2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
AUGUST 31, 2021 AND 2020

A COMPONENT UNIT OF THE CITY OF EL PASO, TEXAS

Annual Comprehensive Financial Report
For Fiscal Year Ended August 31, 2021 and 2020

Robert Ash
Executive Director

City of El Paso Employees Retirement Trust
1039 Chelsea St.
El Paso, Texas 79903
(915) 212-0012
www.eppension.org
A Component Unit of the City of El Paso, Texas

Prepared by the Staff of the
City of El Paso Employees Retirement Trust

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February 10, 2022

Board of Trustees

City of El Paso Employees Retirement Trust

1039 Chelsea St.

El Paso, Texas 79903

Members of the Board of Trustees:

Attached is the Annual Comprehensive Financial Report (hereinafter referred to as "ACFR") of the City of El Paso Employees Retirement Trust. This ACFR is more detailed than the Annual Financial Report booklet which we provide to you as a quick guide regarding the accounting and actuarial position of the Trust.

The Trust's office staff has compiled the information included in this report from several sources. These sources included the most recent audited financial statements and actuarial valuations. As you know the Trust is guided by the plan document found in Section 2.64 of the El Paso Municipal Code but also by Rules and Regulations, not inconsistent with the plan document. Therefore some of the information in this document comes from various policies or rules approved by the Board of Trustees. We believe the contents fairly reflect the current accounting and actuarial position of the Trust as has been reported to the Board by outside professional accounting and actuarial firms.

The ACFR includes five main areas of focus:

Area One: Introductory letter, Trust organization, consultants, investment managers and Summary Plan Description.

Area Two: Financial Section which includes the most recent current audit report from the Trust's Independent Auditors including the financial statements, notes to the financial statements and supplementary information.

Area Three: Investments denoting investment activity, policies, historical returns and miscellaneous investment schedules.

Area Four: Actuarial information which includes the results from the most recent actuarial valuation.

Area Five: Recent plan changes and data.

This ACFR is designed to be a tool in order to gain additional understanding of the City of El Paso Employees Retirement Trust. However, our staff remains available to answer any specific questions regarding the information contained in this report.

Financial Information

The most recent independent audit performed by the Trust's independent auditors, Carr, Riggs and Ingram LLC, contains a description of the services they provided and the methods used during the audit. Each year, as required by law, the Trust engages a professional audit firm to review the Trust's accounting information, internal controls and issue an opinion regarding the operations of the Trust and the related financial statements for the year. Included in their report are notes. The notes help explain some of the accounting treatment for certain aspects of Trust operations. In addition, the Board in conjunction with Trust staff prepared a Management Discussion and Analysis (hereinafter referred to as "MD&A"). This discussion is also included in the annual audit. The MD&A highlights the financial operations during the year and identifies any significant changes made during the year.

The Trust's independent auditors have issued an unmodified opinion for many years. In addition, there have been limited management comments made by the auditors as a result of their review. No management letter comments were received for the latest audit. The resulting opinions have provided reasonable assurance to the Board, plan participants and retirees that the financial statements present fairly, in all material respects, the net trust assets available for pension benefits and that the financial statements are in conformity with Generally Accepted Accounting Principles or "GAAP". There were no major accounting changes for the fiscal year ended August 31, 2021.

The Comptroller of the plan sponsor serves as Treasurer of the Trust and provides unaudited financial reports to the Board at each Board meeting. The Board is able to ask questions of the Trust Treasurer and staff regarding the Treasurer's reports. The Comptroller, or her representative(s), is also a non-voting member of the Trust's Investment Committee and is able to attend such monthly meetings.

The Trust management provides for a system of internal controls with the purpose of providing reasonable rather than an absolute assurance that the financial statements are free from material misstatements. Internal controls are evaluated by the Trust's independent auditors in the process of conducting the Trust's annual audit. While it is possible to implement certain additional internal controls the cost to incorporate these additional controls are at times not cost-effective and therefore not implemented. The staff and Audit Committee of the Board discuss internal controls with the Trust's independent auditors during the entrance and exit conferences. Internal controls are considered using a cost/benefit analysis. In addition, the City's Internal Audit Department periodically conducts reviews which include an assessment of the Trust's internal controls.

Organization

The City of El Paso Employees Retirement Trust is a multi-employer defined benefit pension fund which has been in continuous operation for over 70-years. While it is currently defined as a multiple employer plan the plan currently consists of one main employer which is the City of El Paso. The participants in the plan are governed by the plan document found in Section 2.64 of the El Paso Municipal Code.

The pension staff and some employees of related agencies are also participants in the retirement trust. The plan is governed by a local ordinance passed by the City Council of the City of El Paso and can only be amended by the plan sponsor, the City of El Paso. The trust provides benefits to retired employees of the City of El Paso except for those employees who participate in the El Paso Fire and Police Pension plans, temporary employees, some contract employees and elected officials.

The Board of Trustees of the Trust manages the Trust with the assistance of employees hired by the Board. The Board is comprised, pursuant to the plan document, of 2 elected members of the El Paso City Council, 1 retiree member, 4 elected employees who are eligible to participate in the Trust and 2 outside citizens. The 2 City Council members, the retiree representative and 2 citizen appointees are appointed by the City and serve for 2-year terms. The employee representatives are elected by Trust participants and serve 4-year terms. For board appointments after April 2018, no City Council, citizen, or retiree member appointee may hold a board position for more than 8 years throughout their lifetime. There are no limits on the number of terms in which an elected Board member may serve so long as they remain qualified to serve.

Investments

The Trust's overall investment objective is to achieve the highest level of return with a prudent level of risk. Trust investments and asset allocations are developed by the Board with the advice from the Trust's professional investment consultant. The Trust invests with a long-term objective of funding retirement benefits over generations. The Trust has developed an investment policy that is monitored and modified from time-to-time as may be desirable at the discretion of the Board with input from the Trust's professional investment consultant.

Investments are made by the Board with the goal of achieving a long term return of at least the actuarial rate of return which is currently 7.25 percent. Another goal of the Trust is to make strategic allocations to maximize possible return with a reasonable risk tolerance by diversifying the investment options within the Trust's investment portfolio.

Actuarial Information

The Board is required to perform an actuarial valuation at least every two years. The Trust hires an enrolled actuary for this purpose. The Trust's actuary, Buck Global, LLC provides the Board with critical information regarding how well funded the plan is at the time of the actuarial valuation. The actuary also assists the Board in maintaining reasonable assumptions in the actuarial valuations by performing Experience Studies every four years. Experience studies are conducted periodically with the last one completed in 2020. The Trust has a goal of maintaining an amortization period for any unfunded actuarial accrued liability which complies with the period required by GASB and the Texas State Pension Review Board which is currently twenty-five years. The Trust has requested that interim valuations be performed in the intervening years when a full actuary is not performed. The interim valuation is used by the Board to provide a less exact snapshot in time of the Trust's actuarial position. As of the end of the last fiscal year, the amount of the unfunded actuarial accrued liability was $184,797,468 and the funding period was 13 years. Investment returns for the past year were positive, up about 21.5 percent, which exceeded the assumed investment return of 7.25 percent. The investment returns were in excess of the assumed investment return rate which is primarily responsible for the decrease in the years to amortize the unfunded liability by 1 year. The market value of the Trust's assets increased by about $150.5 million dollars and the years to amortize the unfunded liability decreased to 13 years. The funding ratio at the end of fiscal year 2021 was 83.3 percent. The Trust's current amortization period for the unfunded actuarial accrued liability is within the goals of the Trust. The amortization period is below that required by GASB and the Texas State Pension Review Board. However, Trust management continues to strive to reduce the unfunded actuarial accrued liability and the resulting amortization period.

In order to improve the financial position of the Trust, the City of El Paso in consultation with the Board of Trustees created a second tier of benefits for those participants who were hired after August 31, 2011. At that time vesting and the amount of contributions were changed. Other changes were also made to the benefits of the second tier group of participants. Members of the second tier of benefits were not generally able to retire under the new provisions until August 2018. Please refer to the actuarial section of the ACFR regarding additional actuarial details.

This ACFR is prepared by the staff of the Board of Trustees who in concert with the Board of Trustees, as management, is responsible for the information contained in the ACFR. Trust management, its auditors, actuary and investment consultants have worked to prepare an accurate ACFR and their efforts in this regard are greatly appreciated. Information included in this ACFR is believed to be comprehensive and made based upon the best information available as of the date of completion. Much of the information necessarily related back to the end of the most recent fiscal year. Should you have any questions regarding the information in the ACFR please do not hesitate to contact me or any member of the staff.

Sincerely,

Robert Ash

Executive Director/Board Secretary

Board of Trustees

The current members of the City of El Paso Employees Retirement Trust Board of Trustees are:

Appointed Members

Matt C. Kerr
Chairman

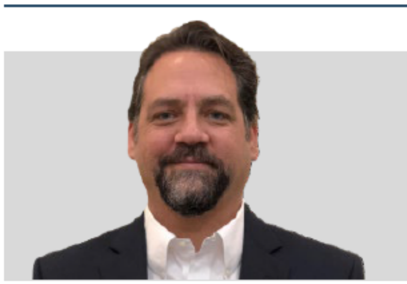
Nicholas J. Costanzo

Jerry Romero

Rep. Isabel Salcido

Rep. Joe Molinar

Elected Members



Karl C. Rimkus
Vice-Chairman

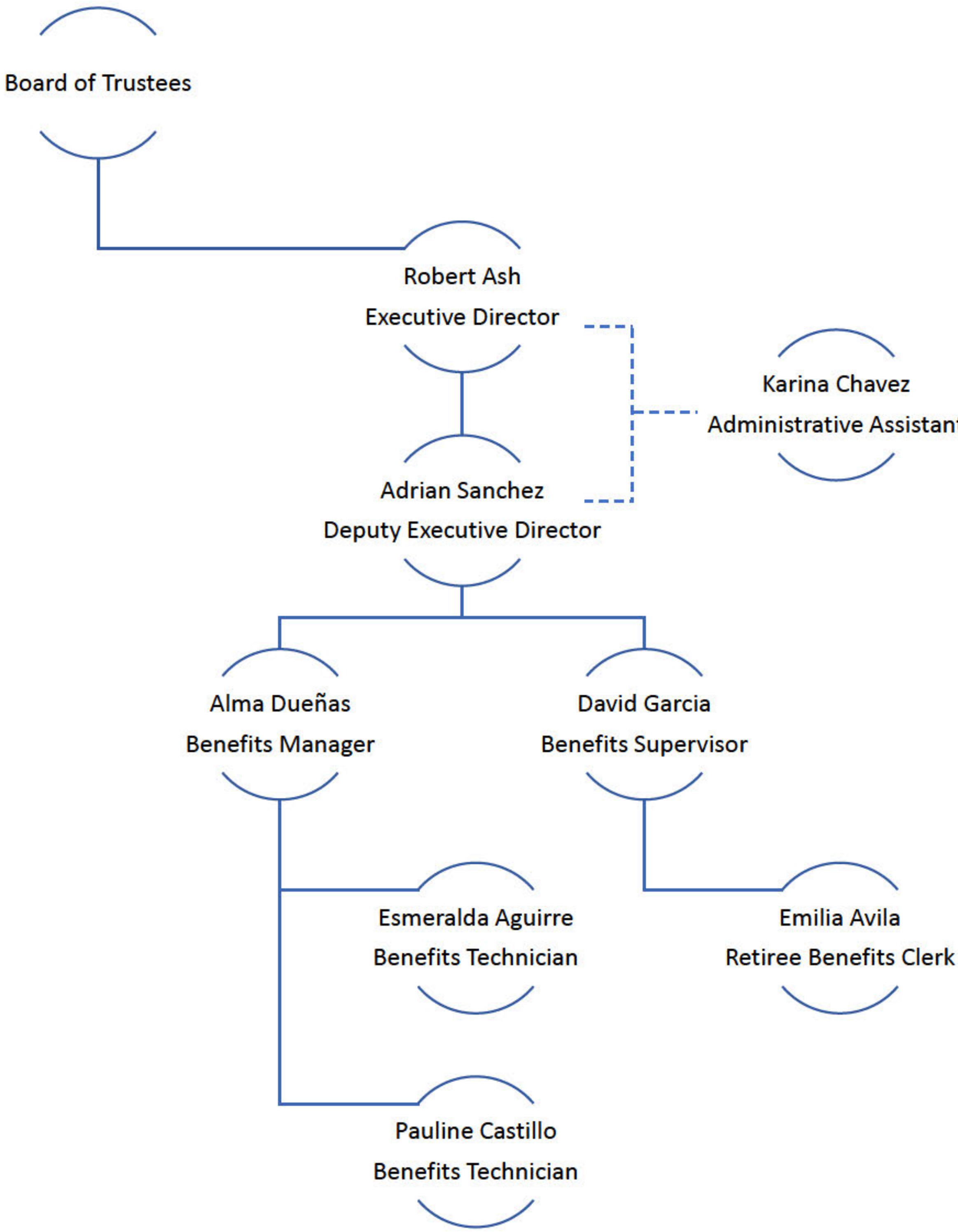
Mario R. Hernandez

Diana Nuñez

Isaura Valdez

The Retirement Trust Executive Director serves as Secretary to the Board but does not vote and is not counted for purposes of establishing a quorum.

Administrative Organization



PROFESSIONAL SERVICE PROVIDERS

Actuary

Buck Global LLC

Auditors

Carr, Riggs & Ingram CPAs and Advisors

Custodian

BNY Mellon Asset Servicing

Legal Counsel

Eduardo Miranda
General Counsel
Gordon, Davis, Johnson & Shane P.C.
Tax Counsel

Investment Consultant

Callan LLC

See the Investment Section of this report for list of investment managers on page 64 and schedule of management fees and broker commissions on page 85.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Paso Employees Retirement Trust
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

Carr, Riggs & Ingram, LLC
810 East Yandell Drive
El Paso, TX 79902

(915) 532-8400
(915) 532-8405 (fax)
CRIcpa.com

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.

