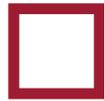


# PERAC AUDIT REPORT

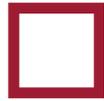


Weymouth

Contributory Retirement System



JAN. 1, 2009 - DEC. 31, 2011





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# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

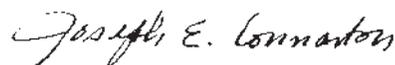
January 23, 2013

The Public Employee Retirement Administration Commission has completed an examination of the Weymouth Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2009 to December 31, 2011. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

We commend the Weymouth Retirement Board for the exemplary operation of the system.

In closing, I acknowledge the work of examiners John J. Shea, James Tivnan and William Walsh who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton  
Executive Director





## STATEMENT OF LEDGER ASSETS AND LIABILITIES

	AS OF DECEMBER 31,		
	2011	2010	2009
<b>Net Assets Available For Benefits:</b>			
Cash and Cash Equivalents	\$1,909,981	\$1,273,962	\$2,816,727
Fixed Income Securities	25,443,701	25,388,700	24,564,469
Equities	9,641,930	2,528	1,891
Pooled Domestic Equity Funds	40,391,347	57,607,535	55,183,431
Pooled International Equity Funds	22,509,721	25,140,569	18,327,705
Pooled Domestic Fixed Income Funds	1,727,330	1,797,398	393,597
Pooled Alternative Investment Funds	6,099,316	3,861,796	3,313,745
Pooled Real Estate Funds	12,528,798	11,274,285	9,026,104
PRIT Cash Fund	0	0	0
PRIT Core Fund	8,310,214	8,546,737	9,216,644
Interest Due and Accrued	257,016	262,174	244,977
Prepaid Expenses	3,100	3,100	3,100
Accounts Receivable	268,510	243,008	28,456
Accounts Payable	(181,126)	(845,421)	(2,555,340)
<b>Total</b>	<u>\$128,909,837</u>	<u>\$134,556,372</u>	<u>\$120,565,506</u>
<b>Fund Balances:</b>			
Annuity Savings Fund	\$34,208,539	\$32,317,410	\$31,514,441
Annuity Reserve Fund	12,534,619	12,783,069	11,971,800
Pension Fund	0	0	0
Military Service Fund	23,152	25,335	22,363
Expense Fund	0	0	0
Pension Reserve Fund	82,143,527	89,430,557	77,056,901
<b>Total</b>	<u>\$128,909,837</u>	<u>\$134,556,372</u>	<u>\$120,565,506</u>

## STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2009)	\$30,806,946	\$11,238,991	\$1,143	\$20,174	\$0	\$60,253,755	\$102,321,009
Receipts	3,373,009	345,643	8,853,883	2,189	981,210	20,106,508	33,662,442
Interfund Transfers	(2,142,074)	2,143,405	3,302,031	0	0	(3,303,361)	0
Disbursements	(523,440)	(1,756,239)	(12,157,057)	0	(981,210)	0	(15,417,946)
Ending Balance (2009)	31,514,441	11,971,800	(0)	22,363	0	77,056,901	120,565,506
Receipts	3,835,128	358,761	9,039,750	2,972	1,094,444	16,007,916	30,338,970
Interfund Transfers	(2,318,367)	2,318,367	3,634,260	0	0	(3,634,260)	0
Disbursements	(713,792)	(1,865,859)	(12,674,010)	0	(1,094,444)	0	(16,348,104)
Ending Balance (2010)	32,317,410	12,783,069	(0)	25,335	0	89,430,557	134,556,372
Receipts	3,844,957	372,275	9,063,585	51	1,040,772	(3,011,584)	11,310,055
Interfund Transfers	(1,380,167)	1,382,401	4,275,446	(2,234)	0	(4,275,446)	0
Disbursements	(573,662)	(2,003,126)	(13,339,031)	0	(1,040,772)	0	(16,956,590)
Ending Balance (2011)	<u>\$34,208,539</u>	<u>\$12,534,619</u>	<u>(\$0)</u>	<u>\$23,152</u>	<u>\$0</u>	<u>\$82,143,528</u>	<u>\$128,909,837</u>

