

# **Annual Statement**

**OF THE FINANCIAL CONDITION  
OF THE SAUGUS RETIREMENT BOARD  
TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION  
FOR THE YEAR ENDED 12/31/2011**

Annual Statement for the Year Ended December 31, 2011 of the conditions and Affairs of the Saugus Retirement Board.

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

Date of Certificate 12/31/2011

Effective Date 12/31/2011

ADMINISTRATION OFFICE

Town Hall Annex, 25 Main Street  
Street & Number

Saugus, MA 01906  
City/Town, State and Zip Code

(781) 231-7656  
Telephone Number

We, the undersigned, members of the Saugus 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.

|                            |  |  |
|----------------------------|--|--|
| <b>Board Of Retirement</b> | <b>Ex-Officio Member</b>                 |  |
|                            | Joan C. Regan                            |    |
|                            | (Name)                                   | (Signature)  |
|                            | <b>Appointed Member</b>                  | <b>Term Expires</b>  |
|                            | Eugene F. Decareau                       |    |
|                            | (Name)                                   | (Signature)  |
|                            | <b>Elected Member</b>                    | <b>Term Expires 12/05/2013</b>   |
|                            | William E. Cross, III (Chairperson)      |    |
|                            | (Name)                                   | (Signature)  |
|                            | <b>Elected Member</b>                    | <b>Term Expires 12/02/2014</b>   |
|                            | Mark A. Gannon                           |   |
|                            | (Name)                                   | (Signature)  |
|                            | <b>Member Appointed by Other Members</b> | <b>Term Expires 01/06/2015</b>   |
|                            | Doreen L. DiBari                         |  |
|                            | (Name)                                   | (Signature)  |

|                              |                   |  |
|------------------------------|-------------------|--|
| <b>Investment Managers</b>   | <u>PRIM Board</u> | <u>125 Summer St, 10th Floor, Boston, MA 02110</u> |
|                              | <u>N/A</u>        | <u>N/A</u>   |
|                              | <u>N/A</u>        | <u>N/A</u>   |
| <b>Investment Consultant</b> | <u>N/A</u>        | <u>N/A</u>   |
| <b>Custodian</b>             | <u>N/A</u>        | <u>N/A</u>   |

Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.

**ANNUAL STATEMENT BALANCE TESTS**

**1. ASSET BALANCE**

|                            |                      |
|----------------------------|----------------------|
| Assets Previous Year       | <u>62,381,119.34</u> |
| Income Current Year        | <u>6,299,644.38</u>  |
| Disbursements Current Year | <u>6,829,434.08</u>  |
| Assets Current Year        | <u>61,851,329.64</u> |

**2. ASSET DIFFERENCE**

|                      |                      |
|----------------------|----------------------|
| Assets Current Year  | <u>61,851,329.64</u> |
| Assets Previous Year | <u>62,381,119.34</u> |
| Difference           | <u>-529,789.70</u>   |

**3. INCOME DIFFERENCE**

|                            |                     |
|----------------------------|---------------------|
| Income Current Year        | <u>6,299,644.38</u> |
| Disbursements Current Year | <u>6,829,434.08</u> |
| Difference                 | <u>-529,789.70</u>  |

**4. FUND CHANGE DIFFERENCE**

|  |                       |
|--|-----------------------|
| Total Fund Change Credits Current Year | <u>11,959,917.49</u>  |
| Total Fund Change Debits Current Year  | <u>-12,489,707.19</u> |
| Difference                             | <u>-529,789.70</u>    |