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:

Condensed Financial Information

	Year Ended August 31,			Changes	
	2021	**2020**	**2019**	**2021-2020**	**2020-2019**
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.

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%
Total additions	242,753,215	143,881,307	54,991,092	68.72%	161.64%
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%
Total deductions	82,058,465	72,515,902	68,333,389	13.16%	6.12%
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.

Basic Financial Statements

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

August 31,	**2021**	**2020**
Assets		
Cash and cash equivalents	$ 5,237,145	$ 10,646,860
Receivables		
Commission credits receivable	7,883	6,109
Due from brokers for securites 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
Total assets	1,040,728,155	879,694,980
Liabilities		
Due to brokers for securities purchased	-	1,164,852
Accrued expenses	2,036,126	534,623
Unearned revenue-commission credits	7,883	6,109
Total liabilities	2,044,009	1,705,584
Net position - restricted for pensions	$ 1,038,684,146	$ 877,989,396

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

For the years ended August 31,	2021	2020
Additions		
Contributions		
Employer	$ 25,603,188	$ 25,296,642
Plan members	15,099,360	16,114,139
Total contributions	40,702,548	41,410,781
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
Net investment income	202,050,667	102,470,526
Total additions	242,753,215	143,881,307
Deletions		
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
Total deletions	82,058,465	72,515,902
Net increase in fiduciary net position	160,694,750	71,365,405
Net position restricted for pensions, beginning of year	877,989,396	806,623,991
Net position restricted for pensions, end of year	$ 1,038,684,146	$ 877,989,396

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 find 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.

NOTE 1: DESCRIPTION OF THE PLAN (Continued)

Contributions (Continued)

Contributions were made as follows:

	Employer Contributions		Employee Contributions		Total	
For the Years Ended August 31,	**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.

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.

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.

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.

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.

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.

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).

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.

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.

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 depositary 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.

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.

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:

Asset Class	Target Allocation
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:

	2021		2020	
Investment Type	Fair Value	Weighted-Average Maturity (In Years)	Fair Value	Weighted-Average Maturity (In Years)
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	-
Total	$ 173,446,249		$ 138,786,142	
Portfolio weighted-average maturity		0.00		0.01

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:

August 31, 2021

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

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.
(b) Includes international and municipal holdings.

August 31, 2020

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

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.
(b) Includes international and municipal holdings.

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
August 31, 2021		
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
August 31, 2020		
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

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:

	2021		
Local Currency Name	**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
Total	$ 225,010,557	$ -	$ 225,010,557

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

	2020		
Local Currency Name	**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
Total	$ 182,519,622	$ -	$ 182,519,622

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:

	2021	2020
Corporate Stocks	$ -	$ 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.

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.

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:

		2021 Fair Value Measurements Using		
	August 31, 2021	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
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	$ -	$ -
Investments Measured at the Net Asset Value (NAV) (a)				
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 heirarchy. 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.

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

		2020 Fair Value Measurements Using		
	August 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
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	$ -
Investments Measured at the Net Asset Value (NAV) (a)				
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 heirarchy. 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.

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
Total investments measured at the NAV	$ 973,787,624			

	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
Total investments measured at the NAV	$ 769,469,162			

NOTE 5: NET PENSION LIABILITY

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

	2021	2020
Total pension liability	$ 1,108,078,648	$ 1,083,475,771
Plan's fiduciary net position	1,038,684,146	877,989,396
City's net pension liability	$ 69,394,502	$ 205,486,375
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.

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:

Asset Class	Long-term Expected Real Rate of Return
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:

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

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
Total capital assets not being depreciated	521,174	50,500	-	571,674
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
Total capital assets being depreciated	2,605,506	18,000	-	2,623,506
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)
Total accumulated depreciation	(448,261)	(230,388)	-	(678,649)
Total capital assets, net of depreciation	$ 2,678,419	$ (161,888)	$ -	$ 2,516,531

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.

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

For the year ended August 31,	**2021**	2020	2019
Total Pension Liability			
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)
Net change in total pension liability	**24,602,877**	29,088,948	30,007,656
Total pension liability, beginning of year	**1,083,475,771**	1,054,386,823	1,024,379,167
Total pension liability, end of year (a)	**$ 1,108,078,648**	$1,083,475,771	$1,054,386,823
Plan Fiduciary Net Position			
Contributions - employer	**$ 25,603,188**	$ 25,296,642	26424696
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)
Net change in plan fiduciary net position	**160,694,750**	71,365,405	(13,342,297)
Plan fiduciary net position, beginning of year	**877,989,396**	806,623,991	819,966,288
Plan fiduciary net position, end of year (b)	**$ 1,038,684,146**	$ 877,989,396	806,623,991
City's net pension liability, end of year = (a) - (b)	**$ 69,394,502**	$ 205,486,375	$ 247,762,832
Plan's fiduciary net position as a % of total pension liability	**93.74%**	81.03%	76.50%
Covered payroll	**$ 171,985,126**	$ 177,409,564	$ 172,242,295
Plan's net pension liability as a % of covered payroll	**40.35%**	115.83%	143.85%

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 complied, 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

For the year ended August 31,	**2021**	2020	2019
Actuarially determined contributions (ADC)*	**$ 19,812,687**	$ 17,568,714	$ 16,488,437
Contributions related to the ADC	**25,416,971**	27,369,717	25,761,130
Contributions deficiency (excess)	**(5,604,284)**	(9,801,003)	(9,272,693)
Covered payroll (payroll)	**$ 171,985,126**	$172,242,295	$167,255,529
Contributions as a percentage of payroll	**14.78%**	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)
$ 161,026,108	$ 156,336,028	$ 158,990,084	$ 153,613,608	$ 152,911,275
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

	2021	2020	2019
Annual money-weighted rate of return, net of investment expense	**19.72%**	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

	2021	2020
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
Total administrative expenses	$ 2,441,214	$ 2,138,910

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	-	-
Total	$ 1,030,992,346	$ 2,753,808

2020	
Fair Value of Assets Under Management	Total Fees
$ 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
$ 862,756,738	$ 3,589,807

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INVESTMENT SECTION

Callan

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www.callan.com

January 2022

Board of Trustees
City of El Paso Employees Retirement Trust
1039 Chelsea
El Paso, TX 79903

RE: Report on Fiscal Year 2021's Investment Activities

Dear Board Members:

The El Paso City Council created a City Employees' Pension Board of Trustees that makes investments for the sole interest of the participants and beneficiaries of the City of El Paso Employees Retirement Trust (the Fund). The primary purpose of the investments is to generate appropriate risk-adjusted rates of return that, in combination with a sound actuarial funding policy, will enable the Fund to pay all pension benefit obligations when due. The Fund's fiscal year-end is August 31st.

The Fund maintains a policy of broad diversification to help control the volatility of achieving the target rate of return over the long run. The Board understands that its target rate of return is associated with a certain degree of risk. Any risk resulting from the implementation of the Fund's investment policy must be done in a prudent, thoughtful, non-speculative manner.

Fund assets are to be invested with the care, skill, and diligence that a prudent person acting in a like capacity would undertake. The Board acknowledges that, in the process, they have the goal of controlling costs associated with the administration and management of the Fund's investments.

In establishing its risk tolerance, the Board considered its ability to withstand short- and intermediate-term volatility given the nature of contemporaneous market conditions. The Board also reviewed the long-term characteristics of various asset classes, focusing on balancing risk with expected return. As of August 31, 2021, the Fund's strategic asset allocation policy included the following six asset classes: domestic equity; international equity; fixed income; private equity; real estate; and cash.

The table on the following page shows how the Fund was invested in those six asset classes in dollars and as a percent of the Total Fund at the end of fiscal-year 2021.

City of El Paso Employees Retirement Trust
Asset Allocation as of August 31, 2022

Asset Class	Fair Value ($000)	Allocation (%)
Domestic Equity	349,335	34%
International Equity	233,768	23%
Private Equity	102,888	10%
Domestic Fixed Income	240,617	24%
Real Estate	86,528	9%
Cash	3,474	0%
Total	**1,016,616**	**100%**

The Board, with information and advice provided by their investment consultant, closely monitors the Fund's asset mix to assure compliance with the adopted Investment Policy Statement and appropriate city ordinances that regulate the investment process.

On an ongoing basis, the Board implements a performance measurement and evaluation process that examines rates of return for the Total Fund, the six major asset classes, and the fund's individual managers. The Board compares returns to broad market indices and relevant "peer groups" of investment managers with similar investment styles. Investment measurements and comparisons have been made using standard performance evaluation methods and results are presented in a manner consistent with investment industry best practices. All returns are time-weighted rates of return calculated by the Fund's investment consultant on the basis of fair value and cash flow data provided by the Fund's bank custodian.

The Fund's net of fees total return and target benchmark return for the fiscal year, the last three, five, seven, and ten years ended August 31, 2021 are provided in the table below.

	Annualized Return				
	1 Year	3 Year	5 Year	7 Year	10 Year
Total Fund (Net)	**22.7%**	**11.9%**	**10.8%**	**8.1%**	**9.4%**
Strategic Blended Index	20.8%	12.0%	11.1%	8.6%	9.8%

Yours truly,

Alex Browning

Alex Browning
Callan, LLC
Senior Vice President

INVESTMENT MANAGERS

Domestic Equity

Alliance Bernstein
Mellon Capital
Riverbridge
Vulcan Value Partners
Wedge Capital Management
Wellington

International Equity

AQR
Franklin Templeton
Lazard
Mellon Capital

Private Equity

Portfolio Advisors

Domestic Fixed Income

BlackRock
Mellon Capital
Wellington

Real Estate

Heitman
UBS

MLP

Salient Advisors

Investment Guidelines

General

The Board is responsible for the investment of all assets and for establishing policies and practices. All investments shall be made for the purposes of providing benefits to participants and their beneficiaries and defraying the expenses related to administering the Fund as determined by the Board.

The Board may, at its discretion, retain investment advisors to manage all or a portion of the Fund assets. These advisors shall be selected from established and financially sound organizations which have a proven and demonstrable record in managing funds with characteristics appropriate for the risk/return profile of the Fund assets. The selection process will involve a disciplined approach that will be fully documented for the Board's records.

All assets should be properly diversified to reduce the potential of a single security or single sector of securities having a disproportionate impact on the portfolio.

Given the expense, difficulty of obtaining adequate diversification, related custody costs and ultimate size of the Fund's commitments to various asset classes, commingled funds may be used as the vehicle for the investment in such asset classes. In such cases, the investment guidelines will be governed by the fund's governing documents.

The following guidelines would apply to investment mandates utilized by the Fund:

Large Cap Index Equity

Investment Guidelines

This investment will be passively managed. Permissible investments are S&P 500 Index or Russell 1000 commingled funds or Exchange Traded Funds (ETFs).

As such, the investment guidelines will be governed by the fund’s governing documents.

Investment Objective

The investment objective is to achieve a return approximating the total return of the S&P 500 or Russell 1000 Indexes before fees.

Large Cap Dynamic

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the S&P 500 Index.

Investment Strategy

The Portfolio will actively allocate assets across the equity, fixed income, and cash markets of the United States. The volatility of the portfolio should be similar or less than the S&P 500 Index. The assets of the Portfolio may be invested in securities, derivatives, and a combination of other collective funds.

Portfolio Restrictions

Long and short positions in financial futures, options on financial futures, index options, exchange-traded options, and over-the-counter options, may be used.

Cash investments or assets used as collateral underlying the derivatives positions may be comprised of other collective funds and short to medium-term debt of investment grade that may include, without limitation, Treasury bills and notes, corporate obligations, commercial paper, repurchase agreements, and obligations of government sponsored enterprises.

Small/Mid Cap Equity

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs, this investment will be made using one or more commingled funds(s).

As such, the investment guidelines will be governed by the fund’s governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the Russell 2500 Index.

Investment Strategy

The Fund(s) will invest primarily in a diversified portfolio of equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than $100 million and the greater of $5 billion of the top end of the Russell 2500 Index (the “Market Capitalization Range”) at the time of initial purchase; 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.

Portfolio Restrictions

Leverage, short sales, and buying and selling on margin are not permitted.

Cash – Generally, Funds may invest up to 5% of assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions), subject to a maximum of 10% of assets

International Equity-Developed Index

Investment Guidelines

This investment will be passively managed. Permissible investments are MSCI EAFE Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

International Equity-All Country

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US IMI Index.

Investment Strategy

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.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-Emerging Markets

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI Emerging Markets Index.

Investment Strategy

The Portfolio will invest primarily 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.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 20% in any one country.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-All Country Small Cap

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund’s governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US Small Cap Index.

Investment Strategy

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.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

Fixed Income Core Index

Investment Guidelines

This investment will be passively managed. Permissible investments are Barclays Capital Aggregate Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund’s governing documents.

Fixed Income Core Plus

Investment Guidelines

Investment Objective:

- Provide a total return that exceeds that of the Benchmark Portfolio with a commensurate amount of risk (risk as defined by standard deviation).

A. Main Objective

The main objective for the management of the account(s) is to outperform the U.S. bond market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, in a risk adjusted manner. The strategy is designed for long-term investors who primarily seek total return.

In order to ensure adequate diversification and prudently manage costs, this investment will be made using a commingled fund(s).

As such, the investment guidelines will be governed by the fund's governing documents.

B. Investment Universe and Limitations

1. Allowable Investments

a. U.S. Government and Agency securities
b. Sovereign and supranational securities
c. Corporate securities and bank loans
d. Non-U.S. issuer securities (including Yankee bonds, Eurobonds, and Global bonds)
e. Mortgage securities (including CMOs, whole loans, and CMBS)
f. Asset-backed securities
g. Inflation-linked bonds
h. Medium-term notes
i. Municipal securities
j. Insurance surplus notes and capital securities
k. Credit-linked notes and structured notes
l. Repurchase and reverse purchase agreements
m. Private placement (Rule 144A), bank loans, and other restricted securities

2. General Restrictions

a. The average duration of the Fund(s) generally ranges between +/- 1.5 years of the average duration of the benchmark index, under normal circumstances.

b. The average credit quality of the Fund(s) is investment-grade. Exposure to debt obligations rated below investment grade will generally be limited to 20% of Fund assets.

