

PERAC AUDIT REPORT



Massachusetts Water Resources Authority
Contributory Retirement System



JAN. 1, 2009 - DEC. 31, 2011

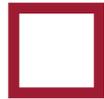


TABLE OF CONTENTS

Letter from the Executive Director	1
Explanation of Finding and Recommendation	2
Statement of Ledger Assets and Liabilities.....	3
Statement of Changes in Fund Balances	4
Statement of Receipts.....	5
Statement of Disbursements.....	6
Investment Income	7
Schedule of Allocation of Investments Owned.....	8
Supplementary Investment Regulations	9
Notes to Financial Statements:	
Note 1 - Summary of Plan Provisions	13
Note 2 - Significant Accounting Policies	20
Note 3 - Supplementary Membership Regulations.....	22
Note 4 - Administration of the System	25
Note 5 - Actuarial Valuation and Assumptions.....	26
Note 6 - Membership Exhibit.....	27

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman* | A. JOSEPH DeNUCCI, *Vice Chairman*
PAUL V. DOANE | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. McCARTHY | GREGORY R. MENNIS

JOSEPH E. CONNARTON, *Executive Director*

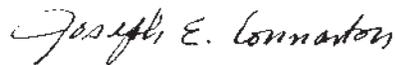
SeptemberAugust 23, 2012

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

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission, with the exception of the single issue noted in the finding presented in this report.

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

Sincerely,



Joseph E. Connarton
Executive Director



EXPLANATION OF FINDING AND RECOMMENDATION

Board Member Attendance

A review of meeting attendance by Board members revealed an unacceptable level of absenteeism. One Board member missed 33% of the meetings held in 2011. Our review did not identify such level of absenteeism in the other two years covered in the audit period. The result is an attendance rate for this Board member that was below the seventy-five percent minimum, considered reasonable. Such a level of absenteeism is considered to be above the acceptable level for retirement board member attendance. There was no reference to health issues noted in the official minutes related to the meetings missed.

Recommendation: Attendance at Board meetings is an obligation that must be fulfilled by all Board members. It is the Board's responsibility to counsel members who do not regularly attend meetings that they jeopardize their fiduciary duty to the retirement system. The Board should consider adjusting the schedule of Board meetings in order to better accommodate its members. In instances where a significant level of absenteeism occurs, it is the Board's responsibility to take appropriate action with members who fail to maintain minimum attendance requirements.

As permitted by the Attorney General's regulations found at 940 CMR 29.10, if the Board chooses, it has the authority to adopt its own policies on remote participation. These policies may further restrict, but not exceed the parameters established by 940 CMR 29.10. A formal vote to adopt remote participation must precede the initiation of such a policy. See PERAC Memo #31/2011 for details.

Board Response:

The Board member is not elected nor appointed to the Board, but rather, serves as the *ex officio* member by virtue of his position on the Board of Directors of the Massachusetts Water Resources Authority. In addition to attending monthly meetings of that body, the member's full time municipal position at the City of Chelsea is such that he is required to respond to emergency situations. Despite the member's best efforts, unforeseen emergencies in the City of Chelsea which occurred during the severe winter of 2011 prevented him from attending some Board meetings.

In 2011 the member attended 8 out of 12 meetings, and would have satisfied PERAC's meeting attendance standard but for his inability to attend a monthly meeting due to an emergency water line break occurring on a meeting day. As a result, the member's attendance for 2011 fell from an "acceptable" level of 75% to an "unacceptable" level of 66%.

FINAL DETERMINATION:

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

STATEMENT OF LEDGER ASSETS AND LIABILITIES

	AS OF DECEMBER 31,		
	2011	2010	2009
Net Assets Available For Benefits:			
Cash	\$8,597,838	\$3,738,172	\$5,395,361
Equities	42,867,446	42,868,943	33,589,070
Pooled Domestic Equity Funds	36,257,949	35,576,676	26,884,142
Pooled International Equity Funds	33,846,314	39,340,098	34,057,119
Pooled Domestic Fixed Income Funds	96,525,001	91,926,013	84,440,818
Pooled Alternative Investment Funds	20,601,179	15,613,235	9,812,341
Pooled Real Estate Funds	15,334,653	10,840,374	9,375,219
Pooled International Balanced Funds	30,092,338	32,049,889	27,857,506
Hedge Funds	16,361,826	22,251,711	20,935,206
PRIT Cash Fund	0	0	0
PRIT Core Fund	2,018,292	2,024,881	1,788,590
Interest Due and Accrued	0	338	197
Prepaid Expenses	837	594	0
Accounts Receivable	24,399	0	14,697
Accounts Payable	(367,080)	(248,047)	(319,628)
Total	<u>\$302,160,993</u>	<u>\$295,982,876</u>	<u>\$253,830,639</u>
Fund Balances:			
Annuity Savings Fund	\$105,286,041	\$100,405,678	\$95,599,983
Annuity Reserve Fund	15,858,051	14,693,201	13,301,295
Pension Fund	34,312,711	35,474,615	33,178,134
Military Service Fund	119,344	106,730	92,637
Expense Fund	0	0	0
Pension Reserve Fund	146,584,846	145,302,653	111,658,590
Total	<u>\$302,160,993</u>	<u>\$295,982,876</u>	<u>\$253,830,639</u>

STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2009)	\$90,188,486	\$12,336,147	\$32,904,438	\$71,603	\$0	\$66,751,245	\$202,251,918
Receipts	8,179,069	374,615	5,999,335	21,034	1,973,275	44,839,963	61,387,291
Interfund Transfers	(2,241,749)	2,110,871	63,496	0	0	67,383	0
Disbursements	(525,822)	(1,520,339)	(5,789,134)	0	(1,973,275)	0	(9,808,570)
Ending Balance (2009)	95,599,983	13,301,295	33,178,134	92,637	0	111,658,590	253,830,639
Receipts	7,951,790	420,119	8,775,810	14,093	2,298,513	33,623,286	53,083,610
Interfund Transfers	(2,723,168)	2,727,318	(24,927)	0	0	20,777	0
Disbursements	(422,927)	(1,755,531)	(6,454,402)	0	(2,298,513)	0	(10,931,373)
Ending Balance (2010)	100,405,678	14,693,201	35,474,615	106,730	0	145,302,653	295,982,876
Receipts	7,996,512	460,456	6,177,748	22,945	2,455,272	1,302,965	18,415,899
Interfund Transfers	(2,650,829)	2,681,931	0	(10,331)	0	(20,772)	0
Disbursements	(465,320)	(1,977,537)	(7,339,652)	0	(2,455,272)	0	(12,237,782)
Ending Balance (2011)	<u>\$105,286,041</u>	<u>\$15,858,051</u>	<u>\$34,312,711</u>	<u>\$119,344</u>	<u>\$0</u>	<u>\$146,584,846</u>	<u>\$302,160,993</u>

STATEMENT OF RECEIPTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
Annuity Savings Fund:			
Members Deductions	\$7,428,414	\$7,412,638	\$7,368,546
Transfers from Other Systems	246,182	165,915	212,187
Member Make Up Payments and Re-deposits	114,176	73,673	135,183
Member Payments from Rollovers	2,057	18,766	19,964
Investment Income Credited to Member Accounts	<u>205,683</u>	<u>280,797</u>	<u>443,188</u>
Sub Total	<u>7,996,512</u>	<u>7,951,790</u>	<u>8,179,069</u>
Annuity Reserve Fund:			
Investment Income Credited to the Annuity Reserve Fund	<u>460,456</u>	<u>420,119</u>	<u>374,615</u>
Pension Fund:			
3 (8) (c) Reimbursements from Other Systems Received from Commonwealth for COLA and Survivor Benefits	654,061	596,670	548,839
	0	0	0
Pension Fund Appropriation	5,488,792	8,136,240	5,450,496
Settlement of Workers' Compensation Claims	<u>34,895</u>	<u>42,900</u>	<u>0</u>
Sub Total	<u>6,177,748</u>	<u>8,775,810</u>	<u>5,999,335</u>
Military Service Fund:			
Contribution Received from Municipality on Account of Military Service	22,732	13,815	20,676
Investment Income Credited to the Military Service Fund	<u>213</u>	<u>278</u>	<u>358</u>
Sub Total	<u>22,945</u>	<u>14,093</u>	<u>21,034</u>
Expense Fund:			
Expense Fund Appropriation	0	0	0
Investment Income Credited to the Expense Fund	<u>2,455,272</u>	<u>2,298,513</u>	<u>1,973,275</u>
Sub Total	<u>2,455,272</u>	<u>2,298,513</u>	<u>1,973,275</u>
Pension Reserve Fund:			
Federal Grant Reimbursement	0	0	0
Pension Reserve Appropriation	0	0	0
Interest Not Refunded	2,498	2,667	7,900
Miscellaneous Income (Loss)	0	0	(13,863)
Excess Investment Income	<u>1,300,467</u>	<u>33,620,618</u>	<u>44,845,926</u>
Sub Total	<u>1,302,965</u>	<u>33,623,286</u>	<u>44,839,963</u>
Total Receipts	<u>\$18,415,899</u>	<u>\$53,083,610</u>	<u>\$61,387,291</u>

