Annual Financial Report of the Charlotte Firefighters' Retirement System - A Component Unit of the City of Charlotte, North Carolina

For the Fiscal Year Ended

June 30, 2023

Charlotte Firefighters' Retirement System
Charlotte, North Carolina

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CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
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December 21, 2022

Honorable Mayor and Members of City Council, Charlotte, North Carolina,
Members of the Board of Trustees, Charlotte Firefighters' Retirement System,
and Participants of the Charlotte Firefighters' Retirement System:

The Annual Financial Report ("Report") of the Charlotte Firefighters' Retirement System ("System"), a Component Unit of the City of Charlotte ("City"), North Carolina, for the fiscal year ended June 30, 2023, is herewith submitted. The Board and the System's staff are responsible for the preparation and presentation of the financial information and all other data contained herein, and believe that the Report based on accounting principles generally accepted in the United States of America, presents fairly and consistently the System's financial position and results of operations and conforms to the standards of governmental accounting and financial reporting principles as promulgated by the Governmental Accounting Standards Board (GASB).

HISTORY

The System was organized pursuant to Chapter 926 of the 1947 Session Laws, as amended, of the State of North Carolina, and is officially known as the Charlotte Firefighters' Retirement System Act ("Act"). The System was established on the fifth day of April 1947, for the purpose of providing retirement, disability and survivor benefits to the uniformed employees of the Fire Department of the City of Charlotte. The System retains a Letter of Determination from the Internal Revenue Service issued May 2017.

ADMINISTRATION OF THE SYSTEM

The administration and responsibility for the proper operation of the System is vested with the System's Board of Trustees ("Board"), which is comprised by the following Trustees as defined by the Act: (a) a Chairperson who is a Mecklenburg County resident and who is appointed by the Resident Judge of the Superior Court of Mecklenburg County to serve as Chairperson for a three year term; (b) three Citizen Trustees who are Mecklenburg County residents and who are appointed by the Resident Judge of the Superior Court of Mecklenburg County for three year staggered terms; (c) the City Manager, who serves by virtue of their position, or some other City department head or employee as designated by the City Manager; (d) the City Finance Director, who serves by virtue of their position, or a deputy finance director as designated by the Finance Director; (e) the City Treasurer who serves by virtue of their position; (f) three Member Trustees who are elected by the active Members for three year staggered terms; and (g) one Retiree Trustee who is elected by the Retirees for a term of three years.

The current Board members are listed on page 8.

COMMITTEES

The Board operationally functions under a committee structure. An Investment Committee and a Benefits Committee are annually appointed by the Chairperson of the Board to monitor, fact-find, and recommend actions for the Board's consideration. Although not required, the committees have generally been comprised of at least three trustees with one committee member being a Citizen Trustee, another a Member Trustee, and the other ex-officio (i.e., City official) Trustee. During the past fiscal year, John M. Carr, Citizen Trustee served as Chair of the Investment Committee and Melinda Manning, Citizen Trustee served as Chair of the Benefits Committee. Other committees may be appointed for specific projects at the discretion of the Chairperson.

PROFESSIONAL SERVICES

The Board employs the services of various professionals to aid it in its fiduciary responsibility for the effective and prudent management of the System. These professionals include: (a) a full-time Administrator who is responsible for the supervision of System staff and administration and coordination of all System operations and activities in accordance with the rules and regulations of the Act and the policies and direction of the Board; (b) the City Attorney and their staff serve as the legal advisor to the Board although additional outside legal counsel may be engaged by the Board from time to time for specialized services; (c) a consulting actuary who is engaged by the City of Charlotte to perform such studies and evaluations of the System as may be necessary and/or desirable in connection with the System's administration and funding, including preparation of the Annual Actuarial Valuation to determine the adequacy of the funding of the retirement benefit liabilities accrued by System members; (d) an independent auditor engaged by the Board on an annual basis to determine whether the financial statements present fairly, in all material respects, the financial position of the System and the results of its yearly operations in conformity with generally accepted accounting principles; (e) a Medical Board appointed by the Board to review and evaluate medical evidence and propose recommendations regarding disability retirements; (f) investment management professionals employed to invest the System's assets consistent with the objectives and direction of the Board, and (g) an investment consultant to advise the Board on matters of investment policy and strategy, conduct manager searches and monitor performance of the investment managers.

The Board may engage other professionals with expertise in various fields for specific services as deemed necessary.

FINANCIAL REPORTING

An annual report of the financial and actuarial condition of the System is prepared and submitted to the City Council. The annual report to City Council contains, but is not limited to, the auditor opinion and statements contained in the report of the independent auditor. The annual actuarial valuation report and the actuary's valuation certification will accompany the annual report. Additionally, a copy of the annual report to City Council is provided to each of the fire stations and fire department administrative offices of the City of Charlotte.

MAJOR INITIATIVES

The additional 2% annual incremental increase to Employer Contributions over a five-year period and additional Act amendments for clarity and consistency previously approved by the City Council, which was expected to be re-submitted to the North Carolina General Assembly in fiscal year 2023 was not. However, The City continues to honor its commitment to funding the incremental 2% increases through fiscal year 2026 to reach a maximum of 24%. The Board hired outside legal counsel to review all of the System's policies and make recommendations to enhance any policies to further support the fiduciary operations of the System. The review continues into fiscal year 2024.

