

Annual Statement

.....
OF THE FINANCIAL CONDITION

.....
OF THE FALMOUTH RETIREMENT BOARD

.....
TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

.....
FOR THE YEAR ENDED 12/31/2023
.....

Annual Statement for the Year Ended December 31, 2023 of the conditions and Affairs of the Falmouth Retirement Board.

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Commission.

Date of Certificate 02/14/1941

Effective Date 07/01/1941

ADMINISTRATION OFFICE

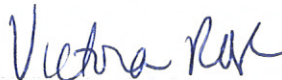
80 Davis Straits, Suite 102
Street & Number

Falmouth, MA 02540
City/Town, State and Zip Code

(508) 457-0578
Telephone Number

We, the undersigned, members of the Falmouth Retirement Board certify under penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first date of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirty-first date of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Board Of Retirement **Ex-Officio Member**
Victoria A. Rose
(Name)


(Signature)

Appointed Member

Paul J. Slivinski
(Name)

Term Expires


(Signature)

Elected Member

Scott T. Starbard
(Name)

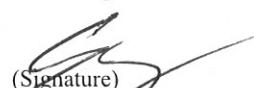
Term Expires 10/30/2025


(Signature)

Elected Member

Craig B. O'Malley
(Name)

Term Expires 05/25/2026


(Signature)

Member Appointed by Other Members

Ellen K. Philbin (Chair)
(Name)

Term Expires 06/30/2024


(Signature)

Investment Managers Managers Listed on Next Page

Investment Consultant Wainwright Investment Counsel, LLC

One Boston Place, 41st Floor, Boston MA 02108

Custodian M&T Bank

16 North Main Street, Andover MA 01810

**FALMOUTH RETIREMENT SYSTEM
80 DAVIS STRAITS, SUITE 102
FALMOUTH, MA 02540
508-457-0578**

2023 INVESTMENT MANAGERS

Dimensional Fund Advisors

6300 Bee Cave Road, Building One
Austin, TX 78746

Hamilton Lane Advisors, L.L.C.

One Presidential Boulevard, 4th Floor
Bala Cynwyd, PA 19004

LMCG Investments, L.L.C.

200 Clarendon Street, 28th Floor
Boston, MA 02116

Metropolitan Real Estate Equity Management, L.L.C.

135 East 57th Street, 16th Floor
New York, NY 10022

P.R.I.M. Board

84 State Street
Boston, MA 02109

RhumbLine Advisers

265 Franklin Street, 21st Floor
Boston, MA 02110

TerraCap Management, L.L.C.

23421 Walden Center Drive, Suite 300
Estero, FL 34134

Earnest Partners

1180 Peachtree Street, Suite 2300
Atlanta, GA 30309

H.G.K. Asset Management, Inc.

Newport Tower
525 Washington Boulevard, Suite 2000
Jersey City, NJ 07310

Lexington Partners, Inc.

660 Madison Avenue
New York, NY 10021

Lord Abbett & Company, L.L.C.

90 Hudson Street
Jersey City, NJ 07302

Mesirow Financial Services, Inc.

350 North Clark Street
Chicago, IL 60610

State Street Global Advisors

State Street Financial Center
One Lincoln Street
Boston, MA 02111

TA Realty Associates, L.L.C.

28 State Street, 10th Floor
Boston, MA 02109

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	181,601,805.98
Income Current Year	37,379,293.01
Disbursements Current Year	18,429,316.74
Assets Current Year	200,551,782.25

2. ASSET DIFFERENCE

Assets Current Year	200,551,782.25
Assets Previous Year	181,601,805.98
Difference	18,949,976.27

3. INCOME DIFFERENCE

Income Current Year	37,379,293.01
Disbursements Current Year	18,429,316.74
Difference	18,949,976.27

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	50,210,331.13
Total Fund Change Debits Current Year	-31,260,354.86
Difference	18,949,976.27

