,417,556	-	43,417,556
Hong Kong Dollar	5,881,673	-	5,881,673
Indian Rupee	3,305,922	-	3,305,922
Indonesian Rupiah	1,153,170	-	1,153,170
Israeli Shekel	1,074,482	-	1,074,482
Japanese Yen	34,107,909	-	34,107,909
Jordan Dinar	29,603	-	29,603
Macau Pataca	74,973	-	74,973
Malaysian Ringgit	921,561	-	921,561
Mexican Peso	422,827	-	422,827
New Zealand Dollar	565,007	-	565,007
Norwegian Krone	417,335	-	417,335
Peru Sol	120,444	-	120,444
Philippine Peso	584,677	-	584,677
Polish Zloty	145,676	-	145,676
Qatari Riyal	187,804	-	187,804
Russian Ruble	958,930	-	958,930
Saudi Arabia Riyal	749,306	-	749,306
Singapore Dollar	1,708,803	-	1,708,803
South African Rand	2,461,350	-	2,461,350
South Korean Won	6,083,960	-	6,083,960
Swedish Krona	4,891,392	-	4,891,392
Swiss Franc	12,874,323	-	12,874,323
Taiwanese Dollar	6,924,356	-	6,924,356
Thai Baht	1,164,820	-	1,164,820
Turkish Lira	139,823	-	139,823
United Arab Emirates Dirham	87,197	-	87,197
<b>Total</b>	<b>\$ 182,519,622</b>	<b>\$ -</b>	<b>\$ 182,519,622</b>

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**NOTE 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)**

***Security Lending Transactions***

State statutes and board of trustees' policies permit the Fund to lend its securities to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Fund currently participates in a security lending short duration lending pool. All securities loans can be terminated on demand by either the Fund or the borrower, although the average term of the loans is one week. The relationship between the maturities of the investment pool and the system's loans is affected by the maturities of the securities loans made by other entities that can use the agent's pool, which the Fund cannot determine.

Custodial credit risk for securities lending transactions is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the years ended August 31, 2021 and 2020, the Fund had no credit risk exposure to borrowers because the amounts of the Fund owes the borrowers exceed the amounts the borrowers owe the Fund. Fair value of securities loaned by type of investment at August 31 was as follows:

	<b>2021</b>	<b>2020</b>
Corporate Stocks	\$ -	\$ 7,916,824
	-	7,916,824

***Rate of Return***

For the years ended August 31, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.72% and 12.08%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS**

***Fair Value Measurements***

GASB 72, Fair Value Measurements and Application, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under GASB 72 are described as follows:

**Level 1** inputs to the valuation methodology is unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2** inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** inputs to the valuation methodology are inputs that are unobservable and significant to the fair value measurement.

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Notes to Financial Statements**

**NOTE 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)**

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2021 and 2020:

	August 31, 2021	2021 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Corporate Stocks				
Small/Mid cap equity	\$ 57,204,722	\$ 57,204,722	\$ -	\$ -
Total corporate stocks	57,204,722	57,204,722	-	-
Total investments by fair value level	57,204,722	\$ 57,204,722	\$ -	\$ -
<b>Investments Measured at the Net Asset Value (NAV) (a)</b>				
Bank collective investment funds				
Large cap index	122,544,365			
Large cap dynamic	108,776,932			
Small/Mid cap equity	60,799,150			
International equity developed	94,518,960			
Total bank collective investment funds	386,639,407			
Commingled funds - fixed income				
Fixed income core index	168,209,104			
Total commingled funds - fixed income	168,209,104			
Commingled funds - corporate stocks				
Fixed income core index	119,934,905			
International equity - all country small cap	47,582,527			
International equity - emerging markets	44,129,307			
Total commingled funds - corporate stocks	211,646,739			
Real Estate				
Private real estate	86,581,226			
Total real estate	86,581,226			
Private equity investments	120,711,148			
Total investments measured at the NAV	973,787,624			
Total investments measured at fair value	\$ 1,030,992,346			