## STATEMENT OF RECEIPTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
<b>Annuity Savings Fund:</b>			
Members Deductions	\$3,199,744	\$3,076,220	\$3,077,126
Transfers from Other Systems	447,695	527,106	96,054
Member Make Up Payments and Re-deposits	124,418	133,179	52,676
Member Payments from Rollovers	0	0	0
Investment Income Credited to Member Accounts	<u>73,101</u>	<u>98,624</u>	<u>147,152</u>
Sub Total	<u>3,844,957</u>	<u>3,835,128</u>	<u>3,373,009</u>
<b>Annuity Reserve Fund:</b>			
Investment Income Credited to the Annuity Reserve Fund	<u>372,275</u>	<u>358,761</u>	<u>345,643</u>
<b>Pension Fund:</b>			
3 (8) (c) Reimbursements from Other Systems Received from Commonwealth for COLA and Survivor Benefits	313,709	252,205	243,347
Pension Fund Appropriation	369,381	400,628	424,860
Pension Fund Appropriation	8,380,495	8,381,916	8,185,676
Settlement of Workers' Compensation Claims	0	5,000	0
Sub Total	<u>9,063,585</u>	<u>9,039,750</u>	<u>8,853,883</u>
<b>Military Service Fund:</b>			
Contribution Received from Municipality on Account of Military Service	0	2,905	2,088
Investment Income Credited to the Military Service Fund	<u>51</u>	<u>67</u>	<u>101</u>
Sub Total	<u>51</u>	<u>2,972</u>	<u>2,189</u>
<b>Expense Fund:</b>			
Expense Fund Appropriation		0	0
Investment Income Credited to the Expense Fund	<u>1,040,772</u>	<u>1,094,444</u>	<u>981,210</u>
Sub Total	<u>1,040,772</u>	<u>1,094,444</u>	<u>981,210</u>
<b>Pension Reserve Fund:</b>			
Federal Grant Reimbursement	74,975	0	24,975
Pension Reserve Appropriation	0	0	0
Interest Not Refunded	2,494	2,380	1,216
Miscellaneous Income	4,008	469	3,360
Excess Investment Income (Loss)	<u>(3,093,060)</u>	<u>16,005,067</u>	<u>20,076,956</u>
Sub Total, Net	<u>(3,011,584)</u>	<u>16,007,916</u>	<u>20,106,508</u>
<b>Total Receipts</b>	<u>\$11,310,055</u>	<u>\$30,338,970</u>	<u>\$33,662,442</u>

# STATEMENT OF DISBURSEMENTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
<b>Annuity Savings Fund:</b>			
Refunds to Members	\$260,425	\$314,203	\$348,067
Transfers to Other Systems	<u>313,237</u>	<u>399,589</u>	<u>175,372</u>
Sub Total	<u>573,662</u>	<u>713,792</u>	<u>523,440</u>
<b>Annuity Reserve Fund:</b>			
Annuities Paid	2,003,126	1,865,859	1,756,239
Option B Refunds	0	0	0
Sub Total	<u>2,003,126</u>	<u>1,865,859</u>	<u>1,756,239</u>
<b>Pension Fund:</b>			
Pensions Paid:			
Regular Pension Payments	8,480,031	8,085,555	7,815,633
Survivorship Payments	566,274	577,107	544,767
Ordinary Disability Payments	142,880	131,175	117,120
Accidental Disability Payments	3,120,692	2,834,416	2,629,108
Accidental Death Payments	660,016	675,673	663,185
Section 101 Benefits	137,025	140,320	156,794
3 (8) (c) Reimbursements to Other Systems	232,113	229,763	230,452
State Reimbursable COLA's Paid	0	0	0
Chapter 389 Beneficiary Increase Paid	0	0	0
Sub Total	<u>13,339,031</u>	<u>12,674,010</u>	<u>12,157,057</u>
<b>Military Service Fund:</b>			
Return to Municipality for Members Who Withdrew Their Funds	0	0	0
<b>Expense Fund:</b>			
Board Member Stipend	15,000	14,500	13,000
Salaries	152,246	167,050	156,538
Legal Expenses	37,164	60,739	48,292
Medical Expenses	0	92	35
Travel Expenses	2,305	2,239	916
Administrative Expenses	31,990	26,192	23,053
Professional Services	9,836	14,750	24,752
Education and Training	2,000	2,170	650
Furniture and Equipment	1,281	744	0
Management Fees	620,928	669,081	587,827
Custodial Fees	49,689	35,079	31,197
Consultant Fees	65,000	65,000	65,037
Rent Expenses	19,440	19,440	16,340
Service Contracts	24,095	7,942	4,876
Fiduciary Insurance	<u>9,798</u>	<u>9,425</u>	<u>8,698</u>
Sub Total	<u>1,040,772</u>	<u>1,094,444</u>	<u>981,210</u>
<b>Total Disbursements</b>	<u>\$16,956,590</u>	<u>\$16,348,104</u>	<u>\$15,417,946</u>

