

City of Kent
Firemen's Relief & Pension Trust Fund
Executive Summary
March, 2016

Cash & Investments – March 31, 2016

- Question: Why are the FICO Strip investments larger on March 31, 2016 than on Dec. 31, 2015?
- Answer: When we purchased these investments they were recorded at the amount we paid in cash. We don't receive any interest payments on these FICO strips; instead, we receive the profit at the end when they mature. Rather than show all those earnings at the end, we systematically record interest revenue and increase the value of the investment. By the time the investment matures, we will have captured all the interest on the investment.
- Fico Strips are Financing Corporation government securities that pay interest at maturity.

Statement of Revenues and Expenses – March 31, 2016

- The state payment of Fire Insurance Premium Tax is received one time per year in May.
- Pension costs for the first quarter are \$40,435. Pension costs represent the difference between what firefighters would have received under the city pension vs. their current LEOFF pension benefits.
- Benefit costs are set by the actuarial. For 2016 the annual benefit cost will be \$226,000. These costs are a portion of the cost of health insurance and long-term care insurance costs that are paid by the City.



**CITY OF KENT
FIREMEN'S RELIEF & PENSION TRUST FUND
FINANCIAL REPORT
March, 2016**

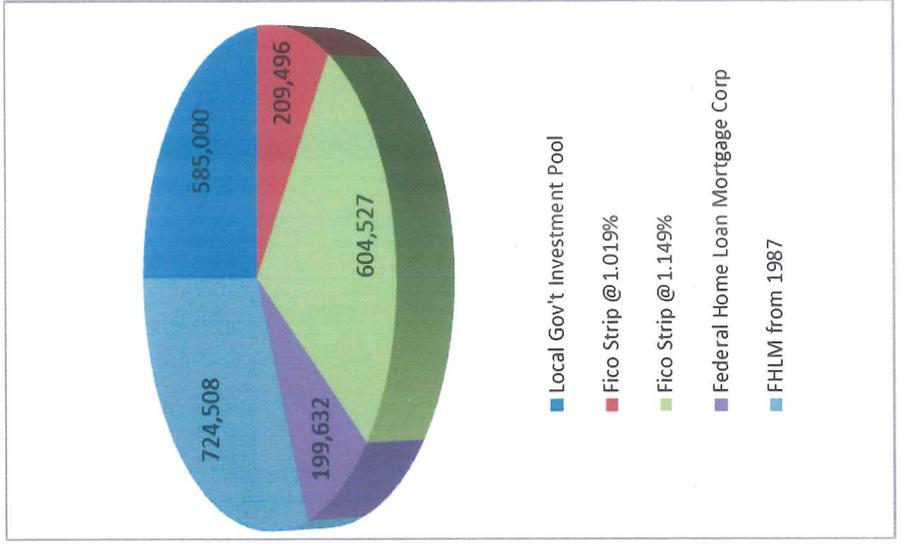
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City of Kent
Firemen's Relief & Pension Trust Fund #620
Cash & Investments
March 31, 2016
Five Year Comparison

	3/31/12	3/31/13	3/31/14	3/31/15	3/31/16
Cash & Investments					
Cash in Checking & LGIP	\$ 2,311,340	\$ 2,129,499	\$ 1,968,443	\$ 748,873	\$ 587,015
Investments, at Cost	521,137	565,977	614,535	1,674,018	1,738,163
TOTAL CASH & INVESTMENTS	\$ 2,832,477	\$ 2,695,476	\$ 2,582,978	\$ 2,422,891	\$ 2,325,178
	81.60%	79.00%	76.21%	30.91%	25.25%
	18.40%	21.00%	23.79%	69.09%	74.75%
	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND RETAINED EARNINGS					
Accrued Expenses	\$ 5,940	\$ 5,469	\$ 5,283	\$ 6,809	\$ 6,739
Held in trust for Pension Benefits	2,826,537	2,690,007	2,577,695	2,416,082	2,318,439
TOTAL LIABILITIES & RETAINED EARNINGS	\$ 2,832,477	\$ 2,695,476	\$ 2,582,978	\$ 2,422,891	\$ 2,325,178
	0.21%	0.20%	0.20%	0.28%	0.29%
	99.79%	99.80%	99.80%	99.72%	99.71%
	100.00%	100.00%	100.00%	100.00%	100.00%

CITY OF KENT FIREMEN'S RELIEF AND PENSION FUND INVESTMENTS MARCH 31, 2016					
Purchase Date	Security Description	Yield	Maturity	Investment Total	
03/31/16	Cash in Checking	0.000%		2,015	
03/31/16	Local Gov't Investment Pool	0.449%	Overnight	585,000	
03/31/15	Fico Strip	1.019%	02/08/18	209,496	
03/31/15	Fico Strip	1.149%	05/11/18	604,527	
03/31/15	Federal Home Loan Mortgage	1.661%	11/21/19	199,632	
04/10/87	Federal Home Loan Mortgage	8.508%	11/29/19	724,508	
				2,325,178	



City of Kent
Firemen's Relief and Pension Trust Fund #620
Statement of Revenues and Expenses
For the Three Months Ended March 31, 2016
Five Year Comparison

	3/31/12	3/31/13	3/31/14	3/31/15	3/31/16
OPERATING REVENUES					
Interest Income	\$ 3,750	\$ 917	\$ 538	\$ 624	\$ 650
Fire Insurance Premium Tax	-	-	-	-	-
TOTAL REVENUES	\$ 3,750	\$ 917	\$ 538	\$ 624	\$ 650
	100.00%	100.00%	100.00%	100.00%	100.00%
	0.00%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES					
Pension Payments to Retirees	35,638	34,058	31,654	40,855	40,435
Health Insurance	50,000	49,250	49,250	56,500	56,500
Actuarial Study	-	-	-	-	-
TOTAL EXPENSES	\$ 85,638	\$ 83,308	\$ 80,904	\$ 97,355	\$ 96,935
	41.61%	40.88%	39.13%	41.96%	41.71%
	58.39%	59.12%	60.87%	58.04%	58.29%
	0.00%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
NET INCOME (LOSS)	\$ (81,888)	\$ (82,391)	\$ (80,366)	\$ (96,731)	\$ (96,285)