

FIRE AND POLICE
EMPLOYEES RETIREMENT PLAN
STATEMENT OF REVENUES AND EXPENSES
BUDGET VS. ACTUAL
AS of March 31, 2018
(Unaudited)

| | <u>Annual Budget</u> | <u>Year to Date</u> | <u>Over (Under) Budget</u> | <u>% to Date</u> |
|------------------------------------|--------------------------|-------------------------|--------------------------------|----------------------|
| Operating revenues: | | | | |
| Employer contributions | \$ 26,839,000 | 19,643,440 | (7,195,560) | 73.19% |
| Member contributions | 7,768,000 | 5,855,454 | (1,912,546) | 75.38% |
| Investment income | | | | |
| Net change in fair value of assets | | 28,487,422 | | |
| Interest | | 1,897,934 | | |
| Dividends | | 9,394,538 | | |
| Other | | 66,795 | | |
| Investment income | <u>39,000,000</u> | <u>39,846,689</u> | <u>846,689</u> | <u>102.17%</u> |
| Total operating revenues | <u>73,607,000</u> | <u>65,345,583</u> | <u>(8,261,417)</u> | <u>88.78%</u> |
| Operating expenses: | | | | |
| Benefits | | | | |
| Retirement payments | 20,177,000 | 15,050,684 | (5,126,316) | 74.59% |
| DROP | 4,170,000 | 3,697,973 | (472,027) | 88.68% |
| Death benefits | - | - | - | - |
| Refund of contributions | 299,000 | 24,591 | (274,409) | 8.22% |
| Total benefits | <u>24,646,000</u> | <u>18,773,248</u> | <u>(5,872,752)</u> | <u>76.17%</u> |
| Investment | | | | |
| Performance manager's services | 81,000 | 59,934 | (21,066) | 73.99% |
| Investment services | 1,420,000 | 1,120,133 | (299,867) | 78.88% |
| Custodian fees | 219,000 | 165,746 | (53,254) | 75.68% |
| Total investment | <u>1,720,000</u> | <u>1,345,813</u> | <u>(374,187)</u> | <u>78.24%</u> |
| Administrative | | | | |
| Actuarial services | 75,000 | 65,745 | (9,255) | 87.66% |
| Attorney fees | 68,000 | 29,914 | (38,086) | 43.99% |
| Plan salaries | 191,000 | 146,158 | (44,842) | 76.52% |
| Fiduciary insurance | 29,360 | 22,018 | (7,342) | 74.99% |
| Travel and training expense | 16,000 | 3,706 | (12,294) | 23.16% |
| Audit fees | 18,500 | 18,500 | - | 100.00% |
| Retiree seminars | 1,000 | - | (1,000) | 0.00% |
| Printing fees/communication/other | 5,000 | - | (5,000) | 0.00% |
| Total administrative | <u>403,860</u> | <u>286,041</u> | <u>(117,819)</u> | <u>70.83%</u> |
| Total operating expenses | <u>26,769,860</u> | <u>20,405,102</u> | <u>(6,364,758)</u> | <u>76.22%</u> |
| Net operating gain | <u>\$ 46,837,140</u> | <u>44,940,481</u> | <u>(1,896,659)</u> | <u>95.95%</u> |

Howard County Fire and Police Employees' Retirement Plan
 STATEMENTS OF FIDUCIARY NET POSITION
 March 31, 2018 and June 30, 2017
 (Unaudited)

| | <u>March 31</u> 2018 | <u>June 30</u> 2017 |
|--|-------------------------|------------------------|
| ASSETS | | |
| Receivables | | |
| Employer contributions | \$ 956,398 | \$ 1,358,257 |
| Member contributions | 280,806 | 394,451 |
| Interest and dividends | 606,379 | 612,712 |
| Due from sale of investments | 1,893,108 | 19,794 |
| Other | 7,448 | 188,664 |
| Total receivables | <u>3,744,139</u> | <u>2,573,878</u> |
| Investments, at fair value | | |
| Money market | 7,601,548 | 8,540,880 |
| Equities | 246,370,196 | 219,274,138 |
| Fixed income | 159,364,111 | 148,628,783 |
| Alternative investments | 127,749,670 | 118,920,503 |
| Real assets | 17,918,014 | 19,100,948 |
| Total investments | <u>559,003,539</u> | <u>514,465,252</u> |
| Prepaid insurance | 3,043 | 24,124 |
| Total assets | <u>562,750,721</u> | <u>517,063,254</u> |
| LIABILITIES | | |
| Investment purchased | 1,081,313 | 470,375 |
| Accounts payable | 473,140 | 337,092 |
| Total liabilities | <u>1,554,453</u> | <u>807,467</u> |
| Fiduciary net position held in trust for pension benefits | <u>\$ 561,196,268</u> | <u>\$ 516,255,787</u> |

Howard County Fire and Police Employees' Retirement Plan
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 Periods Ended March 31, 2018 and June 30, 2017
 (Unaudited)

| | <u>March 31</u> <u>2018</u> | <u>June 30</u> <u>2017</u> |
|--|--------------------------------|-------------------------------|
| ADDITIONS | | |
| Contributions | | |
| Employer | \$ 19,643,440 | \$ 24,729,051 |
| Member | <u>5,855,454</u> | <u>7,387,461</u> |
| Total contributions | <u>25,498,894</u> | <u>32,116,512</u> |
| INVESTMENT INCOME | | |
| Net change in fair value of investments | 28,487,422 | 46,251,000 |
| Interest | 1,897,934 | 2,430,318 |
| Dividends | 9,394,538 | 8,503,292 |
| Other, net | <u>66,795</u> | <u>269,689</u> |
| Total investment income | 39,846,689 | 57,454,299 |
| Less investment expense | <u>1,345,813</u> | <u>1,497,885</u> |
| Net investment income | <u>38,500,876</u> | <u>55,956,414</u> |
| Total additions | <u>63,999,770</u> | <u>88,072,926</u> |
| DEDUCTIONS | | |
| Benefits | | |
| Annuities | 18,748,657 | 20,131,994 |
| Death | - | - |
| Refunds of contributions | <u>24,591</u> | <u>289,152</u> |
| Total benefits | 18,773,248 | 20,421,146 |
| Administrative expenses | <u>286,041</u> | <u>344,622</u> |
| Total deductions | <u>19,059,289</u> | <u>20,765,768</u> |
| NET CHANGE. | 44,940,481 | 67,307,158 |
| Fiduciary net position held in trust for pension benefits | | |
| Beginning of year | <u>516,255,787</u> | <u>448,948,629</u> |
| End of year | <u>\$ 561,196,268</u> | <u>\$ 516,255,787</u> |