## INVESTMENT INCOME

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
<b>Investment Income Received From:</b>			
Cash and Cash Equivalents	\$25,766	\$4,023	\$34,104
Short Term Investments	0	0	0
Fixed Income	1,390,684	1,440,214	685,655
Equities	52,703	0	175
Pooled or Mutual Funds	976,279	1,167,779	646,098
Commission Recapture	0	0	0
<b>Total Investment Income</b>	<u>2,445,431</u>	<u>2,612,017</u>	<u>1,366,032</u>
<b>Plus:</b>			
Realized Gains	1,258,133	1,251,081	503,002
Unrealized Gains	17,496,352	31,563,112	34,334,626
Interest Due and Accrued - Current Year	257,016	262,174	244,977
Sub Total	<u>19,011,501</u>	<u>33,076,367</u>	<u>35,082,605</u>
<b>Less:</b>			
Paid Accrued Interest on Fixed Income Securities	(93,332)	(137,715)	(296,240)
Realized Loss	(1,489,731)	(581,602)	(915,668)
Unrealized Loss	(21,218,557)	(17,167,128)	(13,685,665)
Interest Due and Accrued - Prior Year	(262,174)	(244,977)	0
Sub Total	<u>(23,063,794)</u>	<u>(18,131,422)</u>	<u>(14,897,573)</u>
<b>Net Investment Income (Loss)</b>	<u>(1,606,863)</u>	<u>17,556,963</u>	<u>21,551,063</u>
<b>Income Required:</b>			
Annuity Savings Fund	73,101	98,624	147,152
Annuity Reserve Fund	372,275	358,761	345,643
Military Service Fund	51	67	101
Expense Fund	1,040,772	1,094,444	981,210
<b>Total Income Required</b>	<u>1,486,198</u>	<u>1,551,895</u>	<u>1,474,107</u>
Net Investment Income (Loss)	<u>(1,606,863)</u>	<u>17,556,963</u>	<u>21,551,063</u>
Less: Total Income Required	1,486,198	1,551,895	1,474,107
<b>Excess Income (Loss) To The Pension Reserve Fund</b>	<u>(\$3,093,060)</u>	<u>\$16,005,067</u>	<u>\$20,076,956</u>

## SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2011		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash and Cash Equivalents	\$1,909,981	1.5%
Fixed Income	25,443,701	19.8%
Equities	9,641,930	7.5%
Pooled Domestic Equity Funds	40,391,347	31.4%
Pooled International Equity Funds	22,509,721	17.5%
Pooled Domestic Fixed Income Funds	1,727,330	1.3%
Pooled Alternative Investment Funds	6,099,316	4.7%
Pooled Real Estate Funds	12,528,798	9.7%
PRIT Cash Fund	0	0.0%
PRIT Core Fund	8,310,214	6.5%
<b>Grand Total</b>	<b><u>\$128,562,338</u></b>	<b><u>100.0%</u></b>

For the year ending December 31, 2011, the rate of return for the investments of the Weymouth Retirement System was -1.53%. For the five-year period ending December 31, 2011, the rate of return for the investments of the Weymouth Retirement System averaged 1.25%. For the twenty-seven-year period ending December 31, 2011, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Weymouth Retirement System was 9.81%.

The composite rate of return for all retirement systems for the year ending December 31, 2011 was 0.27%. For the five-year period ending December 31, 2011, the composite rate of return for the investments of all retirement systems averaged 1.38%. For the twenty-seven-year period ending December 31, 2011, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.11%.

## SUPPLEMENTARY INVESTMENT REGULATIONS

The Weymouth Retirement System submitted the following supplementary investment regulations, which were approved by the Public Employee Retirement Administration Commission on:

### January 5, 2012

With respect to the Weymouth Retirement Board (“WRB”) investment in the SSGA Real Asset Non-Lending Fund, since this is an institutional commingled fund, in which the manager makes investment recommendations and actions on behalf of all investors in the Fund rather than any particular investor, to the extent that 840 CMR 17.04(3)(b) conflicts with the provisions of the State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans Fifth Amended and Restated Declaration of Trust, (the “Declaration of Trust”); the Amended and Restated Fund Declaration for the SSGA Real Estate Non-Lending Fund (the “Fund”); and the Amendment to the Investment Management Agreement and the Investment Management Agreement (“Agreement”), between State Street Global Advisors and the WRB, those provisions will not apply.

