

PLYMOUTH COUNTY RETIREMENT ASSOCIATION

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH INDEPENDENT AUDITORS' REPORT THEREON

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

INDEX

	<u>PAGE</u>
<u>Financial Statements</u>	
Independent Auditors' Report on Financial Statements	1
Management's Discussion and Analysis	3
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	17
Schedule of Contributions	18
Schedule of Investment Return	19
Notes to Required Supplementary Information	20
<u>Audit of Specific Elements, Accounts and Items of Financial Statements</u>	
Independent Auditors' Report	21
Pension Plan Schedules	
Schedule of Employer Allocations	23
Schedule of Pension Amounts by Employer	24
Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer	28



INDEPENDENT AUDITORS' REPORT

To the Honorable Retirement Board
Plymouth County Retirement Association
Plymouth, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Plymouth County Retirement Association (the "Association"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Association'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 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 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 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, 2014 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 management's discussion and analysis on pages 3 – 5 and Schedule of Changes in the Net Pension Liability and Related Ratios on page 17, Schedule of Contributions and the Schedule of Investment Return on pages 18-19 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 November 24, 2015, on our consideration of the Association'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 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 Association's internal control over financial reporting and compliance.

Restrictions on Use

This report is intended solely for the information and use of the Plymouth Country Retirement Association, the Public Employee Retirement Commission and all member units and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini LLP

Norwell, Massachusetts
November 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

The fiduciary net position restricted of pensions was approximately \$834.6 million at December 31, 2014, compared to \$811.0 million the year earlier. The fiduciary net position is available for payment of monthly retirement benefits and other distributions to the Association's participants. The increase of approximately \$23.6 million (3%) resulted primarily from increase in net investment income.

There are 12,036 participants in the Association as of December 31, 2014. The total consists of 6,145 active, 2,136 inactive and 3,755 retired, beneficiary and survivor. The increase was a result of new retirements and new hires by member units.

The funded ratio of the Association was 58.9% at January 1, 2015, 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. 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 Association'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 are certain Required Supplementary Information and Audit of Specific Elements, Accounts and Items of Financial Statement Schedules.

The Association is administered by the Plymouth 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 Association's assets and liabilities and the resulting net position restricted for pensions. 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 Fiduciary Net Position presents information showing how the Association's net position restricted for pensions changed during the year ended December 31, 2014. 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.

See Independent Auditors' Report.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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.

The Required Supplementary Information also includes the Schedule of Changes in Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of investment Return and Notes to Required Supplementary information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the following pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the related schedules.

FINANCIAL ANALYSIS

Asset Comparison – 2014 compared to 2013

	(\$ in millions)	
	December 31,	
	<u>2014</u>	<u>2013</u>
Domestic Equity and Funds	\$ 296.1	\$ 291.5
Real Estate Funds	118.5	103.9
Venture Capital Funds	36.4	44.6
Hedge Funds	26.1	24.8
International Equity Funds	156.0	163.8
Fixed Income		
Corporate Bond Funds	63.2	64.4
U.S. Government Securities	37.5	31.9
International Bonds	<u>46.3</u>	<u>47.8</u>
Total Managed Investments	780.1	772.7
Cash and Other Assets	<u>59.7</u>	<u>46.5</u>
Total Assets	<u>\$ 839.8</u>	<u>\$ 819.2</u>

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 5.00% in 2014, 17.47% in 2013, and 12.62% in 2012. As published in PERAC's annual report, during the period from 1985 to 2014 the Association has achieved a return of 9.35% in annual performance.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the Association by members and employees for the years ended December 31, 2014 and 2013 are summarized below:

	(\$ in millions)	
	December 31,	
	<u>2014</u>	<u>2013</u>
Member Contributions	\$ 24.9	\$ 23.7
Employer and Other Contributions	<u>59.2</u>	<u>56.7</u>
Total	<u>\$ 84.1</u>	<u>\$ 80.4</u>

See Independent Auditors' Report.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

The member contributions increased 5% from the prior year. This is attributable to increased hiring and pay increases across many member units. The employer contributions increased 4% and are based on actuarial calculations.

Deductions from Association assets for the year ended December 31, 2014 and 2013 are summarized below:

	(\$ in millions)	
	December 31,	
	<u>2014</u>	<u>2013</u>
Member Benefits	\$ 83.5	\$ 78.5
Refunds and Transfers	8.5	7.5
Administration	<u>1.5</u>	<u>1.5</u>
Total	<u>\$ 93.5</u>	<u>\$ 87.5</u>

The change in member benefits is attributable to increases in monthly benefits and 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:

<u>2013</u>	<u>2011</u>
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 FIDUCIARY NET POSITION
DECEMBER 31, 2014

	<u>2014</u>
ASSETS	
Cash and short-term investments	\$ 53,959,245
Receivables	
Employee	2,273,906
Securities sold	769,602
Interest and dividends	1,153,501
Other systems	1,556,504
Total receivables	<u>5,753,513</u>
Investments, at fair value	
Domestic equities and funds	296,085,179
Real estate funds	118,466,211
Venture capital funds	36,405,975
Hedge funds	26,080,302
International equity funds	155,992,660
Fixed income	
Corporate bond funds	63,220,276
U.S. government security	37,505,934
International bonds	46,333,265
Total investments	<u>780,089,802</u>
Other assets	
Security deposits	31,675
Total assets	<u><u>\$ 839,834,235</u></u>
LIABILITIES	
Due to brokers and investment managers	\$ 3,074,019
Due to other systems	2,067,377
Accounts payable	110,870
Total liabilities	<u>5,252,266</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 834,581,969</u></u>