STATEMENT OF DISBURSEMENTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
Annuity Savings Fund:			
Refunds to Members	\$408,826	\$315,600	\$422,103
Transfers to Other Systems	56,494	107,327	103,719
Sub Total	<u>465,320</u>	<u>422,927</u>	<u>525,822</u>
Annuity Reserve Fund:			
Annuities Paid	1,977,537	1,755,531	1,520,339
Option B Refunds	0	0	0
Sub Total	<u>1,977,537</u>	<u>1,755,531</u>	<u>1,520,339</u>
Pension Fund:			
Pensions Paid:			
Regular Pension Payments	4,971,773	4,507,903	4,041,747
Survivorship Payments	599,582	453,569	357,412
Ordinary Disability Payments	237,073	231,243	226,739
Accidental Disability Payments	1,376,440	1,166,938	1,053,690
Accidental Death Payments	0	0	0
Section 101 Benefits	1,379	0	0
3 (8) (c) Reimbursements to Other Systems	153,406	94,749	109,547
State Reimbursable COLA's Paid	0	0	0
Chapter 389 Beneficiary Increase Paid	0	0	0
Sub Total	<u>7,339,652</u>	<u>6,454,402</u>	<u>5,789,134</u>
Military Service Fund:			
Return to Municipality for Members Who Withdrew Their Funds	0	0	0
Expense Fund:			
Board Member Stipend	0	0	0
Salaries	244,468	262,684	219,800
Legal Expenses	28,951	31,927	30,947
Medical Expenses	197	61	195
Travel Expenses	5,202	7,643	5,515
Administrative Expenses	16,612	18,949	24,778
Professional Services	12,100	10,500	35,150
Education and Training	3,269	5,537	5,763
Furniture and Equipment	705	8,105	2,574
Management Fees	1,927,890	1,721,232	1,451,305
Custodial Fees	82,526	98,499	92,988
Consultant Fees	97,500	92,500	75,000
Service Contracts	25,745	31,154	20,289
Fiduciary Insurance	10,107	9,722	8,972
Sub Total	<u>2,455,272</u>	<u>2,298,513</u>	<u>1,973,275</u>
Total Disbursements	<u>\$12,237,782</u>	<u>\$10,931,373</u>	<u>\$9,808,570</u>

INVESTMENT INCOME

	FOR THE PERIOD ENDING DECEMBER 31,		
	2011	2010	2009
Investment Income Received From:			
Cash	\$1,164	\$2,604	\$6,977
Equities	683,328	584,431	555,155
Pooled or Mutual Funds	6,573,538	6,103,129	5,061,518
Commission Recapture	420	637	859
Total Investment Income	<u>7,258,449</u>	<u>6,690,801</u>	<u>5,624,509</u>
Plus:			
Realized Gains	7,467,924	5,970,752	3,410,923
Unrealized Gains	31,634,354	47,586,330	58,355,543
Interest Due and Accrued - Current Year	0	338	197
Sub Total	<u>39,102,278</u>	<u>53,557,420</u>	<u>61,766,663</u>
Less:			
Realized Loss	(3,638,050)	(1,839,925)	(4,298,957)
Unrealized Loss	(38,300,249)	(21,787,772)	(15,453,896)
Interest Due and Accrued - Prior Year	(338)	(197)	(958)
Sub Total	<u>(41,938,636)</u>	<u>(23,627,894)</u>	<u>(19,753,810)</u>
Net Investment Income	<u>4,422,091</u>	<u>36,620,326</u>	<u>47,637,362</u>
Income Required:			
Annuity Savings Fund	205,683	280,797	443,188
Annuity Reserve Fund	460,456	420,119	374,615
Military Service Fund	213	278	358
Expense Fund	2,455,272	2,298,513	1,973,275
Total Income Required	<u>3,121,624</u>	<u>2,999,708</u>	<u>2,791,437</u>
Net Investment Income	<u>4,422,091</u>	<u>36,620,326</u>	<u>47,637,362</u>
Less: Total Income Required	<u>3,121,624</u>	<u>2,999,708</u>	<u>2,791,437</u>
Excess Income To The Pension Reserve Fund	<u>\$1,300,467</u>	<u>\$33,620,618</u>	<u>\$44,845,926</u>

SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2011		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$8,597,838	2.8%
Equities	42,867,446	14.2%
Pooled Domestic Equity Funds	36,257,949	12.0%
Pooled International Equity Funds	33,846,314	11.2%
Pooled Domestic Fixed Income Funds	96,525,001	31.9%
Pooled Alternative Investment Funds	20,601,179	6.8%
Pooled Real Estate Funds	15,334,653	5.1%
Pooled International Balanced Funds	30,092,338	9.9%
Hedge Funds	16,361,826	5.4%
PRIT Core Fund	<u>2,018,292</u>	<u>0.7%</u>
Grand Total	<u>\$302,502,837</u>	<u>100.0%</u>

For the year ending December 31, 2011, the rate of return for the investments of the Massachusetts Water Resources Authority Retirement System was 1.40%. For the five-year period ending December 31, 2011, the rate of return for the investments of the Massachusetts Water Resources Authority Retirement System averaged 3.54%. For the 27-year period ending December 31, 2011, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Massachusetts Water Resources Authority Retirement System was 7.69%.

The composite rate of return for all retirement systems for the year ending December 31, 2011 was 0.27%. For the five-year period ending December 31, 2011, the composite rate of return for the investments of all retirement systems averaged 1.38%. For the 27-year period ending December 31, 2011, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.11%.

SUPPLEMENTARY INVESTMENT REGULATIONS

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

February 2, 2012

MWRA EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INVESTMENT REGULATION
Schroder International Alpha Fund (the "Fund")

With respect to the MWRA Employees' Retirement Board's investment in the Schroder International Alpha Fund (the "Fund"), a series of the Schroder Capital Funds (Delaware) (the "Fund Trust"), since the Fund is a US registered management investment company, in which the manager makes investment recommendations and actions on behalf of all investors in the Fund rather than any particular investor, to the extent that the provisions of 840 CMR 17.04(3)(b) and 17.04(10)(a)(1) conflict with the provisions of the Investment Advisory Agreement between the Fund Trust and the Manager ("Agreement"), or the disclosure in the Fund's prospectus, including any summary prospectus and prospectus supplements (together the "Prospectus") and Statement of Additional Information and any supplements thereto (together, the "SAI"), in effect from time to time, the provisions and/or disclosure in the Agreement, Prospectus or SAI shall apply.

In addition, regarding this investment the following shall apply:

840 CMR 21.01(3)(a) and (b): Futures and forward currency contracts may be used for the purposes of managing risks and gaining exposure to certain asset classes or currencies (including short exposures) or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders;

840 CMR 21.01(2): The Fund may sell a security short when the Fund's adviser or sub-adviser anticipates that the price of the security will decline, or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders.

840 CMR 21.01(3): The Fund may invest in options, futures contracts, or other derivative instruments as part of its investment strategy to add incremental return over the Fund's benchmark index, or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders. The Fund may purchase or sell futures contracts and options, in order to gain long or short exposure to particular securities or markets, in connection with hedging transactions, or otherwise to increase total return, or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders.

840 CMR 21.01(4): The Fund may use call options written against securities in the portfolio to add incremental return over the Fund's benchmark index, or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders.

SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

840 CMR 21.01(5): The Fund may purchase options other than as required to close out options positions, to add incremental return over the Fund's benchmark index, or as otherwise described in the Fund's Prospectus or SAI, when deemed to be in the interest of Fund shareholders.