In addition, regarding this investment the following shall apply:

840 CMR 21.01(3)(a) and (b): Futures contracts on indexes or commodities may be used in lieu of investment directly in the securities making up the index, or, to enhance the strategy’s replication of the index returns.

840 CMR 21.01(4)(a)(b)(c) and 21.01(5) – Over the counter and exchange traded options may be used for purposes of managing risks and gaining exposure to certain asset classes, indexes, or currencies.

### December 14, 2011

With respect to the Weymouth Retirement Board (“WRB”) investment in the Aberdeen EAFE Plus Fund, LLC, since this is an institutional commingled fund, in which the manager makes investment recommendations and actions on behalf of all investors in the Fund rather than any particular investor, to the extent that the provisions of 840 CMR 17.04(3)(b) and 17.04(10)(a)(1) conflict with the provisions of the Investment Management and Subscription Agreement (“Agreement”), Confidential Placement Memorandum (“PPM”) or the Limited Liability Company Operating Agreement (“LLC Operating Agreement”) between the Fund and the Manager, the provisions of the Agreement, PPM or the LLC Operating Agreement between the Fund and the Manager shall apply.

In addition, regarding this investment the following shall apply:

840 CMR 16.07(4) - the Manager shall report key personnel staffing changes to the Retirement Board and the Commission on or before the effective date of such changes or as soon as reasonably practical after such staffing changes.

840 CMR 21.01(3)(a) and (b) - Futures currency contracts may be used for the purposes of managing risks and gaining exposure to certain asset classes or currencies (including short exposures);

## SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

840 CMR 21.01(4)(a)(b)(c) and 21.01(5) - Over the counter and exchange traded options may be used for the purposes of managing risks and gaining exposure to certain asset classes or currencies (including short exposures);

840 CMR 21.01(6) - Letter or restricted stock may be invested in, pursuant to the provisions of the Investment Management and Subscription Agreement ("Agreement"), Confidential Placement Memorandum ("PPM") or the Limited Liability Company Operating Agreement ("LLC Operating Agreement").

840 CMR 21.01(8) - With respect to the Weymouth Retirement Board's ("WRB") investment in the Aberdeen EAFE Plus Fund, securities may be loaned from the portfolio to qualified brokers, dealers, banks, and other financial institutions needing to borrow securities to complete certain transactions for the purpose of earning additional income. While the Fund may earn additional income from lending securities, such activity is incidental to its investment objective. In connection with such loans, the Fund will receive collateral consisting of cash or U.S. Government securities, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities.

### December 14, 2011

With respect to the Weymouth Retirement Board ("WRB") investment in the Brandywine Global Opportunistic Fund, since this is an institutional commingled fund, in which the manager makes investment recommendations and actions on behalf of all investors in the Fund rather than any particular investor, to the extent that 840 CMR 17.04(3)(b) conflicts with the provisions of the Brandywine Global Investment Management Trust and Amended and Restated Agreement and Declaration of Trust, Dated as of July 1, 2007, Effective as of November 16, 2009 (the "Declaration of Trust"); the Confidential Private Placement Memorandum of Brandywine Global Investment Management Trust (the "Memorandum"); or the Investment Management and Subscription Agreement (the "Subscription Agreement") between Brandywine Global Investment Management, LLC and the WRB, those provisions will not apply

In addition, regarding this investment the following shall apply:

840 CMR 21.01(3)(a) and (b): Forward currency contracts may be used as part of legitimate hedging strategies involving more than 25% of non-portfolio holdings, futures contracts may be used as part of duration hedging strategies and forward currency contracts unrelated to an underlying portfolio holding may be owned as a result of limitations in certain markets.

