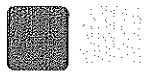




# Worcester Regional Retirement System Annual Statement

2018





## **Public Employee Retirement Administration Commission Members**

**Philip Y. Brown**  
*Chairman*

**The Honorable Suzanne Bump**  
*Auditor of the Commonwealth  
Vice Chairman*

**Kathleen M. Fallon**  
*Practice Area Director, Public Consulting Group*

**Kate Fitzpatrick**  
*Town Manager, Town of Needham*

**James M. Machado**  
*Sergeant, Fall River Police Department*

**Robert B. McCarthy**  
*President Emeritus of the Professional  
Firefighters of Massachusetts*

**Jennifer F. Sullivan**  
*Assistant Secretary for Capital, Finance,  
Administration & Finance*

**John W. Parsons, Esq.**  
*Executive Director*



## **Audit Unit Staff**

**Caryn Shea, Chief Auditor** | **Scott Henderson, Deputy Chief Auditor**  
**Walter Kloc, Auditor** | **George Nsia, Auditor** | **Carol Poladian, Auditor**  
**Elaine Pursley, Auditor** | **Richard Wrona, Auditor** | **Junior Yanga, Auditor**

You may leave messages for any member of PERAC's Audit Staff at telephone extension 929 in our Somerville offices.



**Commonwealth of Massachusetts**  
**Public Employee Retirement Administration Commission**  
Five Middlesex Avenue, Suite 304 | Somerville, MA 02145  
ph 617 666 4446 fax 617 628 4414  
tty 617 591 8917 web [www.mass.gov/perac](http://www.mass.gov/perac)

**ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITIONS AND AFFAIRS OF  
WORCESTER COUNTY RETIREMENT SYSTEM**

**Organized under the Laws of the Commonwealth of Massachusetts to the  
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**

Date of Certificate: 10/05/1936      Effective Date: 01/01/1937

**Administration Office**

23 Midstate Drive Suite 106

Auburn, MA 01501-

Telephone Number(508) 832-6314

We, the undersigned, members of the Board of Retirement of WORCESTER COUNTY RETIREMENT SYSTEM certify under the penalties of perjury, that we are the official board members of said retirement system, and that assets were the absolute property of said systems, 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 the assets, liabilities, income and disbursements, changes in fund balances and of the conditions and affairs of the said retirement system on the said thirty-first day 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**

*Please Identify the  
Name of the Board  
Member who serves  
as Chairperson by  
Inserting the title  
next to his/her name.*

**Ex-Officio Member**

**KEVIN P. BLANCHETTE - CHAIRMAN**

*Kevin P. Blanchette*  
(signature)

**Appointed Member**

Term Expires 12/31/2018

**JUNE HUBBARD-WARD**

*June Hubbard-Ward*  
(signature)

**Elected Member**

Term Expires 12/31/2019

**PAULINE M. LAJOIE**

*Pauline M. Lajoie*  
(signature)

**Elected Member**

Term Expires 12/31/2020

**MICHAEL DONOGHUE**

*Michael Donoghue*  
(signature)

**Member Appointed by Other Members**

Term Expires 12/31/2023

**EUGENE J. DURGIN**

*Eugene J. Durgin*  
(signature)

**INVESTMENT MANAGERS**

*Please compile/submit  
a complete list. Attach  
the list to this page.*

**SEE ATTACHED SHEET**

Name

Address

Name

Address

Name

Address

**INVESTMENT CONSULTANT**

Name

Address

**CUSTODIAN**

Name

Address

## PRIVATE EQUITY

### Ascent II Venture Partners

Ascent Venture Partners  
255 State Street | 5<sup>th</sup> Floor | Boston, MA 02109  
Tel: 617-720-9400 | Fax: 617-720-9401 |  
[www.ascentvp.com](http://www.ascentvp.com)  
Jason Molfetas [jmolfetas@ascentvp.com](mailto:jmolfetas@ascentvp.com)

### Ascent IV Venture Partners

Ascent Venture Partners  
255 State Street | 5<sup>th</sup> Floor | Boston, MA 02109  
Tel: 617-720-9400 | Fax: 617-720-9401 |  
[www.ascentvp.com](http://www.ascentvp.com)  
Jason Molfetas [jmolfetas@ascentvp.com](mailto:jmolfetas@ascentvp.com)

### Aberdeen Standard Investments

North American Strategic Partners 2006 LP  
SL Capital Partners  
1 George Street, Edlinburgh, EH@ 211, UK  
T: +44(0)131 245 6599  
Tatenda Dahwa [Tatenda.Dahwa@iqeq.com](mailto:Tatenda.Dahwa@iqeq.com)  
[slcapital@iqeq.com](mailto:slcapital@iqeq.com)

## REAL ESTATE

### AEW

AEW Capital Management L.P.  
Seaport Place | Two Seaport Lane |  
Boston, MA 02210-2021  
P: 617-261-9279 | Fax 617-261-9555  
Mindy Fitzpatrick [mindy.fitzpatric@aew.com](mailto:mindy.fitzpatric@aew.com)