During the year, as its primary duty, the Investment Committee spent considerable time reviewing the performance of all existing managers. The Committee met with each manager. As a result of continuing global market and economic volatility, the Committee had in-depth discussions with managers and the investment consultant to review the target asset allocation of the portfolio and to review risk management policies. An Asset Liability Study was performed in May 2022 to help determine the long-term strategic allocation policy and quantify the impact that different strategies might have on relevant metrics. The Board lowered the expected rate of return on investments from 7.25% to 7% based on the Committee's prudent recommendation supported by best practices by other government pension plans, the asset liability study, and Callan's forward looking capital assumptions. The Committee also recommended the Board update the System's asset allocation to 38% U.S. Equity, 26% Non-U.S. Equity, 25% U.S. Fixed Income, and 11% Real Estate and to diversity the portfolio with additional investment managers. Interviews were held for the additional International Equity and U.S. Fixed Income managers. The Board approved the managers recommended by the Committee.

Investments and managers will continue to be closely monitored by the Investment Committee on both a proactive and retrospective basis to assure continued success as well as continued commitment to a well-diversified portfolio and prudent asset allocation. The total portfolio gross of fee investment return for the year ended June 30, 2023, of 8.80%, reflected the continuing volatility of the global markets and economic conditions over the past few years. The last 5 and 10-year gross of fee rates of returns were 5.23% and 7.24%, respectively.

Detailed information concerning the System's investments may be found in the *Notes to the Financial Statements* beginning on *Page 16*.

The Benefits Committee met on a regular basis during the year. The Committee reviewed all System polices with outside legal counsel. The Committee recommended the

Board approve the updated Committee Charters, Code of Ethics, Surveillance and Travel Polices; all of which were subsequently approved by the Board. The Committee drafted a new Communications Policy which was adopted by the Board. The Committee reviewed a newly drafted Business Continuity Plan and has provided it along with the Securities Litigation Policy to outside legal counsel for review. This review will continue into fiscal year ending June 2024. The Committee assisted with the review of fraud and cyber security education modules that were distributed to the retired member population.

The staff works a modified schedule in the office and from home. The flexibility will be beneficial in maintaining a smooth transition in the event of a future business disruption.

The staff has resumed station visits providing continuing education to active members. Recruit classes consist of two education sessions provided by staff. The first session details the member's eligibility and process involved for an In Line of Duty Disability and a Not In Line of Duty Disability while the second session conveys the pension benefits through a member's career including benefits at termination, death, and retirement. The retiree portal supported by the System's custodian bank, U.S. Bank, continues to provide functionality for our retirees. The portal provides retirees and beneficiaries in payment status access to their benefit payment information, including but not limited to tax withholding elections, 1099-R reporting and banking information.

Active Member education modules were developed and deployed through the City's E-Learning System. The City requires all active firefighters to review assigned education modules. Topics developed and deployed for the firefighters include disability pension benefit process, annual valuation process, and CFRS Benefits related to termination, divorce, and death. The CFRS monitors participation rates for each retirement module. The modules are available for active members to review at any time.

The Active Member Portal continues to be widely utilized by the active members. The portal provides active members the ability to perform estimates and pension benefit modeling. Once in the site, the member also has access to their annual pension statement, beneficiary information, Plan Benefit Q&A and links to various other resources.

FINANCIAL INFORMATION

The System's internal control structure is designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from theft or unauthorized use and to ensure the reliability and adequacy of the accounting records. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgment by the Board. Accounting data are maintained in a manner suitable for preparing financial reports in conformity with generally accepted accounting principles and for providing accurate and timely data to the City Council, Board, participants of the System, citizens, and other interested parties.

Budgetary Controls

The North Carolina General Statutes require the adoption of an annual budget for all funds except those for which expenditures are authorized by project ordinance, fiduciary funds, and internal service funds. The System is a fiduciary fund and is therefore exempt from budgetary requirements. However, the Board considers and adopts a budget for each fiscal year of operations and receives a quarterly budget report from the Administrator.

Accounting and Actuarial Systems

The financial reports of the System are prepared in accordance with U.S. generally accepted principles of governmental accounting and reporting promulgated by GASB. The accrual basis of accounting is used to record assets and liabilities, and revenues and expenses. Revenues and expenses are recorded when earned or incurred, regardless of collection or disbursement. Capital assets are recorded at cost and depreciated through charges to expense over the estimated useful lives of the assets.

An annual actuarial valuation is performed by the System's actuary Cavanaugh Macdonald Consulting, LLC. The actuarially calculated contribution rates are developed using the entry age cost method. This cost method attempts to allocate the cost of each member's benefit as a level percent of compensation over the member's projected service from date of hire to date of retirement or exit. The calculated contribution rates include a current or "normal" cost for the year plus an amortization amount to reduce any unfunded accrued liability.

