

**BRISTOL COUNTY CONTRIBUTORY  
RETIREMENT SYSTEM  
AUDIT REPORT  
JAN. 1, 2018 - DEC. 31, 2022**



**PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**  
COMMONWEALTH OF MASSACHUSETTS



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# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

November 5, 2024

The Public Employee Retirement Administration Commission (PERAC) has completed a review of the audits of the Bristol County Retirement System conducted by the firms of Lynch Marini & Associates, Certified Public Accountants (LMA) and Roselli, Clark & Associates, Certified Public Accountants (RCA). Both firms conducted these audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. The LMA audit covered one year from January 1, 2018 to December 31, 2018. The RCA audits covered four years from January 1, 2019 to December 31, 2022.

We conducted an inspection of the work papers prepared by RCA. We determined that the audits were conducted in a competent professional manner and the work papers demonstrated that audit tests and procedures were performed in sufficient detail to allow us to accept the final audit reports as issued.

We identified specific differences between these financial audits designed to provide an opinion on financial statements and our compliance audits performed in accordance with the accounting and management standards established by PERAC in regulation 840 CMR 25.00 and in compliance with the provisions specified in PERAC Memo #18/2019.

Accordingly, we supplemented the field work conducted in the audits by LMA and RCA with certain limited procedures designed to provide additional assurance that the accounting and management standards established by PERAC were adhered to and complied with. The specific objectives of our review were to determine: 1) that the Board is exercising appropriate fiduciary oversight, 2) that cash balances are accurately stated, 3) that retirement contributions are accurately deducted, 4) that retirement allowances were correctly calculated, and 5) that required member documentation is maintained.

To achieve these objectives, we inspected certain records of the Bristol County Retirement Board in the above areas. Specifically, we reviewed the minutes of the Board meetings for compliance with fiduciary oversight and verified cash balances. We tested the payroll records of a sample of active members to confirm that the correct percentage of regular compensation is being deducted, including the additional two percent over \$30,000. We tested a sample of members who retired during our audit period to verify that their retirement allowance was calculated in accordance with the statute. We also reviewed a sample of member files for accuracy and completeness.



In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by PERAC with the exception of those related to our supplemental work which are detailed in the findings presented in this report.

It should be noted that the financial statements included in this audit report were based on the work performed by LMA and RCA, and the tests conducted for the periods referenced in their opinion. These audits were not performed by employees or representatives of PERAC. It should also be noted that the opinions expressed in these audit reports were based on the laws and regulations in effect at the time.

The financial statements and footnotes presented in this report were limited to the express results as of and for the years ended December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019, and December 31, 2018.

In closing, I wish to acknowledge the work of Lynch Marini & Associates and Roselli, Clark & Associates who conducted these examinations, and the PERAC examiners who conducted limited procedures to supplement the field work and express my appreciation to the Bristol County Retirement Board and staff for their courtesy and cooperation.

Sincerely,



William T. Keefe  
Executive Director

# EXPLANATION OF FINDINGS AND RECOMMENDATIONS

## **1. Cash Reconciliations:**

Cash Reconciliations are not currently prepared by the County Treasurer but by the Assistant Director of the Retirement Board. The Treasurer's office started to prepare cash reconciliations in 2023, but the Board had concerns that led it to resuming the preparation of the reconciliations in January 2024.

We found there were 13 stale outstanding checks (over six months old) totaling approximately \$12,000 on the December 31, 2022 cash reconciliation for the Pension Payroll cash account. By May 31, 2024, the stale checks in the Pension Payroll cash account had risen to 67 checks totaling about \$86,000.

Further review found that most of the stale checks were written to the same three retirees and to one unit, who each stopped cashing checks at different points in 2022 and 2023. Of the \$12,000 of stale outstanding checks on December 31, 2022, about \$8,000 were written to these individuals and the unit. Of the \$86,000 stale outstanding checks on May 31, 2024, about \$75,000 were written to these individuals and the unit.

**Recommendation:** To improve internal controls, the County Treasurer should prepare monthly cash reconciliations timely. These reconciliations should be completed and presented to the Board members at monthly meetings on a timely basis. The Bristol County Retirement Board should follow their policy to review outstanding checks monthly. The Board should continue working to ensure these retirees and the unit receive all payments due to them.

## **Board Response:**

Bank Reconciliations-we respectfully disagree that the County Treasurer's Office should be preparing the reconciliations each month. In speaking with two Regional Retirement Systems, they use the same method of reconciliation that is used by the Bristol County Retirement. Specifically, the accounting department, who handle all things finance, is responsible for reconciling the bank statements each month. Then, they are submitted to the Executive Director for review and then put on the Board's agenda for their review. We have an independent financial audit done each year and the auditors also review our reconciliations.

Outstanding Checks-we are aware that this has become a concern. We are in possession of the checks for all three retirees and waiting on certain documents, for all three. We will void the payments, unless we receive some correspondence for them. The Raynham Housing Authority cashed 30 checks, dating back to July 2023, in August 2024.

## **PERAC Response:**

In accordance with G.L.c.32(23)(2), the county treasurer is the custodian of the county retirement system. The treasurer, as custodian, is responsible for reconciling all cash accounts monthly. The reconciliation process for the regional retirement systems is not comparable to what county retirement systems should be doing since regional retirement systems do not have a county treasurer due to the abolition of their county government.

## EXPLANATION OF FINDINGS AND RECOMMENDATIONS (Continued)

### **2. New Retirements Calculations:**

We found errors in the retirement allowance calculations in five out of seven accidental disability retirees tested:

- Four retirements did not calculate an annualized salary based on the rate on injury date, but instead used the actual pays for the 52 weeks dating back from the injury date. We found three retirees' allowances were underpaid by amounts ranging from \$300 to \$1,400 per year and one was overpaid by \$4,400 per year. The overpayment was due to the Board using acting pay rather than the permanent position's pay.
- The fifth accidental disability retiree had Minutes Clerk pay excluded from their regular compensation. The payroll report showed that deductions were not taken on this pay, even though it meets the definition of regular compensation since it is a pre-determined amount paid for a service to the employer. When we include this pay in the salary, we find that the retiree's allowance was underpaid by about \$600 per year.

**Recommendation:** The Board needs to review and recalculate the above noted retirement allowances. An annualized salary based on the annual rate on the injury date should be compared to the final 52 weeks of regular compensation. Annual stipends, such as longevity, should be included in the annualized salary on the injury date. Pays that meet the definition of regular compensation as described in 840 CMR 15.03 3(b) should be included in the salary for the allowance calculation. Other disability retirements should be reviewed for similar issues.

### **Board Response:**

We will review and re-calculate, if necessary, the mentioned accidental disability retirees. Please note that every disability retiree's calculation is submitted, with back-up, to PERAC for approval, prior to a retiree receiving their retirement allowance.

### **PERAC Response:**

While PERAC's Calculation Unit reviews the calculations, they do not audit the information provided, or the methodologies used, by the Board. They use the board-provided information to determine the reasonableness of the allowance amount. The audit process ensures that the board is using the correct information and maintaining accurate records.

### **FINAL DETERMINATION:**

***PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.***

## SUPPLEMENTARY INFORMATION

### SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2022		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$8,393,107	1.0%
Fixed Income Securities	26,519,614	3.2%
Equities	101,772,660	12.2%
Pooled Domestic Equity Funds	22,996,863	2.7%
Pooled International Equity Funds	130,013,131	15.5%
Pooled Domestic Fixed Income Funds	10,926,858	1.3%
Pooled International Fixed Income Funds	30,538,678	3.6%
Pooled Alternative Investment Funds	343,646,006	41.1%
Pooled Real Estate Funds	136,188,277	16.3%
Hedge Funds	<u>25,854,309</u>	<u>3.1%</u>
<b>Grand Total</b>	<u>\$836,849,505</u>	<u>100.0%</u>

For the year ending December 31, 2022, the rate of return for the investments of the Bristol County Retirement System was -9.46. For the ten-year period ending December 31, 2022, the rate of return for the investments of the Bristol County Retirement System averaged 7.88%. For the 38-year period ending December 31, 2022, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Bristol County Retirement System was 8.66%.

The composite rate of return for all retirement systems for the year ending December 31, 2022 was -10.84%. For the ten-year period ending December 31, 2022, the composite rate of return for the investments of all retirement systems averaged 8.18%. For the 38-year period ending December 31, 2022, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 8.99%.

## SUPPLEMENTARY INFORMATION (Continued)

### ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the County Treasurer who shall be a member ex-officio, a second member appointed by the County Commissioners, 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 Advisory Council.

Ex-officio Member:	Christopher T. Saunders, Chairperson		
Appointed Member:	John T. Saunders	Serves until successor is appointed	
Elected Member:	Stephen J. Rivard	Term Expires:	01/05/2027
Elected Member:	William M. Downey	Term Expires:	12/31/2025
Appointed Member:	Christine N. DeFontes	Term Expires:	12/31/2026

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.

Retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts. Fidelity insurance is the only required policy coverage under Ch. 32 §21 and §23 as well as 840 CMR 17.01. The policy is designed to cover specific intentional acts such as theft, fraud or embezzlement and also specify who commits such acts, most commonly employees of the system. This coverage reimburses the system for the losses it suffers as a result of its employees' actions. It does not insure the employees for their illegal acts. Statutorily required coverage is provided by the current fidelity insurance policy to a limit of \$1,000,000 with a \$10,000 deductible issued through Travelers Casualty and Surety Company. The system also has Fiduciary coverage to a limit of \$50,000,000 under a blanket policy issued through the Massachusetts Association of Contributory Retirement Systems.

### BOARD REGULATIONS

The Bristol County Retirement Board has adopted Supplemental Regulations which are available on the PERAC website at <https://mass.gov/bristol-county-retirement-board-regulations>.

## SUPPLEMENTARY INFORMATION (Continued)

### MEMBERSHIP EXHIBIT

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Retirement in Past Years</b>										
Superannuation	99	96	121	114	111	130	151	165	170	215
Ordinary Disability	1	1	0	0	0	0	0	2	2	0
Accidental Disability	5	4	0	4	6	4	5	5	11	9
<b>Total Retirements</b>	105	101	121	118	117	134	156	172	183	224
 Total Retirees, Beneficiaries and Survivors	2,323	2,337	2,390	2,430	2,484	2,551	2,626	2,716	2,699	2,979
 Total Active Members	3,183	3,155	3,237	3,220	3,282	3,358	3,328	3,396	3,384	3,507
<b>Pension Payments</b>										
Superannuation	\$29,819,456	\$31,355,985	\$33,380,115	\$35,506,485	\$37,658,623	\$40,623,417	\$43,358,278	\$45,337,825	\$47,427,039	\$50,105,092
Survivor/Beneficiary Payments	1,974,000	2,018,779	2,083,219	2,142,927	2,166,869	2,251,505	2,335,070	2,512,254	2,822,870	3,120,484
Ordinary Disability	390,826	400,335	447,593	436,347	444,865	431,459	431,735	446,951	429,531	472,156
Accidental Disability	7,101,766	7,469,688	7,436,622	7,656,150	8,159,064	8,458,520	8,605,253	8,874,735	8,804,510	9,026,226
Other	<u>3,176,998</u>	<u>3,391,334</u>	<u>5,997,058</u>	<u>4,180,914</u>	<u>4,799,152</u>	<u>4,265,264</u>	<u>4,004,715</u>	<u>4,128,563</u>	<u>4,411,569</u>	<u>4,832,844</u>
<b>Total Payments for Year</b>	<u>\$42,463,046</u>	<u>\$44,636,122</u>	<u>\$49,344,607</u>	<u>\$49,922,823</u>	<u>\$53,228,573</u>	<u>\$56,030,164</u>	<u>\$58,735,051</u>	<u>\$61,300,329</u>	<u>\$63,895,519</u>	<u>\$67,556,803</u>

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants



**BRISTOL COUNTY CONTRIBUTORY  
RETIREMENT SYSTEM**

Basic Financial Statements  
and Additional Information

Year Ended December 31, 2022

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

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DECEMBER 31, 2022**

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**ROSELLI, CLARK & ASSOCIATES**  
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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Bristol County Retirement Board  
 Bristol County Contributory Retirement System  
 Taunton, Massachusetts

We have audited the accompanying financial statements of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**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 generally accepted auditing standards 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 generally accepted auditing standards, 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 System'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
June 27, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Bristol County Contributory Retirement System's (the "System") financial performance provides an overview of the System's financial activities for the calendar year ended December 31, 2022. You should read it in conjunction with the basic financial statements, footnotes and required supplementary information that follows this discussion.

### Financial Highlights

The System's funding objective is to meet long-term benefit obligations through contributions and investment income. The System's actuary estimates that the System is nearly 62% funded at December 31, 2022.

The System's fiduciary net position decreased over \$105.2 million in 2022 to approximately \$833.2 million. Included in 2022 additions was a net investment loss of over \$95.7 million. The System's 2022 net investment return was approximately -10.2% versus 15.5% in 2021 and 11.1% in 2020.

### Overview of the Financial Statements

The basic financial statements are comprised of the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to Financial Statements and Required Supplementary Information. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP; specifically, GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The Statement of Fiduciary Net Position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position restricted for pensions. This statement reflects the System's investments at fair value, as well as cash, receivables and other assets and liabilities. Over time, the increase or decrease in fiduciary net position serves as a useful indicator of the System's financial health and condition.

The Statement of Changes in Fiduciary Net Position reports additions to and deductions from the System during the year. This statement reflects contributions by members and participating employers along with deductions for retirement benefits, refunds, withdrawals and administrative expenses. Investment income, including realized and unrealized gains, during the year is also presented.

The Notes to the Financial Statements provide additional information that is essential for the reader to gain a full understanding of the data provided in the financial statements.

This report also includes Required Supplementary Information following the Notes to the Financial Statements that consists of the schedules of changes in net pension liability and related ratios, investment returns and contributions and the notes to the schedule of contributions.

**Financial Analysis**

The condensed comparative Statements of Net Position for the two most recent years are as follows:

	December 31,		Dollar Change	Percent Change
	2022	2021		
<b>Assets:</b>				
Cash and cash equivalents	\$ 8,393,107	\$ 7,172,823	\$ 1,220,284	17.0%
Investments, at fair value	828,456,397	933,492,751	(105,036,354)	-11.3%
Receivables and other assets	<u>4,368,689</u>	<u>4,799,082</u>	<u>(430,393)</u>	-9.0%
<b>Total Assets</b>	<u>841,218,193</u>	<u>945,464,656</u>	<u>(104,246,463)</u>	-11.0%
<b>Liabilities</b>	<u>8,019,291</u>	<u>7,055,215</u>	<u>964,076</u>	13.7%
<b>Fiduciary Net Position</b>	<u>\$ 833,198,902</u>	<u>\$ 938,409,441</u>	<u>\$ (105,210,539)</u>	-11.2%

Total assets at December 31, 2022 approached \$833.2 million and principally consisted of investments reported at fair value. Total assets decreased by approximately \$104.2 million in 2022, due primarily to a negative investment portfolio return of over 10.2%.

The System’s receivables and liabilities primarily consist of amounts due to other Massachusetts public pension systems and open investment trades. Fluctuations in these balances are generally attributable to timing matters.

The condensed comparative Statements of Changes in Fiduciary Net Position for the two most recent years are as follows:

	Year Ended December 31,		Dollar Change	Percent Change
	2022	2021		
<b>Additions:</b>				
Contributions	\$ 76,766,961	\$ 72,573,674	\$ 4,193,287	5.8%
Investment income (loss), net	(95,743,518)	126,911,887	(222,655,405)	-175.4%
Other income	<u>58,649</u>	<u>162,095</u>	<u>(103,446)</u>	-63.8%
<b>Total Additions</b>	<u>(18,917,908)</u>	<u>199,647,656</u>	<u>(218,565,564)</u>	-109.5%
<b>Deductions:</b>				
Benefits and refunds to Plan members	85,154,657	79,137,609	6,017,048	7.6%
Administrative and other expenses	<u>1,137,974</u>	<u>1,040,197</u>	<u>97,777</u>	9.4%
<b>Total Deductions</b>	<u>86,292,631</u>	<u>80,177,806</u>	<u>6,114,825</u>	7.6%
<b>Change in Fiduciary Net Position</b>	<u>\$ (105,210,539)</u>	<u>\$ 119,469,850</u>	<u>\$ (224,680,389)</u>	-188.1%

Fiduciary net position decreased over \$105.2 million in 2022, which was primarily the result of a net investment loss of approximately \$95.7 million.

Contributions to the System’s Fiduciary Net Position primarily include employer and employee contributions in addition to transfers from other retirement systems. Contributions for 2022 totaled approximately \$76.8 million versus \$72.6 million in 2021.

Employer contributions represent the largest source of System contributions. In 2022, employer contributions totaled approximately \$51.8 million, or 67% of total contributions, which was slightly lower than the prior year's ratio of 68%. Employer contributions are actuarially determined. Employee contributions totaled approximately \$19.8 million in 2022, which was approximately \$1.1 million, or 6%, greater than the prior year. This increase was due primarily to the effect normal pay raises coupled with an increase in number of active members.

Other contributions increased approximately \$0.6 million year-over-year. This increase was due primarily to an approximate \$0.3 million increase in membership transfers into the System from other Massachusetts public pension systems; this increase is primarily a function of the timing of employee movements throughout the Commonwealth.

Investment income is presented net of associated investment management expenses. In 2022, the System reported a net investment loss of over \$95.7 million versus net investment income of approximately \$126.9 million in 2021. The System's money-weighted rates of return for 2022 and 2021 were approximately -10.2% and 15.5%, respectively.

Other income decreased approximately \$103,000 year-over-year.

Deductions to the System's Fiduciary Net Position primarily include pension benefits to members and beneficiaries, refunds to inactive members, transfers and reimbursements to other Massachusetts public retirement systems and administrative expenses. Total deductions in 2022 increased nearly 8% from the prior year.

Pension benefits to members and beneficiaries represents the largest deduction from Fiduciary Net Position for the System. Pension benefits to members and beneficiaries represented approximately 90% and 92%, respectively, of total 2022 and 2021 deductions. Pension benefits to members and beneficiaries increased nearly \$4.4 million, or nearly 6%, in 2022. This increase was due to a greater average number of beneficiaries paid year-over-year, the continued retirement of highly-compensated members as well as the effects of normal annual cost-of-living adjustments paid by the System.

Member refunds together with transfers and reimbursements to other systems increased approximately \$1.7 million in the aggregate year-over-year; this increase is primarily a function of the timing of employee movements throughout the Commonwealth.

Administrative expenses were relatively consistent year-over-year.

### **Overall Financial Position**

The System's independent actuary estimates that the System was approximately 62% funded at December 31, 2022, which is a significant decrease from the prior year's estimate of 72%.

The System, like virtually all public and private pension systems, reported a net investment loss in 2022. Equity markets in the United States of America, as measured by the performance of the S&P 500, declined over 18% in 2022. Bonds, as measured by the Vanguard Total Bond Index, declined nearly 14% in 2022. The System's 2022 reported net investment return was -10.2%. This negative investment return was the primary contributor to the approximate \$105.2 million decrease in fiduciary net position in 2022.

The System maintains a large portion of its investments in pooled funds. Approximately 47% of these funds invest in private equity, venture capital and hedge funds. The determination of the value of these investments is very subjective and the ultimate amounts of gains and losses in some of these funds will not be determined until the underlying assets (i.e., the real estate or stock in the private companies) are sold. Furthermore, these types of investments are not as liquid as investments in savings accounts, money markets, certificates of deposits, government securities or debt and equity securities in publicly held U.S. corporations. You should refer to Notes 2 and 4 to these financial statements.

Although the System has been successful in garnering the yields it expects will be necessary to achieve fully funded status in the required time frame, the System (like so many other institutional investors) has experienced a great deal of volatility in its investments. Management believes that the volatility in the worldwide markets may continue for the foreseeable future. Accordingly, management intends to actively monitor the System's investment positions to best maximize returns while mitigating risk as best as it can.

#### **Contacting the System's Financial Management Personnel**

Our discussion and analysis is designed to provide the Bristol County Retirement Board, participating employers, their membership, taxpayers, investors and creditors with a general overview of the System's financial results and to demonstrate the System's accountability for the funding it receives. If you have any questions about this report or need additional financial information, please contact the Retirement Board at 645 County Street, Taunton, Massachusetts 02780.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2022**

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Assets:	
Cash and cash equivalents	\$ 8,393,107
Investments, at fair value:	
Fixed income securities	26,519,614
Equity securities	131,840,309
Mutual funds	278,418,071
Private equity and venture capital funds	267,917,033
PRIT funds	<u>123,761,370</u>
Total investments	<u>828,456,397</u>
Receivables:	
Employer contributions	67,807
Employee contributions	1,247,214
Due from other Massachusetts public pension systems	2,165,238
Open trades	191,561
Dividends, distributions and interest income	<u>604,332</u>
Total receivables	<u>4,276,152</u>
Prepaid items	9,417
Capital assets, net of accumulated depreciation	<u>83,120</u>
Total Assets	<u>841,218,193</u>
Liabilities:	
Accounts payable and accrued expenses	3,370,795
Due to other Massachusetts public pension systems	3,991,989
Open trades payable	<u>656,507</u>
Total liabilities	<u>8,019,291</u>
Net Position Restricted for Pensions	<u>\$ 833,198,902</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

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Additions:	
Employer contributions	\$ 51,817,268
Employee contributions	19,760,754
Other contributions	<u>5,188,939</u>
Total contributions	<u>76,766,961</u>
Investment income (loss):	
Interest and dividends	15,786,630
Net decline in fair value of investments	(99,530,373)
Less investment management fees	<u>(11,999,775)</u>
Total net investment loss	<u>(95,743,518)</u>
Other income	<u>58,649</u>
Total Additions	<u>(18,917,908)</u>
Deductions:	
Benefits and refunds to Plan members:	
Benefits to retirees and survivors	77,885,352
Member refunds	1,606,863
Transfers and reimbursements to other systems	5,662,442
Administrative expenses:	
Operations payroll and related personnel costs	800,829
Other	<u>337,145</u>
Total Deductions	<u>86,292,631</u>
Net Change in Net Position	(105,210,539)
Net Position Restricted for Pensions:	
Beginning of the year	<u>938,409,441</u>
End of the year	<u>\$ 833,198,902</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

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**1. DESCRIPTION OF THE PLAN**

**General** – The Bristol County Contributory Retirement System (the “System”) is a cost-sharing, multiple-employer defined benefit pension plan established and administered by the Bristol County Retirement Board under the provisions of Chapter 32 of the Massachusetts General Laws (“MGL”).

Membership in the System is mandatory upon the commencement of permanent full-time employment for all eligible employees of the governments participating in the System. Teachers and certain other education employees are covered by a separate public employee pension system administered by the Massachusetts Teachers’ Retirement Board. Members do not participate in the federal Social Security system.

At December 31, 2022, membership in the System consisted of:

Retirees and beneficiaries currently receiving benefits	2,979
Active plan members	3,507
Inactive plan members	<u>930</u>
Membership totals	<u>7,416</u>
Participating employers	<u>40</u>

**Plan Benefits** – Massachusetts contributory retirement system benefits are uniform from one public pension system to another. For employees with service dates beginning before April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive three-year average annual rate of regular compensation. For those employees who began their service on or after April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive five-year average annual rate of regular compensation. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and group classification.

The retirement allowance consists of two parts – an annuity and a pension. Participants’ accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension.

Participants who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total contributions. In addition, depending upon the number of years of creditable service, such employees may be entitled to receive interest, which has accrued on those contributions. A vested employee who has not reached their eligible retirement age and elects to leave their accumulated total deductions on deposit may apply for benefits upon reaching their eligible retirement age.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

**Retirement Requirements** – In order to receive retirement benefits, participants must meet one of the following two categories:

- 1) Normal Retirement – Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012, may retire after twenty years of creditable service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain the age of 60 before they can retire. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55 or 60, as applicable. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.
- 2) Disability Retirements – The System provides for both an ordinary and accidental disability retirement. An ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. An accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of their duty.

The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The financial statements of the System have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America, or GAAP. Employer contributions are recognized when due and the employer is legally required to provide the contributions. Member contributions are recognized in the period in which the contributions are due. Investment income is recognized in the period earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, demand deposits and short-term holdings with original maturities of three months or less from the date of acquisition.

**Investments** – The carrying amounts of the System's investments approximate their fair value. When actively quoted observable prices are not available, the System generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the System’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (“NAV”). These are investments in nongovernmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

**Capital Assets** – The System reports capital assets net of accumulated depreciation. Capital assets include two commercial condominium units that serve as the System’s principal offices purchased in 1995 and 1997 with historical costs of \$253,900 and accumulated depreciation of \$170,780. The condominium units are being depreciated on a straight-line basis over their estimated useful lives (39 years). Depreciation expense of \$6,510 for the year ended December 31, 2022 is included in other administrative expenses.

**3. SYSTEM ADMINISTRATION**

The System is administered by a five-person Retirement Board consisting of the Bristol County Treasurer (ex-officio member), a second member appointed by the governing authority, two members elected by the System’s membership and a fifth member appointed by the advisory council.

At the time of this report, the Retirement Board was comprised as follows:

		<u><b>Term Expires</b></u>
Ex-Officio Member:	Mr. Christopher T. Saunders (Chair)	No date specified
Appointed Member:	Mr. John T. Saunders	No date specified
Elected Member:	Mr. Stephen J. Rivard	January 5, 2024
Elected Member:	Mr. William M. Downey	December 31, 2025
Board Appointed Member:	Ms. Christine DeFontes	December 31, 2023

The Retirement Board is required to meet monthly and keep a record of all its proceedings. The Retirement Board files an annual statement of financial condition to the Massachusetts Public Employee Retirement Administration Commission, or PERAC.

#### 4. DEPOSITS AND INVESTMENTS

MGL and PERAC regulations require the System to invest funds only in preapproved investment instruments.

**Custodial Credit Risk: Deposits** – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System’s policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation and other depository insurance coverage. At December 31, 2022, \$2,271,349 in System bank deposits were uninsured.

**Custodial Credit Risk: Investments** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The System’s policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2022, the System was not exposed to custodial credit risk on its investments.

**Investment Policy** – The Retirement Board is responsible for the establishing and amending investment policy decisions. The Retirement Board adopted the investment policy in 2019. According to its investment policy, the System’s primary investment objective is to maximize the total rate of return subject to the preservation of capital, which is seeks to achieve through diversification of its investments across asset classes. The current investment policy establishes a custom index to benchmark its investment performance by asset class. The investment policy seeks to generate long-term investment performance that exceeds its actuarially targeted rates of return. The current target allocations based on the investment policy are as follows:

Asset Class	Target Policy Range	Long-Term Expected Real Rate of Return
Domestic equities	22.0%	5.0%
International equities	11.0%	5.2%
Emerging markets equities	11.0%	5.9%
Global REITs	2.0%	4.4%
Core fixed income	5.0%	1.5%
High yield fixed income	3.0%	3.1%
Emerging markets fixed income	4.0%	2.9%
Global fixed income	3.0%	1.4%
Private equity	12.0%	7.2%
Hedge funds	4.0%	2.9%
Real estate	11.0%	2.7%
Timber	3.0%	2.8%
Farmland	3.0%	5.3%
Infrastructure	6.0%	4.8%

**Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The 2022 money-weighted rate of return was approximately -10.2%.

**Fair Value Measurements: Investments** – The following table presents the fair value of the System’s investments carried at fair value on a recurring basis at December 31, 2022:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Fixed income securities:</b>				
U.S. Treasury notes	\$ 6,152,565	\$ 6,152,565	\$ -	\$ -
Other U.S. government issues	1,750,887	-	1,750,887	-
Municipal bonds	1,092,100	-	1,092,100	-
Corporate bonds	17,118,853	-	17,118,853	-
TIPS	405,209	405,209	-	-
<b>Total fixed income securities</b>	<b>26,519,614</b>	<b>6,557,774</b>	<b>19,961,840</b>	<b>-</b>
Equity securities	131,840,309	101,772,660	-	30,067,649
Mutual funds	159,332,221	105,260,581	54,071,640	-
<b>Total investments by fair value</b>	<b>317,692,144</b>	<b>\$ 213,591,015</b>	<b>\$ 74,033,480</b>	<b>\$ 30,067,649</b>
<b>Investments measured at NAV:</b>				
Mutual funds	119,085,850			
Private equity and venture capital funds	267,917,033			
PRIT funds	123,761,370			
<b>Total investments measured at NAV</b>	<b>510,764,253</b>			
<b>Total investments measured at fair value</b>	<b>\$ 828,456,397</b>			
<b>Investments Measured at NAV</b>				
<b>By Asset Class</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Mutual funds	\$ 119,085,850	\$ -	Daily	1 to 10 days
Private equity and venture capital funds	267,917,033	49,327,855	Ineligible	N/A
PRIT private equity funds	97,907,061	34,208,493	Ineligible	N/A
PRIT hedge fund	25,854,309	-	Quarterly	45 to 90 days
	<b>\$ 510,764,253</b>	<b>\$ 83,536,348</b>		

Investments measured at NAV include mutual funds, pooled funds in private equity or venture capital funds, and investments in Massachusetts Pension Reserve Investment Trust Fund, or PRIT. The System maintains several mutual funds whose fair values are determined using NAV.

Private equity and venture capital funds generally include investments in which the System is a general partner in a private equity, venture capital fund, real estate investment trust or similar investment vehicle. The value of these investments are recorded at values determined in good faith by the general partners of the private equity and venture capital firms after consideration of pertinent information, including current financial position and operative results, price-earnings multiples and available market prices of similar companies’ securities, the nature of the securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated. In addition, some investment managers will determine fair values of their funds based on independent, third-party appraisals. By their very nature, these investments are illiquid and typically cannot be resold or redeemed.

Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets for the funds will be liquidated over an average of ten years.

The PRIT funds are administered by the Commonwealth of Massachusetts’ Pension Reserve Investment Management Board. The specific investments held by the System include the PRIT hedge fund and six private equity funds, each of which consists of a diverse set of investments that include private equity, venture capital and real estate. The determination of the fair value of these investments is very subjective and the period-end values are reported to the System as NAV. Investments in the PRIT hedge fund is more liquid than investments in the PRIT private equity funds, which cannot be withdrawn until (and then only to the extent that) the individual portfolios are liquidated, which is expected to be between ten and fifteen years. Withdrawals from the PRIT hedge fund are made on the first business day of each calendar quarter upon thirty or more days’ notice.

Because of the inherent uncertainty of valuations used in many of the System’s investments measured at NAV, estimated values may differ significantly from the values that would have been used had a readily available market for positions in privately held companies or the real estate existed at December 31, 2022. These differences could have a material adverse effect on the System’s financial statements.

**Interest Rate Risk: Investments** – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Interest rate risk is managed within the portfolio using effective duration methodology.

At December 31, 2022, the System has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury notes	\$ 6,152,565	\$ -	\$ 2,520,483	\$ 848,658	\$ 2,783,424
Other U.S. government issues	1,750,887	-	-	540,462	1,210,425
Municipal bonds	1,092,100	181,879	476,149	-	434,072
Corporate bonds	17,118,853	68,943	3,872,626	4,270,444	8,906,840
TIPS	405,209	-	270,840	134,369	-
Investments with maturities	26,519,614	\$ 250,822	\$ 7,140,098	\$ 5,793,933	\$ 13,334,761
Equity securities	131,840,309				
Mutual funds	278,418,071				
Private equity and venture capital funds	267,917,033				
PRIT funds	123,761,370				
Investments without maturities	801,936,783				
Total investments	\$ 828,456,397				

**Credit Risk: Investments** – This is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. As previously noted, MGL and PERAC have enacted regulations to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by Moody’s Investor Services, Inc. and Standard and Poor’s Financial Services LLC. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion.

Credit quality ratings of the System's investments in debt securities at December 31, 2022 were as follows:

Quality Rating (Moody's)	U.S. Treasury Notes	Other U.S.		Municipal Bonds	Corporate Bonds	TIPS	Total
		Government Issues					
Aaa	\$ 6,152,565	\$ 1,750,887		\$ 102,730	\$ 3,055,503	\$ 405,209	\$ 11,466,894
Aa1	-	-		-	45,315	-	45,315
Aa2	-	-		118,015	149,862	-	267,877
Aa3	-	-		-	344,027	-	344,027
A1	-	-		362,682	655,101	-	1,017,783
A2	-	-		228,671	899,441	-	1,128,112
A3	-	-		-	1,079,652	-	1,079,652
Baa1	-	-		-	1,172,755	-	1,172,755
Baa2	-	-		-	1,454,484	-	1,454,484
Baa3	-	-		-	313,542	-	313,542
Ba1	-	-		181,879	177,280	-	359,159
Ba2	-	-		-	72,887	-	72,887
B1	-	-		-	108,377	-	108,377
Not Rated	-	-		98,123	7,590,627	-	7,688,750
	<u>\$ 6,152,565</u>	<u>\$ 1,750,887</u>		<u>\$ 1,092,100</u>	<u>\$ 17,118,853</u>	<u>\$ 405,209</u>	<u>\$ 26,519,614</u>

**Concentration of Credit Risk: Investments** – The following investments exceeded 5% of the System's total investments at December 31, 2022:

Intercontinental US RE FD LLC	5.6%
IFM Global Infrastructure (US), L.P. Class A	5.3%

**Foreign Currency Risk: Investments** – The System did not hold any specific individual security denominated in a foreign currency at December 31, 2022.

## 5. FUNDING

**Employer Contributions** – Under MGL, participating employers are assessed their share of the total retirement cost based on an independent actuarial study. Employer contributions totaled \$51,817,268 in 2022.

**Employee Contributions** – Employee contribution rates vary based on when an employee commenced their creditable service. Active members contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on when their creditable service commenced. Active members hired after January 1, 1979 contribute an additional 2% of their regular gross compensation over \$30,000.

**Cost of Living Adjustments** – Cost-of-living adjustments granted between 1981 and 1997 and any increase in other pension benefits imposed by the Commonwealth of Massachusetts during those years are the financial responsibility of the Commonwealth. The Commonwealth is expected to continue funding the cost-of-living amounts granted over this period for the duration of their selected retirement option. Cost-of-living adjustments granted after 1997 must be approved and funded by the System. Cost-of-living adjustments cannot exceed the greater of CPI or 3%. The System approved a 3% cost-of-living adjustment on the first \$18,000 of pension benefits in 2022.

## 6. NET PENSION LIABILITY

The components of the net pension liability at December 31, 2022 (dollar amounts in thousands) were as follows:

Total pension liability	\$ 1,349,108
Plan fiduciary net position	<u>833,199</u>
Net pension liability	<u>\$ 515,909</u>
Plan fiduciary net position as a percentage of total pension liability	61.8%

The total pension liability was determined by an actuarial valuation as of January 1, 2022, which was rolled forward to a measurement date of December 31, 2022. The significant actuarial assumptions used in this valuation for all periods were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.35%, net of expenses
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2021 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.  For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

**Expected Real Rate of Return** – The long-term expected rate of return on System investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target allocation as of December 31, 2022 are summarized in the investment policy table in Note 4.

**Discount Rate** – The discount rate used to measure the total pension liability in the December 31, 2022 actuarial valuation report was 7.35%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis** – The following illustrates the net pension liability at December 31, 2022 calculated using the current discount rate of 7.35%, as well as the projection of what the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate (dollar amounts in thousands):

Current Discount Rate	Net Pension Liability At			
	1% Decrease	Current Rate	1% Increase	
7.35%	\$ 663,510	\$ 515,909	\$ 391,304	

**7. LEGALLY REQUIRED RESERVE ACCOUNTS**

Net position restricted for pensions at December 31, 2022 was comprised of the following legally required reserve funds:

Description	Amount	Purpose
Annuity Savings Fund	\$ 183,661,954	Balance of active members' contributions
Annuity Reserve Fund	57,070,355	Balance of retired members' contributions
Pension Fund	3,571,552	Amounts appropriated to fund future retirement
Military Service Fund	193,248	Amounts appropriated to fund military service time
Pension Reserve Fund	<u>588,701,793</u>	Remaining fiduciary net position
	<u>\$ 833,198,902</u>	

**8. COMMITMENTS AND CONTINGENCIES**

The System is subject to a variety of claims that arise from time to time during the ordinary course of business. Although management of the System currently believes that resolving claims against the System, individually or in aggregate, will not have a material adverse effect on the System’s financial position or its results of operations, these matters are subject to inherent uncertainties and management’s views of these matters may change in the future.

**9. SUBSEQUENT EVENTS**

In January 2023, the System approved an increase to the cost-of-living base to \$20,000 effective July 1, 2023.