### TUCKERMAN / HUNT INVESTMENT

Hunt Investment Management, LLC  
Redevelopment and Renovation Fund  
4 International Drive | Suite 230  
Rye Brook, NY 10573  
Tel: 914-701-4400  
Claret Chiclayo | Executive Assistant  
[Claret.Chiclayo@huntcompanies.com](mailto:Claret.Chiclayo@huntcompanies.com)

### PENSION RESERVES INVESTMENT MGMT BOARD

84 State Street | Suite 250  
Boston, MA 02109  
Tel: 617-946-8433  
Michael G. Trotsky, CFA  
[www.mapension.com](http://www.mapension.com)

### INTERCONTINENTAL REAL ESTATE CORP

Bart Weinstein, CAIA Assoc Director  
Institutional Services/Research  
1270 Solders Field Road  
Boston, MA 02135-1003  
Tel: 617-779-0440  
Paul J. Nasser | Chief Financial Officer  
[institutional-support@intercontinental.net](mailto:institutional-support@intercontinental.net)

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018  
HEADCOUNT STATISTICS**

	Group 1	Group 2+4	Total
<u>ACTIVE MEMBERS</u>			
Active membership, Dec 31, previous yr	6542	1000	7542
Inactive membership, Dec 31, previous yr	1776	68	1844
Enrolled during the year	899	104	1003
Transfers between groups	0	0	0
Reinstatements of disabled members	0	0	0
Subtotal:	9217	1172	10389
Deduct			
Death	5	0	5
Withdrawn	481	48	529
Retirements	174	27	201
Subtotal:	660	75	735
Active Membership, Dec 31, current year	6786	1029	7815
Inactive Membership, Dec 31, Current Yr	1771	68	1839
*****			
<u>RETIRED MEMBERS, BENEFICIARIES AND SURVIVORS</u>			
Retired, Beneficiary and Survivor Membership, Dec. 31, previous Year	2892	594	3486
Retirements during the year:			
Superannuation	188	20	208
Ordinary disability	0	0	0
Accidental disability	1	8	9
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	0	0	0
Survivor ben from active membership	4	0	4
Subtotal:	193	28	221
Deduct			
Deaths of retired members	140	17	157
Termination of Survivor Benefits	4	0	4
Reinstatements of disabled pensions	0	0	0
Subtotal:	144	17	161
Retired Membership, Dec.31, curr year			
Superannuation	2805	404	3209
Ordinary Disability	30	12	42
Accidental Disability	112	124	236
Termination	4	0	4
Beneficiaries from accidental deaths	7	24	31
Beneficiaries from Section 100	0	3	3
Beneficiaries from Section 101	7	16	23
Beneficiaries under Option (c)	111	27	138
Option (d) Survivor Allowance	127	12	139
Section 12B Survivor Allowance	11	1	12
Subtotal:	3214	623	3837
Total Retired, Beneficiary, and Survivor Membership, Dec 31, current year			
<u>TOTAL MEMBERSHIP</u>			
Active, Inact, Retired, Beneficiary, and Survivor, Dec. 31, current year	11771	1720	13491

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM**

**for the year ended December 31,2018  
ANNUAL STATEMENT BALANCE TESTS**

<b>1. ASSET BALANCE</b>	
Assets Previous Year . . . . .	<b>710,205,259.61</b>
Income Current Year . . . . .	<b>77,583,133.71</b>
Disbursements Current Year . . . . .	<b>97,489,655.23</b>
Assets Current Year . . . . .	<b>690,298,738.09</b>
<b>2. ASSET DIFFERENCE</b>	
Assets Current Year . . . . .	<b>690,298,738.09</b>
Assets Previous Year . . . . .	<b>710,205,259.61</b>
Difference . . . . .	<b>-19,906,521.52</b>
<b>3. INCOME DIFFERENCE</b>	
Income Current Year . . . . .	<b>77,583,133.71</b>
Disbursements Current Year . . . . .	<b>97,489,655.23</b>
Difference . . . . .	<b>-19,906,521.52</b>
<b>4. FUND CHANGE DIFFERENCE</b> - Add interfund transfer credits and debits respectively to Income and Disbursement activities.	
Total Fund Change Credits Current Year . . . . .	<b>108,246,669.49</b>
Total Fund Chage Debits Current Year . . . . .	<b>128,153,191.01</b>
Difference . . . . .	<b>-19,906,521.52</b>

**NOTE: THE SUMS OF TESTS 2,3, AND 4 SHOULD BE THE SAME.**



**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018**

	<u>Balance December 31 2017</u>	<u>Receipts</u>	<u>Interfund Transfers</u>	<u>Disbursements</u>	<u>Balance December 31 2018</u>
Annuity Savings Fund	274,388,786.45	33,603,501.45	-15,032,048.41	7,265,319.47	285,694,920.02
Annuity Reserve Fund	71,436,738.50	2,159,980.19	15,299,414.78	14,336,987.98	74,559,145.49
Special Military Service Cr Fnd	141,576.02	9,598.38	-2,430.09	0.00	148,744.31
Pension Fund	1,037,427.85	58,167,020.35	15,364,121.00	70,950,077.62	3,618,491.58
Expense Fund	0.00	4,937,270.16	0.00	4,937,270.16	0.00
Pension Reserve Fund	363,200,730.79	-21,294,236.82	-15,629,057.28	0.00	326,277,436.69
<b>TOTAL ALL FUNDS:</b>	<u><b>710,205,259.61</b></u>	<u><b>77,583,133.71</b></u>	<u><b>0.00</b></u>	<u><b>97,489,655.23</b></u>	<u><b>690,298,738.09</b></u>