### December 6, 2010

16.08

The Weymouth Retirement Board is authorized to invest in HarbourVest Partners IX. This investment will consist of investments in three separate pooled funds: the Buyout Fund, the Venture Fund, and the Credit Opportunities Fund. All PERAC regulations pertaining to pooled funds, including the terms of the tobacco restrictions, will apply to these three funds. As noted in PERAC Memorandum #34 (2010), the investment regulations generally apply to the general

## SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

partners of this investment, not the underlying portfolio companies. In assessing compliance with 19.01(2)(j), PERAC will recognize that this is a pooled fund investment. 19.01(7)(a)(6) does not apply to this investment since fees will be based on committed capital. The provisions of 19.01(10) apply to actions taken by the retirement board and does not establish an obligation for HarbourVest Partners; consequently, enforcement of these provisions and any penalties resulting therefrom will be directed towards the Board and not to HarbourVest Partners. To the extent that 21.01(6) refers to preferred shares, it does not apply to this investment. 21.01(5) does not prohibit the manager from owning warrants issued by portfolio companies.

September 23, 2009

21.01(1)

The Weymouth Retirement Board is authorized to invest in the Advent Legacy Securities PPIF, which is part of the US Treasury's Public-Private Investment Program. As part of this program, the manager may employ leverage up to 1x.

May 11, 2009

16.08

In accordance with Investment Guideline 99-2, the Weymouth Retirement Board is modifying its international equity mandate with State Street Global Advisors. In order to save on fees and to assure benchmark performance, the Board will transfer assets from SSgA's actively-managed "All International Allocation Fund" to the passively managed "MSCI ACWI ex-US Index NL Fund".

October 17, 2008

21.01(2)(3)(4)(5)

The provisions of 840 CMR 21.01(2)(3)(4) and (5) shall not apply to the investment of the Weymouth Retirement Board in the fund known as the Westfield Large Cap Growth Fund Limited Partnership.

February 14, 2007

17.04

Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, the Weymouth Retirement Board may invest funds of the Retirement System (the "System") in the fund known as the INVESCO U.S. Venture Partnership Fund IV, LP (the "Fund"), and effective as of the date of the initial investment by the System of any of its assets in the Fund, while the assets of the System are so invested, the activities and investments of the Fund, and the underlying funds in which the Fund may invest, directly or indirectly, shall be deemed to satisfy the prohibited transaction rules set forth in 840 CMR 16.00 et seq. and 840 CMR 17.03 to the extent such activities satisfy the prohibited transaction rules set forth in Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), taking into account statutory exemptions under ERISA, and Prohibited Transaction Class Exemption 84-14, as amended, and other available class exemptions.

## SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

February 14, 2007

17.03

Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, the Weymouth Retirement Board may invest funds of the Retirement System (the "System") in the fund known as the INVESCO U.S. LBO & Corporate Finance Partnership Fund IV, LP (the "Fund"), and effective as of the date of the initial investment by the System of any of its assets in the Fund, while the assets of the System are so invested, the activities and investments of the Fund, and the underlying funds in which the Fund may invest, directly or indirectly, shall be deemed to satisfy the prohibited transaction rules set forth in 840 CMR 16.00 et seq. and 840 CMR 17.03 to the extent such activities satisfy the prohibited transaction rules set forth in Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), taking into account statutory exemptions under ERISA, and Prohibited Transaction Class Exemption 84-14, as amended, and other available class exemptions.

February 14, 2007

17.03

Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, the Weymouth Retirement Board may invest funds of the Retirement System (the "System") in the fund known as the INVESCO International Partnership Fund IV, LP (the "Fund"), and effective as of the date of the initial investment by the System of any of its assets in the Fund, while the assets of the System are so invested, the activities and investments of the Fund, directly or indirectly, shall be deemed to satisfy the prohibited transaction rules set forth in 840 CMR 16.00 et seq. and 840 CMR 17.03 to the extent such activities satisfy the prohibited transaction rules set forth in Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), taking into account statutory exemptions under ERISA, and Prohibited Transaction Class Exemption 84-14, as amended, and other available class exemptions.

September 11, 2006

16.08

In accordance with Investment Guideline 99-2, the Weymouth Retirement Board is authorized to make a modest modification to its international equity mandate with State Street Global Advisors. Assets currently in SSgA's International Alpha Fund will be moved into the firm's All International Allocation Strategy. The latter fund also invests in the International Alpha Fund but supplements it with limited, opportunistic investments in other SSgA international equity funds. By gaining exposure to such sectors as emerging markets and international small cap, the Board will be achieving greater diversification within its international equity holdings.

# NOTES TO FINANCIAL STATEMENTS

## NOTE I – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all Weymouth Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

### ADMINISTRATION

There are 105 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board, and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements, and a uniform accounting and funds structure for all systems.

### PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal, or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 3 classes of membership in the Retirement System:

#### **Group 1:**

General employees, including clerical, administrative, technical, and all other employees not otherwise classified.

#### **Group 2:**

Certain specified hazardous duty positions.

#### **Group 4:**

Police officers, firefighters, and other specified hazardous positions.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of \$30,000.

### RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

### RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

### SUPERANNUATION RETIREMENT

A member is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2

## NOTES TO FINANCIAL STATEMENTS (Continued)

### AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year average salary. For veterans as defined in G.L. c. 32, § 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

- Salary is defined as gross regular compensation. For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17).
- Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last three years (whether or not consecutive) preceding retirement.
- The Benefit Rate varies with the member's retirement age, but the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.

### DEFERRED VESTED BENEFIT

A participant who has completed 10 or more years of creditable service is eligible for a deferred vested retirement benefit.

The participant's accrued benefit is payable commencing at age 55, or the completion of 20 years, or may be deferred until later at the participant's option.

### WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

#### ORDINARY DISABILITY

**Eligibility:** Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, § 6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to employees classified in Group 4 who are subject to mandatory retirement.

**Retirement Allowance:** Equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

#### ACCIDENTAL DISABILITY

**Eligibility:** Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

**Retirement Allowance:** 72% of salary plus an annuity based on accumulated member contributions, with interest. Any member injured while working out of title retiring after July 1, 2009, has such allowance based on the salary of the permanent title held on the date of injury. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of \$751.80 per year (or \$312 per year in systems in which the local option contained in G.L. c. 32, § 7(2)(a)(iii) has not been adopted), per child who is under 18 at the time of the member’s retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. An additional \$15.00 per year of service, not to exceed \$300 annually may be added to the benefit in systems in which the local option contained in G.L. c. 32, § 7(2)(e) has been adopted.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### ACCIDENTAL DEATH

**Eligibility:** Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

**Allowance:** An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of \$751.80 per year, per child (or \$312 per year in systems in which the local option contained in G.L. c. 32, § 9(2)(d)(ii) has not been adopted) payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries resulting in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death.

In addition, an eligible family member may receive a one time payment of \$100,000 from the State Retirement Board.

### DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of \$6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is \$9,000.

### DEATH IN ACTIVE SERVICE

**Allowance:** An immediate allowance equal to that which would have been payable had the member retired and elected Option C on the day before his or her death. For death occurring prior to the member's superannuation retirement age, the age 55 benefit rate is used. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is \$3,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The surviving spouse of such a member in service receives an additional allowance equal to the sum of \$1,440 per year for the first child, and \$1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

### COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. The first \$12,000 of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, § 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of \$1,000. Presently that amount is \$12,000. Each increase must be accepted by a majority vote of the Retirement Board and approved by the legislative body.

### METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

**Option A:** Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

**Option B:** A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

**Option C:** A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is unmarried at the time of retirement for a member whose retirement becomes

## NOTES TO FINANCIAL STATEMENTS (Continued)

effective on or after February 2, 1992, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

### ALLOCATION OF PENSION COSTS

If a member’s total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member’s service within each retirement system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Public Employee Retirement Administration Commission.

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair market value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23 (2) generally govern the investment practices of the system. The Board retains an investment consultant to closely monitor the implementation and performance of their investment strategy and advise them of the progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Weymouth Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission on:

Membership:

January 27, 2011

Any individual who is permanently employed twenty (20) or more hours per week by the Town of Weymouth, Weymouth School Department, Weymouth Housing Authority or the Weymouth Retirement Board shall become a member of the Weymouth Retirement System ("System") at the time of hire. In addition to the foregoing, an employee, which includes elected and appointed officials, must earn at least \$5,000 per year in regular compensation to be eligible for membership in the System. This regulation codified the Board's longstanding policy of requiring individuals to be permanently employed 20 or more hours per week to become a member of the System, and incorporates the provisions of M.G.L. c. 32, § 4(1)(o), as amended, which precludes creditable service for any individual who does not earn at least \$5,000 per year.