(a) Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)**

	August 31, 2020	2020 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Debt Securities				
Corporate bonds and notes	\$ 87,807	\$ 87,807	\$ -	\$ -
Total debt securities	87,807	87,807	-	-
Corporate Stocks				
All cap equity	41,794,276	40,159,633	1,634,643	-
Small/Mid cap equity	51,405,493	51,405,493	-	-
Total corporate stocks	93,199,769	91,565,126	1,634,643	-
Total investments by fair value level	93,287,576	\$ 91,652,933	\$ 1,634,643	\$ -
<b>Investments Measured at the Net Asset Value (NAV) (a)</b>				
Bank collective investment funds				
Large cap index	106,356,891			
Large cap dynamic	77,965,370			
International equity developed	81,873,837			
Total bank collective investment funds	266,196,098			
Commingled funds - fixed income				
Fixed income core index	128,051,475			
Total commingled funds - fixed income	128,051,475			
Commingled funds - corporate stocks				
Fixed income core index	137,774,731			
International equity - all country small cap	35,698,435			
International equity - emerging markets	34,983,459			
Total commingled funds - corporate stocks	208,456,625			
Real Estate				
Private real estate	72,038,810			
Total real estate	72,038,810			
Private equity investments	94,726,154			
Total investments measured at the NAV	769,469,162			
Total investments measured at fair value	\$ 862,756,738			

(a) Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of fiduciary net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2021.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)**

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value at August 31, 2021	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Large cap index	\$ 122,544,365	\$ -	Daily	1 day
Large cap dynamic	108,776,932	-	Daily	Daily
Small/Mid cap equity	60,799,150	-	Daily	Daily
International equity - developed	94,518,960	-	Daily	2 days
Fixed income core index	288,144,009	-	Daily	2 days
International equity - all country small cap	47,582,527	-	Daily	Daily
International equity - emerging markets (commingled)	44,129,307	-	Daily	30 days
Private real estate	86,581,226	-	Daily	90 days
Private equity investments	120,711,148	27,513,661	Daily	5 days
<b>Total investments measured at the NAV</b>	<b>\$ 973,787,624</b>			

	Fair Value at August 31, 2020	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Large cap index	\$ 106,356,891	\$ -	Daily	1 day
Large cap dynamic	77,965,370	-	Daily	Daily
International equity - developed	81,873,837	-	Daily	2 days
Fixed income core index	265,826,206	-	Daily	2 days
International equity - all country small cap	35,698,435	-	Daily	Daily
International equity - emerging markets (commingled)	34,983,459	-	Daily	30 days
Private real estate	72,038,810	-	Daily	90 days
Private equity investments	94,726,154	36,927,328	Daily	5 days
<b>Total investments measured at the NAV</b>	<b>\$ 769,469,162</b>			

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 5: NET PENSION LIABILITY**

The components of the net pension liability of the City at August 31, were as follows:

	<b>2021</b>	<b>2020</b>
Total pension liability	\$ 1,108,078,648	\$ 1,083,475,771
Plan's fiduciary net position	1,038,684,146	877,989,396
<b>City's net pension liability</b>	<b>\$ 69,394,502</b>	<b>\$ 205,486,375</b>
Plan's fiduciary net position as a percentage of the total pension liability	93.74%	81.03%

***Actuarial Assumptions***

The total pension liability as of August 31, 2021 and 2020, was determined based on July 1, 2020 and July 1, 2018 data, respectively using the following actuarial assumptions:

Cost of living benefits increases	None
Inflation	3.0%
Salary increases	3.0%, average, including inflation
Investment rate of return	7.5%, compounded annually, net of expenses
Actuarial cost method	Entry-age-normal-level percentage of pay
Asset valuation method	Plan invested assets are reported at fair value

Mortality rates for non-disabled participants are based on the RP-2014 employee tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.

The actuarial assumptions used in the July 1, 2020 and July 1, 2018 valuation were based on the results of an actuarial experience study performed on 2018.



**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 5: NET PENSION LIABILITY (Continued)**

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension fund's target asset allocation as of August 31, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	6.98%
International equity	5.27%
Fixed income	1.07%
Real estate	5.73%
Private equity	9.65%
Alternatives	4.48%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be based on the rates established by Ordinance. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB 67. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.40% as of August 31, 2021. The corresponding rate was 2.07% as of August 31, 2020.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability as of August 31, 2021, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
City's net pension liability	\$ 178,417,633	\$ 69,394,502	\$ (29,273,302)

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Notes to Financial Statements**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2021 was as follows:

	Balance August 31, 2020	Additions	Deletions	Balance August 31, 2021
Capital assets not being depreciated				
Land	\$ 521,174	\$ -	\$ -	\$ 521,174
Construction in progress	-	50,500	-	50,500
<b>Total capital assets not being depreciated</b>	<b>521,174</b>	<b>50,500</b>	<b>-</b>	<b>571,674</b>
Capital assets being depreciated				
Buildings and improvements	1,468,790	-	-	1,468,790
Furniture and equipment	301,716	-	-	301,716
Software	835,000	18,000	-	853,000
<b>Total capital assets being depreciated</b>	<b>2,605,506</b>	<b>18,000</b>	<b>-</b>	<b>2,623,506</b>
Less accumulated depreciation				
Buildings and improvements	(66,542)	(35,197)	-	(101,739)
Furniture and equipment	(61,636)	(24,591)	-	(86,227)
Software	(320,083)	(170,600)	-	(490,683)
<b>Total accumulated depreciation</b>	<b>(448,261)</b>	<b>(230,388)</b>	<b>-</b>	<b>(678,649)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 2,678,419</b>	<b>\$ (161,888)</b>	<b>\$ -</b>	<b>\$ 2,516,531</b>

Depreciation expense of \$230,388 for the year ended August 31, 2021 was charged to administrative expenses.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 6: CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended August 31, 2020 was as follows:

	Balance August 31, 2019	Additions	Deletions	Balance August 31, 2020
Capital assets not being depreciated				
Land	\$ 958,774	\$ -	\$ (437,600)	\$ 521,174
Total capital assets not being depreciated	958,774	-	(437,600)	521,174
Capital assets being depreciated				
Buildings and improvements	1,325,135	143,655	-	1,468,790
Furniture and equipment	241,787	59,929	-	301,716
Software	835,000	-	-	835,000
Total capital assets being depreciated	2,401,922	203,584	-	2,605,506
Less accumulated depreciation				
Buildings and improvements	(30,368)	(36,174)	-	(66,542)
Furniture and equipment	(23,040)	(38,596)	-	(61,636)
Software	(153,083)	(167,000)	-	(320,083)
Total accumulated depreciation	(206,491)	(241,770)	-	(448,261)
Total capital assets, net of depreciation	\$ 3,154,205	\$ (38,186)	\$ (437,600)	\$ 2,678,419

Depreciation expense of \$241,770 for the year ended August 31, 2020 was charged to administrative expenses.

**NOTE 7: FUND TERMINATION**

Although not anticipated, should the Fund terminate at some future time, its net position generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated benefits will be paid depends on the priority of those benefits. Benefits under the Fund are not guaranteed by the Pension Benefit Guaranty Corporation.

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Notes to Financial Statements**

**NOTE 8: PLAN TAX STATUS AND ERISA**

The Fund is a Public Employees' Retirement System ("PERS") and is exempt from federal income taxes and the provisions of the *Employee Retirement Income Security Act of 1974* ("ERISA"). Additionally, the Plan obtained its latest determination letter on May 29, 2013, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the *Internal Revenue Code* ("IRC") and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

**NOTE 9: RELATED PARTY TRANSACTIONS**

An affiliate of the Fund's custodian is an investment manager for the Fund, which managed \$446,512,547 and \$356,022,455 of the Fund's investments at August 31, 2021 and 2020, respectively. As of August 31, 2021 and 2020, the Fund accrued investment management fees of \$48,619 and \$55,645, respectively, for the services of that investment manager. For the years ended August 31, 2021 and 2020, the Fund incurred \$321,132 and \$466,402, respectively, in management fees with this investment manager.

## **Required Supplementary Information**

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

<i>For the year ended August 31,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total Pension Liability</b>			
Service cost	\$ 20,839,564	\$ 21,392,493	\$ 20,769,411
Interest	77,447,854	78,045,365	75,886,822
Difference between expected and actual experience	1,526,057	-	-
Changes of assumptions	20,343	-	-
Benefit payments, including refunds of employee contributions	(75,230,941)	(70,348,910)	(66,648,577)
<b>Net change in total pension liability</b>	<b>24,602,877</b>	<b>29,088,948</b>	<b>30,007,656</b>
<b>Total pension liability, beginning of year</b>	<b>1,083,475,771</b>	<b>1,054,386,823</b>	<b>1,024,379,167</b>
<b>Total pension liability, end of year (a)</b>	<b>\$ 1,108,078,648</b>	<b>\$ 1,083,475,771</b>	<b>\$ 1,054,386,823</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 25,603,188	\$ 25,296,642	26,424,696
Contributions - plan member	15,099,360	16,114,139	15,746,549
Net investment income	202,050,667	102,470,526	12,819,847
Benefit payments, including refunds of employee contributions	(79,617,251)	(70,376,992)	(66,571,770)
Administrative expenses	(2,441,214)	(2,138,910)	(1,761,619)
<b>Net change in plan fiduciary net position</b>	<b>160,694,750</b>	<b>71,365,405</b>	<b>(13,342,297)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>877,989,396</b>	<b>806,623,991</b>	<b>819,966,288</b>
<b>Plan fiduciary net position, end of year (b)</b>	<b>\$ 1,038,684,146</b>	<b>\$ 877,989,396</b>	<b>806,623,991</b>
<b>City's net pension liability, end of year = (a) - (b)</b>	<b>\$ 69,394,502</b>	<b>\$ 205,486,375</b>	<b>\$ 247,762,832</b>
<b>Plan's fiduciary net position as a % of total pension liability</b>	<b>93.74%</b>	<b>81.03%</b>	<b>76.50%</b>
<b>Covered payroll</b>	<b>\$ 171,985,126</b>	<b>\$ 177,409,564</b>	<b>\$ 172,242,295</b>
<b>Plan's net pension liability as a % of covered payroll</b>	<b>40.35%</b>	<b>115.83%</b>	<b>143.85%</b>