840 CMR 21.01(6): The Fund may invest in "restricted securities," i.e., securities that cannot be sold to the public without registration or the availability of an exemption from registration (such as Rules 144 or 144A), or that are "not readily marketable" because they are subject to restrictions on resale, when deemed to be in the interest of Fund shareholders.

January 3, 2012

19.01(8) Notwithstanding the provisions of 840 CMR 19.01(8), the MWRA Retirement Board ("the MWRA") may allocate 9% of the total market value of its portfolio at the time of investment to alternative investments.

March 25, 2011

16.08 In accordance with Investment Guideline 99-3, the Massachusetts Water Resources Authority Retirement Board is authorized to invest in Foundry Venture Capital 2010, L.P. The Board has been a satisfied investor in Foundry's predecessor partnership. The management team and strategy are essentially unchanged. The Board has submitted the required updated regulatory documents.

February 14, 2011

21.01(7) & (10) The Massachusetts Water Resources Authority Retirement Board is authorized to invest in Landmark Real Estate Partners VI, L.P., a fund of funds. 840 CMR 21.01(7) and 21.01(10) will not apply to investments of the partnership.

December 23, 2009

Notwithstanding the provisions of 840 CMR 16.02(5) or other relevant provisions of the Public Employee Retirement Administration Commission regulations, the Massachusetts Water Resources Authority Employees' Retirement Board may invest funds of the Massachusetts Water Resources Employees' Retirement System (the "System") in the fund known as the INTECH Risk-Managed Broad Large Cap Growth Fund LLC (the "Fund"), and in connection therewith, the System may enter into a Subscription Agreement with the Fund that provides, among other things, that the System agrees to indemnify the Fund and certain other parties and affiliates "against any and all losses, damages, liabilities, costs and expenses (including attorneys' fees and expenses) incurred or sustained by reason of, or in connection with, any breach of any representation, warranty, covenant or agreement" of the System contained in the Subscription Agreement.

December 9, 2009

21.01 The Massachusetts Water Resources Authority Retirement Board is authorized to invest in INVESCO's Mortgage Recovery Master Fund. That portion of the fund that invests in mortgage-backed products from the US Treasury's PPIP program will employ leverage up to 1x. That portion of the fund that invests in whole loans may employ leverage up to 4-6x.

SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

October 21, 2008

The provisions of 840 CMR 21.01(2)(3)(4) and (5) shall not apply to the investment of the Massachusetts Water Resources Authority Retirement Board in the fund known as the WTC-CIF Opportunistic Investment Portfolio.

October 21, 2008

The provisions of 840 CMR 21.01(2)(3)(4) and (5) shall not apply to the investment of the Massachusetts Water Resources Authority Retirement Board in the fund known as the PIMCO All Asset Fund.

April 22, 2008

16.08 In accordance with Investment Guideline 99-3, the Massachusetts Water Resources Authority Retirement Board is authorized to invest in Ascent Venture Partners V. The Board has been a satisfied investor in Ascent Venture Partners' previous partnership. The management group and strategy are essentially unchanged. The manager has submitted a revised Exemption Application.

August 15, 2003

1. Exemption of the Board and INVESCO from the second sentence of 840 CMR 17.04(1)(c) – This Regulation deals with the use of non-public information by managers and consultants. PERAC recognizes that, in making the investments contemplated by the INVESCO Funds delineated above, that sentence, which prohibits action until information is publicly disseminated, represents an undue burden on the ability of the Partnerships to operate. Consequently, the Massachusetts Water Resources Authority Retirement Board request as it applies to 840 CMR 17.04(1)(c) is approved.

2. Exemption of the Board and INVESCO from 840 CMR 17.04(6), except as otherwise provided for in the Partnership Agreement and/or as disclosed in INVESCO's Form ADV – This Regulation deals with the Priority of Transactions and an investment manager's obligation to prioritize board transactions and provide the board with the opportunity to act prior to the manager acting, if applicable. PERAC recognizes that this Regulation may impede the ability of partnerships such as INVESCO's to operate. Upon receipt of a copy of the provisions of the Partnership Agreement and/or disclosures in the INVESCO Form ADV, the Commission will approve the Massachusetts Water Resources Authority request as it applies to 840 CMR 17.04(6).

