

Annual Statement

·
· OF THE FINANCIAL CONDITION
· OF THE GLOUCESTER RETIREMENT BOARD
· TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
· FOR THE YEAR ENDED 12/31/2009
·

Annual Statement for the Year Ended December 31, 2009 of the conditions and Affairs of the Gloucester Retirement Board.

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

Date of Certificate _____ Effective Date _____

ADMINISTRATION OFFICE

P.O. Box 114 _____ Gloucester, MA 01931- 0114 _____ (978) 281-9744 _____
Street & Number _____ City/Town, State and Zip Code _____ Telephone Number _____

We, the undersigned, members of the Gloucester 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	
	Marcia McInnis	_____
	(Name)	(Signature)
	Appointed Member	Term Expires 07/31/2011
	David J. Bain Jr.	
	(Name)	(Signature)
	Elected Member	Term Expires 07/31/2011
	Douglas A. MacArthur (Chairperson)	
	(Name)	(Signature)
	Elected Member	Term Expires 07/31/2011
	Edward Hardy	
	(Name)	(Signature)
	Member Appointed by Other Members	Term Expires 01/05/2012
	Melissa Ann Hobbs	
	(Name)	(Signature)

Investment Managers PRIT FUND MEMBER _____

Investment Consultant PRIT FUND MEMBER _____

Custodian PRIT FUND MEMBER _____

Annual Statement of the Gloucester Retirement Board for the Year Ended December 31, 2009.

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	51,567,320.54
Income Current Year	<u>17,219,349.66</u>
Disbursements Current Year	<u>9,568,941.43</u>
Assets Current Year	<u>59,217,728.77</u>

2. ASSET DIFFERENCE

Assets Current Year	59,217,728.77
Assets Previous Year	<u>51,567,320.54</u>
Difference	<u>7,650,408.23</u>

3. INCOME DIFFERENCE

Income Current Year	17,219,349.66
Disbursements Current Year	<u>9,568,941.43</u>
Difference	<u>7,650,408.23</u>

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	20,532,187.88
Total Fund Change Debits Current Year	<u>-12,881,779.65</u>
Difference	<u>7,650,408.23</u>

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

Annual Statement of the Gloucester Retirement Board for the Year Ended December 31, 2009.

ASSETS & LIABILITIES

	2009	2008	2007
1. 1040 Cash	434,449.04	363,017.36	1,050,445.74
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	16,569,249.77
7. 1173 Pooled International Equity Funds	0.00	0.00	8,309,935.56
8. 1174 Pooled Global Equity Funds	0.00	0.00	7,939,962.97
9. 1181 Pooled Domestic Fixed Income Funds	0.00	0.00	15,055,613.57
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	5,060,365.77
13. 1194 Pooled Real Estate Funds	0.00	0.00	2,970,105.30
14. 1195 Pooled Domestic Balanced Funds	0.00	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	8,973,345.53
16. 1197 PRIT Absolute	0.00	0.00	0.00
17. 1198 PRIT Cash	250,419.81	75,292.84	0.00
18. 1199 PRIT Fund	58,522,955.75	51,129,093.31	7,803,309.37
19. 1550 Interest Due and Accrued	0.00	0.00	2,617.61
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	11,911.62	0.00	58,846.23
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)	(-2,007.45)	(-82.97)	(-32,086.98)
TOTAL	<u>59,217,728.77</u>	<u>51,567,320.54</u>	<u>73,761,710.44</u>
FUNDS			
1. 3293 Annuity Savings Fund	21,516,555.06	22,313,718.17	21,498,888.42
2. 3294 Annuity Reserve Fund	8,532,807.80	6,808,695.12	6,763,959.87
3. 3295 Military Service Fund	14,366.37	14,294.90	14,209.64
4. 3296 Pension Fund	2,663,361.14	3,026,365.87	2,440,964.11
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	26,490,638.40	19,404,246.48	43,043,688.40
TOTAL ASSETS AT MARKET VALUE	<u>59,217,728.77</u>	<u>51,567,320.54</u>	<u>73,761,710.44</u>