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

**Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.**

**ASSETS & LIABILITIES**

|  | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          |
|--|----------------------|----------------------|----------------------|
| 1. 1040 Cash                                     | 641,351.91           | 443,111.71           | 54,065.80            |
| 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                                 | 0.00                 | 0.00                 | 0.00                 |
| 5. 1101 Pooled Short Term Funds                  | 0.00                 | 0.00                 | 0.00                 |
| 6. 1172 Pooled Domestic Equity Funds             | 0.00                 | 0.00                 | 0.00                 |
| 7. 1173 Pooled International Equity Funds        | 0.00                 | 0.00                 | 0.00                 |
| 8. 1174 Pooled Global Equity Funds               | 0.00                 | 0.00                 | 0.00                 |
| 9. 1181 Pooled Domestic Fixed Income Funds       | 0.00                 | 0.00                 | 0.00                 |
| 10. 1182 Pooled International Fixed Income Funds | 0.00                 | 0.00                 | 0.00                 |
| 11. 1183 Pooled Global Fixed Income Funds        | 0.00                 | 0.00                 | 0.00                 |
| 12. 1193 Pooled Alternative Investments          | 0.00                 | 0.00                 | 0.00                 |
| 13. 1194 Pooled Real Estate Funds                | 0.00                 | 0.00                 | 0.00                 |
| 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 PRIT Absolute                           | 0.00                 | 0.00                 | 0.00                 |
| 17. 1198 PRIT Cash                               | 100,042.90           | 100,066.61           | 100,073.37           |
| 18. 1199 PRIT Fund                               | 57,821,524.28        | 58,666,506.37        | 52,469,874.82        |
| 19. 1550 Interest Due and Accrued                | 0.00                 | 0.00                 | 0.00                 |
| 20. 1350 Prepaid Expenses                        | 0.00                 | 0.00                 | 0.00                 |
| 21. 1398 Accounts Receivable (A)                 | 3,288,410.55         | 3,171,434.65         | 3,053,554.00         |
| 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)               | (0.00)               | (0.00)               |
| <b>TOTAL</b>                                     | <u>61,851,329.64</u> | <u>62,381,119.34</u> | <u>55,677,567.99</u> |
| <b>FUNDS</b>                                     |                      |                      |                      |
| 1. 3293 Annuity Savings Fund                     | 16,132,659.13        | 14,921,298.01        | 13,810,738.25        |
| 2. 3294 Annuity Reserve Fund                     | 3,925,118.12         | 4,379,580.53         | 4,542,500.48         |
| 3. 3295 Military Service Fund                    | 20,766.16            | 18,894.51            | 18,415.65            |
| 4. 3296 Pension Fund                             | 4,629,322.06         | 5,496.69             | 26,592.34            |
| 5. 3298 Expense Fund                             | 0.00                 | 0.00                 | 0.00                 |
| 6. 3297 Pension Reserve Fund                     | 37,143,464.17        | 43,055,849.60        | 37,279,321.27        |
| <b>TOTAL ASSETS AT MARKET VALUE</b>              | <u>61,851,329.64</u> | <u>62,381,119.34</u> | <u>55,677,567.99</u> |

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

Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.

|                        | Balance Dec. 31<br>Prior year | Receipts            | Interfund<br>Transfers | Disbursements        | Balance Dec.31<br>Current Year |
|------------------------|-------------------------------|---------------------|------------------------|----------------------|--------------------------------|
| Annuity Savings Fund   | 14,921,298.01                 | 1,512,184.62        | -205,799.64            | -95,023.86           | 16,132,659.13                  |
| Annuity Reserve Fund   | 4,379,580.53                  | 123,868.05          | 205,245.97             | -783,576.43          | 3,925,118.12                   |
| Pension Fund           | 5,496.69                      | 4,728,002.95        | 5,455,027.14           | -5,559,204.72        | 4,629,322.06                   |
| Military Service Fund  | 18,894.51                     | 1,871.65            | 0.00                   | 0.00                 | 20,766.16                      |
| Expense Fund           | 0.00                          | 391,629.07          | 0.00                   | -391,629.07          | 0.00                           |
| Pension Reserve Fund   | 43,055,849.60                 | -457,911.96         | -5,454,473.47          | 0.00                 | 37,143,464.17                  |
| <b>Total All Funds</b> | <b>62,381,119.34</b>          | <b>6,299,644.38</b> | <b>- 0 -</b>           | <b>-6,829,434.08</b> | <b>61,851,329.64</b>           |

List below all transfers:

|           |                                      |    |                                      |               |              |            |  |
|-----------|--------------------------------------|----|--------------------------------------|---------------|--------------|------------|--|
| Xfer from | Annuity Savings Fund<br>Control Acct | to | Annuity Reserve Fund                 | in the amt of | 205,245.97   | on acct of | To record Retirements in 2011              |
| Xfer from | Annuity Savings Fund<br>Control Acct | to | Pension Reserve Fund<br>Control Acct | in the amt of | 553.67       | on acct of | To record Trfr 10 year inactive<br>account |
| Xfer from | Pension Reserve Fund<br>Control Acct | to | Pension Fund Control<br>Account      | in the amt of | 5,455,027.14 | on acct of | 93-11 Tr/prf to pf not used per<br>appr. l |
| 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 Saugus Retirement Board for the Year Ended December 31, 2011.

