LOYOLA UNIVERSITY EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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CONTENTS

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Participants and Retirement
Allowance Committee of
Loyola University Employees'
Retirement Plan

Opinion

We have audited the financial statements of Loyola University Employees' Retirement Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Loyola University Employees' Retirement Plan as of December 31, 2022 and 2021, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of December 31, 2021, and the changes in its accumulated plan benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that 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 the Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Responsibilities of Management for the Financial Statements (continued)
Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 the Plan'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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Legacy Professionals LLP

Westchester, Illinois

July 25, 2023

Loyola University Employees' Retirement Plan

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

	2022	2021
Assets		
Investments - at fair value		
Cash and cash equivalents	$ 38,569	$ 8,611,139
Corporate stocks	13,941,198	14,414,689
U.S. Treasury securities	37,910,883	50,107,732
Registered investment companies	51,522,334	29,863,274
Pooled investment funds	40,066,908	91,246,324
Partnerships and joint ventures	69,521	156,156
Total investments	143,549,413	194,399,314
Receivables		
Employer contributions	8,400,000	12,626,000
Accrued interest and dividends	428,692	34,699
Holdback redemption proceeds	961,011	-
Due from broker	1,067,480	13,371
Total receivables	10,857,183	12,674,070
Total assets	154,406,596	207,073,384
Liabilities and Net Assets		
Liabilities		
Due to broker	934,334	33,511
Accounts payable	136,504	131,391
Total liabilities	1,070,838	164,902
Net assets available for benefits	$ 153,335,758	$ 206,908,482

See accompanying notes to financial statements.

Loyola University Employees' Retirement Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2022 and 2021

	2022	2021
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ (42,477,335)	$ 10,409,323
Interest and dividends	2,326,596	1,684,086
	(40,150,739)	12,093,409
Less investment expenses	(300,356)	(453,882)
Investment income (loss) - net	(40,451,095)	11,639,527
Employer contributions	8,400,000	13,701,000
Other income	104,451	-
	(31,946,644)	25,340,527
Deductions		
Benefits paid to or for participants		
Benefits paid to participants	19,122,083	25,268,643
Purchase of annuities	-	36,127,000
Total benefits paid to or for participants	19,122,083	61,395,643
Administrative expenses		
Actuarial fees	230,253	460,402
Plan termination insurance	1,891,472	1,449,528
Reimbursed administrative expenses - Loyola University of Chicago	190,184	173,532
Trustee fees	122,053	152,270
Legal and audit fees	69,503	46,043
Other	532	10,450
Total administrative expenses	2,503,997	2,292,225
Total deductions	21,626,080	63,687,868
Net (decrease)	(53,572,724)	(38,347,341)
Net assets available for benefits		
Beginning of year	206,908,482	245,255,823
End of year	$ 153,335,758	$ 206,908,482

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements of Loyola University Employees' Retirement Plan (the Plan) have been prepared using the accrual basis of accounting.

Investments - The investments of the Plan are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Purchases and sales of the investments are reflected on a trade-date basis.

Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service which participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Expenses - Certain investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through July 25, 2023, which is the date the financial statements were available to be issued.

NOTE 2. DESCRIPTION OF THE PLAN

The Plan was established on October 1, 1949, to provide retirement and death benefits for eligible participants. The Plan is a multiple employer defined benefit pension plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan covers regular full-time and part-time employees of certain Jesuit institutions, except those employees covered under a separate defined contribution retirement plan, members of the Society of Jesus and certain other limited groups. The following employers participate in the Plan:

- Loyola University of Chicago
- Loyola Academy
- Loyola Press
- Loyola University Medical Center
- Chicago Province of the Society of Jesus
- St. Ignatius College Preparatory
- The Jesuit Retreat League of Chicago

Effective March 31, 2004, the Plan was frozen for all Loyola University Medical Center participants and most Loyola University of Chicago participants. St. Ignatius College Preparatory and The Jesuit Retreat League of Chicago elected to freeze participation on April 30, 2004. Loyola Academy, Loyola Press and the Chicago Province of the Society of Jesus elected to freeze participation on June 30, 2004. After these dates, no additional service credits are earned by the participants. Benefits will continue to be paid based upon the number of service credits earned through the freeze date. The one exception is a grandfathered group of approximately 435 Loyola University of Chicago participants who were eligible to earn additional service credits for a period of up to five years, based upon individual circumstances.