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

Annual Statement of the Gloucester Retirement Board for the Year Ended December 31, 2009.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	24,678,987.38	2,387,642.28	-2,750,228.08	-434,577.31	21,516,555.06
Annuity Reserve Fund	5,779,394.70	237,872.31	2,633,759.22	-1,147,518.85	8,532,807.80
Pension Fund	2,329,279.79	6,377,507.05	679,079.00	-7,419,590.78	2,663,361.14
Military Service Fund	14,294.90	71.47	0.00	0.00	14,366.37
Expense Fund	-597,028.10	567,254.49	0.00	-567,254.49	0.00
Pension Reserve Fund	19,476,922.24	7,649,002.06	-562,610.14	0.00	26,490,638.40
Total All Funds	51,681,850.91	17,219,349.66	- 0 -	-9,568,941.43	59,217,728.77

List below all transfers:

Xfer from	Annuity Savings Fund	to	Pension Reserve Fund	in the amt of	116,468.86	on acct of	10 Year Inactive Accounts
	Control Acct		Control Acct				Closed
Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	2,633,759.22	on acct of	2009 Retirements
	Control Acct						
Xfer from	Pension Reserve Fund	to	Pension Fund Control	in the amt of	679,079.00	on acct of	PERAC Actuary Authorization
	Control Acct		Account				
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 Gloucester Retirement Board for the Year Ended December 31, 2009.

RECEIPTS

	2009	2008	2007
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	2,074,732.28	2,037,781.34	2,061,474.12
(b) 4892 Transfers from Other Systems	172,179.36	59,635.04	240,575.76
(c) 4893 Member Make Up Payments and Redeposits	36,900.15	40,437.11	59,774.44
(d) 4900 Member Payments from Rollovers	2,424.03	15,109.37	27,590.16
(e) Investment Income Credited to Members' Accounts	101,406.46	124,043.82	118,205.57
Subtotal	<u>2,387,642.28</u>	<u>2,277,006.68</u>	<u>2,507,620.05</u>
2. Annuity Reserve Fund:			
(a) Investment Income Credited to Annuity Reserve Fund	237,872.31	203,676.20	191,984.65
Subtotal	<u>237,872.31</u>	<u>203,676.20</u>	<u>191,984.65</u>
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	66,943.40	63,819.32	42,946.10
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	240,506.65	260,858.86	267,516.74
(c) 4894 Pension Fund Appropriation	6,067,057.00	5,808,066.00	5,512,525.00
(e) 4840 Workers Compensation Settlement	3,000.00	0.00	0.00
Subtotal	<u>6,377,507.05</u>	<u>6,132,744.18</u>	<u>5,822,987.84</u>
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	71.47	85.26	84.80
Subtotal	<u>71.47</u>	<u>85.26</u>	<u>84.80</u>
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	567,254.49	564,803.64	597,028.10
Subtotal	<u>567,254.49</u>	<u>564,803.64</u>	<u>597,028.10</u>
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	22,973.89	14,945.81	22,567.48
(b) 4895 Pension Reserve Appropriation	0.00	0.00	47,937.00
(c) 4822 Interest Not Refunded	1,012.42	4,989.73	1,740.26
(d) 4825 Miscellaneous Income	157.00	1,972.86	431.02
(f) Excess Investment Income	7,624,858.75	-22,508,159.35	5,018,763.64
Subtotal	<u>7,649,002.06</u>	<u>-22,486,250.95</u>	<u>5,091,439.40</u>
TOTAL RECEIPTS	<u>17,219,349.66</u>	<u>-13,307,934.99</u>	<u>14,211,144.84</u>