Revenues and Funding

Revenues essential to the sound funding of the System flow from three sources:

Contributions by Members: A System Member contributes an amount equal to the Member's eligible compensation multiplied by the current contribution rate of 12.65%. Member contributions are made on a tax-deferred basis and record is kept of each member's accumulated contributions. This accumulated amount is used for the Member's benefit if he or she remains in service. If the Member leaves service, he or she may withdraw the amount of his or her accumulated contribution. A Member with five or more years of membership service receives interest on his or her contributions if a refund is requested. A Member may, if he or she has five or more years of membership service, choose to elect a deferred annuity providing lifetime income commencing at age 60.

Contributions by the City of Charlotte: The City of Charlotte contributes an amount equal to the Member's eligible compensation multiplied by the statutory contribution rate of 12.65%. In this fiscal year, the City continued their agreement to incremental funding increases and COLA payment, totaling to an 18.39% level. Any other differences between the aggregate City and Member contributions are due to (a) service purchases made by Members for which the City does not make contributions and (b) City contributions for those Members away on military deployments during which Members are not required to make contributions.

Investment Income: Investment income is the third source of System revenues and must be regarded as both a vital and major contributor to the System's strong funding status. Statutorily, since 1947, the Board has exercised responsibility for investing the System's assets in a prudent and diligent manner.

The reader of this Report should note that year-to-year investment return variation is a function of unrealized gains or losses on securities' valuations and the subsequent realization of gains or losses on the sale of investments and is not necessarily reflective of actual investment cash flow or income.

The primary critical concern of the Board is the System's funding adequacy. High funding levels are directly related to benefit security for participants. It is the responsibility of the Board to make prudent and sound investment decisions in order to increase the assets and thereby the funding level of the System. The Board has a goal of maintaining the funding of the System at or near 100%. Although the statutory contribution rate of 12.65% for the employer and employee has been sufficient for over 20 years, the combined Member and City contributions along with projected investment returns will not be sufficient in the long-term. In the short-term, the Sponsor is honoring their commitment to increase their funding by 2% per year, capping at 24%. The Funding level is also influenced by changes to benefits and economic and demographic assumptions. The resulting funding level as of July 1, 2023, of 70.1%, is down from 73.3% as of July 1, 2022. Major contributing factors to the funding level decrease were negative investment returns based on the five year actuarial smoothing method for asset returns, higher than anticipated salary increases, and a reduction in the investment rate of return.

A more complete discussion of System funding status may be found in the *Actuarial Report* found on the System's website, www.Charlottefireretire.com\Reports

Expenses

The primary expense of the System relates to the purpose for which it was created, namely, the payment of benefits to retirees and their beneficiaries. Benefit payments and refunds to terminated members were responsible for 98.18% of all deductions from plan assets, which is 0.05% lower than the prior year. Administrative costs and depreciation accounted for 1.82% of deductions from plan assets for fiscal year 2023, compared to 1.77% for the prior year. A more detailed discussion of System expenses may be found in the *Management's Discussion and Analysis* beginning on Page 11.

OTHER INFORMATION

Independent Audit

Pursuant to North Carolina law, the System is required to undergo an annual audit by a certified public accountant. The Board has selected the independent certified public accounting firm of Cherry Bekaert LLP to provide these services. The report of the independent auditor on the financial statements and required supplementary information begins on *Page 9*.

Acknowledgments

The compilation of this Report is intended to provide complete and reliable information regarding the stewardship of the funds contributed by the members of the System and the City of Charlotte.

Several individuals assisted with the preparation of this report, and we wish to acknowledge their efforts and assistance. Tony Bass, Administrative Officer III; City Finance Staff, Betty Mattos, Chief Accountant; Kelly Kay, Accountant IV; Alexandra Gatti, Accountant III; and Behailu Tefera, Accountant III all contributed many hours to ensure the accuracy and completeness of this report.

We hope that this year's report will be of interest to you and will be helpful in your understanding, evaluating, and assuring the continued success of the Charlotte Firefighters' Retirement System.

Respectfully Submitted,

Vanessa Heffron, Chairperson, Board of Trustees

Sandra J. Thiry, Administrator

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

CHARLOTTE, NORTH CAROLINA

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Trustees
Charlotte Firefighters' Retirement System
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Charlotte Firefighters' Retirement System ("CFRS"), a component unit of the City of Charlotte, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise CFRS's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of CFRS as of June 30, 2023 and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of CFRS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CFRS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 CFRS's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CFRS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 the 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

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal and Board of Trustees and staff schedule but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Cherry Bekaert LLP

Charlotte, North Carolina
December 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents Management's Discussion and Analysis of the Charlotte Firefighters' Retirement System's ("System") financial statements and the significant events, conditions and decisions which affected the operations and performance of the Charlotte Firefighters' Retirement System during the year ended June 30, 2023.