Credit ratings for issues will be the highest of Moody's, S&P's, or Fitch's long-term ratings. If an issue is unrated, then an equivalent credit rating as deemed appropriate by the manager(s) may be used.

c. The Fund(s) seeks broad diversification by market sector, industry, and issuer. Net credit exposure to any single issuer will generally not represent more than 5% of the Fund at time of purchase (this restriction may not apply to issues of the U.S. Treasury, issue of U.S. government agencies, or the investment-grade debt obligations of OECD member countries and their instrumentalities).

d. STIF funds may be used as a cash "sweep" vehicle to manage uninvested cash, or to manage reinvested cash collateral, that engage in securities lending transactions. Such cash or cash collateral may be invested in STIF funds in a manner that generally seeks as a high a level of current income as is consistent with liquidity and stability of principal.

3. Foreign Securities

a. Non-U.S. dollar exposure may be entirely hedged, partially hedged, or fully unhedged depending on the investment outlook. Currency forwards, options, and futures are employed to adjust and hedge the Portfolio's currency exposure. Exposure to non-U.S. dollar denominated issues and currencies will generally be limited to 20% of Fund assets.

4. Derivatives

a. The Fund(s) may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, credit, index, and currency futures; currency, interest rate, total rate of return, and credit default swaps; currency, bond, and swap options; deliverable and non-deliverable currency forward contracts; bonds for settlement; "to-be-announced" (TBA) securities; and other derivative instruments for risk management purposes and otherwise in pursuit of the Fund's objective.

5. Short Selling

a. The Fund(s) may sell securities short, including futures, swaps, structured products and call options for duration management or other purposes.

6. Miscellaneous

a. The Fund(s) is to be managed in USD.

b. The Fund(s) will not employ leverage.

c. Investment types not explicitly allowed in these guidelines may still be used by the manager(s) if deemed to be appropriate.

Real Estate

Investment Guidelines

The Board reserves the right to consider investment of the Fund's assets in real property, either on a direct basis or as a participant in a commingled real estate fund managed by a bank, insurance company, or other professional real estate investment manager. Real estate investments will be diversified to the extent possible both by geographic location and property type.

Private real estate managers are expected to invest in private real estate equity located within the United States or the District of Columbia. The following types of investments may be purchased by the manager: private real estate equity, equity-orientated debt, mortgages, construction loans, mezzanine debt on real estate, and private investment vehicles in such instruments designed for tax-exempt investors. The emphasis in the portfolio will be on investments in the stabilized operating stages of their life cycle; however, riskier equity investments in the development, leasing, and redevelopment stages will also be considered in minority positions in the portfolios. The manager should manage risk by using investment quality assets for their type and location. The portfolio should be diversified by property type (office, retail, industrial, or residential) and by the various geographic regions of the country. Leverage is to be limited to no more than 30% of the fund.

Private Equity

Investment Guidelines

Introduction

The private equity investments made on behalf of City of El Paso Employees Retirement Trust ("CEPERT") will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, and restructuring funds, etc.). CEPERT will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. Eligible fund-of-funds may employ either a primary partnership or secondary partnership strategy. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, or group trusts. Investments directly in stand-alone corporate finance limited partnerships and direct investments in companies are not currently considered appropriate. The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the commingled fund's legal documentation.

To maintain an appropriate funded status on a net asset value basis, CEPERT will be required to make periodic commitments to additional fund-of-funds vehicles managed by either the same or different fund-of-funds managers. CEPERT's staff will work with the consultant and the managers to determine appropriate commitment timing and amounts and periodically present a recommended plan to the Investment Committee.

To ensure adequate access and diversification, CEPERT may utilize multiple fund-of-funds providers. There is no specific limit to the number of vendors to be utilized. However, CEPERT will limit the number of vendors employed to the extent practical. Only those firms committed to providing ongoing access to the private equity arena through fund-of-funds offerings, that have a demonstrated record of investing client funds in top tier private equity partnerships and that limit assets accepted for management to sums that can in fact be committed in top tier funds will be considered.

CEPERT recognizes that many well-qualified fund-of-funds providers make direct private equity investments within the fund-of-funds vehicles. Such investments are permissible provided that they constitute a comparatively small portion of the total fund of funds asset base (typically less than 20%). These direct investments are not required and CEPERT's staff, when provided a choice, may elect to exclude such investments.

Investment Objective

The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through capital appreciation and diversification. CEPERT's holdings will be professionally managed on a cash-to-cash basis and will have broad exposure to all key private corporate finance strategies (e.g., venture capital, acquisition, special situation, etc.), with allocations to the various strategies diversified in a manner consist with institutional private equity programs generally.

Performance Objectives

Due to the inevitability of short-term market fluctuations that may cause variations in the investments' performance and the long lead-time associated with private equity, it is intended that the performance objectives outlined below will be achieved by the fund-of-funds over the life of the vehicle(s), generally 12 years. However, the Board reserves the right to evaluate the funds' interim performance. Annual performance will be evaluated to test progress toward attainment of these longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates from expectations. Minimum expectations are as follows:

1. It is expected that the private equity program will over rolling 5-year periods provide net of fee returns in excess of those available in the public markets. The return target for the private equity program is the Russell 3000 Index plus 300 basis points calculated on a time-weighted basis. The rate of return for the fund-of-funds will also be calculated on an internal rate of return basis net of all fees and expenses.

2. The fund's IRR performance will also be benchmarked on a vintage year basis against peer groups in the Thomson Reuter's Private Equity Database. These return comparisons will be net of underlying partnership fees and expenses, but gross of the fund-of-funds' fees and expenses. It is expected that the vehicles will attain performance rankings consistent with the top-quartile levels of return evidenced in the database.

Attainment of these objectives does not guarantee continued investment by the Board in a specific manager's fund-of-funds vehicles, nor does failure to achieve these guidelines ensure a lack of future investment support for follow-on vehicles. Providers are selected at the discretion of the Board.

In private equity investing there is the risk of sustaining a loss on any of the individual investments. It is CEPERT's expectation that, while specific investments may incur losses of all or part of capital invested, a diversified portfolio of holdings will produce a positive rate of return in the expected range set forth above.

Guidelines

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. But, the vehicle's manager in managing the portfolio should take prudent care. In addition, the following stipulation(s) apply:

- The CEPERT funds invested in the pooled/fund-of-funds vehicle should not represent more than 20% of the total market value of the pooled/fund-of-funds. It is also preferred that this holds true for any other investor in these 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 the fund-of-funds provides the option of receiving distributions in cash or securities, the Trust will opt to receive cash.

Reporting Requirements

Reporting requirements will be governed by the fund-of-funds legal documentation, which at a minimum will provide for quarterly unaudited financial statements and other relevant investment holdings-related exhibits, and annual audited financial statements and relevant investment holdings-related exhibits.

Cash

Investment Guidelines

The investment objective is to produce a return that equates to prevailing short-term rates applicable to the quality specified below.

All monies not deployed in other permitted investments shall be invested in short-term investment vehicles as provided below.

Money market instruments shall include:

- Direct obligations of the U.S. Treasury including bills, notes, and bonds, and repurchase agreements secured by those obligations.

- U.S. Government and U.S. Treasury money market mutual funds that are SEC registered and comply with Rule 2(a)-7 under the Investment Company Act of 1940. The investment guidelines will be governed by the fund's governing documents.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2021. Negative manager excess returns are shown in red, positive excess returns in blue. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class. All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.

Returns for Periods Ended August 31, 2021

	Last Month	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	**3.09%**	**32.20%**	**16.72%**	**17.43%**	**13.79%**
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**0.23%**	**(0.85%)**	**(1.13%)**	**(0.54%)**	**(0.55%)**
Mellon Equity Index (06/94)	3.03%	31.01%	17.95%	17.95%	14.52%
S&P 500 Index	3.04%	31.17%	18.07%	18.02%	14.56%
Excess Return	**(0.01%)**	**(0.16%)**	**(0.13%)**	**(0.07%)**	**(0.04%)**
Mellon Dynamic US Equity (12/13)	3.33%	31.84%	19.55%	19.76%	16.76%
S&P 500 Index	3.04%	31.17%	18.07%	18.02%	14.56%
Excess Return	**0.29%**	**0.68%**	**1.47%**	**1.74%**	**2.20%**
Wellington SMID (03/21)	2.76%	-	-	-	-
Russell 2500 Index	2.27%	45.87%	13.09%	15.10%	11.85%
Excess Return	**0.49%**	**-**	**-**	**-**	**-**
AllianceBernstein (05/21)	3.08%	-	-	-	-
Russell 2500 Index	2.27%	45.87%	13.09%	15.10%	11.85%
Excess Return	**0.81%**	**-**	**-**	**-**	**-**
International Equity	**1.80%**	**27.24%**	**10.32%**	**10.69%**	**6.11%**
MSCI ACWI ex-US IMI	1.96%	26.29%	9.60%	10.14%	5.74%
Excess Return	**(0.16%)**	**0.95%**	**0.72%**	**0.55%**	**0.38%**
Mellon International (03/13)	1.75%	26.46%	9.36%	10.12%	6.01%
MSCI EAFE Index	1.76%	26.12%	9.00%	9.72%	5.66%
Excess Return	**(0.02%)**	**0.34%**	**0.36%**	**0.40%**	**0.35%**
Franklin Templeton Int'l Eq (04/13)	1.68%	33.29%	10.18%	10.90%	7.09%
MSCI ACWI ex-US Small Cap	2.31%	35.51%	11.02%	11.50%	7.72%
Excess Return	**(0.63%)**	**(2.22%)**	**(0.84%)**	**(0.60%)**	**(0.63%)**
Lazard International Equity (04/13)	2.65%	24.36%	13.11%	12.22%	7.35%
MSCI ACWI ex-US IMI	1.96%	26.29%	9.60%	10.14%	5.74%
Excess Return	**0.69%**	**(1.93%)**	**3.51%**	**2.08%**	**1.61%**
AQR Emerging Markets (05/14)(3)	1.14%	26.14%	9.74%	10.63%	4.82%
MSCI Emerging Mkts Idx	2.65%	21.49%	10.25%	10.80%	5.44%
Excess Return	**(1.51%)**	**4.65%**	**(0.52%)**	**(0.16%)**	**(0.63%)**
Private Equity	**0.00%**	**47.82%**	**27.16%**	**19.90%**	**17.83%**
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**14.77%**	**9.31%**	**1.94%**	**3.49%**
PAPEF VII (01/13)(4)	0.00%	63.00%	35.74%	25.29%	20.68%
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**29.95%**	**17.89%**	**7.32%**	**6.34%**
PASF II (01/13)(4)	0.00%	33.09%	15.30%	12.34%	13.80%
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**0.05%**	**(2.55%)**	**(5.63%)**	**(0.53%)**
PAPEF VIII (04/16)(4)	0.00%	43.90%	25.27%	17.45%	-
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**10.86%**	**7.42%**	**(0.51%)**	**-**
PASF III (01/17)(4)	0.00%	37.48%	25.61%	-	-
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**4.44%**	**7.76%**	**-**	**-**
PAPEF IX (06/18)(4)	0.00%	41.76%	19.84%	-	-
Russell 3000 Index	2.85%	33.04%	17.85%	17.97%	14.34%
Excess Return	**(2.85%)**	**8.72%**	**1.99%**	**-**	**-**

All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.
The Fiscal Year is September 1st - August 31st.
(3)Fund is under watch.
(4)Portfolio Advisors is lagged 1 quarter, and proxied to the benchmark until quarter end data is received.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2021. Negative manager excess returns are shown in red, positive excess returns in blue. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class. All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.