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DISBURSEMENTS

	2009	2008	2007
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	111,189.29	164,960.73	114,887.11
(b) 5756 Transfers to Other Systems	323,388.02	409,826.41	123,005.51
Subtotal	<u>434,577.31</u>	<u>574,787.14</u>	<u>237,892.62</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	1,147,518.85	998,936.71	930,440.18
(b) 5759 Option B Refunds	0.00	0.00	84,528.66
Subtotal	<u>1,147,518.85</u>	<u>998,936.71</u>	<u>1,014,968.84</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	7,009,249.91	6,606,535.80	6,347,894.52
Regular Pension Payments	4,815,030.16	4,367,024.69	4,213,769.87
Survivorship Payments	396,382.26	380,544.00	348,927.35
Ordinary Disability Payments	206,044.04	216,670.56	221,448.57
Accidental Disability Payments	1,373,151.41	1,326,876.24	1,258,206.02
Accidental Death Payments	133,512.12	207,436.56	206,345.31
Section 101 Benefits	85,129.92	107,983.75	99,197.40
(b) 5755 3(8)(c) Reimbursements To Other Systems	169,834.22	141,391.62	172,179.40
(c) 5752 COLAs Paid	240,506.65	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	<u>7,419,590.78</u>	<u>6,747,927.42</u>	<u>6,520,073.92</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	16,500.00	15,625.00	16,125.00
(b) 5119 Salaries	127,453.02	133,975.09	104,591.44
(c) 5304 Management Fees	304,534.42	293,929.58	348,695.02
(d) 5305 Custodial Fees	0.00	0.00	18,599.71
(e) 5307 Investment Consultant Fees	0.00	7,375.00	40,000.00
(f) 5308 Legal Expenses	8,336.24	8,735.25	4,919.99
(g) 5309 Medical Expenses	0.00	0.00	48.96
(h) 5310 Fiduciary Insurance	7,258.55	5,293.00	5,133.00
(i) 5311 Service Contracts	21,744.47	16,257.97	26,231.00
(j) 5312 Rent Expense	18,907.82	17,554.49	15,000.00
(k) 5315 Professional Services	37,451.25	0.00	0.00
(l) 5320 Education And Training	750.00	0.00	0.00
(m) 5589 Administrative Expenses	11,178.27	59,145.06	9,043.36
(n) 5599 Furniture and Equipment	11,399.23	4,459.66	8,141.04
(o) 5719 Travel	1,741.22	2,453.54	499.58
(p) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	<u>567,254.49</u>	<u>564,803.64</u>	<u>597,028.10</u>
TOTAL DISBURSEMENTS	<u>9,568,941.43</u>	<u>8,886,454.91</u>	<u>8,369,963.48</u>

Annual Statement of the Gloucester Retirement Board for the Year Ended December 31, 2009.

INVESTMENT INCOME

	2009	2008	2007
Investment Income received from:			
(a) Cash (from Schedule 1)	0.00	9,458.76	45,780.30
(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)	10,369.06	11,859.04	13,599.59
(e) Pooled Funds (from Schedule 5)	1,551,169.16	2,123,844.58	104.00
(f) Commission Recapture	0.00	0.00	1,685,885.36
4821 TOTAL INVESTMENT INCOME	1,561,538.22	2,145,162.38	1,745,369.25
Plus:			
4884 Realized Gains (Profits)	1,152,146.86	1,262,047.31	1,879,374.48
4886 Unrealized Gains (Increase in Market Value)	13,586,200.04	3,558,366.91	8,236,359.84
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	0.00	0.00	2,617.61
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	0.00	0.00	0.00
4885 Realized Losses	3,732,525.73	7,121,836.89	0.00
4887 Unrealized Losses (Decrease in Market Value)	4,035,895.91	21,443,987.93	5,932,744.48
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	0.00	2,617.61	4,909.94
NET INVESTMENT INCOME	8,531,463.48	-21,602,865.83	5,926,066.76
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	101,406.46	124,043.82	118,205.57
Annuity Reserve Fund	237,872.31	203,676.20	191,984.65
Expense Fund	567,254.49	564,803.64	597,028.10
Military Service Fund	71.47	85.26	84.80
TOTAL INCOME REQUIRED	906,604.73	892,608.92	907,303.12
Net Investment Income	8,531,463.48	-21,602,865.83	5,926,066.76
Less Income Required	906,604.73	892,608.92	907,303.12
EXCESS INCOME TO PENSION RESERVE FUND	7,624,858.75	-22,495,474.75	5,018,763.64

Annual Statement of the Gloucester Retirement Board for the Year Ended December 31, 2009.

