

Annual Statement

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· **OF THE FINANCIAL CONDITION**
· **OF THE BELMONT RETIREMENT BOARD**
· **TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**
· **FOR THE YEAR ENDED 12/31/2019**
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Annual Statement for the Year Ended December 31, 2019 of the conditions and Affairs of the Belmont Retirement Board.

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Commission.

Date of Certificate 07/01/1937

Effective Date 07/01/1937

ADMINISTRATION OFFICE

90 Concord Ave
Street & Number

3rd Floor, Suite 3, Belmont, MA 02478
City/Town, State and Zip Code

(617) 993-2792
Telephone Number

We, the undersigned, members of the Belmont Retirement Board certify under penalties of perjury, that that we are the official board members of said retirement system, and that on the thirty-first date of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirty-first date of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Board Of Retirement

Ex-Officio Member

Chitra Subramanian

(Name)

(Signature)

Appointed Member

Term Expires 06/30/2020

Floyd Carman

(Name)

(Signature)

Elected Member

Term Expires 12/27/2020

Walter Wellman

(Name)

(Signature)

Elected Member

Term Expires 06/30/2022

Ross Vona

(Name)

(Signature)

Member Appointed by Other Members

Term Expires 02/06/2021

Thomas Gibson (Chair)

(Name)

(Signature)

Investment Managers

Atlant Capital Management

1075 Peachtree St. NE, Suite 2100, ATL, GA

Rothschild Asset Management

1251 Avenue of the Americas, NY, NY 10020

PRIM International Equity

84 State Street, Boston MA 02109

Investment Consultant

New England Pension

One Main Street, Cambridge, MA 02142

Custodian

People's United Bank

240 Cabot Street, Beverly, MA 01915

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	106,008,143.12
Income Current Year	<u>31,359,429.94</u>
Disbursements Current Year	<u>13,284,291.96</u>
Assets Current Year	<u>124,083,281.10</u>

2. ASSET DIFFERENCE

Assets Current Year	124,083,281.10
Assets Previous Year	<u>106,008,143.12</u>
Difference	<u>18,075,137.98</u>

3. INCOME DIFFERENCE

Income Current Year	31,359,429.94
Disbursements Current Year	<u>13,284,291.96</u>
Difference	<u>18,075,137.98</u>

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	32,750,949.66
Total Fund Change Debits Current Year	<u>-14,675,811.68</u>
Difference	<u>18,075,137.98</u>

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

ASSETS & LIABILITIES

	2019	2018	2017
1. 1040 Cash	3,312,209.12	1,191,620.24	2,525,101.28
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	0.00	0.00	0.00
4. 1170 Equities	6,054,559.31	4,816,883.47	4,726,135.90
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	22,255,902.50	18,719,218.24	25,300,670.77
7. 1173 Pooled International Equity Funds	15,379,526.91	11,427,247.08	11,958,036.29
8. 1174 Pooled Global Equity Funds	926,491.00	1,124,221.00	1,642,716.00
9. 1181 Pooled Domestic Fixed Income Funds	12,090,839.82	11,164,770.87	9,866,492.71
10. 1182 Pooled International Fixed Income Funds	8,572,283.95	6,092,471.34	6,195,996.05
11. 1183 Pooled Global Fixed Income Funds	11,854,912.36	10,451,087.67	10,500,925.02
12. 1193 Pooled Alternative Investments	15,571,705.00	13,933,422.26	12,919,116.82
13. 1194 Pooled Real Estate Funds	12,965,254.97	13,248,689.68	10,028,601.39
14. 1195 Pooled Domestic Balanced Funds	0.00	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	0.00
16. 1197 Hedge Funds	7,166,270.42	6,654,230.61	6,759,413.71
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	2,828,158.01	2,433,570.13	2,491,746.08
19. 1550 Interest Due and Accrued	3,297.35	1,425.95	1,436.80
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	5,101,870.38	4,751,421.65	4,094,011.43
22. 1910 Land	0.00	0.00	0.00
23. 1920 Buildings	0.00	0.00	0.00
24. 1929 Accumulated Depreciation – Buildings	0.00	0.00	0.00
25. 2020 Accounts Payable (A)	(0.00)	(-2,137.07)	(-46,851.45)
TOTAL	124,083,281.10	106,008,143.12	108,963,548.80
FUNDS			
1. 3293 Annuity Savings Fund	29,074,491.97	27,371,151.21	26,848,131.64
2. 3294 Annuity Reserve Fund	6,927,815.03	7,238,052.42	6,844,354.37
3. 3295 Military Service Fund	4,942.32	4,937.38	4,932.45
4. 3296 Pension Fund	511,105.65	43,534.97	27,418.86
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	87,564,926.13	71,350,467.14	75,238,711.50
TOTAL ASSETS AT MARKET VALUE	124,083,281.10	106,008,143.12	108,963,548.82