Returns for Periods Ended August 31, 2021

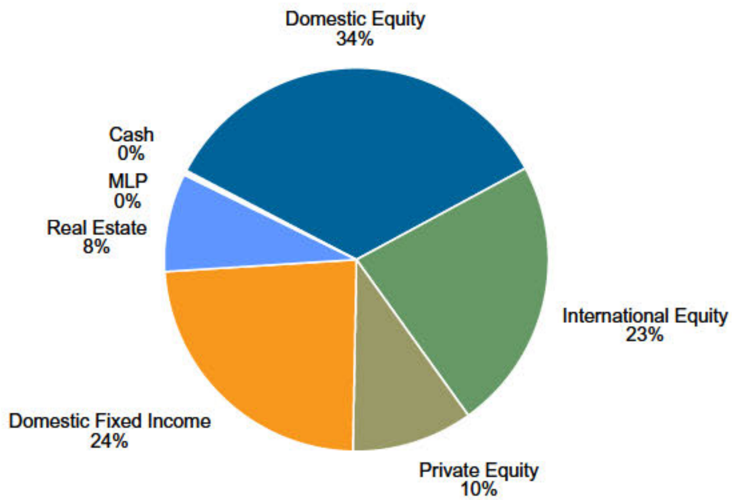
	Last Month	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Fixed Income	**(0.11%)**	**0.72%**	**6.03%**	**3.86%**	**3.23%**
Blmbg Aggregate Index	(0.19%)	(0.08%)	5.43%	3.11%	3.29%
Excess Return	**0.08%**	**0.80%**	**0.59%**	**0.75%**	**(0.06%)**
Mellon Agg Index (01/06)	(0.20%)	(0.15%)	5.43%	2.84%	3.02%
Blmbg Aggregate Index	(0.19%)	(0.08%)	5.43%	3.11%	3.29%
Excess Return	**(0.01%)**	**(0.07%)**	**(0.01%)**	**(0.27%)**	**(0.27%)**
BlackRock(08/20)	(0.09%)	1.64%	-	-	-
Blmbg Aggregate Index	(0.19%)	(0.08%)	5.43%	3.11%	3.29%
Excess Return	**0.10%**	**1.73%**	**-**	**-**	**-**
Wellington(08/20)	0.04%	1.51%	-	-	-
Blmbg Aggregate Index	(0.19%)	(0.08%)	5.43%	3.11%	3.29%
Excess Return	**0.23%**	**1.60%**	**-**	**-**	**-**
Real Estate	**0.00%**	**5.76%**	**1.39%**	**3.11%**	**4.79%**
Real Estate Benchmark(6)	2.20%	12.49%	6.29%	6.37%	7.80%
Excess Return	**(2.20%)**	**(6.73%)**	**(4.89%)**	**(3.26%)**	**(3.01%)**
UBS Trumbull Fund (01/12)(3)(5)	0.00%	1.36%	(0.44%)	1.93%	4.27%
NFI-ODCE Equal Weight Net	2.20%	12.49%	6.29%	6.74%	8.21%
Excess Return	**(2.20%)**	**(11.13%)**	**(6.73%)**	**(4.81%)**	**(3.93%)**
Heitman (10/15)(5)	0.00%	10.16%	3.20%	4.77%	-
NFI-ODCE Equal Weight Net	2.20%	12.49%	6.29%	6.74%	8.21%
Excess Return	**(2.20%)**	**(2.34%)**	**(3.08%)**	**(1.97%)**	**-**
Cash	**0.00%**	**0.77%**	**1.85%**	**1.85%**	**1.86%**
3-month Treasury Bill	0.00%	0.08%	1.23%	1.17%	0.87%
Excess Return	**(0.00%)**	**0.69%**	**0.62%**	**0.69%**	**1.00%**
Total Fund	**1.48%**	**22.69%**	**11.92%**	**10.80%**	**8.08%**
Strategic Blended Index*	1.84%	20.78%	11.95%	11.05%	8.55%
Excess Return	**(0.37%)**	**1.91%**	**(0.03%)**	**(0.25%)**	**(0.46%)**

* Current Month Target = 31.0% Russell 3000 Index, 24.0% Blmbg Aggregate, 21.0% MSCI ACWI ex US IMI, 13.0% Russell 3000 Index, 10.0% NCREIF NFI-ODCE Eq Wt Net and 1.0% 3-month Treasury Bill.
All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.
The Fiscal Year is September 1st - August 31st.
(3)Fund is under watch.
(5)UBS Trumbull and Heitman are proxied to the benchmark until quarter end data is received.
(6)The Real Estate Benchmark is the NFI-ODCE Equal Weight Net as of 1/31/2017.

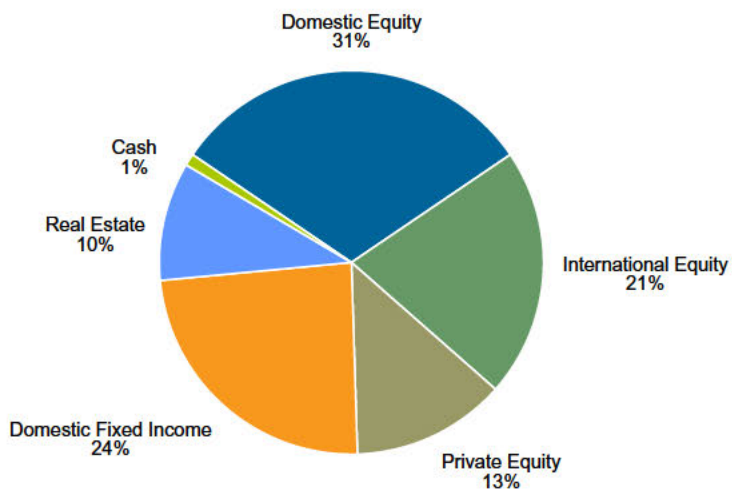
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of August 31, 2021. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	$Dollars Actual	Percent Actual	Percent Target	Percent Difference	$Dollars Difference
Domestic Equity	349,325,168	34.4%	31.0%	3.4%	34,606,630
International Equity	233,767,608	23.0%	21.0%	2.0%	20,571,188
Private Equity	103,828,917	10.2%	13.0%	(2.8%)	(28,149,819)
Domestic Fixed Income	240,617,073	23.7%	24.0%	(0.3%)	(3,035,981)
Real Estate	84,201,073	8.3%	10.0%	(1.7%)	(17,321,037)
MLP	7,557	0.0%	0.0%	0.0%	7,557
Cash	3,473,685	0.3%	1.0%	(0.7%)	(6,678,526)
Total	1,015,221,081	100.0%	100.0%		

*Current Month Target Performance is calculated using monthly rebalancing.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of August 31, 2021, with the distribution as of July 31, 2021. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	August 31, 2021				July 31, 2021	
	Fair Value	Weight	Net New Inv	Inv. Return	Fair Value	Weight
Domestic Equity	**$349,325,168**	**34.41%**	**$(23,095,474)**	**$11,038,169**	**$361,382,473**	**35.94%**
Mellon Equity Index	122,544,365	12.07%	(13,010,079)	3,923,913	131,630,531	13.09%
Mellon Dynamic US Equity	108,776,930	10.71%	(10,085,395)	3,774,365	115,087,960	11.44%
Riverbridge(1)	0	0.00%	0	(9,442)	9,442	0.00%
Wellington SMID	57,204,722	5.63%	0	1,535,335	55,669,387	5.54%
AllianceBernstein	60,799,150	5.99%	0	1,813,998	58,985,153	5.87%
International Equity	**$233,767,608**	**23.03%**	**$(126,818)**	**$4,262,081**	**$229,632,345**	**22.83%**
Mellon International Stock Index	94,518,960	9.31%	(12,187)	1,636,358	92,894,789	9.24%
Franklin Templeton Int'l Equity	47,582,527	4.69%	0	787,430	46,795,097	4.65%
Lazard International Equity	47,536,814	4.68%	(84,984)	1,310,915	46,310,883	4.61%
AQR Emerging Markets(3)	44,129,307	4.35%	(29,647)	527,378	43,631,576	4.34%
Private Equity	**$103,828,917**	**10.23%**	**$0**	**$0**	**$103,828,917**	**10.32%**
PAPEF VII	28,747,599	2.83%	0	0	28,747,599	2.86%
PASF II	5,970,119	0.59%	0	0	5,970,119	0.59%
PAPEF VIII	28,707,504	2.83%	0	0	28,707,504	2.85%
PASF III	25,921,302	2.55%	0	0	25,921,302	2.58%
PAPEF IX	14,482,393	1.43%	0	0	14,482,393	1.44%
Domestic Fixed Income	**$240,617,073**	**23.70%**	**$22,944,127**	**$(155,816)**	**$217,828,762**	**21.66%**
Mellon Aggregate Index	120,672,294	11.89%	11,992,034	(174,719)	108,854,979	10.82%
BlackRock	59,758,438	5.89%	5,952,093	(2,619)	53,808,964	5.35%
Wellington	60,186,342	5.93%	5,000,000	21,527	55,164,815	5.49%
Real Estate	**$84,201,073**	**8.29%**	**$0**	**$0**	**$84,201,073**	**8.37%**
UBS Trumbull Fund(3)	36,502,605	3.60%	0	0	36,502,605	3.63%
Heitman	47,698,468	4.70%	0	0	47,698,468	4.74%
MLP	**$7,557**	**0.00%**	**$0**	**$0**	**$7,557**	**0.00%**
Salient Advisors(1)	7,557	0.00%	0	0	7,557	0.00%
Cash	**$3,473,685**	**0.34%**	**$(5,277,932)**	**$81**	**$8,751,537**	**0.87%**
Total Fund	**$1,015,221,081**	**100.0%**	**$(5,556,097)**	**$15,144,514**	**$1,005,632,664**	**100.0%**

(1)Fund has been liquidated, only cash position remains.
(3)Fund is under watch.

CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
(A Component Unit of the City of El Paso, Texas)
SCHEDULE OF MANAGEMENT FEES AND BROKER COMMISSIONS
AUGUST 31, 2021

MANAGEMENT FEES	
CORPORATE BONDS AND NOTES MANAGER	$29,911
COPORATE STOCK MANAGERS	$997,334
BANK COLLECTIVE INVESTMENT FUNDS MANAGERS	$86,788
COMMINGLED FIXED INCOME FUNDS MANAGERS	$699,892
COMMINGLED CORPORATE STOCK MANAGERS	$639,115
PRIVATE REAL ESTATE MANAGERS	$254,680
ABSOLUTE RETURNS INVESTMENT MANAGERS	$46,088
TOTAL	$2,753,808

BROKER COMMISSIONS	
BAIRD, ROBERT W & CO INC, MILWAUKEE	$988.70
BARCLAYS CAPITAL LE, NEW YORK	$6,659.70
BTIG LLC, NEW YORK	$817.68
CANTOR FITZGERALD & CO INC, NEW YORK	$1,099.59
COWEN AND CO LLC, NEW YORK	$1,108.15
COWEN AND CO LLC, JERSEY CITY	$2,463.20
GOLDMAN SACHS & CO, NY	$322.78
J.P. MORGAN SECURITIES INC, NEW YORK	$834.19
JEFFERIES & CO INC, NEW YORK	$401.55
JONESTRADING INSTL SVCS LLC, NEW YORK	$367.66
JONESTRADING INSTL SVCS LLC, WESTLAKE	$33,183.44
LIQUIDNET INC., NEW YORK	$300.05
MKM PARTNERS LLC, GREENWICH	$357.42
MORGAN STANLEY & CO INC, NY	$565.16
NEEDHAM AND CO LLC, NEW YORK	$886.50
PERSHING LLC, JERSEY CITY	$204.00
RBS CAPTIAL MARKETS LLC, NEW YORK	$239.30
VIRTU AMERICAS LLC, NEW YORK	$1,569.25
WILLAMS BLAIR & CO, CHICAGO	$787.50
OTHER	$12.75
TOTAL	$53,168.57

Fee Disclosure

The City of El Paso Employees Retirement Trust pays an average of 0.62% of market value in annual commissions and fees for investment Management.

Direct and Indirect Fees and Commissions

ASSET CLASS	MANAGEMENT FEES PAID FROM TRUST	MANAGEMENT FEES NETTED FROM RETURNS	TOTAL INVESTMENT MANAGEMENT FEES (Management Fees Netted from Returns + Management Fees Paid From Trust)	BROKERAGE FEES/COMMISSIONS	PROFIT SHARE/CARRIED INTEREST	TOTAL DIRECT AND INDIRECT FEES AND COMMISSIONS (Management Fees + Brokerage Fees/Commissions + Profit Share)
Cash	$ -	$ -	$ -	$ -	$ -	$ -
Public Equity	$ 1,633,083.19	$ 848,814.92	$ 2,481,898.11	$ 53,169	$ -	$ 2,535,067
Fixed Income	$ 208,602.69	$ -	$ 208,602.69	$ -	$ -	$ 208,603
Real Assets	$ 228,642.92	$ 389,490.00	$ 618,132.92	$ -	$ -	$ 618,133
Alternative/Other	$ 845,925.73	$ -	$ 845,925.73	$ -	$ 554,822	$ 1,400,748
TOTAL	$ 2,916,255	$ 1,238,305	$ 4,154,559	$ 53,169	$ 554,822	$ 4,762,550

Alternative/Other

List of Alternative/Other Investments*
Private Equity

Investment Managers

List of Investment Manager Names*
Alliance Bernstein
AQR
BlackRock
Franklin Templeton
Heitman
Lazard
Mellon Capital
Portfolio Advisors
Riverbridge
UBS
Vulcan Value Partners
Wedge Capital Management
Wellington

Total Investment Expenses

Total Direct and Indirect Fees and Commissions	$ 4,762,550
Investment Services	
Custodial	$ 174,855.06
Research	$ -
Investment Consulting	$ 298,286.56
Legal	$ -
Total	$ 473,141.62
Total Investment Expenses (Total Direct and Indirect Fees and Commissions + Investment Services)	$ 5,235,692

ACTUARIAL SECTION

November 29, 2021

Mr. Robert B. Ash
Pension Administrator
City of El Paso Employees Retirement Trust
1039 Chelsea Street
El Paso, TX 79903

Re: September 1, 2021 Roll-Forward Valuation Results

Dear Robert,

This report provides the results of the September 1, 2021 roll-forward valuation of the City of El Paso Employees Retirement Trust (Plan). It is based on a roll-forward of the September 1, 2020 valuation liabilities (assuming no liability gains or losses during the year) and the August 31, 2021 unaudited asset statement that was provided to us by the City on October 21, 2021. Attached are exhibits that provide the key valuation results (the September 1, 2020 valuation results are shown for comparison purposes).

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Buck recommends requesting it to perform an advance review of any statement, document, or filing based on information contained in this report. Buck will accept no liability for any such statement; document or filing made without prior review by Buck.

This roll-forward valuation is based on the participant data, plan provisions, and actuarial assumptions and methods described in the September 1, 2020 actuarial valuation report dated February 26, 2021.

Use of a roll-forward valuation including no change in actuarial assumptions was deemed reasonable based on professional judgement in combination with the review of current conditions and future expectations of economic and demographic experience.

Where presented, references to “funded ratio” and “unfunded accrued liability” typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Plan if the Plan were to settle (i.e., purchase annuities) for all or a portion of its liabilities.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Under ASOP 51, the actuary is required to identify, but not necessarily quantify, risks that, in his/her professional judgment, may reasonably be anticipated to significantly affect the Plan's future financial condition.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

The more significant risk factors affecting the future funded status and contribution rates of the Plan are described below[1]:

1. Investment Risk - The potential that future investment returns will be different than the current assumption of 7.25%. Plan costs are very sensitive to the market return. If market returns are lower than the assumed rate of return on assets, future costs will increase.