Overview of the Financial Statements and Accompanying Information

1) Fund Financial Statements. The System presents Statements of Plan Net Position as of June 30, 2023, and Statements of Changes in Plan Net Position for the year then ended. This statement reflects resources available for payment of benefits as of year-end and the sources and uses of those funds during the year. For purposes of discussion and analysis, the condensed information shown below includes two fiscal years.
2) Notes to the Financial Statements. The notes to the financial statements are an integral part of the financial statements and have additional detailed information to provide a better understanding of the financial statements. Information in the notes discloses the System's organization, benefits and contributions, how the asset values are determined, and contingencies and commitments.
3) Required Supplementary Information. The required supplementary information consists of a schedule concerning the funding status of the System, employer contributions and this Management's Discussion and Analysis.

Comparative Statements of Plan Net Position
(in thousands)

	Years ended June 30 2023	20221
Cash and Cash equivalents	$ 6,604	$ 8,494
Investments	596,453	564,983
Capital assets	87	137
Other assets	1,323	1615
Total assets	604,467	575,229
Liabilities	686	626
Net Position	$ 603,781	$ 574,603

Comparative Statements of Changes in Plan Net Position
(in thousands)

	Years ended June 30 2023	2022
Contributions	$ 30,224	$ 27,360
Net Investment Gain/(Loss)	46,537	(84,947)
Total Additions/(Loss)	76,761	(57,587)
Benefits	(45,951)	(42,415)
Other deductions	(1,632)	(1,725)
Total Deductions	(47,583)	(44,140)
Change in Net Position	$ 29,178	$ (101,727)

Financial Analysis

The Charlotte Firefighters' Retirement System provides retirement benefits to the uniformed firefighters of the City of Charlotte. The System benefits are funded through member and employer contributions and investment income. As reflected in the Statement of Changes in Plan Net Position on *Page 15*, the net position of the System increased approximately $29.2 million during the year ended June 30, 2023. These results reflect the extremely volatile Global Market environment.

Funded Ratio

The funded ratio of the plan measures the ratio of actuarially determined assets against actuarial liabilities and is a good indicator of the fiscal strength of a pension fund's ability to meet obligations to its members. The System is required by the Act to perform an annual actuarial valuation. The valuation as of July 1, 2023, showed the funded status of the System decreasing to 70.1% from 73.3% on July 1, 2022. The System's valuation uses a 5-year asset smoothing method based on market value of assets. The System had an unfunded liability of $276 million for the year ended June 30, 2023, compared to the $232 million for the year ended June 30, 2022. Liabilities increased due to various reasons including investment losses, salary increases, and a reduction to the investment rate of return.

Contributions and Income

Additions to Plan Net Position include employer and member contributions and net income from investment activities. Member contributions were approximately $12.6 and $12.4 million for the years ended June 30, 2023 and 2022, respectively, an annual increase of $.2 million for fiscal year 2023 and an increase of $.5 million for fiscal year 2022. The member rate is 12.65% of eligible compensation, set by statute and made on a tax-deferred basis. The employer rate is set at 12.65% by statute. However, the City has committed to pay 18.39% of eligible payroll beginning in fiscal year 2023. Employer contributions were approximately $17.6 million and $14.9 million for the years ended June 30, 2023 and 2022, respectively an annual increase of $2.7 million for fiscal year 2023 and $2.2 million in fiscal year 2022. The variances between employer and member contributions is mainly attributed to the City's committed increase in employer contributions offset by a minor amount attributable to prior government and military service purchases made by members.

Net investment gain of approximately $49.6 million during fiscal 2023 and losses of $(85) million during fiscal 2022, resulted in returns of 8.80 % and (12.82)%, respectively as measured by Callan, LLC. The positive returns in investment income in 2023 were largely the result of all markets performances, with the exception of Real Estate. The System performed below its composite benchmark on a relative basis by 4 basis points and performed below the Callan Public Fund Sponsor Database median return by 47 basis points. For the 5-year period ended June 30, 2023, the System returns were 5.23% compared to its composite benchmark returns of 5.96% and its actuarial assumed rate of return of 7.00%.

The most significant deduction from investment income is investment manager fees. The System's assets are managed 100% by external investment advisors hired by the Board of Trustees. Many of these managers are paid a fee based on the assets under management. Some of the active managers are paid a base fee plus the possibility of performance incentive. Investment expenses were approximately $2.4 million for the year ended June 30, 2023, and were approximately $2.8 million for the year ended June 30, 2022.

Prudent investment of the System's assets, diligent monitoring of investment advisors and a commitment to periodic allocation rebalancing in addition to conservative administrative costs has enabled the System to achieve a modest funded status. The Board of Trustees is committed to maintaining the System at or near 100% funding and continue to dedicate its efforts to that goal.

Benefits, Refunds and Expenses

The most significant recurring deduction to Plan Net Position is benefit payments. During fiscal 2023, the System paid approximately $46.7 million, up from $43.4 million in fiscal 2022, in benefits and refunds. The increased level of payments in fiscal year 2023 was due primarily to new retirements, cost-of-living adjustment for those who retired prior to January 3, 2000, and vested and non-vested contribution withdrawals. The System does not provide an automatic Cost of Living Adjustment (COLA). Due to the funding ratio of the System, the Board of Trustees was unable to provide a bonus payment for retirees and beneficiaries receiving benefits as of January 1, 2022.