(A) Specific details for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	27,371,151.21	3,487,606.45	-1,391,519.72	-392,745.97	29,074,491.97
Annuity Reserve Fund	7,238,052.42	208,255.78	1,391,501.30	-1,909,994.47	6,927,815.03
Pension Fund	43,534.97	10,614,070.72	0.00	-10,146,500.04	511,105.65
Military Service Fund	4,937.38	4.94	0.00	0.00	4,942.32
Expense Fund	0.00	835,051.48	0.00	-835,051.48	0.00
Pension Reserve Fund	71,350,467.14	16,214,440.57	18.42	0.00	87,564,926.13
Total All Funds	106,008,143.12	31,359,429.94	- 0 -	-13,284,291.96	124,083,281.10

List below all transfers:

Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	1,391,501.30	on acct of	CY Retirees
	Control Acct						
Xfer from	Annuity Savings Fund	to	Pension Reserve Fund	in the amt of	18.42	on acct of	Int Adj
	Control Acct		Control Acct				
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

RECEIPTS

	2019	2018	2017
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	2,960,201.81	2,743,028.86	2,624,930.24
(b) 4892 Transfers from Other Systems	452,046.59	445,684.21	224,624.77
(c) 4893 Member Make Up Payments and Redeposits	45,181.77	27,658.07	9,193.66
(d) 4900 Member Payments from Rollovers	0.00	0.00	31,385.22
(e) Investment Income Credited to Members' Accounts	30,176.28	33,971.80	49,400.16
Subtotal	3,487,606.45	3,250,342.94	2,939,534.05
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	208,255.78	214,262.39	150,652.61
Subtotal	208,255.78	214,262.39	150,652.61
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	289,317.33	228,283.36	307,782.41
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	127,077.39	95,598.51	48,857.73
(c) 4894 Pension Fund Appropriation	10,197,676.00	9,643,193.00	9,014,711.00
(d) 4840 Workers Compensation Settlement	0.00	17,000.00	10,000.00
(e) 4751 Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 Recovery of 91A Overearnings	0.00	0.00	0.00
Subtotal	10,614,070.72	9,984,074.87	9,381,351.14
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	4.94	4.93	4.93
Subtotal	4.94	4.93	4.93
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	835,051.48	796,899.36	791,614.36
Subtotal	835,051.48	796,899.36	791,614.36
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	0.00	-2,999.97	0.00
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 Interest Not Refunded	2,632.64	1,352.31	1,405.11
(d) 4825 Miscellaneous Income	0.00	0.00	51,326.21
(e) Excess Investment Income	16,211,807.93	-3,886,596.70	12,628,757.66
Subtotal	16,214,440.57	-3,888,244.36	12,681,488.98
TOTAL RECEIPTS	31,359,429.94	10,357,340.13	25,944,646.07

