PLYMOUTH COUNTY RETIREMENT ASSOCIATION

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013
WITH INDEPENDENT AUDITOR’S REPORT THEREON

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

INDEX

LMM Lynch, Malloy, Marini, LLP
Certified Public Accountants & Advisors

INDEPENDENT AUDITORS' REPORT

To the Retirement Board of
The Plymouth County Retirement Association

Report on the Financial Statements

We have audited the accompanying financial statements of plan net position and changes in plan net position of the Plymouth County Retirement Association (the Association), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Plymouth County Retirement Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Association 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 an opinion on these financial statements based on our audits. We conducted our audits 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 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 Association'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 Association'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 financial position of the Association as of December 31, 2013, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Norwell, MA 02061
781-871-5850

9 Baystate Court
Brewster, MA 02631
508-255-2240

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages 3 through 5 and the schedule of funding progress and employer contributions on page 15 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.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
November 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Plymouth County Retirement Association (the Association) we offer readers of the Association's financial statements this narrative overview and analysis of the financial activities of the Association for the years ended December 31, 2013.

FINANCIAL HIGHLIGHTS

The plan net position held in trust for pension benefits totaled approximately $811 million at December 31, 2013, compared to $703 million (restated) the year earlier. The net position is available for payment of monthly retirement benefits and other distributions to the Association's participants. The increase of $108 million resulted primarily from increase in net investment income.

The total number of participants in the Association in 2013 increased 2.0% during the year to 11,759 active and retired. The increase was a result of new retirements and new hires by member units.

The funded ratio of the Association was 50.5% at January 1, 2013, the date of the latest actuarial valuation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Association is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The Association covers substantially all non-teaching employees in the County, 23 municipalities and 31 special districts. Benefits are determined in accordance with a statutory formula set forth in M.G.L. Chapter 32. The maximum benefit is 80% of the high three consecutive year's average salary.

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 Association's financial statements are comprised of a Statement of Plan Net Position, a Statement of Changes in Plan Nets Position, and Notes to the Financial Statements. Also included is certain required supplementary information.

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

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

The Statement of Changes in Plan Net Position presents information showing how the Association's net position held in trust for pension benefits changed during the year ended December 31, 2013. 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.

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

The Required Supplementary Information and the related note present a schedule of funding progress along with a discussion of actuarial assumptions and methods.

The Association is on a funding schedule to be 100% funded by the year 2035. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

FINANCIAL ANALYSIS

Asset comparison – 2013 compared to 2012

($ in millions)	December 31, 2013	December 31, 2012	Change Amount	Change %
Domestic Equity and Funds	$ 291.5	$ 219.7	$ 71.8	33%
Real Estate Funds	103.9	98.9	5.0	5%
Venture Capital Funds	44.6	42.8	1.8	4%
Hedge Funds	24.8	21.8	3.0	14%
International Equity Funds	163.8	137.7	26.1	19%
Fixed Income				
Corporate Bond Funds	64.4	63.9	0.5	1%
U.S. Government Securities	31.9	32.1	(0.2)	(1%)
International Bonds	47.8	54.5	(6.7)	-12%
Total Managed Investments	772.7	671.4	101.3	15%
Cash and Other Assets	46.5	38.4	8.1	21%
Total Assets	**$ 819.2**	**$ 709.8**	**$ 109.4**	**15%**

The increase in the Association's investments is mostly attributable to the recovery in the U.S. and non-U.S. equity markets from the prior year. The Association's overall returns as published in PERAC's annual report for the past three years were 17.47% in 2013, 12.62% in 2012, and .53% in 2011. As published in PERAC's annual report, during the period from 1985 to 2013 the Association has achieved a return of 9.50% in annual performance.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the Association by members and employees for the years ended December 31, 2013 and 2012 are summarized below:

($ in millions)	December 31, 2013	December 31, 2012	Change Amount	Change %
Member Contributions	$ 23.7	$ 22.8	$ 0.9	4%
Employer and Other Contributions	57.4	51.8	5.6	11%
Total	**$ 81.1**	**$ 74.6**	**$ 6.5**	**9%**

The member contributions increased by 4%. This is attributable to increased hiring as well as pay increases across many member units. The employer contributions increased 11% and are based on actuarial calculations.