Prior to the Plan being frozen, employees were eligible for participation after completing at least 1,000 hours of service during the 12-month period commencing on the employee's date of hire, or if the employee had completed at least 1,000 hours of service during a Plan year ending before an entry date.

Eligible employees are entitled to annual pension benefits beginning at the normal retirement date (age 65, with some exceptions), based upon a percentage of final average compensation and years of service or 110% of the accrued benefit at December 31, 1988, whichever is greater. Early retirement benefits (at age 55, with some exceptions) are available at reduced amounts.

Retiring employees may elect to receive their retirement benefit under either a lump-sum or annuity option.

Participants should refer to the summary plan description for more complete information.

NOTE 3. PLAN ADMINISTRATION

The administration of the Plan is the responsibility of Loyola University of Chicago (the University). The Retirement Allowance Committee (the Committee) is appointed by the President of the University. The Committee monitors the operation and administration of the Plan and sets strategic policy for the investment of Plan assets. Further, the Office of the University's Chief Investment Officer is responsible for investments of the Plan in accordance with the strategic investment policy established by the Committee.

The Northern Trust Company serves as trustee and master custodian of the Plan's assets. The Plan pays all costs of administration.

NOTE 4. PRIORITIES UPON TERMINATION

The Board of Trustees of the University has the right to terminate the Plan subject to the provisions of ERISA. Termination shall not permit any part of the Plan assets to be used for or diverted to purposes other than the exclusive benefit of the pensioners, participants and their beneficiaries. In the event of termination, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a particular participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. The PBGC does not guarantee all types of benefits and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of plan amendments in effect for less than five years. Some benefits may be fully or partially provided, while other benefits may not be provided at all.

NOTE 5. TAX STATUS

The Plan's latest determination letter is dated May 20, 2013, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. The Plan's administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. They therefore believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date. The Plan is subject to tax, however, on any unrelated business income. The Plan receives a flow-through of partnership income through its investments in limited partnerships. For the years ended December 31, 2022 and 2021, the Plan has determined that no income taxes are due for any unrelated business activities. Accordingly, no such provision for income taxes has been recorded in the accompanying financial statements.

NOTE 5. TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require the Plan to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by tax authorities. The Plan is subject to routine audits by taxing jurisdictions. As of the date the financial statements were available to be issued, the Internal Revenue Service is conducting a routine examination of the Plan. The Plan has evaluated its tax positions and believes that no provision for income taxes is necessary to provide for any uncertain tax positions.

NOTE 6. ACTUARIAL INFORMATION

An actuarial valuation of the Plan was made by Willis Towers Watson as of December 31, 2021. Information in the report included the following:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	$ 62,537,942
Other participants	151,404,945
Total vested benefits	213,942,887
Nonvested benefits	-
Total actuarial present value of accumulated plan benefits	$ 213,942,887

As reported by the actuary, the changes in the present value of the accumulated plan benefits for the year ended December 31, 2021 were as follows:

Actuarial present value of accumulated plan benefits at beginning of year		$ 245,446,082
Increase (decrease) during the year attributable to:		
Benefits accumulated and net experience gain or loss	$ 9,824,741	
Changes in assumptions	10,388,835	
Interest	9,678,872	
Benefits paid	(61,395,643)	
Net decrease		(31,503,195)
Actuarial present value of accumulated plan benefits at end of year		$ 213,942,887

NOTE 6. ACTUARIAL INFORMATION (CONTINUED)

Costs and liabilities for all Plan benefits (including ancillary benefits) were determined using the target normal cost method. Some of the more significant actuarial assumptions used in the valuation were as follows:

- Life expectancy of participants - Pri-2012 mortality tables with no collar adjustment projected forward generationally from 2012 using Scale MP-2021

- Retirement age assumptions - a table of annual rates of retirement per 100 eligible participants by attained ages ranging from age 55 through age 75 plus

- Net investment return - 4.25% per annum, net of administrative expenses of 1.7%

The actuarial assumption changes included in the valuation are as follows:

- The future actuarial increase factors were updated to be based on the averages of the 417(e) segment rates for the month of January for years from 2018 to 2022;

- The interest rate was updated from 4.50% in 2021 to 4.25% in 2022; and

- The mortality rate was updated to use the Pri-2012 mortality tables with no collar adjustment projected forward generationally from 2012 using Scale MP-2021.

The actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results.

Since information on the accumulated plan benefits at December 31, 2022 and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2022 and changes in its financial status for the year then ended, but a presentation of the net assets available for benefits and the changes therein as of and for the year ended December 31, 2022. The complete financial status is presented as of December 31, 2021.