In April 2023, as permitted under MGL, the System approved a one-time cost-of-living adjustment to address the effects of inflation. This one-time cost-of-living adjustment required the approval of two-thirds of the participating cities and towns within the System. In May and June 2023, the System paid approximately \$0.8 million in additional benefits related to this one-time cost-of-living adjustment.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
*(dollar amounts are in thousands)*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 23,428	\$ 22,038	\$ 21,396	\$ 17,397	\$ 16,890	\$ 16,359	\$ 15,729	\$ 15,124	\$ 16,427
Interest	95,109	93,000	90,101	77,387	75,601	70,979	69,257	68,495	68,539
Changes in benefit terms	-	1,915	-	72,974	-	39,173	-	8,063	-
Differences in experience	-	-	-	-	-	-	-	23,511	-
Changes in assumptions	-	12,913	-	101,902	-	-	-	(13,808)	-
Benefit payments, including refunds	(80,018)	(74,477)	(72,487)	(69,229)	(69,388)	(65,483)	(61,383)	(62,046)	(56,582)
Net change in total pension liability	38,519	55,389	39,010	200,431	23,103	61,028	23,603	39,339	28,384
Total pension liability - beginning of year	1,310,589	1,255,200	1,216,190	1,015,759	992,656	931,628	908,025	868,686	840,302
Total pension liability - end of year (a)	\$ 1,349,108	\$ 1,310,589	\$ 1,255,200	\$ 1,216,190	\$ 1,015,759	\$ 992,656	\$ 931,628	\$ 908,025	\$ 868,686
Plan fiduciary net position:									
Contributions - employee	\$ 19,761	\$ 18,650	\$ 17,688	\$ 17,214	\$ 16,244	\$ 15,692	\$ 15,081	\$ 14,178	\$ 13,676
Contributions - employer	51,817	49,350	45,850	42,995	39,176	37,652	36,312	34,411	32,676
Contributions - nonemployer contributions	5,189	4,574	3,156	3,703	3,984	3,512	3,570	4,062	2,957
Net investment income (loss)	(95,744)	126,912	83,947	110,063	(24,950)	92,188	33,680	(5,680)	26,655
Benefit payments, including refunds	(85,154)	(79,138)	(75,682)	(73,197)	(69,388)	(65,483)	(61,383)	(59,773)	(54,446)
Administrative expenses	(1,138)	(1,040)	(996)	(909)	(961)	(919)	(1,150)	1,405	(1,049)
Other	59	162	98	223	73	182	76	31	46
Net change in plan fiduciary net position	(105,210)	119,470	74,061	100,092	(35,822)	82,824	26,186	(11,366)	20,515
Plan fiduciary net position - beginning of year	938,409	818,939	744,878	644,786	680,608	597,784	571,598	582,964	562,449
Plan fiduciary net position - end of year (b)	\$ 833,199	\$ 938,409	\$ 818,939	\$ 744,878	\$ 644,786	\$ 680,608	\$ 597,784	\$ 571,598	\$ 582,964
Net pension liability - end of year (a) - (b)	\$ 515,909	\$ 372,180	\$ 436,261	\$ 471,312	\$ 370,973	\$ 312,048	\$ 333,844	\$ 336,427	\$ 285,722
Plan fiduciary net position as a percentage of the total pension liability	61.8%	71.6%	65.2%	61.2%	63.5%	68.6%	64.2%	62.9%	67.1%
Covered payroll (calendar year basis)	\$ 192,111	\$ 185,745	\$ 179,693	\$ 173,667	\$ 165,459	\$ 164,457	\$ 155,392	\$ 152,407	\$ 141,877
Net pension liability as a percentage of covered payroll	268.5%	200.4%	242.8%	271.4%	224.2%	189.7%	214.8%	220.7%	201.4%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CONTRIBUTIONS**

*(dollar amounts are in thousands)*

For Fiscal Year Ended June 30,	Contributions in Relation to the			Covered Payroll <i>(fiscal year basis)</i>	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)		
2022	\$ 51,815	\$ 51,817	\$ (2)	\$ 192,111	27.0%
2021	49,347	49,350	(3)	188,928	26.1%
2020	45,815	45,884	(69)	182,485	25.1%
2019	42,962	42,995	(33)	176,680	24.3%
2018	39,176	39,176	-	165,459	23.7%
2017	37,652	37,652	-	164,457	22.9%
2016	35,952	36,312	(360)	155,392	23.4%
2015	33,761	34,411	(650)	152,407	22.6%
2014	32,216	32,216	-	141,877	22.7%

**SCHEDULE OF INVESTMENT RETURNS**

For Year Ended December 31,	Annual Money-Weighted Rate of Return *
2022	-10.22%
2021	15.49%
2020	11.13%
2019	16.94%
2018	-4.61%
2017	15.65%
2016	2.94%
2015	-0.55%
2014	5.29%

\* Net of investment expenses.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

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#### **A. CHANGES OF BENEFIT TERMS**

The Bristol County Contributory Retirement System (the "System") may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the System's benefit terms in 2022.

#### **B. SIGNIFICANT ACTUARIAL ASSUMPTIONS AND METHODS**

The significant actuarial assumptions used in the latest actuarial valuation were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.35%, net of expenses
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2021 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.  For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.



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**INDEPENDENT AUDITORS' REPORT ON AUDIT OF SPECIFIC ELEMENTS,  
 ACCOUNTS AND ITEMS OF FINANCIAL STATEMENTS**

To the Honorable Bristol County Retirement Board  
 Bristol County Contributory Retirement System  
 Taunton, Massachusetts

**Opinion**

We have audited the accompanying schedule of employer allocations of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2022 and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense (the specified column totals) included in the accompanying schedule of pension amounts by employer of the System, and related notes thereto. Collectively, these are referred to as the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the System as of and for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit 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 Schedule section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Schedules**

Management is responsible for the preparation and fair presentation of the Schedules 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 the Schedules that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibilities for the Audit of the Schedules**

Our objectives are to obtain reasonable assurance about whether the Schedules 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 Schedules.

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 Schedules, 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 Schedules.
- 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 System'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 evaluating the overall presentation of the Schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

### **Other Matter**

We have audited, in accordance with GAAS, the financial statements of the System as of and for the year ended December 31, 2022, and our report thereon, dated June 27, 2023, expressed an unmodified opinion on those financial statements.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
June 27, 2023

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF EMPLOYER ALLOCATIONS  
YEAR ENDED DECEMBER 31, 2022**

Employer	FY 2023 Pension Fund Appropriation	ERI, Sheriffs' Liability and Other	FY 2023 Total Appropriation	Proportion of Contribution Effort		Proportion of Net Pension Liability
				FY 2023 Pension Fund Appropriation	FY 2023 Total Appropriation	
Bristol County	\$ 1,694,908	\$ 2,928,608	\$ 4,623,516	3.5124%	8.9227%	5.1132%
Town of Acushnet	1,584,540	19,887	1,604,427	3.2836%	3.0963%	3.2292%
Acushnet Housing Authority	22,865	-	22,865	0.0474%	0.0441%	0.0466%
Town of Berkley	752,252	11,278	763,530	1.5589%	1.4735%	1.5330%
Town of Dartmouth	5,862,991	200,794	6,063,785	12.1499%	11.7022%	11.9483%
Dartmouth Housing Authority	95,022	-	95,022	0.1969%	0.1834%	0.1936%
Dartmouth Fire District No. 1	83,508	-	83,508	0.1731%	0.1612%	0.1702%
Dartmouth Fire District No. 2	47,383	-	47,383	0.0982%	0.0914%	0.0966%
Dartmouth Fire District No. 3	152,537	-	152,537	0.3161%	0.2944%	0.3109%
Town of Dighton	897,957	-	897,957	1.8608%	1.7329%	1.8300%
Dighton Housing Authority	15,439	-	15,439	0.0320%	0.0298%	0.0315%
Dighton-Rehoboth Regional School	1,088,581	-	1,088,581	2.2559%	2.1008%	2.2184%
Dighton Water District	132,559	-	132,559	0.2747%	0.2558%	0.2701%
Town of Easton	5,415,128	-	5,415,128	11.2218%	10.4504%	11.0356%
Easton Housing Authority	101,504	-	101,504	0.2103%	0.1959%	0.2069%
Town of Freetown	1,313,154	26,776	1,339,930	2.7213%	2.5859%	2.6761%
Freetown-Lakeville Regional School	984,380	-	984,380	2.0399%	1.8997%	2.0061%
Town of Mansfield	6,258,275	-	6,258,275	12.9690%	12.0776%	12.7539%
Mansfield Housing Authority	80,863	-	80,863	0.1676%	0.1561%	0.1648%
Bristol County Mosquito Control	156,587	21,397	177,984	0.3245%	0.3435%	0.3191%
Town of Norton	3,571,602	-	3,571,602	7.4014%	6.8927%	7.2786%
Norton Housing Authority	49,055	-	49,055	0.1017%	0.0947%	0.1000%
Town of Raynham	2,481,214	107,146	2,588,360	5.1418%	4.9952%	5.0565%
Raynham Housing Authority	50,567	8,681	59,248	0.1048%	0.1143%	0.1031%
Raynham Water District	152,993	-	152,993	0.3170%	0.2953%	0.3118%
Town of Rehoboth	1,285,833	-	1,285,833	2.6646%	2.4815%	2.6204%
Town of Seekonk	3,471,949	-	3,471,949	7.1949%	6.7004%	7.0756%
Seekonk Housing Authority	26,664	7,710	34,374	0.0553%	0.0663%	0.0543%
Seekonk Water District	117,771	-	117,771	0.2441%	0.2273%	0.2400%
Town of Somerset	4,093,351	-	4,093,351	8.4827%	7.8996%	8.3419%
Somerset Housing Authority	75,169	1,197	76,366	0.1558%	0.1474%	0.1532%
Somerset Berkley Schools	357,665	-	357,665	0.7412%	0.6902%	0.7289%
Town of Swansea	2,485,894	63,849	2,549,743	5.1515%	4.9206%	5.0661%
Swansea Housing Authority	31,360	8,190	39,550	0.0650%	0.0763%	0.0639%
Swansea Water District	121,429	18,215	139,644	0.2516%	0.2695%	0.2475%
Town of Westport	3,109,824	136,322	3,246,146	6.4445%	6.2646%	6.3375%
Westport Housing Authority	13,022	1,742	14,764	0.0270%	0.0285%	0.0265%
North Raynham Water District	15,968	-	15,968	0.0331%	0.0308%	0.0325%
SE MA Regional Emerg. Com. District	3,713	-	3,713	0.0077%	0.0072%	0.0076%
<b>Total</b>	<b>\$ 48,255,476</b>	<b>\$ 3,561,792</b>	<b>\$ 51,817,268</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Bristol County	Town of Acushnet	Acushnet Housing Authority	Town of Berkley
Net Pension Liability at December 31, 2022	\$ 26,379,430	\$ 16,659,585	\$ 240,399	\$ 7,909,050
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 974,753	\$ 615,592	\$ 8,883	\$ 292,249
Net difference between projected and actual investment earnings on pension plan investments	3,479,662	2,197,535	31,711	1,043,268
Changes of assumptions	1,679,380	1,060,590	15,304	503,510
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>545,180</u>	<u>123,989</u>	<u>1,163</u>	<u>246,650</u>
Total Deferred Outflows of Resources	<u>\$ 6,678,975</u>	<u>\$ 3,997,706</u>	<u>\$ 57,061</u>	<u>\$ 2,085,677</u>
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>\$ 3,592,292</u>	<u>\$ 53,176</u>	<u>\$ 35,311</u>	<u>\$ 21,359</u>
Total Deferred Inflows of Resources	<u>\$ 3,592,292</u>	<u>\$ 53,176</u>	<u>\$ 35,311</u>	<u>\$ 21,359</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 4,324,690	\$ 2,730,792	\$ 39,406	\$ 1,296,429
Net amortization of deferred amounts from changes in proportion	<u>(1,567,995)</u>	<u>38,803</u>	<u>(11,331)</u>	<u>74,386</u>
Total Employer Pension Expense	<u>\$ 2,756,695</u>	<u>\$ 2,769,595</u>	<u>\$ 28,075</u>	<u>\$ 1,370,815</u>
Covered payroll	\$ 5,724,268	\$ 6,407,934	\$ 106,786	\$ 4,135,125
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 374,798	\$ 1,253,715	\$ 6,132	\$ 651,054
June 30, 2025	738,312	868,644	1,113	476,339
June 30, 2026	780,890	737,369	(165)	416,304
June 30, 2027	1,238,374	1,083,393	14,642	520,048
June 30, 2028	<u>(45,691)</u>	<u>1,409</u>	<u>28</u>	<u>573</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 3,086,683</u>	<u>\$ 3,944,530</u>	<u>\$ 21,750</u>	<u>\$ 2,064,318</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 31,563,687	\$ 21,506,257	\$ 310,336	\$ 10,209,982
Current discount rate (7.35%)	\$ 26,379,430	\$ 16,659,585	\$ 240,399	\$ 7,909,050
1% increase (8.35%)	\$ 22,002,826	\$ 12,567,975	\$ 181,357	\$ 5,966,580

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Town of Dartmouth	Dartmouth Housing Authority	Dartmouth Fire District No. 1	Dartmouth Fire District No. 2
Net Pension Liability at December 31, 2022	\$ 61,642,495	\$ 999,045	\$ 877,989	\$ 498,177
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 2,277,767	\$ 36,916	\$ 32,443	\$ 18,408
Net difference between projected and actual investment earnings on pension plan investments	8,131,148	131,782	115,814	65,714
Changes of assumptions	3,924,314	63,602	55,895	31,715
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>655,785</u>	<u>29,747</u>	<u>85,645</u>	<u>116,651</u>
Total Deferred Outflows of Resources	<u>\$ 14,989,014</u>	<u>\$ 262,047</u>	<u>\$ 289,797</u>	<u>\$ 232,488</u>
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>\$ 1,131,293</u>	<u>\$ 30,930</u>	<u>\$ 3,774</u>	<u>\$ 3,414</u>
Total Deferred Inflows of Resources	<u>\$ 1,131,293</u>	<u>\$ 30,930</u>	<u>\$ 3,774</u>	<u>\$ 3,414</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 10,104,261	\$ 163,760	\$ 143,896	\$ 81,658
Net amortization of deferred amounts from changes in proportion	<u>(264,736)</u>	<u>9,338</u>	<u>42,573</u>	<u>43,266</u>
Total Employer Pension Expense	<u>\$ 9,839,525</u>	<u>\$ 173,098</u>	<u>\$ 186,469</u>	<u>\$ 124,924</u>
Covered payroll	\$ 21,660,741	\$ 383,502	\$ 125,597	\$ 207,945
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 4,244,886	\$ 82,236	\$ 106,632	\$ 79,598
June 30, 2025	3,072,483	48,096	67,562	60,871
June 30, 2026	2,529,860	35,949	52,892	53,853
June 30, 2027	4,002,926	64,692	58,827	34,796
June 30, 2028	<u>7,566</u>	<u>144</u>	<u>110</u>	<u>(44)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 13,857,721</u>	<u>\$ 231,117</u>	<u>\$ 286,023</u>	<u>\$ 229,074</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 79,575,772	\$ 1,289,691	\$ 1,133,417	\$ 643,108
Current discount rate (7.35%)	\$ 61,642,495	\$ 999,045	\$ 877,989	\$ 498,177
1% increase (8.35%)	\$ 46,503,037	\$ 753,679	\$ 662,354	\$ 375,824

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Dartmouth Fire District No. 3	Town of Dighton	Dighton Housing Authority	Dighton- Rehoboth Regional School
Net Pension Liability at December 31, 2022	\$ 1,603,748	\$ 9,440,968	\$ 162,323	\$ 11,445,156
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 59,260	\$ 348,856	\$ 5,998	\$ 422,913
Net difference between projected and actual investment earnings on pension plan investments	211,547	1,245,341	21,412	1,509,709
Changes of assumptions	102,099	601,035	10,334	728,627
Changes in proportion and differences between employer contributions and proportionate share of contributions	160,710	146,734	16,102	85,879
Total Deferred Outflows of Resources	\$ 533,616	\$ 2,341,966	\$ 53,846	\$ 2,747,128
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 10,291	\$ 16,665	\$ 8,265	\$ 71,569
Total Deferred Inflows of Resources	\$ 10,291	\$ 16,665	\$ 8,265	\$ 71,569
Pension Expense:				
Proportionate share of plan pension expense	\$ 262,883	\$ 1,547,535	\$ 26,608	\$ 1,876,058
Net amortization of deferred amounts from changes in proportion	79,360	35,648	8,714	18,667
Total Employer Pension Expense	\$ 342,243	\$ 1,583,183	\$ 35,322	\$ 1,894,725
Covered payroll	\$ 946,273	\$ 4,655,122	\$ 104,598	\$ 4,417,603
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 196,325	\$ 726,000	\$ 20,570	\$ 852,524
June 30, 2025	123,797	533,809	9,394	581,841
June 30, 2026	97,471	448,093	4,972	497,377
June 30, 2027	105,737	616,541	10,602	742,938
June 30, 2028	(5)	858	43	879
Total Future Amortization of Deferred Outflows/(Inflows)	\$ 523,325	\$ 2,325,301	\$ 45,581	\$ 2,675,559
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 2,070,317	\$ 12,187,571	\$ 209,547	\$ 14,774,826
Current discount rate (7.35%)	\$ 1,603,748	\$ 9,440,968	\$ 162,323	\$ 11,445,156
1% increase (8.35%)	\$ 1,209,866	\$ 7,122,257	\$ 122,456	\$ 8,634,215

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Dighton Water District	Town of Easton	Easton Housing Authority	Town of Freetown
Net Pension Liability at December 31, 2022	\$ 1,393,703	\$ 56,933,739	\$ 1,067,196	\$ 13,806,279
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 51,499	\$ 2,103,773	\$ 39,434	\$ 510,159
Net difference between projected and actual investment earnings on pension plan investments	183,841	7,510,025	140,772	1,821,161
Changes of assumptions	88,727	3,624,543	67,940	878,942
Changes in proportion and differences between employer contributions and proportionate share of contributions	82,706	517,206	5,417	283,694
Total Deferred Outflows of Resources	\$ 406,773	\$ 13,755,547	\$ 253,563	\$ 3,493,956
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 5,296	\$ 1,061,824	\$ 36,730	\$ 412,240
Total Deferred Inflows of Resources	\$ 5,296	\$ 1,061,824	\$ 36,730	\$ 412,240
Pension Expense:				
Proportionate share of plan pension expense	\$ 228,452	\$ 9,332,416	\$ 174,951	\$ 2,263,086
Net amortization of deferred amounts from changes in proportion	29,739	(87,950)	(15,924)	31,442
Total Employer Pension Expense	\$ 258,191	\$ 9,244,466	\$ 159,027	\$ 2,294,528
Covered payroll	\$ 774,002	\$ 19,277,280	\$ 380,896	\$ 4,740,875
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 131,410	\$ 4,061,651	\$ 61,819	\$ 1,040,849
June 30, 2025	94,368	2,690,511	45,075	661,936
June 30, 2026	81,575	2,253,059	40,661	491,967
June 30, 2027	93,868	3,683,044	69,146	885,656
June 30, 2028	256	5,458	132	1,308
Total Future Amortization of Deferred Outflows/(Inflows)	\$ 401,477	\$ 12,693,723	\$ 216,833	\$ 3,081,716
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,799,164	\$ 73,497,126	\$ 1,377,669	\$ 17,822,856
Current discount rate (7.35%)	\$ 1,393,703	\$ 56,933,739	\$ 1,067,196	\$ 13,806,279
1% increase (8.35%)	\$ 1,051,408	\$ 42,950,756	\$ 805,092	\$ 10,415,443

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Freetown- Lakeville Regional School	Town of Mansfield	Mansfield Housing Authority	Bristol County Mosquito Control
Net Pension Liability at December 31, 2022	\$ 10,349,605	\$ 65,798,444	\$ 850,180	\$ 1,646,329
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 382,431	\$ 2,431,334	\$ 31,415	\$ 60,834
Net difference between projected and actual investment earnings on pension plan investments	1,365,197	8,679,352	112,146	217,164
Changes of assumptions	658,881	4,188,892	54,125	104,809
Changes in proportion and differences between employer contributions and proportionate share of contributions	152,453	2,253,726	52,628	42,962
Total Deferred Outflows of Resources	\$ 2,558,962	\$ 17,553,304	\$ 250,314	\$ 425,769
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 107,913	\$ 183,492	\$ 29,113	\$ 42,892
Total Deferred Inflows of Resources	\$ 107,913	\$ 183,492	\$ 29,113	\$ 42,892
Pension Expense:				
Proportionate share of plan pension expense	\$ 1,696,479	\$ 10,785,494	\$ 139,358	\$ 269,862
Net amortization of deferred amounts from changes in proportion	58,298	814,678	(4,311)	327
Total Employer Pension Expense	\$ 1,754,777	\$ 11,600,172	\$ 135,047	\$ 270,189
Covered payroll	\$ 4,864,323	\$ 25,655,856	\$ 526,222	\$ 853,263
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 812,297	\$ 5,614,422	\$ 57,674	\$ 121,357
June 30, 2025	529,434	3,992,230	53,299	87,784
June 30, 2026	436,980	3,422,248	53,415	65,955
June 30, 2027	671,444	4,334,772	56,754	107,468
June 30, 2028	894	6,140	59	313
Total Future Amortization of Deferred Outflows/(Inflows)	\$ 2,451,049	\$ 17,369,812	\$ 221,201	\$ 382,877
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 13,360,552	\$ 84,940,786	\$ 1,097,518	\$ 2,125,286
Current discount rate (7.35%)	\$ 10,349,605	\$ 65,798,444	\$ 850,180	\$ 1,646,329
1% increase (8.35%)	\$ 7,807,732	\$ 49,638,281	\$ 641,375	\$ 1,241,989

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Town of Norton	Norton Housing Authority	Town of Raynham	Raynham Housing Authority
Net Pension Liability at December 31, 2022	\$ 37,551,219	\$ 515,756	\$ 26,087,064	\$ 531,653
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 1,387,564	\$ 19,058	\$ 963,950	\$ 19,645
Net difference between projected and actual investment earnings on pension plan investments	4,953,312	68,032	3,441,097	70,129
Changes of assumptions	2,390,603	32,834	1,660,767	33,846
Changes in proportion and differences between employer contributions and proportionate share of contributions	344,676	7,361	185,333	-
Total Deferred Outflows of Resources	\$ 9,076,155	\$ 127,285	\$ 6,251,147	\$ 123,620
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 304,095	\$ 11,127	\$ 293,937	\$ 51,200
Total Deferred Inflows of Resources	\$ 304,095	\$ 11,127	\$ 293,937	\$ 51,200
Pension Expense:				
Proportionate share of plan pension expense	\$ 6,155,291	\$ 84,542	\$ 4,276,118	\$ 87,148
Net amortization of deferred amounts from changes in proportion	77,264	350	(30,950)	(26,121)
Total Employer Pension Expense	\$ 6,232,555	\$ 84,892	\$ 4,245,168	\$ 61,027
Covered payroll	\$ 14,901,682	\$ 244,680	\$ 10,186,816	\$ 214,931
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 2,814,499	\$ 37,918	\$ 1,875,062	\$ 12,606
June 30, 2025	1,903,980	24,483	1,309,905	13,501
June 30, 2026	1,610,391	20,171	1,077,959	15,210
June 30, 2027	2,439,785	33,518	1,691,568	31,328
June 30, 2028	3,405	68	2,716	(225)
Total Future Amortization of Deferred Outflows/(Inflows)	\$ 8,772,060	\$ 116,158	\$ 5,957,210	\$ 72,420
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 48,475,767	\$ 665,802	\$ 33,676,415	\$ 686,323
Current discount rate (7.35%)	\$ 37,551,219	\$ 515,756	\$ 26,087,064	\$ 531,653
1% increase (8.35%)	\$ 28,328,602	\$ 389,086	\$ 19,680,055	\$ 401,078

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

		Raynham Water District	Town of Rehoboth	Town of Seekonk	Seekonk Housing Authority
Net Pension Liability at December 31, 2022	S	1,608,543	\$ 13,519,031	\$ 36,503,484	\$ 280,341
Deferred Outflows of Resources:					
Differences between actual and expected experience	S	59,438	\$ 499,545	\$ 1,348,849	\$ 10,359
Net difference between projected and actual investment earnings on pension plan investments		212,180	1,783,270	4,815,107	36,979
Changes of assumptions		102,404	860,655	2,323,902	17,847
Changes in proportion and differences between employer contributions and proportionate share of contributions		<u>100,802</u>	<u>423,929</u>	<u>817,849</u>	<u>13,417</u>
Total Deferred Outflows of Resources	S	<u>474,824</u>	\$ <u>3,567,399</u>	\$ <u>9,305,707</u>	\$ <u>78,602</u>
Deferred Inflows of Resources:					
Changes in proportion and differences between employer contributions and proportionate share of contributions	S	88,203	\$ 68,666	\$ 132,705	\$ 16,093
Total Deferred Inflows of Resources	S	<u>88,203</u>	\$ <u>68,666</u>	\$ <u>132,705</u>	\$ <u>16,093</u>
Pension Expense:					
Proportionate share of plan pension expense	S	263,667	\$ 2,216,001	\$ 5,983,547	\$ 45,952
Net amortization of deferred amounts from changes in proportion		<u>40,368</u>	<u>206,483</u>	<u>154,784</u>	<u>(4,532)</u>
Total Employer Pension Expense	S	<u>304,035</u>	\$ <u>2,422,484</u>	\$ <u>6,138,331</u>	\$ <u>41,420</u>
Covered payroll	S	704,895	\$ 4,777,386	\$ 14,850,893	\$ 61,470
Future Amortization of Deferred Outflows/(Inflows):					
June 30, 2024	S	157,773	\$ 1,191,991	\$ 2,819,627	\$ 16,212
June 30, 2025		77,376	782,992	2,113,284	15,796
June 30, 2026		46,809	642,864	1,848,483	12,292
June 30, 2027		104,294	880,161	2,389,228	18,172
June 30, 2028		<u>369</u>	<u>725</u>	<u>2,380</u>	<u>37</u>
Total Future Amortization of Deferred Outflows/(Inflows)	S	<u>386,621</u>	\$ <u>3,498,733</u>	\$ <u>9,173,002</u>	\$ <u>62,509</u>
Discount Rate Sensitivity:					
1% decrease (6.35%)	S	2,076,506	\$ 17,452,040	\$ 47,123,221	\$ 361,899
Current discount rate (7.35%)	S	1,608,543	\$ 13,519,031	\$ 36,503,484	\$ 280,341
1% increase (8.35%)	S	1,213,483	\$ 10,198,743	\$ 27,538,192	\$ 211,489

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Seekonk Water District	Town of Somerset	Somerset Housing Authority	Somerset Berkley Schools
Net Pension Liability at December 31, 2022	\$ 1,238,224	\$ 43,036,800	\$ 790,314	\$ 3,760,429
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 45,754	\$ 1,590,263	\$ 29,203	\$ 138,953
Net difference between projected and actual investment earnings on pension plan investments	163,332	5,676,905	104,249	496,031
Changes of assumptions	78,828	2,739,829	50,313	239,398
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,495	319,292	8,708	159,992
Total Deferred Outflows of Resources	\$ 332,409	\$ 10,326,289	\$ 192,473	\$ 1,034,374
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 5,617	\$ 664,668	\$ 60,527	\$ 18,532
Total Deferred Inflows of Resources	\$ 5,617	\$ 664,668	\$ 60,527	\$ 18,532
Pension Expense:				
Proportionate share of plan pension expense	\$ 202,967	\$ 7,054,470	\$ 129,546	\$ 616,399
Net amortization of deferred amounts from changes in proportion	15,688	(78,128)	(11,432)	96,568
Total Employer Pension Expense	\$ 218,655	\$ 6,976,342	\$ 118,114	\$ 712,967
Covered payroll	\$ 780,834	\$ 12,625,170	\$ 256,116	\$ 1,521,861
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 105,961	\$ 3,059,326	\$ 46,047	\$ 370,636
June 30, 2025	74,581	2,063,462	24,518	225,659
June 30, 2026	64,147	1,745,685	17,885	173,133
June 30, 2027	81,946	2,788,932	44,059	246,017
June 30, 2028	157	4,216	(563)	397
Total Future Amortization of Deferred Outflows/(Inflows)	\$ 326,792	\$ 9,661,621	\$ 131,946	\$ 1,015,842
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,598,453	\$ 55,557,234	\$ 1,020,235	\$ 4,854,428
Current discount rate (7.35%)	\$ 1,238,224	\$ 43,036,800	\$ 790,314	\$ 3,760,429
1% increase (8.35%)	\$ 934,115	\$ 32,466,919	\$ 596,212	\$ 2,836,864

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Town of Swansea	Swansea Housing Authority	Swansea Water District	Town of Westport
Net Pension Liability at December 31, 2022	\$ 26,136,269	\$ 329,714	\$ 1,276,684	\$ 32,696,162
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 965,768	\$ 12,183	\$ 47,175	\$ 1,208,165
Net difference between projected and actual investment earnings on pension plan investments	3,447,587	43,492	168,405	4,312,891
Changes of assumptions	1,663,899	20,990	81,277	2,081,520
Changes in proportion and differences between employer contributions and proportionate share of contributions	199,285	42,185	82,803	227,851
<b>Total Deferred Outflows of Resources</b>	<b>\$ 6,276,539</b>	<b>\$ 118,850</b>	<b>\$ 379,660</b>	<b>\$ 7,830,427</b>
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 22,992	\$ 7,943	\$ -	\$ 2
<b>Total Deferred Inflows of Resources</b>	<b>\$ 22,992</b>	<b>\$ 7,943</b>	<b>\$ -</b>	<b>\$ 2</b>
Pension Expense:				
Proportionate share of plan pension expense	\$ 4,284,183	\$ 54,046	\$ 209,271	\$ 5,359,473
Net amortization of deferred amounts from changes in proportion	85,781	8,512	29,244	83,770
<b>Total Employer Pension Expense</b>	<b>\$ 4,369,964</b>	<b>\$ 62,558</b>	<b>\$ 238,515</b>	<b>\$ 5,443,243</b>
Covered payroll	\$ 9,679,397	\$ 67,663	\$ 850,836	\$ 12,132,966
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 1,993,424	\$ 32,903	\$ 123,145	\$ 2,472,214
June 30, 2025	1,390,171	30,155	94,584	1,758,681
June 30, 2026	1,166,197	25,429	75,645	1,467,826
June 30, 2027	1,701,371	22,387	86,014	2,128,662
June 30, 2028	2,384	33	272	3,042
<b>Total Future Amortization of Deferred Outflows/(Inflows)</b>	<b>\$ 6,253,547</b>	<b>\$ 110,907</b>	<b>\$ 379,660</b>	<b>\$ 7,830,425</b>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 33,739,935	\$ 425,635	\$ 1,648,102	\$ 42,208,260
Current discount rate (7.35%)	\$ 26,136,269	\$ 329,714	\$ 1,276,684	\$ 32,696,162
1% increase (8.35%)	\$ 19,717,175	\$ 248,736	\$ 963,129	\$ 24,665,952

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2022**

	Westport Housing Authority	North Raynham Water District	SE MA Regional Emerg. Com. District	TOTALS
Net Pension Liability at December 31, 2022	\$ 136,911	\$ 167,885	\$ 39,038	\$ 515,909,361
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 5,059	\$ 6,204	\$ 1,442	\$ 19,063,494
Net difference between projected and actual investment earnings on pension plan investments	18,060	22,145	5,149	68,052,653
Changes of assumptions	8,716	10,688	2,485	32,844,065
Changes in proportion and differences between employer contributions and proportionate share of contributions	305	120,546	17,454	8,721,310
Total Deferred Outflows of Resources	<u>\$ 32,140</u>	<u>\$ 159,583</u>	<u>\$ 26,530</u>	<u>\$ 128,681,522</u>
Deferred Inflows of Resources:				
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 8,079	\$ 109,085	\$ -	\$ 8,721,310
Total Deferred Inflows of Resources	<u>\$ 8,079</u>	<u>\$ 109,085</u>	<u>\$ -</u>	<u>\$ 8,721,310</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 22,442	\$ 27,520	\$ 6,400	\$ 84,567,057
Net amortization of deferred amounts from changes in proportion	(2,235)	16,320	5,274	-
Total Employer Pension Expense	<u>\$ 20,207</u>	<u>\$ 43,840</u>	<u>\$ 11,674</u>	<u>\$ 84,567,057</u>
Covered payroll	\$ 46,807	\$ 416,137	\$ 1,842,026	\$ 192,110,777
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2024	\$ 7,759	\$ 28,579	\$ 8,125	\$ 37,669,756
June 30, 2025	4,678	25,002	7,293	26,676,999
June 30, 2026	3,728	(11,604)	6,977	22,509,952
June 30, 2027	7,963	8,406	4,026	33,103,505
June 30, 2028	(67)	115	109	-
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 24,061</u>	<u>\$ 50,498</u>	<u>\$ 26,530</u>	<u>\$ 119,960,212</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 176,742	\$ 216,727	\$ 50,395	\$ 663,509,587
Current discount rate (7.35%)	\$ 136,911	\$ 167,885	\$ 39,038	\$ 515,909,361
1% increase (8.35%)	\$ 103,286	\$ 126,652	\$ 29,450	\$ 391,303,720

See notes to schedule of employer allocation and schedule of pension amounts by employer.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO PENSION PLAN SCHEDULES AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

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#### **A. INTRODUCTION**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB 68 requires employers to recognize a net pension liability or net pension asset as employees earn pension benefits. Employers participating in the Bristol County Contributory Retirement System (the "System") will recognize their proportionate share of the collective pension amounts for all benefits provided by the System.

#### **B. METHOD OF PROPORTIONATE SHARE ALLOCATION**

The basis for the proportionate share allocation by employer as found in the *Proportion of Net Pension Liability* column of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer is consistent with the manner in which regular employer contributions to the System are determined, subject to adjustments. The net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense is based upon actual historical employer contributions adjusted for the effects of nonproportional employer contributions like retired county sheriff employees and the effects of early retirement incentives.

#### **C. PENSION AMOUNTS BY EMPLOYER**

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows and inflows of resources, pension expense and other metrics for each of the System's participating employers. Reference is hereby made to the System's audited financial statements for the year ended December 31, 2022 for complete disclosure on the actuarial methods and assumptions used to determine these amounts.

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants



**BRISTOL COUNTY CONTRIBUTORY  
RETIREMENT SYSTEM**

Basic Financial Statements  
and Additional Information

Year Ended December 31, 2021

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

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DECEMBER 31, 2021**

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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Bristol County Retirement Board  
 Bristol County Contributory Retirement System  
 Taunton, Massachusetts

We have audited the accompanying financial statements of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**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 generally accepted auditing standards 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 generally accepted auditing standards, 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 System'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
August 19, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Bristol County Contributory Retirement System's (the "System") financial performance provides an overview of the System's financial activities for the calendar year ended December 31, 2021. You should read it in conjunction with the basic financial statements, footnotes and required supplementary information that follows this discussion.

### Financial Highlights

The System's funding objective is to meet long-term benefit obligations through contributions and investment income. The System's actuary estimates that the System is nearly 72% funded at December 31, 2021.

The System's fiduciary net position increased nearly \$119.5 million in 2021 to over \$938.4 million. Current year additions of over \$199.6 million exceeded deductions of approximately \$80.2 million. The current year increase in fiduciary net position was approximately \$45.4 million greater than the prior year. The System's investment performance for 2021, net of investment management fees, was approximately 15.5% versus 11.1% in 2020. The 2021 net investment return for the System exceeded its long-term expected discount rate, which is currently 7.35%.

### Overview of the Financial Statements

The basic financial statements are comprised of the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to Financial Statements and Required Supplementary Information. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP; specifically, GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The Statement of Fiduciary Net Position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position restricted for pensions. This statement reflects the System's investments at fair value, as well as cash, receivables and other assets and liabilities. Over time, the increase or decrease in fiduciary net position serves as a useful indicator of the System's financial health and condition.

The Statement of Changes in Fiduciary Net Position reports additions to and deductions from the System during the. This statement reflects contributions by members and participating employers along with deductions for retirement benefits, refunds, withdrawals and administrative expenses. Investment income, including realized and unrealized gains, during the year is also presented.

The Notes to the Financial Statements provide additional information that is essential for the reader to gain a full understanding of the data provided in the financial statements.

This report also includes Required Supplementary Information following the Notes to the Financial Statements that consists of the schedules of changes in net pension liability and related ratios, investment returns and contributions and the notes to the schedule of contributions.

**Financial Analysis**

The condensed comparative Statements of Net Position for the two most recent years are as follows:

	December 31,		Dollar Change	Percent Change
	2021	2020		
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,172,823	\$ 20,260,449	\$ (13,087,626)	-64.6%
Investments, at fair value	933,492,751	797,595,809	135,896,942	17.0%
Receivables and other assets	<u>4,799,082</u>	<u>5,305,811</u>	<u>(506,729)</u>	-9.6%
Total Assets	<u>945,464,656</u>	<u>823,162,069</u>	<u>122,302,587</u>	14.9%
Liabilities	<u>7,055,215</u>	<u>4,222,478</u>	<u>2,832,737</u>	67.1%
Fiduciary Net Position	<u>\$ 938,409,441</u>	<u>\$ 818,939,591</u>	<u>\$ 119,469,850</u>	14.6%

Total assets at December 31, 2021 approached \$945.5 million and principally consisted of investments reported at fair value. Total assets increased by approximately \$122.3 million in 2021, which was due primarily to positive investment performance of approximately 15.5%.

The System’s receivables and liabilities primarily consist of amounts due to other Massachusetts public pension systems and open investment trades. Fluctuations in these balances are generally attributable to timing matters.