The administrative costs of the System represented approximately .13% of the ending net position in fiscal year 2023 increased from .12% from fiscal year 2022. The increase in costs were primarily due to increased insurance premiums, legal fees for the policy review project, and computer supplies in fiscal year 2023.

Plan Assets

Investments increased approximately $29 million in 2023. The System does not invest in alternative classes of investments such as hedge funds, venture capital and private equity. It also does not have a securities lending program. The market gain in value of plan assets is a result of market volatility related to U.S. and global markets rebounding after the COVID-19 pandemic. Real Estate was the only asset class that yielded negative returns.

The System values its assets at "fair value" as discussed in accounting policies footnote 2(f) (*Page 23*) to the financial statements. Fair value is the value the System expects to receive in a current sale between a willing buyer and a willing seller that are equally motivated; that is, other than a forced or liquidation sale. The value of publicly traded securities, stocks, and bonds are determined using the latest quote from national exchanges or pricing services. These prices reflect the securities' pricing at the close of business and can be affected by such factors as liquidity, current events, and the size of lots being traded. Real Estate is valued using appraisal values by approved appraisers who meet professional qualifications. The appraisal process involves a significant amount of judgment and estimates. As a result, the ultimate value on the sale of the asset may differ from the appraised value.

Contacting the CFRS Management

This financial report is designed to provide the City Council, participants of the System, citizens, taxpayers, and other interested parties with an overview of its operations and financial position and to demonstrate its accountability. Questions concerning this report or requests for additional information should be directed to the Administrator, Charlotte Firefighters' Retirement System, 428 East 4th Street, Suite 205, Charlotte, NC 28202.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM, A COMPONENT UNIT OF THE CITY OF CHARLOTTE, NORTH CAROLINA

STATEMENT OF PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(Dollar Amounts in Thousands)

ASSETS:		
Cash and cash equivalents	$	6,604
Receivables:		
Employer contributions		374
Member contributions		232
Interest and dividends		709
Total receivables		1,315
Prepaid items		8
Investments, at fair value:		
Equity securities - stocks		66,740
Fixed income securities - bonds		101,131
Mutual funds		428,582
Total investments		596,453
Capital assets		672
Less accumulated depreciation		585
Total capital assets, net		87
Total assets		604,467
LIABILITIES:		
Accounts payable		686
NET POSITION RESTRICTED FOR PENSIONS	$	603,781

The notes to the financial statements are an integral part of this statement.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM, A COMPONENT UNIT OF THE CITY OF CHARLOTTE, NORTH CAROLINA

STATEMENT OF CHANGES IN PLAN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

(Dollar Amounts in Thousands)

ADDITIONS:		
Contributions:		
Member	$	12,605
Employer		17,619
Total contributions		30,224
Investment income:		
Net depreciation in fair value of investments		42,123
Interest		3,277
Dividends		3,574
		48,974
Less investment expense		2,437
Net investment income		46,537
Total additions		76,761
DEDUCTIONS:		
Benefits		45,951
Refunds		774
Administration		807
Depreciation		51
Total deductions		47,583
Net (decrease) in plan net position		29,178
Net position - beginning		574,603
Net position - ending	$	603,781

The notes to the financial statements are an integral part of this statement.

(Dollar Amounts in Thousands)

1. PLAN DESCRIPTION:

The Charlotte Firefighters' Retirement System (the "System"), a single-employer, defined benefit plan, was organized pursuant to the 1947 Session Laws of the State of North Carolina, for the purpose of providing retirement, disability, and death benefits to civil service employees of the Charlotte Fire Department. Membership is mandatory at the date of employment. The System is administered by an eleven member Board of Trustees. The City of Charlotte's ("City") payroll for members covered by the System for the year ended June 30, 2023 was $95 million.

At June 30, 2023 the System's membership consisted of:

Inactive members or beneficiaries currently receiving benefits	849
Inactive members entitled to but not yet receiving benefits	16
Active plan members	1,086
Total	1,951

Benefits vest after 5 years of credited service. The requirements for normal service retirement are: (a) any age with 30 years of service credit, (b) age 50 with 25 years of service credit, or (c) age 60 with 5 years of service credit. The normal service retirement monthly benefits are 2.6% of final average salary multiplied by the years of credited service. Salary in the final year includes portions of cashed-in vacation and sick days. Final average salary is the monthly average received by the member during any 2 consecutive years of membership which produces the highest average and is contained within the last 5 years of membership. The minimum monthly benefit is $902.75. Members less than age 50 may elect early retirement with 25 years of service credit. Early retirement benefits are reduced by 3% for each year the early retirement date precedes age 50.

If an employee ceases employment with less than 5 years of service credit, accumulated employee contributions are refunded to the employee or designated beneficiary. After 5 or more years of service, the employee may elect to receive a refund of the employee's accumulated contributions with interest compounded annually at 4% or receive an accrued benefit at age 60.

Death and disability benefits are also available. Benefit and contribution provisions are established by State law and may be amended only by the North Carolina legislature.