**List Below all Transfers:**

Transfer from 3293	Fund to the 3294	Fund in the Amount of	15,296,984.69	on account of	Current Retirements
Transfer from 3295	Fund to the 3294	Fund in the Amount of	2,430.09	on account of	Military Service Fd-G.Perron
Transfer from 3297	Fund to the 3296	Fund in the Amount of	15,364,121.00	on account of	Cost of Pensions/Funding
Transfer from 3293	Fund to the 3297	Fund in the Amount of	20,631.66	on account of	Transfer to PR-10 Years Inactive
Transfer from 3297	Fund to the 3293	Fund in the Amount of	176,273.08	on account of	Net cost 3% interest refunded
Transfer from 3297	Fund to the 3293	Fund in the Amount of	495.19	on account of	Posting/ Data Errors
Transfer from 3297	Fund to the 3293	Fund in the Amount of	108,799.67	on account of	Member's Accounts Reactivated
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	
Transfer from	Fund to the	Fund in the Amount of		on account of	

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM for  
the year ended December 31, 2018**

**Assets and Liabilities**

	<u>2018</u> <u>End Balance</u>	<u>2017</u> <u>End Balance</u>	<u>2016</u> <u>End Balance</u>
1040 - 1049 Cash	2,840,100.42	2,919,955.94	4,322,401.92
1100 - Short Term Investments	0.00	0.00	0.00
1180 - Fixed Income Sec (book value)	0.00	0.00	0.00
1101 - Pooled Short Term Funds	0.00	0.00	0.00
1170 - Equities	0.00	0.00	0.00
1172 - Pooled Domestic Equity Funds	0.00	0.00	0.00
1173 - Pooled International Equity Funds	0.00	0.00	0.00
1174 - Pooled Global Equity Funds	0.00	0.00	0.00
1181 - Pooled Domestic Fixed Income Funds	0.00	0.00	0.00
1182 - Pooled International Fixed Income Funds	0.00	0.00	0.00
1183 - Pooled Global Fixed Income Funds	0.00	0.00	0.00
1193 - Pooled Alternative Investments	1,367,018.59	2,863,638.13	4,109,765.59
1194 - Pooled Real Estate Funds	0.00	449,651.65	1,737,096.72
1195 - Pooled Domestic Balanced Funds	0.00	0.00	0.00
1196 - Pooled International Balanced Funds	0.00	0.00	0.00
1197 - Hedge Funds	0.00	0.00	0.00
1198 - PRIT Cash	0.00	0.00	0.00
1199 - PRIT Fund	688,874,680.55	705,763,910.21	601,435,651.23
1350 - Prepaid Expenses	0.00	0.00	0.00
1398 - Accounts Receivable (A)	4,447,864.57	4,281,182.37	6,087,918.73
1550 - Interest Due & Accrued Fixed Inc Sec Cur Yr	0.00	0.00	0.00
2020 - Accounts Payable (A)	-7,230,926.04	-6,073,078.69	-6,442,319.36
<b>Total</b>	<b>690,298,738.09</b>	<b>710,205,259.61</b>	<b>611,250,514.83</b>
<b>Funds :</b>			
3293 - Annuity Savings Fund	285,694,920.02	274,388,786.45	264,886,016.78
3294 - Annuity Reserve Fund	74,559,145.49	71,436,738.50	67,440,646.14
3295 - Special Military Service Cr Fnd	148,744.31	141,576.02	133,286.97
3296 - Pension Fund	3,618,491.58	1,037,427.85	571,535.04
3298 - Expense Fund	0.00	0.00	0.00
3297 - Pension Reserve Fund	326,277,436.69	363,200,730.79	278,219,029.90
<b>Total Assets at Market Value</b>	<b>690,298,738.09</b>	<b>710,205,259.61</b>	<b>611,250,514.83</b>

(A) Detail for Accounts Receivable and Accounts Payable are to be placed on Schedule A