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

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>
ADDITIONS	
Contributions	
Employer	\$ 56,266,944
Plan Members	24,889,464
Other systems and state	2,763,617
Miscellaneous	<u>146,711</u>
Total contributions	84,066,736
Investment Income (loss)	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	18,102,987
Real estate funds	14,822,096
Venture capital funds	1,853,801
International equity funds	(12,557,547)
Corporate bond funds and U.S. government securities	(505,750)
Hedge funds	1,439,424
International bonds	1,562,437
Interest and dividends	<u>14,224,632</u>
	38,942,080
Less investment expense	<u>(5,979,578)</u>
Net investment income	<u>32,962,502</u>
Total additions	117,029,238
DEDUCTIONS	
Benefits	83,432,799
Refunds and transfers of contributions	8,506,650
Administrative and other expenses	<u>1,521,667</u>
Total deductions	<u>93,461,116</u>
NET CHANGE IN FIDUCIARY NET POSITION	23,568,122
Fiduciary Net Position, Beginning of Year	<u>811,013,847</u>
Fiduciary Net Position, End of Year	<u><u>\$ 834,581,969</u></u>

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

NOTES TO FINANCIAL STATEMENTS

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

1. 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 Plymouth County Retirement Board (“Board”), which acts as a fiduciary for investment of the funds and the application of Association interpretations.

At January 1, 2015, the date of the latest updated valuation, the Association’s membership consisted of:

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

Benefits

Pursuant to Massachusetts General Law (“MGL”) 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. 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.

Members become vested after 10 years of creditable service. A retirement allowance may be received upon reaching 20 years of service or upon reaching the age of 65. Normal retirement for most employees occurs at age 65. 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. 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.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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 2014, the Association authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st.

Participating Employers

As of December 31, 2014, there were 55 participating employers consisting of:

Towns	23
County	1
Special Districts	<u>31</u>
	<u>55</u>

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 Commission (“PERAC”), the Commonwealth of Massachusetts’ agency responsibility for the oversight of public retirement systems.

The Chairman of the Association’s Board of Directors also serves as Treasurer for Plymouth County, which is a member of the Association.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plymouth County Retirement Association (“Association”), also referred to as the (“Plan”).

Basis of Accounting

The financial statements 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.

The Association is a special purpose government engaged only in fiduciary activities. Accordingly, the financial statements are reported using the flow of economic resources measurement focus and use 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 and other applicable statutes. Administrative expenses are paid with funds provided by operations of the Plan.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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.

Receivables

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.

There was approximately \$4.8 million from the state sheriff's assessment settlement for the Association and Plymouth County, Massachusetts that was not received as of December 31, 2014. The Retirement Association, the Executive Office for Administration and Finance, the Public Employee Retirement Administration Commission ("PERAC") actuary, the Plymouth County Treasurer and Plymouth County agreed to a payment schedule to satisfy all liabilities of the Commonwealth towards Plymouth County Retirement Association and County of Plymouth, Massachusetts for fiscal year 2015, fiscal year 2016 and all past fiscal years. These amounts were not recorded as a receivable at December 31, 2014 in the financial statements or the actuary reports. Payment is expected in accordance with the agreement signed on November 17, 2014.

Investments, at fair value

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 fiduciary net position.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Deferred Outflows/ 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 for the period end December 31, 2014.

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).

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 required supplementary information and the actuarial information in the audits of specific elements, accounts and items of financial statements 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 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, 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, 2014, cash and short-term investment deposits totaled \$55,470,464 and had a carrying amount of \$53,959,245. Of the deposit amounts, \$54,720,464 was exposed to custodial credit risk at December 31, 2014, 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, 2014, the Association had \$100,726,210 of the corporate fixed income bonds and U.S. government security fixed income bonds. Eaton Vance managed \$28,833,589 and Income Research and Management managed \$71,892,621. The average rating for the Eaton Vance was B+ in 2014, Income Research and Management managed investments is Aa2 in 2014, Lee Munder managed investments were not rated.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

At December 31, 2014, the \$24,338,608, 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 2014. At December 31, 2014, \$21,994,656, of the international fixed income bonds were managed by McDonnell Investments. The average rating for the McDonnell managed investments was Aaa in 2014.

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, 2014 of corporate fixed income bonds managed by Eaton Vance is 5.97. The Income Research and Management investment portfolio average maturity for government fixed income and corporate bonds as of December 31, 2014, is 5.27 years and 5.44 years, respectively. The average maturity of the international fixed income securities managed by McDonnell was 10.21 years for 2014.

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, 2014; the information for international equity funds was not available:

Country	2014 Total
Australia	\$ 1,312,387
Brazil	187,105
Canada	1,575,842
Denmark	737,510
France	2,703,691
Finland	896,807
Germany	6,663,971
Ireland	933,989
Japan	4,064,649
Luxembourg	923,920
Netherlands	281,078
Singapore	1,268,803
Sweden	133,941
United Kingdom	5,197,691
United States	<u>19,451,881</u>
Total	<u>\$ 46,333,265</u>

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.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2014 was 4.7%.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2014:

Total pension liability	\$1,417,490,110
The pension plan's fiduciary net position	\$ 834,581,969
The net pension liability	\$ 582,908,142
The pension plan's fiduciary net position as a percentage of the total pension liability	58.88%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2015
Actuarial cost method	Entry age
Amortization method	Level percent, open group
Remaining amortization period	17 years
Asset valuation method	Actuarially valued using a five-year smoothing method of gains and losses
 Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.75%
Cost-of-living adjustments	3.00% of the less of the pension amount and \$13,000 per year
Rates of retirement	Varies based upon age for general employees, police, and fire employees
Rates of disability	General employees – 45% ordinary (55% service connected) Police & Fire – 10% ordinary (90% service connected)
Mortality rates	Pre-Retirement and Post-Retirement– RP-2000 Mortality Table, adjusted to 2015 with Scale AA Disabled Retiree – RP-2000 Mortality Tables, set forward two years
Family Composition	Assumption that 80% of members will be survived by a spouse, females are three years younger than males and males are three years older than females

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.