The condensed comparative Statements of Changes in Fiduciary Net Position for the two most recent years are as follows:

	Year Ended December 31,		Dollar Change	Percent Change
	2021	2020		
<b>Additions:</b>				
Contributions	\$ 72,573,674	\$ 66,693,721	\$ 5,879,953	8.8%
Investment income, net	126,911,887	83,946,927	42,964,960	51.2%
Other income	<u>162,095</u>	<u>99,100</u>	<u>62,995</u>	63.6%
Total Additions	<u>199,647,656</u>	<u>150,739,748</u>	<u>48,907,908</u>	32.4%
<b>Deductions:</b>				
Benefits and refunds to Plan members	79,137,609	75,681,925	3,455,684	4.6%
Administrative and other expenses	<u>1,040,197</u>	<u>996,517</u>	<u>43,680</u>	4.4%
Total Deductions	<u>80,177,806</u>	<u>76,678,442</u>	<u>3,499,364</u>	4.6%
Change in Fiduciary Net Position	<u>\$ 119,469,850</u>	<u>\$ 74,061,306</u>	<u>\$ 45,408,544</u>	61.3%

Fiduciary net position increased nearly \$119.5 million in 2021, primarily as a result of net investment income of approximately \$126.9 million for the year.

Contributions to the System’s Fiduciary Net Position primarily include employer and employee contributions in addition to transfers from other retirement systems. Contributions for 2021 totaled approximately \$72.6 million versus \$66.7 million in 2020.

Employer contributions represent the largest source of System contributions. In 2021, employer contributions totaled approximately \$49.3 million, or 68% of total contributions, which was slightly lower than the prior year's ratio of 69%. Employer contributions are actuarially determined. Employee contributions totaled approximately \$18.6 million in 2021, which was approximately \$1.0 million, or 5%, greater than the prior year. This increase was due primarily to the effect normal pay raises.

Other contributions increased approximately \$1.4 million year-over-year. This increase was due primarily to an approximate \$1.2 million increase in membership transfers into the System from other Massachusetts public pension systems; this increase is primarily a function of the timing of employee movements throughout the Commonwealth.

Investment income is presented net of associated investment management expenses. In 2021, the System reported over \$126.9 million in net investment income versus approximately \$83.9 million in 2020. The System's money-weighted rates of return for 2021 and 2020 were approximately 15.5% and 11.1%, respectively.

Other income increased approximately \$63,000 year-over-year.

Deductions to the System's Fiduciary Net Position primarily include pension benefits to members and beneficiaries, refunds to inactive members, transfers and reimbursements to other Massachusetts public retirement systems and administrative expenses. Total deductions in 2021 increased nearly 5% from the prior year.

Pension benefits to members and beneficiaries represents the largest deduction from Fiduciary Net Position for the System. Pension benefits to members and beneficiaries represented approximately 92% of total 2021 and 2020 deductions. Pension benefits to members and beneficiaries increased nearly \$3.2 million, or nearly 5%, in 2021. This increase was due to a greater average number of beneficiaries paid year-over-year coupled with the normal annual cost-of-living adjustments paid by the System.

Member refunds together with transfers and reimbursements to other systems increased approximately \$285,000 in the aggregate year-over-year. Administrative expenses were relatively consistent year-over-year.

### **Overall Financial Position**

The System's positive investment performance in 2021 enabled it to maintain a nearly 72% funded ratio at December 31, 2021. The System's long-term investment returns as published by PERAC exceed the discount rate used by the System in its actuarial studies (currently 7.35%). Provided the System continues to garner strong investment performances, it is possible the System will achieve fully funded status on or before the expected date forecasted in the latest actuarial valuation of 2035.

The System maintains a large portion of its investments in pooled funds. Approximately 40% of these funds invest in private equity, venture capital and hedge funds. The determination of the value of these investments is very subjective and the ultimate amounts of gains and losses in some of these funds will not be determined until the underlying assets (i.e., the real estate or stock in the private companies) are sold. Furthermore, these types of investments are not as liquid as investments in savings accounts, money markets, certificates of deposits, government securities or debt and equity securities in publicly held U.S. corporations. You should refer to Notes 2 and 4 to these financial statements.

Although the System has been successful in garnering the yields necessary to achieve fully funded status in the required time frame, the System (like so many other institutional investors) has experienced a great deal of volatility in its investments. Management believes that the volatility in the worldwide markets may continue for the foreseeable future. Accordingly, management intends to actively monitor the System's investment positions to best maximize returns while mitigating risk as best as it can.

**Contacting the System's Financial Management Personnel**

Our discussion and analysis is designed to provide the Bristol County Retirement Board, participating employers, their membership, taxpayers, investors and creditors with a general overview of the System's financial results and to demonstrate the System's accountability for the funding it receives. If you have any questions about this report or need additional financial information, please contact the Retirement Board at 645 County Street, Taunton, Massachusetts 02780.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2021**

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Assets:	
Cash and cash equivalents	\$ 7,172,823
Investments, at fair value:	
Fixed income securities	47,199,798
Equity securities	161,502,540
Mutual funds	352,202,090
Private equity and venture capital funds	238,881,772
PRIT funds	<u>133,706,551</u>
Total investments	<u>933,492,751</u>
Receivables:	
Employer contributions	60,667
Employee contributions	1,176,590
Due from other Massachusetts public pension systems	1,915,245
Open trades	1,024,357
Dividends, distributions and interest income	<u>503,714</u>
Total receivables	<u>4,680,573</u>
Prepaid expenses	28,879
Capital assets, net of accumulated depreciation	<u>89,630</u>
Total Assets	<u>945,464,656</u>
Liabilities:	
Accounts payable and accrued expenses	3,220,995
Due to other Massachusetts public pension systems	2,917,927
Open trades	<u>916,293</u>
Total liabilities	<u>7,055,215</u>
Net Position Restricted for Pensions	<u>\$ 938,409,441</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2021**

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Additions:	
Employer contributions	\$ 49,349,749
Employee contributions	18,649,706
Other contributions	<u>4,574,219</u>
Total contributions	<u>72,573,674</u>
Investment income:	
Interest and dividends	18,030,835
Net appreciation in fair value of investments	122,229,731
Less investment management fees	<u>(13,348,679)</u>
Total net investment income	<u>126,911,887</u>
Other income	<u>162,095</u>
Total Additions	<u>199,647,656</u>
Deductions:	
Benefits and refunds to Plan members:	
Benefits to retirees and survivors	73,532,768
Member refunds	1,044,303
Transfers and reimbursements to other systems	4,560,538
Administrative expenses:	
Operations payroll and related personnel costs	731,602
Other	<u>308,595</u>
Total Deductions	<u>80,177,806</u>
Net Change in Net Position	119,469,850
Net Position Restricted for Pensions:	
Beginning of the year	<u>818,939,591</u>
End of the year	<u>\$ 938,409,441</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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**1. DESCRIPTION OF THE PLAN**

*General* – The Bristol County Contributory Retirement System (the “System”) is a cost-sharing, multiple-employer defined benefit pension plan established and administered by the Bristol County Retirement Board under the provisions of Chapter 32 of the Massachusetts General Laws (“MGL”).

Membership in the System is mandatory upon the commencement of permanent full-time employment for all eligible employees of the governments participating in the System. Teachers and certain other education employees are covered by a separate public employee pension system administered by the Massachusetts Teachers’ Retirement Board. Members do not participate in the federal Social Security system.

At December 31, 2021, membership in the System consisted of:

Retirees and beneficiaries currently receiving benefits	2,699
Active plan members	3,384
Inactive plan members	<u>872</u>
Membership totals	<u>6,955</u>
Participating employers	<u>40</u>

*Plan Benefits* – Massachusetts contributory retirement system benefits are uniform from one public pension system to another. For employees with service dates beginning before April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive three-year average annual rate of regular compensation. For those employees who began their service on or after April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive five-year average annual rate of regular compensation. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and group classification.

The retirement allowance consists of two parts – an annuity and a pension. Participants’ accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension.

Participants who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total contributions. In addition, depending upon the number of years of creditable service, such employees may be entitled to receive interest, which has accrued on those contributions. A vested employee who has not reached their eligible retirement age and elects to leave their accumulated total deductions on deposit may apply for benefits upon reaching their eligible retirement age.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

**Retirement Requirements** – In order to receive retirement benefits, participants must meet one of the following two categories:

- 1) Normal Retirement – Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012, may retire after twenty years of creditable service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain the age of 60 before they can retire. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55 or 60, as applicable. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.
- 2) Disability Retirements – The System provides for both an ordinary and accidental disability retirement. An ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. An accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of their duty.

The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The financial statements of the System have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America, or GAAP. Employer contributions are recognized when due and the employer is legally required to provide the contributions. Member contributions are recognized in the period in which the contributions are due. Investment income is recognized in the period earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, demand deposits and short-term holdings with original maturities of three months or less from the date of acquisition.

**Investments** – The carrying amounts of the System's investments approximate their fair value. When actively quoted observable prices are not available, the System generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the System’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (“NAV”). These are investments in nongovernmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

**Capital Assets** – The System reports capital assets net of accumulated depreciation. Capital assets include two commercial condominium units that serve as the System’s principal offices purchased in 1995 and 1997 with historical costs of \$253,900 and accumulated depreciation of \$164,270. The condominium units are being depreciated on a straight-line basis over their estimated useful lives (39 years). Depreciation expense of \$6,510 for the year ended December 31, 2021 is included in other administrative expenses.

### 3. SYSTEM ADMINISTRATION

The System is administered by a five-person Retirement Board consisting of the Bristol County Treasurer (ex-officio member), a second member appointed by the governing authority, two members elected by the System’s membership and a fifth member appointed by the advisory council.

At the time of this report, the Retirement Board was comprised as follows:

		<b><u>Term Expires</u></b>
Ex-Officio Member:	Mr. Christopher T. Saunders (Chair)	No date specified
Appointed Member:	Mr. John T. Saunders	No date specified
Elected Member:	Mr. Stephen J. Rivard	January 5, 2024
Elected Member:	Mr. William M. Downey	December 31, 2022
Board Appointed Member:	Ms. Christine DeFontes	December 31, 2023

The Retirement Board is required to meet monthly and keep a record of all its proceedings. The Retirement Board files an annual statement of financial condition to the Massachusetts Public Employee Retirement Administration Commission, or PERAC.

#### 4. DEPOSITS AND INVESTMENTS

MGL and PERAC regulations require the System to invest funds only in preapproved investment instruments.

**Custodial Credit Risk: Deposits** – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System’s policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation and other depository insurance coverage. At December 31, 2021, all the System’s bank deposits were fully insured.

**Custodial Credit Risk: Investments** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The System’s policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2021, the System was not exposed to custodial credit risk on its investments.

**Investment Policy** – The Retirement Board is responsible for the establishing and amending investment policy decisions. The Retirement Board adopted the investment policy in 2019. According to its investment policy, the System’s primary investment objective is to maximize the total rate of return subject to the preservation of capital, which is seeks to achieve through diversification of its investments across asset classes. The current investment policy establishes a custom index to benchmark its investment performance by asset class. The investment policy seeks to generate long-term investment performance that exceeds its actuarially targeted rates of return. The current target allocations based on the investment policy are as follows:

Asset Class	Target Policy Range	Long-Term Expected Real Rate of Return
Domestic equities	22.0%	4.7%
International equities	11.0%	4.9%
Emerging markets equities	11.0%	5.7%
Global REITs	2.0%	3.8%
Core fixed income	5.0%	0.3%
High yield fixed income	3.0%	2.2%
Emerging markets fixed income	4.0%	2.2%
Global fixed income	3.0%	0.2%
Private equity	12.0%	7.7%
Hedge funds	4.0%	2.5%
Real estate	11.0%	3.0%
Timber	3.0%	3.3%
Farmland	3.0%	4.9%
Infrastructure	6.0%	4.9%

**Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The 2021 money-weighted rate of return was approximately 15.5%.

**Fair Value Measurements: Investments** – The following table presents the fair value of the System’s investments carried at fair value on a recurring basis at December 31, 2021:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Fixed income securities:</b>				
U.S. Treasury notes	\$ 12,224,635	\$ 12,224,635	\$ -	\$ -
Other U.S. government issues	4,796,312	-	4,796,312	-
Corporate bonds	29,835,884	-	29,835,884	-
TIPS	342,967	-	342,967	-
<b>Total fixed income securities</b>	<b>47,199,798</b>	<b>12,224,635</b>	<b>34,975,163</b>	<b>-</b>
Equity securities	161,502,540	139,387,475	-	22,115,065
Mutual funds	204,325,764	169,312,386	35,013,378	-
<b>Total investments by fair value</b>	<b>413,028,102</b>	<b>\$ 320,924,496</b>	<b>\$ 69,988,541</b>	<b>\$ 22,115,065</b>
<b>Investments measured at NAV:</b>				
Mutual funds	147,876,326			
Private equity and venture capital funds	238,881,772			
PRIT funds	133,706,551			
<b>Total investments measured at NAV</b>	<b>520,464,649</b>			
<b>Total investments measured at fair value</b>	<b>\$ 933,492,751</b>			
<b>Investments Measured at NAV</b>				
<b>By Asset Class</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Mutual funds	\$ 147,876,326	\$ -	Daily	1 to 10 days
Private equity and venture capital funds	238,881,772	37,337,289	Ineligible	N/A
PRIT private equity funds	96,993,491	31,007,767	Ineligible	N/A
PRIT hedge fund	36,713,060	-	Quarterly	45 to 90 days
	<b>\$ 520,464,649</b>	<b>\$ 68,345,056</b>		

Investments measured at NAV include mutual funds, pooled funds in private equity or venture capital funds, and investments in Massachusetts Pension Reserve Investment Trust Fund, or PRIT. The System maintains several mutual funds whose fair values are determined using NAV.

Private equity and venture capital funds generally include investments in which the System is a general partner in a private equity, venture capital fund, real estate investment trust or similar investment vehicle. The value of these investments are recorded at values determined in good faith by the general partners of the private equity and venture capital firms after consideration of pertinent information, including current financial position and operative results, price-earnings multiples and available market prices of similar companies’ securities, the nature of the securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated. In addition, some investment managers will determine fair values of their funds based on independent, third-party appraisals. By their very nature, these investments are illiquid and typically cannot be resold or redeemed.

Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets for the funds will be liquidated over an average of ten years.

The PRIT funds are administered by the Commonwealth of Massachusetts’ Pension Reserve Investment Management Board. The specific investments held by the System include the PRIT hedge fund and six private equity funds, each of which consists of a diverse set of investments that include private equity, venture capital and real estate. The determination of the fair value of these investments is very subjective and the period-end values are reported to the System as NAV. Investments in the PRIT hedge fund is more liquid than investments in the PRIT private equity funds, which cannot be withdrawn until (and then only to the extent that) the individual portfolios are liquidated, which is expected to be between ten and fifteen years. Withdrawals from the PRIT hedge fund are made on the first business day of each calendar quarter upon thirty or more days’ notice.

Because of the inherent uncertainty of valuations used in many of the System’s investments measured at NAV, estimated values may differ significantly from the values that would have been used had a readily available market for positions in privately held companies or the real estate existed at December 31, 2021. These differences could have a material adverse effect on the System’s financial statements.

**Interest Rate Risk: Investments** – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Interest rate risk is managed within the portfolio using effective duration methodology.

At December 31, 2021, the System has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury notes	\$ 12,224,635	\$ -	\$ 4,426,964	\$ 1,711,539	\$ 6,086,132
Other U.S. government issues	4,796,312	-	799,882	566,438	3,429,992
Corporate bonds	29,835,884	256,857	7,419,027	6,318,188	15,841,812
TIPS	342,967	-	-	255,517	87,450
Investments with maturities	47,199,798	\$ 256,857	\$ 12,645,873	\$ 8,851,682	\$ 25,445,386
Equity securities	161,502,540				
Mutual funds	352,202,090				
Private equity and venture capital funds	238,881,772				
PRIT funds	133,706,551				
Investments without maturities	886,292,953				
Total investments	\$ 933,492,751				

**Credit Risk: Investments** – This is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. As previously noted, MGL and PERAC have enacted regulations to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by Moody’s Investor Services, Inc. and Standard and Poor’s Financial Services LLC. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion.

Credit quality ratings of the System's investments in debt securities at December 31, 2021 were as follows:

Quality Rating (Moody's)	U.S. Treasury Notes	Other U.S. Government Issues	Corporate Bonds	TIPS	Total
Aaa	\$ 12,224,635	\$ -	\$ 5,829,815	\$ 342,967	\$ 18,397,417
Aa1	-	-	146,956	-	146,956
Aa2	-	122,166	134,967	-	257,133
Aa3	-	89,561	777,078	-	866,639
A1	-	433,356	1,460,676	-	1,894,032
A2	-	248,599	1,947,168	-	2,195,767
A3	-	-	1,993,609	-	1,993,609
Baa1	-	-	1,468,111	-	1,468,111
Baa2	-	-	2,240,975	-	2,240,975
Baa3	-	-	575,255	-	575,255
Ba1	-	-	256,858	-	256,858
Ba2	-	-	360,705	-	360,705
B1	-	-	858,942	-	858,942
B2	-	-	164,983	-	164,983
Not Rated	-	3,902,630	11,619,786	-	15,522,416
	<u>\$ 12,224,635</u>	<u>\$ 4,796,312</u>	<u>\$ 29,835,884</u>	<u>\$ 342,967</u>	<u>\$ 47,199,798</u>

**Concentration of Credit Risk: Investments** – The System did not maintain any individual investments in excess of 5% of its total investments at December 31, 2021.

**Foreign Currency Risk: Investments** –The System did not hold any specific individual security denominated in a foreign currency at December 31, 2021.

## 5. FUNDING

**Employer Contributions** – Under MGL, participating employers are assessed their share of the total retirement cost based on an independent actuarial study. Employer contributions totaled \$49,349,749 in 2021.

**Employee Contributions** – Employee contribution rates vary based on when an employee commenced their creditable service. Active members contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on when their creditable service commenced. Active members hired after January 1, 1979 contribute an additional 2% of their regular gross compensation over \$30,000.

**Cost of Living Adjustments** – Cost-of-living adjustments granted between 1981 and 1997 and any increase in other pension benefits imposed by the Commonwealth of Massachusetts during those years are the financial responsibility of the Commonwealth. The Commonwealth is expected to continue funding the cost-of-living amounts granted over this period for the duration of their selected retirement option. Cost-of-living adjustments granted after 1997 must be approved and funded by the System. Cost-of-living adjustments cannot exceed the greater of CPI or 3%. The System approved a 3% cost-of-living adjustment on the first \$18,000 of pension benefits.

**6. NET PENSION LIABILITY**

The components of the net pension liability at December 31, 2021 (dollar amounts in thousands) were as follows:

Total pension liability	\$ 1,310,589
Plan fiduciary net position	<u>938,409</u>
Net pension liability	<u>\$ 372,180</u>
Plan fiduciary net position as a percentage of total pension liability	71.6%

The total pension liability was determined by an actuarial valuation as of January 1, 2022, which was rolled back to a measurement date of December 31, 2021. The significant actuarial assumptions used in this valuation for all periods were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.35%, net of expenses (previously 7.5%)
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2021 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.
	For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

**Expected Real Rate of Return** – The long-term expected rate of return on System investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target allocation as of December 31, 2021 are summarized in the investment policy table in Note 4.

**Discount Rate** – The discount rate used to measure the total pension liability in the December 31, 2021 actuarial valuation report was 7.35%, which is a reduction from the previous discount rate of 7.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis** – The following illustrates the net pension liability at December 31, 2021 calculated using the current discount rate of 7.35%, as well as the projection of what the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate (dollar amounts in thousands):

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.35%	\$ 517,310	\$ 372,180	\$ 249,684

**7. LEGALLY REQUIRED RESERVE ACCOUNTS**

Net position restricted for pensions at December 31, 2021 was comprised of the following legally required reserve funds:

Description	Amount	Purpose
Annuity Savings Fund	\$ 179,398,931	Balance of active members' contributions
Annuity Reserve Fund	54,849,513	Balance of retired members' contributions
Pension Fund	4,749,652	Amounts appropriated to fund future retirement
Military Service Fund	120,846	Amounts appropriated to fund military service time
Pension Reserve Fund	<u>699,290,499</u>	Remaining fiduciary net position
	<u>\$ 938,409,441</u>	

**8. COMMITMENTS AND CONTINGENCIES**

The System is subject to a variety of claims that arise from time to time during the ordinary course of business. Although management of the System currently believes that resolving claims against the System, individually or in aggregate, will not have a material adverse effect on the System’s financial position or its results of operations, these matters are subject to inherent uncertainties and management’s views of these matters may change in the future.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

*(dollar amounts are in thousands)*

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 22,038	\$ 21,396	\$ 17,397	\$ 16,890	\$ 16,359	\$ 15,729	\$ 15,124	\$ 16,427
Interest	93,000	90,101	77,387	75,601	70,979	69,257	68,495	68,539
Changes in benefit terms	-	-	-	-	-	-	8,063	-
Differences in experience	1,915	-	72,974	-	39,173	-	23,511	-
Changes in assumptions	12,913	-	101,902	-	-	-	(13,808)	-
Benefit payments, including refunds	(74,477)	(72,487)	(69,229)	(69,388)	(65,483)	(61,383)	(62,046)	(56,582)
Net change in total pension liability	55,389	39,010	200,431	23,103	61,028	23,603	39,339	28,384
Total pension liability - beginning of year	1,255,200	1,216,190	1,015,759	992,656	931,628	908,025	868,686	840,302
Total pension liability - end of year (a)	\$ 1,310,589	\$ 1,255,200	\$ 1,216,190	\$ 1,015,759	\$ 992,656	\$ 931,628	\$ 908,025	\$ 868,686
Plan fiduciary net position:								
Contributions - employee	\$ 18,650	\$ 17,688	\$ 17,214	\$ 16,244	\$ 15,692	\$ 15,081	\$ 14,178	\$ 13,676
Contributions - employer	49,350	45,850	42,995	39,176	37,652	36,312	34,411	32,676
Contributions - nonemployer contributions	4,574	3,156	3,703	3,984	3,512	3,570	4,062	2,957
Net investment income	126,912	83,947	110,063	(24,950)	92,188	33,680	(5,680)	26,655
Benefit payments, including refunds	(79,138)	(75,682)	(73,197)	(69,388)	(65,483)	(61,383)	(59,773)	(54,446)
Administrative expenses	(1,040)	(996)	(909)	(961)	(919)	(1,150)	1,405	(1,049)
Other	162	98	223	73	182	76	31	46
Net change in plan fiduciary net position	119,470	74,061	100,092	(35,822)	82,824	26,186	(11,366)	20,515
Plan fiduciary net position - beginning of year	818,939	744,878	644,786	680,608	597,784	571,598	582,964	562,449
Plan fiduciary net position - end of year (b)	\$ 938,409	\$ 818,939	\$ 744,878	\$ 644,786	\$ 680,608	\$ 597,784	\$ 571,598	\$ 582,964
Net pension liability - end of year (a) - (b)	\$ 372,180	\$ 436,261	\$ 471,312	\$ 370,973	\$ 312,048	\$ 333,844	\$ 336,427	\$ 285,722
Plan fiduciary net position as a percentage of the total pension liability	71.6%	65.2%	61.2%	63.5%	68.6%	64.2%	62.9%	67.1%
Covered payroll (calendar year basis)	\$ 185,745	\$ 179,693	\$ 173,667	\$ 165,459	\$ 164,457	\$ 155,392	\$ 152,407	\$ 141,877
Net pension liability as a percentage of covered payroll	200.4%	242.8%	271.4%	224.2%	189.7%	214.8%	220.7%	201.4%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CONTRIBUTIONS**

*(dollar amounts are in thousands)*

For Fiscal Year Ended June 30,	Contributions in Relation to the			Covered Payroll <i>(fiscal year basis)</i>	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)		
2021	\$ 49,347	\$ 49,350	\$ (3)	\$ 188,928	26.1%
2020	45,815	45,884	(69)	182,485	25.1%
2019	42,962	42,995	(33)	176,680	24.3%
2018	39,176	39,176	-	165,459	23.7%
2017	37,652	37,652	-	164,457	22.9%
2016	35,952	36,312	(360)	155,392	23.4%
2015	33,761	34,411	(650)	152,407	22.6%
2014	32,216	32,216	-	141,877	22.7%

**SCHEDULE OF INVESTMENT RETURNS**

For Year Ended December 31,	Annual Money-Weighted Rate of Return *
2021	15.49%
2020	11.13%
2019	16.94%
2018	-4.61%
2017	15.65%
2016	2.94%
2015	-0.55%
2014	5.29%

\* Net of investment expenses.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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#### **A. CHANGES OF BENEFIT TERMS**

The Bristol County Contributory Retirement System (the "System") may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the System's benefit terms in 2021.

#### **B. SIGNIFICANT ACTUARIAL ASSUMPTIONS AND METHODS**

The significant actuarial assumptions used in the latest actuarial valuation were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.35%, net of expenses (previously 7.5%)
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2021 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.  For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

#### **C. CHANGES TO ACTUARIAL ASSUMPTIONS AND METHODS**

The System decreased the discount rate used in its actuarial valuation to 7.35% from 7.5%. Additionally, the mortality projection scale was updated from MP-2019 to MP-2021.



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**INDEPENDENT AUDITORS' REPORT ON AUDIT OF SPECIFIC ELEMENTS,  
 ACCOUNTS AND ITEMS OF FINANCIAL STATEMENTS**

To the Honorable Bristol County Retirement Board  
 Bristol County Contributory Retirement System  
 Taunton, Massachusetts

**Opinion**

We have audited the accompanying schedule of employer allocations of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2021 and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense (the specified column totals) included in the accompanying schedule of pension amounts by employer of the System, and related notes thereto. Collectively, these are referred to as the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the System as of and for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit 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 Schedule section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Schedules**

Management is responsible for the preparation and fair presentation of the Schedules 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 the Schedules that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibilities for the Audit of the Schedules**

Our objectives are to obtain reasonable assurance about whether the Schedules 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 Schedules.

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 Schedules, 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 Schedules.
- 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 System'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 evaluating the overall presentation of the Schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

### **Other Matter**

We have audited, in accordance with GAAS, the financial statements of the System as of and for the year ended December 31, 2021, and our report thereon, dated August 19, 2022, expressed an unmodified opinion on those financial statements.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
August 19, 2022

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF EMPLOYER ALLOCATIONS  
YEAR ENDED DECEMBER 31, 2021**

Employer	FY 2022 Pension Fund Appropriation	ERI, Sheriffs' Liability and Other	FY 2022 Total Appropriation	Proportion of Contribution Effort		Proportion of Net Pension Liability
				FY 2022 Pension Fund Appropriation	FY 2022 Total Appropriation	
Bristol County	\$ 1,592,940	\$ 2,905,317	\$ 4,498,257	3.5036%	9.1151%	6.2981%
Town of Acushnet	1,493,970	19,031	1,513,001	3.2859%	3.0659%	3.1904%
Acushnet Housing Authority	21,503	-	21,503	0.0473%	0.0436%	0.0458%
Town of Berkley	709,898	10,793	720,691	1.5614%	1.4604%	1.5165%
Town of Dartmouth	5,513,339	341,079	5,854,418	12.1264%	11.8631%	11.8070%
Dartmouth Housing Authority	89,194	-	89,194	0.1962%	0.1807%	0.1902%
Dartmouth Fire District No. 1	78,497	-	78,497	0.1727%	0.1591%	0.1674%
Dartmouth Fire District No. 2	45,242	-	45,242	0.0995%	0.0917%	0.0965%
Dartmouth Fire District No. 3	144,732	-	144,732	0.3183%	0.2933%	0.3086%
Town of Dighton	846,163	44,205	890,368	1.8611%	1.8042%	1.8041%
Dighton Housing Authority	14,361	-	14,361	0.0316%	0.0291%	0.0306%
Dighton-Rehoboth Regional School	1,026,837	-	1,026,837	2.2585%	2.0807%	2.1893%
Dighton Water District	124,067	-	124,067	0.2729%	0.2514%	0.2645%
Town of Easton	5,100,875	-	5,100,875	11.2192%	10.3362%	10.8755%
Easton Housing Authority	95,417	-	95,417	0.2099%	0.1933%	0.2034%
Town of Freetown	1,237,257	60,828	1,298,085	2.7213%	2.6304%	2.6449%
Freetown-Lakeville Regional School	927,895	-	927,895	2.0409%	1.8802%	1.9784%
Town of Mansfield	5,896,188	66,303	5,962,491	12.9684%	12.0821%	12.5712%
Mansfield Housing Authority	76,324	-	76,324	0.1679%	0.1547%	0.1627%
Bristol County Mosquito Control	146,642	20,475	167,117	0.3225%	0.3386%	0.3182%
Town of Norton	3,365,604	-	3,365,604	7.4025%	6.8199%	7.1758%
Norton Housing Authority	46,081	-	46,081	0.1014%	0.0934%	0.0982%
Town of Raynham	2,336,605	102,532	2,439,137	5.1393%	4.9426%	5.0096%
Raynham Housing Authority	50,567	5,073	55,640	0.1112%	0.1127%	0.1078%
Raynham Water District	142,697	-	142,697	0.3139%	0.2892%	0.3042%
Town of Rehoboth	1,214,982	-	1,214,982	2.6723%	2.4620%	2.5904%
Town of Seekonk	3,277,834	87,593	3,365,427	7.2095%	6.8195%	6.9886%
Seekonk Housing Authority	25,108	7,378	32,486	0.0552%	0.0658%	0.0555%
Seekonk Water District	110,687	-	110,687	0.2435%	0.2243%	0.2360%
Town of Somerset	3,855,206	-	3,855,206	8.4794%	7.8120%	8.2196%
Somerset Housing Authority	75,169	(3,476)	71,693	0.1653%	0.1453%	0.1603%
Somerset Berkley Schools	336,663	-	336,663	0.7405%	0.6822%	0.7178%
Town of Swansea	2,342,916	61,099	2,404,015	5.1531%	4.8714%	5.0119%
Swansea Housing Authority	29,595	7,838	37,433	0.0651%	0.0759%	0.0652%
Swansea Water District	113,535	17,430	130,965	0.2497%	0.2654%	0.2468%
Town of Westport	2,930,956	129,596	3,060,552	6.4465%	6.2018%	6.2845%
Westport Housing Authority	13,022	904	13,926	0.0286%	0.0282%	0.0278%
North Raynham Water District	14,388	-	14,388	0.0316%	0.0292%	0.0307%
SE MA Regional Emerg. Com. District	2,795	-	2,795	0.0061%	0.0057%	0.0060%
<b>Total</b>	<b>\$ 45,465,751</b>	<b>\$ 3,883,998</b>	<b>\$ 49,349,749</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Bristol County	Town of Acushnet	Acushnet Housing Authority	Town of Berkley
Net Pension Liability at December 31, 2021	\$ 23,440,279	\$ 11,874,144	\$ 170,631	\$ 5,644,067
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 2,091,463	\$ 1,059,473	\$ 15,225	\$ 503,593
Changes of assumptions	3,438,950	1,742,069	25,033	828,048
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>773,039</u>	<u>114,043</u>	<u>90</u>	<u>301,079</u>
Total Deferred Outflows of Resources	<u>\$ 6,303,452</u>	<u>\$ 2,915,585</u>	<u>\$ 40,348</u>	<u>\$ 1,632,720</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 4,964,834	\$ 2,515,031	\$ 36,141	\$ 1,195,455
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>3,057,907</u>	<u>76,297</u>	<u>47,015</u>	<u>30,645</u>
Total Deferred Inflows of Resources	<u>\$ 8,022,741</u>	<u>\$ 2,591,328</u>	<u>\$ 83,156</u>	<u>\$ 1,226,100</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 3,352,952	\$ 1,697,960	\$ 24,400	\$ 807,081
Net amortization of deferred amounts from changes in proportion	<u>(1,116,669)</u>	<u>25,095</u>	<u>(11,608)</u>	<u>68,881</u>
Total Employer Pension Expense	<u>\$ 2,236,283</u>	<u>\$ 1,723,055</u>	<u>\$ 12,792</u>	<u>\$ 875,962</u>
Covered payroll	\$ 5,545,928	\$ 6,194,086	\$ 103,013	\$ 3,995,334
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 165,612	\$ 671,488	\$ (2,321)	\$ 376,061
June 30, 2024	(788,520)	178,162	(9,478)	141,487
June 30, 2025	(555,261)	(202,651)	(14,415)	(31,409)
June 30, 2026	(562,059)	(332,312)	(15,661)	(90,755)
June 30, 2027	<u>20,939</u>	<u>9,570</u>	<u>(933)</u>	<u>11,236</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ (1,719,289)</u>	<u>\$ 324,257</u>	<u>\$ (42,808)</u>	<u>\$ 406,620</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 28,525,056	\$ 16,643,002	\$ 239,270	\$ 7,910,112
Current discount rate (7.35%)	\$ 23,440,279	\$ 11,874,144	\$ 170,631	\$ 5,644,067
1% increase (8.35%)	\$ 19,148,508	\$ 7,849,023	\$ 112,696	\$ 3,731,428

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Town of Dartmouth	Dartmouth Housing Authority	Dartmouth Fire District No. 1	Dartmouth Fire District No. 2
Net Pension Liability at December 31, 2021	\$ 43,943,242	\$ 707,772	\$ 622,889	\$ 359,004
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 3,920,843	\$ 63,151	\$ 55,557	\$ 32,032
Changes of assumptions	6,446,963	103,838	91,385	52,670
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>495,847</u>	<u>42,278</u>	<u>124,291</u>	<u>161,051</u>
Total Deferred Outflows of Resources	<u>\$ 10,863,653</u>	<u>\$ 209,267</u>	<u>\$ 271,233</u>	<u>\$ 245,753</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 9,307,502	\$ 149,911	\$ 131,933	\$ 76,040
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,621,943</u>	<u>41,436</u>	<u>5,416</u>	<u>2,271</u>
Total Deferred Inflows of Resources	<u>\$ 10,929,445</u>	<u>\$ 191,347</u>	<u>\$ 137,349</u>	<u>\$ 78,311</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 6,283,739	\$ 101,209	\$ 89,091	\$ 51,336
Net amortization of deferred amounts from changes in proportion	<u>(343,523)</u>	<u>7,931</u>	<u>41,509</u>	<u>43,724</u>
Total Employer Pension Expense	<u>\$ 5,940,216</u>	<u>\$ 109,140</u>	<u>\$ 130,600</u>	<u>\$ 95,060</u>
Covered payroll	\$ 20,939,905	\$ 371,298	\$ 122,236	\$ 200,834
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 2,053,017	\$ 46,454	\$ 75,408	\$ 63,266
June 30, 2024	241,792	17,092	49,561	48,354
June 30, 2025	(915,076)	(16,665)	10,801	29,640
June 30, 2026	(1,451,810)	(28,667)	(3,750)	22,626
June 30, 2027	<u>6,285</u>	<u>(294)</u>	<u>1,864</u>	<u>3,556</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ (65,792)</u>	<u>\$ 17,920</u>	<u>\$ 133,884</u>	<u>\$ 167,442</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 61,542,211	\$ 992,486	\$ 873,457	\$ 503,420
Current discount rate (7.35%)	\$ 43,943,242	\$ 707,772	\$ 622,889	\$ 359,004
1% increase (8.35%)	\$ 29,088,956	\$ 467,462	\$ 411,399	\$ 237,111

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Dartmouth Fire District No. 3	Town of Dighton	Dighton Housing Authority	Dighton- Rehoboth Regional School
Net Pension Liability at December 31, 2021	\$ 1,148,477	\$ 6,714,472	\$ 113,957	\$ 8,148,156
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 102,473	\$ 599,100	\$ 10,168	\$ 727,021
Changes of assumptions	168,494	985,088	16,719	1,195,425
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>244,504</u>	<u>152,511</u>	<u>25,355</u>	<u>89,930</u>
Total Deferred Outflows of Resources	<u>\$ 515,471</u>	<u>\$ 1,736,699</u>	<u>\$ 52,242</u>	<u>\$ 2,012,376</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 243,256	\$ 1,422,175	\$ 24,137	\$ 1,725,839
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>14,455</u>	<u>30,493</u>	<u>11,007</u>	<u>101,834</u>
Total Deferred Inflows of Resources	<u>\$ 257,711</u>	<u>\$ 1,452,668</u>	<u>\$ 35,144</u>	<u>\$ 1,827,673</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 164,227	\$ 960,145	\$ 16,297	\$ 1,165,157
Net amortization of deferred amounts from changes in proportion	<u>79,474</u>	<u>26,693</u>	<u>8,293</u>	<u>10,373</u>
Total Employer Pension Expense	<u>\$ 243,701</u>	<u>\$ 986,838</u>	<u>\$ 24,590</u>	<u>\$ 1,175,530</u>
Covered payroll	\$ 918,980	\$ 4,496,922	\$ 101,799	\$ 4,275,074
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 141,966	\$ 392,790	\$ 14,489	\$ 453,664
June 30, 2024	94,266	115,712	9,773	114,376
June 30, 2025	21,988	(73,634)	(1,310)	(153,104)
June 30, 2026	(4,243)	(158,272)	(5,697)	(236,354)
June 30, 2027	<u>3,783</u>	<u>7,435</u>	<u>(157)</u>	<u>6,121</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 257,760</u>	<u>\$ 284,031</u>	<u>\$ 17,098</u>	<u>\$ 184,703</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,610,472	\$ 9,415,484	\$ 159,799	\$ 11,425,893
Current discount rate (7.35%)	\$ 1,148,477	\$ 6,714,472	\$ 113,957	\$ 8,148,156
1% increase (8.35%)	\$ 758,534	\$ 4,434,702	\$ 75,265	\$ 5,381,606