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

ASSETS & LIABILITIES

	2023	2022	2021
1. 1040 Cash	1,049,917.63	4,325,163.29	5,959,525.18
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	0.00	0.00	0.00
4. 1170 Equities	21,467,938.29	17,810,454.46	20,426,197.96
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	59,213,992.85	49,871,589.05	56,714,920.75
7. 1173 Pooled International Equity Funds	31,515,365.71	26,663,599.65	30,658,637.90
8. 1174 Pooled Global Equity Funds	0.00	0.00	0.00
9. 1181 Pooled Domestic Fixed Income Funds	35,350,412.20	32,298,870.67	33,767,545.96
10. 1182 Pooled International Fixed Income Funds	0.00	0.00	0.00
11. 1183 Pooled Global Fixed Income Funds	0.00	0.00	0.00
12. 1193 Pooled Alternative Investments	12,891,613.99	11,849,344.04	12,001,697.96
13. 1194 Pooled Real Estate Funds	18,045,973.43	19,743,928.31	21,329,517.19
14. 1195 Pooled Domestic Balanced Funds	0.00	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	0.00
16. 1197 Hedge Funds	21,112,209.01	19,115,994.84	19,511,293.66
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	0.00	0.00	0.00
19. 1550 Interest Due and Accrued	0.00	0.00	0.00
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	30,251.21	5,079.83	4,933.57
22. 1910 Land	0.00	0.00	0.00
23. 1920 Buildings	0.00	0.00	0.00
24. 1929 Accumulated Depreciation – Buildings	0.00	0.00	0.00
25. 2020 Accounts Payable (A)	(-125,892.07)	(-82,218.16)	(-72,214.93)
TOTAL	200,551,782.25	181,601,805.98	200,302,055.20
FUNDS			
1. 3293 Annuity Savings Fund	37,581,031.80	36,939,326.61	36,452,589.73
2. 3294 Annuity Reserve Fund	11,765,767.41	11,515,250.38	10,865,348.16
3. 3295 Military Service Fund	10,345.32	10,334.99	10,324.67
4. 3296 Pension Fund	17,414,668.85	8,264,120.17	8,639,092.23
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	133,779,968.87	124,872,773.83	144,334,700.41
TOTAL ASSETS AT MARKET VALUE	200,551,782.25	181,601,805.98	200,302,055.20

(A) Specific details for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	36,939,326.61	4,623,699.68	-2,831,038.23	-1,150,956.26	37,581,031.80
Annuity Reserve Fund	11,515,250.38	338,974.92	2,831,038.12	-2,919,496.01	11,765,767.41
Pension Fund	8,264,120.17	11,892,026.57	10,000,000.00	-12,741,477.89	17,414,668.85
Military Service Fund	10,334.99	10.33	0.00	0.00	10,345.32
Expense Fund	0.00	1,617,386.58	0.00	-1,617,386.58	0.00
Pension Reserve Fund	124,872,773.83	18,907,194.93	-9,999,999.89	0.00	133,779,968.87
Total All Funds	181,601,805.98	37,379,293.01	- 0 -	-18,429,316.74	200,551,782.25

List below all transfers:

Xfer from	Annuity Savings Fund Control Account	to	Annuity Reserve Fund	in the amt of	2,831,038.12	on acct of	2023 Retirements
Xfer from	Pension Reserve Fund Control Account	to	Pension Fund Control Account	in the amt of	10,000,000.00	on acct of	Appropriation Transfer per PERAC
Xfer from	Annuity Savings Fund Control Account	to	Pension Reserve Fund Control Account	in the amt of	0.11	on acct of	Interest Not Owed
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

RECEIPTS

	2023	2022	2021
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	3,865,612.48	3,745,797.37	3,445,140.16
(b) 4892 Transfers from Other Systems	630,547.76	486,194.51	696,302.13
(c) 4893 Member Make Up Payments and Redeposits	40,315.70	33,775.49	26,070.54
(d) 4900 Member Payments from Rollovers	8,808.46	28,072.68	24,977.37
(e) Investment Income Credited to Members' Accounts	78,415.28	56,865.29	43,296.23
Subtotal	4,623,699.68	4,350,705.34	4,235,786.43
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	338,974.92	325,191.33	326,228.37
Subtotal	338,974.92	325,191.33	326,228.37
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	521,358.54	472,936.97	505,809.68
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	44,508.03	52,558.73	53,330.85
(c) 4894 Pension Fund Appropriation	11,326,160.00	10,358,918.00	9,744,067.00
(d) 4840 Workers Compensation Settlement	0.00	0.00	0.00
(e) 4751 Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 Recovery of 91A Overearnings	0.00	0.00	0.00
Subtotal	11,892,026.57	10,884,413.70	10,303,207.53
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	10.33	10.32	10.31
Subtotal	10.33	10.32	10.31
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	1,617,386.58	1,573,985.32	1,422,646.45
Subtotal	1,617,386.58	1,573,985.32	1,422,646.45
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	19,489.00	258.00	0.00
(b) 4895 Pension Reserve Appropriation	2,800.00	0.00	0.00
(c) 4822 Interest Not Refunded	20,410.86	3,252.79	445.98
(d) 4825 Miscellaneous Income	487.18	1,740.20	83.83
(e) Excess Investment Income	18,864,007.89	-18,782,815.59	29,103,226.53
Subtotal	18,907,194.93	-18,777,564.60	29,103,756.34
TOTAL RECEIPTS	37,379,293.01	-1,643,258.59	45,391,635.43