2. Contribution Risk - Under the El Paso City Municipal Code, the City contributes 14.05% of pay each year and active members contribute 8.95% of pay each year. The Actuarially Determined Contribution (ADC) for the plan year beginning September 1, 2021 is 10.30% of pay (excluding active member contributions). The ADC is currently less than the fixed City contribution rate of 14.05%. This should be monitored closely to ensure the contributions to the Plan do not fall below the ADC. If this were to happen, the liabilities of the Plan would grow faster than Plan assets, which would cause the unfunded liability and ADC to increase over time.

3. Longevity Risk - The potential that mortality rates of plan participants will be different than assumed. The mortality assumption includes an assumption for future mortality improvement. If participants live longer than the life expectancies predicted by the baseline mortality table and mortality improvement scale, benefits will be paid over a longer period of time than expected, which will lead to increases in liabilities and costs.

4. Other Demographic Risk - The potential that demographic experience patterns (especially retirement and turnover) will be different than assumed. If participants retire earlier than expected based on the retirement assumption, or lower turnover leads to more participants receiving benefits than expected, future liabilities and costs will increase.

5. Other Risks - Payroll does not grow as expected, thereby increasing future Actuarially Determined Contribution rates.

Actuarial Standard of Practice No. 56 ("ASOP 56") provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Buck uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding rules and policies to the liabilities derived and other inputs, such as plan assets and contributions, to generate many of the

[1] Please see Schedule D of the September 1, 2020 actuarial valuation report for additional details regarding ASOP 51.

exhibits found in this report. Buck has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Buck also reviews the third-party model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked and reviewed by multiple experts within the company who are familiar with the details of the required changes.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. We are Fellows of the Society of Actuaries, Enrolled Actuaries, Members of the American Academy of Actuaries and Fellows of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience. David can be reached at (602) 803-6174 and Beth can be reached at (208) 724-5297.

Sincerely,

Buck Global, LLC (Buck)

Elizabeth A. Wiley

David J. Kershner, FSA, EA, MAAA, FCA
Principal

Elizabeth Wiley, FSA, EA, MAAA, FCA
Senior Consultant

Section 1 – Summary of Valuation Results

	September 1, 2021	September 1, 2020
Membership[1]		
Active		4,304
Terminated with deferred benefits[2]		162
Retired paid from Plan[3]		3,476
Compensation		
Total (excluding 4% overtime load)	$171,985,126	$ 167,790,367
Average	$39,959	$ 38,985
Assets		
Market value	$ 1,028,462,335	$ 877,989,396
Actuarial value	$ 923,281,180	$ 867,570,209
Valuation Results		
Actuarial Accrued Liability (AAL)	$ 1,108,078,648	$ 1,085,022,171
Actuarial Value of Assets (AVA)	$ 923,281,180	$ 867,570,209
Funded Ratio (AVA/AAL)	83.3%	80.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 184,797,468	$ 217,451,962
UAAL Funding Period	13 years	16 years
25-year Funding Cost for the City	10.30%	11.52%

[1] Census data as of July 1 preceding valuation date. Census data was not collected for the September 1, 2021 roll-forward valuation.

[2] Excludes terminated members entitled to refunds of contributions paid after July 1.

[3] Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Plan.

Section 2 – Summary of Asset Information

Reconciliation of Plan Assets

	Period Ending	
	August 31, 2021	August 31, 2020
1. Market value of assets at beginning of period	$ 877,989,396	$ 802,755,755
2. Contributions		
a. City	$ 25,416,971	$ 26,687,855
b. Member	14,905,816	14,722,926
c. Total	$ 40,322,787	$ 41,410,781
3. Benefit payments and refunds	(75,230,941)	(70,376,992)
4. Investment earnings (net of investment expenses)	190,067,092	106,338,762
5. Administrative expenses	(4,685,999)	(2,138,910)
6. Market value of assets at end of period	$ 1,028,462,335	$ 877,989,396

Section 2 – Summary of Asset Information (continued)

Determination of Investment Earnings to be Deferred

	Period Ending August 31, 2021	Period Ending August 31, 2020
1. Market value at beginning of period	$ 877,989,396	$ 802,755,755
2. Cash flows		
a. City contributions	$ 25,416,971	$ 26,687,855
b. Member contributions	14,905,816	14,722,926
c. Benefit payments	(71,426,654)	(66,639,726)
d. Refunds	(3,804,287)	(3,737,266)
e. Total	$ (34,908,154)	$ (28,966,211)
3. Weighted cash flows (2e x 50%)	$ (17,454,077)	$ (14,483,106)
4. Assets available (1 + 3)	$ 860,535,319	$ 788,272,649
5. Assumed investment return rate	7.25%	7.50%
6. Expected net return (4 x 5)	$ 62,388,811	$ 59,120,449
7. Actual net return		
a. Total investment return	$ 190,067,092	$ 106,338,762
b. Administrative expenses	(4,685,999)	(2,138,910)
c. Net return	$ 185,381,093	$ 104,199,852
8. Gain/(loss) subject to deferral (7c - 6)	$ 122,992,282	$ 45,079,403

Section 2 – Summary of Asset Information (continued)

Calculation of Actuarial Value of Assets

1. Market value of assets as of August 31, 2021 — $ 1,028,462,335
2. Deferral amounts

Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
2020-202	$ 122,992,282	80%	$ 98,393,826
2019-2020	45,079,403	60%	27,047,642
2018-2019	(53,796,523)	40%	(21,518,609)
2017-2018	6,291,481	20%	1,258,296
Total			$ 105,181,155

3. Actuarial value of assets as of September 1, 2021 (1 – 2) — $ 923,281,180

Section 3 – Schedule of UAAL Layered Amortizations

	Amortization Period		Balances		
	Date	Years			End-of-
Layer	Created	Remaining	Initial	Outstanding	Year Payment
Initial[1]	9/1/2019	23	$ 217,986,352	$ 221,001,572	$ 15,497,553
Change in Assumptions	9/1/2020	24	20,343	20,456	1,401
FY20 Experience[2]	9/1/2020	24	(2,683,153)	(2,698,011)	(184,736)
FY21 Experience[3]	9/1/2021	25	(33,526,549)	(33,526,549)	(2,245,027)
Total				$ 184,797,468	$ 13,069,191

[1] Based on the September 1, 2019 roll-forward valuation (includes the FY19 asset loss).
[2] Combination of liability experience, FY20 asset experience, and contributions greater than expected.
[3] Combination of FY21 asset experience and contributions greater than expected.

February 26, 2021

Mr. Robert B. Ash
Pension Administrator
City of El Paso Employees' Retirement Trust
1039 Chelsea St.
El Paso, TX 79903

Dear Robert,

This report summarizes the results of the September 1, 2020 actuarial valuation of the City of El Paso Employees Retirement Trust (Plan).

The primary purposes of the valuation are to (i) determine the adequacy of the current contribution rate of the City, (ii) describe the current financial condition of the Plan, and (iii) analyze changes in the Plan's condition since the last valuation.

Valuations are prepared biennially, as of September 1 of even years. September 1 is the first day of the Plan's plan year. Interim valuations are prepared as of September 1 of odd years based on updated assets and a roll-forward of liabilities from the previous valuation.

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Buck recommends requesting it to perform an advance review of any statement, document, or filing based on information contained in this report. Buck will accept no liability for any such statement, document or filing made without prior review by Buck.

The actuarial valuation reflects the benefit and contribution provisions set forth in the Plan's statutes. A summary of the benefit provisions used in the valuation is presented in Schedule B. There were no changes in benefit provisions since the previous valuation.

The actuarial assumptions and methods used in the valuation are presented in Schedule C. In my opinion, the actuarial assumptions are reasonable, taking into account the experience of the Plan and reasonable long-term expectations, and represent my best estimate of the anticipated long-term experience under the Plan. The assumptions and methods used in the valuation were adopted by the Board based on (i) the experience study for the period September 1, 2014 to August 31, 2018, and (ii) the funding policy that was formalized in 2019.

Member data for active, retired, and inactive members was supplied as of July 1, 2020 by the City. The City is solely responsible for the accuracy and comprehensiveness of the data. We did not verify the data submitted but did perform tests for consistency and reasonableness. Asset information was supplied by the City on October 26, 2020.

Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67) was effective for the Plan beginning with fiscal year ending August 31, 2014. We have prepared the member data tables shown in Schedule A of this report for the Statistical Section of the CAFR, as well as the summary of actuarial assumptions shown in Schedule C of this report. Please see our separate GASB 67 reports for other information needed for the CAFR.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Actuarial Standard of Practice No. 51 ("ASOP 51") applies to funding calculations such as those presented in this report and requires certain disclosures of potential risks. Schedule D presents an assessment of the key risks applicable to this plan, as well as historical information and plan maturity measures.

Actuarial Standard of Practice No. 56 ("ASOP 56") provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Buck uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding rules to the liabilities derived and other inputs, such as plan assets and contributions, to generate the exhibits found in this report. Buck has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Buck also reviews the third-party model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked and reviewed by multiple experts within the company who are familiar with the details of the required changes.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Plan if the Plan were to settle (i.e., purchase annuities) for all or a portion of its liabilities.

This report was prepared under my supervision and in accordance with all applicable Actuarial Standards of Practice. The assumptions and methods used for funding purposes meet the requirements of all applicable Actuarial Standards of Practice. I am a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

I am available to discuss this report with you at your convenience. I can be reached at 602-803-6174.

Sincerely,

Buck Global, LLC (Buck)

David J. Kershner, FSA, EA, MAAA, FCA
Principal

Section 1 – Summary of Results

	September 1, 2020	September 1, 2018
Membership[1]		
Active	4,304	4,345
Terminated with deferred benefits[2]	162	181
Retired paid from Plan[3]	3,476	3,174
Compensation		
Total	$ 167,790,367	$ 167,225,529
Average	$ 38,985	$ 38,487
Assets		
Market value	$ 877,989,396	$ 820,416,288
Actuarial value	$ 867,570,209	$ 822,926,030
Valuation Results		
Actuarial Accrued Liability (AAL)	$ 1,085,022,171	$ 1,024,379,167
Actuarial Value of Assets (AVA)	$ 867,570,209	$ 822,926,030
Funded ratio (AVA/AAL)	80.0%	80.3%
Unfunded Actuarial Accrued Liability (UAAL)	$ 217,451,962	$ 201,453,137
UAAL funding period	16 years	14 years
Actuarially Determined Contribution (ADC)[4]		
Normal cost rate (net of member contributions)	2.99%	2.99%
UAAL amortization rate	8.53%	6.87%
Total rate	11.52%	9.86%
Excess of City's Fixed Contribution Rate Over ADC	2.53%	4.19%

[1] Census data as of July 1 preceding the valuation date.
[2] Excludes terminated members entitled to refunds of contributions paid after July 1.
[3] Excludes retirees for whom annuities were purchased from Prudential, but whose cost of living increases are paid by the Plan.
[4] Reflects 30-year single period amortization of UAAL for 9/1/2018; 25-year layered amortization of UAAL for 9/1/2020.

Section 2 – Comments on the Valuation

Overview

The overall funded status of the Plan has declined slightly since the September 1, 2018 valuation. This is mainly due to a combination of (i) unfavorable asset experience, and (ii) the new assumptions and methods that were adopted by the Board based on the experience study for the period September 1, 2014 to August 31, 2018 and the funding policy that was formalized in 2019.

Section 3 shows in more detail the changes to the UAAL.

Funding Status

There are two significant measures of the funding status of the Plan.

- The first is the Actuarially Determined Contribution (ADC). This is the City's contribution rate that is required to pay the Normal Cost and to amortize the UAAL over 25-year periods. This rate is currently 11.52% of pay (the City's fixed contribution rate is 14.05% of pay).
- The second is the UAAL funding period. This is the length of time in years that will be required to amortize the current UAAL based on the fixed member and City contribution rates. This period is currently 16 years, compared to 14 years in 2018.

Benefit Provisions

Schedule B summarizes the benefit provisions of the Plan. The provisions were changed effective September 1, 2011 so that members of the Plan prior to September 1, 2011 are eligible for the First Tier Plan, and members of the Plan on or after September 1, 2011 are eligible for the Second Tier Plan. There are no significant benefits which were not taken into account in this valuation. There were no changes to the benefit provisions since the previous valuation.

Actuarial Assumptions and Methods

Schedule C describes the assumptions and methods used in the valuation. These assumptions and methods were adopted by the Board based on the experience study for the period September 1, 2014 to August 31, 2018 and the funding policy that was formalized in 2019.

Financial Data

The financial data used in this report was provided by the City on October 26, 2020.

Section 5 shows a reconciliation of the Plan's assets between 2018 and 2020, and shows the development of the Actuarial Value of Assets (AVA). To minimize volatility in contribution rates, we use an adjusted market value (AVA) which phases in market gains and losses over five years. The market returns for the two years since the last valuation were 0.8% and 13.2%, while the actuarial returns were 4.7% and 7.3%.

Membership Statistics

Data on active and retired members was supplied by the City as of July 1, 2020. The active membership decreased from 4,345 to 4,304 between 2018 and 2020, while payroll increased from $167.2 million to $167.8 million over the same period. The number of retirees and beneficiaries receiving benefits increased from 3,174 to 3,476 during this 2-year period. Schedule A provides a summary of the membership data used in the current and prior valuations.