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Dighton Water District	Town of Easton	Easton Housing Authority	Town of Freetown
Net Pension Liability at December 31, 2021	\$ 984,496	\$ 40,476,459	\$ 757,153	\$ 9,843,724
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 87,842	\$ 3,611,519	\$ 67,577	\$ 878,308
Changes of assumptions	144,437	5,938,348	111,083	1,444,184
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>101,746</u>	<u>526,701</u>	<u>179</u>	<u>382,786</u>
Total Deferred Outflows of Resources	<u>\$ 334,025</u>	<u>\$ 10,076,568</u>	<u>\$ 178,839</u>	<u>\$ 2,705,278</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 208,524	\$ 8,573,212	\$ 160,371	\$ 2,084,973
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>7,599</u>	<u>1,437,575</u>	<u>54,155</u>	<u>546,546</u>
Total Deferred Inflows of Resources	<u>\$ 216,123</u>	<u>\$ 10,010,787</u>	<u>\$ 214,526</u>	<u>\$ 2,631,519</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 140,778	\$ 5,787,983	\$ 108,249	\$ 1,407,619
Net amortization of deferred amounts from changes in proportion	<u>27,196</u>	<u>(140,519)</u>	<u>(17,195)</u>	<u>17,880</u>
Total Employer Pension Expense	<u>\$ 167,974</u>	<u>\$ 5,647,464</u>	<u>\$ 91,054</u>	<u>\$ 1,425,499</u>
Covered payroll	\$ 752,970	\$ 18,667,935	\$ 369,247	\$ 4,584,719
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 80,811	\$ 2,062,069	\$ 23,994	\$ 554,520
June 30, 2024	39,946	378,218	(7,544)	148,159
June 30, 2025	3,522	(975,323)	(23,912)	(227,322)
June 30, 2026	(9,037)	(1,406,104)	(28,184)	(395,990)
June 30, 2027	<u>2,660</u>	<u>6,921</u>	<u>(41)</u>	<u>(5,608)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 117,902</u>	<u>\$ 65,781</u>	<u>\$ (35,687)</u>	<u>\$ 73,759</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,380,527	\$ 56,758,814	\$ 1,061,731	\$ 13,793,136
Current discount rate (7.35%)	\$ 984,496	\$ 40,476,459	\$ 757,153	\$ 9,843,724
1% increase (8.35%)	\$ 650,229	\$ 26,733,453	\$ 500,076	\$ 6,510,251

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Freetown- Lakeville Regional School	Town of Mansfield	Mansfield Housing Authority	Bristol County Mosquito Control
Net Pension Liability at December 31, 2021	\$ 7,363,032	\$ 46,787,426	\$ 605,646	\$ 1,184,285
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 656,968	\$ 4,174,616	\$ 54,039	\$ 105,668
Changes of assumptions	1,080,239	6,864,237	88,855	173,748
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>206,517</u>	<u>2,835,031</u>	<u>66,543</u>	<u>43,261</u>
Total Deferred Outflows of Resources	<u>\$ 1,943,724</u>	<u>\$ 13,873,884</u>	<u>\$ 209,437</u>	<u>\$ 322,677</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,559,544	\$ 9,909,921	\$ 128,280	\$ 250,840
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>149,307</u>	<u>263,272</u>	<u>50,306</u>	<u>58,799</u>
Total Deferred Inflows of Resources	<u>\$ 1,708,851</u>	<u>\$ 10,173,193</u>	<u>\$ 178,586</u>	<u>\$ 309,639</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 1,052,885	\$ 6,690,427	\$ 86,605	\$ 169,351
Net amortization of deferred amounts from changes in proportion	<u>49,812</u>	<u>754,386</u>	<u>(4,853)</u>	<u>(3,052)</u>
Total Employer Pension Expense	<u>\$ 1,102,697</u>	<u>\$ 7,444,813</u>	<u>\$ 81,752</u>	<u>\$ 166,299</u>
Covered payroll	\$ 4,703,389	\$ 24,818,140	\$ 503,950	\$ 828,889
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 450,386	\$ 3,301,598	\$ 28,094	\$ 61,705
June 30, 2024	143,750	1,359,248	2,919	13,479
June 30, 2025	(136,065)	(242,862)	(1,229)	(19,994)
June 30, 2026	(227,362)	(805,231)	(1,027)	(41,785)
June 30, 2027	<u>4,164</u>	<u>87,938</u>	<u>2,094</u>	<u>(367)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 234,873</u>	<u>\$ 3,700,691</u>	<u>\$ 30,851</u>	<u>\$ 13,038</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 10,324,938	\$ 65,608,477	\$ 849,278	\$ 1,652,377
Current discount rate (7.35%)	\$ 7,363,032	\$ 46,787,426	\$ 605,646	\$ 1,184,285
1% increase (8.35%)	\$ 4,863,055	\$ 30,901,652	\$ 400,011	\$ 789,196

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Town of Norton	Norton Housing Authority	Town of Raynham	Raynham Housing Authority
Net Pension Liability at December 31, 2021	\$ 26,706,738	\$ 365,662	\$ 18,644,839	\$ 401,259
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 2,382,913	\$ 32,626	\$ 1,663,589	\$ 35,802
Changes of assumptions	3,918,176	53,647	2,735,406	58,869
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>367,341</u>	<u>8,127</u>	<u>111,900</u>	<u>92</u>
Total Deferred Outflows of Resources	<u>\$ 6,668,430</u>	<u>\$ 94,400</u>	<u>\$ 4,510,895</u>	<u>\$ 94,763</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 5,656,684	\$ 77,450	\$ 3,949,114	\$ 84,990
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>423,214</u>	<u>15,049</u>	<u>389,988</u>	<u>65,968</u>
Total Deferred Inflows of Resources	<u>\$ 6,079,898</u>	<u>\$ 92,499</u>	<u>\$ 4,339,102</u>	<u>\$ 150,958</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 3,818,964	\$ 52,289	\$ 2,666,153	\$ 57,379
Net amortization of deferred amounts from changes in proportion	<u>44,420</u>	<u>(311)</u>	<u>(58,663)</u>	<u>(22,463)</u>
Total Employer Pension Expense	<u>\$ 3,863,384</u>	<u>\$ 51,978</u>	<u>\$ 2,607,490</u>	<u>\$ 34,916</u>
Covered payroll	\$ 14,401,168	\$ 233,653	\$ 9,864,582	\$ 207,842
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 1,497,810	\$ 19,579	\$ 957,396	\$ (2,022)
June 30, 2024	387,115	4,344	186,438	(18,732)
June 30, 2025	(512,095)	(8,902)	(373,566)	(18,362)
June 30, 2026	(801,396)	(13,142)	(603,558)	(16,851)
June 30, 2027	<u>17,098</u>	<u>22</u>	<u>5,083</u>	<u>(228)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 588,532</u>	<u>\$ 1,901</u>	<u>\$ 171,793</u>	<u>\$ (56,195)</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 37,449,985	\$ 512,756	\$ 26,103,448	\$ 562,673
Current discount rate (7.35%)	\$ 26,706,738	\$ 365,662	\$ 18,644,839	\$ 401,259
1% increase (8.35%)	\$ 17,638,977	\$ 241,508	\$ 12,349,453	\$ 265,019

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Raynham Water District	Town of Rehoboth	Town of Seekonk	Seekonk Housing Authority
Net Pension Liability at December 31, 2021	\$ 1,132,329	\$ 9,641,124	\$ 26,010,266	\$ 206,678
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 101,032	\$ 860,231	\$ 2,320,770	\$ 18,441
Changes of assumptions	166,125	1,414,460	3,815,996	30,322
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>151,592</u>	<u>623,368</u>	<u>953,352</u>	<u>17,075</u>
Total Deferred Outflows of Resources	<u>\$ 418,749</u>	<u>\$ 2,898,059</u>	<u>\$ 7,090,118</u>	<u>\$ 65,838</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 239,836	\$ 2,042,061	\$ 5,509,166	\$ 43,776
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>117,464</u>	<u>98,521</u>	<u>234,786</u>	<u>26,170</u>
Total Deferred Inflows of Resources	<u>\$ 357,300</u>	<u>\$ 2,140,582</u>	<u>\$ 5,743,952</u>	<u>\$ 69,946</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 161,920	\$ 1,378,646	\$ 3,719,372	\$ 29,556
Net amortization of deferred amounts from changes in proportion	<u>36,688</u>	<u>199,683</u>	<u>130,910</u>	<u>(4,990)</u>
Total Employer Pension Expense	<u>\$ 198,608</u>	<u>\$ 1,578,329</u>	<u>\$ 3,850,282</u>	<u>\$ 24,566</u>
Covered payroll	\$ 683,857	\$ 4,617,909	\$ 14,323,105	\$ 59,824
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 98,348	\$ 724,361	\$ 1,547,662	\$ 6,355
June 30, 2024	51,406	323,466	469,921	(1,930)
June 30, 2025	(28,161)	(82,238)	(226,865)	(2,477)
June 30, 2026	(58,414)	(221,116)	(488,044)	(6,031)
June 30, 2027	<u>(1,730)</u>	<u>13,004</u>	<u>43,492</u>	<u>(25)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 61,449</u>	<u>\$ 757,477</u>	<u>\$ 1,346,166</u>	<u>\$ (4,108)</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,587,828	\$ 13,519,433	\$ 36,473,345	\$ 286,825
Current discount rate (7.35%)	\$ 1,132,329	\$ 9,641,124	\$ 26,010,266	\$ 206,678
1% increase (8.35%)	\$ 747,868	\$ 6,367,665	\$ 17,178,978	\$ 139,031

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Seekonk Water District	Town of Somerset	Somerset Housing Authority	Somerset Berkley Schools
Net Pension Liability at December 31, 2021	\$ 878,323	\$ 30,591,828	\$ 596,481	\$ 2,671,488
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 78,369	\$ 2,729,561	\$ 53,221	\$ 238,364
Changes of assumptions	128,860	4,488,162	87,510	391,937
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>54,641</u>	<u>264,026</u>	<u>15,634</u>	<u>244,332</u>
Total Deferred Outflows of Resources	<u>\$ 261,870</u>	<u>\$ 7,481,749</u>	<u>\$ 156,365</u>	<u>\$ 874,633</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 186,035	\$ 6,479,574	\$ 126,339	\$ 565,841
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>8,060</u>	<u>902,535</u>	<u>50,165</u>	<u>26,589</u>
Total Deferred Inflows of Resources	<u>\$ 194,095</u>	<u>\$ 7,382,109</u>	<u>\$ 176,504</u>	<u>\$ 592,430</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 125,594	\$ 4,374,518	\$ 85,295	\$ 382,013
Net amortization of deferred amounts from changes in proportion	<u>14,148</u>	<u>(119,011)</u>	<u>(4,211)</u>	<u>92,739</u>
Total Employer Pension Expense	<u>\$ 139,742</u>	<u>\$ 4,255,507</u>	<u>\$ 81,084</u>	<u>\$ 474,752</u>
Covered payroll	\$ 757,414	\$ 12,195,190	\$ 249,261	\$ 1,482,641
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 61,961	\$ 1,545,927	\$ 26,687	\$ 238,095
June 30, 2024	25,449	274,011	1,756	126,950
June 30, 2025	(5,492)	(708,409)	(20,551)	(16,807)
June 30, 2026	(15,759)	(1,021,090)	(27,476)	(68,871)
June 30, 2027	<u>1,616</u>	<u>9,201</u>	<u>(555)</u>	<u>2,836</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 67,775</u>	<u>\$ 99,640</u>	<u>\$ (20,139)</u>	<u>\$ 282,203</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 1,231,644	\$ 42,897,919	\$ 836,426	\$ 3,746,140
Current discount rate (7.35%)	\$ 878,323	\$ 30,591,828	\$ 596,481	\$ 2,671,488
1% increase (8.35%)	\$ 580,106	\$ 20,204,959	\$ 393,957	\$ 1,764,435

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Town of Swansea	Swansea Housing Authority	Swansea Water District	Town of Westport
Net Pension Liability at December 31, 2021	\$ 18,653,130	\$ 242,747	\$ 918,503	\$ 23,389,278
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 1,664,329	\$ 21,659	\$ 81,954	\$ 2,086,912
Changes of assumptions	2,736,622	35,614	134,755	3,431,467
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>173,537</u>	<u>55,461</u>	<u>98,870</u>	<u>157,359</u>
Total Deferred Outflows of Resources	<u>\$ 4,574,488</u>	<u>\$ 112,734</u>	<u>\$ 315,579</u>	<u>\$ 5,675,738</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 3,950,870	\$ 51,416	\$ 194,546	\$ 4,954,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>32,989</u>	<u>14,370</u>	<u>683</u>	<u>1,091</u>
Total Deferred Inflows of Resources	<u>\$ 3,983,859</u>	<u>\$ 65,786</u>	<u>\$ 195,229</u>	<u>\$ 4,955,100</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 2,667,334	\$ 34,711	\$ 131,342	\$ 3,344,553
Net amortization of deferred amounts from changes in proportion	<u>62,035</u>	<u>8,091</u>	<u>26,301</u>	<u>52,766</u>
Total Employer Pension Expense	<u>\$ 2,729,369</u>	<u>\$ 42,802</u>	<u>\$ 157,643</u>	<u>\$ 3,397,319</u>
Covered payroll	\$ 9,354,074	\$ 65,852	\$ 826,380	\$ 11,730,202
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 1,077,913	\$ 21,407	\$ 76,553	\$ 1,327,227
June 30, 2024	304,650	11,671	39,196	359,636
June 30, 2025	(292,646)	8,778	10,709	(348,052)
June 30, 2026	(514,361)	3,998	(8,203)	(636,699)
June 30, 2027	<u>15,073</u>	<u>1,094</u>	<u>2,095</u>	<u>18,526</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 590,629</u>	<u>\$ 46,948</u>	<u>\$ 120,350</u>	<u>\$ 720,638</u>
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 26,131,884	\$ 337,216	\$ 1,280,915	\$ 32,745,088
Current discount rate (7.35%)	\$ 18,653,130	\$ 242,747	\$ 918,503	\$ 23,389,278
1% increase (8.35%)	\$ 12,340,740	\$ 163,011	\$ 612,612	\$ 15,492,571

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2021**

	Westport Housing Authority	North Raynham Water District	SE MA Regional Emerg. Com. District	TOTALS
Net Pension Liability at December 31, 2021	\$ 103,332	\$ 114,172	\$ 22,179	\$ 372,179,667
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 9,220	\$ 10,187	\$ 1,979	\$ 33,207,795
Changes of assumptions	15,160	16,750	3,254	54,602,905
Changes in proportion and differences between employer contributions and proportionate share of contributions	543	166,175	17,097	10,167,304
Total Deferred Outflows of Resources	\$ 24,923	\$ 193,112	\$ 22,330	\$ 97,978,004
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 21,887	\$ 24,182	\$ 4,698	\$ 78,830,393
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,111	144,273	-	10,167,304
Total Deferred Inflows of Resources	\$ 28,998	\$ 168,455	\$ 4,698	\$ 88,997,697
Pension Expense:				
Proportionate share of plan pension expense	\$ 14,776	\$ 16,355	\$ 3,172	\$ 53,221,433
Net amortization of deferred amounts from changes in proportion	(1,268)	15,138	4,170	-
Total Employer Pension Expense	\$ 13,508	\$ 31,493	\$ 7,342	\$ 53,221,433
Covered payroll	\$ 45,555	\$ 396,549	\$ 1,755,467	\$ 185,745,173
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2023	\$ 4,068	\$ 21,386	\$ 5,378	\$ 20,271,162
June 30, 2024	(214)	16,657	4,459	4,857,001
June 30, 2025	(3,431)	13,285	3,804	(6,135,759)
June 30, 2026	(4,431)	(23,242)	3,556	(10,302,804)
June 30, 2027	(67)	(3,429)	435	290,707
Total Future Amortization of Deferred Outflows/(Inflows)	\$ (4,075)	\$ 24,657	\$ 17,632	\$ 8,980,307
Discount Rate Sensitivity:				
1% decrease (6.35%)	\$ 144,899	\$ 160,099	\$ 31,101	\$ 517,309,564
Current discount rate (7.35%)	\$ 103,332	\$ 114,172	\$ 22,179	\$ 372,179,667
1% increase (8.35%)	\$ 68,248	\$ 75,407	\$ 14,648	\$ 249,683,806

See notes to schedule of employer allocation and schedule of pension amounts by employer.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO PENSION PLAN SCHEDULES AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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#### **A. INTRODUCTION**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB 68 requires employers to recognize a net pension liability or net pension asset as employees earn pension benefits. Employers participating in the Bristol County Contributory Retirement System (the "System") will recognize their proportionate share of the collective pension amounts for all benefits provided by the System.

#### **B. METHOD OF PROPORTIONATE SHARE ALLOCATION**

The basis for the proportionate share allocation by employer as found in the *Proportion of Net Pension Liability* column of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer is consistent with the manner in which regular employer contributions to the System are determined, subject to adjustments. The net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense is based upon actual historical employer contributions adjusted for the effects of nonproportional employer contributions like retired county sheriff employees and the effects of early retirement incentives.

#### **C. PENSION AMOUNTS BY EMPLOYER**

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows and inflows of resources, pension expense and other metrics for each of the System's participating employers. Reference is hereby made to the System's audited financial statements for the year ended December 31, 2021 for complete disclosure on the actuarial methods and assumptions used to determine these amounts.

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants



**BRISTOL COUNTY CONTRIBUTORY  
RETIREMENT SYSTEM**

Basic Financial Statements  
and Additional Information

Year Ended December 31, 2020

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

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DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board  
Bristol County Contributory Retirement System  
Taunton, Massachusetts

We have audited the accompanying financial statements of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements 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 System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System as of December 31, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
July 13, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Bristol County Contributory Retirement System's (the "System") financial performance provides an overview of the System's financial activities for the calendar year ended December 31, 2020. You should read it in conjunction with the basic financial statements, footnotes and required supplementary information that follows this discussion.

### Financial Highlights

The System's funding objective is to meet long-term benefit obligations through contributions and investment income. The System's actuary estimates that the System is approximately 65% funded at December 31, 2020.

The System's fiduciary net position increased nearly \$74.1 million in 2020 to over \$818.9 million. Current year additions of over \$150.7 million exceeded deductions of approximately \$76.7 million. The current year increase in fiduciary net position was approximately \$26.0 million lower than the prior year. The System's investment performance for 2020, net of investment management fees, was approximately 11.1% versus 16.9% in 2019. The 2020 net investment return for the System exceeded its long-term expected discount rate, which is currently 7.5%.

### Overview of the Financial Statements

The basic financial statements are comprised of the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to Financial Statements and Required Supplementary Information. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP; specifically, GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The Statement of Fiduciary Net Position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position restricted for pensions. This statement reflects the System's investments at fair value, as well as cash, receivables and other assets and liabilities. Over time, the increase or decrease in fiduciary net position serves as a useful indicator of the System's financial health and condition.

The Statement of Changes in Fiduciary Net Position reports additions to and deductions from the System during the. This statement reflects contributions by members and participating employers along with deductions for retirement benefits, refunds, withdrawals and administrative expenses. Investment income, including realized and unrealized gains, during the year is also presented.

The Notes to the Financial Statements provide additional information that is essential for the reader to gain a full understanding of the data provided in the financial statements.

This report also includes Required Supplementary Information following the Notes to the Financial Statements that consists of the schedules of changes in net pension liability and related ratios, investment returns and contributions and the notes to the schedule of contributions.

**Financial Analysis**

The condensed comparative Statements of Net Position for the two most recent years are as follows:

	December 31,		Dollar	Percent
	2020	2019	Change	Change
<b>Assets:</b>				
Cash and cash equivalents	\$ 20,260,449	\$ 9,617,938	\$ 10,642,511	110.7%
Investments, at fair value	797,595,809	736,322,850	61,272,959	8.3%
Receivables and other assets	5,305,811	3,297,908	2,007,903	60.9%
<b>Total Assets</b>	<b>823,162,069</b>	<b>749,238,696</b>	<b>73,923,373</b>	<b>9.9%</b>
<b>Liabilities</b>	<b>4,222,478</b>	<b>4,360,411</b>	<b>(137,933)</b>	<b>-3.2%</b>
<b>Fiduciary Net Position</b>	<b>\$ 818,939,591</b>	<b>\$ 744,878,285</b>	<b>\$ 74,061,306</b>	<b>9.9%</b>

Total assets at December 31, 2020 approached \$823.2 million and principally consisted of investments reported at fair value. Total assets increased by approximately \$73.9 million in 2020, which was due primarily to positive investment performance of approximately 11.1%.

The System’s receivables and liabilities primarily consist of amounts due to other Massachusetts public pension systems and open investment trades. Fluctuations in these balances are generally attributable to timing matters.

The condensed comparative Statements of Changes in Fiduciary Net Position for the two most recent years are as follows:

	Year Ended December 31,		Dollar	Percent
	2020	2019	Change	Change
<b>Additions:</b>				
Contributions	\$ 66,693,721	\$ 63,911,621	\$ 2,782,100	4.4%
Investment income, net	83,946,927	110,062,479	(26,115,552)	-23.7%
Other income	99,100	223,213	(124,113)	-55.6%
<b>Total Additions</b>	<b>150,739,748</b>	<b>174,197,313</b>	<b>(23,457,565)</b>	<b>-13.5%</b>
<b>Deductions:</b>				
Benefits and refunds to Plan members	75,681,925	73,100,746	2,581,179	3.5%
Administrative and other expenses	996,517	1,004,521	(8,004)	-0.8%
<b>Total Deductions</b>	<b>76,678,442</b>	<b>74,105,267</b>	<b>2,573,175</b>	<b>3.5%</b>
<b>Change in Fiduciary Net Position</b>	<b>\$ 74,061,306</b>	<b>\$ 100,092,046</b>	<b>\$ (26,030,740)</b>	<b>-26.0%</b>

Fiduciary net position increased nearly \$74.1 million in 2020, primarily as a result of net investment income of approximately \$83.9 million for the year.

Contributions to the System’s Fiduciary Net Position primarily include employer and employee contributions in addition to transfers from other retirement systems. Contributions for 2020 totaled approximately \$66.7 million versus \$63.9 million in 2019.

Employer contributions represent the largest source of System contributions. In 2020, employer contributions totaled approximately \$45.9 million, or 69% of total contributions, which was slightly higher than the prior year's ratio of 67%. Employer contributions are actuarially determined. Employee contributions totaled approximately \$17.7 million in 2020, which was approximately \$474,000, or 3%, greater than the prior year. This increase was due primarily to the effect normal pay raises.

Other contributions decreased approximately \$547,000 year-over-year.

Investment income is presented net of associated investment management expenses. In 2020, the System reported over \$83.9 million in net investment income versus nearly \$110.1 million in 2019. The System's money-weighted rates of return for 2020 and 2019 were approximately 11.1% and 16.9%, respectively.

Other income decreased approximately \$124,000 year-over-year.

Deductions to the System's Fiduciary Net Position primarily include pension benefits to members and beneficiaries, refunds to inactive members, transfers and reimbursements to other Massachusetts public retirement systems and administrative expenses. Total deductions in 2020 increased over 3% from the prior year.

Pension benefits to members and beneficiaries represents the largest deduction from Fiduciary Net Position for the System. Pension benefits to members and beneficiaries represented approximately 92% and 91% of total 2020 and 2019 deductions, respectively. Pension benefits to members and beneficiaries increased nearly \$3.0 million, or 4%, in 2020. This increase was due to a greater average number of beneficiaries paid year-over-year coupled with the normal annual cost-of-living adjustments paid by the System.

The increase in pension benefits to members and beneficiaries was offset by an approximate \$300,000 decrease in transfers and reimbursements to other Massachusetts public retirement systems, which is a function of timing and employment trends/movements.

Administrative expenses were relatively consistent year-over-year.

### **Overall Financial Position**

The System's positive investment performance in 2020 enabled it to maintain an approximate 65% funded ratio at December 31, 2020. The System's long-term investment returns as published by PERAC exceed the discount rate used by the System in its actuarial studies (currently 7.5%). Provided the System continues to garner strong investment performances, it is possible the System will achieve fully funded status on or before the expected date forecasted in the latest actuarial valuation of 2035.

The System maintains a large portion of its investments in pooled funds. Approximately 30% of these funds invest in private equity, venture capital and hedge funds. The determination of the value of these investments is very subjective and the ultimate amounts of gains and losses in some of these funds will not be determined until the underlying assets (i.e., the real estate or stock in the private companies) are sold. Furthermore, these types of investments are not as liquid as investments in savings accounts, money markets, certificates of deposits, government securities or debt and equity securities in publicly held U.S. corporations. You should refer to Notes 2 and 4 to these financial statements.

Although the System has been successful in garnering the yields necessary to achieve fully funded status in the required time frame, the System (like so many other institutional investors) has experienced a great deal of volatility in its investments. Management believes that the volatility in the worldwide markets may continue for the foreseeable future, particularly as U.S. and global governments and markets address the COVID-19 pandemic. Accordingly, management intends to actively monitor the System's investment positions to best maximize returns while mitigating risk as best as it can.

**Contacting the System's Financial Management Personnel**

Our discussion and analysis is designed to provide the Bristol County Retirement Board, participating employers, their membership, taxpayers, investors and creditors with a general overview of the System's financial results and to demonstrate the System's accountability for the funding it receives. If you have any questions about this report or need additional financial information, please contact the Retirement Board at 645 County Street, Taunton, Massachusetts 02780.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2020**

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Assets:	
Cash and cash equivalents	\$ 20,260,449
Investments, at fair value:	
Fixed income securities	48,276,980
Equity securities	149,588,519
Mutual funds	361,639,704
Private equity and venture capital funds	151,473,226
PRIT funds	<u>86,617,380</u>
Total investments	<u>797,595,809</u>
Receivables:	
Employer contributions	70,674
Employee contributions	778,887
Due from other Massachusetts public pension systems	1,808,000
Open trades	2,078,045
Dividends, distributions and interest income	<u>466,162</u>
Total receivables	<u>5,201,768</u>
Prepaid expenses	7,903
Capital assets, net of accumulated depreciation	<u>96,140</u>
Total Assets	<u>823,162,069</u>
Liabilities:	
Accounts payable and accrued expenses	1,063,612
Due to other Massachusetts public pension systems	2,839,000
Open trades	<u>319,866</u>
Total liabilities	<u>4,222,478</u>
Net Position Restricted for Pensions	<u>\$ 818,939,591</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2020**

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Additions:	
Employer contributions	\$ 45,850,195
Employee contributions	17,687,731
Other contributions	<u>3,155,795</u>
Total contributions	<u>66,693,721</u>
Investment income:	
Interest and dividends	13,902,033
Net appreciation in fair value of investments	76,750,780
Less investment management fees	<u>(6,705,886)</u>
Total net investment income	<u>83,946,927</u>
Other income	<u>99,100</u>
Total Additions	<u>150,739,748</u>
Deductions:	
Benefits and refunds to Plan members:	
Benefits to retirees and survivors	70,362,156
Member refunds	1,123,506
Transfers and reimbursements to other systems	4,196,263
Administrative expenses:	
Operations payroll and related personnel costs	719,947
Other	<u>276,570</u>
Total Deductions	<u>76,678,442</u>
Net Change in Net Position	74,061,306
Net Position Restricted for Pensions:	
Beginning of the year	<u>744,878,285</u>
End of the year	<u>\$ 818,939,591</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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**1. DESCRIPTION OF THE PLAN**

**General** – The Bristol County Contributory Retirement System (the “System”) is a cost-sharing, multiple-employer defined benefit pension plan established and administered by the Bristol County Retirement Board under the provisions of Chapter 32 of the Massachusetts General Laws (“MGL”).

Membership in the System is mandatory upon the commencement of permanent full-time employment for all eligible employees of the governments participating in the System. Teachers and certain other education employees are covered by a separate public employee pension system administered by the Massachusetts Teachers’ Retirement Board. Members do not participate in the federal Social Security system.

At December 31, 2020, membership in the System consisted of:

Retirees and beneficiaries currently receiving benefits	2,716
Active plan members	3,396
Inactive plan members	<u>677</u>
Membership totals	<u>6,789</u>
Participating employers	<u>40</u>

One special purpose district was enrolled in the system in 2020; however, this employer did not make any pension appropriation payments into the System in 2020.

**Plan Benefits** – Massachusetts contributory retirement system benefits are uniform from one public pension system to another. For employees with service dates beginning before April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive three-year average annual rate of regular compensation. For those employees who began their service on or after April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive five-year average annual rate of regular compensation. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and group classification.

The retirement allowance consists of two parts – an annuity and a pension. Participants’ accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension.

Participants who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total contributions. In addition, depending upon the number of years of creditable service, such employees may be entitled to receive interest, which has accrued on those contributions. A vested employee who has not reached their eligible retirement age and elects to leave their accumulated total deductions on deposit may apply for benefits upon reaching their eligible retirement age.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

**Retirement Requirements** – In order to receive retirement benefits, participants must meet one of the following two categories:

- 1) Normal Retirement – Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012, may retire after twenty years of creditable service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain the age of 60 before they can retire. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years’ creditable service in order to retire at age 55 or 60, as applicable. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.
- 2) Disability Retirements – The System provides for both an ordinary and accidental disability retirement. An ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. An accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of their duty.

The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The financial statements of the System have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America, or GAAP. Employer contributions are recognized when due and the employer is legally required to provide the contributions. Member contributions are recognized in the period in which the contributions are due. Investment income is recognized in the period earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, demand deposits and short-term holdings with original maturities of three months or less from the date of acquisition.

**Investments** – The carrying amounts of the System’s investments approximate their fair value. When actively quoted observable prices are not available, the System generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the System’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (“NAV”). These are investments in nongovernmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

**Capital Assets** – The System reports capital assets net of accumulated depreciation. Capital assets include two commercial condominium units that serve as the System’s principal offices purchased in 1995 and 1997 with historical costs of \$253,900 and accumulated depreciation of \$157,760. The condominium units are being depreciated on a straight-line basis over their estimated useful lives (39 years). Depreciation expense of \$6,510 for the year ended December 31, 2020 is included in other administrative expenses.

**3. SYSTEM ADMINISTRATION**

The System is administered by a five-person Retirement Board consisting of the Bristol County Treasurer (ex-officio member), a second member appointed by the governing authority, two members elected by the System’s membership and a fifth member appointed by the advisory council.

At the time of this report, the Retirement Board was comprised as follows:

		<b><u>Term Expires</u></b>
Ex-Officio Member:	Mr. Christopher T. Saunders (Chair)	No date specified
Appointed Member:	Mr. John T. Saunders	No date specified
Elected Member:	Mr. Stephen J. Rivard	January 5, 2024
Elected Member:	Mr. William M. Downey	December 31, 2022
Board Appointed Member:	Ms. Christine DeFontes	December 31, 2023

The Retirement Board is required to meet monthly and keep a record of all its proceedings. The Retirement Board files an annual statement of financial condition to the Massachusetts Public Employee Retirement Administration Commission, or PERAC.

#### 4. DEPOSITS AND INVESTMENTS

MGL and PERAC regulations require the System to invest funds only in preapproved investment instruments.

**Custodial Credit Risk: Deposits** – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System’s policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation and other depository insurance coverage. At December 31, 2020, all the System’s bank deposits were fully insured.

**Custodial Credit Risk: Investments** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The System’s policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2020, the System was not exposed to custodial credit risk on its investments.

**Investment Policy** – The Retirement Board is responsible for the establishing and amending investment policy decisions. The Retirement Board adopted the investment policy in 2019. According to its investment policy, the System’s primary investment objective is to maximize the total rate of return subject to the preservation of capital, which is seeks to achieve through diversification of its investments across asset classes. The current investment policy establishes a custom index to benchmark its investment performance by asset class. The investment policy seeks to generate long-term investment performance that exceeds its actuarially targeted rates of return. The current target allocations based on the investment policy are as follows:

<u>Asset Class</u>	<u>Target Policy Range</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	22.0%	4.9%
International equities	11.0%	5.4%
Emerging markets equities	11.0%	6.4%
Global REITs	2.0%	3.7%
Core fixed income	5.0%	0.3%
High yield fixed income	3.0%	2.6%
Emerging markets fixed income	4.0%	2.6%
Global fixed income	3.0%	0.2%
Private equity	12.0%	7.9%
Hedge funds	4.0%	2.3%
Real estate	11.0%	2.8%
Timber	3.0%	3.1%
Farmland	3.0%	4.8%
Infrastructure	6.0%	4.8%

**Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The 2020 money-weighted rate of return was approximately 11.1%.

**Fair Value Measurements: Investments** – The following table presents the fair value of the System’s investments carried at fair value on a recurring basis at December 31, 2020:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Fixed income securities:				
U.S. Treasury notes	\$ 10,003,666	\$ 10,003,666	\$ -	\$ -
Other U.S. government issues	4,814,342	-	4,814,342	-
Corporate bonds	32,300,089	-	32,300,089	-
TIPS	1,158,883	-	1,158,883	-
Total fixed income securities	48,276,980	10,003,666	38,273,314	-
Equity securities	149,588,519	136,462,500	-	13,126,019
Mutual funds	191,510,378	153,370,968	38,139,410	-
Total investments by fair value	389,375,877	\$ 299,837,134	\$ 76,412,724	\$ 13,126,019
Investments measured at NAV:				
Mutual funds	170,129,326			
Private equity and venture capital funds	151,473,226			
PRIT funds	86,617,380			
Total investments measured at NAV	408,219,932			
Total investments measured at fair value	\$ 797,595,809			
Investments Measured at NAV				
By Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	\$ 170,129,326	\$ -	Daily	1 to 10 days
Private equity and venture capital funds	151,473,226	50,541,301	Ineligible	N/A
PRIT private equity funds	57,704,088	32,748,624	Ineligible	N/A
PRIT hedge fund	28,913,292	-	Quarterly	45 to 90 days
	\$ 408,219,932	\$ 83,289,925		

Investments measured at NAV include mutual funds, pooled funds in private equity or venture capital funds, and investments in Massachusetts Pension Reserve Investment Trust Fund, or PRIT. The System maintains several mutual funds whose fair values are determined using NAV.

Private equity and venture capital funds generally include investments in which the System is a general partner in a private equity, venture capital fund, real estate investment trust or similar investment vehicle. The value of these investments are recorded at values determined in good faith by the general partners of the private equity and venture capital firms after consideration of pertinent information, including current financial position and operative results, price-earnings multiples and available market prices of similar companies’ securities, the nature of the securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated. In addition, some investment managers will determine fair values of their funds based on independent, third-party appraisals. By their very nature, these investments are illiquid and typically cannot be resold or redeemed.

Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets for the funds will be liquidated over an average of ten years.

The PRIT funds are administered by the Commonwealth of Massachusetts' Pension Reserve Investment Management Board. The specific investments held by the System include the PRIT hedge fund and six private equity funds, each of which consists of a diverse set of investments that include private equity, venture capital and real estate. The determination of the fair value of these investments is very subjective and the period-end values are reported to the System as NAV. Investments in the PRIT hedge fund is more liquid than investments in the PRIT private equity funds, which cannot be withdrawn until (and then only to the extent that) the individual portfolios are liquidated, which is expected to be between ten and fifteen years. Withdrawals from the PRIT hedge fund are made on the first business day of each calendar quarter upon thirty or more days' notice.

Because of the inherent uncertainty of valuations used in many of the System's investments measured at NAV, estimated values may differ significantly from the values that would have been used had a readily available market for positions in privately held companies or the real estate existed at December 31, 2020. These differences could have a material adverse effect on the System's financial statements.

**Interest Rate Risk: Investments** – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Interest rate risk is managed within the portfolio using effective duration methodology.

At December 31, 2020, the System has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury notes	\$ 10,003,666	\$ -	\$ 3,352,149	\$ 1,384,500	\$ 5,267,017
Other U.S. government issues	4,814,342	60,664	583,524	602,462	3,567,692
Corporate bonds	32,300,089	-	8,925,379	6,826,350	16,548,360
TIPS	1,158,883	-	917,298	241,585	-
Investments with maturities	<u>48,276,980</u>	<u>\$ 60,664</u>	<u>\$ 13,778,350</u>	<u>\$ 9,054,897</u>	<u>\$ 25,383,069</u>
Equity securities	149,588,519				
Mutual funds	361,639,704				
Private equity and venture capital funds	151,473,226				
PRIT funds	<u>86,617,380</u>				
Investments without maturities	<u>749,318,829</u>				
Total investments	<u>\$ 797,595,809</u>				

**Credit Risk: Investments** – This is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. As previously noted, MGL and PERAC have enacted regulations to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by Moody's Investor Services, Inc. and Standard and Poor's Financial Services LLC. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board's discretion.