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

DISBURSEMENTS

	2023	2022	2021
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	448,978.08	340,634.59	469,593.40
(b) 5756 Transfers to Other Systems	701,978.18	550,241.05	181,787.25
Subtotal	1,150,956.26	890,875.64	651,380.65
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	2,919,496.01	2,648,367.91	2,633,716.33
(b) 5759 Option B Refunds	0.00	0.00	0.00
Subtotal	2,919,496.01	2,648,367.91	2,633,716.33
3. Pension Fund:			
(a) 5751 Pensions Paid	12,324,291.47	11,505,271.42	10,988,670.61
Regular Pension Payments	9,666,974.58	9,138,809.77	8,718,905.17
Survivorship Payments	589,501.25	514,410.50	483,763.82
Ordinary Disability Payments	56,339.70	57,928.20	60,289.92
Accidental Disability Payments	1,776,964.98	1,566,351.19	1,472,360.81
Accidental Death Payments	192,193.14	187,843.44	214,585.55
Section 101 Benefits	42,317.82	39,928.32	38,765.34
(b) 5755 3(8)(c) Reimbursements To Other Systems	417,186.42	438,490.34	433,063.54
(c) 5752 COLAs Paid	0.00	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	12,741,477.89	11,943,761.76	11,421,734.15
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00
5. Expense Fund:			
(a) 5118 Board Member Stipend	4,500.00	3,000.00	3,000.00
(b) 5119 Salaries	225,232.80	212,719.18	202,462.16
(c) 5120 Benefits	0.00	0.00	0.00
(d) 5304 Management Fees	1,020,301.49	1,004,613.38	876,830.50
(e) 5305 Custodial Fees	59,514.89	57,159.37	54,365.92
(f) 5307 Investment Consultant Fees	120,000.00	120,000.00	110,000.00
(g) 5308 Legal Expenses	17,651.10	9,850.34	15,828.75
(h) 5309 Medical Expenses	0.00	710.24	259.58
(i) 5310 Fiduciary Insurance	7,319.00	7,213.00	7,145.00
(j) 5311 Service Contracts	73,514.24	67,620.23	64,991.90
(k) 5312 Rent Expense	41,824.59	41,450.60	41,421.34
(l) 5315 Professional Services	0.00	0.00	0.00
(m) 5316 Actuarial Services	0.00	0.00	0.00
(n) 5317 Accounting Services	10,000.00	10,000.00	10,000.00
(o) 5320 Education And Training	2,876.00	3,662.00	1,175.00
(p) 5589 Administrative Expenses	28,752.51	20,770.49	18,996.03
(q) 5599 Furniture and Equipment	4,802.09	12,714.07	16,096.55
(r) 5719 Travel	1,097.87	2,502.42	73.72
(s) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	1,617,386.58	1,573,985.32	1,422,646.45
TOTAL DISBURSEMENTS	18,429,316.74	17,056,990.63	16,129,477.58

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

INVESTMENT INCOME

Investment Income received from:	2023	2022	2021
(a) Cash (from Schedule 1)	659,261.85	339,634.72	360,880.48
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	0.00	0.00	0.00
(d) Equities (from Schedules 4A and 4C)	227,278.30	246,144.82	7,035.06
(e) Pooled Funds (from Schedule 5)	1,816,538.18	2,033,655.71	1,838,559.11
(f) Commission Recapture and Securities Litigation	0.00	0.00	0.00
4821 TOTAL INVESTMENT INCOME	2,703,078.33	2,619,435.25	2,206,474.65
Plus:			
4884 Realized Gains (Profits)	4,215,116.20	3,786,994.56	11,534,641.88
4886 Unrealized Gains (Increase in Market Value)	39,564,375.91	28,219,277.13	33,721,667.86
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	0.00	0.00	0.00
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	0.00	0.00	0.00
4885 Realized Losses	847,077.52	1,596,251.99	270,434.91
4887 Unrealized Losses (Decrease in Market Value)	24,018,674.99	48,317,517.11	15,000,612.64
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	0.00	0.00	0.00
Additional Adjustments:			
4701 Carried Interest Expense	891,535.87	1,275,813.94	977,435.77
4702 Equalization Expense	0.00	0.00	0.00
4703 Miscellaneous Investment Expenses	-173,512.94	262,887.23	318,893.18
NET INVESTMENT INCOME	20,898,795.00	-16,826,763.33	30,895,407.89
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	78,415.28	56,865.29	43,296.23
Annuity Reserve Fund	338,974.92	325,191.33	326,228.37
Expense Fund	1,617,386.58	1,573,985.32	1,422,646.45
Military Service Fund	10.33	10.32	10.31
TOTAL INCOME REQUIRED	2,034,787.11	1,956,052.26	1,792,181.36
Net Investment Income	20,898,795.00	-16,826,763.33	30,895,407.89
Less Income Required	2,034,787.11	1,956,052.26	1,792,181.36
EXCESS INCOME TO PENSION RESERVE FUND	18,864,007.89	-18,782,815.59	29,103,226.53

