



El Paso Firemen & Policemen's Pension Fund



Date: February 21, 2018

To: Mr. Jerry Villanueva, Chairman, and Board of Trustees
El Paso Firemen & Policemen's Pension Fund
(A Fiduciary Fund of the City of El Paso, Texas)

I have completed the accompanying statement of fiduciary net position (unaudited) of the El Paso Firemen and Policemen's Pension Fund (A Fiduciary Fund of the City of El Paso, Texas) ("Fund") as of January 31, 2018, and the related statement of changes in fiduciary net position (unaudited) for the one month then ended. I have also included a trail balance that consists of the department detail for both the El Paso Firemen & Policemen's Pension Fund and the Lomaland West Building. No year-end adjustments or audit entries have been included. These preliminary statements are completed for internally use only and have not been reviewed or audited by any outside party.

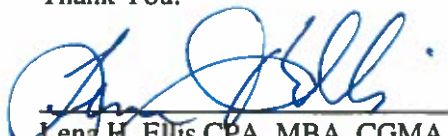
It is the Fund's understanding that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these financial statements. To this end, the enclosed is presented.

The supplementary information contained in the attached schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from various accounting records of the Fund and serves as the basis for the related financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statement, they might influence the user's conclusion about the Fund's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters. The enclosed statements are intended for the Board's interim review relative to the financial position and results of operations for the El Paso Firemen and Policemen's Pension Fund.

Please advise if you have questions or comments on any of the enclosed.

Thank You.



Lenz H. Ellis CPA, MBA, CGMA
Chief Financial Officer

**EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
STATEMENT OF FIDUCIARY NET POSITION (UNAUDITED)
FOR MONTH ENDING JANUARY 31, 2018**

ASSETS

Cash and short-term investments	\$ 36,183,035
Receivables	
Employer contributions	528,435
Employee contributions	428,009
Other	1,246
Total receivables	957,690
Investments, at fair value	
Domestic equities	446,751,765
Fixed income securities	332,267,847
International equities	484,044,657
Private equity	97,970,914
Real estate	128,448,131
Securities lending collateral	55,807,139
Total investments	1,545,290,453
Property and equipment	
Building	1,663,256
Computer equipment	66,550
Furniture and fixtures	105,222
Machinery equipment	-
Pension administration system software	840,000
Total property and equipment	2,675,028
Less: Accumulated depreciation	(377,399)
Net property and equipment	2,297,629
Other assets	
Organizational costs	25,279
Less: Accumulated amortization	(25,279)
Net other assets	-
Total assets	1,584,728,807

LIABILITIES

Accrued expenses and other	734
Forward DROP Liability	15,521,099
Securities lending obligation	55,807,139
Total liabilities	71,328,972
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 1,513,399,835

See accountant's compilation report, which is attached.

**EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (UNAUDITED)
FOR MONTH ENDING JANUARY 31, 2018**

ADDITIONS

Contributions	
Employer (City)	\$ 2,097,465
Employee (City)	1,686,783
Employer (Pension Fund)	4,120
Employee (Pension Fund)	2,742
Total contributions	<u>3,791,110</u>
Investment income	
Net change in fair value of investments	48,534,250
Interest	42,999
Dividends	2,278,642
Net change accrued income	(819,926)
Less: Investment expenses	<u>(242,635)</u>
Net investment income (loss)	<u>49,793,330</u>
Other income	<u>-</u>
Total additions	<u>53,584,440</u>

DEDUCTIONS

Benefits paid to participants	6,855,621
Benefits paid to participants - Forward DROP	963,710
Administrative expenses	94,863
Depreciation and amortization expense	12,889
Total deductions	<u>7,927,083</u>
Net increase in fiduciary net position	45,657,357
Net position restricted for pension benefits	
Beginning - January 1, 2018	<u>1,467,742,478</u>
Ending - January 31, 2018	<u>\$ 1,513,399,835</u>

See accountant's compilation report, which is attached.

EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
COMBINING SCHEDULE OF FIDUCIARY NET POSITION (UNAUDITED)
FOR MONTH ENDING JANUARY 31, 2018

	ALLOCATION BY DEPARTMENT			ALLOCATION BY PENSION PLANS			
	Lomaland Department	Pension Department	TOTAL Pension Fund	Firemen Division	Policemen Division	Pension Staff	Combined Total
ASSETS							
Cash and short-term investments	\$ -	\$ 36,112,577	\$ 36,112,577	\$ 14,638,064	\$ 21,464,187	10,326	\$ 36,112,577
Petty Cash	-	300	300	150	150	-	300
Cash - Northern Trust 2 Operating	(176,397)	229,911	53,514	26,757	26,757	-	53,514
Cash - Lomaland West	16,644	-	16,644	8,322	8,322	-	16,644
Total Cash and Investments	<u>(159,753)</u>	<u>36,342,788</u>	<u>36,183,035</u>	<u>14,673,293</u>	<u>21,499,416</u>	<u>10,326</u>	<u>36,183,035</u>
Investments, at fair value							
Domestic equities	-	446,751,765	446,751,765	181,088,734	265,535,280	127,751	446,751,765
Fixed income securities	-	332,267,847	332,267,847	134,683,214	197,489,619	95,014	332,267,847
International equities	-	484,044,657	484,044,657	196,205,233	287,701,009	138,415	484,044,657
Private equity	-	97,970,914	97,970,914	39,712,051	58,230,848	28,015	97,970,914
Real estate	-	128,448,131	128,448,131	52,065,848	76,345,553	36,730	128,448,131
Securities lending collateral	-	55,807,139	55,807,139	22,621,161	33,170,017	15,961	55,807,139
Total Invested Assets	<u>-</u>	<u>1,545,290,453</u>	<u>1,545,290,453</u>	<u>626,376,241</u>	<u>918,472,326</u>	<u>441,886</u>	<u>1,545,290,453</u>
Receivables							
Employer contributions	-	528,435	528,435	225,196	303,239	-	528,435
Employee contributions	-	428,009	428,009	194,192	233,817	-	428,009
Other	1,246	-	1,246	623	623	-	1,246
Total receivables	<u>1,246</u>	<u>956,444</u>	<u>957,690</u>	<u>420,011</u>	<u>537,679</u>	<u>-</u>	<u>957,690</u>
Property and equipment							
Building	1,663,256	-	1,663,256	831,628	831,628	-	1,663,256
Computer & telephone equipment	-	66,550	66,550	33,275	33,275	-	66,550
Furniture and fixtures	-	105,222	105,222	52,611	52,611	-	105,222
Machinery equipment	-	-	-	-	-	-	-
Pension administration system	-	840,000	840,000	420,000	420,000	-	840,000
Total property and equipment	<u>1,663,256</u>	<u>1,011,772</u>	<u>2,675,028</u>	<u>1,337,514</u>	<u>1,337,514</u>	<u>-</u>	<u>2,675,028</u>
Less: Accumulated depreciation	<u>(165,412)</u>	<u>(211,987)</u>	<u>(377,399)</u>	<u>(188,699)</u>	<u>(188,700)</u>	<u>-</u>	<u>(377,399)</u>
Net property and equipment	<u>1,497,844</u>	<u>799,785</u>	<u>2,297,629</u>	<u>1,148,815</u>	<u>1,148,814</u>	<u>-</u>	<u>2,297,629</u>
Other assets							
Organizational costs	25,279	-	25,279	12,639	12,640	-	25,279
Less: Accumulated amortization	<u>(25,279)</u>	<u>-</u>	<u>(25,279)</u>	<u>(12,639)</u>	<u>(12,640)</u>	<u>-</u>	<u>(25,279)</u>
Net other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,339,337</u>	<u>1,583,389,470</u>	<u>1,584,728,807</u>	<u>642,618,360</u>	<u>941,658,235</u>	<u>452,212</u>	<u>1,584,728,807</u>
LIABILITIES							
Accrued expenses and other	-	734	734	367	367	-	734
Forward DROP Liability	-	15,521,099	15,521,099	4,060,294	11,460,805	-	15,521,099
Securities lending obligation	-	55,807,139	55,807,139	22,621,161	33,170,017	15,961	55,807,139
Total liabilities	<u>-</u>	<u>71,328,972</u>	<u>71,328,972</u>	<u>26,681,822</u>	<u>44,631,189</u>	<u>15,961</u>	<u>71,328,972</u>
Net Position Restricted for Pension Benefits	<u>\$ 1,339,337</u>	<u>\$ 1,512,060,498</u>	<u>\$ 1,513,399,835</u>	<u>\$ 615,936,538</u>	<u>\$ 897,027,046</u>	<u>\$ 436,251</u>	<u>\$ 1,513,399,835</u>