Credit quality ratings of the System’s investments in debt securities at December 31, 2020 were as follows:

Quality Rating (Moody's)	U.S. Treasury Notes	Other U.S.		TIPS	Total
		Government Issues	Corporate Bonds		
Aaa	\$ 10,003,666	\$ -	\$ 7,194,573	\$ 1,158,883	\$ 18,357,122
Aa1	-	-	510,368	-	510,368
Aa2	-	123,544	220,543	-	344,087
Aa3	-	331,735	450,856	-	782,591
A1	-	151,542	686,061	-	837,603
A2	-	-	1,546,962	-	1,546,962
A3	-	143,183	1,971,064	-	2,114,247
Baa1	-	-	1,971,324	-	1,971,324
Baa2	-	-	2,279,706	-	2,279,706
Baa3	-	-	1,264,383	-	1,264,383
Ba1	-	-	675,652	-	675,652
Ba2	-	-	341,295	-	341,295
Ba3	-	-	100,161	-	100,161
Not Rated	-	4,064,338	13,087,141	-	17,151,479
	<u>\$ 10,003,666</u>	<u>\$ 4,814,342</u>	<u>\$ 32,300,089</u>	<u>\$ 1,158,883</u>	<u>\$ 48,276,980</u>

**Concentration of Credit Risk: Investments** – The following individual investments held by the System at December 31, 2020 represent approximately 21.9% of the System’s total investments:

Aberdeen Emerging Markets Equity Fund	6.0%
Lazard/Wilmington Emerging Markets Portfolio Class A	5.5%
RBC Global GAM International Fund	5.3%
Arrowstreet Capital International Equity - ACWI ex US Fund	5.1%

**Foreign Currency Risk: Investments** –The System did not hold any specific individual security denominated in a foreign currency at December 31, 2020.

## 5. FUNDING

**Employer Contributions** – Under MGL, participating employers are assessed their share of the total retirement cost based on an independent actuarial study. Employer contributions totaled \$45,850,195 in 2020.

**Employee Contributions** – Employee contribution rates vary based on when an employee commenced their creditable service. Active members contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on when their creditable service commenced. Active members hired after January 1, 1979 contribute an additional 2% of their regular gross compensation over \$30,000.

**Cost of Living Adjustments** – Cost-of-living adjustments granted between 1981 and 1997 and any increase in other pension benefits imposed by the Commonwealth of Massachusetts during those years are the financial responsibility of the Commonwealth. The Commonwealth is expected to continue funding the cost-of-living amounts granted over this period for the duration of their selected retirement option. Cost-of-living adjustments granted after 1997 must be approved and funded by the System. Cost-of-living adjustments cannot exceed the greater of CPI or 3%. The System approved a 3% cost-of-living adjustment on the first \$18,000 of pension benefits.

**6. NET PENSION LIABILITY**

The components of the net pension liability at December 31, 2020 (dollar amounts in thousands) were as follows:

Total pension liability	\$ 1,255,200
Plan fiduciary net position	<u>818,939</u>
Net pension liability	<u>\$ 436,261</u>
Plan fiduciary net position as a percentage of total pension liability	65.2%

The total pension liability was determined by an actuarial valuation as of January 1, 2020 and a measurement date of December 31, 2020. The significant actuarial assumptions used in this valuation for all periods were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.5%, net of expenses
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.
	For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

**Expected Real Rate of Return** – The long-term expected rate of return on System investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target allocation as of December 31, 2020 are summarized in the investment policy table in Note 4.

**Discount Rate** – The discount rate used to measure the total pension liability in the December 31, 2020 actuarial valuation report was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis** – The following illustrates the net pension liability at December 31, 2020 calculated using the current discount rate of 7.5%, as well as the projection of what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower or higher than the current discount rate (dollar amounts in thousands):

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.50%	\$ 574,346	\$ 436,261	\$ 319,773

**7. LEGALLY REQUIRED RESERVE ACCOUNTS**

Net position restricted for pensions at December 31, 2020 was comprised of the following legally required reserve funds:

Description	Amount	Purpose
Annuity Savings Fund	\$ 172,895,765	Balance of active members' contributions
Annuity Reserve Fund	53,823,016	Balance of retired members' contributions
Pension Fund	2,811,731	Amounts appropriated to fund future retirement
Military Service Fund	101,688	Amounts appropriated to fund military service time
Pension Reserve Fund	<u>589,307,391</u>	Remaining fiduciary net position
	<u>\$ 818,939,591</u>	

**8. COMMITMENTS AND CONTINGENCIES**

**General** – The System is subject to a variety of claims that arise from time to time during the ordinary course of business. Although management of the System currently believes that resolving claims against the System, individually or in aggregate, will not have a material adverse effect on the System’s financial position or its results of operations, these matters are subject to inherent uncertainties and management’s views of these matters may change in the future.

**COVID-19** – The COVID-19 pandemic has resulted in global economic slowdowns and disruptions that have and could continue to affect U.S. and global markets and economies. The System’s ability to meet its long-term investment return projections and targets is highly dependent on these markets and economies. The global response to the COVID-19 pandemic is beyond the System’s control and the likelihood and extent of further market volatility cannot be predicted.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
*(dollar amounts are in thousands)*

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ 21,396	\$ 17,397	\$ 16,890	\$ 16,359	\$ 15,729	\$ 15,124	\$ 16,427
Interest	90,101	77,387	75,601	70,979	69,257	68,495	68,539
Changes in benefit terms	-	-	-	-	-	8,063	-
Differences in expected and actual experience	-	72,974	-	39,173	-	23,511	-
Changes in assumptions	-	101,902	-	-	-	(13,808)	-
Benefit payments, including refunds	<u>(72,487)</u>	<u>(69,229)</u>	<u>(69,388)</u>	<u>(65,483)</u>	<u>(61,383)</u>	<u>(62,046)</u>	<u>(56,582)</u>
Net change in total pension liability	<u>39,010</u>	<u>200,431</u>	<u>23,103</u>	<u>61,028</u>	<u>23,603</u>	<u>39,339</u>	<u>28,384</u>
Total pension liability - beginning of year	<u>1,216,190</u>	<u>1,015,759</u>	<u>992,656</u>	<u>931,628</u>	<u>908,025</u>	<u>868,686</u>	<u>840,302</u>
Total pension liability - end of year (a)	<u>\$ 1,255,200</u>	<u>\$ 1,216,190</u>	<u>\$ 1,015,759</u>	<u>\$ 992,656</u>	<u>\$ 931,628</u>	<u>\$ 908,025</u>	<u>\$ 868,686</u>
Plan fiduciary net position:							
Contributions - employee	\$ 17,688	\$ 17,214	\$ 16,244	\$ 15,692	\$ 15,081	\$ 14,178	\$ 13,676
Contributions - employer	45,850	42,995	39,176	37,652	36,312	34,411	32,676
Contributions - nonemployer contributing entities	3,156	3,703	3,984	3,512	3,570	4,062	2,957
Net investment income	83,947	110,063	(24,950)	92,188	33,680	(5,680)	26,655
Benefit payments, including refunds	(75,682)	(73,197)	(69,388)	(65,483)	(61,383)	(59,773)	(54,446)
Administrative expenses	(996)	(909)	(961)	(919)	(1,150)	1,405	(1,049)
Other	98	223	73	182	76	31	46
Net change in plan fiduciary net position	<u>74,061</u>	<u>100,092</u>	<u>(35,822)</u>	<u>82,824</u>	<u>26,186</u>	<u>(11,366)</u>	<u>20,515</u>
Plan fiduciary net position - beginning of year	<u>744,878</u>	<u>644,786</u>	<u>680,608</u>	<u>597,784</u>	<u>571,598</u>	<u>582,964</u>	<u>562,449</u>
Plan fiduciary net position - end of year (b)	<u>\$ 818,939</u>	<u>\$ 744,878</u>	<u>\$ 644,786</u>	<u>\$ 680,608</u>	<u>\$ 597,784</u>	<u>\$ 571,598</u>	<u>\$ 582,964</u>
Net pension liability - end of year (a) - (b)	<u>\$ 436,261</u>	<u>\$ 471,312</u>	<u>\$ 370,973</u>	<u>\$ 312,048</u>	<u>\$ 333,844</u>	<u>\$ 336,427</u>	<u>\$ 285,722</u>
Plan fiduciary net position as a percentage of the total pension liability	65.2%	61.2%	63.5%	68.6%	64.2%	62.9%	67.1%
Covered payroll	\$ 179,693	\$ 173,667	\$ 165,459	\$ 164,457	\$ 155,392	\$ 152,407	\$ 141,877
Net pension liability as a percentage of covered payroll	242.8%	271.4%	224.2%	189.7%	214.8%	220.7%	201.4%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CONTRIBUTIONS**

*(dollar amounts are in thousands)*

For Fiscal Year Ended June 30,	Contributions in Relation to the			Covered Payroll <i>(fiscal year basis)</i>	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)		
2020	\$ 45,815	\$ 45,884	\$ (69)	\$ 182,485	25.1%
2019	42,962	42,995	(33)	176,680	24.3%
2018	39,176	39,176	-	165,459	23.7%
2017	37,652	37,652	-	164,457	22.9%
2016	35,952	36,312	(360)	155,392	23.4%
2015	33,761	34,411	(650)	152,407	22.6%
2014	32,216	32,216	-	141,877	22.7%

**SCHEDULE OF INVESTMENT RETURNS**

For Year Ended December 31,	Annual Money-Weighted Rate of Return *
2020	11.13%
2019	16.94%
2018	-4.61%
2017	15.65%
2016	2.94%
2015	-0.55%
2014	5.29%

\* Net of investment expenses.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

## BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020

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#### A. CHANGES OF BENEFIT TERMS

The Bristol County Contributory Retirement System (the "System") may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the System's benefit terms in 2020.

#### B. SIGNIFICANT ACTUARIAL ASSUMPTIONS AND METHODS

The significant actuarial assumptions used in the latest actuarial valuation were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.5%, net of expenses
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.  For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.



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**INDEPENDENT AUDITORS' REPORT ON AUDIT OF SPECIFIC ELEMENTS,  
 ACCOUNTS AND ITEMS OF FINANCIAL STATEMENTS**

To the Honorable Bristol County Retirement Board  
 Bristol County Contributory Retirement System  
 Taunton, Massachusetts

We have audited the accompanying schedule of employer allocations of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2020. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of the System as of and for the year ended December 31, 2020, and the related notes thereto.

**Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditors' Responsibility**

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the System as of and for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended December 31, 2020, and our report thereon, dated July 13, 2021, expressed an unmodified opinion on those financial statements.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
July 13, 2021

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF EMPLOYER ALLOCATIONS  
YEAR ENDED DECEMBER 31, 2020**

Employer	FY 2021 Pension Fund Appropriation	ERI, Sheriffs' Liability and Other	FY 2021 Total Appropriation	Proportion of Contribution Effort		Proportion of Net Pension Liability
				FY 2021 Pension Fund Appropriation	FY 2021 Total Appropriation	
Bristol County	\$ 1,614,561	\$ 2,799,465	\$ 4,414,026	3.8353%	9.6271%	6.6473%
Town of Acushnet	1,375,564	18,205	1,393,769	3.2675%	3.0398%	3.1686%
Acushnet Housing Authority	26,412	-	26,412	0.0627%	0.0576%	0.0607%
Town of Berkley	612,493	10,325	622,818	1.4549%	1.3584%	1.4119%
Town of Dartmouth	5,264,966	332,686	5,597,652	12.5065%	12.2086%	12.2128%
Dartmouth Housing Authority	87,437	-	87,437	0.2077%	0.1907%	0.2009%
Dartmouth Fire District No. 1	63,711	-	63,711	0.1513%	0.1390%	0.1464%
Dartmouth Fire District No. 2	21,455	-	21,455	0.0510%	0.0468%	0.0493%
Dartmouth Fire District No. 3	115,568	-	115,568	0.2745%	0.2521%	0.2655%
Town of Dighton	767,481	44,189	811,670	1.8231%	1.7703%	1.7730%
Dighton Housing Authority	14,755	-	14,755	0.0350%	0.0322%	0.0339%
Dighton-Rehoboth Regional School	947,946	-	947,946	2.2518%	2.0675%	2.1779%
Dighton Water District	102,672	-	102,672	0.2439%	0.2239%	0.2359%
Town of Easton	4,854,051	-	4,854,051	11.5304%	10.5868%	11.1520%
Easton Housing Authority	91,975	-	91,975	0.2185%	0.2006%	0.2113%
Town of Freetown	1,224,257	59,704	1,283,961	2.9081%	2.8003%	2.8316%
Freetown-Lakeville Regional School	865,051	-	865,051	2.0549%	1.8867%	1.9874%
Town of Mansfield	5,118,690	66,280	5,184,970	12.1590%	11.3085%	11.7747%
Mansfield Housing Authority	60,335	-	60,335	0.1433%	0.1316%	0.1386%
Bristol County Mosquito Control	143,829	19,590	163,419	0.3417%	0.3564%	0.3394%
Town of Norton	3,125,329	-	3,125,329	7.4240%	6.8164%	7.1804%
Norton Housing Authority	44,099	-	44,099	0.1048%	0.0962%	0.1013%
Town of Raynham	2,215,621	98,082	2,313,703	5.2630%	5.0462%	5.1350%
Raynham Housing Authority	50,567	943	51,510	0.1201%	0.1123%	0.1162%
Raynham Water District	147,665	-	147,665	0.3508%	0.3221%	0.3393%
Town of Rehoboth	1,086,036	-	1,086,036	2.5798%	2.3687%	2.4951%
Town of Seekonk	2,880,199	87,562	2,967,761	6.8417%	6.4727%	6.6365%
Seekonk Housing Authority	24,537	7,058	31,595	0.0583%	0.0689%	0.0596%
Seekonk Water District	96,282	-	96,282	0.2287%	0.2100%	0.2212%
Town of Somerset	3,644,127	-	3,644,127	8.6563%	7.9479%	8.3723%
Somerset Housing Authority	75,169	1,403	76,572	0.1786%	0.1670%	0.1727%
Somerset Berkley Schools	305,669	-	305,669	0.7261%	0.6667%	0.7023%
Town of Swansea	2,158,398	58,447	2,216,845	5.1271%	4.8350%	4.9855%
Swansea Housing Authority	21,948	7,497	29,445	0.0521%	0.0642%	0.0538%
Swansea Water District	96,713	16,674	113,387	0.2297%	0.2473%	0.2298%
Town of Westport	2,704,281	123,971	2,828,252	6.4238%	6.1685%	6.2696%
Westport Housing Authority	13,022	243	13,265	0.0309%	0.0289%	0.0299%
North Raynham Water District	35,000	-	35,000	0.0831%	0.0765%	0.0804%
Total	<u>\$ 42,097,871</u>	<u>\$ 3,752,324</u>	<u>\$ 45,850,195</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Bristol County	Town of Acushnet	Acushnet Housing Authority	Town of Berkley
Net Pension Liability at December 31, 2020	\$ 28,999,412	\$ 13,823,405	\$ 264,726	\$ 6,159,513
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 3,408,138	\$ 1,624,587	\$ 31,112	\$ 723,893
Changes of assumptions	4,217,600	2,010,441	38,501	895,824
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>866,370</u>	<u>145,284</u>	<u>186</u>	<u>31,061</u>
Total Deferred Outflows of Resources	<u>\$ 8,492,108</u>	<u>\$ 3,780,312</u>	<u>\$ 69,799</u>	<u>\$ 1,650,778</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 2,511,802	\$ 1,197,323	\$ 22,929	\$ 533,510
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>4,402,436</u>	<u>99,417</u>	<u>4,294</u>	<u>39,931</u>
Total Deferred Inflows of Resources	<u>\$ 6,914,238</u>	<u>\$ 1,296,740</u>	<u>\$ 27,223</u>	<u>\$ 573,441</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 4,717,381	\$ 2,248,183	\$ 43,055	\$ 1,001,758
Net amortization of deferred amounts from changes in proportion	<u>(1,139,853)</u>	<u>19,619</u>	<u>(2,266)</u>	<u>25,816</u>
Total Employer Pension Expense	<u>\$ 3,577,528</u>	<u>\$ 2,267,802</u>	<u>\$ 40,789</u>	<u>\$ 1,027,574</u>
Covered payroll	\$ 5,397,851	\$ 6,127,197	\$ 66,353	\$ 3,881,748
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 653,851	\$ 878,310	\$ 15,467	\$ 382,273
June 30, 2023	894,867	990,152	17,610	432,050
June 30, 2024	(113,085)	500,230	8,166	213,599
June 30, 2025	81,792	121,816	1,599	52,201
June 30, 2026	<u>60,445</u>	<u>(6,936)</u>	<u>(266)</u>	<u>(2,786)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 1,577,870</u>	<u>\$ 2,483,572</u>	<u>\$ 42,576</u>	<u>\$ 1,077,337</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 34,295,331	\$ 18,335,390	\$ 351,360	\$ 8,168,550
Current discount rate (7.5%)	\$ 28,999,412	\$ 13,823,405	\$ 264,726	\$ 6,159,513
1% increase (8.5%)	\$ 24,531,821	\$ 10,017,134	\$ 191,643	\$ 4,464,706

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Town of Dartmouth	Dartmouth Housing Authority	Dartmouth Fire District No. 1	Dartmouth Fire District No. 2
Net Pension Liability at December 31, 2020	\$ 53,279,470	\$ 876,377	\$ 638,573	\$ 215,043
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 6,261,638	\$ 102,996	\$ 75,048	\$ 25,273
Changes of assumptions	7,748,829	127,458	92,872	31,275
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>646,103</u>	<u>60,714</u>	<u>96,118</u>	<u>38,336</u>
Total Deferred Outflows of Resources	<u>\$ 14,656,570</u>	<u>\$ 291,168</u>	<u>\$ 264,038</u>	<u>\$ 94,884</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 4,614,834	\$ 75,908	\$ 55,310	\$ 18,626
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>685,502</u>	<u>8,789</u>	<u>7,057</u>	<u>2,959</u>
Total Deferred Inflows of Resources	<u>\$ 5,300,336</u>	<u>\$ 84,697</u>	<u>\$ 62,367</u>	<u>\$ 21,585</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 8,665,190	\$ 142,531	\$ 103,857	\$ 34,975
Net amortization of deferred amounts from changes in proportion	<u>(62,319)</u>	<u>17,650</u>	<u>24,466</u>	<u>13,616</u>
Total Employer Pension Expense	<u>\$ 8,602,871</u>	<u>\$ 160,181</u>	<u>\$ 128,323</u>	<u>\$ 48,591</u>
Covered payroll	\$ 20,627,537	\$ 350,793	\$ 102,867	\$ 210,322
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 3,238,282	\$ 70,696	\$ 67,092	\$ 24,279
June 30, 2023	3,673,963	77,783	72,249	26,013
June 30, 2024	1,800,193	46,770	49,637	18,372
June 30, 2025	598,720	11,835	13,185	4,842
June 30, 2026	<u>45,076</u>	<u>(613)</u>	<u>(492)</u>	<u>(207)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 9,356,234</u>	<u>\$ 206,471</u>	<u>\$ 201,671</u>	<u>\$ 73,299</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 70,549,077	\$ 1,163,179	\$ 847,551	\$ 285,417
Current discount rate (7.5%)	\$ 53,279,470	\$ 876,377	\$ 638,573	\$ 215,043
1% increase (8.5%)	\$ 38,710,981	\$ 634,434	\$ 462,280	\$ 155,675

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Dartmouth Fire District No. 3	Town of Dighton	Dighton Housing Authority	Dighton- Rehoboth Regional School
Net Pension Liability at December 31, 2020	\$ 1,158,333	\$ 7,735,050	\$ 147,889	\$ 9,501,223
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 136,132	\$ 909,057	\$ 17,381	\$ 1,116,626
Changes of assumptions	168,465	1,124,966	21,509	1,381,833
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>181,154</u>	<u>81,738</u>	<u>36,388</u>	<u>130,569</u>
Total Deferred Outflows of Resources	<u>\$ 485,751</u>	<u>\$ 2,115,761</u>	<u>\$ 75,278</u>	<u>\$ 2,629,028</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 100,330	\$ 669,976	\$ 12,809	\$ 822,954
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>18,836</u>	<u>44,706</u>	<u>1,210</u>	<u>119,611</u>
Total Deferred Inflows of Resources	<u>\$ 119,166</u>	<u>\$ 714,682</u>	<u>\$ 14,019</u>	<u>\$ 942,565</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 188,387	\$ 1,257,998	\$ 24,052	\$ 1,545,237
Net amortization of deferred amounts from changes in proportion	<u>56,906</u>	<u>15,992</u>	<u>12,732</u>	<u>25,258</u>
Total Employer Pension Expense	<u>\$ 245,293</u>	<u>\$ 1,273,990</u>	<u>\$ 36,784</u>	<u>\$ 1,570,495</u>
Covered payroll	\$ 792,973	\$ 4,319,267	\$ 100,261	\$ 4,453,925
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 122,384	\$ 484,084	\$ 19,915	\$ 601,549
June 30, 2023	131,727	547,268	21,105	678,178
June 30, 2024	90,666	274,978	15,882	340,652
June 30, 2025	23,122	89,046	4,439	74,429
June 30, 2026	<u>(1,314)</u>	<u>5,703</u>	<u>(82)</u>	<u>(8,345)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 366,585</u>	<u>\$ 1,401,079</u>	<u>\$ 61,259</u>	<u>\$ 1,686,463</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,537,408	\$ 10,252,463	\$ 196,287	\$ 12,610,579
Current discount rate (7.5%)	\$ 1,158,333	\$ 7,735,050	\$ 147,889	\$ 9,501,223
1% increase (8.5%)	\$ 838,549	\$ 5,611,382	\$ 107,061	\$ 6,878,197

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Dighton Water District	Town of Easton	Easton Housing Authority	Town of Freetown
Net Pension Liability at December 31, 2020	\$ 1,029,077	\$ 48,651,950	S 921,862	\$ 12,353,338
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 120,942	\$ 5,717,791	S 108,341	\$ 1,451,819
Changes of assumptions	149,666	7,075,815	134,073	1,796,638
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>34,818</u>	<u>761,934</u>	<u>408</u>	<u>535,464</u>
Total Deferred Outflows of Resources	<u>\$ 305,426</u>	<u>\$ 13,555,540</u>	<u>S 242,822</u>	<u>\$ 3,783,921</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 89,134	\$ 4,214,018	S 79,848	\$ 1,069,992
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>9,902</u>	<u>553,661</u>	<u>38,315</u>	<u>3,142</u>
Total Deferred Inflows of Resources	<u>\$ 99,036</u>	<u>\$ 4,767,679</u>	<u>S 118,163</u>	<u>\$ 1,073,134</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 167,364	\$ 7,912,545	S 149,928	\$ 2,009,101
Net amortization of deferred amounts from changes in proportion	<u>17,882</u>	<u>81,122</u>	<u>(15,721)</u>	<u>126,959</u>
Total Employer Pension Expense	<u>\$ 185,246</u>	<u>\$ 7,993,667</u>	<u>S 134,207</u>	<u>\$ 2,136,060</u>
Covered payroll	\$ 691,887	\$ 19,330,817	S 320,858	\$ 4,224,210
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 72,054	\$ 3,121,107	S 46,448	\$ 916,314
June 30, 2023	80,402	3,514,089	53,883	1,017,097
June 30, 2024	43,950	1,787,614	21,132	581,949
June 30, 2025	10,675	403,676	3,898	185,938
June 30, 2026	<u>(691)</u>	<u>(38,625)</u>	<u>(702)</u>	<u>9,489</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 206,390</u>	<u>\$ 8,787,861</u>	<u>S 124,659</u>	<u>\$ 2,710,787</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,365,851	\$ 64,573,716	S 1,223,549	\$ 16,369,021
Current discount rate (7.5%)	\$ 1,029,077	\$ 48,651,950	S 921,862	\$ 12,353,338
1% increase (8.5%)	\$ 744,977	\$ 35,220,488	S 667,361	\$ 8,965,742

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Frectown- Lakeville Regional School	Town of Mansfield	S	Mansfield Housing Authority	S	Bristol County Mosquito Control
Net Pension Liability at December 31, 2020	\$ 8,670,370	\$ 51,368,342		604,735		\$ 1,480,523
Deferred Outflows of Resources:						
Differences between actual and expected experience	\$ 1,018,980	\$ 6,037,033		71,071		\$ 173,998
Changes of assumptions	1,260,996	7,470,880		87,951		215,323
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>297,723</u>	<u>1,048,367</u>		<u>224</u>		<u>56,371</u>
Total Deferred Outflows of Resources	<u>\$ 2,577,699</u>	<u>\$ 14,556,280</u>		<u>159,246</u>		<u>\$ 445,692</u>
Deferred Inflows of Resources:						
Net difference between projected and actual investment earnings on pension plan investments	\$ 750,989	\$ 4,449,300		52,380		\$ 128,236
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>109,697</u>	<u>343,051</u>		<u>71,498</u>		<u>8,998</u>
Total Deferred Inflows of Resources	<u>\$ 860,686</u>	<u>\$ 4,792,351</u>		<u>123,878</u>		<u>\$ 137,234</u>
Pension Expense:						
Proportionate share of plan pension expense	\$ 1,410,113	\$ 8,354,335		98,352		\$ 240,788
Net amortization of deferred amounts from changes in proportion	<u>101,246</u>	<u>298,807</u>		<u>(19,896)</u>		<u>17,487</u>
Total Employer Pension Expense	<u>\$ 1,511,359</u>	<u>\$ 8,653,142</u>		<u>78,456</u>		<u>\$ 258,275</u>
Covered payroll	\$ 4,614,751	\$ 23,314,673		311,749		\$ 796,412
Future Amortization of Deferred Outflows/(Inflows):						
June 30, 2022	\$ 602,940	\$ 3,423,448		16,411		\$ 101,620
June 30, 2023	672,869	3,839,374		21,280		113,894
June 30, 2024	364,835	2,019,797		(178)		62,405
June 30, 2025	84,023	505,245		(1,675)		26,606
June 30, 2026	<u>(7,654)</u>	<u>(23,935)</u>		<u>(470)</u>		<u>3,933</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 1,717,013</u>	<u>\$ 9,763,929</u>		<u>35,368</u>		<u>\$ 308,458</u>
Discount Rate Sensitivity:						
1% decrease (6.5%)	\$ 11,507,822	\$ 68,158,149		802,640		\$ 1,952,297
Current discount rate (7.5%)	\$ 8,670,370	\$ 51,368,342		604,735		\$ 1,480,523
1% increase (8.5%)	\$ 6,276,720	\$ 37,204,607		437,784		\$ 1,082,539

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Town of Norton	Norton Housing Authority	Town of Raynham	Raynham Housing Authority
Net Pension Liability at December 31, 2020	\$ 31,325,042	\$ 442,002	\$ 22,402,029	\$ 506,831
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 3,681,457	\$ 51,946	\$ 2,632,785	\$ 59,565
Changes of assumptions	4,555,834	64,284	3,258,094	73,712
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>530,880</u>	<u>11,738</u>	<u>149,838</u>	<u>1,598</u>
Total Deferred Outflows of Resources	<u>\$ 8,768,171</u>	<u>\$ 127,968</u>	<u>\$ 6,040,717</u>	<u>\$ 134,875</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 2,713,238	\$ 38,284	\$ 1,940,365	\$ 43,899
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>350,317</u>	<u>5,546</u>	<u>3,016</u>	<u>62,323</u>
Total Deferred Inflows of Resources	<u>\$ 3,063,555</u>	<u>\$ 43,830</u>	<u>\$ 1,943,381</u>	<u>\$ 106,222</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 5,094,571	\$ 71,884	\$ 3,643,385	\$ 82,428
Net amortization of deferred amounts from changes in proportion	<u>95,767</u>	<u>3,019</u>	<u>22,871</u>	<u>(18,044)</u>
Total Employer Pension Expense	<u>\$ 5,190,338</u>	<u>\$ 74,903</u>	<u>\$ 3,666,256</u>	<u>\$ 64,384</u>
Covered payroll	\$ 13,531,032	\$ 230,752	\$ 9,001,066	\$ 201,471
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 2,023,072	\$ 29,709	\$ 1,424,258	\$ 14,357
June 30, 2023	2,276,167	33,271	1,606,679	17,057
June 30, 2024	1,164,765	17,563	816,396	(942)
June 30, 2025	265,052	3,980	242,609	(1,491)
June 30, 2026	<u>(24,440)</u>	<u>(385)</u>	<u>7,394</u>	<u>(328)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 5,704,616</u>	<u>\$ 84,138</u>	<u>\$ 4,097,336</u>	<u>\$ 28,653</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 41,576,429	\$ 586,651	\$ 29,669,485	\$ 672,696
Current discount rate (7.5%)	\$ 31,325,042	\$ 442,002	\$ 22,402,029	\$ 506,831
1% increase (8.5%)	\$ 22,677,062	\$ 319,978	\$ 16,271,268	\$ 366,909

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Raynham Water District	Town of Rehoboth	Town of Seekonk	Seekonk Housing Authority
Net Pension Liability at December 31, 2020	\$ 1,480,040	\$ 10,885,293	\$ 28,952,566	\$ 259,961
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 173,941	\$ 1,279,288	\$ 3,402,633	\$ 30,552
Changes of assumptions	215,253	1,583,129	4,210,787	37,808
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>217,542</u>	<u>573,788</u>	<u>4,512</u>	<u>22,250</u>
Total Deferred Outflows of Resources	<u>\$ 606,736</u>	<u>\$ 3,436,205</u>	<u>\$ 7,617,932</u>	<u>\$ 90,610</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 128,195	\$ 942,836	\$ 2,507,744	\$ 22,517
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>13,470</u>	<u>128,376</u>	<u>336,867</u>	<u>26,838</u>
Total Deferred Inflows of Resources	<u>\$ 141,665</u>	<u>\$ 1,071,212</u>	<u>\$ 2,844,611</u>	<u>\$ 49,355</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 240,709	\$ 1,770,337	\$ 4,708,730	\$ 42,279
Net amortization of deferred amounts from changes in proportion	<u>69,889</u>	<u>126,750</u>	<u>(119,028)</u>	<u>(4,172)</u>
Total Employer Pension Expense	<u>\$ 310,598</u>	<u>\$ 1,897,087</u>	<u>\$ 4,589,702</u>	<u>\$ 38,107</u>
Covered payroll	\$ 613,269	\$ 4,421,481	\$ 13,327,061	\$ 59,148
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 154,525	\$ 819,442	\$ 1,693,173	\$ 12,980
June 30, 2023	166,527	907,380	1,928,304	15,178
June 30, 2024	114,188	521,176	904,837	6,268
June 30, 2025	30,772	125,951	246,756	5,276
June 30, 2026	<u>(941)</u>	<u>(8,956)</u>	<u>251</u>	<u>1,553</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 465,071</u>	<u>\$ 2,364,993</u>	<u>\$ 4,773,321</u>	<u>\$ 41,255</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,964,396	\$ 14,447,598	\$ 38,399,903	\$ 340,445
Current discount rate (7.5%)	\$ 1,480,040	\$ 10,885,293	\$ 28,952,566	\$ 259,961
1% increase (8.5%)	\$ 1,071,442	\$ 7,880,164	\$ 20,982,876	\$ 192,066

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Seckonk Water District	Town of Somerset	Somerset Housing Authority	Somerset Berkley Schools
Net Pension Liability at December 31, 2020	\$ 965,030	\$ 36,524,933	S 753,416	\$ 3,063,708
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 113,412	\$ 4,292,571	S 88,545	\$ 360,060
Changes of assumptions	140,352	5,312,092	109,575	445,578
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>23,862</u>	<u>382,882</u>	<u>24,150</u>	<u>306,885</u>
Total Deferred Outflows of Resources	<u>\$ 277,626</u>	<u>\$ 9,987,545</u>	<u>S 222,270</u>	<u>\$ 1,112,523</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 83,587	\$ 3,163,629	S 65,258	\$ 265,365
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>10,502</u>	<u>390,870</u>	<u>10,825</u>	<u>34,646</u>
Total Deferred Inflows of Resources	<u>\$ 94,089</u>	<u>\$ 3,554,499</u>	<u>S 76,083</u>	<u>\$ 300,011</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 156,949	\$ 5,940,261	S 122,532	\$ 498,268
Net amortization of deferred amounts from changes in proportion	<u>12,368</u>	<u>(89,599)</u>	<u>3,857</u>	<u>98,050</u>
Total Employer Pension Expense	<u>\$ 169,317</u>	<u>\$ 5,850,662</u>	<u>S 126,389</u>	<u>\$ 596,318</u>
Covered payroll	\$ 695,998	\$ 12,522,774	S 223,636	\$ 1,511,312
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 64,656	\$ 2,291,160	S 52,682	\$ 275,078
June 30, 2023	72,466	2,586,414	57,209	299,802
June 30, 2024	38,233	1,290,970	30,362	191,050
June 30, 2025	8,918	291,772	6,689	49,000
June 30, 2026	<u>(736)</u>	<u>(27,270)</u>	<u>(755)</u>	<u>(2,418)</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 183,537</u>	<u>\$ 6,433,046</u>	<u>S 146,187</u>	<u>\$ 812,512</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,280,845	\$ 48,478,028	S 999,977	\$ 4,066,332
Current discount rate (7.5%)	\$ 965,030	\$ 36,524,933	S 753,416	\$ 3,063,708
1% increase (8.5%)	\$ 698,612	\$ 26,441,406	S 545,418	\$ 2,217,902

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Town of Swansea	Swansea Housing Authority	Swansea Water District	Town of Westport
Net Pension Liability at December 31, 2020	\$ 21,749,706	\$ 234,886	\$ 1,002,493	\$ 27,352,108
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 2,556,121	\$ 27,605	\$ 117,817	\$ 3,214,540
Changes of assumptions	3,163,221	34,161	145,800	3,978,020
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>220,066</u>	<u>23,928</u>	<u>55,824</u>	<u>199,552</u>
Total Deferred Outflows of Resources	<u>\$ 5,939,408</u>	<u>\$ 85,694</u>	<u>\$ 319,441</u>	<u>\$ 7,392,112</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,883,864	\$ 20,345	\$ 86,832	\$ 2,369,120
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>42,985</u>	<u>20,893</u>	<u>1,591</u>	<u>2,757</u>
Total Deferred Inflows of Resources	<u>\$ 1,926,849</u>	<u>\$ 41,238</u>	<u>\$ 88,423</u>	<u>\$ 2,371,877</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 3,537,290	\$ 38,203	\$ 163,046	\$ 4,448,457
Net amortization of deferred amounts from changes in proportion	<u>48,971</u>	<u>(768)</u>	<u>28,773</u>	<u>55,449</u>
Total Employer Pension Expense	<u>\$ 3,586,261</u>	<u>\$ 37,435</u>	<u>\$ 191,819</u>	<u>\$ 4,503,906</u>
Covered payroll	\$ 9,327,641	\$ 85,925	\$ 889,206	\$ 11,642,025
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2022	\$ 1,404,717	\$ 13,597	\$ 74,643	\$ 1,745,167
June 30, 2023	1,581,210	15,599	83,007	1,967,802
June 30, 2024	812,013	7,617	48,270	1,002,482
June 30, 2025	217,617	5,975	21,651	296,407
June 30, 2026	<u>(2,998)</u>	<u>1,668</u>	<u>3,447</u>	<u>8,377</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 4,012,559</u>	<u>\$ 44,456</u>	<u>\$ 231,018</u>	<u>\$ 5,020,235</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 28,829,464	\$ 306,878	\$ 1,319,721	\$ 36,222,416
Current discount rate (7.5%)	\$ 21,749,706	\$ 234,886	\$ 1,002,493	\$ 27,352,108
1% increase (8.5%)	\$ 15,777,284	\$ 174,154	\$ 734,882	\$ 19,869,194

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2020**

	Westport Housing Authority	North Raynham Water District	TOTALS
Net Pension Liability at December 31, 2020	\$ 130,519	\$ 350,804	\$ 436,260,578
Deferred Outflows of Resources:			
Differences between actual and expected experience	\$ 15,339	\$ 41,228	\$ 51,271,261
Changes of assumptions	18,982	51,020	63,448,617
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,073</u>	<u>216,531</u>	<u>8,016,229</u>
Total Deferred Outflows of Resources	<u>\$ 35,394</u>	<u>\$ 308,779</u>	<u>\$ 122,736,107</u>
Deferred Inflows of Resources:			
Net difference between projected and actual investment earnings on pension plan investments	\$ 11,305	\$ 30,385	\$ 37,786,976
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,395</u>	<u>-</u>	<u>8,016,229</u>
Total Deferred Inflows of Resources	<u>\$ 12,700</u>	<u>\$ 30,385</u>	<u>\$ 45,803,205</u>
Pension Expense:			
Proportionate share of plan pension expense	\$ 21,227	\$ 57,054	\$ 70,952,740
Net amortization of deferred amounts from changes in proportion	<u>(12)</u>	<u>50,356</u>	<u>-</u>
Total Employer Pension Expense	<u>\$ 21,215</u>	<u>\$ 107,410</u>	<u>\$ 70,952,740</u>
Covered payroll	\$ 43,434	\$ 417,225	\$ 178,780,907
Future Amortization of Deferred Outflows/(Inflows):			
June 30, 2022	\$ 8,293	\$ 72,093	\$ 27,032,126
June 30, 2023	9,060	74,941	30,573,926
June 30, 2024	4,446	62,546	15,159,804
June 30, 2025	993	53,707	4,167,046
June 30, 2026	<u>(98)</u>	<u>15,107</u>	<u>-</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 22,694</u>	<u>\$ 278,394</u>	<u>\$ 76,932,902</u>
Discount Rate Sensitivity:			
1% decrease (6.5%)	\$ 173,232	\$ 465,607	\$ 574,345,740
Current discount rate (7.5%)	\$ 130,519	\$ 350,804	\$ 436,260,578
1% increase (8.5%)	\$ 94,488	\$ 253,956	\$ 319,773,142

See notes to schedule of employer allocation and schedule of pension amounts by employer.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO PENSION PLAN SCHEDULES AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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#### **A. INTRODUCTION**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB 68 requires employers to recognize a net pension liability or net pension asset as employees earn pension benefits. Employers participating in the Bristol County Contributory Retirement System (the "System") will recognize their proportionate share of the collective pension amounts for all benefits provided by the System.

