

Annual Statement

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· **OF THE FINANCIAL CONDITION**
· **OF THE CONCORD RETIREMENT BOARD**
· **TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**
· **FOR THE YEAR ENDED 12/31/2011**
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Annual Statement for the Year Ended December 31, 2011 of the conditions and Affairs of the Concord Retirement Board.

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

Date of Certificate 03/27/1941

Effective Date 07/01/1941

ADMINISTRATION OFFICE

P.O.Box 535, 22 Monument Square
Street & Number

Concord, MA 01742-0535
City/Town, State and Zip Code

(978) 318-3066
Telephone Number

We, the undersigned, members of the Concord Retirement Board certify under penalties of perjury, that 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	
	Gail Eagan-Henry (Name)	(Signature)
	Appointed Member	Term Expires <u>05/31/2012</u>
	Anthony T. Logalbo (Name)	(Signature)
	Elected Member	Term Expires <u>10/29/2013</u>
	Peter J. Fulton (Chairperson) (Name)	(Signature)
	Elected Member	Term Expires <u>05/29/2014</u>
	Brian J. Whitney (Name)	(Signature)
	Member Appointed by Other Members	Term Expires <u>12/31/2012</u>
	Arnold D. Roth (Name)	(Signature)
Investment Managers	<u>Columbia Management</u>	<u>100 Federal Street, Boston, MA 02110</u>
	<u>Frank Russell Trust Co.</u>	<u>900 A Street, Tacoma, WA 98402</u>
	<u>PRIT</u>	<u>84 State Street, Boston, MA</u>
Investment Consultant	<u>None</u>	<u>None</u>
Custodian	<u>Bank of America</u>	<u>100 Federal Street, Boston, MA 02109</u>

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	92,074,414.54
Income Current Year	<u>9,291,117.84</u>
Disbursements Current Year	<u>6,660,714.10</u>
Assets Current Year	<u>94,704,818.28</u>

2. ASSET DIFFERENCE

Assets Current Year	94,704,818.28
Assets Previous Year	<u>92,074,414.54</u>
Difference	<u>2,630,403.74</u>

3. INCOME DIFFERENCE

Income Current Year	9,291,117.84
Disbursements Current Year	<u>6,660,714.10</u>
Difference	<u>2,630,403.74</u>

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	10,281,175.39
Total Fund Change Debits Current Year	<u>-7,650,771.65</u>
Difference	<u>2,630,403.74</u>

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

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

ASSETS & LIABILITIES

	<u>2011</u>	<u>2010</u>	<u>2009</u>
1. 1040 Cash	2,212,059.47	1,269,538.95	1,773,097.68
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	29,708,760.93	26,727,170.80	26,067,135.13
4. 1170 Equities	0.00	0.00	0.00
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	21,673,112.84	22,995,311.04	20,145,518.84
7. 1173 Pooled International Equity Funds	4,640,051.24	4,922,815.68	4,185,880.26
8. 1174 Pooled Global Equity Funds	0.00	0.00	0.00
9. 1181 Pooled Domestic Fixed Income Funds	0.00	0.00	0.00
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	1,976,714.96	1,673,145.94	1,158,911.22
13. 1194 Pooled Real Estate Funds	2,413,056.42	2,178,740.25	0.00
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 PRIT Absolute	0.00	0.00	0.00
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	31,845,825.95	31,999,737.90	28,550,860.71
19. 1550 Interest Due and Accrued	303,999.58	307,304.63	325,964.63
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	501.20	649.35	15,191.84
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)	(-69,264.31)	(0.00)	(0.00)
TOTAL	<u>94,704,818.28</u>	<u>92,074,414.54</u>	<u>82,222,560.31</u>
FUNDS			
1. 3293 Annuity Savings Fund	24,482,322.08	23,008,871.63	21,934,316.17
2. 3294 Annuity Reserve Fund	4,700,242.33	4,432,236.95	4,267,261.52
3. 3295 Military Service Fund	4,465.78	6,220.44	6,201.83
4. 3296 Pension Fund	2,221,359.67	3,345,789.77	1,519,206.48
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	63,296,428.42	61,281,295.75	54,495,574.31
TOTAL ASSETS AT MARKET VALUE	<u>94,704,818.28</u>	<u>92,074,414.54</u>	<u>82,222,560.31</u>

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

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	23,008,871.63	2,892,403.92	-954,659.97	-464,293.50	24,482,322.08
Annuity Reserve Fund	4,432,236.95	136,044.45	990,057.55	-858,096.62	4,700,242.33
Pension Fund	3,345,789.77	3,604,673.85	0.00	-4,729,103.95	2,221,359.67
Military Service Fund	6,220.44	12.44	-1,767.10	0.00	4,465.78
Expense Fund	0.00	609,220.03	0.00	-609,220.03	0.00
Pension Reserve Fund	61,281,295.75	2,048,763.15	-33,630.48	0.00	63,296,428.42
Total All Funds	92,074,414.54	9,291,117.84	- 0 -	-6,660,714.10	94,704,818.28