Accountant's Compilation Report

EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION (UNAUDITED)
FOR MONTH ENDING JANUARY 31, 2018

	ALLOCATION BY DEPARTMENT			ALLOCATION BY PENSION PLAN			
	Lomaland Department	Pension Department	TOTAL Pension Fund	Firemen Division	Policemen Division	Pension Staff	Combined Total
ADDITIONS							
Contributions							
Employer (City)	\$ -	\$ 2,097,465	\$ 2,097,465	\$ 884,265	\$ 1,213,200	\$ -	\$ 2,097,465
Employee (City)	-	1,686,783	1,686,783	750,598	936,185	-	1,686,783
Employer (Pension Fund)	-	4,120	4,120	-	-	4,120	4,120
Employee (Pension Staff)	-	2,742	2,742	-	-	2,742	2,742
Total contributions	-	3,791,110	3,791,110	1,634,863	2,149,385	6,862	3,791,110
Investment income							
Net change in fair value of investments	-	48,534,250	48,534,250	19,675,629	28,844,988	13,633	48,534,250
Interest	-	42,999	42,999	17,432	25,555	12	42,999
Dividends	-	2,278,642	2,278,642	923,754	1,354,248	640	2,278,642
Net change accrued income	-	(819,926)	(819,926)	(332,396)	(487,299)	(231)	(819,926)
Less: Investment expenses	-	(242,635)	(242,635)	(120,442)	(122,191)	(2)	(242,635)
Net investment income (loss)	-	49,793,330	49,793,330	20,163,977	29,615,301	14,052	49,793,330
Other Income	-	-	-	-	-	-	-
Total additions	-	53,584,440	53,584,440	21,798,840	31,764,686	20,914	53,584,440
DEDUCTIONS							
Benefits paid to participants	-	6,855,621	6,855,621	2,879,745	3,975,876	-	6,855,621
Benefits paid to participants - Forward DROP	-	963,710	963,710	334,004	629,706	-	963,710
Administrative expenses	2,288	92,575	94,863	47,431	47,430	2	94,863
Depreciation and amortization expense	4,620	8,269	12,889	6,444	6,445	-	12,889
Total deductions	6,908	7,920,175	7,927,083	3,267,624	4,659,457	2	7,927,083
Transfer Out	-	(118,393)	(118,393)	(59,197)	(59,197)	-	(118,393)
Transfer In	-	118,393	118,393	59,197	59,197	-	118,393
	-	-	-	-	-	-	-
Net increase in Fiduciary Net Position	(6,908)	45,664,265	45,657,357	18,531,216	27,105,229	20,912	45,657,357
Net Position Restricted for Pension Benefits							
Beginning - January 1, 2018	1,346,245	1,466,396,233	1,467,742,478	597,405,322	869,921,817	415,339	1,467,742,478
Ending - January 31, 2018	\$ 1,339,337	\$ 1,512,060,498	\$ 1,513,399,835	\$ 615,936,538	\$ 897,027,046	\$ 436,251	\$ 1,513,399,835

Accountant's Compilation Report

**EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
PENSION FUND TRIAL BALANCE
FOR PERIOD ENDING JANUARY 31, 2018
(Includes Lomaland West Building)**