Investment policy

The Plan's investment policy in regard to the allocation of invested assets is established by the Board and pursuant to Massachusetts General Laws and Public Employee Retirement Administration guidelines. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The Board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Effective January 1, 2010, the Plan's portfolio target weights at the board asset class level as follows:

<u>Asset Class</u>	<u>Portfolio Target Weight</u>	<u>Long term Expected Rate of Return</u>
Domestic equity	33.0%	10.2%
Foreign equity	16.0%	11.0%
Total fixed income	25.5%	7.9%
Real estate/real assets	13.0%	9.3%
Private equity	7.5%	14.6%
Hedge funds of funds	4.0%	8.7%
Cash	1.0%	4.0%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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.

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 8.00%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%)

	<u>1% decrease</u> (7.00%)	<u>Current Discount Rate</u> (8.00%)	<u>1% increase</u> (9.00%)
Plymouth County Retirement Association's net pension liability as of December 31, 2014	730,416,337	582,908,141	456,409,880

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 58.9%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the Plan's legally required reserves at December 31, 2014 were as follows:

	<u>2014</u>	<u>Purpose</u>
Annuity Savings Fund	\$ 240,172,586	Active members' contribution balance
Annuity Reserve Fund	82,488,180	Retired members' contribution account
Pension Reserve Fund	511,907,698	Amounts appropriated to fund future retirement benefits
Military Credit	13,505	Members' contribution while on military leave
	<u>\$ 834,581,969</u>	

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

6. COMMITMENTS AND CONTINGENCIES

The Plan is involved in certain lawsuits at December 31, 2014. In the opinion of Plan management, the ultimate resolution of these legal actions will not result in a material loss to the Plan.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

7. 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 was 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 was 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 pronouncement had no material effect upon the Association’s financial statements.

The GASB issued Statement #67, *Accounting for Pension Plans*, which was required to be implemented in fiscal year 2014. 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 was implemented in the current year.

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 pronouncement had no material 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 pronouncement had no material effect upon the Association’s financial statements.

Future Pronouncements

The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in fiscal year 2016. The pronouncement addresses accounting and financial reporting issues related to fair value measurements. The Association expects to implement the pronouncement as applicable.

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (“OPEB”)*, which is required to be implemented in fiscal year 2018. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. The Association expects to implement the pronouncement as applicable.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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 Association expects to implement the pronouncement as applicable.

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). The Association expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS

		2014
Total pension liability:		
Service cost	\$	30,880,169
Interest		111,727,069
Benefit payments, including refunds of employee contributions		(87,396,704)
Interest on benefit payments		(3,428,615)
		51,781,919
Net change in total pension liability		51,781,919
Total pension liability, beginning		1,365,708,192
Total pension liability, ending (a)	\$	1,417,490,111
Plan fiduciary net position: increase (decrease)		
Member contributions	\$	56,266,944
Employer contributions		23,326,441
Other payments		3,870,671
Net investment income (loss)		33,802,846
Retirement benefits and refunds		(91,939,450)
Administrative expenses		(1,759,330)
		23,568,122
Net increase in fiduciary net position		23,568,122
Fiduciary net position at beginning of year		811,013,847
Fiduciary net position at end of year (b)	\$	834,581,969
Net pension liability - ending (a) - (b)	\$	582,908,142
Plan fiduciary net position as a percentage of the total pension liability		169.84%
Covered-employee payroll (*)	\$	246,703,686
Net pension liability as a percentage of covered-employee payroll		236.28%

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for years the information is available.

*Covered employee payroll as reported in the January 1, 2015 actuarial valuation report.

See notes to required supplementary information.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

		2014
Actuarially determined contribution (a)	\$	59,363,471
Contributions in relation to the actuarially determined contribution		56,266,944
Discount on contributions from early payment option and other adjustments		1,173,940
Contribution deficiency (excess)	\$	1,922,587
Covered-employee payroll (*)	\$	246,703,686
Contributions as a percentage of covered- employee payroll		24.06%

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.

(a) Based on the results of the January 1, 2013 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2015.

*Covered employee payroll as reported in the January 1, 2015
actuarial valuation report.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURN

2014

Annual money-weighted rate of return, net of investment expense	4.70%
--	-------

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for the years
information is available.

See notes to required supplementary information.

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

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.

Since the System performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2014.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by Public Employee Retirement Administration Commission ("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 covered payroll.

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.



INDEPENDENT AUDITORS' REPORT

To the Honorable Retirement Board of
The Plymouth County Retirement Association
Plymouth, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Plymouth County Retirement Association (the "Association") as of and for the year ended December 31, 2014, 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, and total pension expense included in the accompanying schedule of pension amounts by employer as of and for the year ended December 31, 2014, and the related notes.

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 the schedules 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. 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 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 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 opinion.