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

DISBURSEMENTS

	2019	2018	2017
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	130,548.32	161,104.87	317,964.22
(b) 5756 Transfers to Other Systems	262,197.65	544,533.57	613,555.14
Subtotal	<u>392,745.97</u>	<u>705,638.44</u>	<u>931,519.36</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	1,909,994.47	1,842,249.27	1,671,112.62
(b) 5759 Option B Refunds	0.00	0.00	0.00
Subtotal	<u>1,909,994.47</u>	<u>1,842,249.27</u>	<u>1,671,112.62</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	9,615,055.64	9,506,824.55	8,938,065.26
Regular Pension Payments	7,232,909.49	7,166,029.64	6,869,697.94
Survivorship Payments	599,608.99	551,037.23	529,572.88
Ordinary Disability Payments	121,808.34	119,611.56	117,499.14
Accidental Disability Payments	1,358,173.97	1,384,646.03	1,231,077.56
Accidental Death Payments	244,575.43	224,615.69	168,115.93
Section 101 Benefits	57,979.42	60,884.40	22,101.81
(b) 5755 3(8)(c) Reimbursements To Other Systems	531,444.40	461,134.21	407,212.66
(c) 5752 COLAs Paid	0.00	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	<u>10,146,500.04</u>	<u>9,967,958.76</u>	<u>9,345,277.92</u>
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
5. Expense Fund:			
(a) 5118 Board Member Stipend	15,000.00	15,000.00	12,500.00
(b) 5119 Salaries	158,722.46	143,203.77	154,066.27
(c) 5120 Benefits	0.00	0.00	0.00
(d) 5304 Management Fees	422,543.98	403,658.70	383,362.42
(e) 5305 Custodial Fees	34,746.25	23,567.80	43,694.78
(f) 5307 Investment Consultant Fees	62,500.00	55,000.00	41,370.31
(g) 5308 Legal Expenses	24,531.63	30,111.28	34,470.68
(h) 5309 Medical Expenses	0.00	0.00	228.38
(i) 5310 Fiduciary Insurance	5,816.00	5,560.00	5,441.00
(j) 5311 Service Contracts	1,794.00	24,240.57	25,853.11
(k) 5312 Rent Expense	24,300.00	24,000.00	6,000.00
(l) 5315 Professional Services	17,600.00	7,869.00	22,519.50
(m) 5316 Actuarial Services	5,000.00	21,000.00	0.00
(n) 5317 Accounting Services	0.00	0.00	0.00
(o) 5320 Education And Training	5,240.00	3,420.00	1,800.00
(p) 5589 Administrative Expenses	47,490.42	16,471.01	52,952.86
(q) 5599 Furniture and Equipment	1,789.23	18,087.08	3,795.03
(r) 5719 Travel	7,977.51	5,710.15	3,560.02
(s) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	<u>835,051.48</u>	<u>796,899.36</u>	<u>791,614.36</u>
TOTAL DISBURSEMENTS	<u>13,284,291.96</u>	<u>13,312,745.83</u>	<u>12,739,524.26</u>

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

INVESTMENT INCOME

Investment Income received from:	<u>2019</u>	<u>2018</u>	<u>2017</u>
(a) Cash (from Schedule 1)	32,710.03	36,091.49	13,252.12
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	0.00	0.00	0.00
(d) Equities (from Schedules 4A and 4C)	57,346.52	53,606.06	47,103.76
(e) Pooled Funds (from Schedule 5)	2,159,880.26	1,837,764.37	1,970,240.91
(f) Commission Recapture and Securities Litigation	0.00	0.00	0.00
4821 TOTAL INVESTMENT INCOME	<u>2,249,936.81</u>	<u>1,927,461.92</u>	<u>2,030,596.79</u>
Plus:			
4884 Realized Gains (Profits)	2,369,526.04	2,228,872.89	2,552,879.27
4886 Unrealized Gains (Increase in Market Value)	16,363,225.29	3,380,485.90	10,248,077.26
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	<u>3,297.35</u>	<u>1,425.95</u>	<u>1,436.80</u>
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	0.00	0.00	0.00
4885 Realized Losses	125,485.55	245,018.42	219,195.17
4887 Unrealized Losses (Decrease in Market Value)	3,573,777.58	10,133,249.66	993,365.23
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	<u>1,425.95</u>	<u>1,436.80</u>	<u>0.00</u>
Additional Adjustments:			
4701 Carried Interest Expense	0.00	0.00	0.00
4702 Equalization Expense	0.00	0.00	0.00
4703 Miscellaneous Investment Expenses	0.00	0.00	0.00
NET INVESTMENT INCOME	<u>17,285,296.41</u>	<u>-2,841,458.22</u>	<u>13,620,429.72</u>
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	30,176.28	33,971.80	49,400.16
Annuity Reserve Fund	208,255.78	214,262.39	150,652.61
Expense Fund	835,051.48	796,899.36	791,614.36
Military Service Fund	<u>4.94</u>	<u>4.93</u>	<u>4.93</u>
TOTAL INCOME REQUIRED	<u>1,073,488.48</u>	<u>1,045,138.48</u>	<u>991,672.06</u>
Net Investment Income	17,285,296.41	-2,841,458.22	13,620,429.72
Less Income Required	<u>1,073,488.48</u>	<u>1,045,138.48</u>	<u>991,672.06</u>
EXCESS INCOME TO PENSION RESERVE FUND	<u>16,211,807.93</u>	<u>-3,886,596.70</u>	<u>12,628,757.66</u>