Pursuant to the Act that established the System, the City is required to fund 12.65% of eligible weekly pay. The Act establishes the contribution rate pursuant to the Board of Trustees' recommendation and approval by the Charlotte City Council. The members' contribution rate is

(Dollar Amounts in Thousands)

12.65%. The City agreed to an increase in funding effective July 1, 2020. The City's contribution rate increased to 14.00% and will increase each plan year by 2% for the next five years to a maximum rate of 24.00%. Administrative costs are funded through contributions and investment earnings.

The contributions made by the City and the members of the System for the year ended June 30, 2023 were as follows:

	In Dollars	Percent of Covered Payroll
Contributions made by -		
City	$17,619	18.63%
Members	12,605	13.33
Total	$30,224	31.96%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Presentation

The System provides services exclusively to the City and the City is financially accountable for the System; therefore, the System is included as a blended component unit and reported as a Fiduciary Pension Trust Fund in the City's basic financial statements.

The financial statements are presented in accordance with generally accepted accounting principles ("GAAP") as promulgated by the Governmental Accounting Standards Board ("GASB"), which establishes standards of financial reporting for state and local government, including pension plans administered through trusts that meet certain criteria.

b. Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Property is stated at historical cost. Depreciation is computed using the straight-line method over an estimated useful life of 25 years for buildings and 5 years for intangible assets. Contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest and dividend income is reported as earned. The net depreciation in the fair value of investments includes realized gains and losses on investments that were both bought and sold during the year.

c. Adoption of New Accounting Pronouncements

As of July 1, 2022, the System adopted the provisions of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs). The new GASB 96 guidance requires the government to disclose a general description of its SBITAs, which includes the basis, terms, and conditions on which variable payments not included in the measurement of the subscription liability are determined. GASB 96 is new guidance issued by the Governmental Accounting Standards Board, which is largely based on GASB 87, Leases, and applies to subscriptions for software. The new standard requires, for the first time, a subscription asset and a corresponding liability to be recognized on the statement of financial position for any SBITA arrangements a government has with software vendors. Following the adoption of the standard, the System determined there were no material SBITAs that would be considered subject to the standard and, therefore, no SBITAs have been recorded.

d. Cash and Cash Equivalents/Investments

Short-term, highly liquid investments are considered cash equivalents. Short-term refers to investments with an original maturity of three months or less at date of acquisition. Highly liquid investments are those that are readily convertible to known amounts of cash and so near their maturity that the risk of changes in value because of changes in interest rates is insignificant.

The carrying amounts of deposits and investments were $6,604 and $596,453 at June 30, 2023.

Deposits

All deposits of the System are made in board-designated official depositories and are insured or collateralized with securities held by the System's agent in the System's name. The System has no formal policy regarding custodial credit risk for deposits. The bank balance at June 30, 2023 was $22.

Investments

The North Carolina Act ("Act") which established the System requires the Board of Trustees to act with the same care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. The Act requires the Trustees to design an investment plan to further the purpose of the System by giving consideration to the following: (a) diversification of investments, (b) liquidity and return relative to cash flow needs, and (c) projected return. In accordance with the Act, the Board of Trustees has developed and periodically revises a policy statement of investment goals, objectives, and guidelines, which specifically define vehicles that may be used for the investment of System funds. The System invests in United States government securities, corporate bonds, common stocks, and mutual funds.

(Dollar Amounts in Thousands)

The investments and maturities at June 30, 2023 were as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries	$ 8,498	$ 114	$ 1,444	$ 1,739	$ 5,201
U.S. Agencies	36,014	-	4	277	35,733
*Corporate Bonds	56,619	920	11,631	14,234	29,834
Common Stocks	66,740	N/A	N/A	N/A	N/A
**Mutual Funds	428,582	N/A	N/A	N/A	N/A
Total	$ 596,453	$ 1,034	$ 13,079	$ 16,250	$ 70,768

*Corporate Bonds include $11,743 high yield bonds reported in U.S. Bonds in the investments measured as NAV in the investment fair value hierarchy table.

**Mutual Funds include $24,833 investments measured as fair value in the investment fair value hierarchy table.

(Dollar Amounts in Thousands)

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The following is a summary of the fair value hierarchy of the fair value of investments as of June 30, 2023:

Investment by fair value level	6/30/2023	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements Using Quoted Prices in Active Markets for Similar Assets (Level 2)	Fair Value Measurements Using Unobservable Inputs (Level 3)
U.S. Treasuries	$ 8,498	$ 8,498	$ -	$ -
U.S. Agencies	36,014	-	36,014	-
Corporate bonds	44,876	-	44,876	-
Common stocks	66,740	66,740	-	-
Mutual funds	24,833	-	24,833	-
Total investments by fair value level	180,961	$ 75,238	$ 105,723	$ -

Category	Investments Measured as NAV	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
U.S. equity	$ 143,439	-	Daily	N/A
International equity	165,074	-	Daily	N/A
U.S. bonds	11,743	-	Daily	N/A
Fixed income	65,394	-	Quarterly	45 Days
International fixed income	29,842	-	Quarterly - 1st day of Qtr	N/A
	415,492	$ -		
Total investments	$ 596,453			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities benchmark quoted prices.