Deductions from Association assets for the year ended December 31, 2013 and 2012 are summarized below:

	($ in millions) December 31, 2013	2012	Change Amount	%
Member Benefits	$ 78.6	$ 73.9	$ 4.7	6%
Refunds and Transfers	7.5	7.0	0.5	7%
Administration	1.5	1.1	0.4	36%
Total	**$ 87.6**	**$ 82.0**	**$ 5.6**	**7%**

The change in member benefits is attributable to increases in monthly benefits of newer retirees. The change in refunds and transfers is attributable to transfer of County House of Corrections to the Commonwealth of Massachusetts last year.

ECONOMIC FACTORS

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 Association at January 1 (latest actuarial valuation completed was as of January 1, 2013), determined by an actuarial valuation as follows:

2013	2011
50.5%	56.1%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the Association 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 Association 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 Association.

Requests for Information

This financial report is designed to provide a general overview of the Association'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 Plymouth County Retirement Association, 10 Cordage Park Circle, Suite 234, Plymouth, MA 02360.

FINANCIAL STATEMENTS

PLYMOUTH COUNTY RETIREMENT ASSOCIATION

STATEMENT OF PLAN NET POSITION

DECEMBER 31, 2013

		2013
ASSETS		
Cash and short-term investments	$	36,389,528
Receivables		
Employee		2,208,662
Securities sold		1,860,894
Interest and dividends		955,275
Other systems		5,018,582
Total receivables		10,043,413
Security deposits		31,675
Investments, at fair value		
Domestic equities and funds		291,504,396
Real estate funds		103,898,812
Venture capital funds		44,604,008
Hedge funds		24,805,880
International equity funds		163,800,221
Fixed income		
Corporate bond funds		64,445,694
U.S. government security		31,913,857
International bonds		47,761,043
Total investments		772,733,911
Total assets	$	819,198,527
LIABILITIES		
Deferred Revenue	$	3,460,776
Due to brokers and investment managers		3,603,390
Due to other systems		1,023,761
Accounts payable		96,753
Total liabilities		8,184,680
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS (A SCHEDULE OF FUNDING PROGRESS IS PRESENTED IN SCHEDULE I)	$	811,013,847

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

PLYMOUTH COUNTY RETIREMENT ASSOCIATION

STATEMENT OF CHANGES IN PLAN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013
ADDITIONS	
Contributions	
Employer	$ 54,270,031
Plan Members	23,707,676
Other systems and state	2,959,373
Miscellaneous	140,549
Total contributions	81,077,629
Investment Income	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	76,585,161
Real estate funds	5,503,444
Venture capital funds	3,209,874
International equity funds	23,151,983
Corporate bond funds and U.S. government securities	(3,734,105)
Hedge funds	3,235,232
International bonds	(1,242,158)
Interest and dividends	14,214,610
	120,924,041
Less investment expense	(6,218,806)
Net investment income	114,705,235
Total additions	195,782,864
DEDUCTIONS	
Benefits	78,525,376
Refunds and transfers of contributions	7,546,016
Administrative and other expenses	1,515,318
Total deductions	87,586,710
NET CHANGE IN PLAN NET POSITION	108,196,154
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year - restated	702,817,693
End of year	$ 811,013,847

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plymouth County Retirement Association ("Association").

Basis of Accounting

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 Association is administered by the Plymouth County Retirement Board ("Board") and is governed by Chapter 32 of the Massachusetts General Laws. Administrative expenses are paid with funds provided by operations of the plan.

Cash and short-term investments

Cash and short-term investments are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments

The Association is authorized to invest in eligible investments as approved by the board as set forth in its investment policy.

Investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value. Debt and equity securities are reported at fair value, as determined by the Association'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 Association 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. Other investments that do not have an established market are reported at estimated fair value.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment 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 Association's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the Association's real estate investment management fees.

The Association 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 Association's investment policy.

The Association's investment policy provides for investments in any combinations of stocks, bonds, fixed income and securities and other investment securities along with investments in commingled, mutual and index funds. Investment securities and 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 Association's net position.

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.

Use of Estimates

The preparation of the Association'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 in Schedule I 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 Association and the actuarial information in Schedule I included 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.

2. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

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

General

The Association 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 and other employees covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the Association is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the Association is the Board, which acts as a fiduciary for investment of the funds and the application of Association interpretations.