RECEIPTS

|   | 2011                | 2010                 | 2009                 |
|---|---------------------|----------------------|----------------------|
| <b>1. Annuity Savings Fund:</b>                             |                     |                      |                      |
| (a) 4891 Members' Deductions                                | 1,380,204.10        | 1,355,350.91         | 1,288,070.35         |
| (b) 4892 Transfers from Other Systems                       | 71,194.16           | 148,857.59           | 114,768.00           |
| (c) 4893 Member Make Up Payments and Redeposits             | 5,539.35            | 101,447.21           | 17,453.21            |
| (d) 4900 Member Payments from Rollovers                     | 23,371.93           | 23,112.19            | 13,348.56            |
| (e) Investment Income Credited to Members' Accounts         | 31,875.08           | 41,825.34            | 64,896.79            |
| <b>Subtotal</b>   | <b>1,512,184.62</b> | <b>1,670,593.24</b>  | <b>1,498,536.91</b>  |
| <b>2. Annuity Reserve Fund:</b>                             |                     |                      |                      |
| (a) Investment Income Credited to Annuity Reserve Fund      | 123,868.05          | 130,986.93           | 128,014.30           |
| <b>Subtotal</b>   | <b>123,868.05</b>   | <b>130,986.93</b>    | <b>128,014.30</b>    |
| <b>3. Pension Fund:</b>                                     |                     |                      |                      |
| (a) 4898 3(8)(c) Reimbursements from Other Systems          | 124,085.48          | 122,172.50           | 121,451.61           |
| (b) 4899 Received from Commonwealth for COLA & Survivor Bft | 157,343.47          | 171,731.93           | 190,980.12           |
| (c) 4894 Pension Fund Appropriation                         | 4,446,574.00        | 4,271,000.00         | 4,118,261.00         |
| (e) 4840 Workers Compensation Settlement                    | 0.00                | 0.00                 | 0.00                 |
| <b>Subtotal</b>   | <b>4,728,002.95</b> | <b>4,564,904.43</b>  | <b>4,430,692.73</b>  |
| <b>4. Military Service Fund:</b>                            |                     |                      |                      |
| (a) 4890 Contributions Received from Municipality           | 1,833.86            | 423.61               | 8,639.55             |
| (b) Investment Income Credited                              | 37.79               | 55.25                | 48.64                |
| <b>Subtotal</b>   | <b>1,871.65</b>     | <b>478.86</b>        | <b>8,688.19</b>      |
| <b>5. Expense Fund:</b>                                     |                     |                      |                      |
| (a) 4896 Expense Fund Appropriation                         | 0.00                | 0.00                 | 0.00                 |
| (b) Investment Income Credited to Expense Fund              | 391,629.07          | 350,517.17           | 370,259.00           |
| <b>Subtotal</b>   | <b>391,629.07</b>   | <b>350,517.17</b>    | <b>370,259.00</b>    |
| <b>6. Pension Reserve Fund:</b>                             |                     |                      |                      |
| (a) 4897 Federal Grant Reimbursement                        | 0.00                | 0.00                 | 0.00                 |
| (b) 4895 Pension Reserve Appropriation                      | 0.00                | 0.00                 | 0.00                 |
| (c) 4822 Interest Not Refunded                              | 157.05              | 13.72                | 1,073.75             |
| (d) 4825 Miscellaneous Income                               | 7.00                | 0.00                 | 0.00                 |
| (f) Excess Investment Income                                | -458,076.01         | 6,666,553.88         | 7,551,262.58         |
| <b>Subtotal</b>   | <b>-457,911.96</b>  | <b>6,666,567.60</b>  | <b>7,552,336.33</b>  |
| <b>TOTAL RECEIPTS</b>                                       | <b>6,299,644.38</b> | <b>13,384,048.23</b> | <b>13,988,527.46</b> |

Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.