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	3,955.74	12/31/2009
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)	0.00	
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	7,183.27	12/31/2009
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)		
2009 Benefits Overpaid (Strople)	545.76	12/31/2009
2009 benefits Overpaid (Goyetche)	226.85	12/31/2009
	0.00	
	0.00	
TOTAL RECEIVABLES	11,911.62	
Accounts Payable		
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	-1,413.75	12/31/2009
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	-593.70	12/31/2009
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)		
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	-2,007.45	

APPENDIX PAGE 1

PLAN DESCRIPTION

The plan is a contributory defined benefit plan covering all Gloucester Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Teacher's Retirement Board.

Instituted in 1936, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

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

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with 10 years service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80 - 85% pension and 15 - 20% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Cost-of-living adjustments and any other increase in benefits imposed by state law granted between 1981 and 1996 are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually reduced such liability.

Administrative expenses are funded through excess investment income.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

APPENDIX PAGE 2

SIGNIFICANT ACCOUNTING POLICES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission. All investments are stated at market value at the end of the year.

The Annuity Savings Fund is the fund in which member's contributions are deposited. Active members contribute either 5, 7, 8 or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, a member's contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income or appropriated by the governmental units for purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is credited to this Reserve Account.

The Investment Income Account is credited all income derived from invested funds. At the end of the year the income credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

APPENDIX PAGE 3

ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Stone Consulting as of January 1, 2008.

The normal cost for employees on that date was:	\$1,979,340	8.7% of payroll.
The normal cost for the employer:	\$1,162,330	5.1% of payroll.

The actuarial liability for active members was:	\$	61,788,806
The actuarial liability for retired members was:	\$	67,022,309
Total actuarial accrued liability:	\$	128,811,115
System assets as of that date:	\$	71,938,829
Unfunded actuarial accrued liability:	\$	56,872,286

The principal actuarial assumptions used in the valuation are as follows:

Investment Return:	7.875%	per annum
Rate of Salary Increase:	4.500%	per annum

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a % of Covered Payroll [(b-a)/c]
1/1/2008	71,939,000	128,811,000	56,872,000	55.8%	22,787,000	249.6%
1/1/2006	58,165,000	117,403,000	59,238,000	49.5%	20,903,000	283.4%
1/1/2004	52,051,000	105,752,000	53,701,000	49.2%	20,532,000	261.5%
1/1/2003	46,649,000	99,626,000	52,977,000	46.8%	20,985,000	252.5%

Attach Copy of Current Approved Funding Schedule.



GLOUCESTER CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAL	Schedule Contribution	Adjusted for August 1 Payments
2010	1,551,663	59,723,548	4,477,190	6,028,853	6,067,057
2011	1,621,488	59,597,009	4,631,427	6,252,914	6,292,539
2012	1,694,455	59,294,122	4,791,046	6,485,501	6,526,599
2013	1,770,705	58,795,193	4,956,237	6,726,942	6,769,570
2014	1,850,387	58,078,774	5,127,193	6,977,580	7,021,796
2015	1,933,654	57,121,518	5,304,115	7,237,769	7,283,634
2016	2,020,669	55,898,024	5,487,211	7,507,880	7,555,457
2017	2,111,599	54,380,664	5,676,698	7,788,297	7,837,651
2018	2,206,621	52,539,404	5,872,798	8,079,419	8,130,617
2019	2,305,919	50,341,601	6,075,741	8,381,660	8,434,774
2020	2,409,685	47,751,796	6,227,975	8,637,660	8,692,396
2021	2,518,121	44,793,823	6,445,331	8,963,452	9,020,252
2022	2,631,436	41,368,436	6,670,273	9,301,709	9,360,653
2023	2,749,851	37,430,643	6,903,065	9,652,917	9,714,086
2024	2,873,594	32,931,624	7,143,982	10,017,577	10,081,057
2025	3,002,906	27,818,419	7,393,307	10,396,214	10,462,093
2026	3,138,037	22,033,589	7,651,334	10,789,371	10,857,742
2027	3,279,249	15,514,858	7,918,365	11,197,614	11,268,572
2028	3,426,815	8,194,716	8,194,716	11,621,531	11,695,176