(Dollar Amounts in Thousands)

Interest Rate Risk. The System does not have a formal investment policy that limits investment maturities.

Credit Risk. The System is authorized to invest in bonds with a quality rating of no less than investment grade and unrated U.S. Treasuries and Agencies. The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at June 30, 2023 were as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA	$ 8,066	7.98%
Ba1 > Aa2	48,553	48.01%
Total credit risk debt securities	56,619	55.99%
U.S. Government fixed income securities:		
Government National Mortgage Association	7,187	7.11%
U.S. Treasury	8,498	8.40%
Not Rated	28,827	28.50%
Total fixed income securities	$ 101,131	100.00%

Custodial Credit Risk. The System has no formal policy regarding custodial credit risk for investments.

Concentration of Credit Risk. The System limits the amount of equity holdings in any one company to 8% or benchmark weight +1%, whichever is greater, of the market value of the portfolio; the amount of equity holdings in any one sector to 30% of the fair value of the portfolio; and the amount of fixed-income securities in any one corporation to 5% of the fair value of the portfolio without the consent of the board. There is no limit on securities backed by the full faith and credit of the U.S. Government or any of its instrumentalities.

(Dollar Amounts in Thousands)

e. Concentrations

The System had individual fixed income or equity investments at June 30, 2023 managed by the following organizations that represented 5% or more of the System's net investments:

State Street Global Advisors	38%
Barrow Hanley	17
Morgan Stanley	6
Wellington Management Company	5
UBS Trumbull Property Fund	5
Lazard / Wilmington Collective Trust	5

In addition, the System owned individual assets at June 30, 2023 that represented 5% or more of the System's net investments:

State Street Global Advisors Russell 1000 Index SL	24%
State Street Global Advisors MSCI EAFE Index	8
State Street Global Advisors Bond Market Index Fund	7
Morgan Stanley Core	6
Wellington Management Company	5
UBS Trumbull Property Fund	5
Lazard / Wilmington Collective Trust	5

f. Rate of Return

For the year ended June 30, 2023 the annual money-weighted rate of return on the System's investments, net of pension plan investment expense was 8.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

g. Method Used to Value Investments

Investments are reported at fair value. Securities and mutual funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

(Dollar Amounts in Thousands)

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

i. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, being depreciated:				
Buildings	$ 439	$ 1	$ -	$ 440
Intangibles	232	-	-	232
Total capital assets being depreciated	671	1	-	672
Less accumulated depreciation for:				
Buildings	343	20	-	363
Intangibles	191	31	-	222
Total accumulated depreciation	534	51	-	585
Capital assets, net	$ 137	$ (50)	$ -	$ 87

3. NET PENSION LIABILITY:

The components of the net pension liability as of June 30, 2023 were as follows:

Total pension liability	$1,153,958
Plan net position	(603,781)
Net pension liability	$550,177
Plan fiduciary net position as a percentage of the total liability	52.32%

(Dollar Amounts in Thousands)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75-9.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Safety Retiree Headcount-Weighted Below Median Mortality Table adjusted by 87.5% for males projected generationally with Scale MP-2019 for the period after service retirement. The Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2019 is used for the period after disability retirement. The Pub-2010 Safety Employee Headcount-Weighted Mortality Table projected generationally with projection Scale MP-2019 is used for deaths in active service.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, with the exception of the assumed investment rate of return which was adopted by the Board on July 28, 2022.

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	36.0%	5.8%
International Equity	26.0%	6.6%
Domestic Fixed Income	23.0%	1.0%
Non US Fixed Income	5.0%	0.3%
Real Estate	10.0%	4.9%
Total	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 5.13%. The projection of cash flows used to determine the discount rate assumed that plan member and employer contributions will be made at the current contribution rates. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the plan year ending June 30,

(Dollar Amounts in Thousands)

2052. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments through June 30, 2052 and the applicable municipal bond index rate of 3.66%, based on the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate published weekly by The Bond Buyer (www.bondbuyer.com) as of June 30, 2023, was applied to all periods of projected benefit payments after June 30, 2052. The Single Equivalent Interest Rate (SEIR) of 5.13% was used to determine the total pension liability as of June 30, 2023.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the System as of June 30, 2023, calculated using the discount rate of 5.13%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.13%) or one percentage point higher (6.13%) than the current rate ($ thousands):

	1% Decrease (4.13%)	Current Rate (5.13%)	1% Increase (6.13%)
System's net pension liability	$ 714,724	$ 550,177	$ 415,365

4. INTERNAL REVENUE STATUS:

The Internal Revenue Service (IRS) has determined that the System meets the requirements of Section 401(a) of the Internal Revenue Code and is exempt from Federal income tax under Section 501(a) of the Code.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM, A COMPONENT UNIT OF THE CITY OF CHARLOTTE, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

