

# 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 12/31/2013**  
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**Annual Statement for the Year Ended December 31, 2013 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.

<b>Board Of Retirement</b>	<b>Ex-Officio Member</b>	
	Gail Eagan-Henry (Name)	(Signature)
	<b>Appointed Member</b>	<b>Term Expires</b> <u>05/31/2015</u>
	Anthony T. Logalbo (Name)	(Signature)
	<b>Elected Member</b>	<b>Term Expires</b> <u>10/29/2016</u>
	Peter J. Fulton (Chairperson) (Name)	(Signature)
	<b>Elected Member</b>	<b>Term Expires</b> <u>05/29/2014</u>
	Brian J. Whitney (Name)	(Signature)
	<b>Member Appointed by Other Members</b>	<b>Term Expires</b> <u>12/31/2015</u>
	Arnold D. Roth (Name)	(Signature)
<b>Investment Managers</b>	Columbia Management	100 Federal Street, Boston, MA 02110
	Frank Russell Trust Co.	900 A Street, Tacoma, WA 98402
	PRIT	84 State Street, Boston, MA
<b>Investment Consultant</b>	None	None
<b>Custodian</b>	Bank of America	100 Federal Street, Boston, MA 02109

**ANNUAL STATEMENT BALANCE TESTS**

**1. ASSET BALANCE**

Assets Previous Year	105,840,014.42
Income Current Year	<u>23,472,604.04</u>
Disbursements Current Year	<u>7,157,254.87</u>
Assets Current Year	<u>122,155,363.59</u>

**2. ASSET DIFFERENCE**

Assets Current Year	122,155,363.59
Assets Previous Year	<u>105,840,014.42</u>
Difference	<u>16,315,349.17</u>

**3. INCOME DIFFERENCE**

Income Current Year	23,472,604.04
Disbursements Current Year	<u>7,157,254.87</u>
Difference	<u>16,315,349.17</u>

**4. FUND CHANGE DIFFERENCE**

Total Fund Change Credits Current Year	25,663,908.09
Total Fund Change Debits Current Year	<u>-9,348,558.92</u>
Difference	<u>16,315,349.17</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, 2013.**

**ASSETS & LIABILITIES**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
1. 1040 Cash	2,640,760.06	3,307,159.47	2,212,059.47
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	26,929,056.55	26,618,720.24	29,708,760.93
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	35,913,804.67	26,850,901.41	21,673,112.84
7. 1173 Pooled International Equity Funds	6,804,236.75	5,474,323.07	4,640,051.24
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	2,292,702.14	2,145,978.36	1,976,714.96
13. 1194 Pooled Real Estate Funds	5,410,926.09	4,909,850.28	2,413,056.42
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	0.00	0.00	0.00
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	41,951,294.08	36,292,601.88	31,845,825.95
19. 1550 Interest Due and Accrued	214,961.25	242,648.56	303,999.58
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	0.00	174.90	501.20
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)	(-2,378.00)	(-2,343.75)	(-69,264.31)
<b>TOTAL</b>	<u>122,155,363.59</u>	<u>105,840,014.42</u>	<u>94,704,818.28</u>
<b>FUNDS</b>			
1. 3293 Annuity Savings Fund	27,130,579.83	25,757,015.06	24,482,322.08
2. 3294 Annuity Reserve Fund	5,227,529.91	4,809,082.42	4,700,242.33
3. 3295 Military Service Fund	4,474.72	4,470.25	4,465.78
4. 3296 Pension Fund	230,444.16	2,133,912.63	2,221,359.67
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	89,562,334.97	73,135,534.06	63,296,428.42
<b>TOTAL ASSETS AT MARKET VALUE</b>	<u>122,155,363.59</u>	<u>105,840,014.42</u>	<u>94,704,818.28</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, 2013.**