**Notes to Schedule:**

*Changes of assumptions:* There were no assumption changes since the last actuarial valuation.

Schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, years for which the information is available will be presented.

	2018	2017	2016	2015	2014
\$	20,418,111	\$ 20,418,111	\$ 23,021,764	\$ 22,243,250	\$ 20,691,396
	72,439,238	70,199,486	66,845,529	64,244,529	61,812,817
	16,640,620	-	(22,728,241)	115,295	4,691,256
	-	-	37,572,898	-	-
	(61,114,382)	(60,394,115)	(54,383,629)	(50,788,937)	(52,592,834)
	48,383,587	30,223,482	50,328,321	35,814,137	34,602,635
	975,995,580	945,772,098	895,443,777	859,629,640	825,027,005
\$	1,024,379,167	\$ 975,995,580	\$ 945,772,098	\$ 895,443,777	\$ 859,629,640
\$	25,651,488	\$ 25,327,071	\$ 23,370,111	\$ 22,916,913	\$ 21,830,044
	15,540,713	15,154,341	14,886,249	14,595,935	14,039,600
	65,372,489	75,370,973	40,260,073	(17,872,916)	107,723,189
	(61,114,382)	(61,077,565)	(54,383,629)	(50,788,937)	(52,592,834)
	(2,036,643)	(1,325,640)	(1,417,530)	(1,355,351)	(1,143,272)
	43,413,665	53,449,180	22,715,274	(32,504,356)	89,856,727
	776,552,623	723,103,443	700,388,169	732,892,525	643,035,798
\$	819,966,288	\$ 776,552,623	\$ 723,103,443	\$ 700,388,169	\$ 732,892,525
\$	204,412,879	\$ 199,442,957	\$ 222,668,655	\$ 195,055,608	\$ 126,737,115
	80.05%	79.57%	76.46%	78.22%	85.26%
\$	167,255,529	\$ 161,026,109	\$ 156,336,028	\$ 158,990,084	\$ 153,613,308
	122.22%	123.86%	142.43%	122.68%	82.50%

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Schedule of Employer Contributions**

<i>For the year ended August 31,</i>	<b>2021</b>	2020	2019
Actuarially determined contributions (ADC)*	<b>\$ 19,812,687</b>	\$ 17,568,714	\$ 16,488,437
Contributions related to the ADC	<b>25,416,971</b>	27,369,717	25,761,130
Contributions deficiency (excess)	<b>(5,604,284)</b>	(9,801,003)	(9,272,693)
Covered payroll (payroll)	<b>\$ 171,985,126</b>	\$172,242,295	\$167,255,529
Contributions as a percentage of payroll	<b>14.78%</b>	15.89%	15.40%

\* Based on estimated payroll



2018	2017	2016	2015	2014
\$ 16,086,508	\$ 16,274,581	\$ 18,306,287	\$ 18,848,390	\$ 21,501,985
25,651,488	25,327,071	23,370,111	22,916,913	21,739,159
(9,564,980)	(9,052,490)	(5,063,824)	(4,068,523)	(237,174)
<u>\$ 161,026,108</u>	<u>\$ 156,336,028</u>	<u>\$ 158,990,084</u>	<u>\$ 153,613,608</u>	<u>\$ 152,911,275</u>
15.93%	16.20%	14.70%	14.92%	14.22%

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Schedule of Investment Returns**

	<b>2021</b>	2020	2019
Annual money-weighted rate of return, net of investment expense	<b>19.72%</b>	12.08%	1.95%

**Note:** This schedule is presented to illustrate the requirement to show 10 years of information. However, until a full 10-year trend is compiled, years for which the information is available will be presented.