Section 3 – Actuarial Funding Requirements

Actuarial Liabilities, Costs and Funding Period

		September 1, 2020	September 1, 2018
1.	Covered Payroll (excluding 4% overtime load)	$ 167,790,367	$ 167,225,529
2.	Actuarial present value of future pay	$ 1,266,925,833	$ 1,318,186,404
3.	Current contribution rates		
	a. City	14.05%	14.05%
	b. Member	8.95%	8.95%
	c. Total	23.00%	23.00%
4.	Normal cost rate		
	a. Total (before adjustment for overtime)	12.42%	12.42%
	b. Total (after adjustment for overtime)	11.94%	11.94%
	c. Member contribution rate	8.95%	8.95%
	d. Employer normal cost rate (4b – 4c)	2.99%	2.99%
5.	Actuarial present value of future benefits	$ 1,242,374,359	$ 1,188,097,918
6.	Actuarial present value of future normal costs (4a x 2)	$ 157,352,188	$ 163,718,751
7.	Actuarial accrued liability (5 – 6)	$ 1,085,022,171	$ 1,024,379,167
8.	Actuarial value of assets	$ 867,570,209	$ 822,926,030
9.	Unfunded actuarial accrued liability (UAAL) (7 – 8)	$ 217,451,962	$ 201,453,137
10.	City's Actuarially Determined Contribution (ADC)[1]		
	a. Employer normal cost rate (4d)	2.99%	2.99%
	b. UAAL amortization rate	8.53%	6.87%
	c. Total	11.52%	9.86%
11.	Margin over/(under) ADC (3a – 10c)	2.53%	4.19%
12.	UAAL funding period	16 years	14 years

[1] Reflects 30-year single period amortization of UAAL for 9/1/2018; 25-year layered amortization of UAAL for 9/1/2020.

Section 3 – Actuarial Funding Requirements (continued)

Analysis of Change in UAAL

1. UAAL as of September 1, 2018	$	201,453,137
2. Changes due to:		
a. Expected increase/(decrease)		(9,008,533)
b. Actual contributions greater than expected		(2,637,820)
c. Other changes including liability experience		1,553,469
d. Asset experience		26,071,366
e. Assumption Changes		20,343
Total Changes	$	15,998,825
3. UAAL as of September 1, 2020	$	217,451,962

Schedule of UAAL Layered Amortizations

	Amortization Period		Balances		
	Date	Years			Beginning-of-
Layer	Created	Remaining	Initial	Outstanding	Year Payment
Initial[1]	9/1/2019	24	$ 217,986,352	$ 220,114,773	$ 15,071,522
Change in Assumptions	9/1/2020	25	20,343	20,343	1,362
FY20 Experience[2]	9/1/2020	25	(2,683,153)	(2,683,153)	(179,671)
Total				$ 217,451,963	$ 14,893,213

[1] Based on the September 1, 2019 roll-forward valuation (includes the FY19 asset loss).
[2] Combination of liability experience, FY20 asset experience, and contributions greater than expected.

Section 4 – Historical Funding Information

Historical Funding Detail (in $millions)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll[1]	UAAL as a Percentage of Covered Payroll
September 1, 2008	552.8	631.6	78.8	87.5%	136.5	57.7%
September 1, 2010	569.7	710.0	140.3	80.2%	143.1	98.0%
September 1, 2012	581.7	788.2	206.5	73.8%	147.7	139.8%
September 1, 2014	663.1	859.7	196.7	77.1%	153.6	128.0%
September 1, 2016	749.0	945.8	196.7	79.2%	156.3	125.9%
September 1, 2018	822.9	1,024.4	201.5	80.3%	167.2	120.5%
September 1, 2020	867.6	1,085.0	217.5	80.0%	167.8	129.6%

Schedule of Employer Contributions

Valuation Date	Fiscal Year Ending	City's Actuarially Determined Contribution[2]	Percentage Contributed
September 1, 2008	August 31, 2009	13,459,678	128.1%
September 1, 2010	August 31, 2011	17,544,977	100.5%
September 1, 2012	August 31, 2013	20,668,877	94.5%
September 1, 2014	August 31, 2015	18,848,390	121.6%
September 1, 2016	August 31, 2017	16,274,581	155.6%
September 1, 2018	August 31, 2019	16,488,437	156.2%
September 1, 2020	August 31, 2021	19,329,450	TBD

[1] Excluding 4% overtime load.
[2] Based on projected payroll.

Section 5 – Summary of Asset Information

Reconciliation of Plan Assets

	Period Ending August 31, 2020	Period Ending August 31, 2019
1. Market value of assets at beginning of period	$ 802,755,755	$ 820,416,288
2. Contributions		
a. City	$ 26,687,855	$ 25,761,130
b. Member	14,722,926	16,410,115
c. Total	$ 41,410,781	$ 42,171,245
3. Benefit payments and refunds	(70,376,992)	(66,648,577)
4. Investment earnings (net of investment expenses)	106,338,762	9,080,390
5. Administrative expenses	(2,138,910)	(2,263,591)
6. Market value of assets at end of period	$ 877,989,396	$ 802,755,755

Section 5 – Summary of Asset Information (continued)

Determination of Investment Earnings to be Deferred

	Period Ending August 31, 2020	Period Ending August 31, 2019
1. Market value at beginning of period	$ 802,755,755	$ 820,416,288
2. Cash flows		
a. City contributions	$ 26,687,855	$ 25,761,130
b. Member contributions	14,722,926	16,410,115
c. Benefit payments	(66,639,726)	(62,939,091)
d. Refunds	(3,737,266)	(3,709,486)
e. Total	$ (28,966,211)	$ (24,477,332)
3. Weighted cash flows (2e x 50%)	$ (14,483,106)	$ (12,238,666)
4. Assets available (1 + 3)	$ 788,272,649	$ 808,177,622
5. Assumed investment return rate	7.50%	7.50%
6. Expected net return (4 x 5)	$ 59,120,449	$ 60,613,322
7. Actual net return		
a. Total investment return	$ 106,338,762	$ 9,080,390
b. Administrative expenses	(2,138,910)	(2,263,591)
c. Net return	$ 104,199,852	$ 6,816,799
8. Gain/(loss) subject to deferral (7c - 6)	$ 45,079,403	$ (53,796,523)

Section 5 – Summary of Asset Information (continued)

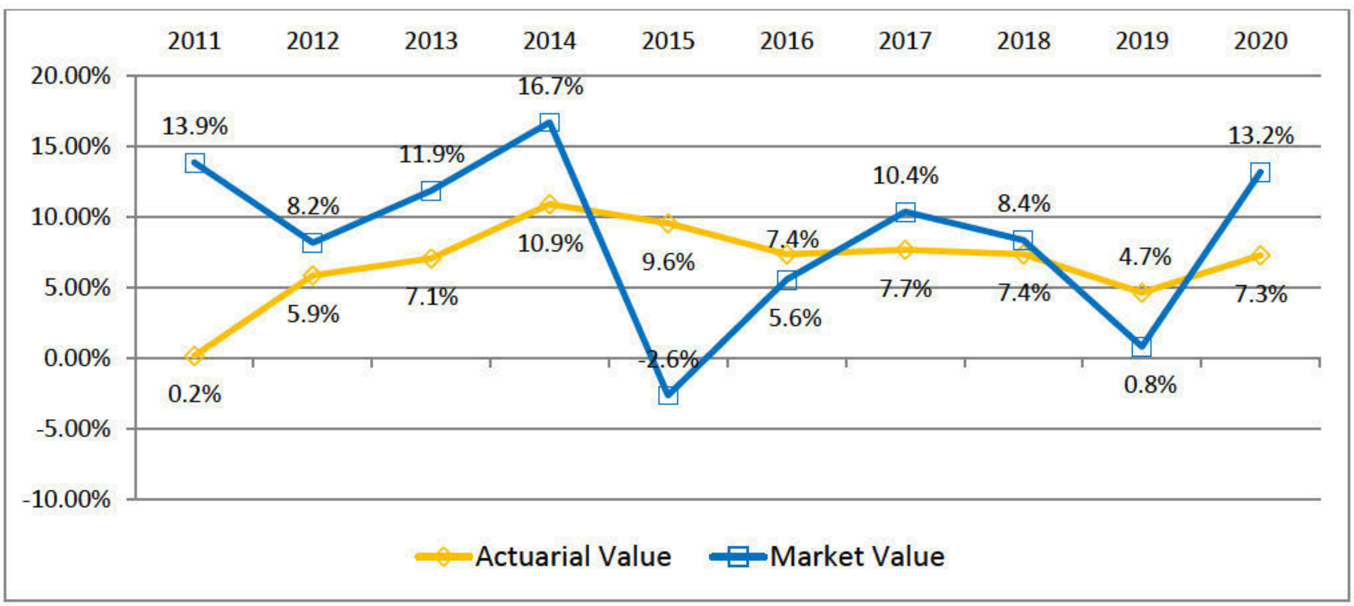
Calculation of Actuarial Value of Assets

1. Market value of assets as of August 31, 2020 — $ 877,989,396
2. Deferral amounts

Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
2019-2020	$ 45,079,403	80%	$ 36,063,523
2018-2019	(53,796,523)	60%	(32,277,914)
2017-2018	6,291,481	40%	2,516,592
2016-2017	20,584,931	20%	4,116,986
Total			$ 10,419,187

3. Actuarial value of assets as of September 1, 2020 (1 – 2) — $ 867,570,209

Historical Asset Rates of Return



Section 6 – 10-Year Projections[1]

FYE	Expected City Contributions	Expected Member Contributions	Expected Benefit Payments	Expected Refunds
August 31, 2021	$ 27,355,051	$ 15,090,999	$ 78,432,010	$ 3,830,698
August 31, 2022	28,038,928	15,468,274	72,077,442	3,926,465
August 31, 2023	28,739,901	15,854,981	74,123,907	4,024,627
August 31, 2024	29,458,398	16,251,356	76,166,779	4,125,242
August 31, 2025	30,194,858	16,657,639	78,223,053	4,228,373
August 31, 2026	30,949,730	17,074,080	80,159,429	4,334,083
August 31, 2027	31,723,473	17,500,932	82,123,496	4,442,435
August 31, 2028	32,516,560	17,938,456	84,212,007	4,553,496
August 31, 2029	33,329,474	18,386,917	85,974,348	4,667,333
August 31, 2030	34,162,711	18,846,590	87,637,471	4,784,016

[1] Based on projected payroll.

Schedule A - Membership Data

	September 1, 2020[1]	September 1, 2018[1]	September 1, 2016[1]	September 1, 2014[1]	September 1, 2012[1]
1. Active members					
a. Number vested	1,585	1,902	2,008	1,996	1,720
b. Number non-vested	2,719	2,443	2,209	2,153	2,414
c. Total	4,304	4,345	4,217	4,149	4,134
d. Covered payroll	$ 167,790,367	$ 167,225,529	$ 156,336,028	$ 153,613,608	$ 147,740,362
e. Average annual pay	$ 38,985	$ 38,487	$ 37,073	$ 37,024	$ 35,738
f. Average age	45.4	45.8	46.5	46.8	46.7
g. Average service (years)	9.6	10.1	10.6	10.7	10.4
2. Retired members					
a. Number currently being paid from Plan[2]	3,476	3,174	2,863	2,627	2,399
b. Total current annual benefit	$ 68,772,742	$ 59,700,507	$ 52,488,661	$ 46,393,663	$ 40,881,148
c. Average current annual benefit	$ 19,785	$ 18,809	$ 18,333	$ 17,660	$ 17,041
d. Average age	70.2	69.8	69.4	69.1	68.5
3. Deferred vested members					
a. Number entitled to deferred benefits[3]	162	181	141	150	129
b. Total deferred annual benefit	$ 2,238,717	$ 2,624,290	$ 1,949,199	$ 1,981,100	$ 1,797,259
c. Average deferred annual benefit	$ 13,819	$ 14,499	$ 13,824	$ 13,207	$ 13,932
d. Average age	49.7	48.4	49.7	49.1	49.1

[1] Census data provided as of July 1 preceding the valuation date is assumed to be the same as of September 1. Compensation amounts have been adjusted for two months at assumed salary increases.
[2] Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Plan (161 as of July 1, 2018; 120 as of July 1, 2020).
[3] Excludes terminated members entitled to refunds of contributions paid after July 1 (504 members with $4,579,540 in contributions as of July 1, 2018; 999 members with $7,407,577 in contributions as of July 1, 2020).

Schedule A (continued)

Pension Benefit Recipients (Retirees and Beneficiaries) Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent	Average
Valuation Date	Number	Annual Pension Benefits	Number	Annual Pension Benefits	Number	Annual Pension Benefits	Increase in Pension Benefits	Annual Pension Benefit
September 1, 2020	514	$ 11,931,948	212	$ 2,859,713	3,476	$ 68,772,742	15.2%	$19,785
September 1, 2018	492	$ 10,185,670	181	$ 2,973,824	3,174	$ 59,700,507	13.7%	$18,809

Additional years will be added when a new biennial valuation is completed.

Schedule B - Summary of Benefit Provisions

First Tier Plan

Final Wages

The greatest of (i) average of Member’s total earnings in the 36 months before retirement, (ii) average of Member’s base pay for the year before retirement, or (iii) Member’s base pay in the month preceding retirement.

Member

All classified civil service employees of the City of El Paso, except for members of the Policemen’s or Firemen’s Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain “grant-funded” employees. The First Tier Plan applies to employees who become plan participants prior to September 1, 2011.

Credited Service

Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

Contribution Rates

Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member’s wages per year.

Service Retirement Benefits

Normal Retirement Benefit

Eligibility

Age 55 with 10 years of Credited Service, age 60 with 7 years of Credited Service, or 30 years of Credited Service, if earlier.

Benefit

2.50% of Final Wages times years of Credited Service, subject to a minimum benefit of $75.

Early Retirement Benefit

Eligibility

Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.

Benefit

2.50% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

Deferred Retirement Benefit

Eligibility

Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.

Benefit

2.50% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

Schedule B - Summary of Benefit Provisions (continued)

Withdrawal (Refund) of Contributions

Eligibility

Immediate.

Benefit

Total employee contributions without interest. If the member has more than five years of service, contributions are paid with interest, credited annually at 5.5%. No other benefits are payable under the Plan once the contributions are withdrawn.

Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility

Death of a Member due to a job-related accident or age 40 with ten years of service or age 45 with seven years of service.

Benefit

Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

Disability Retirement Benefit

Eligibility

Disability as a result of a job-related cause or any injury not due to the Member's own fault if Member has seven years of service.

Benefit

2.50% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

Normal Form of Retirement Benefit

Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Schedule B - Summary of Benefit Provisions (continued)

Second Tier Plan

Final Wages

The average of Member's total earnings in the 36 months before retirement.

