

**POLICE AND FIRE
EMPLOYEES' RETIREMENT PLAN
STATEMENT OF REVENUES AND EXPENSES
BUDGET VS. ACTUAL
AS of December 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	\$ 28,108,000	13,658,714	(14,449,286)	48.59%
Member contributions	7,973,000	4,118,152	(3,854,848)	51.65%
Investment income				
Net change in fair value of assets		(29,279,691)		
Interest		1,370,892		
Dividends		8,022,895		
Other		25,559		
Investment income (loss)	<u>43,000,000</u>	<u>(19,860,345)</u>	<u>(62,860,345)</u>	<u>-46.19%</u>
Total operating revenues (losses)	<u>79,081,000</u>	<u>(2,083,479)</u>	<u>(81,164,479)</u>	<u>-2.63%</u>
Operating expenses:				
Benefits				
Retirement payments	22,741,000	11,163,081	(11,577,919)	49.09%
DROP	2,745,000	2,015,149	(729,851)	73.41%
Death benefits	-	358,869	358,869	-
Refund of contributions	391,000	273,676	(117,324)	69.99%
Total benefits	<u>25,877,000</u>	<u>13,810,775</u>	<u>(12,066,225)</u>	<u>53.37%</u>
Investment				
Performance manager's services	82,000	39,956	(42,044)	48.73%
Investment services	1,487,000	652,041	(834,959)	43.85%
Custodian fees	235,000	114,486	(120,514)	48.72%
Total investment	<u>1,804,000</u>	<u>806,483</u>	<u>(997,517)</u>	<u>44.71%</u>
Administrative				
Actuarial services	88,000	79,466	(8,534)	90.30%
Attorney fees	71,000	71,759	759	101.07%
Plan salaries	207,500	102,539	(104,961)	49.42%
Fiduciary insurance	29,900	14,909	(14,991)	49.86%
Travel and training expense	16,000	5,781	(10,219)	36.13%
Audit fees	18,500	18,795	295	101.59%
Retiree seminars	1,000	-	(1,000)	0.00%
Printing fees/communication/other	5,000	1,294	(3,706)	25.88%
Total administrative	<u>436,900</u>	<u>294,543</u>	<u>(142,357)</u>	<u>67.42%</u>
Total operating expenses	<u>28,117,900</u>	<u>14,911,801</u>	<u>(13,206,099)</u>	<u>53.03%</u>
Net operating gain (loss)	<u>\$ 50,963,100</u>	<u>(16,995,280)</u>	<u>(67,958,380)</u>	<u>-33.35%</u>

Howard County Police and Fire Employees' Retirement Plan
 STATEMENTS OF FIDUCIARY NET POSITION
 December 31, 2018 and June 30, 2018

	<u>December 31</u> 2018	<u>June 30</u> 2018
ASSETS		
Receivables		
Employer contributions	\$ 1,637,660	\$ 1,491,341
Member contributions	467,272	424,656
Interest and dividends	704,547	591,408
Due from sale of investments	69,906	131,596
Other	8,600	7,767
	<u>2,887,985</u>	<u>2,646,768</u>
Total receivables		
Investments, at fair value		
Money market	6,411,054	7,538,730
Equities	222,115,619	247,976,438
Fixed income	161,587,658	157,573,961
Alternative investments	141,962,397	136,972,621
Real assets	20,561,924	19,760,764
	<u>552,638,652</u>	<u>569,822,514</u>
Total investments		
Prepaid insurance	9,645	24,554
	<u>555,536,282</u>	<u>572,493,836</u>
Total assets		
LIABILITIES		
Investment purchased	147,356	213,144
Accounts payable	482,170	378,656
	<u>629,526</u>	<u>591,800</u>
Total liabilities		
Fiduciary net position held in trust for pension benefits	<u>\$ 554,906,756</u>	<u>\$ 571,902,036</u>

Howard County Police and Fire Employees' Retirement Plan
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 Periods Ended December 31, 2018 and June 30, 2018

	<u>December 31</u> 2018	<u>June 30</u> 2018
ADDITIONS		
Contributions		
Employer	\$ 13,658,714	\$ 26,337,085
Member	<u>4,118,152</u>	<u>7,859,400</u>
Total contributions	<u>17,776,866</u>	<u>34,196,485</u>
INVESTMENT INCOME		
Net (depreciation) appreciation in fair value of investments	(29,279,691)	33,887,301
Interest	1,370,892	2,533,310
Dividends	8,022,895	11,812,098
Other, net	<u>25,559</u>	<u>69,769</u>
Total investment (loss) income	(19,860,345)	48,302,478
Less investment expense	<u>806,483</u>	<u>1,742,390</u>
Net investment (loss) income	<u>(20,666,828)</u>	<u>46,560,088</u>
Total additions	(2,889,962)	80,756,573
DEDUCTIONS		
Benefits		
Annuities	13,178,230	24,656,548
Death	358,869	-
Refunds of contributions	<u>273,676</u>	<u>98,536</u>
Total benefits	13,810,775	24,755,084
Administrative expenses	<u>294,543</u>	<u>355,240</u>
Total deductions	<u>14,105,318</u>	<u>25,110,324</u>
NET CHANGE	(16,995,280)	55,646,249
Fiduciary net position held in trust for pension benefits		
Beginning of year	<u>571,902,036</u>	<u>516,255,787</u>
End of year	<u>\$ 554,906,756</u>	<u>\$ 571,902,036</u>