Creditable Service:

December 7, 2006

Members of the Weymouth Retirement System shall receive creditable service, in whole month increments, consistent with this regulation in the following manner:

- For a member in service who is employed in a full-time capacity, he/she will receive one (1) month of creditable service for each full month for which the employee receives regular compensation and remits the appropriate contributions to the Weymouth Retirement System, with said service not to exceed one (1) year of creditable service in any calendar year;
- For a member in service who is employed in a part-time capacity throughout his/her entire career, he/she will receive one (1) month of creditable service for each full month for which the employee receives regular compensation and remits the appropriate contributions to the Weymouth Retirement System, with said service not to exceed one (1) year of creditable service in any calendar year.
- For a member who has rendered membership service in the Weymouth Retirement System in both a full-time and part-time capacity, the member shall receive full credit for all full-time service and prorated credit for part-time service based on the full-time equivalency of 35 hours per week.
- For a member who is employed in a part-time capacity throughout his/her career but who either purchases past refunded service, or has transferred into the Weymouth Retirement System previous service rendered in a full-time capacity, the member's part-time service shall be prorated based on the full-time equivalency of 35 hours per week.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

- In the case of School Department employees whose full-time employment requires them to work from on or about September 1st on or about June 30th, including but not limited to cafeteria workers, clerical and secretarial staff, teacher's assistant and teaching professionals, such as therapists, said employees shall receive one month of creditable service for each full month the employee is receiving regular compensation, with ten (10) months being the equivalent of one (1) year of creditable service. School Department employees who are employed in a part-time capacity shall have their creditable service prorated in the same manner as all members of the Weymouth Retirement System as set forth in this regulation.
- The Board recognizes that certain School Department employees, including but not limited to custodians and secretaries, are required to work the entire calendar year, and in such a situation, said employee's creditable service will be calculated based on a twelve (12) month year.
- Creditable service for 10 month employees shall be based on 1,202.5 hours being the equivalent of 1 year, whereas creditable service for 12 month employees shall be based on 1,827 hours per year.
- Any member purchasing past part-time service rendered shall have said service prorated based on 35 hours per week being considered a full week of service. Notwithstanding the foregoing any member who works part-time his/her entire career, and purchases past part-time service rendered, will have all creditable service deemed to be full-time.

#### Regular Compensation:

None at this time.

#### Miscellaneous:

September 22, 2003

#### PURCHASE OF PAST SERVICE RENDERED AS A VETERAN

Any member of the Weymouth Retirement System ("System") who is a veteran as defined in M.G.L. c. 32, §1 must, within one hundred and eighty (180) days of being notified by the Weymouth Retirement Board ("Board") of his /her eligibility to purchase past service rendered in the armed forces of the United States, make application to purchase said service with the Board. Upon making such application, the member may purchase his/her past military service by remitting a lump-sum payment to the Board, in an amount equal to ten percent (10%) of the regular annual compensation of the member when the member first entered a retirement system subject to the provisions of M.G.L. c. 32, for each year the member wishes to purchase, not to exceed a maximum of four (4) years of service.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

Alternatively, any member may elect to purchase his/her past military service rendered by means of an installment plan, with said plan not to exceed ten (10) years. If the member purchases his/her military service in five (5) years or less, then no interest will accrue on the principal amount due. If the member takes between five (5) years and ten (10) years to purchase his/her military service, regular interest will accrue on any principal balance remaining at the end of the fifth (5) year. The installment plan will be by annual payment only, and will be payable each year on the anniversary date of the expiration of the one-hundred eighty (180) days after issuance of the notice to the member of his/her eligibility.

If any member is laid-off or his/her position is eliminated due to budgetary constraints, then the buyback period is tolled, and in the event that the member is rehired or resumes employment with the Town of Weymouth and is then again eligible to contribute to the System, he/she must resume the installment schedule in effect prior to the layoff or termination. If the member voluntarily leaves employment with the Town of Weymouth or is terminated for cause, the buyback period will not be tolled, and the Board will grant creditable service on a prorated basis consistent with the total amount due on the buyback and the amount remitted to the Board prior to the termination of employment.

In the event that a member transfers to another retirement system prior to the completion of the installment plan, the Board will determine the amount of service purchased based on the payments received, and accept liability for said service consistent with the provisions of M.G.L. c. 32, §3(8)(c).