Opinion

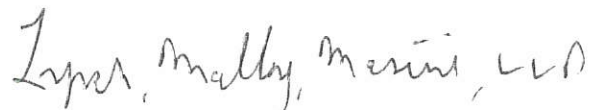
In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Plymouth County Retirement Association as of and for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Plymouth County Retirement Association as of and for the year ended December 31, 2014, and our report thereon, dated November 24, 2015, expressed an unmodified opinion on those financial statements.

Restriction on Use

This report is intended solely for the information and use of the Plymouth County Retirement Association management, the Plymouth County Retirement Association employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Norwell, Massachusetts
November 24, 2015

FINANCIAL STATEMENTS

**PLYMOUTH COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER ALLOCATIONS**

FOR THE YEAR ENDED DECEMBER 31, 2014

Employer	FY2015 Pension Fund Appropriation	Direct Appropriation		FY2015 Total Appropriation	Share of Net Pension Liability	Percent of Total Net Pension Liability
		E.R.I., Sheriff and Hospital				
County of Plymouth	\$ 2,997,840	\$ -		\$ 2,997,840	28,582,585	4.903%
Hospital	-	-		-	3,625,100	0.622%
Abington	2,183,664	25,300		2,208,964	21,356,412	3.664%
Bridgewater	2,836,275	103,600		2,939,875	28,498,004	4.889%
Bridgewater Housing	56,593	16,900		73,493	521,361	0.089%
Bridgewater/Raynham Regional School	1,277,736	116,800		1,394,536	13,339,344	2.288%
Carver	1,574,391	164,606		1,738,997	15,915,317	2.730%
Carver/Marion/Wareham Regional Refuse	40,126	-		40,126	437,794	0.075%
Duxbury	3,004,465	-		3,004,465	28,862,001	4.951%
Duxbury Housing	23,203	-		23,203	212,187	0.036%
East Bridgewater	2,052,200	-		2,052,200	20,320,378	3.486%
East Bridgewater Housing	28,786	6,200		34,986	257,298	0.044%
Halifax	953,136	-		953,136	9,518,867	1.633%
Hanover	2,689,323	-		2,689,323	26,221,911	4.498%
Hanson	1,191,129	-		1,191,129	12,517,560	2.147%
Kingston	1,797,777	13,882		1,811,659	17,898,105	3.070%
Kingston Housing	5,303	-		5,303	37,910	0.007%
Lakeville	862,672	-		862,672	8,324,259	1.428%
Marion	828,705	-		828,705	8,260,463	1.417%
Marshfield	4,847,897	-		4,847,897	46,100,484	7.909%
Marshfield Housing	31,901	-		31,901	278,058	0.048%
Mattapoisett	925,656	-		925,656	9,610,387	1.649%
Middleborough	5,319,606	17,900		5,337,506	53,232,360	9.132%
Middleborough Housing	80,238	1,800		82,038	913,011	0.157%
Norwell	2,036,949	-		2,036,949	20,043,925	3.439%
Norwell Housing	23,593	-		23,593	233,401	0.040%
Old Rochester Regional School	530,322	-		530,322	5,165,013	0.886%
Onset Fire District	195,531	11,900		207,431	2,120,478	0.364%
Pembroke	2,577,633	48,775		2,626,408	25,286,063	4.338%
Plymouth County Mosquito Control	153,171	21,800		174,971	1,705,812	0.293%
Plympton	374,890	17,200		392,090	3,348,150	0.574%
Rochester	572,401	29,900		602,301	5,451,038	0.935%
Rockland	3,134,327	82,200		3,216,527	32,320,486	5.545%
Scituate	3,912,145	-		3,912,145	37,830,302	6.490%
Scituate Housing	89,852	18,000		107,852	682,936	0.117%
Silver Lake Regional School	596,825	-		596,825	6,706,370	1.151%
South Shore Mosquito Control	369	-		369	-	0.000%
South Shore Regional School	298,891	-		298,891	2,886,225	0.495%
Wareham	3,054,859	213,288		3,268,147	31,209,845	5.354%
Wareham Fire District	546,668	15,900		562,568	5,668,798	0.973%
Wareham Housing	16,135	-		16,135	220,054	0.038%
West Bridgewater	1,576,492	-		1,576,492	15,950,194	2.736%
Whitman	1,631,692	-		1,631,692	16,119,908	2.765%
Whitman/Hanson Regional School	994,097	-		994,097	10,090,419	1.731%
Whitman Housing	46,869	4,200		51,069	634,452	0.109%
Abington Housing	25,166	5,000		30,166	300,913	0.052%
Pembroke Housing	75,708	-		75,708	720,326	0.124%
Hanson Housing	27,260	-		27,260	209,562	0.036%
Rockland Housing	50,092	-		50,092	429,305	0.074%
Halifax Housing	27,694	-		27,694	256,697	0.044%
Mattapoisett Housing	15,146	-		15,146	170,470	0.029%
Acushnet/Rochester/Marion Health District	9,968	-		9,968	138,237	0.024%
West Bridgewater Housing	11,306	-		11,306	94,676	0.016%
South Shore Tri Town Development	98,932	-		98,932	609,402	0.105%
Carver Housing	16,929	-		16,929	188,336	0.032%
Other (Retirement Staff)	97,786	-		97,786	1,275,193	0.219%
Total	\$ 58,428,320	\$ 935,151		\$ 59,363,471	\$ 582,908,142	100.000%