DISBURSEMENTS

|  | 2011                | 2010                | 2009                |
|--|---------------------|---------------------|---------------------|
| <b>1. Annuity Savings Fund:</b>                                |                     |                     |                     |
| (a) 5757 Refunds to Members                                    | 65,573.00           | 14,271.29           | 90,239.82           |
| (b) 5756 Transfers to Other Systems                            | 29,450.86           | 66,021.40           | 116,099.54          |
| <b>Subtotal</b>  | <u>95,023.86</u>    | <u>80,292.69</u>    | <u>206,339.36</u>   |
| <b>2. Annuity Reserve Fund:</b>                                |                     |                     |                     |
| (a) 5750 Annuities Paid  | 783,576.43          | 763,686.94          | 724,935.26          |
| (b) 5759 Option B Refunds                                      | 0.00                | 0.00                | 0.00                |
| <b>Subtotal</b>  | <u>783,576.43</u>   | <u>763,686.94</u>   | <u>724,935.26</u>   |
| <b>3. Pension Fund:</b>  |                     |                     |                     |
| (a) 5751 Pensions Paid   | 5,314,556.64        | 5,402,865.18        | 5,259,000.93        |
| Regular Pension Payments                                       | 3,594,116.06        | 3,589,690.33        | 3,427,824.66        |
| Survivorship Payments  | 104,203.29          | 131,175.35          | 158,746.83          |
| Ordinary Disability Payments                                   | 15,006.48           | 16,626.48           | 39,053.93           |
| Accidental Disability Payments                                 | 1,108,805.77        | 1,130,064.26        | 1,094,971.03        |
| Accidental Death Payments                                      | 465,888.10          | 486,129.32          | 499,611.48          |
| Section 101 Benefits   | 26,536.94           | 49,179.44           | 38,793.00           |
| (b) 5755 3(8)(c) Reimbursements To Other Systems               | 87,304.61           | 83,134.90           | 82,023.56           |
| (c) 5752 COLAs Paid  | 157,343.47          | 0.00                | 0.00                |
| (d) 5753 Chapter 389 Beneficiary Increase Paid                 | 0.00                | 0.00                | 0.00                |
| <b>Subtotal</b>  | <u>5,559,204.72</u> | <u>5,486,000.08</u> | <u>5,341,024.49</u> |
| <b>4. Military Service Fund:</b>                               |                     |                     |                     |
| (a) 4890 Return to Municipality for Members who Withdrew Funds | 0.00                | 0.00                | 0.00                |
| <b>Subtotal</b>  | <u>0.00</u>         | <u>0.00</u>         | <u>0.00</u>         |
| <b>5. Expense Fund:</b>  |                     |                     |                     |
| (a) 5118 Board Member Stipend                                  | 4,920.00            | 4,920.00            | 4,920.00            |
| (b) 5119 Salaries  | 56,258.52           | 54,643.40           | 53,080.40           |
| (c) 5304 Management Fees                                       | 296,369.15          | 256,681.28          | 276,435.09          |
| (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  | 4,620.00            | 7,931.00            | 10,577.00           |
| (g) 5309 Medical Expenses                                      | 0.00                | 0.00                | 25.00               |
| (h) 5310 Fiduciary Insurance                                   | 3,497.00            | 3,366.00            | 3,111.00            |
| (i) 5311 Service Contracts                                     | 21,103.68           | 20,955.65           | 4,312.96            |
| (j) 5312 Rent Expense  | 0.00                | 0.00                | 0.00                |
| (k) 5315 Professional Services                                 | 400.00              | 0.00                | 0.00                |
| (l) 5320 Education And Training                                | 810.00              | 0.00                | 0.00                |
| (m) 5589 Administrative Expenses                               | 1,486.96            | 1,888.12            | 1,359.16            |
| (n) 5599 Furniture and Equipment                               | 1,168.40            | 131.72              | 16,076.75           |
| (o) 5719 Travel  | 995.36              | 0.00                | 361.64              |
| (p) 5829 Depreciation Expense: Building                        | 0.00                | 0.00                | 0.00                |
| <b>Subtotal</b>  | <u>391,629.07</u>   | <u>350,517.17</u>   | <u>370,259.00</u>   |
| <b>TOTAL DISBURSEMENTS</b>                                     | <u>6,829,434.08</u> | <u>6,680,496.88</u> | <u>6,642,558.11</u> |

**Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.**

**INVESTMENT INCOME**

|   | <b>2011</b>         | <b>2010</b>         | <b>2009</b>         |
|---|---------------------|---------------------|---------------------|
| Investment Income received from:  |                     |                     |                     |
| (a) Cash (from Schedule 1)  | 72.13               | 0.00                | 0.00                |
| (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)                                       | 0.00                | 0.00                | 0.00                |
| (e) Pooled Funds (from Schedule 5)  | 1,802,984.32        | 1,573,737.29        | 1,414,139.25        |
| (f) Commission Recapture  | 0.00                | 0.00                | 0.00                |
| <b>4821 TOTAL INVESTMENT INCOME</b>   | <b>1,803,056.45</b> | <b>1,573,737.29</b> | <b>1,414,139.25</b> |
| <b>Plus:</b>  |                     |                     |                     |
| 4884 Realized Gains (Profits)   | 1,831,715.53        | 1,458,312.86        | 1,067,623.93        |
| 4886 Unrealized Gains (Increase in Market Value)                              | 5,826,318.75        | 10,754,917.07       | 12,540,186.23       |
| 1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year | 0.00                | 0.00                | 0.00                |
| <b>Less:</b>  |                     |                     |                     |
| 4823 Paid Accrued Interest on Fixed Income Securities                         | 0.00                | 0.00                | 0.00                |
| 4885 Realized Losses  | 33,688.84           | 48,555.73           | 3,324,760.30        |
| 4887 Unrealized Losses (Decrease in Market Value)                             | 9,338,067.91        | 6,548,472.92        | 3,582,707.80        |
| 1550 Interest Due and Accrued on Fixed Income Securities Prior Year           | 0.00                | 0.00                | 0.00                |
| <b>NET INVESTMENT INCOME</b>  | <b>89,333.98</b>    | <b>7,189,938.57</b> | <b>8,114,481.31</b> |
| Income required:  |                     |                     |                     |
| Annuity Savings Fund (from Supplementary Schedule)                            | 31,875.08           | 41,825.34           | 64,896.79           |
| Annuity Reserve Fund  | 123,868.05          | 130,986.93          | 128,014.30          |
| Expense Fund  | 391,629.07          | 350,517.17          | 370,259.00          |
| Military Service Fund   | 37.79               | 55.25               | 48.64               |
| <b>TOTAL INCOME REQUIRED</b>  | <b>547,409.99</b>   | <b>523,384.69</b>   | <b>563,218.73</b>   |
| Net Investment Income   | 89,333.98           | 7,189,938.57        | 8,114,481.31        |
| Less Income Required  | 547,409.99          | 523,384.69          | 563,218.73          |
| <b>EXCESS INCOME TO PENSION RESERVE FUND</b>                                  | <b>-458,076.01</b>  | <b>6,666,553.88</b> | <b>7,551,262.58</b> |



Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS

|   | Group 1   | Group 2 & 4 | TOTAL     |
|---|-----------|-------------|-----------|
| Active Membership, Dec. 31st, Previous Year   | 234       | 92          | 326       |
| Inactive Membership, Dec. 31st, Previous Year | 52        | 7           | 59        |
| Enrolled During Current Year                  | 21        | 4           | 25        |
| Transfers Between Groups                      | 0         | 0           | 0         |
| Reinstatements of Disabled Members            | 0         | 0           | 0         |
| <b>SUBTOTAL</b>                               | <b>21</b> | <b>4</b>    | <b>25</b> |
| Deduct:                                       |           |             |           |
| Death   | 0         | 0           | 0         |
| Withdrawals                                   | 15        | 1           | 16        |
| Retirements                                   | 4         | 1           | 5         |
| <b>SUBTOTAL</b>                               | <b>19</b> | <b>2</b>    | <b>21</b> |
| Active Membership, Dec. 31st, Current Year    | 249       | 100         | 349       |
| Inactive Membership, Dec. 31st, Current Year  | 39        | 1           | 40        |

RETIREED MEMBERS, BENEFICIARIES & SURVIVORS

|  |            |            |            |
|--|------------|------------|------------|
| Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year             | 171        | 113        | 284        |
| Retirements During the Year  |            |            |            |
| Superannuation   | 4          | 1          | 5          |
| Ordinary Disability  | 0          | 0          | 0          |
| Accidental Disability  | 0          | 0          | 0          |
| Termination Retirement Allowance   | 0          | 0          | 0          |
| Beneficiary of Deceased Retiree  | 0          | 0          | 0          |
| Survivor Benefits from Active Membership   | 0          | 0          | 0          |
| <b>SUBTOTAL</b>  | <b>4</b>   | <b>1</b>   | <b>5</b>   |
| Deduct:  |            |            |            |
| Deaths of Retired Members  | 8          | 4          | 12         |
| Termination of Survivor Benefits   | 1          | 0          | 1          |
| Reinstatements of Disabled Pensions  | 0          | 0          | 0          |
| <b>SUBTOTAL</b>  | <b>9</b>   | <b>4</b>   | <b>13</b>  |
| Retired Membership, Dec. 31st, Current Year  |            |            |            |
| Superannuation   | 139        | 54         | 193        |
| Ordinary Disability  | 1          | 0          | 1          |
| Accidental Disability  | 5          | 33         | 38         |
| Termination  | 0          | 0          | 0          |
| Beneficiaries from Accidental Deaths   | 1          | 15         | 16         |
| Beneficiaries from Section 100   | 0          | 2          | 2          |
| Beneficiaries from Section 101   | 4          | 2          | 6          |
| Beneficiaries under Option C   | 8          | 2          | 10         |
| Option (D) Survivor Allowance  | 8          | 2          | 10         |
| Section 12B Survivor Allowance   | 0          | 0          | 0          |
| <b>Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year</b> | <b>166</b> | <b>110</b> | <b>276</b> |
| <b>TOTAL MEMBERSHIP</b>  |            |            |            |
| Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year       | 454        | 211        | 665        |