		Jan 31, 18			
		Debit	Credit	SUBTOTAL	DESCRIPTION
100	CASH/SHORT-TERM INVEST:100 Cash - Investment Assets	36,112,577.37			
100.1	CASH/SHORT-TERM INVEST:100.1 Cash - Petty Cash	300.00			
102	CASH/SHORT-TERM INVEST:102 Cash Northern Trust 2 (Operating	53,512.79			
103	CASH/SHORT-TERM INVEST:103 Cash - Mellon Checking Account	0.00			
104	CASH/SHORT-TERM INVEST:104 Cash - Northern Trust	0.00			
105	CASH/SHORT-TERM INVEST:105 Cash - Lomaland West	16,644.42		36,183,034.58	CASH & CASH EQUIVALENTS
106	INVESTMENT ASSETS:106 Domestic Equities	446,751,765.00			
107	INVESTMENT ASSETS:107 Fixed Income Securities	312,267,847.00			
108	INVESTMENT ASSETS:108 International Equities	484,944,657.00			
109	INVESTMENT ASSETS:109 Private Equity	97,970,914.00			
110	INVESTMENT ASSETS:110 Real Estate	128,448,131.00			
115	INVESTMENT ASSETS:115 Securities Lending Collateral	55,807,138.68		1,545,290,454.68	INVESTMENTS
124	ACCOUNTS RECEIVABLE:124 Contribution Rec - Employer	528,833.03			
126	ACCOUNTS RECEIVABLE:126 Contribution Rec - Employee	428,009.37			
130	ACCOUNTS RECEIVABLE:130 Interest Receivable	0.00			
180	ACCOUNTS RECEIVABLE:180 Deposit Receivable	1,245.86		957,690.26	RECEIVABLES
151	ORGANIZATIONAL:151 Organizational Costs - Lomaland	25,279.00			
152	ORGANIZATIONAL:152 Accumulated Amortization		25,279.00	0.00	NET ORGANIZATIONAL COST - LOMALAND WEST
161	PROPERTY & EQUIPMENT:161 Building	1,663,256.13			
162	PROPERTY & EQUIPMENT:162 Computer & Telephone Equipment	66,549.69			
163	PROPERTY & EQUIPMENT:163 Furniture & Fixtures	105,221.49			
164	PROPERTY & EQUIPMENT:164 Machinery Equipment	0.00			
168	PROPERTY & EQUIPMENT:168 Pension Administration System	840,000.00			
169	PROPERTY & EQUIPMENT:169 Accum Depreciation/Amortization		377,398.29	2,297,629.82	NET PROPERTY & EQUIPMENT
203	203 Accrued Expenses	0.00			
212	212 Direct Deposit Liabilities	0.00			
213	213 497 Deferred Compensation	0.00			
214	214 Payroll Liabilities		734.39		
215	215 Defined Benefit Employee Plan	0.00			
222	222 Forward DRUP Liability		15,521,098.77		
268	268 Accrued Compensated Absences	0.00			
269	269 Broker Payables	0.00		15,521,833.16	ACCRUED EXPENSES AND OTHER LIABILITIES
216	216 Securities Lending Obligation		55,807,138.68	-55,807,138.68	SECURITIES LENDING OBLIGATION
310	310 Retained Earnings		1,467,742,477.88	-1,467,742,477.88	RETAINED EARNINGS/NET POSITION HELD IN TRUST
401	CONTRIBUTIONS:401 City (Sponsor) Contribution	2,097,465.34		-2,097,465.34	SPONSOR (EMPLOYER) CONTRIBUTIONS
402	CONTRIBUTIONS:402 City (Employee) Contribution	1,686,782.92		-1,686,782.92	PARTICIPANTS (EMPLOYEE) CONTRIBUTIONS
403	CONTRIBUTIONS:403 Pension (Sponsor) Contribution	4,120.08		-4,120.08	SPONSOR (PENSION STAFF PLAN EMPLOYEE) CONTRIBUTIONS
404	CONTRIBUTIONS:404 Pension (Employee) Contribution	2,741.72		-2,741.72	PARTICIPANT (PENSION STAFF PLAN EMPLOYEE) CONTRIBUTIONS
415	INVESTMENT INCOME:415 Dividend Income		2,278,641.92	2,278,641.92	DIVIDEND INCOME
425	INVESTMENT INCOME:425 Interest Income		42,999.19	-42,999.19	INTEREST INCOME
454	NET CHANGE IN INVESTMENT INCOME:NET CHANGE IN INVESTMENT:454 Realized Gain/Loss		5,058,506.73		
455	NET CHANGE IN INVESTMENT INCOME:NET CHANGE IN INVESTMENT:455 Unrealized Gain/Loss		43,473,743.27	48,534,250.00	REALIZED/UNREALIZED (GAIN) LOSS
496	NET CHANGE IN INVESTMENT INCOME:NET CHANGE IN ACCRUED INCOME:496 Return of Capital	2,790.47			
497	NET CHANGE IN INVESTMENT INCOME:NET CHANGE IN ACCRUED INCOME:497 Net Change in Accrued Income	1,346,953.53			
498	NET CHANGE IN INVESTMENT INCOME:NET CHANGE IN ACCRUED INCOME:498 Other Income		569,818.11	819,925.89	NET CHANGE IN ACCRUED INCOME
501	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:501 Salaries & Wages	56,009.69			
502	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:502 Car Allowance	100.00			
504	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:504 FICA - Med	787.38			
505	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:505 FICA Taxes	3,366.82			
515	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:515 Disability Insurance	1,194.08			
525	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:525 Health Insurance Premium	5,727.92			
530	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:530 Life Insurance	60.48			
542	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:542 Defined Benefit Employee Plan	4,120.08			
546	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:546 Unemployment Insurance	481.17			
549	ADMINISTRATIVE EXPENSE:EMPLOYEE WAGES & BENEFITS:549 Payroll Processing Fees	39.98		71,887.60	SALARIES/WAGES & BENEFITS