At January 1, 2013, the date of the latest updated valuations, the Association's membership consisted of:

	2013
Retirees and beneficiaries currently receiving benefits	3,228
Inactive participants	2,108
Active participants	5,729
Disabled participants	360
	11,425

Benefits

The Association provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Members become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The Association also provides death and disability benefits.

The Association also provides early retirement at age 55 if the participant (1) has a record of 10 years of creditable service (2) was on the Association payroll on January 1, 1978, (3) voluntarily left Association employment on or after that date, and (4) left accumulated annuity deductions in the fund.

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.

Employer contributions are based on an actuarial calculation. The Association 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 2013 and 2012, the Association authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the Association on a quarterly basis for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2 1/2.

Participating Employers

As of December 31, 2013, there were 55 participating employers consisting of:

	2013
Towns	23
County	1
Special Districts	31
	55

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

3. FUNDED STATUS AND FUNDING PROGRESS – PENSION PLAN

The funded status of the plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
$666,899,774	$1,319,764,989	$652,865,215	50.5%	$238,655,485	273.6%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013
Actuarial cost method	Entry age
Amortization method	Level percent, open group
Remaining amortization period	22 years
Asset valuation method	Actuarially valued using a five-year smoothing method of gains and losses
Actuarial assumptions:	
Investment rate of return	8.25%
Projected salary increases	4.00%
Cost-of-living adjustments	3.00% of $13,000/year

For financial reporting purposes, the projection of benefits for the Association does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

4. CASH, SHORT-TERM INVESTMENTS, AND INVESTMENTS

The Association 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 Association's deposits may not be returned. The Association does not have a formal deposit policy for custodial credit risk. At December 31, 2013, cash and short-term investment deposits totaled $38,820,271 and had a carrying amount of $36,389,528. Of the deposit amounts, $38,320,271 was exposed to custodial credit risk at December 31, 2013, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

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. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and therefore no rating is disclosed. The investment policy of the Association does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2013, the Association had $64,445,694, of the corporate fixed income bond funds. Eaton Vance managed $28,161,446 of the corporate fixed income bond funds, Income Research and Management managed $36,284,248. The average rating for the Eaton Vance was B+ in 2013, Income Research and Management managed investments is Aa2 in 2013 and Lee Munder managed investments were not rated.

At December 31, 2013, $31,913,857, of U.S. government fixed income securities were managed by Income Research and Management. The average rating for the U.S. government fixed income securities is Aaa for 2013. At December 31, 2013, $47,761,043 of the international fixed income bonds were managed by McDonnell Investments. The average rating for the McDonnell managed investments was Aaa in 2013.

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 Association 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, 2013 of corporate fixed income bonds managed by Eaton Vance is 4.29 years. The Income Research and Management investment portfolio average maturity for government fixed income and corporate bonds as of December 31, 2013 is 5.25, and 5.45 years, respectively. The average maturity of the international fixed income securities managed by McDonnell was 9.17 years for 2013.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The investment policy of the Association does not formally address foreign currency risk; however, the Board provides guidelines with each investment manager, as applicable. The following table represents the Association's foreign currency exposure for international bonds at December 31, 2013; the information for international equity funds was not available:

Country	**2013 Total**
Australia	$ 820,050
Brazil	231,523
Canada	1,210,898
Denmark	660,220
France	4,647,270
Finland	1,123,050
Germany	5,877,119
Ireland	822,132
Japan	4,735,375
Luxembourg	191,964
New Zealand	789,198
Singapore	1,048,920
Sweden	133,209
United Kingdom	4,530,603
United States	20,939,512
Total	$ 47,761,043

Concentration of credit risk is assumed to arise when the amount of investments that the Association has with anyone issuer exceeds 5 percent or more of the total value of the Association's investments. The Association does not have more than 5% of its investments in any one issuer, except for certain pooled funds.

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2013 were as follows:

	2013	Purpose
Annuity Savings Fund	$ 233,296,886	Active members' contribution balance
Annuity Reserve Fund	78,998,914	Retired members' contribution account
Pension Reserve Fund	498,704,556	Amounts appropriated to fund future retirement benefits
Military Credit	13,491	Members' contribution while on military leave
	$811,013,847	

All reserve accounts are funded at levels required by state statute.

6. FEDERAL INCOME TAX STATUS

The Association is qualified under the Internal Revenue code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the Association 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.