Member

All classified civil service employees of the City of El Paso, except for members of the Policemen's or Firemen's Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain "grant-funded" employees. The Second Tier Plan applies to employees who become plan participants after August 31, 2011.

Credited Service

Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

Contribution Rates

Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member's wages per year.

Service Retirement Benefits

Normal Retirement Benefit

Eligibility

Age 60 with 7 years of Credited Service, or 35 years of Credited Service, if earlier.

Benefit

2.25% of Final Wages times years of Credited Service, subject to a minimum benefit of $75, limited to 90% of the 3-year final average pay.

Early Retirement Benefit

Eligibility

Age 45 with 7 years of Credited Service.

Benefit

2.25% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

Deferred Retirement Benefit

Eligibility

Age 45 with 7 years of Credited Service.

Benefit

2.25% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

Schedule B - Summary of Benefit Provisions (continued)

Withdrawal (Refund) of Contributions

Eligibility

Immediate.

Benefit

Total employee contributions without interest. If the member has more than seven years of service, contributions are paid with interest, credited annually at 3.0%. No other benefits are payable under the Plan once the contributions are withdrawn.

Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility

Death of a Member due to a job-related accident or age 45 with seven years of service.

Benefit

Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

Disability Retirement Benefit

Eligibility

Disability as a result of a job-related cause or any injury not due to the Member's own fault if Member has seven years of service.

Benefit

2.25% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

Normal Form of Retirement Benefit

Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Changes in plan provisions since the previous valuation

None.

Schedule C - Statement of Actuarial Methods and Assumptions

The economic and demographic assumptions used in the valuation were adopted by the Board in consultation with Buck. The Board's established practice is to review the experience of the Plan periodically to determine if any changes to the valuation assumptions are warranted. The assumptions and methods used in the valuation are based on the experience study for the period September 1, 2014 through August 31, 2018, and the funding policy that was formalized in 2019.

Investment Return

Current Valuation:

7.25% per year, net of expenses.

Prior Valuation:

7.50% per year, net of expenses.

Separations Before Normal Retirement

Representative values of the assumed annual rates of withdrawal are as follows:

Current Valuation:

			Withdrawal Years of Credited Service			
Age	**1**	**2**	**3**	**4**	**5**	**6+**
25	15.0%	15.0%	12.0%	12.0%	10.0%	9.0%
30	15.0	15.0	12.0	12.0	10.0	9.0
35	15.0	15.0	9.0	12.0	10.0	7.0
40	10.0	10.0	9.0	8.0	7.0	7.0
45	10.0	10.0	9.0	8.0	7.0	7.0
50	7.5	7.5	6.0	4.0	7.0	6.0
55	7.5	7.5	6.0	4.0	4.0	6.0
60	7.5	7.5	6.0	4.0	4.0	6.0

Prior Valuation:

			Withdrawal Years of Credited Service			
Age	**1**	**2**	**3**	**4**	**5**	**6+**
25	10.0%	10.0%	9.0%	8.0%	7.0%	9.0%
30	10.0	10.0	9.0	8.0	7.0	10.0
35	10.0	10.0	9.0	8.0	7.0	5.0
40	10.0	10.0	9.0	8.0	7.0	4.0
45	10.0	10.0	9.0	8.0	7.0	2.5
50	10.0	10.0	9.0	8.0	7.0	1.5
55	10.0	10.0	9.0	8.0	7.0	1.5
60	10.0	10.0	9.0	8.0	7.0	1.5

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Mortality

Current Valuation:

Mortality rates for active and deferred participants are based on the RP-2014 employee tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for healthy retirees and survivors are based on the RP-2014 healthy annuitant tables with Blue Collar adjustment (92% of male rates and 100% of female rates) projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants are based on the RP-2014 disabled annuitant table projected with Scale MP-2019 on a fully generational basis.

Prior Valuation:

Mortality rates for non-disabled participants were based on the RP-2014 employee/healthy annuitant tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants were based on the RP-2014 disabled annuitant table.

Disability

None assumed.

Death

5% of deaths among active participants are assumed to be job-related deaths. The remaining 95% of deaths are assumed not to be job-related.

Salary Increases

The assumed annual rates of future salary increase attributable to longevity and promotion are as follows:

Current Valuation:

Years of Service	Annual Rate of Salary Increase
Less than 3	4.50%
3	4.00
4	4.00
5	4.00
6	4.00
7	3.50
8	3.50
9	3.50
10	3.50
11	3.50
12	3.00
13	3.00
14	3.00
15	3.00
16 or more	2.75

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Prior Valuation:

Years of Service	Annual Rate of Salary Increase
Less than 3	4.50%
3	4.00
4	4.00
5	4.00
6	4.00
7	3.50
8	3.50
9	3.50
10	3.50
11	3.50
12	3.00
13	3.00
14	3.00
15	3.00
16 or more	3.00

Total payroll is assumed to increase 2.50% per year (3.00% was used in the prior valuation). This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Overtime is assumed to be 4% of base and longevity pay.

Retirement Rates

The percentage of those eligible for normal retirement assumed to retire at various ages is as follows:

Current Valuation:

Retirement Rates					
	Tier 1			Tier 2	
Age	Male	Female	Age	Male	Female
45	6.0%	9.0%	45	2.5%	2.5%
50	6.0	9.0	50	1.5	1.5
55	12.0	10.0	55	8.0	7.0
62	17.5	15.0	62	10.0	7.0
65	25.0	20.0	65	10.0	12.0
70	40.0	25.0	70	40.0	20.0
75	100.0	100.0	75	100.0	100.0

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Prior Valuation:

Retirement Rates					
	Tier 1			Tier 2	
Age	Male	Female	Age	Male	Female
45	10.0%	9.0%	45	2.5%	2.5%
50	10.0	9.0	50	1.5	1.5
55	12.0	10.0	55	8.0	7.0
62	20.0	10.0	62	10.0	7.0
65	20.0	20.0	65	10.0	12.0
70	40.0	25.0	70	40.0	20.0
75	100.0	100.0	75	100.0	100.0

Spouses

100% of active members are assumed to be married with the male three years older than the female. No children's benefits were valued.

Form of Payment

85% of participants eligible for early retirement are assumed to be paid through a joint and 2/3 survivor annuity. The remaining 15% of participants eligible for early retirement are assumed to elect a refund of contributions.

Future Expenses

None assumed.

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Valuation Method

The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets of the Plan. Effective with the September 1, 2019 roll-forward valuation, the Unfunded Actuarial Accrued Liability is amortized over closed 25-year periods ("layers").

Actuarial Value of Assets

The actuarial value of assets is calculated based on the following formula:

$$MV - (8/10) \times G/(L)_1 - (6/10) \times G/(L)_2 - (4/10) \times G/(L)_3 - (2/10) \times G/(L)_4$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

Changes in methods and assumptions since the previous valuation

As shown above, assumptions were changed based on the experience study for the period September 1, 2014 through August 31, 2018. These changes increased the September 1, 2020 Actuarial Accrued Liability by approximately $20,000. The unfunded liability amortization method was changed to a 25-year layered approach effective with the September 1, 2019 roll-forward valuation.

Schedule D – ASOP 51 Assessment of Risks

Actuarial Standard of Practice No. 51 (ASOP 51) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

The more significant risk factors affecting the future funded status and contribution rates of the Plan are described below:

1. Investment Risk - The potential that future investment returns will be different than the current assumption of 7.25%. Plan costs are very sensitive to the market return. If market returns are lower than the assumed rate of return on assets, future costs will increase.

2. Contribution Risk - Under the El Paso City Municipal Code, the City contributes 14.05% of pay each year and active members contribute 8.95% of pay each year. The Actuarially Determined Contribution (ADC) for the plan year beginning September 1, 2020 is 11.52% of pay (excluding active member contributions). The ADC is currently less than the fixed City contribution rate of 14.05%. This should be monitored closely to ensure the contributions to the Plan do not fall below the ADC. If this were to happen, the liabilities of the Plan would grow faster than the assets, which would cause the unfunded liability and ADC to increase over time.

3. Longevity Risk - The potential that mortality rates of plan participants will be different than assumed. The mortality assumption includes an assumption for future mortality improvement. If participants live longer than the life expectancies predicted by the baseline mortality table and mortality improvement scale, benefits will be paid over a longer period of time than expected, which will lead to increases in liabilities and costs.

4. Other Demographic Risk - The potential that demographic experience patterns (especially retirement and turnover) will be different than assumed. If participants retire earlier than expected based on the retirement assumption, or lower turnover leads to more participants receiving benefits than expected, future liabilities and costs will increase.

5. Other Risks – Payroll does not grow as expected, thereby increasing future Actuarially Determined Contribution rates.

This information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. **This list is not all-inclusive**; it is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the plan when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

Historical Information

Monitoring certain information over time may help understand risks faced by the Plan. Historical information is included throughout this report. Some examples are:

- Historical Asset Rates of Return in Section 5 illustrates how the Plan's assets have performed over time.
- Funded Ratio History shown in Section 4 illustrates how the Plan's funded status (comparison of actuarial accrued liabilities to actuarial value of assets) has changed over time.
- Section 4 shows how the Actuarially Determined Contribution has changed over time.
- Schedule A shows how member census data has changed over time.

Schedule D – ASOP 51 Assessment of Risks (continued)

Plan Maturity Measures

There are certain measures that may aid in understanding the significant risks to the Plan.

Ratio of Cash Flow to Assets	FYE August 31, 2019	FYE August 31, 2020
1. Retiree and Beneficiary Actuarial Accrued Liability	$ 598,442,205	$ 677,266,185
2. Total Actuarial Accrued Liability	1,024,379,167	1,085,022,171
3. Ratio, (1) ÷ (2)	58.4%	62.4%

A high percentage of liability concentrated on participants in pay status indicates a mature plan (often a ratio above 60% - 65%). An increasing percentage may indicate a need for a less risky asset allocation, which may lead to a lower long-term return on asset assumption and increased costs. Higher percentages may also indicate greater investment risk as benefit payments may be greater than contributions creating an increased reliance on investment returns. This ratio should be monitored each year in the future.

Ratio of Cash Flow to Assets	FYE August 31, 2019	FYE August 31, 2020
1. Contributions	$ 42,171,245	$ 41,410,781
2. Benefit Payments and Refunds	66,648,577	70,376,992
3. Cash Flow, (1) - (2)	$ (24,477,332)	$ (28,966,211)
4. Fair Value of Assets	$ 802,755,755	$ 877,989,396
5. Ratio, (3) ÷ (4)	(3.0%)	(3.3%)

When this cash flow ratio is negative, more cash is being paid out than deposited in the trust. Negative cash flow indicates the trust needs to rely on investment returns to cover benefit payments and/or may need to invest in more liquid assets to cover the benefit payments. More liquid assets may not generate the same returns as less liquid assets, which can increase the investment risk. Currently, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. This maturity measure should be monitored in the future.

Contribution Volatility	FYE August 31, 2019	FYE August 31, 2020
1. Fair Value of Assets	$ 802,755,755	$ 877,989,396
2. Payroll	167,225,529	172,242,295
3. Asset to Payroll Ratio, (1) ÷ (2)	480.0%	509.7%
4. Accrued Liability	$1,024,379,167	$1,054,386,823
5. Liability to Payroll Ratio, (4) ÷ (2)	612.6%	612.2%

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 10% may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5%. Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10% may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5%.

Schedule E – Glossary of Terms

Actuarial Accrued Liability

The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.

Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income and salary increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Gain (Loss) or Liability/Asset Experience

A measure of the difference between actual and expected experience based upon a set of actuarial assumptions.

Actuarial Present Value of Future Benefits

Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.

Actuarial Present Value of Future Normal Costs

The value, as of a specified date, of future normal costs, equal to the employer normal cost rate times the actuarial present value of future pay.

Actuarial Present Value of Future Pay

The value, as of a specified date, of future pay where the amount has been adjusted to reflect both the future value of money and the probability that the payment is actually made.

Amortization Rate or UAAL Payment

That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion.

Cost-of-living adjustments

Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Covered Payroll

The rate of pay as of a specified date adjusted with a half-year salary increase based on the assumed salary increase assumptions.

Entry Age Actuarial Cost Method

This method assumes that the annual costs are the level premiums needed from entry age until retirement age to fund the ultimate retirement benefit. These premiums are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.

Schedule E – Glossary of Terms (continued)

Normal Cost

The ongoing annual cost allocated to the system by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.

Unfunded Actuarial Accrued Liability

The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefit

The benefit an employee is entitled to, based on vesting service, even if the employee separates from active service prior to normal retirement age.