Last Ten Fiscal Years

(Dollar Amounts in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	$ 40,857	$ 23,287	$ 54,725	$ 26,921	$ 22,649	$ 24,023	$ 26,438	$ 15,387	$ 15,049	$ 13,967
Interest	53,786	56,909	41,371	46,105	44,028	41,792	37,701	37,984	36,036	34,249
Benefit changes	-	1,336	-	-	9,692	-	-	-	-	-
Difference between expected and actual experience	18,552	1,340	23,596	16,673	25,476	(4,229)	19,244	(2,503)	1,664	-
Changes of assumptions or other inputs	(38,049)	279,397	(516,846)	315,693	85,552	(31,043)	(60,216)	211,217	-	-
Benefit payments	(45,951)	(42,415)	(39,878)	(38,642)	(35,709)	(33,120)	(31,075)	(28,333)	(26,406)	(23,928)
Refunds of contributions	(774)	(945)	(531)	(887)	(416)	(212)	(70)	(416)	(69)	67
Net change in total pension liability	28,421	318,909	(437,563)	365,863	151,272	(2,789)	(7,978)	233,336	26,274	24,355
Total pension liability - beginning	1,125,537	806,628	1,244,191	878,328	727,056	729,845	737,823	504,487	478,213	453,858
Total pension liability - ending (a)	$ 1,153,958	$ 1,125,537	$ 806,628	$ 1,244,191	$ 878,328	$ 727,056	$ 729,845	$ 737,823	$ 504,487	$ 478,213
Plan fiduciary net position										
Contributions - employer	$ 17,619	$ 14,942	$ 12,768	$ 11,450	$ 10,193	$ 9,333	$ 9,106	$ 8,694	$ 8,589	$ 8,348
Contributions - member	12,605	12,418	11,910	10,770	10,610	9,909	9,636	8,991	9,138	8,723
Net investment income	46,537	(84,947)	134,699	17,216	22,930	46,981	57,681	2,266	20,373	73,559
Benefit payments	(45,951)	(42,415)	(39,878)	(38,642)	(35,709)	(33,120)	(31,075)	(28,333)	(26,406)	(23,928)
Administrative expense	(807)	(714)	(612)	(672)	(583)	(735)	(621)	(657)	(625)	(691)
Refunds of contributions	(774)	(945)	(531)	(887)	(416)	(212)	(70)	(416)	(69)	67
Other	(51)	(66)	(66)	(63)	(49)	(28)	(13)	-	-	-
Net change in plan fiduciary net position	29,178	(101,727)	118,290	(828)	6,976	32,128	44,644	(9,455)	11,000	66,078
Plan net position - beginning	574,603	676,330	558,040	558,868	551,892	519,764	475,120	484,575	473,575	407,497
Plan net position - ending (b)	$ 603,781	$ 574,603	$ 676,330	$ 558,040	$ 558,868	$ 551,892	$ 519,764	$ 475,120	$ 484,575	$ 473,575
Net pension liability - ending (a) - (b)	$ 550,177	$ 550,934	$ 130,298	$ 686,151	$ 319,460	$ 175,164	$ 210,081	$ 262,703	$ 19,912	$ 4,638
Plan net position as a percentage of the total pension liability	52.32%	51.05%	83.85%	44.85%	63.63%	75.91%	71.22%	64.39%	96.05%	99.03%
Covered payroll	$ 97,883	$ 93,388	$ 91,200	$ 82,609	$ 80,577	$ 73,779	$ 71,984	$ 68,727	$ 67,897	$ 65,992
Net pension liability as a percentage of covered payroll	562.08%	589.94%	142.87%	830.60%	396.47%	237.42%	291.84%	382.24%	29.33%	7.03%

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM, A COMPONENT UNIT OF THE CITY OF CHARLOTTE, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

(Dollar Amounts in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 28,298	$ 26,998	$ 19,188	$ 14,713	$ 14,625	$ 13,088	$ 9,495	$ 10,206	$ 11,454	$ 10,849
Actual employer contributions	17,619	14,942	12,768	11,450	10,193	9,333	9,106	8,694	8,589	8,348
Annual contribution deficiency (excess)	$ 10,679	$ 12,056	$ 6,420	$ 3,263	$ 4,432	$ 3,755	$ 389	$ 1,512	$ 2,865	$ 2,501
Covered payroll	$ 97,883	$ 93,388	$ 91,200	$ 82,609	$ 80,577	$ 73,779	$ 71,984	$ 68,727	$ 67,897	$ 65,992
Actual contributions as a percentage of covered payroll	18.00%	16.00%	14.00%	13.86%	12.65%	12.65%	12.65%	12.65%	12.65%	12.65%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	15 - 30 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.75 - 9.00%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Discount rate	5.13%
Mortality	Mortality rates were based on the Pub-2010 Safety Retiree Headcount-Weighted Below Median Mortality Table adjusted by 87.5% for males projected generationally with Scale MP-2019 for the period after service retirement. The Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2019 is used for the period after disability retirement. The Pub-2010 Safety Employee Headcount-Weighted Mortality Table projected generationally with projection Scale MP-2019 is used for deaths in active service.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM, A COMPONENT UNIT OF THE CITY OF CHARLOTTE, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
Last Ten Fiscal Years
(Dollar Amounts in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.62%	(12.83%)	25.35%	3.32%	4.28%	9.54%	12.47%	0.78%	4.66%	18.60%