7. COMMITMENTS AND CONTINGENCIES

The Plan is involved in certain lawsuits at December 31, 2013. In the opinion of Plan management, the ultimate resolution of these legal actions will not result is a material loss to the Plan.

8. RESTATEMENT OF BEGINNING NET POSITION

The following restatement of beginning Net Position has been presented to change the treatment of member assessments from deferred revenue for the 2013 assessments to contribution revenue when received.

Net Position December 31, 2012	$ 681,619,008
Reclassify prepaid contributions – plan members and other accruals	21,198,685
Net Position January 1, 2013, restated	$ 702,817,693

9. RECENT ACCOUNTING PRONOUNCEMENTS

The following are pronouncements issued by the Governmental Accounting Standards Board ("GASB"), which are applicable to the Association's financial statements.

Pronouncements

The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities,* which is required to be implemented in fiscal year 2014. This pronouncement was implemented in the current year. The pronouncement reclassified certain assets and liabilities as deferred outflows and deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No.10 and No. 62*, which is required to be implemented in fiscal year 2014. The pronouncement resolves conflicting guidance from issued pronouncement No. 54, regarding fund based reporting of risk financing activities. Also it amends No. 62 by modifying the specific guidance on accounting for (1) operating lease payments, (2) purchase of a loan or a group of loans, and (3) service fees. The Association doesn't believe this pronouncement will have a material effect upon the Association's financial statements.

The GASB issued Statement #67, *Accounting for Pension Plans*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The pronouncement will have a material effect upon the Association's financial statements.

The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2014. The pronouncement addresses accounting and financial reporting issues associated with a variety of transactions, such as mergers, acquisitions, disposals and transfer of governmental operations. The Association doesn't anticipate this pronouncement will have an effect upon the Association's financial statements.

The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented in fiscal year 2014. The pronouncement addresses accounting and financial reporting for financial guarantees extended by a government for the obligations of another government, not-for-profit, or private entity without directly receiving equal or approximately equal value in exchange for the guarantee. The Association doesn't anticipate the pronouncement will have an effect upon the Association's financial statements.

The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB #68*, which is required to be implemented in fiscal year 2014. The pronouncement addresses transition provisions of GASB #68 for accounting amounts associated with contributions, if any, made by a local government or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The pronouncement will have a material effect upon the Association's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE I
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/00	$450,210,619	$ 611,204,058	$160,993,439	73.7%	$178,010,731	90.4%
01/01/02	$466,325,660	$ 733,198,204	$266,872,544	63.6%	$205,039,686	130.2%
01/01/04	$520,104,805	$ 802,158,453	$282,053,648	64.8%	$208,312,002	135.4%
01/01/06	$558,533,863	$ 918,851,707	$360,317,844	60.8%	$226,262,731	159.2%
01/01/07	$606,629,089	$ 987,840,418	$381,211,329	61.4%	$244,574,136	155.9%
01/01/08	$683,819,938	$1,056,020,215	$372,200,277	64.8%	$252,682,832	147.3%
01/01/09	$579,877,224	$1,159,210,636	$579,333,412	50.0%	$264,541,078	219.0%
01/01/10	$673,709,456	$1,132,847,379	$459,137,923	59.5%	$227,507,647	201.8%
01/01/11	$666,730,812	$1,187,447,414	$520,716,602	56.1%	$228,289,638	228.1%
01/01/13	$666,899,774	$1,319,764,989	$652,865,215	50.5%	$238,655,485	273.6%

The actuarial factors used to compile the information presented in the schedule of funding progress are detailed in Note 3 of the financial statements.

SCHEDULE OF EMPLOYER CONTRIBUTION

Year ended	Annual Required Contributions of Employers	Percentage Contributed
December 31, 2002	$20,481,367	100%
December 31, 2003	$22,565,574	100%
December 31, 2004	$25,022,030	100%
December 31, 2005	$28,243,954	100%
December 31, 2006	$32,521,806	100%
December 31, 2007	$41,286,384	100%
December 31, 2008	$42,708,712	100%
December 31, 2009	$45,039,921	99%
December 31, 2010	$46,850,764	93%
December 31, 2011	$46,633,325	100%
December 31, 2012	$49,833,100	98%
December 31, 2013	$54,966,177	98%