Table 1 - The Number and Average Annual Wages of Active Members Distributed by Fifth Age and Service as of September 1, 2020

	Years of Credited Service										
Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	48 25,244	72 24,371	1 23,010	0 0	0 0	0 0	0 0	0 0	0 0	0 0	121
25 to 29	97 28,919	312 31,773	34 32,389	0 0	0 0	0 0	0 0	0 0	0 0	0 0	443
30 to 34	55 30,719	262 33,908	133 39,000	17 33,217	0 0	0 0	0 0	0 0	0 0	0 0	467
35 to 39	39 31,915	208 34,364	171 41,875	86 44,938	8 35,392	1 42,764	0 0	0 0	0 0	0 0	513
40 to 44	43 30,560	147 34,929	126 39,781	110 46,494	56 49,379	15 43,429	0 0	0 0	0 0	0 0	497
45 to 49	35 31,578	138 35,897	120 40,649	118 43,840	82 51,031	57 46,148	16 47,451	1 35,565	0 0	0 0	567
50 to 54	24 34,160	109 32,906	84 41,227	115 41,203	99 45,305	83 47,898	82 48,190	17 45,671	0 0	0 0	613
55 to 59	18 28,563	99 35,568	98 36,270	101 39,490	83 39,345	57 45,043	73 55,245	33 48,038	10 56,704	0 0	572
60 to 64	6 37,677	40 37,411	55 36,932	82 38,323	71 45,198	51 42,667	38 54,551	29 48,708	10 77,290	1 38,939	383
65 to 69	5 26,560	13 32,883	11 42,223	31 32,142	11 46,783	8 45,068	9 49,382	4 39,938	1 102,603	2 94,777	95
70 & up	0 0	4 36,807	4 41,788	10 55,581	6 40,167	2 34,094	2 34,184	2 36,854	0 0	3 38,321	33
Total	370	1,404	837	670	416	274	220	86	21	6	4,304

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2020

Age	Number	Benefit	Average Benefit
Less than 20	1	$ 15,829	$ 15,829
31	1	2,476	2,476
34	1	16,842	16,842
35	1	24,161	24,161
39	1	7,999	7,999
43	1	5,497	5,497
44	1	5,803	5,803
46	1	9,713	9,713
47	4	53,122	13,281
48	3	45,760	15,253
49	5	42,558	8,512
50	11	216,628	19,693
51	9	160,638	17,849
52	8	134,517	16,815
53	14	159,468	11,391
54	19	370,763	19,514
55	23	296,223	12,879
56	48	975,995	20,333
57	69	1,604,088	23,248
58	90	1,958,931	21,766
59	84	2,048,415	24,386
60	84	1,995,995	23,762
61	107	2,181,531	20,388
62	119	3,026,520	25,433
63	121	2,667,560	22,046
64	138	2,837,697	20,563
65	149	3,447,581	23,138
66	134	2,776,139	20,717
67	177	3,678,637	20,783
68	156	3,699,676	23,716
69	147	3,094,085	21,048
70	131	2,514,647	19,196
71	128	2,234,624	17,458
72	134	2,860,888	21,350
73	124	2,736,806	22,071
74	159	3,387,397	21,304
75	101	1,872,265	18,537

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July 2020 (continued)

Age	Number	Benefit	Average Benefit
76	80	1,336,132	16,702
77	94	1,547,291	16,461
78	85	1,830,288	21,533
79	62	1,241,721	20,028
80	75	1,258,911	16,785
81	58	889,325	15,333
82	59	913,860	15,489
83	60	926,384	15,440
84	54	756,348	14,006
85	55	852,048	15,492
86	49	805,208	16,433
87	33	493,110	14,943
88	50	744,416	14,888
89	29	397,265	13,699
90	21	290,798	13,848
90 & over	108	1,336,132	16,702
TOTAL	3,476	$ 68,772,742	$ 19,785

Table 3 - The Number and Future Annual Allowances of Terminated Members, Entitled to a Future Benefit by Age as of July 1, 2020

Age	Number	Benefit	Average Benefit
Less than 27	1	$ 960	$ 960
30	1	960	960
32	1	17,880	17,880
34	2	5,832	2,916
35	1	525	525
36	1	2,188	2,188
37	3	24,960	8,320
38	1	5,660	5,660
40	3	68,520	22,840
41	4	45,600	11,400
42	5	109,284	21,857
43	4	39,016	9,754
44	5	29,858	5,972
45	6	108,473	18,079
46	7	124,926	17,847
47	5	78,402	15,680
48	6	66,075	11,013
49	11	254,128	23,103
50	11	187,821	17,075
51	12	182,113	15,176
52	9	137,360	15,262
53	13	207,244	15,942
54	10	148,360	14,836
55	10	81,990	8,199
56	3	22,714	7,571
57	3	16,560	5,520
58	5	105,323	21,065
59	4	46,339	11,585
60	5	46,275	9,255
61	2	19,080	9,540
63	2	13,440	6,720
64	1	1,200	1,200
65	2	21,720	10,860
66	1	3,120	3,120
72	1	10,013	10,013
73	1	4,798	4,798
TOTAL	162	$ 2,238,717	$ 13,819

STATISTICAL SECTION

The Statistical Section of the Trust's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Trust's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand and assess changes in the Trust's financial position over time.

- Statement of Changes in Net Positions Available for Benefit

Operating Information

These schedules provide contextual information regarding benefit payments to retirees and the Trust's retiree population.

- Schedule of Average Benefit Payment Amounts
- Average Benefit Payments by Years of Credited Service

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

Additions	2021	2020	2019	2018	2017	2016	2015	2014
Contributions								
Employer	25,603,188	25,296,642	26,424,696	25,651,488	25,327,071	23,370,111	22,916,913	21,830,044
Participants	15,099,360	16,114,139	15,746,549	15,540,713	15,154,341	14,886,249	14,595,935	14,039,600
Total contributions	40,702,548	41,410,781	42,171,245	41,192,201	40,481,412	38,256,360	37,512,848	35,869,644
Investment Income								
Net appreciation (depreciation) in fair value of investments	201,182,318	99,563,115	7,981,580	64,832,061	74,716,005	37,856,062	(21,734,515)	103,082,579
Interest	1,049,280	4,109,088	4,169,630	3,915,267	3,808,906	4,444,138	4,888,211	5,484,840
Dividends	2,548,310	2,356,890	3,552,203	3,186,719	2,582,152	2,980,264	2,359,009	2,373,927
Securities lending income, net of expenses	24,567	11,184	37,424	6,801	45,478	90,861	126,526	117,691
Investment advisor fees	(2,753,808)	(3,589,807)	(2,987,728)	(6,578,777)	(5,783,774)	(5,104,720)	(3,510,570)	(3,336,994)
Increase in commission credits receivable	-	-	-	-	-	(6,532)	(1,577)	1,146
Gain on Disposition of assets	-	19,939	-	-	-	-	-	-
Miscellaneous income/(expenses)	-	117	66,738	10,418	2,206	-	-	-
Net investment income (loss)	202,050,667	102,470,526	12,819,847	65,372,489	75,370,973	40,260,073	(17,872,916)	107,723,189
Total additions (deductions)	242,753,215	143,881,307	54,991,092	106,564,690	115,852,385	78,516,433	19,639,932	143,592,833
Deductions								
Benefits paid to participants	75,728,963	66,555,726	62,251,632	58,094,939	57,972,792	51,554,209	48,419,841	49,375,280
Refunds	3,804,288	3,737,266	4,215,138	2,889,443	3,104,773	2,829,420	2,369,096	3,217,554
Prepaid COLA payments	84,000	84,000	105,000	130,000	-	-	-	-
Administrative expenses	2,441,214	2,138,910	1,761,619	2,036,643	1,325,640	1,417,530	1,355,351	1,143,272
Total deductions	82,058,465	72,515,902	68,333,389	63,151,025	62,403,205	55,801,159	52,144,288	53,736,106
Change in Net Position	160,694,750	71,365,405	(13,342,297)	43,413,665	53,449,180	22,715,274	(32,504,356)	89,856,727
Net Position Available for Benefits, Beginning of Year	877,989,396	806,623,991	819,966,288	776,552,623	723,103,443	700,388,169	732,892,525	643,035,798
Net Position Available for Benefits, End of Year	$ 1,038,684,146	$ 877,989,396	$ 806,623,991	$ 819,966,288	$ 776,552,623	$ 723,103,443	$ 700,388,169	$ 732,892,525

City of El Paso Employees Retirement Trust
Statements of Changes in Net Position Available for Benefits
(Continued)

	2013	2012	2011	2010	2009	2008	2007	2006
Additions								
Contributions								
Employer	20,499,707	19,181,091	17,948,799	17,626,236	17,245,402	16,505,427	14,574,850	13,239,686
Participants	13,328,629	12,607,172	11,938,545	11,814,128	11,533,666	11,169,467	9,763,642	8,872,231
Total contributions	33,828,336	31,788,263	29,887,344	29,440,364	28,779,068	27,674,894	24,338,492	22,111,917
Investment Income								
Net appreciation in fair value of investments	62,831,147	43,642,344	65,579,647	36,543,336	(49,772,720)	(32,191,401)	58,337,028	38,528,649
Interest	4,183,790	1,306,942	2,899,936	3,096,694	2,198,128	1,390,187	2,647,484	3,573,996
Dividends	4,490,895	3,708,793	2,865,256	2,696,987	2,967,150	5,223,787	4,256,079	2,515,307
Securities lending income, net of expenses	273,912	146,097	146,709	116,128	378,898	478,113	250,126	209,120
Investment advisor fees	(1,873,429)	(2,097,716)	(2,546,539)	(3,195,031)	(1,876,814)	(3,066,724)	(1,778,283)	(2,520,589)
Increase in commission credits receivable	15,076	7,358	8,927	35,815	37,452	(15,560)	46,965	30,455
Gain on Disposition of assets	-	-	-	-	-	-	-	-
Miscellaneous income/(expenses)	-	-	-	-	-	-	-	-
Net investment income (loss)	69,921,391	46,713,818	68,953,936	39,293,929	(46,067,906)	(28,181,598)	63,759,399	42,336,938
Total additions (deductions)	103,749,727	78,502,081	98,841,280	68,734,293	(17,288,838)	(506,704)	88,097,891	64,448,855
Deductions								
Benefits paid to participants	43,021,060	41,688,297	37,686,480	35,223,728	32,854,259	30,114,367	30,189,990	25,754,190
Refunds	2,159,129	2,605,377	1,896,665	1,987,231	2,027,657	2,513,020	2,213,943	2,150,218
Prepaid COLA payments	-	-	-	-	-	-	-	-
Administrative expenses	1,176,347	1,108,470	918,940	753,466	748,789	847,517	723,690	647,095
Total deductions	46,356,536	45,402,144	40,502,085	37,964,425	35,630,705	33,474,904	33,127,623	28,551,503
Change in Net Position	57,393,191	33,099,937	58,339,195	30,769,868	(52,919,543)	(33,981,608)	54,970,268	35,897,352
Net Position Available for Benefits, Beginning of Year	585,642,607	552,542,670	494,203,475	463,433,607	516,353,150	550,334,758	495,364,490	459,467,138
Net Position Available for Benefits, End of Year	$ 643,035,798	$ 585,642,607	$ 552,542,670	$ 494,203,475	$ 463,433,607	$ 516,353,150	$ 550,334,758	$ 495,364,490

City of El Paso Employees Retirement Trust
(A Component Unit of the City of El Paso, Texas)
Schedule of Average Benefit Payment Amounts

	Number Receiving Benefits	Total Current annual benefit	Average current annual benefit	Average monthly benefit
September 1, 2020	3,476	$68,772,742	$19,785	$1,649
September 1, 2018	3,174	$59,700,507	$18,809	$1,567
September 1, 2016	2,863	$52,488,661	$18,333	$1,528
September 1, 2014	2,627	$46,393,663	$17,660	$1,472
September 1, 2012	2,399	$40,881,148	$17,041	$1,420
September 1, 2010	2,172	$35,674,776	$16,425	$1,369
September 1, 2008	1,944	$30,512,360	$15,696	$1,308
September 1, 2006	1,743	$26,086,939	$14,967	$1,247
September 1, 2004	1,579	$22,488,610	$14,242	$1,187

City of El Paso Employees Retirement Trust

(A Component Unit of the City of El Paso, Texas)

Average Benefit Payments by Years of Credited Service

Members Retiring & Receiving Benefit During Fiscal Year

		Years of Credited Service						
		7-10	**11-15**	**16-20**	**21-25**	**26-30**	**30+**	**All**
2021	Average monthly benefit	$ 795	$ 1,125	$ 1,808	$ 2,283	$ 3,302	$ 4,152	$ 2,143
	Average monthly salary	$ 3,466	$ 3,409	$ 3,874	$ 3,093	$ 4,754	$ 4,697	$ 3,964
	Number of retirees	23	40	39	29	28	24	183
2020	Average monthly benefit	$ 1,058	$ 1,203	$ 1,582	$ 2,390	$ 3,219	$ 4,775	$ 2,354
	Average monthly salary	$ 5,016	$ 3,654	$ 3,460	$ 4,176	$ 4,482	$ 5,277	$ 4,215
	Number of retirees	21	41	45	40	49	27	223
2019	Average monthly benefit	$ 811	$ 1,153	$ 1,613	$ 2,291	$ 2,778	$ 5,236	$ 2,074
	Average monthly salary	$ 3,911	$ 3,528	$ 3,419	$ 3,754	$ 3,980	$ 5,768	$ 3,888
	Number of retirees	24	51	43	20	51	18	207
2018	Average monthly benefit	$ 829	$ 1,122	$ 1,948	$ 2,386	$ 3,286	$ 3,938	$ 1,993
	Average monthly salary	$ 3,676	$ 3,247	$ 4,124	$ 3,813	$ 4,412	$ 4,322	$ 3,863
	Number of retirees	36	44	40	28	30	17	195
2017	Average monthly benefit	$ 628	$ 1,059	$ 1,777	$ 2,194	$ 3,228	$ 3,536	$ 2,002
	Average monthly salary	$ 2,939	$ 3,191	$ 3,741	$ 3,740	$ 4,467	$ 4,105	$ 3,696
	Number of retirees	29	33	38	33	37	17	188
2016	Average monthly benefit	$ 782	$ 1,167	$ 1,829	$ 2,161	$ 2,773	$ 4,232	$ 1,925
	Average monthly salary	$ 3,760	$ 3,303	$ 3,869	$ 3,701	$ 3,801	$ 4,674	$ 3,921
	Number of retirees	29	30	31	34	30	11	165
2015	Average monthly benefit	$ 784	$ 1,211	$ 1,795	$ 2,373	$ 2,780	$ 3,920	$ 1,910
	Average monthly salary	$ 3,582	$ 3,662	$ 3,845	$ 4,061	$ 3,796	$ 4,363	$ 3,797
	Number of retirees	26	36	30	33	19	13	157
2014	Average monthly benefit	$ 803	$ 1,346	$ 1,423	$ 1,993	$ 2,697	$ 3,399	$ 1,786
	Average monthly salary	$ 3,766	$ 3,877	$ 3,136	$ 3,539	$ 3,678	$ 3,688	$ 3,624
	Number of retirees	23	32	22	30	21	12	140

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

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