#### **B. METHOD OF PROPORTIONATE SHARE ALLOCATION**

The basis for the proportionate share allocation by employer as found in the *Proportion of Net Pension Liability* column of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer is consistent with the manner in which regular employer contributions to the System are determined, subject to adjustments. The net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense is based upon actual historical employer contributions adjusted for the effects of nonproportional employer contributions like retired county sheriff employees and the effects of early retirement incentives.

#### **C. PENSION AMOUNTS BY EMPLOYER**

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows and inflows of resources, pension expense and other metrics for each of the System's participating employers. Reference is hereby made to the System's audited financial statements for the year ended December 31, 2020 for complete disclosure on the actuarial methods and assumptions used to determine these amounts.

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**BRISTOL COUNTY CONTRIBUTORY  
RETIREMENT SYSTEM**

Report on Examination of Basic Financial  
Statements and Additional Information

Year Ended December 31, 2019



**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board  
Bristol County Contributory Retirement System  
Taunton, Massachusetts

We have audited the accompanying financial statements of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements 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 System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System as of December 31, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2020 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
October 28, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Bristol County Contributory Retirement System's (the "System") financial performance provides an overview of the System's financial activities for the calendar year ended December 31, 2019. You should read it in conjunction with the basic financial statements, footnotes and required supplementary information that follows this discussion.

### Financial Highlights

The System's funding objective is to meet long-term benefit obligations through contributions and investment income. The System's actuary estimates that the System is approximately 61.2% funded at December 31, 2019.

The System's fiduciary net position increased approximately \$100.1 million in 2019 to approximately \$744.9 million. Current year additions of approximately \$174.2 million exceeded deductions of approximately \$74.1 million. The current year increase in fiduciary net position was far more favorable than the prior year's reported decrease of approximately \$35.7 million. The System's investment performance for 2019, net of investment management fees, was approximately 16.9% versus -4.6% in 2018. The 2019 net investment return for the System exceeded its long-term expected discount rate, which is currently 7.5%.

### Overview of the Financial Statements

The basic financial statements are comprised of the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to Financial Statements and Required Supplementary Information. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP; specifically, GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The Statement of Fiduciary Net Position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position restricted for pensions. This statement reflects the System's investments at fair value, as well as cash, receivables and other assets and liabilities. Over time, the increase or decrease in fiduciary net position serves as a useful indicator of the System's financial health and condition.

The Statement of Changes in Fiduciary Net Position reports additions to and deductions from the System during the year. This statement reflects contributions by members and participating employers along with deductions for retirement benefits, refunds, withdrawals and administrative expenses. Investment income, including realized and unrealized gains, during the year is also presented.

The Notes to the Financial Statements provide additional information that is essential for the reader to gain a full understanding of the data provided in the financial statements.

This report also includes Required Supplementary Information following the Notes to the Financial Statements that consist the schedules of changes in net pension liability and related ratios, investment returns and contributions and the notes to the schedule of contributions.

**Financial Analysis**

The condensed comparative Statements of Net Position for the two most recent years are as follows:

	December 31,		Dollar	Percent
	2019	2018	Change	Change
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,617,938	\$ 9,254,962	\$ 362,976	3.9%
Investments, at fair value	736,322,850	637,896,017	98,426,833	15.4%
Receivables and other assets	<u>3,297,908</u>	<u>3,159,837</u>	<u>138,071</u>	4.4%
Total Assets	<u>749,238,696</u>	<u>650,310,816</u>	<u>98,927,880</u>	15.2%
Liabilities	<u>4,360,411</u>	<u>5,524,577</u>	<u>(1,164,166)</u>	-21.1%
Fiduciary Net Position	<u>\$ 744,878,285</u>	<u>\$ 644,786,239</u>	<u>\$ 100,092,046</u>	15.5%

Total assets at December 31, 2019 approximated \$749.2 million and principally consisted of investments recorded at fair value. Total asset increased by approximately \$98.9 million in 2019, which was due primarily to a positive investment portfolio performance of approximately 17.3%.

The System’s liabilities primarily consist of amounts due to other Massachusetts public pension systems.

The condensed comparative Statements of Changes in Fiduciary Net Position for the two most recent years are as follows:

	Year Ended December 31,		Dollar	Percent
	2019	2018	Change	Change
<b>Additions:</b>				
Contributions	\$ 63,911,621	\$ 59,477,022	\$ 4,434,599	7.5%
Investment income, net	110,062,479	(24,949,798)	135,012,277	541.1%
Other income	<u>223,213</u>	<u>73,761</u>	<u>149,452</u>	202.6%
Total Additions	<u>174,197,313</u>	<u>34,600,985</u>	<u>139,596,328</u>	403.4%
<b>Deductions:</b>				
Benefits and refunds to Plan members	73,100,746	69,387,571	3,713,175	5.4%
Administrative and other expenses	<u>1,004,521</u>	<u>961,161</u>	<u>43,360</u>	4.5%
Total Deductions	<u>74,105,267</u>	<u>70,348,732</u>	<u>3,756,535</u>	5.3%
Change in Fiduciary Net Position	<u>\$ 100,092,046</u>	<u>\$ (35,747,747)</u>	<u>\$ 135,839,793</u>	380.0%

Fiduciary net position increased nearly \$100.1 million in 2019 primarily as a result of net investment income of approximately \$110.1 million for the year.

Contributions to the System’s Fiduciary Net Position primarily include employer and employee contributions in addition to transfers from other retirement systems. Contributions for 2019 totaled approximately \$63.9 million versus \$59.5 million in 2018.

Employer contributions represent the largest source of System contributions. In 2019, employer contributions totaled approximately \$43.0 million, or 67%, of total contributions, which was consistent with the prior year's ratio of 66%. Employer contributions are actuarially determined. Employee contributions totaled approximately \$17.2 million in 2019, which was approximately \$970,000, or 6%, greater than the prior year. This increase was due primarily to an increase in the number of active members within the System coupled with the effect normal pay raises.

Other contributions decreased approximately \$280,000 year-over-year.

Investment income is presented net of associated investment management expenses. In 2019, the System reported nearly \$110.1 million in net investment income versus a loss of approximately \$25.0 million in 2018. The System's money-weighted rates of return for 2019 and 2018 were approximately 16.9% and -4.6%, respectively.

Other income increased approximately \$149,000 year-over-year.

Deductions to the System's Fiduciary Net Position primarily include pension benefits to members and beneficiaries, refunds to inactive members, transfers and reimbursements to other Massachusetts public retirement systems and administrative expenses. Total deductions in 2019 increased approximately 5.3% from the prior year.

Pension benefits to members and beneficiaries represents the largest deduction from Fiduciary Net Position for the System. Pension benefits to members and beneficiaries represented approximately 91% and 90% of total 2019 and 2018 deductions, respectively. Pension benefits to members and beneficiaries increased approximately \$3.8 million, or 6.0%, in 2019. This increase was due to a greater average number of beneficiaries paid year-over-year coupled with the normal annual cost-of-living adjustments paid by the System.

The increase in pension benefits to members and beneficiaries was offset by an approximate \$89,000 decrease in transfers and reimbursements to other Massachusetts public retirement systems, which is a function of timing and employment trends/movements.

Administrative expenses were relatively consistent year-over-year.

### **Overall Financial Position**

The System's actuarially estimated funding ratio decreased from approximately 63% at December 31, 2018 to 61% at December 31, 2019. This decrease was due primarily to changes in actuarial assumptions made in 2019; the most notable assumption change was a decrease in the discount rate used in the most recent actuarial valuation from 7.75% from 7.5%.

The System maintains a large portion of its investments in pooled funds. Approximately 30% of these funds invest in private equity, venture capital and hedge funds. The determination of the value of these investments is very subjective and the ultimate amount of gains and losses in some of these funds will not be determined until the underlying assets (i.e., the real estate or stock in the private companies) are sold. Furthermore, these types of investments are not as liquid as investments in savings accounts, money markets, certificates of deposits, government securities or debt and equity securities in publicly held U.S. corporations. You should refer to Notes 2 and 4 to these financial statements.

Although the System has been successful in garnering the yields necessary to achieve fully funded status in the required time frame, the System (like so many other institutional investors) has experienced a great deal of volatility in its investments. Management believes that the volatility in the worldwide markets may continue for the foreseeable future. Accordingly, management intends to actively monitor the System's investment positions to best maximize returns while mitigating risk as best as it can.

**Contacting the System's Financial Management Personnel**

Our discussion and analysis is designed to provide the Bristol County Retirement Board, participating employers, their membership, taxpayers, investors and creditors with a general overview of the System's financial results and to demonstrate the System's accountability for the funding it receives. If you have any questions about this report or need additional financial information, please contact the Retirement Board at 645 County Street, Taunton, Massachusetts 02780.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2019**

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Assets:	
Cash and cash equivalents	\$ 9,617,938
Investments, at fair value:	
Fixed income securities	54,713,510
Equity securities	121,924,881
Mutual funds	341,485,833
Private equity and venture capital funds	130,015,290
PRIT funds	<u>88,183,336</u>
Total investments	<u>736,322,850</u>
Receivables:	
Employer contributions	60,431
Employee contributions	731,787
Due from other Massachusetts public pension systems	1,808,392
Open trades	54,730
Dividends, distributions and interest income	<u>532,030</u>
Total receivables	<u>3,187,370</u>
Prepaid expenses	7,888
Capital assets, net of accumulated depreciation	<u>102,650</u>
 Total Assets	 <u>749,238,696</u>
Liabilities:	
Accounts payable and accrued expenses	139,852
Due to other Massachusetts public pension systems	2,838,773
Open trades	<u>1,381,786</u>
Total liabilities	<u>4,360,411</u>
 Net Position Restricted for Pensions	 <u>\$ 744,878,285</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2019**

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Additions:	
Employer contributions	\$ 42,994,728
Employee contributions	17,213,829
Other contributions	<u>3,703,064</u>
Total contributions	<u>63,911,621</u>
Investment income:	
Interest and dividends	17,032,148
Net appreciation in fair value of investments	100,040,009
Less investment management fees	<u>(7,009,678)</u>
Total net investment income	<u>110,062,479</u>
Other income	<u>223,213</u>
Total Additions	<u>174,197,313</u>
Deductions:	
Benefits and refunds to Plan members:	
Benefits to retirees and survivors	67,405,640
Member refunds	1,198,594
Transfers and reimbursements to other systems	4,496,512
Administrative expenses:	
Operations payroll and related personnel costs	611,940
Other	<u>392,581</u>
Total Deductions	<u>74,105,267</u>
Net Change in Net Position	100,092,046
Net Position Restricted for Pensions:	
Beginning of the year	<u>644,786,239</u>
End of the year	<u>\$ 744,878,285</u>

See accompanying notes to basic financial statements.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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**1. DESCRIPTION OF THE PLAN**

**General** – The Bristol County Contributory Retirement System (the “System”) is a cost-sharing, multiple-employer defined benefit pension plan established and administered by the Bristol County Retirement Board under the provisions of Chapter 32 of the Massachusetts General Laws.

Membership in the System is mandatory upon the commencement of permanent full-time employment for all eligible employees of the governments participating in the System. Teachers and certain other education employees are covered by a separate public employee pension system administered by the Massachusetts Teachers’ Retirement Board. Members do not participate in the federal Social Security system.

At December 31, 2019, membership in the System consisted of:

Retirees and beneficiaries currently receiving benefits	2,626
Active plan members	3,328
Inactive plan members	<u>709</u>
Membership totals	<u>6,663</u>
Participating employers	<u>39</u>

There are two special purpose districts that enrolled in the System in 2019; however, neither of these employers made appropriation payments into the System in 2019.

**Plan Benefits** – Massachusetts contributory retirement system benefits are uniform from one public pension system to another. For employees with service dates beginning before April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive three-year average annual rate of regular compensation. For those employees who began their service on or after April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest consecutive five-year average annual rate of regular compensation. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and group classification.

The retirement allowance consists of two parts – an annuity and a pension. Participants’ accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension.

Participants who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total contributions. In addition, depending upon the number of years of creditable service, such employees may be entitled to receive interest, which has accrued on those contributions. A vested employee who has not reached their eligible retirement age and elects to leave their accumulated total deductions on deposit may apply for benefits upon reaching their eligible retirement age.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

**Retirement Requirements** – In order to receive retirement benefits, participants must meet one of the following two categories:

- 1) Normal Retirement – Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012, may retire after twenty years of creditable service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain the age of 60 before they can retire. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55 or 60, as applicable. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.
- 2) Disability Retirements – The System provides for both an ordinary and accidental disability retirement. An ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. An accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of their duty.

The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The financial statements of the System have been prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer is legally required to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, demand deposits and short-term holdings with original maturities of three months or less from the date of acquisition.

**Investments** – The carrying amounts of the System's investments approximate their fair value. When actively quoted observable prices are not available, the System generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.

- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the System’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (“NAV”). These are investments in nongovernmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The following table presents the fair value of the System’s investments by type as of December 31, 2019:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Fixed income securities:</b>				
U.S. Treasury notes	\$ 14,521,718	\$ 14,521,718	\$ -	\$ -
Other U.S. government issues	2,790,160	-	2,790,160	-
Corporate bonds	25,169,553	-	25,169,553	-
TIPS	12,232,079	-	12,232,079	-
<b>Total fixed income securities</b>	<b>54,713,510</b>	<b>14,521,718</b>	<b>40,191,792</b>	<b>-</b>
Equity securities	121,924,881	119,062,463	-	2,862,418
Mutual funds	181,481,214	148,242,458	33,238,756	-
<b>Total investments by fair value</b>	<b>358,119,605</b>	<b>\$ 281,826,639</b>	<b>\$ 73,430,548</b>	<b>\$ 2,862,418</b>
<b>Investments measured at NAV:</b>				
Mutual funds	160,004,619			
Private equity and venture capital funds	130,015,290			
PRIT funds	88,183,336			
<b>Total investments measured at NAV</b>	<b>378,203,245</b>			
<b>Total investments measured at fair value</b>	<b>\$ 736,322,850</b>			
<b>Investments Measured at NAV</b>				
<b>By Asset Class</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Mutual funds	\$ 160,004,619	\$ -	Daily	1 to 10 days
Private equity and venture capital funds	130,015,290	21,632,528	Ineligible	N/A
PRIT private equity funds	37,262,970	35,248,638	Ineligible	N/A
PRIT hedge fund	50,920,366	-	Quarterly	45 to 90 days
	<u>\$ 378,203,245</u>	<u>\$ 56,881,166</u>		

Investments measured at NAV include mutual funds, pooled funds in private equity or venture capital funds, and investments in Massachusetts Pension Reserve Investment Trust Fund, or PRIT. The System maintains six mutual funds whose fair values are determined using NAV.

Private equity and venture capital funds generally include investments in which the System is a general partner in a private equity, venture capital fund, real estate investment trust or similar investment vehicle. The value of these investments are recorded at values determined in good faith by the general partners of the private equity and venture capital firms after consideration of pertinent information, including current financial position and operative results, price-earnings multiples and available market prices of similar companies' securities, the nature of the securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated. In addition, some investment managers will determine fair values of their funds based on independent, third-party appraisals. By their very nature, these investments are illiquid and typically cannot be resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets for the funds will be liquidated over an average of ten years.

The PRIT funds are administered by the Commonwealth of Massachusetts' Pension Reserve Investment Management Board. The specific investments held by the System include the PRIT hedge fund and six private equity funds, each of which consists of a diverse set of investments that include private equity, venture capital and real estate. The determination of the fair value of these investments is very subjective and the period-end values are reported to the System as NAV. Investments in the PRIT hedge fund is more liquid than investments in the PRIT private equity funds, which cannot be withdrawn until (and then only to the extent that) the individual portfolios are liquidated, which is expected to be between ten and fifteen years. Withdrawals from the PRIT hedge fund are made on the first business day of each calendar quarter upon thirty or more days' notice.

Because of the inherent uncertainty of valuations used in many of the System's investments measured at NAV, estimated values may differ significantly from the values that would have been used had a readily available market for positions in privately held companies or the real estate existed at December 31, 2019. These differences could have a material adverse effect on the System's financial statements.

**Capital Assets** – The System reports capital assets net of accumulated depreciation. Capital assets include two commercial condominium units that serve as the System's principal offices purchased in 1995 and 1997 with historical costs of \$253,900 and accumulated depreciation of \$151,250. The condominium units are being depreciated on a straight-line basis over their estimated useful lives (39 years). Depreciation expense of \$6,510 for the year ended December 31, 2019 is included in other administrative expenses.

**3. SYSTEM ADMINISTRATION**

The System is administered by a five-person Retirement Board consisting of the Bristol County Treasurer (ex-officio member), a second member appointed by the governing authority, two members elected by the System’s membership and a fifth member appointed by the advisory council.

At the time of this report, the Retirement Board was comprised as follows:

		<b><u>Term Expires</u></b>
Ex-Officio Member:	Mr. Christopher T. Saunders (Chair)	No date specified
Appointed Member:	Mr. John T. Saunders	No date specified
Elected Member:	Mr. Stephen J. Rivard	January 5, 2024
Elected Member:	Mr. William M. Downey	December 31, 2022
Board Appointed Member:	Ms. Christine DeFontes	December 31, 2020

The Retirement Board is required to meet monthly and keep a record of all its proceedings. The Retirement Board must file an annual statement of financial condition to the Massachusetts Public Employee Retirement Administration Commission, or PERAC.

**4. DEPOSITS AND INVESTMENTS**

MGL and PERAC regulations require the System to invest funds only in preapproved investment instruments.

**Custodial Credit Risk: Deposits** – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System’s policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation and other depository insurance coverage. At December 31, 2019, all the System’s bank deposits were fully insured.

**Custodial Credit Risk: Investments** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The System’s policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2019, the System was not exposed to custodial credit risk on its investments.

**Investment Policy** – The Retirement Board is responsible for the establishing and amending investment policy decisions. The Retirement Board adopted the investment policy in 2019. According to its investment policy, the System’s primary investment objective is to maximize the total rate of return subject to the preservation of capital, which is seeks to achieve through diversification of its investments across asset classes. The current investment policy establishes a custom index to benchmark its investment performance by asset class. The investment policy seeks to generate long-term investment performance that exceeds its actuarially targeted rates of return. The current target allocations based on the investment policy are as follows:

Asset Class	Target Policy Range	Long-Term Expected Real Rate of Return
Domestic equities	22.0%	4.9%
International equities	11.0%	5.2%
Emerging markets equities	11.0%	7.3%
Global REITs	2.0%	4.4%
Core fixed income	5.0%	1.8%
High yield fixed income	3.0%	3.6%
Emerging markets fixed income	4.0%	4.0%
Global fixed income	3.0%	1.5%
Private equity	12.0%	8.0%
Hedge funds	4.0%	3.6%
Real estate	11.0%	4.0%
Timber	3.0%	4.8%
Farmland	3.0%	5.9%
Infrastructure	6.0%	5.3%

**Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The 2019 money-weighted rate of return was approximately 16.94%.

**Interest Rate Risk: Investments** – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Interest rate risk is managed within the portfolio using effective duration methodology.

At December 31, 2019, the System has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 year	1 to 5 years	6 to 10 years	More than 10 year
U.S. Treasury notes	\$ 14,521,718	\$ -	\$ 6,452,093	\$ 1,181,470	\$ 6,888,155
Other U.S. government issues	2,790,160	476,041	60,724	347,124	1,906,271
Corporate bonds	25,169,553	626,599	9,393,970	5,381,565	9,767,419
TIPS	12,232,079	66,708	5,782,295	6,383,076	-
Investments with maturities	<u>54,713,510</u>	<u>\$ 1,169,348</u>	<u>\$ 21,689,082</u>	<u>\$ 13,293,235</u>	<u>\$ 18,561,845</u>
Equity securities	121,924,881				
Mutual funds	341,485,833				
Private equity and venture capital funds	130,015,290				
PRIT funds	88,183,336				
Investments without maturities	<u>681,609,340</u>				
Total investments	<u>\$ 736,322,850</u>				

**Securities Credit Risk: Investments** – In the case of investments, there is the risk that in the event of an invested party will be unable to fulfill its obligations, such as to provide required payments to investors, to meet current or future performance expectations, to abide by industry regulations and proper operational practices, ceasing to exist, or filing for bankruptcy. In those instances, the System may not be able to recover the full amount of its principal investment and/or investment earnings. As previously noted, PERAC and Massachusetts statutory regulations have been enacted to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by Moody’s Investor Services, Inc. and Standard and Poor’s Financial Services LLC. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion.

Credit quality ratings of the System’s investments in debt securities at December 31, 2019 were as follows:

Quality Rating (Moody's)	U.S. Treasury Notes	Other U.S.		TIPS	Total
		Government Issues	Corporate Bonds		
Aaa	\$ 14,521,718	\$ -	\$ 6,125,004	\$ 12,232,079	\$ 32,878,802
Aa1	-	-	203,674	-	203,674
Aa2	-	372,787	215,351	-	588,137
Aa3	-	60,724	599,576	-	660,300
A1	-	302,494	539,004	-	841,499
A2	-	476,041	482,713	-	958,754
A3	-	-	1,633,818	-	1,633,818
Baa1	-	-	1,760,339	-	1,760,339
Baa2	-	-	2,409,311	-	2,409,311
Baa3	-	-	1,993,737	-	1,993,737
Ba2	-	-	468,781	-	468,781
Not Rated	-	1,578,114	8,738,245	-	10,316,359
	<u>\$ 14,521,718</u>	<u>\$ 2,790,160</u>	<u>\$ 25,169,553</u>	<u>\$ 12,232,079</u>	<u>\$ 54,713,510</u>

**Concentration of Credit Risk: Investments** – The following individual investments held by the System at December 31, 2019 represent approximately 23.2% of the System’s total investments:

PRIM Hedge Fund	6.9%
PIMCO Diversified Income Fund Institutional Class	5.7%
Lazard/Wilmington Emerging Markets Portfolio Class A	5.4%
Aberdeen Emerging Markets Equity Fund	5.2%

**Foreign Currency Risk: Investments** –The System did not hold any specific individual security denominated in a foreign currency at December 31, 2019.

**5. FUNDING**

*Employer Contributions* – Under MGL, participating employers are assessed their share of the total retirement cost based on an independent actuarial study. Employer contributions totaled \$42,994,728 in 2019.

*Employee Contributions* – Employee contribution rates vary based on when an employee commenced their creditable service. Active members contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on when their creditable service commenced. Active members hired on or after January 1, 1979 contribute an additional 2% of their regular gross compensation over \$30,000.

*Cost of Living Adjustments* – Cost-of-living adjustments granted between 1981 and 1997 and any increase in other pension benefits imposed by the Commonwealth of Massachusetts during those years are the financial responsibility of the Commonwealth. The Commonwealth is expected to continue funding the cost-of-living amounts granted over this period for the duration of their selected retirement option. Cost-of-living adjustments granted after 1997 must be approved and funded by the System. Cost-of-living adjustments cannot exceed the greater of CPI or 3%. The System approved a 3% cost-of-living adjustment on the first \$18,000 of pension benefits.

**6. NET PENSION LIABILITY**

The components of the net pension liability at December 31, 2019 (dollar amounts in thousands) were as follows:

Total pension liability	\$ 1,216,191
Plan fiduciary net position	<u>744,878</u>
Net pension liability	<u>\$ 471,313</u>
Plan fiduciary net position as a percentage of total pension liability	61.2%

The total pension liability was determined by an actuarial valuation as of January 1, 2020 and a measurement date of December 31, 2019. The significant actuarial assumptions used in this valuation were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.5%, net of expenses (previously 7.75%)
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.
	For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

**Expected Real Rate of Return** – The long-term expected rate of return on System investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target allocation as of December 31, 2019 are summarized in the investment policy table in Note 4.

**Discount Rate** – The discount rate used to measure the total pension liability in the December 31, 2019 actuarial valuation report was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis** – The following illustrates the net pension liability at December 31, 2019 calculated using the current discount rate of 7.5%, as well as the projection of what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower or higher than the current discount rate (dollar amounts in thousands):

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.50%	\$ 606,945	\$ 471,313	355,932

**7. LEGALLY REQUIRED RESERVE ACCOUNTS**

Net position restricted for pensions, as of December 31, 2019 were comprised of the following legally required reserve funds:

Description	Amount	Purpose
Annuity Savings Fund	\$ 165,988,318	Balance of active members' contributions
Annuity Reserve Fund	54,701,297	Balance of retired members' contributions
Pension Fund	8,854,426	Amounts appropriated to fund future retirement
Military Service Fund	75,659	Amounts appropriated to fund military service time
Pension Reserve Fund	<u>515,258,585</u>	Remaining fiduciary net position
	<u>\$ 744,878,285</u>	

**8. COMMITMENTS AND CONTINGENCIES**

The System is subject to a variety of claims that arise from time to time during the ordinary course of business. Although management of the System currently believes that resolving claims against the System, individually or in aggregate, will not have a material adverse effect on the System's financial position or its results of operations, these matters are subject to inherent uncertainties and management's views of these matters may change in the future.

\* \* \* \* \*

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
*(dollar amounts are in thousands)*

	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 17,397	\$ 16,890	\$ 16,359	\$ 15,729	\$ 15,124	\$ 16,427
Interest	77,387	75,601	70,979	69,257	68,495	68,539
Changes in benefit terms	-	-	-	-	8,063	-
Differences between expected and actual experience	72,974	-	39,173	-	23,511	-
Changes in assumptions	101,902	-	-	-	(13,808)	-
Benefit payments, including refunds	(69,229)	(69,388)	(65,483)	(61,383)	(62,046)	(56,582)
Net change in total pension liability	200,431	23,103	61,028	23,603	39,339	28,384
Total pension liability - beginning of year	1,015,759	992,656	931,628	908,025	868,686	840,302
Total pension liability - end of year (a)	\$ 1,216,190	\$ 1,015,759	\$ 992,656	\$ 931,628	\$ 908,025	\$ 868,686
Plan fiduciary net position:						
Contributions - employee	\$ 17,214	\$ 16,244	\$ 15,692	\$ 15,081	\$ 14,178	\$ 13,676
Contributions - employer	42,995	39,176	37,652	36,312	34,411	32,676
Contributions - nonemployer contributing entities	3,703	3,984	3,512	3,570	4,062	2,957
Net investment income	110,063	(24,950)	92,188	33,680	(5,680)	26,655
Benefit payments, including refunds	(73,101)	(69,388)	(65,483)	(61,383)	(59,773)	(54,446)
Administrative expenses	(1,005)	(961)	(919)	(1,150)	1,405	(1,049)
Other	223	73	182	76	31	46
Net change in plan fiduciary net position	100,092	(35,822)	82,824	26,186	(11,366)	20,515
Plan fiduciary net position - beginning of year	644,786	680,608	597,784	571,598	582,964	562,449
Plan fiduciary net position - end of year (b)	\$ 744,878	\$ 644,786	\$ 680,608	\$ 597,784	\$ 571,598	\$ 582,964
Net pension liability - end of year (a) - (b)	\$ 471,312	\$ 370,973	\$ 312,048	\$ 333,844	\$ 336,427	\$ 285,722
Plan fiduciary net position as a percentage of the total pension liability	61.25%	63.48%	68.56%	64.17%	62.95%	67.11%
Covered payroll	\$ 173,667	\$ 165,459	\$ 164,457	\$ 155,392	\$ 152,407	\$ 141,877
Net pension liability as a percentage of covered payroll	271.39%	224.21%	189.74%	214.84%	220.74%	201.39%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**

**SCHEDULE OF CONTRIBUTIONS**

*(dollar amounts are in thousands)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 42,962	\$ 39,176	\$ 37,652	\$ 35,952	\$ 33,761
Contributions in relation to the actuarially-determined contribution	<u>42,995</u>	<u>39,176</u>	<u>37,652</u>	<u>36,312</u>	<u>34,411</u>
Contribution deficiency (excess)	<u>\$ (33)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (360)</u>	<u>\$ (650)</u>
Covered payroll (fiscal year basis)	\$ 176,680	\$ 165,459	\$ 164,457	\$ 155,392	\$ 152,407
Contribution as a percentage of covered payroll	24.33%	23.68%	22.89%	23.37%	22.58%

	<u>2014</u>
Actuarially-determined contribution	\$ 32,216
Contributions in relation to the actuarially-determined contribution	<u>32,216</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 141,877
Contribution as a percentage of covered payroll	22.71%

**SCHEDULE OF INVESTMENT RETURNS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	16.94%	-4.61%	15.65%	2.94%	-0.55%
	<u>2014</u>				
Annual money-weighted rate of return, net of investment expense	5.29%				

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

## BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

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#### A. CHANGES OF BENEFIT TERMS

The Bristol County Contributory Retirement System (the "System") may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the System's benefit terms in 2019.

#### B. SIGNIFICANT ACTUARIAL ASSUMPTIONS AND METHODS

The significant actuarial assumptions used in the latest actuarial valuation were as follows:

Actuarial cost method:	Entry age normal
Investment rate of return:	7.5%, net of expenses (previously 7.75%)
Projected salary increases:	3.0%
Cost of living adjustments:	3.0% on the first \$18,000 of benefits
Mortality:	RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used.  For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.

#### C. CHANGES TO ACTUARIAL ASSUMPTIONS AND METHODS

In 2019, the System decreased the discount rate used in its actuarial valuation to 7.5% from 7.75%. Additionally, the mortality rates for pre-retirement, post-retirement and disabilities were modified.



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**INDEPENDENT AUDITORS' REPORT ON AUDIT OF SPECIFIC ELEMENTS,  
ACCOUNTS AND ITEMS OF FINANCIAL STATEMENTS**

To the Honorable Bristol County Retirement Board  
Bristol County Contributory Retirement System  
Taunton, Massachusetts

We have audited the accompanying schedule of employer allocations of the Bristol County Contributory Retirement System (the "System") as of and for the year ended December 31, 2019. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of the System as of and for the year ended December 31, 2019, and the related notes thereto.

**Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditors' Responsibility**

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the System as of and for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended December 31, 2019, and our report thereon, dated October 28, 2020, expressed an unmodified opinion on those financial statements.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
October 28, 2020

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF EMPLOYER ALLOCATIONS  
YEAR ENDED DECEMBER 31, 2019**

Employer	FY 2020	ERI, Sheriffs'	FY 2020	Proportion of Contribution Effort		Proportion of Net Pension Liability
	Pension Fund Appropriation	Liability and Other	Total Appropriation	FY 2020 Pension Fund Appropriation	FY 2020 Total Appropriation	
Bristol County	\$ 1,469,956	\$ 3,049,770	\$ 4,519,726	3.7692%	10.5123%	6.7363%
Town of Acushnet	1,285,093	17,742	1,302,835	3.2951%	3.0302%	3.1876%
Acushnet Housing Authority	24,945	-	24,945	0.0640%	0.0580%	0.0617%
Town of Berkley	571,648	10,062	581,710	1.4658%	1.3530%	1.4193%
Town of Dartmouth	4,775,652	330,750	5,106,402	12.2454%	11.8768%	11.9739%
Dartmouth Housing Authority	82,010	-	82,010	0.2103%	0.1907%	0.2027%
Dartmouth Fire District No. 1	59,854	-	59,854	0.1535%	0.1392%	0.1480%
Dartmouth Fire District No. 2	20,243	-	20,243	0.0519%	0.0471%	0.0500%
Dartmouth Fire District No. 3	109,472	-	109,472	0.2807%	0.2546%	0.2706%
Town of Dighton	697,840	45,003	742,843	1.7893%	1.7278%	1.7425%
Dighton Housing Authority	13,798	-	13,798	0.0354%	0.0321%	0.0341%
Dighton-Rehoboth Regional School	892,739	-	892,739	2.2891%	2.0764%	2.2069%
Dighton Water District	96,237	-	96,237	0.2468%	0.2238%	0.2379%
Town of Easton	4,562,583	-	4,562,583	11.6990%	10.6120%	11.2787%
Easton Housing Authority	86,387	-	86,387	0.2215%	0.2009%	0.2135%
Town of Freetown	1,111,921	59,728	1,171,649	2.8511%	2.7251%	2.7772%
Freetown-Lakeville Regional School	814,753	-	814,753	2.0891%	1.8950%	2.0141%
Town of Mansfield	4,777,954	67,500	4,845,454	12.2513%	11.2699%	11.8373%
Mansfield Housing Authority	56,688	-	56,688	0.1454%	0.1318%	0.1401%
Bristol County Mosquito Control	125,091	19,092	144,183	0.3207%	0.3354%	0.3209%
Town of Norton	2,936,745	-	2,936,745	7.5302%	6.8305%	7.2596%
Norton Housing Authority	41,528	-	41,528	0.1065%	0.0966%	0.1027%
Town of Raynham	2,032,854	95,587	2,128,441	5.2125%	4.9505%	5.0838%
Raynham Housing Authority	47,486	886	48,372	0.1218%	0.1125%	0.1174%
Raynham Water District	138,295	-	138,295	0.3546%	0.3217%	0.3419%
Town of Rehoboth	1,021,495	-	1,021,495	2.6192%	2.3759%	2.5251%
Town of Seekonk	2,661,072	89,174	2,750,246	6.8233%	6.3967%	6.6128%
Seekonk Housing Authority	19,599	6,878	26,477	0.0503%	0.0616%	0.0527%
Seekonk Water District	90,429	-	90,429	0.2319%	0.2103%	0.2235%
Town of Somerset	3,421,613	-	3,421,613	8.7734%	7.9582%	8.4582%
Somerset Housing Authority	71,161	1,328	72,489	0.1825%	0.1686%	0.1759%
Somerset Berkley Schools	287,282	-	287,282	0.7366%	0.6682%	0.7102%
Town of Swansea	2,000,733	56,960	2,057,693	5.1301%	4.7859%	4.9807%
Swansea Housing Authority	16,976	7,306	24,282	0.0435%	0.0565%	0.0464%
Swansea Water District	82,530	16,250	98,780	0.2116%	0.2297%	0.2140%
Town of Westport	2,482,749	120,816	2,603,565	6.3661%	6.0555%	6.2115%
Westport Housing Authority	12,256	229	12,485	0.0314%	0.0290%	0.0303%
<b>Total</b>	<b>\$ 38,999,667</b>	<b>\$ 3,995,061</b>	<b>\$ 42,994,728</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Bristol County	Town of Acushnet	Acushnet Housing Authority	Town of Berkley
Net Pension Liability at December 31, 2019	\$ 31,748,821	\$ 15,023,642	\$ 290,630	\$ 6,689,232
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 4,942,707	\$ 2,338,904	\$ 45,246	\$ 1,041,390
Changes of assumptions	5,569,233	2,635,379	50,981	1,173,394
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>3,294</u>	<u>190,351</u>	<u>332</u>	<u>66,231</u>
Total Deferred Outflows of Resources	<u>\$ 10,515,234</u>	<u>\$ 5,164,634</u>	<u>\$ 96,559</u>	<u>\$ 2,281,015</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,277,388	\$ 604,464	\$ 11,693	\$ 269,136
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>5,747,065</u>	<u>2,328</u>	<u>2,009</u>	<u>67</u>
Total Deferred Inflows of Resources	<u>\$ 7,024,453</u>	<u>\$ 606,792</u>	<u>\$ 13,702</u>	<u>\$ 269,203</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 5,247,344	\$ 2,482,562	\$ 48,024	\$ 1,105,355
Net amortization of deferred amounts from changes in proportion	<u>(968,120)</u>	<u>38,545</u>	<u>8,703</u>	<u>(177,835)</u>
Total Employer Pension Expense	<u>\$ 4,279,224</u>	<u>\$ 2,521,107</u>	<u>\$ 56,727</u>	<u>\$ 927,520</u>
Covered payroll	\$ 5,219,012	\$ 5,916,623	\$ 64,577	\$ 3,750,230
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 1,166,424	\$ 1,229,418	\$ 21,577	\$ 563,468
June 30, 2022	862,524	1,089,271	20,153	474,905
June 30, 2023	1,106,693	1,201,786	22,331	524,944
June 30, 2024	85,023	708,935	12,736	305,353
June 30, 2025	<u>270,117</u>	<u>328,432</u>	<u>6,060</u>	<u>143,142</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 3,490,781</u>	<u>\$ 4,557,842</u>	<u>\$ 82,857</u>	<u>\$ 2,011,812</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 36,861,006	\$ 19,492,915	\$ 377,384	\$ 8,677,298
Current discount rate (7.5%)	\$ 31,748,821	\$ 15,023,642	\$ 290,630	\$ 6,689,232
1% increase (8.5%)	\$ 27,437,639	\$ 11,254,639	\$ 217,470	\$ 5,012,665