3. Exemption of the Board and INVESCO from 840 CMR 19.01(7)(a)(6) with respect to the management fees and the General Partner's Carried Interest to be received by the manager or the General Partner pursuant to the (a) Subscription Agreement, (b) Agreement as defined in the side letter, and/or (c) Manager's Investment Advisory Agreement with respect to the Board's commitments to the Partnerships – PERAC recognizes the fact that the market, at the present time, is such that fee limitations, as outlined in these Regulations, result in limiting the number of partnerships available to the retirement boards. Consequently, the Massachusetts Water Resources Authority Retirement Board request, as it applies to 840 CMR 19.01(7)(a)(6), is approved.

4. Exemption of the Board and INVESCO from 840 CMR 21.01(2), 21.01(3)(a), 21.01(4), and 21.01(5) to the extent as otherwise permitted under the applicable agreement – These Regulations

SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

prohibit certain transactions as follows: 21.01(2) prohibits the sale of securities not owned by the system at the time of the sale (short sales); 21.01(3)(a) permits the use of forward currency contracts in limited circumstances; 21.01(4) prohibits the use of call options; 21.01(5) prohibits the purchase of options other than as required to close out option positions. PERAC has received a letter dated August 22, 2000 from INVESCO that clarifies the possible use of options, futures, or other derivatives. In pertinent part, the letter states as follows:

“Although the above referenced funds do not expect to use options, futures, or other derivatives other than infrequently, if at all, futures and/or options would be used only for nonspeculative true hedging purposes. In general, we would anticipate their use, if at all, for among other reasons to protect downside risk on public securities of companies distributed to the funds by the underlying portfolio funds we invest in and where a commitment to a fund was made in a non US currency to limit currency risk of the funds.”

PERAC approves the exemption of the Board and INVESCO from 840 CMR 21.01(2), 21.01(3)(a), 21.01(4), and 21.01(5) for the limited purpose of protecting downside risk on public securities of companies distributed to the funds by underlying portfolio funds and to limit currency risk of the funds where a commitment to a fund was made in a non US currency.

Please be advised that this Supplemental Regulation as it exempts the Massachusetts Water Resources Authority Retirement Board from PERAC Regulations, only does so in relation to the INVESCO Funds that are the subject of the Supplementary Regulation. In all other circumstances, these Regulations apply to the Massachusetts Water Resources Authority Retirement Board.

February 7, 2000

16.08

The Massachusetts Water Resources Authority Retirement Board may invest in the Loomis Sayles Investment Trust Small Company Growth Fund. This fund has the same investment strategy and management team as a previously-approved separate account. The purpose of the change is to reduce administrative and custodial expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE I – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all Massachusetts Water Resources Authority Retirement System member unit employees deemed eligible by the retirement board.

ADMINISTRATION

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

PARTICIPATION

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

There is only 1 class of membership in the MWRA Retirement System:

Group I:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

MEMBER CONTRIBUTIONS

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

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

For members entering the system after January 1, 2011, contributions are limited to 64% of the annual limitation imposed by federal law on the amount of compensation that may be taken into account when calculating benefits allowable under Federal Law, 26 U.S.C. 401(a).

RATE OF INTEREST

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

RETIREMENT AGE

There is no mandatory retirement age for employees in Group I.

SUPERANNUATION RETIREMENT

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

AMOUNT OF BENEFIT

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

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

DEFERRED VESTED BENEFIT

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

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

WITHDRAWAL OF CONTRIBUTIONS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

DISABILITY RETIREMENT

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

ORDINARY DISABILITY

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

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

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

ACCIDENTAL DISABILITY

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

ACCIDENTAL DEATH

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

Allowance: An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of \$751.80 per year, per child (or \$312.00 per year in systems in which the local option contained in G.L. c.32, s.9 (2)(d)(ii) has not been adopted) payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

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

DEATH IN ACTIVE SERVICE

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

COST OF LIVING

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

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

METHODS OF PAYMENT

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

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

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

Option C: A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is unmarried at the time of retirement for a member whose retirement becomes effective on or after February 2, 1992, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

NOTES TO FINANCIAL STATEMENTS (Continued)

ALLOCATION OF PENSION COSTS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Massachusetts Water Resources Authority Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission:

MEMBERSHIP

April 26, 1993

Full time Employees: Membership in the retirement system is mandatory for all employees who are regularly employed on a full time basis and whose employment commences prior to the attainment of age 65.