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

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2014

Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Deferred Outflows of Resources			
			Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
County of Plymouth	\$ 28,582,585	\$ -	1,321,724	\$ -	\$ -	\$ 1,321,724
Hospital	3,625,100	-	167,633	-	-	167,633
Abington	21,356,412	-	987,569	-	-	987,569
Bridgewater	28,498,004	-	1,317,813	-	-	1,317,813
Bridgewater Housing	521,361	-	24,109	-	-	24,109
Bridgewater/Raynham Regional School	13,339,344	-	616,842	-	-	616,842
Carver	15,915,317	-	735,961	-	-	735,961
Carver/Marion/Wareham Regional Refuse	437,794	-	20,245	-	-	20,245
Duxbury	28,862,001	-	1,334,645	-	-	1,334,645
Duxbury Housing	212,187	-	9,812	-	-	9,812
East Bridgewater	20,320,378	-	939,661	-	-	939,661
East Bridgewater Housing	257,298	-	11,898	-	-	11,898
Halifax	9,518,867	-	440,174	-	-	440,174
Hanover	26,221,911	-	1,212,561	-	-	1,212,561
Hanson	12,517,560	-	578,841	-	-	578,841
Kingston	17,898,105	-	827,649	-	-	827,649
Kingston Housing	37,910	-	1,753	-	-	1,753
Lakeville	8,324,259	-	384,933	-	-	384,933
Marion	8,260,463	-	381,983	-	-	381,983
Marshfield	46,100,484	-	2,131,792	-	-	2,131,792
Marshfield Housing	278,058	-	12,858	-	-	12,858
Mattapoisett	9,610,387	-	444,406	-	-	444,406
Middleborough	53,232,360	-	2,461,586	-	-	2,461,586
Middleborough Housing	913,011	-	42,220	-	-	42,220
Norwell	20,043,925	-	926,877	-	-	926,877
Norwell Housing	233,401	-	10,793	-	-	10,793
Old Rochester Regional School	5,165,013	-	238,842	-	-	238,842
Onset Fire District	2,120,478	-	98,056	-	-	98,056
Pembroke	25,286,063	-	1,169,285	-	-	1,169,285
Plymouth County Mosquito Control	1,705,812	-	78,881	-	-	78,881
Plympton	3,348,150	-	154,826	-	-	154,826
Rochester	5,451,038	-	252,068	-	-	252,068
Rockland	32,320,486	-	1,494,573	-	-	1,494,573
Scituate	37,830,302	-	1,749,360	-	-	1,749,360
Scituate Housing	682,936	-	31,581	-	-	31,581
Silver Lake Regional School	6,706,370	-	310,118	-	-	310,118
South Shore Regional School	2,886,225	-	133,466	-	-	133,466
Wareham	31,209,845	-	1,443,215	-	-	1,443,215
Wareham Fire District	5,668,798	-	262,138	-	-	262,138
Wareham Housing	220,054	-	10,176	-	-	10,176
West Bridgewater	15,950,194	-	737,573	-	-	737,573
Whitman	16,119,908	-	745,421	-	-	745,421
Whitman/Hanson Regional School	10,090,419	-	466,604	-	-	466,604
Whitman Housing	634,452	-	29,338	-	-	29,338
Abington Housing	300,913	-	13,915	-	-	13,915
Pembroke Housing	720,326	-	33,310	-	-	33,310
Hanson Housing	209,562	-	9,691	-	-	9,691
Rockland Housing	429,305	-	19,852	-	-	19,852
Halifax Housing	256,697	-	11,870	-	-	11,870
Mattapoisett Housing	170,470	-	7,883	-	-	7,883
Acushnet/Rochester/Marion Health District	138,237	-	6,392	-	-	6,392
West Bridgewater Housing	94,676	-	4,378	-	-	4,378
South Shore Tri Town Development	609,402	-	28,180	-	-	28,180
Carver Housing	188,336	-	8,709	-	-	8,709
Retirement Staff	1,275,193	-	58,966	-	-	58,966
Total for All Entities	\$ 582,908,142	\$ -	\$ 26,955,005	\$ -	\$ -	\$ 26,955,005

(Continued)

See notes to schedule of employer allocations and schedule of pension amounts per employer