**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018**

**RECEIPTS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>1. Annuity Savings Fund :</b>			
(a) 4891 - Members Deductions	28,818,178.26	27,498,935.40	26,140,441.23
(b) 4892 - Transfers From Other	3,794,003.43	3,250,855.73	2,161,115.81
(c) 4893 - Make Up and Redeposit Payments	121,811.56	718,275.11	323,802.52
(d) 4900 - Member Payments from Rollovers	603,567.37	36,872.14	372,531.90
(e) Investment Income Cr to Members A/C	265,940.83	261,354.41	246,349.23
<b>Subtotal</b>	<b>33,603,501.45</b>	<b>31,766,292.79</b>	<b>29,244,240.69</b>
<b>2. Annuity Reserve Fund :</b>			
(a) 4750 - Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Cr to Annuity Res Fd	2,159,980.19	2,033,058.69	1,923,031.63
<b>Subtotal</b>	<b>2,159,980.19</b>	<b>2,033,058.69</b>	<b>1,923,031.63</b>
<b>3. Pension Fund :</b>			
(a) 4898 - 3(8) (c) Reimburse from Other Sys	2,037,991.38	1,970,724.85	2,374,241.98
(b) 4899 - Rec'd from State for COLA & Surviv	438,706.93	374,664.12	579,151.59
(c) 4894 - Pension Fund Appropriation	55,674,504.00	50,599,326.00	48,574,831.00
(d) 4840 - Workers' Compensation Settlements	10,500.00	76,675.04	12,750.00
(e) 4751 - Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 - Recovery of 91A Overearnings	5,318.04	512.00	19,134.91
<b>Subtotal</b>	<b>58,167,020.35</b>	<b>53,021,902.01</b>	<b>51,560,109.48</b>
<b>4. Military Service Fund :</b>			
(a) 4880 - Contributions Rec (for Military Serv)	9,457.61	0.00	0.00
(a) 4890 - Contributions Rec (for Military Serv)	0.00	13,702.56	11,398.74
(b) Invest Income Credited	140.77	133.29	137.32
<b>Subtotal</b>	<b>9,598.38</b>	<b>13,835.85</b>	<b>11,536.06</b>
<b>5. Expense Fund :</b>			
(a) 4896 - Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Cr to Expense Fund	4,937,270.16	4,608,521.21	4,382,390.38
<b>Subtotal</b>	<b>4,937,270.16</b>	<b>4,608,521.21</b>	<b>4,382,390.38</b>
<b>6. Pension Reserve Fund :</b>			
(a) 4897 - Federal Grant Reimbursement	76,765.45	67,542.14	110,144.86
(b) 4895 - Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 - Interest not Refunded:	0.00	0.00	0.00
(d) 4825 - Misc. Income	3,903.96	3,649.37	1,714.18
(e) Excess Investment Income	-21,374,906.23	99,683,013.68	37,169,582.43
<b>Subtotal</b>	<b>-21,294,236.82</b>	<b>99,754,205.19</b>	<b>37,281,441.47</b>
<b>TOTAL RECEIPTS</b>	<b>77,583,133.71</b>	<b>191,197,815.74</b>	<b>124,402,749.71</b>

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018**

**Disbursements**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>1. Annuity Savings Fund :</b>			
(a) 5757 - Refunds To Members	3,405,034.75	2,685,512.98	2,666,920.42
(b) 5756 - Transfers To Other Systems :	3,860,284.72	3,900,729.61	3,503,161.55
<b>Subtotal</b>	<b>7,265,319.47</b>	<b>6,586,242.59</b>	<b>6,170,081.97</b>
<b>2. Annuity Reserve Fund :</b>			
(a) 5750 - Annuities Paid	14,194,013.60	13,014,404.49	11,946,071.57
(b) 5759 - Option B Refunds	142,974.38	125,539.50	91,422.97
<b>Subtotal</b>	<b>14,336,987.98</b>	<b>13,139,943.99</b>	<b>12,037,494.54</b>
<b>3. Pension Fund :</b>			
(a) 5751 - Pensions Paid	0.00	0.00	0.00
Regular Pension Payments	53,374,805.22	50,112,318.88	47,052,776.34
Survivorship Payments	2,833,372.82	2,678,675.32	2,530,302.35
Ordinary Disability Payments	581,905.03	576,749.16	547,030.57
Accidental Disability Payments	7,797,245.77	7,334,752.57	6,870,503.32
Accidental Death Payments	1,015,313.54	960,145.01	871,605.47
Section 101 Benefits	227,264.63	229,696.39	222,642.01
(b) 5755 - 3 (8) (c) Reimb To Other Sys	5,120,170.61	6,013,034.87	6,418,894.16
(c) 5752 - COLA's Paid	0.00	0.00	0.00
(d) 5753 - Chapter 389 Ben Increase Pd	0.00	0.00	0.00
<b>Subtotal</b>	<b>70,950,077.62</b>	<b>67,905,372.20</b>	<b>64,513,754.22</b>
<b>4. Military Service Fund :</b>			
(a) 4890 - Return to Municipality for Members who withdrew their fund	0.00	2,990.97	8,407.77
<b>Subtotal</b>	<b>0.00</b>	<b>2,990.97</b>	<b>8,407.77</b>
<b>5. Expense Fund :</b>			
(a) 5118 Board Member Stipend	22,500.00	22,500.00	22,500.00
(b) 5119 - Salaries	612,782.34	630,592.65	593,160.23
(c) 5304 - Management Fees	3,758,997.86	3,463,012.46	3,212,206.34
(d) 5305 - Custodial Fees	0.00	0.00	0.00
(e) 5307 - Investment Consultant Fees	0.00	0.00	0.00
(f) 5308 - Legal Expenses	71,319.14	94,562.75	80,871.16
(g) 5309 - Medical Expenses	0.00	141.98	183.65
(h) 5310 - Fiduciary Insurance	52,938.00	51,783.00	51,054.00
(i) 5311- Service Contracts	54,957.95	44,743.88	44,497.48
(j) 5312 - Rent Expense	81,952.56	81,172.04	79,611.00
(k) 5315 - Professional Services	51,394.03	32,680.53	61,490.00
(l) 5316 - Actuarial Services	50,400.00	22,355.00	54,900.00
(m) 5317 - Accounting Services	0.00	0.00	0.00
(n) 5320 - Education and Training	10,077.39	6,864.11	12,982.35
(o) 5589 - Administrative Expenses	163,975.86	133,022.71	149,951.50
(p) 5599 - Furniture and Equipment	738.25	20,460.15	13,091.83
(q) 5719 - Travel	5,236.78	4,629.95	5,890.84
(r) 5829 - Depreciation expense: Building	0.00	0.00	0.00
<b>Subtotal</b>	<b>4,937,270.16</b>	<b>4,608,521.21</b>	<b>4,382,390.38</b>
<b>Total Disbursements:</b>	<b>97,489,655.23</b>	<b>92,243,070.96</b>	<b>87,112,128.88</b>