#### Travel:

October 24, 2002

The Weymouth Retirement System has adopted Travel Supplemental Regulations under the provisions of G.L. c. 7, § 50 and G.L. c. 32, § 21(4). Regulations available upon written request, and are also available on the PERAC website <http://www.mass.gov/perac/Weymouth>.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the Town Accountant who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member: Patrice A. Cook

Appointed Member: Gregory P. Hargadon                      Term Expires: 06/30/2014  
Chairman

Elected Member: Joseph L. Davis                              Term Expires: 06/30/2013

Elected Member: Richard J. Hayes                              Term Expires: 12/31/2014

Appointed Member: Edward J. Masterson                      Term Expires: 11/16/2015

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:	)	Coverage under a master MACRS sponsored policy with
Ex-officio Member:	)	Travelers Casualty and Surety Company of America.
Elected Members:	)	\$50,000,000 Fiduciary policy; separate Fidelity coverage.
Appointed Members:	)	pertaining to ERISA/Crime to a Limit of \$1,000,000
Staff Employees:	)	Deductible \$10,000.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Stone Consulting, Inc. as of January 1, 2010.

The actuarial liability for active members was	\$80,709,515
The actuarial liability for inactive members was	1,376,241
The actuarial liability for retired members was	<u>125,807,857</u>
The total actuarial liability was	\$207,893,613
System assets as of that date were	<u>120,565,506</u>
The unfunded actuarial liability was	<u>\$87,328,107</u>
The ratio of system's assets to total actuarial liability was	58.0%
As of that date the total covered employee payroll was	\$33,366,152

The normal cost for employees on that date was 8.9% of payroll

The normal cost for the employer was 3.5% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 8.00% per annum  
 Rate of Salary Increase: Varies by job, group and year

#### GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2010

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a % of Cov. Payroll ( (b-a)/c )
1/1/2010	\$120,565,506	\$207,893,613	\$87,328,107	58.0%	\$33,366,152	261.7%
1/1/2007	\$137,332,984	\$190,920,432	\$53,587,448	71.9%	\$34,808,391	153.9%
1/1/2005	\$113,780,000	\$174,530,000	\$60,750,000	65.2%	\$30,671,000	198.1%

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 6 - MEMBERSHIP EXHIBIT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Retirement in Past Years</b>										
Superannuation	63	18	13	11	11	11	21	24	21	22
Ordinary Disability	0	0	0	3	0	0	0	1	1	0
Accidental Disability	3	0	2	0	6	3	1	4	6	2
<b>Total Retirements</b>	66	18	15	14	17	14	22	29	28	24
Total Retirees, Beneficiaries and Survivors	699	680	631	631	635	630	635	640	621	627
Total Active Members	856	818	867	854	861	895	864	804	805	834
<b>Pension Payments</b>										
Superannuation	\$5,457,943	\$6,318,533	\$6,664,482	\$6,908,541	\$6,957,904	\$7,028,802	\$7,453,642	\$7,815,633	\$8,085,555	\$8,480,031
Survivor/Beneficiary Payments	421,441	364,381	394,000	392,700	411,650	440,485	478,812	544,767	577,107	566,274
Ordinary Disability	103,094	103,636	96,575	177,843	113,147	96,778	99,089	117,120	131,175	142,880
Accidental Disability	1,737,855	1,815,941	1,810,068	1,982,218	2,272,805	2,225,092	2,389,918	2,629,108	2,834,416	3,120,692
Other	803,932	838,561	862,252	881,344	965,482	1,075,816	1,027,780	1,050,430	1,045,756	1,029,154
<b>Total Payments for Year</b>	<u>\$8,524,265</u>	<u>\$9,441,052</u>	<u>\$9,827,377</u>	<u>\$10,342,646</u>	<u>\$10,720,988</u>	<u>\$10,866,973</u>	<u>\$11,449,241</u>	<u>\$12,157,057</u>	<u>\$12,674,010</u>	<u>\$13,339,031</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 7 – LEASED PREMISES

The Weymouth Retirement Board leases approximately 1,823 square feet of space for its offices located at 807 Broad Street, Weymouth, Massachusetts 02189. They signed an initial One (1)-Year lease term commencing June 1, 2009 which expired May 31, 2010. Automatic one year renewals extend the lease term to May 31, 2014, (\$10.66 per sq ft). The landlord is Childs Weymouth, LLC.

The following schedule displays the minimum lease obligations on non-cancelable operating leases as of December 31, 2011:

<u>For the year ending:</u>	<u>Annual Rent</u>
2012	\$19,440.00
2013	\$19,440.00
2014	<u>\$ 8,100.00</u>
Total future minimum lease payments required	<u>\$46,980.00</u>

Note: Security Deposit of \$3,100.00 was prepaid in May 2004.







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