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Employer	Deferred Inflows of Resources				Pension Expense		
	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
County of Plymouth	\$ -	\$ -	\$ -	\$ -	\$ 2,955,909	\$ -	\$ 2,955,909
Hospital	-	-	-	-	374,895	-	374,895
Abington	-	-	-	-	2,208,604	-	2,208,604
Bridgewater	-	-	-	-	2,947,162	-	2,947,162
Bridgewater Housing	-	-	-	-	53,917	-	53,917
Bridgewater/Raynham Regional School	-	-	-	-	1,379,507	-	1,379,507
Carver	-	-	-	-	1,645,905	-	1,645,905
Carver/Marion/Wareham Regional Refuse	-	-	-	-	45,275	-	45,275
Duxbury	-	-	-	-	2,984,805	-	2,984,805
Duxbury Housing	-	-	-	-	21,944	-	21,944
East Bridgewater	-	-	-	-	2,101,461	-	2,101,461
East Bridgewater Housing	-	-	-	-	26,609	-	26,609
Halifax	-	-	-	-	984,407	-	984,407
Hanover	-	-	-	-	2,711,776	-	2,711,776
Hanson	-	-	-	-	1,294,521	-	1,294,521
Kingston	-	-	-	-	1,850,958	-	1,850,958
Kingston Housing	-	-	-	-	3,920	-	3,920
Lakeville	-	-	-	-	860,865	-	860,865
Marion	-	-	-	-	854,268	-	854,268
Marshfield	-	-	-	-	4,767,547	-	4,767,547
Marshfield Housing	-	-	-	-	28,756	-	28,756
Mattapoisett	-	-	-	-	993,872	-	993,872
Middleborough	-	-	-	-	5,505,100	-	5,505,100
Middleborough Housing	-	-	-	-	94,420	-	94,420
Norwell	-	-	-	-	2,072,871	-	2,072,871
Norwell Housing	-	-	-	-	24,137	-	24,137
Old Rochester Regional School	-	-	-	-	534,147	-	534,147
Onset Fire District	-	-	-	-	219,292	-	219,292
Pembroke	-	-	-	-	2,614,994	-	2,614,994
Plymouth County Mosquito Control	-	-	-	-	176,409	-	176,409
Plympton	-	-	-	-	346,254	-	346,254
Rochester	-	-	-	-	563,727	-	563,727
Rockland	-	-	-	-	3,342,469	-	3,342,469
Scituate	-	-	-	-	3,912,275	-	3,912,275
Scituate Housing	-	-	-	-	70,627	-	70,627
Silver Lake Regional School	-	-	-	-	693,549	-	693,549
South Shore Regional School	-	-	-	-	298,483	-	298,483
Wareham	-	-	-	-	3,227,611	-	3,227,611
Wareham Fire District	-	-	-	-	586,247	-	586,247
Wareham Housing	-	-	-	-	22,757	-	22,757
West Bridgewater	-	-	-	-	1,649,512	-	1,649,512
Whitman	-	-	-	-	1,667,063	-	1,667,063
Whitman/Hanson Regional School	-	-	-	-	1,043,515	-	1,043,515
Whitman Housing	-	-	-	-	65,613	-	65,613
Abington Housing	-	-	-	-	31,119	-	31,119
Pembroke Housing	-	-	-	-	74,494	-	74,494
Hanson Housing	-	-	-	-	21,672	-	21,672
Rockland Housing	-	-	-	-	44,397	-	44,397
Halifax Housing	-	-	-	-	26,547	-	26,547
Mattapoisett Housing	-	-	-	-	17,629	-	17,629
Acushnet/Rochester/Marion Health District	-	-	-	-	14,296	-	14,296
West Bridgewater Housing	-	-	-	-	9,791	-	9,791
South Shore Tri Town Development	-	-	-	-	63,022	-	63,022
Carver Housing	-	-	-	-	19,477	-	19,477
Retirement Staff	-	-	-	-	131,878	-	131,878
Total for All Entities	\$ -	\$ -	\$ -	\$ -	\$ 60,282,277	\$ -	\$ 60,282,277

(Continued)

See notes to schedule of employer allocations and schedule of pension amounts per employer

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Deferred Inflows/(Outflows) Recognized in Future Pension Expense				Covered Employer Payroll
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	
County of Plymouth	\$ 330,431	\$ 330,431	\$ 330,431	\$ 330,431	\$ 3,732,557
Hospital	41,908	41,908	41,908	41,909	-
Abington	246,892	246,892	246,892	246,893	8,961,806
Bridgewater	329,453	329,453	329,453	329,454	9,900,419
Bridgewater Housing	6,027	6,027	6,027	6,028	215,897
Bridgewater/Raynham Regional School	154,211	154,211	154,211	154,209	6,178,136
Carver	183,990	183,990	183,990	183,991	6,640,114
Carver/Marion/Wareham Regional Refuse	5,061	5,061	5,061	5,062	160,559
Duxbury	333,661	333,661	333,661	333,662	15,363,907
Duxbury Housing	2,453	2,453	2,453	2,453	77,632
East Bridgewater	234,915	234,915	234,915	234,916	9,566,500
East Bridgewater Housing	2,975	2,975	2,975	2,973	185,578
Halifax	110,044	110,044	110,044	110,042	4,796,309
Hanover	303,140	303,140	303,140	303,141	12,506,349
Hanson	144,710	144,710	144,710	144,711	5,140,752
Kingston	206,912	206,912	206,912	206,913	8,841,372
Kingston Housing	438	438	438	439	34,385
Lakeville	96,233	96,233	96,233	96,234	3,586,954
Marion	95,496	95,496	95,496	95,495	4,235,484
Marshfield	532,948	532,948	532,948	532,948	20,842,080
Marshfield Housing	3,215	3,215	3,215	3,213	163,994
Mattapoisett	111,102	111,102	111,102	111,100	4,499,728
Middleborough	615,397	615,397	615,397	615,395	20,732,092
Middleborough Housing	10,555	10,555	10,555	10,555	358,745
Norwell	231,719	231,719	231,719	231,720	9,595,474
Norwell Housing	2,698	2,698	2,698	2,699	102,390
Old Rochester Regional School	59,711	59,711	59,711	59,709	2,630,269
Onset Fire District	24,514	24,514	24,514	24,514	818,704
Pembroke	292,321	292,321	292,321	292,322	11,687,730
Plymouth County Mosquito Control	19,720	19,720	19,720	19,721	744,916
Plympton	38,707	38,707	38,707	38,705	1,709,570
Rochester	63,017	63,017	63,017	63,017	3,142,014
Rockland	373,643	373,643	373,643	373,644	12,850,642
Scituate	437,340	437,340	437,340	437,340	16,533,286
Scituate Housing	7,895	7,895	7,895	7,896	292,425
Silver Lake Regional School	77,530	77,530	77,530	77,528	3,509,331
South Shore Mosquito Control	-	-	-	-	-
South Shore Regional School	33,367	33,367	33,367	33,365	1,565,269
Wareham	360,804	360,804	360,804	360,803	12,225,509
Wareham Fire District	65,535	65,535	65,535	65,533	2,536,852
Wareham Housing	2,544	2,544	2,544	2,544	55,033
West Bridgewater	184,393	184,393	184,393	184,394	7,208,518
Whitman	186,355	186,355	186,355	186,356	6,378,878
Whitman/Hanson Regional School	116,651	116,651	116,651	116,651	4,180,490
Whitman Housing	7,335	7,335	7,335	7,333	277,723
Abington Housing	3,479	3,479	3,479	3,478	135,235
Pembroke Housing	8,328	8,328	8,328	8,326	240,416
Hanson Housing	2,423	2,423	2,423	2,422	150,128
Rockland Housing	4,963	4,963	4,963	4,963	159,460
Halifax Housing	2,968	2,968	2,968	2,966	-
Mattapoisett Housing	1,971	1,971	1,971	1,970	81,551
Acushnet/Rochester/Marion Health District	1,598	1,598	1,598	1,598	67,039
West Bridgewater Housing	1,095	1,095	1,095	1,093	49,122
South Shore Tri Town Development	7,045	7,045	7,045	7,045	363,867
Carver Housing	2,177	2,177	2,177	2,178	-
Retirement Staff	14,742	14,742	14,742	14,739	690,496
Total for All Entities	\$ 6,738,755	\$ 6,738,755	\$ 6,738,755	\$ 6,738,740	\$ 246,703,686