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018**

**Investment Income**

	<u>2018 End Balance</u>	<u>2017 End Balance</u>	<u>2016</u>
<b>Investment Income Received From :</b>			
(a) Cash (from schedules 1)	134,166.39	66,653.00	35,340.32
(b) Short Term Investments (sch 2)	0.00	0.00	0.00
(c) Fixed Inc Sec (from sch 3A and 3C)	0.00	0.00	0.00
(d) Equities (from sch 4A and 4C)	0.00	0.00	0.00
(e) Pooled Funds (from Schedule 5)	19,299,664.16	18,039,248.15	16,681,403.01
(f) Commission Recapture	0.00	0.00	0.00
<b>4821 - TOTAL INVESTMENT INCOME</b>	<b>19,433,830.55</b>	<b>18,105,901.15</b>	<b>16,716,743.33</b>
<b>Plus :</b>			
4884 - Realized Gains	32,916,082.11	30,663,179.42	16,686,726.91
4886 - Unrealized Gains	25,183,226.56	59,292,590.39	49,894,937.87
1550 - Interest Due & Accrued Fixed Inc Sec Cur Yr	0.00	0.00	0.00
	<b>58,099,308.67</b>	<b>89,955,769.81</b>	<b>66,581,664.78</b>
<b>Less :</b>			
4823 - Pd Accrued Int - Fixed Inc Securities	0.00	0.00	0.00
4885 - Realized Losses	-4,850.00	-395,090.00	-370,136.77
4887 - Unrealized Losses	-91,539,863.50	-1,080,499.68	-39,206,780.35
1550 - Inc Due & Accrued Prior Year	0.00	0.00	0.00
	<b>-91,544,713.50</b>	<b>-1,475,589.68</b>	<b>-39,576,917.12</b>
<b>NET INVESTMENT INCOME</b>	<b>-14,011,574.28</b>	<b>106,586,081.28</b>	<b>43,721,490.99</b>
<b>Income Required :</b>			
Annuity Savings Fund (Supp Schedule)	265,940.83	261,354.41	246,349.23
Annuity Reserve Fund	2,159,980.19	2,033,058.69	1,923,031.63
Expense Fund	4,937,270.16	4,608,521.21	4,382,390.38
Special Military Service Cr Fnd	140.77	133.29	137.32
	<b>7,363,331.95</b>	<b>6,903,067.60</b>	<b>6,551,908.56</b>
<b>TOTAL INCOME REQUIRED</b>	<b>7,363,331.95</b>	<b>6,903,067.60</b>	<b>6,551,908.56</b>
Net Investment Income	-14,011,574.28	106,586,081.28	43,721,490.99
Less : Income Required	-7,363,331.95	-6,903,067.60	-6,551,908.56
<b>EXCESS INCOME TO THE PENSION RESERVE FUND</b>	<b>-21,374,906.23</b>	<b>99,683,013.68</b>	<b>37,169,582.43</b>

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018**

**Schedule A**

**Detail of Accounts Receivable and Accounts Payable**

**Accounts Receivable**

4891 - Members Deductions	1,931,236.13
4892 - Transfers From Other Systems	0.00
4893 - Member Make Up Payments and Redeposits	40.00
4900 - Member Payments from Rollovers	0.00
4898 - 3-(8)(c) Reimbursements From Other Systems	2,008,189.33
4899 - Received from Commonwealth for COLA and Survivor Bene	0.00
4884 - Profit on Sale of Investments	0.00
4894 - Pension Fund Appropriation	498,941.50
4894 - Pension Fund Appropriation	0.00
4880 - Contr Rec'd from municipality on a/c of mil serv	9,457.61
4897 - Federal Grant Reimbursement	0.00
4895 - Pension Reserve Appropriation	0.00