NOTE 7. FUNDING POLICY

The participating employers contribute such amounts as required under accepted actuarial principles to meet the minimum funding standards of ERISA or at the discretion of the employers if those standards have been met. No credits or refunds are allowed to the employers when benefits are canceled at termination of employment.

The Plan's actuary has advised that the minimum funding requirements of ERISA are being met as of January 1, 2022.

On August 17, 2006, the Pension Protection Act (the PPA) was signed into law. Included in its many provisions are numerous revisions surrounding new funding rules for defined benefit plans that may significantly increase required contributions for underfunded plans. The PPA establishes minimum funding standards and limits benefit increases and accruals for underfunded plans. Plans with a funding percentage below 80 percent will be required to implement certain benefit limitations such as restricting lump sum payments and restricting the plan from amending the plan to enhance benefits. Further limitations such as freezing the accrual of all future benefits will be required for plans with a funding percentage below 60 percent until such time as the percentage increases above 60 percent. Additionally, pursuant to the PPA, each year actuaries are required to certify to a plan's funded percentage. The Plan received such certification for the Adjusted Funding Target Attainment Percentage (AFTAP), which is one way of measuring the funded status of a plan using actuarial assumptions mandated by the IRS, and the actuary determined that the AFTAP for the Plan was 109.56% as of January 1, 2022.

Prior to October 1, 1982, participants in the Plan were required to contribute 3.5% of the first $4,200 plus 5% of the excess over $4,200 of compensation received during each calendar year. Effective October 1, 1982, participants were given a one-time option of discontinuing their contributions to the Plan. Employees who entered the Plan on or after October 1, 1982 were not permitted to make contributions. Effective January 1, 1989, all participants were required to discontinue contributions under the Plan. Beginning after 1988, interest is credited on employee contributions at 120% of the federal midterm rate in effect in the first month of the Plan year. Employees' contributions with interest totaled approximately $1,871,000 and $1,991,000 as of December 31, 2022 and 2021, respectively.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Plan may utilize derivative financial instruments to implement certain investment strategies, and futures and options may be used at the discretion of certain investment managers. Derivatives are not used for tactical or speculative purposes. Futures are used primarily to gain cost-effective exposure to equity and fixed income markets to maintain the Plan's asset allocation. Futures contracts are exchange-traded, centrally cleared, and marked to market on a daily basis in accordance with changes in the reference equity and fixed income indices upon which they are based and are completely offset at December 31, 2022 and 2021 on the statements of net assets available for benefits. The Plan is thus subject to market risk arising from changes in the value of these reference indices.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

In addition to the specific market risks introduced by each derivative contract type, derivatives expose the Plan to credit risk - the risk that derivative counterparties may fail to meet their payment obligations under the derivative contracts and the collateral, if any, held by the Plan proves to be of insufficient value to cover the payment obligation.

While derivative receivables expose the Plan to credit risk, derivative payables expose the Plan to liquidity risk, as the derivative contracts may require the Plan to post cash or securities collateral with counterparties as the fair value of the contracts moves in the counterparties' favor.

Notional amounts in future contracts approximated $50,563,695 and $24,352,335 at December 31, 2022 and 2021, respectively. Net investment (loss) on derivatives of ($9,249,823) in 2022 and ($2,372,907) in 2021 was included in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits. While the notional amounts give an indication of the volume of the Plan's derivative activities, the notional amounts significantly exceed, in the Plan's view, the possible losses that could arise from such transactions. For most derivative transactions, the notional amount is not exchanged; it is used simply as a reference to calculate payments.

NOTE 9. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

<u>Basis of Fair Value Measurement</u>

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2022 and 2021. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. In accordance with generally accepted accounting principles, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

		Fair Value Measurements at 12/31/22 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 38,569	$ 38,569	$ -	$ -
Corporate stocks	13,941,198	13,941,198	-	-
U.S. Treasury securities	37,910,883	37,910,883	-	-
Registered investment companies	51,522,334	51,522,334	-	-
	103,412,984	$ 103,412,984	$ -	$ -
Investments measured at net asset value:				
Pooled investment funds	40,066,908			
Partnerships and joint ventures	69,521			
Total	$ 143,549,413			

		Fair Value Measurements at 12/31/21 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 8,611,139	$ 8,611,139	$ -	$ -
Corporate stocks	14,414,689	14,414,689	-	-
U.S. Treasury securities	50,107,732	50,107,732	-	-
Registered investment companies	29,863,274	29,863,274	-	-
	102,996,834	$ 102,996,834	$ -	$ -
Investments measured at net asset value:				
Pooled investment funds	91,246,324			
Partnerships and joint ventures	156,156			
Total	$ 194,399,314			

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Measurements

Cash and cash equivalents consist primarily of interest bearing and non-interest bearing cash. Due to the short-term maturities of these instruments, cash and cash equivalents are valued at cost, which approximates fair value.