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	338	126	464
Inactive Membership, Dec. 31st, Previous Year	266	14	280
Enrolled During Current Year	71	9	80
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	71	9	80
Deduct:			
Death	0	0	0
Withdrawals	27	4	31
Retirements	7	5	12
SUBTOTAL	34	9	43
Active Membership, Dec. 31st, Current Year	376	127	503
Inactive Membership, Dec. 31st, Current Year	265	13	278

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	210	142	352
Retirements During the Year			
Superannuation	7	5	12
Ordinary Disability	0	0	0
Accidental Disability	0	0	0
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	2	3	5
Survivor Benefits from Active Membership	0	0	0
SUBTOTAL	9	8	17
Deduct:			
Deaths of Retired Members	6	7	13
Termination of Survivor Benefits	0	1	1
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	6	8	14
Retired Membership, Dec. 31st, Current Year			
Superannuation	175	88	263
Ordinary Disability	3	3	6
Accidental Disability	15	22	37
Termination	0	0	0
Beneficiaries from Accidental Deaths	0	5	5
Beneficiaries from Section 100	0	1	1
Beneficiaries from Section 101	2	3	5
Beneficiaries under Option C	6	15	21
Option (D) Survivor Allowance	10	3	13
Section 12B Survivor Allowance	2	2	4
Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	213	142	355
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	854	282	1,136

Annual Statement of the Belmont Retirement Board for the Year Ended December 31, 2019.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4751 Recovery of Pension from Reinstatement	0.00	
4840 Workers Compensation Settlements	0.00	
4841 Recovery of 91A Overearnings	0.00	
4891 Members Deductions	2,191.76	
4892 Transfers From Other Systems	0.00	
4893 Member Make Up Payments and Redeposits	0.00	
4900 Member Payments from Rollovers	0.00	
4898 3(8)(c) Reimbursements from Other Systems	0.00	
4899 Received from Commonwealth for COLA and Survivor Benefits	0.00	
4884 Realized Gain on Sale of Investments	0.00	
4894 Pension Fund Appropriation (Current Fiscal Year)	5,098,838.00	
4894 Pension Fund Appropriation (Previous Fiscal Year)	0.00	
4890 Contributions Received from Municipality on Account of Military Service	0.00	
4897 Federal Grant Reimbursement	0.00	
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)		
Prior Yr Rec	195.01	
Overpayment due back	645.61	
	0.00	
	0.00	
TOTAL RECEIVABLES	5,101,870.38	
Accounts Payable		
5316 Actuarial Services	0.00	
5317 Accounting Services	0.00	
5320 Education and Training	0.00	
5757 Refunds to Members	0.00	
5756 Transfers to Other Systems	0.00	
5750 Annuities Paid	0.00	
5759 Option B Refund	0.00	
5751 Pensions Paid	0.00	
5755 3(8)(c) Reimbursements to Other Systems	0.00	
5752 COLAs Paid	0.00	
5753 Chapter 389 Beneficiary Increase Paid	0.00	
4885 Realized Loss on Sale of Investments	0.00	
4890 Return to Municipality for Members Who Withdrew Their Funds	0.00	
5118 Board Members' Stipend	0.00	
5119 Salaries	0.00	
5304 Management Fees	0.00	
5305 Custodial Fees	0.00	
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	0.00	
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	0.00	
5312 Rent Expense	0.00	
5315 Professional Services Expense	0.00	
5589 Administrative Expenses	0.00	
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)		
	0.00	
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	0.00	