**Investments Sold but funds not received (list individually)**

4901 -	0.00
4902 -	0.00
4903 -	0.00
4904 -	0.00
4905 -	0.00
<b>Total Receivables</b>	<b>4,447,864.57</b>

**Accounts Payable**

5757 - Refunds to Members	0.00
5756 - Transfers to Other Systems	0.00
5750 - Annuities Paid	-184.85
5759 - Option B Refunds	32,022.35
5751 - Pensions Paid	-385.56
5755 - 3(8)(c) Reimbursements To Other Systems	7,172,262.17
5752 - COLA's Paid	0.00
5753 - Chapter 389 Beneficiary Increase Paid	0.00
4885 - Loss on Sale of Investments	0.00
4890 - Return to Municipality For Members who withdrew funds	0.00
5118 - Board Member Stipend	0.00
5119 - Salaries	0.00
5304 - Management Fees as offset to Expense Fund	0.00
5305 - Custodial Fees as offset to Expense Fund	0.00
5307 - Consultant Fees	0.00
5308 - Legal Expenses	6,612.10
5309 - Medical Expenses	0.00
5310 - Fiduciary Insurance	0.00
5311 - Service Contracts	707.16
5312 - Rent Expense	0.00
5315 - Professional Services	0.00
5320 - Education and Training	0.00
5589 - Administrative Expenses	19,892.67
5599 - Furniture and Equipment	0.00
5719 - Travel Expense	0.00
5820 - Depreciation Expense Building	0.00

**Investments Purchased but not paid for (list individually)**

5901 -	0.00
5902 -	0.00
5903 -	0.00
5904 -	0.00
<b>Total Payables</b>	<b>7,230,926.04</b>

**WORCESTER COUNTY RETIREMENT SYSTEM**  
**Accounting File**  
**Interest Posted to the Annuity Reserve**

<u>Month</u>	<u>(Debits) Credits</u>	<u>Balance</u>	<u>Balance X .0025</u>
January 1st	-----	71436738.50	178591.85
January 31st	279308.72	71716047.22	179290.12
February 28 th	419457.27	72135504.49	180338.76
March 31st	396489.37	72531993.86	181329.98
April 30 th	-529243.53	72002750.33	180006.88
May 31st	-343530.00	71659220.33	179148.05
June 30 th	-333630.46	71325589.87	178313.97
July 31st	301200.28	71626790.15	179066.98
August 31st	485902.59	72112692.74	180281.73
September 30 th	101233.81	72213926.55	180534.82
October 31st	348119.73	72562046.28	181405.12
November 30th	106724.95	72668771.23	181671.93
			<b>2159980.19</b>
Interest Posted to Military Reserve Fund	140.77		
Interest Posted to Members Account	265,940.83		

**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM**  
**for the year ended December 31, 2018**  
**Schedule No: 1 - Cash Account Activity During Year**  
**Cash defined in Ledger #1040 as Savings, Checking or Money Market Account**

Description	Account Type	Account Number	Interest Rate	Book Val Prev Yr	(A)	Deposits This Year	(B)	Income Reinv /redeposited	(C)	Withdrawals During Year	(D)	(E)		(F)	(G)			
												Total Book Val This Yr	Cash Income Not Reinvested					
WEBSTER FIVE	CHECKING	603106286	0.0000	182,396.05	157,184,651.80	0.00	156,314,055.25	0.00	0.00	1,052,992.60	0.00	0.00	0.00	0.00	0.00			
WEBSTER FIVE	CHECKING	603107094	0.0000	14,351.92	646,000.00	0.00	643,427.65	0.00	0.00	16,924.27	0.00	0.00	0.00	0.00	0.00			
WEBSTER FIVE	CHECKING	603107104	0.0000	11,593.91	520,000.00	0.00	527,953.13	0.00	0.00	3,640.78	0.00	0.00	0.00	0.00	0.00			
WEBSTER FIVE	SAVINGS	621061955	1.7000	2,711,614.06	110,764,928.71	0.00	111,710,000.00	0.00	0.00	1,766,542.77	0.00	0.00	0.00	0.00	0.00			
<b>TOTALS:</b>												<b>2,919,955.94</b>	<b>269,115,580.51</b>	<b>0.00</b>	<b>269,195,436.03</b>	<b>2,840,100.42</b>	<b>0.00</b>	<b>0.00</b>

**Schedule No. 2**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Short Term Securities\* Bought and Sold or Matured During the Year as well as Still Held on December 31st**

\*Short Term defined in ledger #1100 as U.S. Treasury Bills, Commercial Paper, Repurchase Agreements, CDs, Term Deposits, Money Market, Cooperative Shares, Savings and Loan Shares

Description: Including CUSIP or Account No., Interest Rate, Maturity Date (List alphabetically. Rollover securities must be listed as <u>sold and then repurchased.</u> )	(A) Date Acquired	(B) Par Value*	(C) Cost Including Commissions	(D) Amount Received at Maturity (Expiration or Upon Liquidation) Less Commissions and Excluding Interest	(E) Market Value Dec. 31st Current Year	(F) Interest Received During Year	(G) Interest Due and Accrued Dec. 31st
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NONE