Annual Statement of the Saugus Retirement Board for the Year Ended December 31, 2011.

Schedule A: Detail of Accounts Receivable and Accounts Payable

| Accounts Receivable  | Amount              | Original Date |
|--|---------------------|---------------|
| 4891 Members Deductions  | 0.00                |               |
| 4892 Transfers From Other Systems  | 0.00                |               |
| 4893 Member Make Up Payments and Redeposits                                  | 72,979.05           | 12/31/2011    |
| 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)                        | 3,215,431.50        | 12/31/2011    |
| 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)                  | 0.00                |               |
|  | 0.00                |               |
|  | 0.00                |               |
|  | 0.00                |               |
| <b>TOTAL RECEIVABLES</b>   | <b>3,288,410.55</b> |               |
| <b>Accounts Payable</b>  |                     |               |
| 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                |               |
| <b>TOTAL PAYABLES</b>  | <b>0.00</b>         |               |

Accounting Close Interest - 2011

■ Saugus Retirement Board

Beginning Balance 3294: 4,379,580.53 Beginning Bal 3294 x.0025: 10,948.95

|               |            |                     |            |                     |      |                    |              |
|---------------|------------|---------------------|------------|---------------------|------|--------------------|--------------|
| 3294 Jan Adj: | 41,804.28  | 5750 Jan Cash Disb: | -65,265.06 | 5759 Jan Cash Disb: | 0.00 | Jan Monthly Total: | 4,356,119.75 |
| 3294 Feb Adj: | 0.00       | 5750 Feb Cash Disb: | -65,275.58 | 5759 Feb Cash Disb: | 0.00 | Feb Monthly Total: | 4,290,844.17 |
| 3294 Mar Adj: | 0.00       | 5750 Mar Cash Disb: | -65,275.58 | 5759 Mar Cash Disb: | 0.00 | Mar Monthly Total: | 4,225,568.59 |
| 3294 Apr Adj: | 0.00       | 5750 Apr Cash Disb: | -65,130.83 | 5759 Apr Cash Disb: | 0.00 | Apr Monthly Total: | 4,160,437.76 |
| 3294 May Adj: | 0.00       | 5750 May Cash Disb: | -65,130.83 | 5759 May Cash Disb: | 0.00 | May Monthly Total: | 4,095,306.93 |
| 3294 Jun Adj: | 19,530.26  | 5750 Jun Cash Disb: | -64,616.09 | 5759 Jun Cash Disb: | 0.00 | Jun Monthly Total: | 4,050,221.10 |
| 3294 Jul Adj: | 143,911.43 | 5750 Jul Cash Disb: | -65,018.40 | 5759 Jul Cash Disb: | 0.00 | Jul Monthly Total: | 4,129,114.13 |
| 3294 Aug Adj: | 0.00       | 5750 Aug Cash Disb: | -65,669.90 | 5759 Aug Cash Disb: | 0.00 | Aug Monthly Total: | 4,063,444.23 |
| 3294 Sep Adj: | 0.00       | 5750 Sep Cash Disb: | -65,671.61 | 5759 Sep Cash Disb: | 0.00 | Sep Monthly Total: | 3,997,772.62 |
| 3294 Oct Adj: | 0.00       | 5750 Oct Cash Disb: | -65,644.14 | 5759 Oct Cash Disb: | 0.00 | Oct Monthly Total: | 3,932,128.48 |
| 3294 Nov Adj: | 0.00       | 5750 Nov Cash Disb: | -65,447.24 | 5759 Nov Cash Disb: | 0.00 | Nov Monthly Total: | 3,866,681.24 |
| 3294 Dec Adj: | 0.00       | 5750 Dec Cash Disb: | -65,431.17 | 5759 Dec Cash Disb: | 0.00 | Dec Monthly Total: | 3,801,250.07 |