Amortization of Unfunded Liability as of July 1, 2009

Year	Type	Original Amort Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI - HA 2002	3,744	0.0%	15	3,744	10
2005	ERI - HA 2003	6,414	0.0%	15	6,414	10
2005	ERI - City 2003	47,635	0.0%	15	47,635	10
2010	Fresh Start	4,419,396	3.49%	19	4,419,396	19

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established.

Type is the reason for the creation of the base. Examples are Gain/(Loss) or Fresh Start.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

Accounting Close Interest - 2009

Gloucester Retirement Board

Beginning Balance 3294:	6,808,695.12	Beginning Bal 3294 x.0025:	17,021.74
3294 Jan Adj:	0.00	5750 Jan Cash Disb:	-84,569.28
3294 Feb Adj:	195,775.22	5750 Feb Cash Disb:	-85,039.50
3294 Mar Adj:	729,713.96	5750 Mar Cash Disb:	-84,495.50
3294 Apr Adj:	986,097.71	5750 Apr Cash Disb:	-98,739.13
3294 May Adj:	1,054.05	5750 May Cash Disb:	-97,728.65
3294 Jun Adj:	203,488.16	5750 Jun Cash Disb:	-97,747.24
3294 Jul Adj:	212,039.12	5750 Jul Cash Disb:	-100,686.55
3294 Aug Adj:	205,074.11	5750 Aug Cash Disb:	-100,182.79
3294 Sep Adj:	0.00	5750 Sep Cash Disb:	-102,457.74
3294 Oct Adj:	17,192.64	5750 Oct Cash Disb:	-100,799.79
3294 Nov Adj:	0.00	5750 Nov Cash Disb:	-97,811.09
3294 Dec Adj:	84,400.33	5750 Dec Cash Disb:	-97,261.59

Jan Mthly Total x .0025:	16,810.31	Jan Monthly Total:	6,724,125.84
Feb Mthly Total x .0025:	17,087.15	Feb Monthly Total:	6,834,861.56
Mar Mthly Total x .0025:	18,700.20	Mar Monthly Total:	7,480,080.02
Apr Mthly Total x .0025:	20,918.60	Apr Monthly Total:	8,367,438.60
May Mthly Total x .0025:	20,676.91	May Monthly Total:	8,270,764.00
Jun Mthly Total x .0025:	20,941.26	Jun Monthly Total:	8,376,504.92
Jul Mthly Total x .0025:	21,219.64	Jul Monthly Total:	8,487,857.49
Aug Mthly Total x .0025:	21,481.87	Aug Monthly Total:	8,592,748.81
Sep Mthly Total x .0025:	21,225.73	Sep Monthly Total:	8,490,291.07
Oct Mthly Total x .0025:	21,016.71	Oct Monthly Total:	8,406,683.92
Nov Mthly Total x .0025:	20,772.18	Nov Monthly Total:	8,308,872.83

Total x .0025 No Dec:	237,872.31
Mth Total + x .0025:	8,533,883.88
ASF 3293 Interest:	101,406.46
MSF 3295 Interest:	71.47
EXPF 3298 Interest:	566,504.49
PRF Interest:	7,624,858.75