EL PASO FIREMEN AND POLICEMEN'S PENSION FUND
(A FIDUCIARY FUND OF THE CITY OF EL PASO, TEXAS)
PENSION FUND TRIAL BALANCE
FOR PERIOD ENDING JANUARY 31, 2018
(Includes Lomaland West Building)

555	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 555	Membership Dues	0.00	
553.2	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 553.2	Disaster Recovery	696.77	
553.8	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 553.8	Computer Technical Support	3,501.00	
558	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 558	Board/Fund Misc. Exp/Recognition	226.02	
562	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 562	Copying Contract	378.93	
565	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 565	Depreciation Expense	12,889.01	
570	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 570	Mileage	6.96	
578	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 578	Office Supplies	818.68	
587	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 587	Postage	1,067.10	
591	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 591	Publications/Subscriptions	255.99	
597.5	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 597	REPAIR & MAINTENANCE 597.5 Janitorial Services	10,555.55	
597.7	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 597	REPAIR & MAINTENANCE 597.7 Lawn Keeping/Landscaping	100.00	
597.8	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 597	REPAIR & MAINTENANCE 597.8 Pest Control	80.00	
605	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 605	Telephone and Communications	446.57	
632	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 632	Travel Meetings - Staff	407.98	
640	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 640	Pension Fund Elections	5,002.86	
680.1	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 680	CONSULTANT ADVISOR ADMIN 680.1 Legislative Consultants	5,000.00	
690.2	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 690	UTILITIES 690.2 Electricity	304.62	
690.4	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 690	UTILITIES 690.4 Disposal Trash	85.59	
690.6	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 690	UTILITIES 690.6 Gas	328.85	
690.8	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 690	UTILITIES 690.8 Water	333.48	
698.5	ADMINISTRATIVE EXPENSE OPERATING EXPENSE 698	OTHER OPERATING EXPENSES 698.5 Miscellaneous	150.00	20,246.95 OPERATING EXPENSES LESS DEPRECIATION (EXCLUDES SALARIES & BENEFITS)
620	ADMINISTRATIVE EXPENSE 620	Actuary	923.75	
630	ADMINISTRATIVE EXPENSE 630	Fiduciary Education - Staff	1,807.49	
631	ADMINISTRATIVE EXPENSE 631	Fiduciary Education - Trustees	0.00	94,863.79 ADMINISTRATIVE EXPENSES LESS DEPRECIATION
646	INVESTMENT EXPENSES 646	Legal & Prof - Investment	336.15	
675	INVESTMENT EXPENSES 675	Due Diligence - Staff	0.00	
676	INVESTMENT EXPENSES 676	Due Diligence-Trustees	25.00	
681.1	INVESTMENT EXPENSES 681	INVESTMENT ADVISOR FEES 681.1 Investment Advice - MetLife	137,500.00	
681.2	INVESTMENT EXPENSES 681	INVESTMENT ADVISOR FEES 681.2 Investment Advice - Summit Str	58,335.00	
682	INVESTMENT EXPENSES 682	Investment Fees - Brokerage	46,438.94	242,273.99 INVESTMENT EXPENSES
700	PAYMENTS - BENEFITS 700	Benefit Payments	6,855,620.86	6,855,620.86 BENEFIT PAYMENTS AND REFUNDS
702	PAYMENTS - BENEFITS 702	Benefit Payments - Forward DROP	963,709.71	963,709.71 BENEFIT PAYMENTS - Forward DROP
994		Trans Out Operating-Fire/Police	118,393.26	
996		Transfer In from Investments		118,393.26
				0.00 NET TRANSFERS
TOTAL			1,594,809,339.55	1,594,809,339.55