List below all transfers:

Xfer from	Special Military Serv Credit Fund	to	Annuity Reserve Fund	in the amt of	1,767.10	on acct of	XFR military funds for David Eddy
Xfer from	Annuity Savings Fund Control Acct	to	Annuity Reserve Fund	in the amt of	991,824.66	on acct of	To account for current year retirements
Xfer from	Pension Reserve Fund Control Acct	to	Annuity Savings Fund Control Acct	in the amt of	33,630.48	on acct of	Return funds ASF for J. Johnson 10yr/ret
Xfer from	Annuity Savings Fund Control Acct	to	Annuity Reserve Fund	in the amt of	33,664.11	on acct of	To account for Jane Johnson retirement
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

RECEIPTS

	<u>2011</u>	<u>2010</u>	<u>2009</u>
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	2,361,770.36	2,277,402.90	2,237,205.83
(b) 4892 Transfers from Other Systems	374,048.88	201,077.81	95,601.74
(c) 4893 Member Make Up Payments and Redeposits	75,394.54	32,320.75	2,169.80
(d) 4900 Member Payments from Rollovers	0.00	0.00	0.00
(e) Investment Income Credited to Members' Accounts	81,190.14	69,614.76	101,610.01
Subtotal	<u>2,892,403.92</u>	<u>2,580,416.22</u>	<u>2,436,587.38</u>
2. Annuity Reserve Fund:			
(a) Investment Income Credited to Annuity Reserve Fund	136,044.45	132,505.77	117,739.96
Subtotal	<u>136,044.45</u>	<u>132,505.77</u>	<u>117,739.96</u>
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	145,745.95	131,052.52	144,784.24
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	106,095.90	111,863.98	114,525.78
(c) 4894 Pension Fund Appropriation	3,352,832.00	3,226,582.00	3,011,632.00
(e) 4840 Workers Compensation Settlement	0.00	0.00	0.00
Subtotal	<u>3,604,673.85</u>	<u>3,469,498.50</u>	<u>3,270,942.02</u>
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	12.44	18.61	30.85
Subtotal	<u>12.44</u>	<u>18.61</u>	<u>30.85</u>
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	609,220.03	551,652.25	503,229.82
Subtotal	<u>609,220.03</u>	<u>551,652.25</u>	<u>503,229.82</u>
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	0.00	0.00	0.00
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 Interest Not Refunded	4,630.42	1,339.13	3,582.09
(d) 4825 Miscellaneous Income	0.00	379.34	1,019.98
(f) Excess Investment Income	2,044,132.73	9,381,142.17	11,273,646.55
Subtotal	<u>2,048,763.15</u>	<u>9,382,860.64</u>	<u>11,278,248.62</u>
TOTAL RECEIPTS	<u>9,291,117.84</u>	<u>16,116,951.99</u>	<u>17,606,778.65</u>

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

DISBURSEMENTS

	2011	2010	2009
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	380,106.45	219,898.55	151,016.96
(b) 5756 Transfers to Other Systems	84,187.05	132,971.53	247,924.60
Subtotal	<u>464,293.50</u>	<u>352,870.08</u>	<u>398,941.56</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	822,369.18	770,420.24	711,657.31
(b) 5759 Option B Refunds	35,727.44	92,668.98	32,217.49
Subtotal	<u>858,096.62</u>	<u>863,089.22</u>	<u>743,874.80</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	4,402,805.57	4,287,410.35	4,041,764.53
Regular Pension Payments	3,595,279.88	0.00	0.00
Survivorship Payments	104,336.48	0.00	0.00
Ordinary Disability Payments	98,350.32	0.00	0.00
Accidental Disability Payments	527,487.65	0.00	0.00
Accidental Death Payments	161,622.26	0.00	0.00
Section 101 Benefits	21,824.88	0.00	0.00
(b) 5755 3(8)(c) Reimbursements To Other Systems	220,202.48	210,075.86	214,164.77
(c) 5752 COLAs Paid	106,095.90	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	<u>4,729,103.95</u>	<u>4,497,486.21</u>	<u>4,255,929.30</u>
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
5. Expense Fund:			
(a) 5118 Board Member Stipend	0.00	0.00	0.00
(b) 5119 Salaries	72,201.86	66,401.97	64,344.46
(c) 5304 Management Fees	425,579.14	383,099.78	353,507.39
(d) 5305 Custodial Fees	0.00	0.00	0.00
(e) 5307 Investment Consultant Fees	0.00	0.00	0.00
(f) 5308 Legal Expenses	5,908.12	1,511.25	4,306.87
(g) 5309 Medical Expenses	0.00	0.00	0.00
(h) 5310 Fiduciary Insurance	3,737.00	3,538.00	3,220.00
(i) 5311 Service Contracts	15,986.00	15,225.00	0.00
(j) 5312 Rent Expense	0.00	2,683.01	5,609.29
(k) 5315 Professional Services	7,475.00	15,300.00	13,450.00
(l) 5320 Education And Training	1,620.00	2,383.48	1,500.00
(m) 5589 Administrative Expenses	74,530.94	60,325.83	54,893.71
(n) 5599 Furniture and Equipment	0.00	0.00	0.00
(o) 5719 Travel	2,181.97	1,183.93	2,398.10
(p) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	<u>609,220.03</u>	<u>551,652.25</u>	<u>503,229.82</u>
TOTAL DISBURSEMENTS	<u>6,660,714.10</u>	<u>6,265,097.76</u>	<u>5,901,975.48</u>