Schedule No. 1
Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009

Cash Account Activity During Year

*Cash defined in ledger #1040 as Savings or Checking

Description: type of account, account number, interest rate list alphabetically	(A) Book Value at End of Previous Year	(B) Total Deposits This Year	(C) Income Reinvested/ Redeposited Into Account	(D) Withdrawals During Year	(E) =A+B+C-D Total Book Value December 31st This Year	(F) Cash Income Paid to System Not Reinvested or Redeposited	(G) Interest Due and Accrued December 31st
1043 - BankNorth Cash #341150 (0.00%)	\$ 362,799.89	\$ 15,447,988.28	\$ -	\$ 15,376,339.13	434,449.04	\$ -	\$ -
1044 - BankNorth Cash #341142 (0.00%)	\$ 217.47	\$ 8,419,337.84	\$ -	\$ 8,419,555.31	-	\$ -	\$ -
Totals:	\$ 363,017.36	\$ 23,867,326.12	\$ -	\$ 23,795,894.44	\$ 434,449.04	\$ -	\$ -

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 2A
 SHORT TERM SECURITIES OWNED AT END OF YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>PRICE</u>	<u>MARKET VALUE AT END OF YEAR</u>	<u>CHANGE IN MARKET VALUE INCR/DECR</u>	<u>INTEREST RECEIVED DURING YEAR</u>	<u>INTEREST DUE AND ACCRUED AT YEAR END</u>
		NONE			0.000		0.00	0.00	0.00	0.00
SCHEDULE TOTALS										

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 2B

SHORT TERM SECURITIES PURCHASED DURING YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>ACCRUED INT PAID</u>	<u>COST INCLUDING COMMISSION BUT EXCLUDING INT</u>
		NONE						0.00	0.00	0.00
SCHEDULE TOTALS										

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 2C
 SHORT TERM SECURITIES SOLD DURING YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>PROCEEDS FROM SALE</u>	<u>BOOK VALUE</u>	<u>PROFIT/LOSS ON SALE</u>	<u>INTEREST RECEIVED DURING YEAR</u>
		NONE						0.00	0.00	0.00	0.00	0.00
SCHEDULE TOTALS												

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 3A
 FIXED INCOME SECURITIES OWNED AT END OF YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>PRICE</u>	<u>MARKET VALUE AT END OF YEAR</u>	<u>CHANGE IN MARKET VALUE INCR/DECR</u>	<u>INTEREST RECEIVED DURING YEAR</u>	<u>INTEREST DUE AND ACCRUED AT YEAR END</u>
		NONE			0.000		0.00	0.00	0.00	0.00
SCHEDULE TOTALS										

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 3B

FIXED INCOME SECURITIES PURCHASED DURING YEAR

<u>FUND CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>ACCRUED INT PAID</u>	<u>COST INCLUDING COMMISSION BUT EXCLUDING INT</u>
NONE							0.00	0.00	0.00
SCHEDULE TOTALS									

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 3C
 FIXED INCOME SECURITIES SOLD DURING YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>PROCEEDS FROM SALE</u>	<u>BOOK VALUE</u>	<u>PROFIT/LOSS ON SALE</u>	<u>INTEREST RECEIVED DURING YEAR</u>
		NONE						0.00	0.00	0.00	0.00	0.00
SCHEDULE TOTALS												
									TOTAL PROFIT	0.00	0.00	
									TOTAL LOSS	0.00	0.00	

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 4A
 EQUITIES OWNED AT END OF YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>SHARES</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>CHANGE IN</u>	<u>DIVIDENDS</u>
					<u>AT END OF YEAR</u>	<u>MARKET VALUE</u>	<u>RECEIVED</u>
						<u>INCR/DECR</u>	<u>DURING YEAR</u>
		NONE			0.00	0.00	0.00
SCHEDULE TOTALS							
					TOTAL INCREASE	0.00	
					TOTAL DECREASE	0.00	

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 4B
 EQUITIES PURCHASED DURING YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>SHARES</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>COST INCLUDING COMMISSION</u>	
		NONE						
SCHEDULE TOTALS							0.00	0.00