\*Optional Entry



**Schedule No. 3A**

**Annual Statement of the** Worcester Reg. Retirement System **for the Year Ended December 31, 2018**

**Domestic Fixed Income Securities Owned at End of Year**

(Foreign Fixed Income Securities must be listed on Schedule 5)

Description: Including Maturity Date and Interest Rate (List Alphabetically)	(A) CUSIP Number*	(B) Cost or Market Value at End of Prior Year	(C) Unrealized Gain	(D) Unrealized Loss	(E) Market Value	(F) Interest Received During Year	(G) Interest Due and Accrued Dec. 31st
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NONE

\*Optional Entry

**Schedule No. 3B**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Domestic Fixed Income Securities Purchased During Year**

(Foreign Fixed Income Securities must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Date and Interest Rate (List Alphabetically)	CUSIP Number	Par Value*	Date Acquired (Trade Date)	Name of Broker	Commissions Paid	Paid Accrued Interest	Cost Excluding Accrued Interest, but Including Commissions

NONE

\*Optional Entry

**Schedule No. 3C**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Domestic Fixed Income Securities Sold During Year**

(Foreign Fixed Income Securities must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Including Date of Maturity and Interest Rate (List alphabetically)	CUSIP Number	Par Value*	Date Sold or Matured (Trade Date)	Name of Broker	Commissions	Market Value Previous Dec 31st	Amount Received on Sale Less Commissions Excluding Accrued Interest	= G-F Realized Gain	= G-F Realized Loss	Interest Received During Year Including Interest Sold

NONE

\*Optional Entry

**Schedule No. 4A**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Equities Owned at End of Year**

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Give Complete Description (List Alphabetically)	CUSIP Number	Rate Per Share Used to Obtain Number of Shares	Current Market Value	Market Value at End of Previous Year	Net Purchases and (Sales) at Book Value Current Year	Market Value at End of Current Year	= F-D-E Unrealized Gain	= F-D-E Unrealized Loss	Dividends Received During Year

NONE

**Schedule No. 4B**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Equities Purchased During Year**

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

<b>Description:</b> Give Complete Description (List Alphabetically)	<b>(A)</b> CUSIP Number	<b>(B)</b> Number of Shares	<b>(C)</b> Date Acquired (Trade Date)	<b>(D)</b> Name of Broker	<b>(E)</b> Commissions and Fees Paid	<b>(F)</b> Cost to System Including Commissions and Fees
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NONE

**Schedule No. 4C**

**Annual Statement of the Worcester Reg. Retirement System for the Year Ended December 31, 2018**

**Equities Sold During Year**

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Give Complete Description (List Alphabetically)	CUSIP Number	Number of Shares	Name of Broker	Date Sold	Commissions Paid	Proceeds From Sale	Market Value at Prior Year-end or Cost if Purchased in Current Year	= F-G Realized Gain	= F-G Realized Loss	Dividends Received During Year

NONE

Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM  
for the year ended December 31, 2018

Schedule No: 5

Schedule of Pooled Funds  
This schedule is to be used for PRIT Fund, and Pooled Funds  
(e.g. Venture Capital, Real Estate, Mutual/Commingled Funds)

PERAC Ledger #	Description	Cusip	Market Val End Prev Year	Total Current Year	Reinvested Income	Realized Gain	Realized Loss	Unrealized Gain	Unrealized Loss	Total Sales/Redemptions Curr Yr	Cash Div/Dist Curr Yr	Fees Paid	=A+B+C+D-E+F+G+H+J Market Value at End of Yr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)			
1193	AEW	00199A9A8	20218.00	0.00	-1036.00	1119.00	969.00	0.00	0.00	7288.00	0.00	0.00	12045.00
1199	PRIT	12346678	705763910.21	46000000.00	19300620.92	32497482.94	0.00	25156675.36	90412248.73	45700000.00	0.00	3731760.15	688874680.55
1198	PRIT CASH ACCT	12346678A	0.00	46000000.00	0.00	0.00	0.00	0.00	0.00	46000000.00	0.00	0.00	0.00
1193	ASCENT VENTURES IV	3300426218	870261.00	0.00	7816.00	0.00	0.00	5723.00	732084.00	0.00	0.00	1500.00	150212.00
1194	INTERCONTINENTAL RE	4602379A0	2734.65	0.00	0.00	0.00	0.00	0.00	0.00	2734.65	0.00	0.00	0.00
1193	NORTH AMERICAN STRA	65715D9A0	1949246.13	0.00	7185.24	406612.17	0.00	20822.20	395529.77	780069.67	0.00	26615.71	1181650.69
1193	ASCENT VENTURES IILP	7240289B3	23923.00	0.00	-846.00	35.00	0.00	0.00	1.00	0.00	0.00	0.00	23111.00
1194	TUCKERMAN REDEV	8887529D4	446917.00	0.00	-14077.00	11833.00	3881.00	0.00	0.00	446970.00	0.00	122.00	0.00
<b>TOTALS:</b>			<b>709077199.99</b>	<b>92000000.00</b>	<b>19299664.16</b>	<b>32816082.11</b>	<b>4850.00</b>	<b>25183226.56</b>	<b>91539863.50</b>	<b>92930762.32</b>	<b>0.00</b>	<b>3758997.86</b>	<b>690241699.14</b>