Corporate stocks and U.S. Treasury securities are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented.

The fair values of the registered investment companies are determined by reference to the underlying assets. Shares held in registered investment companies are traded on national securities exchanges and are valued at the net asset value as of the last business day of each period presented.

Measurements Using Net Asset Value as a Practical Expedient

The Plan's investments in pooled investment funds and partnerships and joint ventures are valued at the net asset value per share, used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liability. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported net asset value.

Certain pooled investment funds are direct filing entities (DFEs) and file a Form 5500 annual report with the U.S. Department of Labor. The Plan is not required to disclose the significant investment strategies for investments that are DFEs. Redemptions of certain pooled investment funds are available daily or monthly. Notice periods range from daily to 45 days.

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

Measurements Using Net Asset Value as a Practical Expedient (continued)

The following tables summarize information regarding the partnerships and joint ventures and pooled investment funds that are not DFEs as of December 31, 2022 and 2021:

December 31, 2022					
		Underlying Assets		Redemption	
Description	Fair Value	Type	Concentration	Frequency	Notice Period
Limited partnership	$ 53,205	Private equity companies	100%	Never	N/A
Limited partnership	$ 16,316	Private equity companies	100%	Never	N/A

December 31, 2021					
		Underlying Assets		Redemption	
Description	Fair Value	Type	Concentration	Frequency	Notice Period
Pooled investment fund	$13,368,532	Private investment funds	100%	Quarterly	45 days
Pooled investment fund	$ 5,941,922	Special purpose vehicles	46%	Quarterly	65 days
		Common stock	16%		
		Fixed income	15%		
		Derivatives	12%		
		Mortgage-backed securities	7%		
		Bank debt and trade claims	1%		
		U.S. Treasuries	1%		
		Exhange traded funds	1%		
		Preferred stock	1%		
Pooled investment fund	$ 8,123,837	Corporate credit instruments	100%	Monthly	30 days
Limited partnership	$ 79,038	Private equity companies	100%	Never	N/A
Limited partnership	$ 58,965	Private equity companies	100%	Never	N/A
Limited partnership	$ 18,153	Private equity companies	100%	Never	N/A

NOTE 10. COMMITMENTS

The Plan has entered into investment arrangements with various limited partnerships. As of December 31, 2022, the Plan has approximately $382,000 in outstanding capital commitments to these partnerships. Most limited partnerships with capital commitments are liquidating or are not seeking additional contributed capital. Therefore, management does not believe a significant amount of the commitment will be called.

NOTE 11. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

NOTE 11. RISKS AND UNCERTAINTIES (CONTINUED)

Due to inherent uncertainties involved in the valuations of investments that are not publicly traded, estimated fair values may differ materially from the values that would have been used had a ready market for the underlying securities existed.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 12. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2022	2021
Net assets available for benefits per the financial statements	$ 153,335,758	$ 206,908,482
Less - benefit obligations currently payable	(3,097)	(3,097)
Net assets available for benefits per the Form 5500	$ 153,332,661	$ 206,905,385

NOTE 13. CONCENTRATION OF PLAN INVESTMENTS

The Plan has a significant portion of its assets invested in a mutual fund that represented approximately 34% of the Plan's net assets available for benefits as of December 31, 2022.

It is reasonably possible that changes in fair value of this investment fund could materially affect the amounts reported in the statements of net assets available for benefits. If a significant decline in the fair values of this investment during the next year occurred, a change in the assumed rates of return used to calculate the present value of postretirement benefit obligations may be needed.

NOTE 14. PURCHASE OF GROUP ANNUITY CONTRACT

During the year ended December 31, 2021, the Plan purchased a group annuity contract with Mass Mutual for $36,127,000 to pay the benefits owed to approximately 1,000 annuitized individuals, as defined, receiving a monthly benefit of $600 or less who began receiving benefits on or before January 1, 2021. The payment made to Mass Mutual for the Group Annuity Contract is excluded from Plan assets.