(Continued)

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

PLYMOUTH COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Discount Rate Sensitivity			Schedule of Contributions			
	1% decrease	Current	1% increase	Statutory	Contribution	Contribution	Contributions as a Percentage
	(7.00%)	discount rate (8.00%)	(9.00%)	Required Contribution	in Relation to the Statutory Required Contribution	Deficiency/ (Excess)	of Covered Employee Payroll
County of Plymouth	\$ 75,537,452	\$ 69,505,859	\$ 64,288,746	\$ 2,997,840	\$ (1,075,253)	1,922,587	80.32%
Hospital	9,419,952	8,815,357	8,282,336	-	-	-	0.00%
Abington	57,160,809	51,933,574	47,456,655	2,208,964	(2,208,964)	-	24.65%
Bridgewater	76,502,012	69,300,179	63,109,935	2,939,875	(2,939,875)	-	29.69%
Bridgewater Housing	1,371,526	1,267,822	1,176,783	73,493	(73,493)	-	34.04%
Bridgewater/Raynham Regional School	35,807,745	32,438,025	29,551,031	1,394,536	(1,394,536)	-	22.57%
Carver	42,952,839	38,702,160	35,075,969	1,738,997	(1,738,997)	-	26.19%
Carver/Marion/Wareham Regional Refuse	1,150,128	1,064,609	988,787	40,126	(40,126)	-	24.99%
Duxbury	77,893,183	70,185,331	63,592,016	3,004,465	(3,004,465)	-	19.56%
Duxbury Housing	558,747	515,988	478,780	23,203	(23,203)	-	29.89%
East Bridgewater	54,672,907	49,414,191	44,912,810	2,052,200	(2,052,200)	-	21.45%
East Bridgewater Housing	687,688	625,685	572,773	34,986	(34,986)	-	18.85%
Halifax	25,650,477	23,147,558	21,007,824	953,136	(953,136)	-	19.87%
Hanover	70,398,608	63,765,278	58,085,289	2,689,323	(2,689,323)	-	21.50%
Hanson	33,764,470	30,439,646	27,598,907	1,191,129	(1,191,129)	-	23.17%
Kingston	48,364,955	43,523,816	39,384,327	1,811,659	(1,811,659)	-	20.49%
Kingston Housing	106,423	92,187	80,167	5,303	(5,303)	-	15.42%
Lakeville	22,373,262	20,242,562	18,410,707	862,672	(862,672)	-	24.05%
Marion	22,347,687	20,087,426	18,159,076	828,705	(828,705)	-	19.57%
Marshfield	123,740,620	112,105,107	102,103,639	4,847,897	(4,847,897)	-	23.26%
Marshfield Housing	744,119	676,169	617,592	31,901	(31,901)	-	19.45%
Mattapoisett	25,909,598	23,370,112	21,192,085	925,656	(925,656)	-	20.57%
Middleborough	142,775,059	129,448,086	118,023,831	5,337,506	(5,337,506)	-	25.75%
Middleborough Housing	2,448,745	2,220,219	2,022,310	82,038	(82,038)	-	22.87%
Norwell	53,887,034	48,741,925	44,331,165	2,036,949	(2,036,949)	-	21.23%
Norwell Housing	632,270	567,573	511,836	23,593	(23,593)	-	23.04%
Old Rochester Regional School	13,908,932	12,560,048	11,406,393	530,322	(530,322)	-	20.16%
Onset Fire District	5,709,443	5,156,484	4,682,736	207,431	(207,431)	-	25.34%
Pembroke	68,234,135	61,489,525	55,728,272	2,626,408	(2,626,408)	-	22.47%
Plymouth County Mosquito Control	4,565,469	4,148,117	3,788,603	174,971	(174,971)	-	23.49%
Plympton	8,930,661	8,141,883	7,459,297	392,090	(392,090)	-	22.94%
Rochester	14,853,737	13,255,593	11,900,726	602,301	(602,301)	-	19.17%
Rockland	86,656,999	78,595,520	71,655,263	3,216,527	(3,216,527)	-	25.03%
Scituate	101,208,361	91,994,046	84,057,647	3,912,145	(3,912,145)	-	23.66%
Scituate Housing	1,802,295	1,660,734	1,537,674	107,852	(107,852)	-	36.88%
Silver Lake Regional School	17,991,155	16,308,253	14,863,649	596,825	(596,825)	-	17.01%
South Shore Mosquito Control				369	(369)	-	0.00%
South Shore Regional School	7,708,918	7,018,594	6,424,339	298,891	(298,891)	-	19.10%
Wareham	83,925,448	75,894,715	69,027,364	3,268,147	(3,268,147)	-	26.73%
Wareham Fire District	15,365,947	13,785,130	12,428,410	562,568	(562,568)	-	22.18%
Wareham Housing	588,141	535,118	489,821	16,135	(16,135)	-	29.32%
West Bridgewater	42,904,646	38,786,973	35,262,728	1,576,492	(1,576,492)	-	21.87%
Whitman	43,395,371	39,199,676	35,620,424	1,631,692	(1,631,692)	-	25.58%
Whitman/Hanson Regional School	26,930,393	24,537,432	22,480,763	994,097	(994,097)	-	23.78%
Whitman Housing	1,721,416	1,542,831	1,391,077	51,069	(51,069)	-	18.39%
Abington Housing	808,236	731,746	665,880	30,166	(30,166)	-	22.31%
Pembroke Housing	1,915,354	1,751,656	1,610,633	75,708	(75,708)	-	31.49%
Hanson Housing	545,237	509,604	477,804	27,260	(27,260)	-	18.16%
Rockland Housing	1,120,439	1,043,965	976,428	50,092	(50,092)	-	31.41%
Halifax Housing	675,192	624,225	579,637	27,694	(27,694)	-	0.00%
Mattapoisett Housing	460,586	414,542	374,439	15,146	(15,146)	-	18.57%
Acushnet/Rochester/Marion Health District	381,089	336,159	297,501	9,968	(9,968)	-	14.87%
West Bridgewater Housing	245,487	230,228	216,658	11,306	(11,306)	-	23.02%
South Shore Tri Town Development	1,639,530	1,481,917	1,348,391	98,932	(98,932)	-	27.19%
Carver Housing	495,528	457,988	425,281	16,929	(16,929)	-	0.00%
Retirement Staff	3,451,846	3,100,961	2,798,635	97,786	(97,786)	-	14.16%
Total for All Entities	\$ 1,564,998,306	\$ 1,417,490,107	\$ 1,290,991,849	\$ 59,363,471	\$ (57,440,884)	\$ 1,922,587	24.06%