**Annual Statement of the WORCESTER COUNTY RETIREMENT SYSTEM**  
**for the year ended December 31, 2018**  
**Schedule 6**

**Detail of Investments Owned**

	Book Value	Interest Due & Accr	Paid Accr Int on Purch Curr Year	Fees Paid Dur Curr Yr	Fixed Income Unrealized Gain	Fixed Income Unrealized Loss	Unrealized Gains	Unrealized Losses	Gains	Realized	Losses	Dividends Curr Year
1. 1041-Cash	1,052,992.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. 1042-Cash	16,924.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. 1043-Cash	3,640.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. 1044-Cash	1,766,542.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. 1193-Pooled Alternativ	1,367,018.59	0.00	0.00	27,115.71	0.00	0.00	26,551.20	-1,127,614.77	406,766.17	-969.00	0.00	13,120.24
5. 1194-Pooled Real Estat	0.00	0.00	0.00	122.00	0.00	0.00	0.00	0.00	11,833.00	-3,881.00	0.00	-14,077.00
5. 1198-PRIT Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. 1199-PRIT Fund	688,874,680.55	0.00	0.00	3,731,760.15	0.00	0.00	25,156,675.36	-90,412,248.73	32,497,482.94	0.00	0.00	19,300,620.92
<b>GRAND TOTALS:</b>	<b>693,081,799.56</b>	<b>0.00</b>	<b>0.00</b>	<b>3,758,997.86</b>	<b>0.00</b>	<b>0.00</b>	<b>25,183,226.56</b>	<b>-91,539,863.50</b>	<b>32,916,082.11</b>	<b>-4,850.00</b>	<b>0.00</b>	<b>19,299,664.16</b>

Schedule No. 7

Annual Statement of the Worcester Regional Retirement System for the Year ended December 31, 2018

Summary of the Investment Related Fees:

Manager/Vendor-All Managers/ Vendors Must Be Listed	(A) Q1 2018	(B) Q2 2018	(C) Q3 2018	(D) Q4 2018	(E) Accrued Payable at Year End	(F) Total Paid or Accrued in 2018	(G) Market Value as of 12/31/2018	(H) *Payment Method (Net, Wire, Check)	(I) #4701 Carried Interest Exp	(J) #4702 Equalization Expense	(K) #4703 Misc Investment Expense
5304 Management Fees											
1. AEW	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	12,045.00		N/A	N/A	N/A
2. ASCENT II	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	23,111.00		N/A	N/A	N/A
3. ASCENT IV	\$ 11,206.00	\$ 10,521.00	\$ 7,471.00	\$ (27,698.00)	N/A	\$ 1,500.00	150,212.00	N	N/A	N/A	N/A
4. Intercontinental RE	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	-		N/A	N/A	N/A
5. NASP-Alberdeen	\$ 6,918.22	\$ 6,743.25	\$ 4,355.22	\$ 7,599.02	N/A	\$ 25,615.71	1,181,650.59	N	N/A	N/A	N/A
6. PRIM	\$ 908,902.11	\$ 946,499.79	\$ 940,242.00	\$ 936,116.25	N/A	\$ 3,731,760.15	688,874,680.55	N	N/A	N/A	N/A
7. Tuckerman Redev	\$ 122.00				N/A	\$ 122.00	-	N	N/A	N/A	N/A
<b>5304 Mgmt Fees Total</b>	<b>\$ 18,124.22</b>	<b>\$ 17,264.25</b>	<b>\$ 11,826.22</b>	<b>\$ (20,098.98)</b>	<b>\$</b>	<b>\$ 3,758,997.86</b>	<b>\$ 690,241,699.14</b>				
5305 Custodial Fees											
1	N/A										
2											
<b>5305 Custodial Fees Total</b>	<b>0.00</b>										
5307 Inv. Consultant OCIO Fees											
1	N/A										
2											
<b>5307 Investment Consultant/ OCIO Fees Total</b>	<b>0.00</b>										
<b>TOTAL INVESTMENT RELATED FEES AND EXPENSES</b>	<b>\$ 18,124.22</b>	<b>\$ 17,264.25</b>	<b>\$ 11,826.22</b>	<b>\$ (20,098.98)</b>	<b>\$</b>	<b>\$ 3,758,997.86</b>	<b>\$ 690,241,699.14</b>				

\*N=Net, C=Check, W=Wire



**WORCESTER COUNTY RETIREMENT SYSTEM**

**Supplementary Schedule Totals**

**Printed: 01/01/2019**

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Previous Balance	285,694,920.02
Current Deductions	0.00
Current Interest	285,695.28
Refunds (Refund Int+Refund Ded)	0.00
Transfer to Annuity Reserve	0.00
Transfer to Pension Fund	0.00
Adjust Interest Credit	0.00
Make-ups and Transfers In	0.00
Transfer to Pension Reserve	0.00
Accumulated Deductions	285,980,615.30