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Town of Dartmouth	Dartmouth Housing Authority	Dartmouth Fire District No. 1	Dartmouth Fire District No. 2
Net Pension Liability at December 31, 2019	\$ 56,434,697	\$ 955,486	\$ 697,350	\$ 235,848
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 8,785,843	\$ 148,752	\$ 108,565	\$ 36,717
Changes of assumptions	9,899,517	167,607	122,326	41,371
Changes in proportion and differences between employer contributions and proportionate share of contributions	884	80,408	125,286	52,644
<b>Total Deferred Outflows of Resources</b>	<b>\$ 18,686,244</b>	<b>\$ 396,767</b>	<b>\$ 356,177</b>	<b>\$ 130,732</b>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 2,270,603	\$ 38,443	\$ 28,057	\$ 9,489
Changes in proportion and differences between employer contributions and proportionate share of contributions	898,961	-	3,060	3
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,169,564</b>	<b>\$ 38,443</b>	<b>\$ 31,117</b>	<b>\$ 9,492</b>
Pension Expense:				
Proportionate share of plan pension expense	\$ 9,325,519	\$ 157,887	\$ 115,231	\$ 38,973
Net amortization of deferred amounts from changes in proportion	352	12,123	37,551	5,851
<b>Total Employer Pension Expense</b>	<b>\$ 9,325,871</b>	<b>\$ 170,010</b>	<b>\$ 152,782</b>	<b>\$ 44,824</b>
Covered payroll	\$ 19,966,707	\$ 339,894	\$ 100,114	\$ 202,800
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 4,245,058	\$ 95,166	\$ 81,189	\$ 32,933
June 30, 2022	3,709,773	84,858	77,643	28,038
June 30, 2023	4,136,996	92,011	82,855	29,798
June 30, 2024	2,300,037	60,713	59,999	22,042
June 30, 2025	1,124,816	25,576	23,374	8,429
<b>Total Future Amortization of Deferred Outflows/(Inflows)</b>	<b>\$ 15,516,680</b>	<b>\$ 358,324</b>	<b>\$ 325,060</b>	<b>\$ 121,240</b>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 73,043,370	\$ 1,240,699	\$ 905,509	\$ 306,249
Current discount rate (7.5%)	\$ 56,434,697	\$ 955,486	\$ 697,350	\$ 235,848
1% increase (8.5%)	\$ 42,428,357	\$ 714,962	\$ 521,806	\$ 176,478

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Dartmouth Fire District No. 3	Town of Dighton	Dighton Housing Authority	Dighton- Rehoboth Regional School
Net Pension Liability at December 31, 2019	\$ 1,275,442	\$ 8,212,694	\$ 160,758	\$ 10,401,167
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 198,563	\$ 1,278,565	\$ 25,027	\$ 1,619,270
Changes of assumptions	223,732	1,440,633	28,200	1,824,525
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>242,440</u>	<u>11,221</u>	<u>49,403</u>	<u>183,803</u>
Total Deferred Outflows of Resources	<u>\$ 664,735</u>	<u>\$ 2,730,419</u>	<u>\$ 102,630</u>	<u>\$ 3,627,598</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 51,316	\$ 330,431	\$ 6,468	\$ 418,482
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>-</u>	<u>58,945</u>	<u>5</u>	<u>160</u>
Total Deferred Inflows of Resources	<u>\$ 51,316</u>	<u>\$ 389,376</u>	<u>\$ 6,473</u>	<u>\$ 418,642</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 210,759	\$ 1,357,100	\$ 26,564	\$ 1,718,725
Net amortization of deferred amounts from changes in proportion	<u>24,915</u>	<u>(35,232)</u>	<u>(4,010)</u>	<u>(52,798)</u>
Total Employer Pension Expense	<u>\$ 235,674</u>	<u>\$ 1,321,868</u>	<u>\$ 22,554</u>	<u>\$ 1,665,927</u>
Covered payroll	\$ 768,318	\$ 4,010,854	\$ 97,577	\$ 4,306,770
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 162,031	\$ 645,682	\$ 25,711	\$ 874,636
June 30, 2022	143,654	556,701	22,207	763,687
June 30, 2023	153,178	618,803	23,404	841,342
June 30, 2024	111,330	351,217	18,150	499,350
June 30, 2025	<u>43,226</u>	<u>168,640</u>	<u>6,685</u>	<u>229,941</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 613,419</u>	<u>\$ 2,341,043</u>	<u>\$ 96,157</u>	<u>\$ 3,208,956</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,656,161	\$ 10,639,629	\$ 208,745	\$ 13,505,918
Current discount rate (7.5%)	\$ 1,275,442	\$ 8,212,694	\$ 160,758	\$ 10,401,167
1% increase (8.5%)	\$ 954,375	\$ 6,166,024	\$ 120,291	\$ 7,782,884

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Dighton Water District	Town of Easton	Easton Housing Authority	Town of Freetown
Net Pension Liability at December 31, 2019	\$ 1,121,243	\$ 53,157,963	\$ 1,006,482	\$ 13,089,300
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 174,557	\$ 8,275,716	\$ 156,691	\$ 2,037,763
Changes of assumptions	196,683	9,324,727	176,552	2,296,065
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>55,062</u>	<u>997,894</u>	<u>655</u>	<u>520,518</u>
Total Deferred Outflows of Resources	<u>\$ 426,302</u>	<u>\$ 18,598,337</u>	<u>\$ 333,898</u>	<u>\$ 4,854,346</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 45,112	\$ 2,138,767	\$ 40,495	\$ 526,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>60</u>	<u>26,080</u>	<u>41,892</u>	<u>28,861</u>
Total Deferred Inflows of Resources	<u>\$ 45,172</u>	<u>\$ 2,164,847</u>	<u>\$ 82,387</u>	<u>\$ 555,498</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 185,279	\$ 8,784,007	\$ 166,316	\$ 2,162,930
Net amortization of deferred amounts from changes in proportion	<u>(40,643)</u>	<u>218,141</u>	<u>29,131</u>	<u>287,589</u>
Total Employer Pension Expense	<u>\$ 144,636</u>	<u>\$ 9,002,148</u>	<u>\$ 195,447</u>	<u>\$ 2,450,519</u>
Covered payroll	\$ 672,848	\$ 18,694,869	\$ 310,626	\$ 4,081,794
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 108,748	\$ 4,408,693	\$ 66,116	\$ 1,129,222
June 30, 2022	88,536	3,930,564	61,632	1,029,150
June 30, 2023	96,956	4,328,033	69,145	1,128,005
June 30, 2024	60,194	2,582,032	36,049	701,249
June 30, 2025	<u>26,696</u>	<u>1,184,168</u>	<u>18,569</u>	<u>311,222</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 381,130</u>	<u>\$ 16,433,490</u>	<u>\$ 251,511</u>	<u>\$ 4,298,848</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,455,934	\$ 69,025,628	\$ 1,306,917	\$ 16,956,318
Current discount rate (7.5%)	\$ 1,121,243	\$ 53,157,963	\$ 1,006,482	\$ 13,089,300
1% increase (8.5%)	\$ 838,993	\$ 39,776,525	\$ 753,120	\$ 9,828,187

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Freetown- Lakeville Regional School	Town of Mansfield	Mansfield Housing Authority	Bristol County Mosquito Control
Net Pension Liability at December 31, 2019	\$ 9,492,564	\$ 55,790,610	\$ 660,463	\$ 1,512,526
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 1,477,817	\$ 8,685,571	\$ 102,822	\$ 235,472
Changes of assumptions	1,665,142	9,786,534	115,855	265,320
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>424,649</u>	<u>1,427,747</u>	<u>1,521</u>	<u>7,617</u>
Total Deferred Outflows of Resources	<u>\$ 3,567,608</u>	<u>\$ 19,899,852</u>	<u>\$ 220,198</u>	<u>\$ 508,409</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 381,925	\$ 2,244,689	\$ 26,573	\$ 60,855
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>168</u>	<u>794</u>	<u>84,408</u>	<u>12,237</u>
Total Deferred Inflows of Resources	<u>\$ 382,093</u>	<u>\$ 2,245,483</u>	<u>\$ 110,981</u>	<u>\$ 73,092</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 1,568,585	\$ 9,219,043	\$ 109,138	\$ 249,939
Net amortization of deferred amounts from changes in proportion	<u>(125,187)</u>	<u>12,074</u>	<u>(24,814)</u>	<u>(23,179)</u>
Total Employer Pension Expense	<u>\$ 1,443,398</u>	<u>\$ 9,231,117</u>	<u>\$ 84,324</u>	<u>\$ 226,760</u>
Covered payroll	\$ 4,460,412	\$ 22,555,995	\$ 298,911	\$ 771,918
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 876,551	\$ 4,785,345	\$ 33,836	\$ 123,848
June 30, 2022	751,092	4,198,620	26,415	101,917
June 30, 2023	821,965	4,616,763	31,338	113,538
June 30, 2024	509,824	2,787,538	9,646	64,893
June 30, 2025	<u>226,083</u>	<u>1,266,103</u>	<u>7,982</u>	<u>31,121</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 3,185,515</u>	<u>\$ 17,654,369</u>	<u>\$ 109,217</u>	<u>\$ 435,317</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 12,326,096	\$ 72,407,289	\$ 857,612	\$ 1,947,565
Current discount rate (7.5%)	\$ 9,492,564	\$ 55,790,610	\$ 660,463	\$ 1,512,526
1% increase (8.5%)	\$ 7,103,003	\$ 41,777,518	\$ 494,205	\$ 1,145,651

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Town of Norton	Norton Housing Authority	Town of Raynham	Raynham Housing Authority
Net Pension Liability at December 31, 2019	\$ 34,215,571	\$ 483,836	\$ 23,960,424	\$ 553,252
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 5,326,734	\$ 75,324	\$ 3,730,197	\$ 86,131
Changes of assumptions	6,001,939	84,872	4,203,028	97,049
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>708,668</u>	<u>16,049</u>	<u>57,170</u>	<u>3,539</u>
Total Deferred Outflows of Resources	<u>\$ 12,037,341</u>	<u>\$ 176,245</u>	<u>\$ 7,990,395</u>	<u>\$ 186,719</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,376,635	\$ 19,467	\$ 964,028	\$ 22,260
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>552</u>	<u>2</u>	<u>18,083</u>	<u>76,511</u>
Total Deferred Inflows of Resources	<u>\$ 1,377,187</u>	<u>\$ 19,469</u>	<u>\$ 982,111</u>	<u>\$ 98,771</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 5,653,900	\$ 79,952	\$ 3,959,324	\$ 91,422
Net amortization of deferred amounts from changes in proportion	<u>242,102</u>	<u>3,463</u>	<u>56,942</u>	<u>(2,287)</u>
Total Employer Pension Expense	<u>\$ 5,896,002</u>	<u>\$ 83,415</u>	<u>\$ 4,016,266</u>	<u>\$ 89,135</u>
Covered payroll	\$ 13,082,140	\$ 222,445	\$ 8,714,670	\$ 195,449
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 2,879,837	\$ 42,526	\$ 1,890,801	\$ 26,750
June 30, 2022	2,542,070	37,245	1,677,146	22,506
June 30, 2023	2,797,974	40,855	1,857,753	25,249
June 30, 2024	1,674,351	24,940	1,075,368	7,063
June 30, 2025	<u>765,922</u>	<u>11,210</u>	<u>507,216</u>	<u>6,380</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 10,660,154</u>	<u>\$ 156,776</u>	<u>\$ 7,008,284</u>	<u>\$ 87,948</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 44,428,927	\$ 628,262	\$ 31,030,245	\$ 718,398
Current discount rate (7.5%)	\$ 34,215,571	\$ 483,836	\$ 23,960,424	\$ 553,252
1% increase (8.5%)	\$ 25,602,495	\$ 362,040	\$ 17,998,338	\$ 413,982

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Raynham Water District	Town of Rehoboth	Town of Seekonk	Seekonk Housing Authority
Net Pension Liability at December 31, 2019	\$ 1,611,254	\$ 11,901,283	\$ 31,166,759	\$ 248,201
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 250,843	\$ 1,852,811	\$ 4,852,091	\$ 38,640
Changes of assumptions	282,639	2,087,669	5,467,131	43,538
Changes in proportion and differences between employer contributions and proportionate share of contributions	290,563	748,738	1,830	-
Total Deferred Outflows of Resources	<u>\$ 824,045</u>	<u>\$ 4,689,218</u>	<u>\$ 10,321,052</u>	<u>\$ 82,178</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 64,827	\$ 478,838	\$ 1,253,969	\$ 9,986
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	18,346	457,628	36,185
Total Deferred Inflows of Resources	<u>\$ 64,827</u>	<u>\$ 497,184</u>	<u>\$ 1,711,597</u>	<u>\$ 46,171</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 266,248	\$ 1,966,608	\$ 5,150,112	\$ 41,015
Net amortization of deferred amounts from changes in proportion	49,229	159,993	(8,731)	(72)
Total Employer Pension Expense	<u>\$ 315,477</u>	<u>\$ 2,126,601</u>	<u>\$ 5,141,381</u>	<u>\$ 40,943</u>
Covered payroll	\$ 592,130	\$ 4,268,080	\$ 12,821,079	\$ 57,425
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 200,290	\$ 1,096,657	\$ 2,341,922	\$ 10,258
June 30, 2022	177,957	1,002,139	2,064,935	8,951
June 30, 2023	190,051	1,091,139	2,299,224	10,905
June 30, 2024	137,311	700,311	1,279,421	3,062
June 30, 2025	53,609	301,788	623,953	2,831
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 759,218</u>	<u>\$ 4,192,034</u>	<u>\$ 8,609,455</u>	<u>\$ 36,007</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 2,092,214	\$ 15,453,820	\$ 40,421,385	\$ 316,362
Current discount rate (7.5%)	\$ 1,611,254	\$ 11,901,283	\$ 31,166,759	\$ 248,201
1% increase (8.5%)	\$ 1,205,654	\$ 8,905,377	\$ 23,362,195	\$ 190,720

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Seekonk Water District	Town of Somerset	Somerset Housing Authority	Somerset Berkley Schools
Net Pension Liability at December 31, 2019	\$ 1,053,575	\$ 39,864,694	\$ 829,086	\$ 3,347,079
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 164,022	\$ 6,206,199	\$ 129,073	\$ 521,079
Changes of assumptions	184,813	6,992,883	145,434	587,129
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>38,713</u>	<u>502,304</u>	<u>33,142</u>	<u>413,010</u>
Total Deferred Outflows of Resources	<u>\$ 387,548</u>	<u>\$ 13,701,386</u>	<u>\$ 307,649</u>	<u>\$ 1,521,218</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 42,390	\$ 1,603,923	\$ 33,358	\$ 134,667
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>41</u>	<u>118,121</u>	<u>2,617</u>	<u>19</u>
Total Deferred Inflows of Resources	<u>\$ 42,431</u>	<u>\$ 1,722,044</u>	<u>\$ 35,975</u>	<u>\$ 134,686</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 174,097	\$ 6,587,380	\$ 137,002	\$ 553,083
Net amortization of deferred amounts from changes in proportion	<u>(42,953)</u>	<u>463,470</u>	<u>21,031</u>	<u>(56,035)</u>
Total Employer Pension Expense	<u>\$ 131,144</u>	<u>\$ 7,050,850</u>	<u>\$ 158,033</u>	<u>\$ 497,048</u>
Covered payroll	\$ 674,413	\$ 12,090,246	\$ 217,651	\$ 1,457,988
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 98,029	\$ 3,150,112	\$ 71,862	\$ 370,484
June 30, 2022	80,542	2,890,092	66,151	325,973
June 30, 2023	88,435	3,188,391	70,791	350,977
June 30, 2024	53,842	1,879,698	43,449	241,008
June 30, 2025	<u>24,269</u>	<u>871,049</u>	<u>19,421</u>	<u>98,090</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 345,117</u>	<u>\$ 11,979,342</u>	<u>\$ 271,674</u>	<u>\$ 1,386,532</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 1,368,067	\$ 51,764,316	\$ 1,076,568	\$ 4,346,183
Current discount rate (7.5%)	\$ 1,053,575	\$ 39,864,694	\$ 829,086	\$ 3,347,079
1% increase (8.5%)	\$ 788,359	\$ 28,829,567	\$ 620,380	\$ 2,504,520

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Town of Swansea	Swansea Housing Authority	Swansea Water District	Town of Westport
Net Pension Liability at December 31, 2019	\$ 23,474,676	\$ 218,878	\$ 1,008,456	\$ 29,275,665
Deferred Outflows of Resources:				
Differences between actual and expected experience	\$ 3,654,575	\$ 34,075	\$ 156,998	\$ 4,557,683
Changes of assumptions	4,117,821	38,395	176,899	5,135,408
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>287,395</u>	<u>201</u>	<u>24,590</u>	<u>108,651</u>
Total Deferred Outflows of Resources	<u>\$ 8,059,791</u>	<u>\$ 72,671</u>	<u>\$ 358,487</u>	<u>\$ 9,801,742</u>
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 944,484	\$ 8,806	\$ 40,574	\$ 1,177,885
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>8,362</u>	<u>27,427</u>	<u>2,500</u>	<u>4,411</u>
Total Deferred Inflows of Resources	<u>\$ 952,846</u>	<u>\$ 36,233</u>	<u>\$ 43,074</u>	<u>\$ 1,182,296</u>
Pension Expense:				
Proportionate share of plan pension expense	\$ 3,879,048	\$ 36,169	\$ 166,643	\$ 4,837,772
Net amortization of deferred amounts from changes in proportion	<u>(47,995)</u>	<u>(875)</u>	<u>(78,376)</u>	<u>16,538</u>
Total Employer Pension Expense	<u>\$ 3,831,053</u>	<u>\$ 35,294</u>	<u>\$ 88,267</u>	<u>\$ 4,854,310</u>
Covered payroll	\$ 9,006,505	\$ 83,625	\$ 860,076	\$ 11,261,475
Future Amortization of Deferred Outflows/(Inflows):				
June 30, 2021	\$ 1,913,172	\$ 10,955	\$ 96,934	\$ 2,339,936
June 30, 2022	1,698,898	8,693	71,136	2,057,545
June 30, 2023	1,875,222	10,433	78,939	2,278,116
June 30, 2024	1,106,762	3,592	46,641	1,321,770
June 30, 2025	<u>512,891</u>	<u>2,765</u>	<u>21,763</u>	<u>622,079</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 7,106,945</u>	<u>\$ 36,438</u>	<u>\$ 315,413</u>	<u>\$ 8,619,446</u>
Discount Rate Sensitivity:				
1% decrease (6.5%)	\$ 30,432,788	\$ 277,917	\$ 1,295,478	\$ 37,910,124
Current discount rate (7.5%)	\$ 23,474,676	\$ 218,878	\$ 1,008,456	\$ 29,275,665
1% increase (8.5%)	\$ 17,606,797	\$ 169,090	\$ 766,407	\$ 21,994,098

See notes to schedule of employer allocation and schedule of pension amounts by employer.

**BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
YEAR ENDED DECEMBER 31, 2019**

	Westport Housing Authority	TOTALS
Net Pension Liability at December 31, 2019	\$ 142,793	\$ 471,312,400
Deferred Outflows of Resources:		
Differences between actual and expected experience	\$ 22,230	\$ 73,374,663
Changes of assumptions	25,048	82,675,471
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,696</u>	<u>7,678,219</u>
Total Deferred Outflows of Resources	<u>\$ 48,974</u>	<u>\$ 163,728,353</u>
Deferred Inflows of Resources:		
Net difference between projected and actual investment earnings on pension plan investments	\$ 5,745	\$ 18,962,865
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>311</u>	<u>7,678,219</u>
Total Deferred Inflows of Resources	<u>\$ 6,056</u>	<u>\$ 26,641,084</u>
Pension Expense:		
Proportionate share of plan pension expense	\$ 23,596	\$ 77,882,651
Net amortization of deferred amounts from changes in proportion	<u>1,399</u>	<u>-</u>
Total Employer Pension Expense	<u>\$ 24,995</u>	<u>\$ 77,882,651</u>
Covered payroll	\$ 42,272	\$ 172,238,518
Future Amortization of Deferred Outflows/(Inflows):		
June 30, 2021	\$ 11,592	\$ 37,227,769
June 30, 2022	10,456	32,763,775
June 30, 2023	11,237	36,305,575
June 30, 2024	6,564	20,891,463
June 30, 2025	<u>3,069</u>	<u>9,898,687</u>
Total Future Amortization of Deferred Outflows/(Inflows)	<u>\$ 42,918</u>	<u>\$ 137,087,269</u>
Discount Rate Sensitivity:		
1% decrease (6.5%)	\$ 185,416	\$ 606,944,712
Current discount rate (7.5%)	\$ 142,793	\$ 471,312,400
1% increase (8.5%)	\$ 106,848	\$ 355,931,659

See notes to schedule of employer allocation and schedule of pension amounts by employer.

## **BRISTOL COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

### **NOTES TO PENSION PLAN SCHEDULES AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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#### **A. INTRODUCTION**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB 68 requires employers to recognize a net pension liability or net pension asset as employees earn pension benefits. Employers participating in the Bristol County Contributory Retirement System (the "System") will recognize their proportionate share of the collective pension amounts for all benefits provided by the System.

#### **B. METHOD OF PROPORTIONATE SHARE ALLOCATION**

The basis for the proportionate share allocation by employer as found in the *Proportion of Net Pension Liability* column of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer is consistent with the manner in which regular employer contributions to the System are determined, subject to adjustments. The net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense is based upon actual historical employer contributions adjusted for the effects of nonproportional employer contributions like retired county sheriff employees and the effects of early retirement incentives.

#### **C. PENSION AMOUNTS BY EMPLOYER**

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows and inflows of resources, pension expense and other metrics for each of the System's participating employers. Reference is hereby made to the System's audited financial statements for the year ended December 31, 2019 for complete disclosure on the actuarial methods and assumptions used to determine these amounts.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
FINANCIAL STATEMENTS  
AND REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH INDEPENDENT AUDITOR'S REPORT

**BRISTOL COUNTY RETIREMENT SYSTEM  
INDEX TO FINANCIAL STATEMENTS  
AND REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board  
Bristol County Retirement System  
Taunton, Massachusetts

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Bristol County Retirement System, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Bristol County Retirement System's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bristol County Retirement System's preparation and fair presentation of the financial statements 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 Bristol County Retirement System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Bristol County Retirement System as of December 31, 2018, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

■ 41 West Central Street  
Natick, MA 01760  
508-650-0018

■ 99 Longwater Circle, Suite 200  
Norwell, MA 02061  
781-871-5850

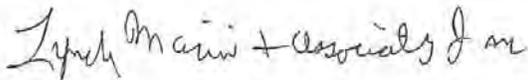
## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 22, Schedule of Contributions and Related Ratios on page 23, the Schedule of Investment Returns on page 24 and Notes to Required Supplementary Information on Page 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2019 on our consideration of the Bristol County Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bristol County Retirement System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bristol County Retirement System's internal control over financial reporting and compliance.



Norwell, Massachusetts  
July 12, 2019

 **LYNCHMARINI & ASSOCIATES INC**  
CERTIFIED PUBLIC ACCOUNTANTS  
[www.LynchMarini.com](http://www.LynchMarini.com)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BRISTOL COUNTY RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

As management of the Bristol County Retirement System (System) we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2018.

**FINANCIAL HIGHLIGHTS**

The fiduciary net position held in trust for pension benefits totaled approximately \$645 million at December 31, 2018, and \$681 million at December 31, 2017. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of December 31, 2018 was approximately 6,500, which represents active, inactive, disabled and retired participants.

The funded ratio of the System was 63.5% as of December 31, 2018, based on the date of the most recent actuarial valuation of January 1, 2018.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 towns and 24 special districts and housing authorities. Pursuant to Massachusetts General Law (MGL) the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over \$30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents fairly the information on the System's assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position restricted for pension benefits changed during the year ended December 31, 2018. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

**BRISTOL COUNTY RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The System is on a funding schedule to be 100% funded by the year 2028. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, Schedule of Investment Returns and Notes to Required Supplementary Information.

The Audit of Specific Elements, Accounts and Items of Financial Statements include the Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Notes to the related thereto.

**FINANCIAL ANALYSIS**

**ASSET COMPARISON– 2018 compared to 2017**

	(\$ in millions) December 31, <u>2018</u>	(\$ in millions) December 31, <u>2017</u>
Domestic Equity and Funds	\$ 126.8	\$ 164.3
Real Estate Funds	74.0	58.6
Venture Capital Funds	75.0	58.5
Hedge Funds	33.1	33.6
International Equity and Funds	155.2	183.9
Fixed Income:		
Corporate Bond Funds	90.5	86.6
U.S. Government Securities	26.6	26.1
International Bonds	<u>56.7</u>	<u>57.2</u>
Total Managed Investments	637.9	668.8
Receivables	3.0	4.3
Cash and Other Assets	<u>9.4</u>	<u>12.7</u>
<b>Total Assets</b>	<b><u>\$ 650.3</u></b>	<b><u>\$ 685.8</u></b>

Significant changes to the System's assets are outlined as follows:

- The decrease in domestic equities and funds is primarily due to \$101 million in sales, \$81 million and purchases and net decrease in fair market value of \$17 million.
- The increase in real estate funds is primarily due to \$25 million in purchases of pooled real estate funds, \$14 million of sales and real estate investment trust securities and net increase in fair market value of \$5 million.
- The increase in venture capital funds is primarily due to \$8 million in purchases, \$4 million in sales and net increases in fair market value of \$12 million.

**BRISTOL COUNTY RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

- The decrease in international equities and funds is primarily due to \$107 million in sales, \$99 million in purchases and net decrease in fair market value of \$22 million.
- The decrease in cash and other assets is primarily due to \$2.8 million decrease in the non-managed cash account due to purchases of venture capital and real estate funds near year end.

The System's overall returns as published in Public Employee Retirement Administration Commission's (PERAC) annual report for the past three years were (2.88%) in 2018, 16.83% in 2017, 7.01% in 2016. As published in PERAC's annual report, during the period from 1985 to 2018 the System has achieved a return of 8.64% in annual performance.

**CONTRIBUTIONS AND DEDUCTIONS**

Contributions to the System by members and employees for the years ended December 31, 2018 and 2017 are summarized below:

	(\$ in millions) December 31, <u>2018</u>	(\$ in millions) December 31, <u>2017</u>
Member Contributions	\$ 18.2	\$ 17.3
Employer and Other Contributions	<u>41.3</u>	<u>39.7</u>
<b>Total</b>	<b><u>\$ 59.5</u></b>	<b><u>\$ 57.0</u></b>

The member contributions increased by 5%, while employer contributions increased by 4%. The increase in member contributions is primarily due to 3% salary increases and a 2% total increase in total active members. The increase in employer and other contributions is primarily due to a 4% increase in the actuarial calculated employer pension appropriations.

Deductions from System assets for the year ended December 31, 2018 and 2017 are summarized below:

	(\$ in millions) December 31, <u>2018</u>	(\$ in millions) December 31, <u>2017</u>
Member Benefits	\$ 63.6	\$ 59.5
Refunds and Transfers	5.8	6.0
Administration	<u>1.0</u>	<u>0.9</u>
<b>Total</b>	<b><u>\$ 70.4</u></b>	<b><u>\$ 66.4</u></b>

The increase in member benefits is primarily attributable to a 3% increase in retirees, beneficiaries and other pensioners along with increases in monthly pension allowances due to cost of living adjustments.

**BRISTOL COUNTY RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**ECONOMIC FACTORS AND FUTURE OUTLOOK**

**Funding**

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at December 31, 2018 and December 31, 2017 (the measurement dates - based on the latest actuarial valuation completed was as of January 1, 2018), are as follows:

<u>2018</u>	<u>2017</u>
63.5%	68.6%

**New Members**

The Southeastern Massachusetts Regional Emergency Communication District joined the System in July of 2018. This member did not have any employees enrolled in the System until February of 2019. Accordingly, no contributions have been received and no net pension liability has been allocated to this member as of December 31, 2018.

The North Raynham Water District joined the System in July of 2019. Certain employees of this member had prior service credit, which will be granted to them based on their date of hire.

**PLAN AMENDMENTS**

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

**OTHER**

Other than changes in the fair value of System assets as may be impacted by the stock and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

**BASIC FINANCIAL STATEMENTS**

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

<b>ASSETS</b>		
Cash and short-term investments	\$	9,254,962
<b>Receivables</b>		
Employee		769,994
Employer		66,661
Securities sold		125,082
Interest and dividends		345,524
Other systems		1,741,619
Total receivables		3,048,880
<b>Investments</b>		
Domestic equities and funds		126,843,096
Real estate funds		73,948,553
Venture capital funds		74,952,579
Hedge funds		33,114,696
International equities and funds		155,200,892
<b>Fixed income</b>		
Domestic bonds and funds		90,465,954
U.S. government security		26,629,923
International bonds and funds		56,740,324
Total investments		637,896,017
Other assets		110,957
Total assets		650,310,816
 <b>LIABILITIES</b>		
Due to brokers and investment managers	\$	1,368,097
Due to other systems		4,008,702
Accounts payable		147,778
Total liabilities		5,524,577
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$</b>	<b>644,786,239</b>

The accompanying notes are an integral part of these financial statements.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**ADDITIONS**

<b>Contributions</b>	
Employer	\$ 39,176,067
Plan Members	18,169,477
Other systems and state	2,057,717
Miscellaneous	52,148
Total contributions	59,455,409
 <b>Investment Income</b>	
Net increase (decrease) in fair value of investments:	
Domestic equities and funds	(16,803,642)
Real estate funds	5,473,328
Venture capital funds	11,821,889
Hedge funds	(536,957)
International equities and funds	(22,099,400)
Domestic bonds and funds	(4,075,410)
U.S. government security	(309,031)
International bonds and funds	(3,739,859)
Interest and dividends	14,085,002
	(16,184,080)
Less investment expense	(8,744,105)
Net investment income	(24,928,185)
Total additions	34,527,224

**DEDUCTIONS**

Benefits	63,603,711
Refunds and transfers of contributions	5,783,860
Administrative and other expenses	961,161
Total deductions	70,348,732

**NET CHANGE IN FIDUCIARY NET POSITION** (35,821,508)

Fiduciary Net Position, Beginning of Year 680,607,747

Fiduciary Net Position, End of Year \$ 644,786,239

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION**

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Retirement Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2018, the date of the latest updated valuation, the System's membership consisted of:

	<b><u>2018</u></b>
Retirees and beneficiaries currently receiving benefits	2,219
Inactive participants	772
Disabled participants	281
Active participants	<u>3,220</u>
	<u>6,492</u>

Benefits

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 55 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began, and certain employees contribute an additional 2% over \$30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission (PERAC) actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2018, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1<sup>st</sup>. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1981 and 1997.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Participating Employers**

As of December 31, 2018, there were 37 participating employers consisting of:

Towns	14
County	1
Special districts and housing authorities	<u>24</u>
	<u>39</u>

Two (2) of the Special District noted above did not have employees or retirees enrolled in the System as of December 31, 2018. Accordingly, the System did not receive any contributions or record any liability attributable to these employers for the year December 31, 2018.

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

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

**Tax Status**

The System is a qualified plan under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the significant accounting policies followed by the Bristol County Retirement System (System) also referred to as the (Plan).

**Basis of Accounting**

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

**Fair Value Measurement**

The System measures assets and liabilities at fair value according to the hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk. The following levels are considered:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.
- Level 3 inputs are unobservable for an asset or liability.

Cash and short-term investments

Cash and cash equivalents are considered to be cash on hand and demand deposits with an original maturity date of three months or less. Short term investments are marketable securities, stated at fair value, that are expected to be sold or converted to cash within three to twelve months from December 31, 2018. Short-term investments include bills, notes and commercial paper, valued at fair value. All short-term investments are measured using level 1 inputs. For more information regarding cash and short-term investments, see Note 3.

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Investments

Certain investments are reported at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Securities for which such valuations are unavailable are reported at their fair value as estimated in good faith by the Board based on the information provided by the investment managers responsible for such investments. Fair values for investments in pooled investment vehicles (non-exchange traded commingled funds) are based on the commingled fund's published net asset value (NAV) which are valued based on the underlying marketable securities or in the absences of readily ascertainable market values, the price of identical or similar securities.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, net income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

Investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

For more information regarding the fair values of investments, see Note 3.

Other Assets

Other assets consist of two condominiums which are owned by a grantor-type trust for which the System and member units are the beneficiaries. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost, net of accumulated depreciation.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction). There were no deferred outflows of resources at December 31, 2018.

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition). There were no deferred inflows of resources at December 31, 2018.

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in Plan net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information in Schedule in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

**3. CASH AND SHORT-TERM INVESTMENTS, AND INVESTMENTS**

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2018, cash and short-term investment deposits totaled \$10,005,022 and had a carrying amount of \$9,254,962. Of the deposit amounts, \$7,340,611 was exposed to custodial credit risk at December 31, 2018, because it was uninsured and uncollateralized. The \$7,340,611 represents money market short-term investment accounts. The difference between deposit amounts and carrying amounts generally represents outstanding checks.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a (3) tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices, and;
- Level 3 – Unobservable inputs.

The System has the following recurring fair value measurements as of December 31, 2018:

	12/31/2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by fair value level:</b>				
<b>Debt securities:</b>				
Corporate bonds	\$ 25,326,602	\$ 25,326,602	\$	\$
Government issues	26,629,923	26,629,923		
Other	<u>1,011,881</u>		<u>1,011,881</u>	
Total debt securities	52,968,406	51,956,525	1,011,881	
<b>Equity securities:</b>				
Domestic common stock	<u>90,740,207</u>	<u>90,740,207</u>		
Total equity securities	90,740,207	90,740,207		
<b>Pooled investments:</b>				
Equity mutual funds - international	39,436,498	39,436,498		
Fixed income mutual funds - domestic	64,127,470	64,127,470		
Fixed income mutual funds - international	15,393,068	15,393,068		
Real estate mutual funds	<u>12,733,520</u>	<u>12,733,520</u>		
Total pooled investments	<u>131,690,556</u>	<u>131,690,556</u>		
Total investments by fair value level	\$ 275,399,169	\$ 274,387,288	\$ 1,011,881	\$
<b>Investments measured at net asset value (NAV):</b>				
Domestic equity funds	\$ 36,102,890			
International equity funds	115,764,394			
International fixed income funds	41,347,256			
Private equity/ venture capital funds	70,830,071			
Hedge funds	33,114,696			
Timberland funds	4,122,508			
Real estate funds	<u>61,215,033</u>			
Total investments measured at NAV	<u>362,496,848</u>			
Total investments measured at fair value	\$ <u>637,896,017</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing based on the securities relationship to benchmark quoted prices.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
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Investments valued using the net asset value (NAV) per share (or its equivalent) are considered select “pooled investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships and private investment trusts. If December 31 statements are available, these values are used preferentially. However, some partnerships/trusts are unable to provide statements timely. If December 31 valuations are not available, the value is derived from the most recently available valuation, taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption terms and fair value of the pooled investments measured at NAV:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Pooled domestic equities (1)	\$ 36,102,890	\$	Daily	1 - 10 days
Pooled international equities (2)	115,764,394		Daily	5 days
Pooled international fixed income (3)	41,347,256		Daily	1 - 10 days
Private equity/ venture capital funds (4)	70,474,473	47,372,685	Ineligible	N/A
Hedge funds (5)	33,114,696		Quarterly	45 - 90 days
Timberland funds (6)	4,122,508	751,310	Ineligible	N/A
Real estate (7)	61,570,631	8,340,679	Daily/ Ineligible	1 day / N/A
<b>Total investments measured at NAV</b>	<b>\$ 362,496,848</b>			

1. *Pooled domestic equities.* This type includes investments in one (1) private investment trust and (1) limited partnership that invest primarily in certain common stocks of companies or American Depository Receipts traded on major U.S. stock exchanges. The fair values of the investments in this type have been determined using the NAV per share of the investments. The underlying assets are valued using the market approach for quotations that are readily available; for investments whose quotations are not readily available, the investment manager/ general partner determines the fair value in good faith using applicable valuation inputs.

2. *Pooled international equities.* This type includes two (2) private investment trusts and (2) limited partnerships that invest primarily in equity securities outside of North America. These investments provide exposure to economies that offer different business cycles and growth opportunities than North American markets. The fair values of the investments in this type have been determined using the NAV per share of the investments. The underlying assets are valued using the market approach, or if information is not available, then valuation procedures are performed in good faith by the investment manager/ general partner.

3. *Pooled international fixed income.* This type includes two (2) private investment trusts that invest primarily in international fixed income securities issued by foreign governments, their agencies, corporations and local/quasi-governmental entities. The investments also include exposure to derivative instruments created to hedge or gain exposure to emerging market fixed income securities. The fair values of the investments in this type are determined using the NAV per share. The market approach is used to value the underlying investments within each fund.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
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4. *Private equity/venture capital funds.* This type includes investments in nine (9) private equity/ venture capital limited partnerships that primarily invest in privately held companies in the form of investee funds (primary and secondary) and direct investments in partnership units and common stock. Certain funds are also exposed to domestic and international infrastructure investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital of the investments. Eight (8) out of the nine (9) investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 13 years.