Jan Mthly Total x .0025: 10,890.30  
 Feb Mthly Total x .0025: 10,727.11  
 Mar Mthly Total x .0025: 10,563.92  
 Apr Mthly Total x .0025: 10,401.09  
 May Mthly Total x .0025: 10,238.27  
 Jun Mthly Total x .0025: 10,125.55  
 Jul Mthly Total x .0025: 10,322.79  
 Aug Mthly Total x .0025: 10,158.61  
 Sep Mthly Total x .0025: 9,994.43  
 Oct Mthly Total x .0025: 9,830.32  
 Nov Mthly Total x .0025: 9,666.70

Total x .0025 No Dec: 123,868.05  
 Mth Total + x .0025: 3,925,118.12  
 ASF 3293 Interest: 31,875.08  
 MSF 3295 Interest: 37.79  
 EXPF 3298 Interest: 390,629.07  
 PRF Interest: -458,076.01

**Schedule No. 1**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**Cash Account Activity During Year**

\*Cash defined in ledger #1040 as Savings or Checking

| Description:  | (A)                                   | (B)                         | (C)   | (D)                        | (E)  | (F)  | (G)                                       |
|---|---------------------------------------|-----------------------------|---|----------------------------|--|--|---|
| Type of Account, Account Number,<br>Interest Rate (List alphabetically) | Book Value at End<br>of Previous Year | Total Deposits<br>this Year | Income Reinvested/<br>Redeposited into<br>Account | Withdrawals<br>during Year | =A+B+C-D<br>Total Book Value<br>Dec 31st This Year | Cash Income Paid to<br>System Not Reinvested<br>or Redeposited | Interest Due and Accrued<br>December 31st |
| Eastern Bank (1040) 9373586   | 443,111.71                            | 6,731,680.61                |   | 6,533,440.41               | 641,351.91   |  |   |
| Eastern Bank (1041) 9373578   | 0                                     | 6,255,476.54                |   | 6,255,476.54               | 0  |  |   |
| Eastern Bank (1042) 9373551   | 0                                     | 277,569.49                  |   | 277,569.49                 | 0  |  |   |

**Schedule No. 2**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

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

\*Optional Entry

**Schedule No. 3A**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**Domestic Fixed Income Securities Owned at End of Year**  
 (Foreign Fixed Income Securities must be listed on Schedule 5)

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

\*Optional Entry

**Schedule No. 3B**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**Domestic Fixed Income Securities Purchased During Year**  
 (Foreign Fixed Income Securities must be listed on Schedule 5)

| Description:<br>Including Date of Maturity and<br>Interest Rate (List alphabetically) | (A)          | (B)        | (C)                           | (D)            | (E)              | (F)                   | (G)   |
|---|--------------|------------|-------------------------------|----------------|------------------|-----------------------|---|
| None  | CUSIP Number | Par Value* | Date Acquired<br>(Trade Date) | Name of Broker | Commissions Paid | Paid Accrued Interest | Cost Excluding Accrued Interest,<br>but Including Commissions |

\*Optional Entry

**Schedule No. 3C**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**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<br>Realized Gain | = G - F<br>Realized Loss | Interest Received During Year Including Interest Sold |
| None   |              |            |                                   |                |             |                                |   |                          |                          |   |

\*Optional Entry



**Schedule No. 4A**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

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<br>(List alphabetically) | CUSIP<br>Number | Number<br>of Shares | Rate Per Share<br>Used to Obtain<br>Current Market<br>Value | Market Value at End<br>of Previous Year | Net Purchases<br>and (Sales) at<br>Book Value<br>Current Year | Market Value at<br>End of Current Year | = F - D - E<br>Unrealized Gain | = F - D - E<br>Unrealized Loss | Dividends<br>Received During<br>Year |

None

**Schedule No. 4B**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

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

| <b>Description:</b><br>Give Complete Description<br>(List alphabetically) | <b>(A)</b><br>CUSIP Number | <b>(B)</b><br>Number of Shares | <b>(C)</b><br>Date Acquired<br>(Trade Date) | <b>(D)</b><br>Name of Broker | <b>(E)</b><br>Commissions and Fees Paid | <b>(F)</b><br>Cost to System Including<br>Commissions and Fees |
|---|----------------------------|--------------------------------|---|------------------------------|---|--|
|---|----------------------------|--------------------------------|---|------------------------------|---|--|

None

**Schedule No. 4C**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**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<br>Realized Gain | = F - G<br>Realized Loss | Dividends Received During Year |
| None  |              |                  |                |           |                  |                    |   |                          |                          |                                |