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	496	138	634
Inactive Membership, Dec. 31st, Previous Year	224	20	244
Enrolled During Current Year	75	16	91
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	75	16	91
Deduct:			
Death	1	1	2
Withdrawals	49	7	56
Retirements	23	9	32
SUBTOTAL	73	17	90
Active Membership, Dec. 31st, Current Year	495	134	629
Inactive Membership, Dec. 31st, Current Year	227	23	250

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	311	137	448
Retirements During the Year			
Superannuation	21	4	25
Ordinary Disability	0	0	0
Accidental Disability	1	5	6
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	2	0	2
Survivor Benefits from Active Membership	1	0	1
SUBTOTAL	25	9	34
Deduct:			
Deaths of Retired Members	11	0	11
Termination of Survivor Benefits	0	1	1
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	11	1	12
Retired Membership, Dec. 31st, Current Year			
Superannuation	287	89	376
Ordinary Disability	0	2	2
Accidental Disability	12	39	51
Termination	0	0	0
Beneficiaries from Accidental Deaths	1	4	5
Beneficiaries from Section 100	0	0	0
Beneficiaries from Section 101	0	3	3
Beneficiaries under Option C	12	7	19
Option (D) Survivor Allowance	13	1	14
Section 12B Survivor Allowance	0	0	0

Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	325	145	470
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	1,047	302	1,349

Annual Statement of the Falmouth Retirement Board for the Year Ended December 31, 2023.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4751 Recovery of Pension from Reinstatement	0.00	
4840 Workers Compensation Settlements	0.00	
4841 Recovery of 91A Overearnings	0.00	
4891 Members Deductions	2,454.97	12/31/2023
4892 Transfers From Other Systems	0.00	
4893 Member Make Up Payments and Redeposits	0.00	
4900 Member Payments from Rollovers	0.00	
4898 3(8)(c) Reimbursements from Other Systems	0.00	
4899 Received from Commonwealth for COLA and Survivor Benefits	0.00	
4884 Realized Gain on Sale of Investments	0.00	
4894 Pension Fund Appropriation (Current Fiscal Year)	0.00	
4894 Pension Fund Appropriation (Previous Fiscal Year)	0.00	
4890 Contributions Received from Municipality on Account of Military Service	0.00	
4897 Federal Grant Reimbursement	0.00	
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)		
December Open Trades - EARNEST Partners	27,796.24	12/31/2023
	0.00	
	0.00	
	0.00	
TOTAL RECEIVABLES	30,251.21	
Accounts Payable		
5316 Actuarial Services	0.00	
5317 Accounting Services	0.00	
5320 Education and Training	0.00	
5757 Refunds to Members	0.00	
5756 Transfers to Other Systems	0.00	
5750 Annuities Paid	0.00	
5759 Option B Refund	0.00	
5751 Pensions Paid	0.00	
5755 3(8)(c) Reimbursements to Other Systems	0.00	
5752 COLAs Paid	0.00	
5753 Chapter 389 Beneficiary Increase Paid	0.00	
4885 Realized Loss on Sale of Investments	0.00	
4890 Return to Municipality for Members Who Withdrew Their Funds	0.00	
5118 Board Members' Stipend	0.00	
5119 Salaries	0.00	
5304 Management Fees	-48,769.51	12/31/2023
5305 Custodial Fees	-10,169.77	12/31/2023
5307 Investment Consultant Fees	-30,000.00	12/31/2023
5308 Legal Expenses	0.00	
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	-115.07	12/31/2023
5312 Rent Expense	0.00	
5315 Professional Services Expense	0.00	
5589 Administrative Expenses	-320.00	12/31/2023
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)		
December Open Trades - EARNEST Partners	-36,517.72	12/31/2023
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	-125,892.07	