5. *Hedge funds.* This type includes investments in one (1) hedge fund which is invested on behalf of the System by the Pension Reserves Investment Trust (PRIT) Fund. The hedge fund invests in event-driven strategies such as credit-event, equity-event, multi-event driven, and stressed/distressed credit positions. The fair values of the investment in this type have been determined using the NAV per share. Redemption frequency for this investment is quarterly with 45 – 90 days' notice.

6. *Timberland funds.* This type includes investments in two (2) limited partnerships that acquire, hold, lease, mortgage, sell, exchange, dispose and otherwise exercise control over timberland property. Properties are primarily located in the U.S., Brazil and Austria. The fair values of the funds have been determined using the NAV per share. The investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 6 years.

7. *Real Estate.* This type includes six (6) privately held real estate investment trusts that focus on acquiring, holding and disposing of residential and commercial real estate. Other strategies include capitalizing on the current dislocation in the residential and commercial mortgage loan and structured securities markets. Four (4) of the six (6) investments can never be redeemed. Distributions from the non-redeemable funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 8 years.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2018, the System had \$52,968,406 of individual debt securities. In addition, the System held \$64,127,470 of domestic fixed income funds and \$56,740,324 of international fixed income funds. The average rating for domestic fixed income mutual funds was BBB+ (all managed by PIMCO and are based on S&P ratings) and the average rating of international fixed income funds was AA-, BB+ and BB (for funds managed by Colchester Global, Stone Harbor and Ashmore, respectively, and are based on S&P ratings).

At December 31, 2018, the System's individual debt securities had the following ratings:

Ratings by S&P

<u>Investment Type</u>	<u>Fair Value</u>	<u>S&amp;P Rating</u>							
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>CCC</u>	<u>Not Rated</u>
Corporate Bonds	\$ 25,326,602	\$ 3,010,604	\$ 305,503	\$ 6,354,246	\$ 11,253,841	\$ 376,645	\$ 454,184	\$ 590,258	\$ 2,981,321
Government Issues	26,629,923		24,571,288						2,058,635
Other	<u>1,011,881</u>		<u>732,868</u>	<u>279,013</u>					
Total debt securities	<u>\$ 52,968,406</u>	<u>\$ 3,010,604</u>	<u>\$ 25,609,659</u>	<u>\$ 6,633,259</u>	<u>\$ 11,253,841</u>	<u>\$ 376,645</u>	<u>\$ 454,184</u>	<u>\$ 590,258</u>	<u>\$ 5,039,956</u>

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Ratings by Moody's**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Moody's Rating</b>					<b>Not Rated</b>
		<b>Aaa</b>	<b>Aa</b>	<b>A</b>	<b>Baa</b>	<b>Ba</b>	
Corporate Bonds	\$25,326,602	\$ 5,234,968	\$ 397,866	\$ 3,354,202	\$ 7,521,827	\$ 774,953	\$ 8,042,786
Government Issues	26,629,923	19,709,711	3,261,272	1,371,048	229,257		2,058,635
Other	1,011,881		59,755	736,933			215,193
<b>Total debt securities</b>	<b>\$52,968,406</b>	<b>\$24,944,679</b>	<b>\$ 3,718,893</b>	<b>\$ 5,462,183</b>	<b>\$ 7,751,084</b>	<b>\$ 774,953</b>	<b>\$10,316,614</b>

*Interest rate risk* is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2018 for the domestic fixed income funds is 9.03 years and the average maturity for the international fixed income funds is 7.55, 8.90 and 9.51 years (for Colchester Global, Stone Harbor and Ashmore Fixed Income, respectively).

The following represents the System's individual debt securities' maturities as of December 31, 2018:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>&gt; 10</b>
Corporate Bonds	\$ 25,326,602	\$ 1,031,958	\$11,436,418	\$ 4,570,826	\$ 8,287,400
Government Issues	26,629,923	119,223	12,733,763	6,882,427	6,894,510
Other	1,011,881	517,675			494,206
<b>Total debt securities</b>	<b>\$ 52,968,406</b>	<b>\$ 1,668,856</b>	<b>\$24,170,181</b>	<b>\$11,453,253</b>	<b>\$ 15,676,116</b>

*Foreign currency risk* is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The System's investment policy does not formally address foreign currency risk. The System was exposed to foreign currency risk at December 31, 2018 as a result of investments in pooled international funds. However, due to the nature of these funds, the amount of underlying holdings exposed to foreign currency risk is unavailable.

*Concentration of credit risk* is assumed to arise when the amount of investments that the System has with anyone issuer exceeds 5% or more of the total value of the System's investments. At December 31, 2018, the System did not have more than 5% of its investments in any one issuer, except for certain pooled funds when the underlying investments are held with more than one issuer.

**Schedule of investment returns**

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2018 was (4.61)%, which has been calculated in accordance with the Provisions of GASB #67, *Financial Reporting for Pension Plans*.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
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**4. ACTUARIAL VALUATION**

Components of the net pension liability as of December 31, 2018 (in thousands):

Total Pension Liability	\$1,015,759
The Pension Plan's Fiduciary Net Position	<u>\$ 644,786</u>
Net Pension Liability	<u>\$ 370,973</u>
The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	63.48%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2018
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent, open group
Remaining amortization period	10 years
Asset valuation method	Market Value

Actuarial assumptions:

Investment rate of return	7.75%	
Projected salary increases	<u>Service</u>	<u>Rate</u>
	0-1	5.50%
	2	4.00%
	3-4	3.50%
	5-7	3.00%
	8+	2.75%
Cost-of-living adjustments	3.00% of the lesser of the pension amount and \$18,000 per year	
Discount rate	7.75%	
Inflation	4.00%	
Rates of retirement	Varies based upon age for general employees, police, and fire employees	
Rates of disability	Varies based upon age for general employees, police, and fire employees. General employees – 35% ordinary, 65% service connected Police & Fire – 5% ordinary, 95% service connected	
Mortality rates	Pre-Retirement – RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.	

Healthy Retiree – Group 1 & 2 retirees are represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retirees are represented by the RP-2014 Blue Collar Mortality Table set forward three years for males and six years for females, fully generational.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
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Disabled Retirees	Disabled Retirees – Group 1 & 2 disabled retirees are represented by the RP-2000 Mortality Table set forward six years. Group 4 disabled retirees are represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.
Family Composition	Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males.
Survivor Benefits	Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary  Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of \$250 per month to the surviving spouse, plus \$120 for the first child, plus \$90 for each additional child. If no beneficiary is designated and if the employee worked two years, and is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of \$250 per month plus \$120 for the first child and \$90 each additional child.
Refund of contributions	– Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.
Cost-of-Living Adjustments	In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is \$18,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) (in thousands).

	<u>1% decrease</u> (6.75%)	<u>Current Discount Rate</u> (7.75%)	<u>1% increase</u> (8.75%)
Bristol County Retirement System's net pension liability as of December 31, 2018	\$485,872	\$370,973	\$276,275

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 63.48%

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved portfolio target weights and long-term expected rates of return on November 4, 2014.

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

<u>Asset Class</u>	<u>Portfolio Target</u> <u>Weight</u>	<u>Long term Expected</u> <u>Rate of Return</u>
Equity	46.5%	7.9%
Fixed income	24.5%	4.6%
Private equity	8.5%	10.5%
Real estate funds	7.5%	6.5%
Hedge funds	5.0%	5.9%
Infrastructure	5.0%	7.6%
Timber	3.0%	7.5%

**5. LEGALLY REQUIRED RESERVE ACCOUNTS**

The balances in the System's legally required reserves at December 31, 2018:

	<u>2018</u>	<u>Purpose</u>
Annuity Savings Fund	\$ 159,709,653	Active members' contribution balance
Annuity Reserve Fund	54,731,660	Retired members' contribution account
Pension Reserve Fund	430,281,817	Amounts appropriated to fund future retirement benefits
Military Credit	<u>63,109</u>	Members' contribution while on military leave
	<u>\$ 644,786,239</u>	

All reserve accounts are funded at levels required by state statute.

**6. COMMITMENTS AND CONTINGENCIES**

The System is involved in certain lawsuits at December 31, 2018. In the opinion of the System's management, the ultimate resolution of these legal actions will not result in a material loss to the System.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**7. SUBSEQUENT EVENTS**

The Southeastern Massachusetts Regional Emergency Communication District joined the System in July of 2018. This member did not have any employees enrolled in the System until February of 2019. Additionally, the North Raynham Water District joined the System in July of 2019. Certain employees of this member had prior service credit, which will be granted to them based on their date of hire. No contributions were received from these members during the year ended December 31, 2018 and no net pension liability has been allocated to these members as of December 31, 2018.

**8. RECENT ACCOUNTING PRONOUNCEMENTS**

The following are pronouncements issued by the Governmental Accounting Standards Board ("GASB"), which the Town believes are applicable to its financial statements.

**Current pronouncements**

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System implemented this pronouncement in the current year; it did not have a material effect on the financial statements.

The GASB issued Statement #85, *Omnibus 2017*, which is required to be implemented in fiscal year 2018. This pronouncement addresses practice issues that have been identified during implementation and application of certain GASB Statements. The System implemented this pronouncement in the current year; it did not have a material effect on the financial statements.

The GASB issued Statement #86, *Certain Debt Extinguishing Issues*, which is required to be implemented in fiscal year 2018. This pronouncement improves the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transaction in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The pronouncement had no effect on the System.

**Future pronouncements**

The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in fiscal year 2019. The pronouncement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The System does not expect this pronouncement to have a material effect on the financial statements.

The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in fiscal year 2019. The pronouncement establishes criteria for identifying fiduciary activities and its objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #87, *Leases*, which is required to be implemented in fiscal year 2020. This pronouncement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The System expects to implement the pronouncement as applicable.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
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The GASB issued Statement #88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which is required to be implemented in fiscal year 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The System does not expect this pronouncement to have a material effect on the financial statements.

The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in fiscal year 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The System expects to implement the pronouncement as applicable.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN YEARS**

	2018	2017	2016	2015	2014
<b>Total pension liability:</b>					
Service cost	\$ 16,890,208	\$ 16,358,649	\$ 15,729,470	\$ 15,124,490	\$ 16,427,712
Interest	75,601,253	70,979,193	69,256,778	68,495,323	68,538,354
Experience (Gain) and Loss		39,172,630		23,510,546	
Changes in Plan Provisions				8,062,908	
Change in assumptions				(13,807,975)	
Benefit payments, including refunds of employee contributions	(69,387,571)	(65,483,244)	(61,382,742)	(62,046,359)	(56,581,624)
Net change in total pension liability	23,103,890	61,027,228	23,603,506	39,338,933	28,384,442
Total pension liability, beginning	992,655,817	931,628,589	908,025,083	868,686,150	840,301,708
Total pension liability, ending (a)	\$ 1,015,759,707	\$ 992,655,817	\$ 931,628,589	\$ 908,025,083	\$ 868,686,150
<b>Plan fiduciary net position increase (decrease):</b>					
Member contributions, transfers in, and other	\$ 20,279,342	\$ 19,347,554	\$ 18,716,780	\$ 18,270,738	\$ 14,991,145
Employer contributions	39,176,067	37,652,388	36,312,416	34,411,381	32,216,280
Net investment income (loss)	(24,928,185)	92,225,801	33,689,630	(5,679,765)	27,547,920
Retirement benefits and refunds	(69,387,571)	(65,483,244)	(61,382,742)	(59,773,359)	(52,732,330)
Administrative expenses	(961,161)	(919,117)	(1,149,837)	1,405,035	(1,507,773)
Net increase (decrease) in fiduciary net position	(35,821,508)	82,823,382	26,186,247	(11,365,970)	20,515,242
Fiduciary net position at beginning of year	680,607,747	597,784,365	571,598,118	582,964,088	562,448,846
Fiduciary net position at end of year (b)	\$ 644,786,239	\$ 680,607,747	\$ 597,784,365	\$ 571,598,118	\$ 582,964,088
<b>Net pension liability - ending (a) - (b)</b>	\$ 370,973,468	\$ 312,048,070	\$ 333,844,224	\$ 336,426,965	\$ 285,722,062
Plan fiduciary net position as a percentage of total pension liability	63.48%	68.56%	64.17%	62.95%	67.11%
Covered-employee payroll	\$ 165,459,183	\$ 164,456,820	\$ 155,392,270	\$ 152,406,793	\$ 141,877,055
Net pension liability as a percentage of covered employee payroll	224.21%	189.74%	214.84%	220.74%	201.39%

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS**  
**LAST TEN YEARS**

	2018	2017	2016	2015	2014
Actuarial determined contribution	\$ 39,904,554	\$ 38,352,544	\$ 36,641,656	\$ 34,405,310	\$ 32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments	(728,487)	(700,156)	(689,802)	(643,501)	(89,206)
Contributions in relation to the actuarially determined contributions	39,176,067	37,652,388	36,312,416	34,411,381	32,216,280
Contribution deficiency (excess)	\$ _____	\$ _____	\$ (360,562)	\$ (649,372)	\$ _____
Covered-employee payroll	\$ 165,459,183	\$ 164,456,820	\$ 155,392,270	\$ 152,406,793	\$ 141,877,055
Contributions as a percentage of covered- employee payroll	23.68%	22.89%	23.37%	22.58%	22.71%

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

**BRISTOL COUNTY RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 LAST TEN YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB #67, <i>Financial Reporting for Pension Plans</i></b>	-4.61%	15.65%	2.94%	-0.55%	5.29%

**Note:** This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 – CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the system's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

The System performs an actuarial valuation bi-annually. The latest valuation date was January 1, 2018. Changes in benefit terms, differences between expected and actual experience and changes in assumptions have been included in these financial statements.

**NOTE 2 – CONTRIBUTIONS**

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on employer allocation of net pension liability.

**NOTE 3 – MONEY WEIGHTED RATE OF RETURN**

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT**  
**ON AUDIT OF SPECIFIC ELEMENTS, ACCOUNTS,**  
**AND ITEMS OF FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board  
Bristol County Retirement System  
Taunton, Massachusetts

**Report on the Schedules**

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System, as of and for the year ended December 31, 2018 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, total contributions, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2018, and the related notes.

**Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and for presentation of the Schedules that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedules and the specified column totals included in the schedule of pension amounts by employer 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

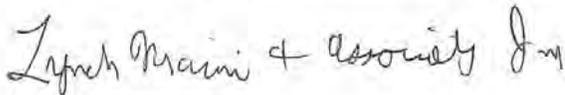
In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, total contributions, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2018, and our report thereon dated July 12, 2019, expressed an unmodified opinion on those financial statements.

### Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Norwell, Massachusetts  
July 12, 2019

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER ALLOCATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Employer	FY18 Contributions	Employer Allocation Percent of Total Net Pension Liability
Bristol County	\$ 3,768,553	9.6195%
Town of Acushnet	1,210,108	3.0889%
Acushnet Hous. Auth.	24,056	0.0614%
Town of Berkley	546,143	1.3941%
Town of Dartmouth	4,825,240	12.3168%
Dartmouth Hous. Auth.	66,027	0.1685%
Dartmouth Fire Dis. #3	67,102	0.1713%
Dartmouth Fire Dis. #2	11,385	0.0291%
Dartmouth Fire Dis. #1	37,315	0.0952%
Town of Dighton	690,701	1.7631%
Dighton Hous. Auth.	5,595	0.0143%
Dight.-Reh. Reg. School	830,635	2.1203%
Dighton Water Dist.	85,142	0.2173%
Town of Easton	4,224,459	10.7833%
Easton Hous. Auth.	88,877	0.2269%
Town of Freetown	1,001,090	2.5554%
Freet.-Lakev.Reg. Sch.	720,569	1.8393%
Town of Mansfield	4,387,270	11.1989%
Mansfield Housing	68,045	0.1737%
Brist.Cnty. Mosquito Cont.	128,025	0.3268%
Town of Norton	2,710,522	6.9188%
Norton Housing Authr.	37,439	0.0956%
Town of Raynham	1,974,910	5.0411%
Raynham Hous. Auth.	57,824	0.1476%
Raynham Water Dist.	87,079	0.2223%
Town of Rehoboth	861,026	2.1978%
Town of Seekonk	2,649,292	6.7625%
Seekonk Housin. Auth.	26,641	0.0680%
Seekonk Water District	81,868	0.2090%
Town of Somerset	3,207,344	8.1870%
Somerset Housing Auth.	63,858	0.1630%
Town of Swansea	1,894,351	4.8355%
Swansea Housing Auth.	23,009	0.0587%
Swansea Water District	83,370	0.2128%
Town of Westport	2,407,959	6.1465%
Westport Housing Auth.	11,642	0.0297%
Somerset Berkley Schools	211,596	0.5401%
<b>Total</b>	<b>\$ 39,176,067</b>	<b>100.0001%</b>

See Independent Auditor's Report.

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Deferred Outflows of Resources

Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
Bristol County	\$ 35,685,757	\$ 2,525,812	\$ 7,283,072	\$ 379,803	\$ 10,188,687
Town of Acushnet	11,459,988	81,059	2,338,654	7,454	3,157,167
Acushnet Hous. Auth	227,777	16,121	46,487	10,957	73,565
Town of Berkley	5,171,736	366,052	1,055,495	62,454	1,484,001
Town of Dartmouth	45,692,014	3,234,048	9,325,241	214,695	12,773,984
Dartmouth Hous. Auth	625,090	44,244	127,574	3,188	175,006
Dartmouth Fire Dis #3	635,477	44,978	129,695	15,301	189,974
Dartmouth Fire Dis #2	107,953	7,641	22,032	6,379	36,052
Dartmouth Fire Dis #1	353,166	24,897	72,077	12,695	109,769
Town of Dighton	6,540,627	462,940	1,334,871	25,987	1,823,798
Dighton Hous. Auth.	53,049	3,755	10,827	4,615	19,197
Dight-Reg. Sch	7,865,743	556,732	1,605,313	37,882	2,199,927
Dighton Water Dist.	806,125	57,057	164,522	22,700	244,279
Town of Easton	40,003,142	2,831,394	8,164,204	53,268	11,048,866
Easton Hous. Auth	841,738	59,578	171,789	45,002	276,369
Town of Freedom	9,479,847	670,977	1,934,733	199,801	2,805,511
Free-Lakev.Reg. Sch	6,823,308	482,049	1,392,563	90,744	1,966,256
Town of Mansfield	41,544,906	2,940,519	8,478,860	158,085	11,577,464
Mansfield Housing	644,380	45,609	131,511	3,186	180,306
Brist.Cnty.Mosquito.Cont.	1,212,340	85,808	247,425	17,630	350,863
Town of Norron	25,666,887	1,816,683	5,238,532	115,236	7,170,251
Norion Housing Auth	354,650	25,102	72,380	2,066	99,548
Town of Raynham	18,701,125	1,323,653	3,816,696	62,894	5,203,243
Raynham Hous.Auth	547,556	38,755	111,750	20,594	171,099
Raynham Water Dist	824,673	58,369	168,306	16,602	243,277
Town of Rehoboth	8,153,247	577,082	1,663,988	17,051	2,258,121
Town of Seekonk	25,087,056	1,775,643	5,119,994	119,350	7,014,987
Seekonk Housin. Auth.	252,262	17,855	51,483	9,603	78,941
Seekonk Water District	775,334	54,878	158,237	18,073	231,188
Town of Somerset	30,371,567	2,149,678	6,196,504	523,664	8,871,846
Somerset Housing Auth.	604,686	42,799	123,410	22,111	188,320
Town of Swansea	17,938,404	1,269,668	3,661,033	3,608	4,934,309
Swansea Housing Auth.	217,761	15,413	44,443	5,854	65,710
Swansea Water District	789,431	55,875	161,115	37,629	254,619
Town of Westport	22,801,861	1,613,899	4,653,610	11,976	6,279,485
Westport Housing Auth.	110,179	7,798	22,486	2,258	32,542
Somerset Berkley Schools	2,003,626	141,815	408,918	32,155	582,888
Total for All Entities	\$ 370,973,468	\$ 26,257,235	\$ 75,711,630	\$ 2,392,550	\$ 104,361,415

See Independent Auditor's Report  
 See Notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

**BRISTOL COUNTY RETIREMENT SYSTEM  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Employer	Deferred Inflows of Resources		Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total Deferred Inflows of Resources	Proportionate Share of Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total Employer Pension Expense	Revenue
	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions			Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions			
Bristol County	\$ 212,075	\$ 2,705,781	\$ 83,616	\$ 3,001,472	\$ 3,001,472	\$ 5,298,649	\$ 471,854	\$ 5,770,503	\$ 203,201	
Town of Aquinnet	68,099	868,848	8,760	945,707	945,707	1,701,439	(5,577)	1,695,862	65,250	
Aquinnet Hous. Auth.	1,354	17,271	3,154	21,779	21,779	33,821	12,169	45,990	1,297	
Town of Berkeley	30,735	392,133	221,007	643,875	643,875	767,903	(256,446)	511,457	29,449	
Town of Dartmouth	271,540	3,464,478	44,500	3,780,518	3,780,518	6,784,385	269,085	7,053,470	260,179	
Dartmouth Hous. Auth.	3,715	47,397	7,966	59,078	59,078	92,814	(8,755)	84,059	3,559	
Dartmouth Fire Dis. #3	3,777	48,183	38,338	90,318	90,318	94,356	(41,991)	52,365	3,619	
Dartmouth Fire Dis. #2	642	8,184	9,300	18,126	18,126	16,029	(8,673)	7,356	615	
Dartmouth Fire Dis. #1	2,099	26,778	7,088	35,965	35,965	52,438	12,381	64,819	2,011	
Town of Dighton	38,870	495,927	41,000	575,797	575,797	971,157	(33,689)	937,468	37,244	
Dighton Hous. Auth.	315	4,023	17,655	21,993	21,993	7,877	(20,606)	302		
Dight.-Rob. Reg. School	46,745	596,400	110,062	753,207	753,207	1,167,911	(125,801)	1,042,110	44,789	
Dighton Water Dist.	4,791	61,122	63,955	129,868	129,868	119,694	(71,303)	48,391	4,590	
Town of Easton	237,732	3,033,135	59,765	3,330,632	3,330,632	5,939,697	(2,538)	5,937,139	227,785	
Easton Hous. Auth.	5,002	63,822	80,542	124,982	124,982	51,621	176,603	4,793		
Town of Freetown	56,337	718,785	62,124	837,246	837,246	1,407,575	229,642	1,637,217	53,980	
Freet-Lakew. Reg. Sch.	40,550	517,359	263,443	821,352	821,352	1,013,130	(297,369)	715,761	38,853	
Town of Mansfield	246,895	3,150,036	386,205	3,783,136	3,783,136	6,168,619	(424,094)	5,744,525	236,564	
Mansfield Housing	3,829	48,858	6,849	59,536	59,536	95,678	(7,351)	88,327	3,669	
Bristol City Mosquito Cont.	7,205	91,923	34,027	133,155	133,155	180,009	(30,482)	149,527	6,903	
Town of Norton	152,534	1,946,134	866	2,099,524	2,099,524	3,811,039	103,456	3,914,495	146,152	
Norton Housing Auth.	2,108	26,889	1,074	30,071	30,071	52,659	(371)	52,288	2,019	
Town of Raynham	111,138	1,417,965	37,330	1,566,433	1,566,433	2,776,757	63,518	2,840,275	106,488	
Raynham Hous. Auth.	3,254	41,517	3,313	48,084	48,084	81,302	19,945	101,247	3,118	
Raynham Water Dist.	4,901	62,529	26,028	93,458	93,458	122,448	(24,881)	97,567	4,696	
Town of Rehoboth	48,453	618,198	42,366	709,017	709,017	1,210,600	(9,912)	1,200,688	46,426	
Town of Seekonk	149,088	1,902,162	42,850	2,094,100	2,094,100	3,724,945	130,250	3,855,195	142,850	
Seekonk Housin. Auth.	1,499	19,128	3,780	24,407	24,407	37,456	10,904	48,360	1,436	
Seekonk Water District	4,608	58,788	60,201	123,597	123,597	115,122	(69,086)	46,036	4,415	
Town of Somerset	180,493	2,302,845	273,056	2,756,394	2,756,394	4,309,594	508,430	5,018,024	172,941	
Somerset Housing Auth.	3,594	45,849	6,059	55,502	55,502	89,784	19,217	109,001	3,443	
Town of Swansea	106,605	1,360,134	123,537	1,590,276	1,590,276	2,463,508	(147,203)	2,516,305	102,145	
Swansea Housing Auth.	1,294	16,512	1,571	19,377	19,377	32,333	6,943	39,276	1,240	
Swansea Water District	4,691	59,856	104,197	168,744	168,744	117,215	(112,137)	5,078	4,495	
Town of Westport	135,508	1,728,891	18,699	1,883,098	1,883,098	3,385,638	(11,453)	3,374,185	129,838	
Westport Housing Auth.	655	8,355	718	9,728	9,728	16,359	1,536	17,895	627	
Somerset Berkley Schools	11,907	151,920	166,216	330,043	330,043	297,500	(201,163)	96,337	11,409	
<b>Total for All Entities</b>	<b>\$ 2,204,637</b>	<b>\$ 28,128,105</b>	<b>\$ 2,392,413</b>	<b>\$ 32,725,155</b>	<b>\$ 32,725,155</b>	<b>\$ 55,082,422</b>	<b>\$ 50</b>	<b>\$ 55,082,472</b>	<b>\$ 2,112,390</b>	

See Independent Auditor's Report.  
See Notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

**BRISTOL COUNTY RETIREMENT SYSTEM  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Employer	Deferred Inflows/(Outflows) Recognized in Future Pension Expense				Covered Employer Payroll
	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	
Bristol County	\$ 3,048,896	\$ 1,552,416	\$ 1,119,808	\$ 1,466,095	\$ 5,047,185
Town of Acushnet	860,852	504,357	368,616	477,635	5,838,215
Acushnet Hous. Auth.	26,050	8,797	7,385	9,554	62,825
Town of Berkley	203,853	254,002	166,562	215,709	3,282,425
Town of Dartmouth	3,652,188	2,001,031	1,450,440	1,889,807	19,923,275
Dartmouth Hous. Auth.	40,964	28,861	20,081	26,022	324,378
Dartmouth Fire Dis. #3	18,108	34,476	20,533	26,539	810,121
Dartmouth Fire Dis. #2	2,415	7,471	3,511	4,529	143,471
Dartmouth Fire Dis. #1	35,131	12,571	11,379	14,723	110,500
Town of Dighton	471,490	297,827	207,926	270,758	3,860,253
Dighton Hous. Auth.	(11,027)	4,325	1,705	2,201	95,689
Dight.-Reh. Reg. School	502,860	361,148	254,061	328,651	4,342,268
Dighton Water Dist.	9,737	45,190	25,897	33,587	647,335
Town of Easton	3,013,153	1,745,729	1,289,715	1,669,637	18,356,065
Easton Hous. Auth.	101,257	32,248	27,168	35,154	294,968
Town of Freetown	882,390	391,739	301,569	392,567	3,873,738
Freet.-Lakev. Reg. Sch.	301,007	338,176	220,519	285,202	4,540,927
Town of Mansfield	2,834,698	1,893,517	1,335,290	1,730,823	21,919,354
Mansfield Housing	43,477	29,673	20,754	26,866	280,321
Briar. Cnty. Mosquito Cont.	70,520	59,915	37,722	49,551	764,409
Town of Norton	2,022,581	1,149,806	827,254	1,071,086	12,314,219
Norton Housing Auth.	26,749	16,433	11,468	14,827	225,420
Town of Raynham	1,455,827	808,463	596,712	775,808	8,229,186
Raynham Hous. Auth.	56,521	24,622	19,029	22,843	207,156
Raynham Water Dist.	43,610	43,447	26,451	34,311	677,520
Town of Rehoboth	602,895	342,871	262,966	340,372	3,847,240
Town of Seekonk	1,987,749	1,086,963	803,291	1,042,884	12,209,433
Seekonk Hous. Auth.	26,915	9,702	7,710	10,207	56,204
Seekonk Water District	8,452	41,812	24,975	32,352	609,817
Town of Somerset	2,644,269	1,226,105	978,193	1,266,885	11,221,793
Somerset Housing Auth.	59,993	26,304	21,169	25,352	241,940
Town of Swansea	1,240,368	782,690	574,897	746,078	8,130,035
Swansea Housing Auth.	21,679	9,366	6,557	8,731	85,000
Swansea Water District	(20,702)	50,103	24,356	32,118	851,310
Town of Westport	1,714,353	1,007,597	728,102	946,335	10,677,956
Westport Housing Auth.	9,483	4,929	3,821	4,581	41,354
Somerset Berkley Schools	2,619	101,694	64,776	83,756	1,315,878
Total for All Entities	\$ 28,013,380	\$ 16,336,376	\$ 11,872,368	\$ 15,414,136	\$ 165,459,183

See Notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.  
See Independent Auditor's Report.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Employer	Discount Rate Sensitivity			Schedule of Contributions			Contributions as a Percentage of Covered Employee Payroll
	1% decrease (6.75%)	Current (7.75%)	1% increase (8.75%)	Statutory Required Contribution	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	
Bristol County	\$ 46,738,386	\$ 35,685,737	\$ 26,576,192	\$ 3,768,553	\$ 3,768,553	\$	74.67%
Town of Acushnet	15,008,077	11,458,988	8,533,831	1,210,108	1,210,108		20.73%
Acushnet Hous. Auth.	298,325	227,777	169,632	24,056	24,056		38.29%
Town of Berkley	6,773,531	5,171,736	3,851,537	546,143	546,143		16.64%
Town of Dartmouth	59,843,789	45,692,014	34,028,130	4,823,240	4,823,240		24.22%
Dartmouth Hous. Auth.	818,693	625,090	465,522	66,027	66,027		20.35%
Dartmouth Fire Dis. #3	832,297	635,477	473,257	67,102	67,102		8.28%
Dartmouth Fire Dis. #2	141,388	107,533	80,396	11,385	11,385		7.94%
Dartmouth Fire Dis. #1	462,549	353,166	263,012	37,315	37,315		33.77%
Town of Dighton	8,566,396	6,540,627	4,870,989	690,701	690,701		17.89%
Dighton Hous. Auth.	69,480	53,049	39,508	5,595	5,595		5.85%
Dight-Rel. Reg. School	10,301,928	7,865,743	5,857,840	830,635	830,635		19.13%
Dighton Water Dist.	1,055,799	806,125	600,344	85,142	85,142		13.15%
Town of Easton	52,393,599	40,003,142	29,792,110	4,224,459	4,224,459		23.01%
Easton Hous. Auth.	1,102,442	841,738	626,866	88,877	88,877		30.19%
Town of Frocton	12,415,953	9,479,847	7,059,908	1,001,090	1,001,090		25.84%
Freet-Lakev. Reg. Sch.	8,936,630	6,823,308	5,081,510	720,569	720,569		15.87%
Town of Mansfield	54,412,235	41,544,906	30,939,662	4,387,270	4,387,270		20.02%
Mansfield Housing	843,958	644,380	479,888	68,045	68,045		24.27%
Brist. Cnty. Mosquito Cont.	1,587,828	1,212,340	902,864	128,025	128,025		16.75%
Town of Norton	33,616,460	25,666,887	19,114,854	2,710,522	2,710,522		22.01%
Norton Housing Auth.	464,493	354,650	264,118	37,439	37,439		16.61%
Town of Rayburn	24,493,256	18,701,123	13,927,255	1,974,910	1,974,910		24.00%
Rayburn Hous. Auth.	717,146	547,556	407,781	57,824	57,824		27.91%
Rayburn Water Dist.	1,080,092	824,673	614,157	87,079	87,079		12.85%
Town of Rehoboth	10,678,478	8,153,247	6,071,953	861,026	861,026		22.38%
Town of Seekonk	32,857,044	25,087,056	18,683,038	2,649,292	2,649,292		21.70%
Seekonk Housin. Auth.	330,392	252,262	187,866	26,641	26,641		47.40%
Seekonk Water District	1,015,471	775,334	577,413	81,868	81,868		13.43%
Town of Somerset	39,778,279	30,371,567	22,618,562	3,207,344	3,207,344		28.58%
Somerset Housing Auth.	791,970	604,686	450,326	63,858	63,858		26.39%
Town of Swansea	23,494,304	17,938,404	13,359,235	1,894,351	1,894,351		23.30%
Swansea Housing Auth.	285,206	217,761	162,172	23,009	23,009		27.07%
Swansea Water District	1,033,934	789,431	587,911	83,370	83,370		9.79%
Town of Westport	29,864,076	22,801,861	16,981,189	2,407,959	2,407,959		22.55%
Westport Housing Auth.	144,303	110,179	82,053	11,642	11,642		28.15%
Somerset Berkley Schools	2,624,191	2,003,626	1,492,157	211,596	211,596		16.08%
<b>Total for All Entities</b>	<b>\$ 485,872,378</b>	<b>\$ 370,973,468</b>	<b>\$ 278,275,038</b>	<b>\$ 39,176,067</b>	<b>\$ 39,176,067</b>	<b>\$</b>	<b>23.68%</b>

See Notes to the Schedule of Employer Allocations and Schedule of Pensioner Amounts by Employer.  
 See Independent Auditor's Report.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND**  
**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**I. SCHEDULE OF EMPLOYER ALLOCATIONS**

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost-sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. As permissible under GASB Statement #68, The Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts. The fiscal year 2019 statutory contributions included in the Schedule of Employer Allocations were based on the actuarial accrued liability and normal cost for each employer.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans shall, on or before October 15 of each year, furnish the actuary with such information as he may require to enable him to determine the amount to be paid for the pension fund thereof for the fiscal year commencing on the next following July 1. The actuary shall, on or before December 15, immediately preceding such fiscal year, determine such amount and specify in a written notice to said board the amount so required to be paid; however, that any community which has a valid and current actuarial report shall only appropriate the amount specified in their actuarial report and the actuary shall not require a larger amount to be appropriated. The System has a valid actuarial reported dated January 1, 2018 which was used as a basis for employer appropriations.

In 2010, the Bristol County Sheriff's functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are included in the County's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completed an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP is separately identified in the System's funding schedule and is amortized using straight-line and increasing amortization, as follows, based on the actuarial valuation dated January 1, 2018:

- Level amortization of the 2010 Early Retirement Incentive by June 30, 2022; \$227,493 over 4 years
- Increasing amortization of the 2002 Early Retirement Incentive by June 30, 2023, \$3,902,554 over 5 years with 4.5% increasing payments
- Level amortization of the 2003 Early Retirement Incentive by June 30, 2022, \$1,383,377 over 4 years

See Independent Auditor's Report.

**BRISTOL COUNTY RETIREMENT SYSTEM**  
**NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND**  
**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. In 2017, the System conducted an Experience Study as of December 31, 2017 which significantly changed the projected Net Pension Liability for each member unit of the System. The results and allocations of this Experience Study have been allocated to the member units and will be amortized in accordance with GASB 67.

See Independent Auditor's Report.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Retirement Board of  
The Bristol County Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of fiduciary net position of the Bristol County Retirement System, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bristol County Retirement System's basic financial statements and have issued our report thereon dated July 12, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bristol County Retirement System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bristol County Retirement System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bristol County Retirement System's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bristol County Retirement System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Norwell, Massachusetts  
July 12, 2019



**COMMONWEALTH OF MASSACHUSETTS**

**Public Employee Retirement Administration Commission**

Five Middlesex Avenue, Suite 304 | Somerville, MA 02145

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# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

WILLIAM T. KEEFE, *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

February 5, 2026

Christopher Saunders, Chairperson  
Bristol County Retirement System  
645 County Street  
Unit 5  
Taunton, MA 02780

**REFERENCE:** Report of the Examination of the Bristol County Retirement System for the five-year period from January 1, 2018 through December 31, 2022.

Dear Chairperson Saunders:

The Public Employee Retirement Administration Commission has completed a follow-up review of the findings and recommendations contained in its audit report of the Bristol County Retirement Board for the period referenced above. We conduct these visits as a regular part of the oversight process to ensure the timely implementation of the recommendations contained in that report. The examination also addressed the other matters discussed at the completion of the audit. The results are as follows:

**1. The Audit Report cited a finding that cash reconciliations were not prepared by the County Treasurer but by the Assistant Director. There were 67 stale outstanding checks worth approximately \$86,000 on the May 31, 2024 Pension Payroll account reconciliation.**

**Follow-up Result:** The Board still prepared the cash reconciliations without the Treasurer's involvement as of December 31, 2025. There are only 11 stale outstanding checks worth \$4,300 on the December 31, 2025 Pension Payroll account reconciliation (from the May 31, 2024 reconciliation). This issue is partially resolved.

**2. The Audit Report cited a finding that four accidental disability retirement calculations did not calculate an annualized salary based on the rate of pay at the injury date. Another accidental disability retirement excluded Minutes Clerk pay from regular compensation.**

**Follow-up Result:** One accidental disability retirement had their allowance recalculated, submitted to PERAC's Actuarial Unit and corrected in July 2025. The other four accidental disability retirements have revised calculations (prepared in January 2026) and are in the process of submitting to PERAC's Actuarial Unit. This issue is resolved.



Bristol County Follow up  
February 5, 2026  
Page Two

The additional matters discussed have been reviewed and have been mostly resolved.

The Commission wishes to acknowledge the effort demonstrated by the staff of the Bristol County Retirement System to correct many of the issues from the most recent examination of the system.

Thank you for your continued cooperation in this matter.

Sincerely,



William T. Keefe  
Executive Director

WTK/cms

cc: Bristol County Retirement System Members