2018	2017	2016	2015	2014
8.74%	10.29%	6.36%	-2.86%	17.22%

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## **Other Supplementary Information**

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Comparative Summary of Revenue by Source and Expense by Type**

**Revenue by Source\***

Years Ended August 31,	Interest, Dividends and Net Securities Lending Income	Employer Contributions (a)	Plan Member Contributions (a)	Net Appreciation (Depreciation) in Fair Value of Investments	Total	Employer Contributions as a Percentage of Covered Payroll
2021	\$ 3,622,157	\$ 25,603,188	\$ 15,099,360	\$ 201,182,318	\$ 245,507,023	14.05%
2020	6,477,162	25,296,642	16,114,139	99,563,115	147,451,058	14.05%
2019	7,759,257	26,424,696	15,746,549	7,981,580	57,912,082	14.05%
2018	6,459,227	25,327,071	15,154,341	74,716,005	121,656,644	14.05%
2017	7,563,107	23,370,111	14,886,249	37,856,062	83,675,529	14.05%
2016	7,433,579	22,916,913	14,595,935	(21,734,515)	23,211,912	14.05%
2015	8,039,815	21,830,044	14,039,600	103,082,579	146,992,038	13.45%
2014	9,096,062	20,499,707	13,328,629	63,890,162	106,814,560	12.85%
2013	5,162,832	19,181,091	12,607,172	43,642,344	80,593,439	12.25%

\* Excludes increase (decrease) in commission credits receivable

**Expenses by Type**

Years Ended August 31,	Benefits	Refunds	Investment Fees (b)	Administrative Expenses	Total
2021	\$ 75,728,963	\$ 3,804,288	\$ 2,753,808	\$ 2,441,214 (c)	\$ 84,728,273
2020	66,555,726	3,737,266	3,589,807	2,138,910 (c)	76,021,709
2019	62,251,632	4,215,138	2,987,728	1,761,619	71,216,117
2018	57,972,792	3,104,773	5,783,774	1,325,640	68,186,979
2017	51,554,209	2,829,420	5,104,720	1,417,530	60,905,879
2016	48,419,841	2,369,096	3,510,570	1,355,351	55,654,858
2015	49,375,280	3,217,554	3,336,994	1,143,272	57,073,100
2014	43,021,060	2,159,129	2,932,444	1,176,347	49,288,980

(a) Employee and employer contribution rates are based upon local statutes; contribution rates are note actuarially determined

(b) Investment fees are made up entirely of investment manager fees

(c) Detail listed on Comparative Summary of Administrative Expenses

**City of El Paso Employees Retirement Trust**  
**(A Component of the City of El Paso, Texas)**  
**Comparative Summary of Administrative Expenses**  
**For the Years Ended August 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Custodian/custodial fees	\$ 175,082	\$ 62,106
Consulting fees	379,537	298,287
Legal	361,002	291,230
Travel/education-employee	558	2,138
Audit/accounting	28,750	40,000
Actuary	50,393	82,589
Wages and benefits	785,614	697,716
Other operating expenses	366,472	217,378
Miscellaneous	63,418	-
Depreciation	230,388	241,770
One time fees	-	205,696
<b>Total administrative expenses</b>	<b>\$ 2,441,214</b>	<b>\$ 2,138,910</b>

**City of El Paso Employees Retirement Trust  
(A Component of the City of El Paso, Texas)  
Schedule of Investment Manager Expenses  
For the Years Ended August 31, 2021 and 2020**

	2021	
	Fair Value of Assets Under Management	Total Fees
Corporate bonds and notes manager	\$ -	\$ 29,911
Corporate stock managers	57,204,722	997,334
Bank collective investments funds managers	386,639,407	86,788
Commingled funds: fixed income funds managers	168,209,104	699,892
Commingled funds: corporate stocks managers	211,646,739	639,115
Private real estate Managers	86,581,226	254,680
Private equity investment managers	120,711,148	-
Absolute returns investment managers	-	46,088
Master limited partnership Managers	-	-
<b>Total</b>	<b>\$ 1,030,992,346</b>	<b>\$ 2,753,808</b>



**2020**

<b>Fair Value of Assets</b>	
<b>Under Management</b>	<b>Total Fees</b>
\$ 87,807	\$ 465,027
93,199,769	1,032,495
266,196,098	428,756
128,051,475	417,431
208,456,625	516,095
72,038,810	523,634
94,726,154	-
-	100,025
-	106,344
<b>\$ 862,756,738</b>	<b>\$ 3,589,807</b>