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

INVESTMENT INCOME

Investment Income received from:	<u>2011</u>	<u>2010</u>	<u>2009</u>
(a) Cash (from Schedule 1)	4,588.04	4,154.76	0.00
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	1,306,825.51	1,364,422.75	0.00
(d) Equities (from Schedules 4A and 4C)	0.00	0.00	0.00
(e) Pooled Funds (from Schedule 5)	1,471,710.53	1,182,714.81	0.00
(f) Commission Recapture	0.00	0.00	0.00
4821 TOTAL INVESTMENT INCOME	<u>2,783,124.08</u>	<u>2,551,292.32</u>	<u>0.00</u>
Plus:			
4884 Realized Gains (Profits)	2,179,606.52	1,163,533.73	690,248.81
4886 Unrealized Gains (Increase in Market Value)	11,102,628.04	17,123,892.36	18,431,256.55
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	<u>303,999.58</u>	<u>307,304.63</u>	<u>325,964.63</u>
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	28,871.25	29,608.53	29,475.87
4885 Realized Losses	108,679.39	100,889.99	1,847,702.88
4887 Unrealized Losses (Decrease in Market Value)	13,053,903.16	10,554,626.33	7,665,321.27
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	<u>307,304.63</u>	<u>325,964.63</u>	<u>322,864.76</u>
NET INVESTMENT INCOME	<u>2,870,599.79</u>	<u>10,134,933.56</u>	<u>9,582,105.21</u>
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	81,190.14	69,614.76	101,610.01
Annuity Reserve Fund	136,044.45	132,505.77	117,739.96
Expense Fund	609,220.03	551,652.25	503,229.82
Military Service Fund	12.44	18.61	30.85
TOTAL INCOME REQUIRED	<u>826,467.06</u>	<u>753,791.39</u>	<u>722,610.64</u>
Net Investment Income	2,870,599.79	10,134,933.56	9,582,105.21
Less Income Required	826,467.06	753,791.39	722,610.64
EXCESS INCOME TO PENSION RESERVE FUND	<u>2,044,132.73</u>	<u>9,381,142.17</u>	<u>8,859,494.57</u>

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	412	79	491
Inactive Membership, Dec. 31st, Previous Year	102	3	105
Enrolled During Current Year	56	3	59
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	56	3	59
Deduct:			
Death	0	0	0
Withdrawals	29	1	30
Retirements	13	2	15
SUBTOTAL	42	3	45
Active Membership, Dec. 31st, Current Year	420	79	499
Inactive Membership, Dec. 31st, Current Year	108	3	111

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	183	64	247
Retirements During the Year			
Superannuation	16	3	19
Ordinary Disability	0	0	0
Accidental Disability	0	0	0
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	2	1	3
Survivor Benefits from Active Membership	1	0	1
SUBTOTAL	19	4	23
Deduct:			
Deaths of Retired Members	6	1	7
Termination of Survivor Benefits	0	0	0
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	6	1	7
Retired Membership, Dec. 31st, Current Year			
Superannuation	179	40	219
Ordinary Disability	3	4	7
Accidental Disability	5	13	18
Termination	0	0	0
Beneficiaries from Accidental Deaths	0	6	6
Beneficiaries from Section 100	0	0	0
Beneficiaries from Section 101	0	1	1
Beneficiaries under Option C	3	2	5
Option (D) Survivor Allowance	6	1	7
Section 12B Survivor Allowance	0	0	0
Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	196	67	263
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	724	149	873

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2011.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4891 Members Deductions	0.00	
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)		
Overpayment of group ins. to Town	501.20	12/31/2011
	0.00	
	0.00	
	0.00	
TOTAL RECEIVABLES	501.20	
Accounts Payable		
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	69,264.31	12/31/2011
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	0.00	
5305 Custodial Fees	0.00	
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	0.00	
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	0.00	
5312 Rent Expense	0.00	
5315 Professional Services Expense	0.00	
5589 Administrative Expenses	0.00	
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)		
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	69,264.31	