Permanent Part Time Employees: Part time employees working a minimum of 19 hours a prorated basis as it relates to a full time position. Part time employees who work less than 19 hours per week shall not become members of the system.

Interns/Co-ops: Internship is limited to 1462 hours, which is equivalent nine months for full time and can be spread out to twelve months for part time. Interns/Co-ops shall only be allowed to work one internship/co-op at the MWRA. Interns/Co-ops shall not become members of the retirement system.

Contract Employees: Hired to perform a specific set of duties for a limited time (Less than 1 year); that will perform tasks above the capability or experience level of existing personnel; or hired to fulfill essential duties when coverage by existing staff is not feasible due to vacation schedules, illness, job vacancy, special projects, etc. Contract employees shall not be eligible for membership in the retirement system.

Consultants (Fee for Service): Hired to perform specialized services for a limited time that are beyond the expertise or capability of existing personnel. Consultants shall not be eligible for membership in the retirement system.

On Call Employees: Employees hired to fulfill the temporary clerical/other needs of the MWRA. "On Call" employees are hired on an "annual contract" basis, (with a no notice termination clause for both parties), that commences on the date of hire and ends on the one year anniversary of the date of hire. The "On Call" program employees shall not be eligible for membership in the retirement system.

Temporary, Seasonal Employees: Employees hired to perform an assignment that is not of a continuing nature during a specific period of time. Temporary, seasonal employees shall not be eligible for membership in the retirement system. On Call, Temporary, Intern/Co-op and Part Time employees who become full time employees may be eligible to "buy back" creditable service which was earned while at less than part time, (19 hours per week and therefore ineligible for membership in the retirement system); by the discretion and eventual vote of the retirement board provided that creditable service shall be granted based on actual service rendered. Effective April 5, 1993 all

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

new employees classified not full time and thus not eligible to become members of the retirement system must contribute to the alternative defined contribution retirement plan system of the board

September 4, 1990

Permanent Part Time Employees: An employee who is employed at least 18.75 or 20 hours per week on a permanent basis shall become a member of the system.

Interns/Coops, Seasonal, On Call Temporaries: An Intern Coop, Seasonal or On Call Temporary employee shall not be allowed membership into the retirement system until they are permanently employed. Upon becoming a member, they will be allowed to make payment toward creditable service for the time employed in that capacity.

Contractual (MWRA Employment Contract): A contractual employee shall become a member of the retirement system if later permanently employed. Upon becoming a member, they will be allowed to make payment toward creditable service for the time worked in that capacity. (Revised by supplementary rules approved April 26, 1993)

CREDITABLE SERVICE

November 29, 2001

1. Employees of the MWRA whose compensation is paid through a federal grant and whose employment terms and conditions would otherwise qualify them for membership, are eligible for membership in the MWRA Retirement System.

2. Active members of the MWRA Retirement System who previously were excluded or omitted from membership in the MWRA Retirement System due solely to the federal source of payment of the employees' compensation, and whose employment terms and conditions would otherwise qualify them for membership in the MWRA Retirement System, are entitled to membership in the system retroactive to the date of such exclusion or omission, upon full and complete payment into the retirement system of the appropriate retirement contribution. Such members are entitled to the benefits of membership which were in effect at the time of such exclusion or omission.

3. Active members of the MWRA Retirement System who have rendered prior employment service in another governmental unit subject to the provisions of G.L. c. 32, and whose compensation for such service was paid through a federal grant, are eligible to purchase creditable service for such prior employment service, if such prior employment service, if rendered to the MWRA, would have been eligible to be purchased.

MISCELLANEOUS

July 19, 1994

Forms: Approval of Option Selection Forms and Option (d) beneficiary designation form.