	<b>Balance Dec. 31 Prior year</b>	<b>Receipts</b>	<b>Interfund Transfers</b>	<b>Disbursements</b>	<b>Balance Dec.31 Current Year</b>
Annuity Savings Fund	25,757,015.06	2,922,015.15	-1,240,432.05	-308,018.33	27,130,579.83
Annuity Reserve Fund	4,809,082.42	147,399.73	1,237,837.86	-966,790.10	5,227,529.91
Pension Fund	2,133,912.63	4,207,965.36	-950,872.00	-5,160,561.83	230,444.16
Military Service Fund	4,470.25	4.47	0.00	0.00	4,474.72
Expense Fund	0.00	721,884.61	0.00	-721,884.61	0.00
Pension Reserve Fund	73,135,534.06	15,473,334.72	953,466.19	0.00	89,562,334.97
<b>Total All Funds</b>	<b>105,840,014.42</b>	<b>23,472,604.04</b>	<b>- 0 -</b>	<b>-7,157,254.87</b>	<b>122,155,363.59</b>

**List below all transfers:**

Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	1,234,230.21	on acct of	XFR current year employees
	Control Acct						
Xfer from	Pension Reserve Fund	to	Annuity Savings Fund	in the amt of	3,100.92	on acct of	XFR 10-year inactives
	Control Acct		Control Acct				
Xfer from	Pension Reserve Fund	to	Annuity Reserve Fund	in the amt of	506.73	on acct of	XFR per auditor to correct ARF interest
	Control Acct						
Xfer from	Pension Reserve Fund	to	Pension Fund Control	in the amt of	950,872.00	on acct of	XFR per FY 2014 Funding Schedule
	Control Acct		Account				
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, 2013.**

**RECEIPTS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>1. Annuity Savings Fund:</b>			
(a) 4891 Members' Deductions	2,599,842.41	2,490,425.89	2,361,770.36
(b) 4892 Transfers from Other Systems	241,906.21	315,794.96	374,048.88
(c) 4893 Member Make Up Payments and Redeposits	54,919.96	37,399.11	75,394.54
(d) 4900 Member Payments from Rollovers	0.00	0.00	0.00
(e) Investment Income Credited to Members' Accounts	25,346.57	34,117.23	81,190.14
<b>Subtotal</b>	<u>2,922,015.15</u>	<u>2,877,737.19</u>	<u>2,892,403.92</u>
<b>2. Annuity Reserve Fund:</b>			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	147,399.73	139,392.67	136,044.45
<b>Subtotal</b>	<u>147,399.73</u>	<u>139,392.67</u>	<u>136,044.45</u>
<b>3. Pension Fund:</b>			
(a) 4898 3(8)(c) Reimbursements from Other Systems	190,453.52	170,681.31	145,745.95
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	73,693.84	100,856.13	106,095.90
(c) 4894 Pension Fund Appropriation	3,943,818.00	3,430,345.00	3,352,832.00
(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
<b>Subtotal</b>	<u>4,207,965.36</u>	<u>3,701,882.44</u>	<u>3,604,673.85</u>
<b>4. Military Service Fund:</b>			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	4.47	4.47	12.44
<b>Subtotal</b>	<u>4.47</u>	<u>4.47</u>	<u>12.44</u>
<b>5. Expense Fund:</b>			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	721,884.61	663,812.35	609,220.03
<b>Subtotal</b>	<u>721,884.61</u>	<u>663,812.35</u>	<u>609,220.03</u>
<b>6. Pension Reserve Fund:</b>			
(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	0.00	4,444.48	4,630.42
(d) 4825 Miscellaneous Income	0.00	0.00	0.00
(e) Excess Investment Income	15,473,334.72	10,875,084.86	2,044,132.73
<b>Subtotal</b>	<u>15,473,334.72</u>	<u>10,879,529.34</u>	<u>2,048,763.15</u>
<b>TOTAL RECEIPTS</b>	<u>23,472,604.04</u>	<u>18,262,358.46</u>	<u>9,291,117.84</u>

**Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2013.**

**DISBURSEMENTS**

	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>1. Annuity Savings Fund:</b>			
(a) 5757 Refunds to Members	27,968.80	214,239.43	380,106.45
(b) 5756 Transfers to Other Systems	280,049.53	370,202.61	84,187.05
<b>Subtotal</b>	<u>308,018.33</u>	<u>584,442.04</u>	<u>464,293.50</u>
<b>2. Annuity Reserve Fund:</b>			
(a) 5750 Annuities Paid	966,790.10	895,133.74	822,369.18
(b) 5759 Option B Refunds	0.00	15,460.71	35,727.44
<b>Subtotal</b>	<u>966,790.10</u>	<u>910,594.45</u>	<u>858,096.62</u>
<b>3. Pension Fund:</b>			
(a) 5751 Pensions Paid	4,884,383.15	4,728,414.88	4,402,805.57
Regular Pension Payments	3,960,142.46	3,818,180.73	3,595,279.88
Survivorship Payments	115,866.33	106,848.76	104,336.48
Ordinary Disability Payments	89,277.60	99,278.12	98,350.32
Accidental Disability Payments	529,665.48	520,945.99	527,487.65
Accidental Death Payments	163,136.40	160,976.40	161,622.26
Section 101 Benefits	26,294.88	22,184.88	21,824.88
(b) 5755 3(8)(c) Reimbursements To Other Systems	276,178.68	239,898.60	220,202.48
(c) 5752 COLAs Paid	0.00	0.00	106,095.90
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
<b>Subtotal</b>	<u>5,160,561.83</u>	<u>4,968,313.48</u>	<u>4,729,103.95</u>
<b>4. Military Service Fund:</b>			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
<b>Subtotal</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>5. Expense Fund:</b>			
(a) 5118 Board Member Stipend	0.00	0.00	0.00
(b) 5119 Salaries	73,807.35	77,669.60	72,201.86
(c) 5304 Management Fees	530,367.10	456,115.85	425,579.14
(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	1,378.00	2,343.75	5,908.12
(g) 5309 Medical Expenses	0.00	0.00	0.00
(h) 5310 Fiduciary Insurance	3,775.00	3,695.00	3,737.00
(i) 5311 Service Contracts	17,625.00	16,785.00	15,986.00
(j) 5312 Rent Expense	0.00	0.00	0.00
(k) 5315 Professional Services	8,650.00	21,198.12	7,475.00
(l) 5320 Education And Training	990.00	3,420.00	1,620.00
(m) 5589 Administrative Expenses	83,570.06	79,330.84	74,530.94
(n) 5599 Furniture and Equipment	0.00	754.56	0.00
(o) 5719 Travel	1,722.10	2,499.63	2,181.97
(p) 5829 Depreciation Expense: Building	0.00	0.00	0.00
<b>Subtotal</b>	<u>721,884.61</u>	<u>663,812.35</u>	<u>609,220.03</u>
<b>TOTAL DISBURSEMENTS</b>	<u>7,157,254.87</u>	<u>7,127,162.32</u>	<u>6,660,714.10</u>

**Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2013.**

**INVESTMENT INCOME**

Investment Income received from:	<u>2013</u>	<u>2012</u>	<u>2011</u>
(a) Cash (from Schedule 1)	4,071.49	6,275.63	4,588.04
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	1,063,501.74	1,237,276.94	1,306,825.51
(d) Equities (from Schedules 4A and 4C)	0.00	0.00	0.00
(e) Pooled Funds (from Schedule 5)	1,943,958.42	1,750,044.28	1,471,710.53
(f) Commission Recapture	0.00	0.00	0.00
<b>4821 TOTAL INVESTMENT INCOME</b>	<u>3,011,531.65</u>	<u>2,993,596.85</u>	<u>2,783,124.08</u>
<b>Plus:</b>			
4884 Realized Gains (Profits)	4,875,385.57	2,276,637.63	2,179,606.52
4886 Unrealized Gains (Increase in Market Value)	15,866,080.00	13,237,675.23	11,102,628.04
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	<u>214,961.25</u>	<u>242,648.56</u>	<u>303,999.58</u>
<b>Less:</b>			
4823 Paid Accrued Interest on Fixed Income Securities	24,643.40	29,906.49	28,871.25
4885 Realized Losses	40,406.89	70,125.65	108,679.39
4887 Unrealized Losses (Decrease in Market Value)	7,292,289.52	6,634,114.97	13,053,903.16
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	<u>242,648.56</u>	<u>303,999.58</u>	<u>307,304.63</u>
<b>NET INVESTMENT INCOME</b>	<u>16,367,970.10</u>	<u>11,712,411.58</u>	<u>2,870,599.79</u>
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	25,346.57	34,117.23	81,190.14
Annuity Reserve Fund	147,399.73	139,392.67	136,044.45
Expense Fund	721,884.61	663,812.35	609,220.03
Military Service Fund	4.47	4.47	12.44
<b>TOTAL INCOME REQUIRED</b>	<u>894,635.38</u>	<u>837,326.72</u>	<u>826,467.06</u>
Net Investment Income	<u>16,367,970.10</u>	<u>11,712,411.58</u>	<u>2,870,599.79</u>
Less Income Required	<u>894,635.38</u>	<u>837,326.72</u>	<u>826,467.06</u>
<b>EXCESS INCOME TO PENSION RESERVE FUND</b>	<u>15,473,334.72</u>	<u>10,875,084.86</u>	<u>2,044,132.73</u>



Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2013.

**MEMBERSHIP FOR CURRENT YEAR**

<b>ACTIVE MEMBERS</b>	<b>Group 1</b>	<b>Group 2 &amp; 4</b>	<b>TOTAL</b>
Active Membership, Dec. 31st, Previous Year	413	82	495
Inactive Membership, Dec. 31st, Previous Year	89	3	92
Enrolled During Current Year	65	4	69
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
<b>SUBTOTAL</b>	65	4	69
Deduct:			
Death	0	1	1
Withdrawals	23	3	26
Retirements	10	3	13
<b>SUBTOTAL</b>	33	7	40
Active Membership, Dec. 31st, Current Year	427	80	507
Inactive Membership, Dec. 31st, Current Year	107	2	109

**RETIRED MEMBERS, BENEFICIARIES & SURVIVORS**

<b>Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year</b>	200	66	266
Retirements During the Year			
Superannuation	10	3	13
Ordinary Disability	0	0	0
Accidental Disability	0	0	0
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	3	0	3
Survivor Benefits from Active Membership	0	0	0
<b>SUBTOTAL</b>	13	3	16
Deduct:			
Deaths of Retired Members	8	5	13
Termination of Survivor Benefits	0	0	0
Reinstatements of Disabled Pensions	0	0	0
<b>SUBTOTAL</b>	8	5	13
<b>Retired Membership, Dec. 31st, Current Year</b>			
Superannuation	184	39	223
Ordinary Disability	3	3	6
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	6	1	7
Option (D) Survivor Allowance	7	1	8
Section 12B Survivor Allowance	0	0	0
<b>Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year</b>	205	64	269
<b>TOTAL MEMBERSHIP</b>			
<b>Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year</b>	739	146	885

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2013.

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)		
	0.00	
	0.00	
	0.00	
	0.00	
<b>TOTAL RECEIVABLES</b>	<b>0.00</b>	
<b>Accounts Payable</b>		
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	0.00	
5305 Custodial Fees	0.00	
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	1,378.00	12/31/2013
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	0.00	
5312 Rent Expense	0.00	
5315 Professional Services Expense	1,000.00	12/31/2013
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	
	0.00	
<b>TOTAL PAYABLES</b>	<b>2,378.00</b>	