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 4C
 EQUITIES SOLD DURING YEAR

<u>FUND</u>	<u>CUSIP</u>	<u>SECURITY DESCRIPTION</u>	<u>SHARES</u>	<u>TRADE DATE</u>	<u>NAME OF BROKER</u>	<u>COMM</u>	<u>PROCEEDS FROM SALE</u>	<u>BOOK VALUE</u>	<u>PROFIT/LOSS ON SALE</u>	<u>DIVIDENDS RECEIVED DURING YEAR</u>
	110122108	Bristol-Myers Squibb		02/09/09	Class Action Litigation Proceeds	-	-	-	-	369.84
	001957109	AT&T Common Stock		02/20/09	Class Action Litigation Proceeds	-	-	-	-	348.49
	03822W109	Applied Micro Circuits		03/06/09	Class Action Litigation Proceeds	-	-	-	-	161.61
	9021244106	Tyco International		03/25/09	Class Action Litigation Proceeds	-	-	-	-	2,147.31
	28336L109	El Paso Corp		04/06/09	Class Action Litigation Proceeds	-	-	-	-	353.79
	001957109	AT&T Corp		05/15/09	Class Action Litigation Proceeds	-	-	-	-	15.61
	026874107	American International Group		06/15/09	Class Action Litigation Proceeds	-	-	-	-	3,231.22
	620076109	Motorola Inc		06/18/09	Class Action Litigation Proceeds	-	-	-	-	1,263.49
	913247508	United Global Com		07/29/09	Class Action Litigation Proceeds	-	-	-	-	888.95
	313400301	Freddie Mac		08/07/09	Class Action Litigation Proceeds	-	-	-	-	40.98
	88033G100	Tenet Healthcare		08/11/09	Class Action Litigation Proceeds	-	-	-	-	33.65
	88033G100	Tenet Healthcare		08/11/09	Class Action Litigation Proceeds	-	-	-	-	1,139.60
	14149Y108	Cardinal Health Care		09/16/09	Class Action Litigation Proceeds	-	-	-	-	139.79
	404119109	HCA Inc		12/28/09	Class Action Litigation Proceeds	-	-	-	-	234.73
						-	-	-	-	10,369.06
						-	-	-	-	0.00
						-	-	-	-	0.00
SCHEDULE TOTALS										
										TOTAL PROFIT
										TOTAL LOSS

Annual Statement of the Gloucester Retirement System for the Year Ended December 31, 2009
 SCHEDULE 5
 COOLED FUND ACTIVITY DURING YEAR

PERAC EDGER NUMBER	FUND CUSIP	SECURITY DESCRIPTION	MARKET VALUE		TOTAL PURCHASES THIS YEAR	REINVESTED INVESTMENT INCOME	REALIZED GAIN	REALIZED LOSS	UNREALIZED GAIN	UNREALIZED LOSS	SALES/REDEM THIS YEAR	TOTAL SALES/REDEM THIS YEAR	CASH DISTRIBUTIONS THIS YEAR	FEES PAID	MARKET VALUE AT END OF YEAR
			AT END OF PREVIOUS YEAR	THIS YEAR											
198		PRIT CASH FUND	75,292.84	6,896,584.08		3,542.89	0.00	0.00	0.00	0.00	6,725,000.00	0.00	0.00	0.00	250,419.81
199		PRIT GENERAL ALLOCATION FUND	51,129,093.31	5,520,509.24	1,547,626.27	1,152,146.86	3,732,525.73	13,586,200.04	4,035,895.91	0.00	6,339,663.91	0.00	0.00	304,534.42	58,522,955.75
TOTALS:			51,204,386.15	12,417,093.32	1,551,169.16	1,152,146.86	3,732,525.73	13,586,200.04	4,035,895.91	0.00	13,064,663.91	0.00	0.00	304,534.42	58,773,375.56
CCHEDULE TOTALS															
250,419.81															
0.00															