**Schedule No. 5**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**Schedule of Pooled Funds**

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

| Description:             | (A)                                  | (B)                               | (C)                          | (D)            | (E)            | (F)              | (G)              | (H)   | (I)  | (J)       | (K)  |
|--------------------------|--------------------------------------|-----------------------------------|------------------------------|----------------|----------------|------------------|------------------|---|--|-----------|--|
|                          | Market Value at End of Previous Year | Total Purchases This Year at Cost | Reinvested Investment Income | Realized Gain* | Realized Loss* | Unrealized Gain* | Unrealized Loss* | Total Sales/Redemptions this Year - Amount Received | Cash Dividends/Distributions to System this Year | Fees Paid | =A+B+C+D-E-F-G-H-I-J Market Value at End of Year** |
| PERAC Ledger Number 1198 | 100,066.61                           | 4,799,049.57                      | 926.72                       | 1,831,715.53   | 33,688.84      | 5,826,318.75     | 9,338,067.91     | 4,800,000.00  |  |           | 100,042.90   |
| PRIT Core                | 58,666,506.37                        |                                   | 1,802,057.20                 |                |                |                  |                  | 639,948.07  | 296,369.15                                       |           | 57,821,524.28                                      |

\* If available.

\*\* If using most recent period prior to year-end, please list date.

**Schedule No. 6**

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

**Summary of Investments Owned**

| Category of Investment                                   | Current Market Value | Interest Due and Accrued as of Dec. 31, 2011 | Paid Accrued Interest on Purchases in Current Year | Commissions Paid During Current Year | Unrealized Gains    | Unrealized Losses   | Realized Gains      | Realized Losses  | Investment Income Received During Year |
|--|----------------------|--|--|--------------------------------------|---------------------|---------------------|---------------------|------------------|--|
| 1. 1040 Cash   | 641,351.91           |  |  |                                      |                     |                     |                     |                  | 72.13                                  |
| 2. 1100 Individually Owned Short Term Investments        |                      |  |  |                                      |                     |                     |                     |                  |  |
| 3. 1180 Fixed Income Securities                          |                      |  |  |                                      |                     |                     |                     |                  |  |
| 4. 1170 Equities   |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5a. 1101 Pooled Short Term Funds                         |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5b. 1172 Pooled Domestic Equity Funds                    |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5c. 1173 Pooled International Equity Funds               |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5d. 1174 Pooled Global Equity Funds                      |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5e. 1181 Pooled Domestic Fixed Income Funds              |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5f. 1182 Pooled International Fixed Income Funds         |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5g. 1183 Pooled Global Fixed Income Funds                |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5h. 1193 Pooled Alternative Investments / Private Equity |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5i. 1194 Pooled Real Estate Funds                        |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5j. 1195 Pooled Domestic Balanced Funds                  |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5k. 1196 Pooled International Balanced Funds             |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5l. 1197 Hedge Funds                                     |                      |  |  |                                      |                     |                     |                     |                  |  |
| 5m. 1198 PRIT Cash Fund                                  | 100,042.90           |  |  |                                      |                     |                     |                     |                  | 926.72                                 |
| 5n. 1199 PRIT Core Fund                                  | 57,821,524.28        |  |  |                                      | 5,826,318.75        | 9,338,067.91        | 1,831,715.53        | 33,688.84        | 1,802,057.60                           |
| <b>TOTAL</b>   | <b>58,562,919.09</b> |  |  |                                      | <b>5,826,318.75</b> | <b>9,338,067.91</b> | <b>1,831,715.53</b> | <b>33,688.84</b> | <b>1,803,056.45</b>                    |

# Supplementary Schedule

Annual Statement of the Saugus Retirement System for the Year Ended December 31, 2011

## Members' Balances in the Annuity Savings Account

| <u>Member's Name</u> | <u>Previous Balance</u> | <u>Total Additions Current Year</u> | <u>Total Interest Current Year</u> | <u>Reductions</u> | <u>Transfer to Annuity Reserves</u> | <u>Transfer to Pension Fund</u> | <u>Transfer to Pension Reserve Fund</u> | <u>Balance Current Year</u> |
|----------------------|-------------------------|-------------------------------------|------------------------------------|-------------------|-------------------------------------|---------------------------------|---|-----------------------------|
|----------------------|-------------------------|-------------------------------------|------------------------------------|-------------------|-------------------------------------|---------------------------------|---|-----------------------------|

See Attached