June 2, 1987

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

Make-Up Payments Employees may request, in writing, permission to make-up payments for their previous employment if the Retirement System from which they were previously employed is established within the provisions of c. 32. Each employee requesting permission to make-up payments for their previous employment shall provide the retirement system with a verified list of salaries, earned by them, by calendar year, not including any overtime or bonuses, so that a make up payment can be calculated. Make-up payments consist or regular contributions plus interest received at the time of a refund plus interest the employee's account would have earned had they not received a refund. Employees of a temporary nature found to be ineligible for membership in a governmental unit covered by c. 32 may purchase past service upon becoming a permanent employee. Purchases of prior creditable service may be in a lump sum at any time prior to retirement or in annual periodic payments [subject to four enumerated conditions]

Travel Regulations:

July 20, 2002

The Massachusetts Water Resources Authority Retirement System has adopted Travel Supplemental Regulations under the provisions of G.L. c. 7, § 50 and G.L. c. 32, § 21(4). Regulations available upon written request and are also available on the PERAC website:
<http://www.mass.gov/perac/04travelreg/mwrtravelreg.html>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - ADMINISTRATION OF THE SYSTEM

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

Ex-officio Member: Joseph C. Foti

Appointed Member: Thomas J. Durkin Term Expires: 7/15/2012

Elected Member: James M Fleming, Esq. Chairman Term Expires: 6/30/2012

Elected Member: Daniel K. O'Brien Term Expires: 4/29/2014

Appointed Member: Frank Zecha Term Expires: 1/24/2013

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

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

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

Treasurer - Custodian:)	MACRS Blanket Policy:
Ex-officio Member:)	\$50,00,000 Fiduciary Liability
Elected Members:)	\$1,000,000 Fidelity (ERISA) Bond
Appointed Members:)	St. Paul Travelers Insurance Company
Staff Employees:)	National Union Fire

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Buck Consultants, LLC as of January 1, 2011.

The actuarial liability for active members was	\$251,924,672
The actuarial liability for retirees, beneficiaries and inactive members was	<u>89,596,176</u>
The total actuarial liability was	\$341,520,848
System assets as of that date were	<u>299,331,117</u>
The unfunded actuarial liability was	<u>\$42,189,731</u>
The ratio of system's assets to total actuarial liability was	87.6%
As of that date the total covered employee payroll was	\$82,870,385

The normal cost for employees on that date was 8.7% of payroll
 The normal cost for the employer was 1.8% of payroll

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

Investment Return: 8.00% per annum
 Rate of Salary Increase: 4.75% per annum

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2011	\$299,331	\$341,521	\$42,190	87.6%	\$82,870	50.9%
1/1/2010	\$276,270	\$319,876	\$43,606	86.4%	\$81,962	53.2%
1/1/2009	\$222,477	\$301,652	\$79,175	73.8%	\$82,314	96.2%
1/1/2007	\$211,716	\$255,962	\$44,246	82.7%	\$75,444	58.6%

* Valuation numbers are stated in thousands

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - MEMBERSHIP EXHIBIT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Retirement in Past Years										
Superannuation	82	14	214	5	10	5	8	14	24	18
Ordinary Disability	1	0	9	0	0	1	0	2	2	0
Accidental Disability	1	1	20	0	3	3	8	5	2	2
Total Retirements	84	15	243	5	13	9	16	21	28	20
Total Retirees, Beneficiaries and Survivors	194	193	256	252	267	272	288	311	343	364
Total Active Members	1,230	1,205	1,153	1,169	1,161	1,178	1,161	1,121	1,113	1,103
Pension Payments										
Superannuation	\$1,742,768	\$2,439,702	\$3,117,456	\$3,534,183	\$3,775,891	\$3,766,606	\$3,811,499	\$4,041,747	\$4,507,903	\$4,971,773
Survivor/Beneficiary Payments	78,982	448,272	97,359	94,644	133,623	193,754	257,551	357,412	453,569	599,582
Ordinary Disability	67,162	84,548	235,031	209,609	191,495	209,387	234,470	226,739	231,243	237,073
Accidental Disability	307,945	193,046	445,521	510,041	569,424	715,928	870,616	1,053,690	1,166,938	1,376,440
Other	16,285	11,989	48,126	63,169	65,351	76,580	75,918	109,547	94,749	154,785
Total Payments for Year	<u>\$2,213,142</u>	<u>\$3,177,557</u>	<u>\$3,943,493</u>	<u>\$4,411,646</u>	<u>\$4,735,784</u>	<u>\$4,962,255</u>	<u>\$5,250,054</u>	<u>\$5,789,134</u>	<u>\$6,454,402</u>	<u>\$7,339,652</u>

PERAC

Five Middlesex Avenue | Third Floor
Somerville, MA | 02145

Ph: 617.666.4446 | Fax: 617.628.4002

TTY: 617.591.8917 | Web: www.mass.gov/perac