(Concluded)

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

PLYMOUTH COUNTRY RETIREMENT ASSOCIATION
NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2014

1. 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. For the first time, 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 Plymouth County Retirement Association’s collective pension amounts.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans allocate the annual required pension fund appropriation to employer units based on their proportionate share of the aggregate of the annual rates of regular compensation of all members in service of the system who are employees of any government unit at the close of business on the September 30th immediately preceding the fiscal year. Accordingly, the proportionate aggregate rates of regular compensation as of the close of business on September 30, 2013 were applied to allocate the System’s fiscal year 2015 pension fund appropriation by member unit.

In 2012, the Plymouth County Sheriff’s functions were taken over by the Commonwealth of Massachusetts. Plymouth County continues to pay for the retirement obligations related to previously retired Sheriff’s employees. These liabilities are actuarially determined and are separately identified in the system’s funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC complete 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 as retirees including the ERIP less the accrued liability for the members as active employees excluding the ERIP represents the increase in accrued liability due to the ERIP. The net increase is amortized for each member unit accepting the ERIP, and is separately identified in the system’s funding schedule. The 2003 ERIP amortization is occurring over 25 years, increasing 4.5% per year. The 2010 ERIP amortization is occurring over a 10 year, straight-line basis.

The allocation percentage of the total net pension liability is a blended rate of the following three items. (1) The proportionate share of active employer’s covered payroll is applied to the fiscal year 2015 pension fund appropriation calculated by the actuary. (2) ERI is a direct charge calculated by PERAC for only the employers that accepted the ERI. (3) The direct amortization of the actuarial determined net pension liability for Plymouth County Sheriff and Plymouth County Hospital since they no longer have active covered payroll.

PLYMOUTH COUNTRY RETIREMENT ASSOCIATION
NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2014

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. Since the Plan performs an actuarial valuation bi-annually, there are not reported differences between expected and actual experience or a change of assumptions as of December 31, 2014. Additionally, the changes in proportion and differences between employer contributions and proportionate share of contributions are not presented in the initial year of reporting in accordance with GASB Statements 67, 68 and 71.

The County of Plymouth had a deficiency of \$1,922,587 for the year ended December 31, 2014. The Retirement Association, the Executive Office for Administration and Finance, the Public Employee Retirement Administration Commission (“PERAC”) Actuary, the Plymouth County Treasurer and Plymouth County agreed to a payment schedule to satisfy all liabilities of the Commonwealth towards Plymouth County Retirement Association and County of Plymouth, Massachusetts for fiscal year 2015, fiscal year 2016 and all past fiscal years. The deficiency is not identified in the actuarial valuation GASB 67 & 68 reports as of January 1, 2015.