

**ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITIONS AND AFFAIRS OF
Medford Retirement Board**

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

Date of Certificate: 07/01/1946 Effective Date: 07/01/1946

Administration Office

Medford City Hall Room 215

Medford, MA 02155

Telephone Number (781) 393-2521

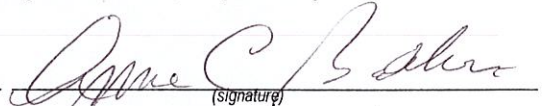
We, the undersigned, members of the Board of Retirement of Medford Retirement Board certify under the penalties of perjury, that we are the official board members of said retirement system, and that assets were the absolute property of said retirement systems, free and clear from any liens or claims 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

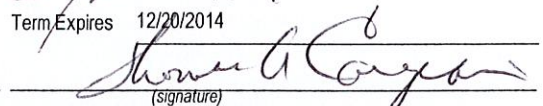
ANNE BAKER


(signature)

Appointed Member

Term Expires 12/20/2014

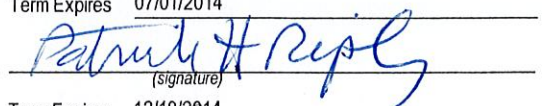
THOMAS CANGIANO *


(signature)

Elected Member

Term Expires 07/01/2014

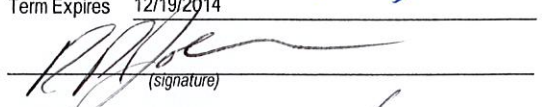
PATRICK RIPLEY


(signature)

Elected Member

Term Expires 12/19/2014

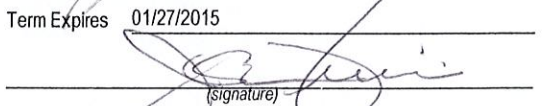
RICK JORDAN


(signature)

Member Appointed by Other Members

Term Expires 01/27/2015

JAMES VIEIRA


(signature)

INVESTMENT MANAGERS

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

SEE ATTACHED LIST

Name

Address

Name

Address

Name

Address

INVESTMENT CONSULTANT

NEW ENGLAND PENSION

ONE MAIN STREET, CAMBRIDGE, MA 02142

CONSULTANTS

Address

CUSTODIAN

STATE STREET BANK & TRUST CO.

PUBLIC FUND SERVICES, P.O. BOX 1992, BOSTON,

Name

Address

Managers	Address	City	State	Zip
Invesco National Trust Company	P.O. Box 79269	Atlanta	Ga	30357-7269
Loomis Sayles	One Financial Center	Boston	MA	02111
Bank of New York Mellon	P.O. Box 371076	Pittsburgh	PA	15251-7076
PIMCO	C/O BFDS Midwest 9th Street	Kansas City	MO	64105
Pension Reserves Investment Management Board	84 State Street Suite 250	Boston	MA	02109
Rhumblin Advisers	30 Rowes Wharf Suite 420	Boston	MA	02110-3326
State Street Global Advisors	Attn: SSGA Finance P.O. Box 55848	Boston	MA	02205-8260
Wellington	75 State Street	Boston	MA	02109
Blackrock	300 Campus Drive 3rd Floor	Florham Park	NJ	09732
Israel Bonds	100 State Street	Boston	MA	02109
Columbia				

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011
HEADCOUNT STATISTICS**

	Group 1	Group 2+4	Total
<u>ACTIVE MEMBERS</u>			
Active membership, Dec 31, previous yr	477	218	695
Inactive membership, Dec 31, previous yr	68	4	72
Enrolled during the year	28	0	28
Transfers between groups	0	0	0
Reinstatements of disabled members	0	0	0
Subtotal:	<u>573</u>	<u>222</u>	<u>795</u>
Deduct			
Death	1	0	1
Withdrawn	23	1	24
Retirements	20	7	27
Subtotal:	<u>44</u>	<u>8</u>	<u>52</u>
Active Membership, Dec 31, current year	461	210	671
Inactive Membership, Dec 31, Current Yr	68	4	72

<u>RETIRED MEMBERS, BENEFICIARIES AND SURVIVORS</u>			
Retired, Beneficiary and Survivor Membership, Dec. 31, previous Year	350	222	572
Retirements during the year:			
Superannuation	16	6	22
Ordinary disability	0	0	0
Accidental disability	2	1	3
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	0	2	2
Survivor ben from active membership	2	2	4
Subtotal:	<u>20</u>	<u>11</u>	<u>31</u>
Deduct			
Deaths of retired members	22	11	33
Termination of Survivor Benefits	0	0	0
Reinstatements of disabled pensions	0	0	0
Subtotal:	<u>22</u>	<u>11</u>	<u>33</u>
Retired Membership, Dec.31, curr year			
Superannuation	299	94	393
Ordinary Disability	5	4	9
Accidental Disability	28	84	112
Termination	0	0	0
Beneficiaries from accidental deaths	4	33	37
Beneficiaries from Section 100	0	0	0
Beneficiaries from Section 101	5	10	15
Beneficiaries under Option (c)	32	12	44
Option (d) Survivor Allowance	14	2	16
Section 12B Survivor Allowance	5	5	10
Total Retired, Beneficiary, and Survivor Membership, Dec 31, current year	<u>392</u>	<u>244</u>	<u>636</u>
<u>TOTAL MEMBERSHIP</u>			
Active, Inact, Retired, Beneficiary, and Survivor, Dec. 31, current year	921	458	1379

**Annual Statement of the Medford Retirement Board
for the year ended December 31,2011
ANNUAL STATEMENT BALANCE TESTS**

1. ASSET BALANCE	
Assets Previous Year	146,964,177.33
Income Current Year	12,984,982.04
Disbursements Current Year	17,336,673.15
Assets Current Year	142,612,486.22
2. ASSET DIFFERENCE	
Assets Current Year	142,612,486.22
Assets Previous Year	146,964,177.33
Difference	-4,351,691.11
3. INCOME DIFFERENCE	
Income Current Year	12,984,982.04
Disbursements Current Year	17,336,673.15
Difference	-4,351,691.11
4. FUND CHANGE DIFFERENCE	<i>- Add interfund transfer credits and debits respectively to Income and Disbursement activities.</i>
Total Fund Change Credits Current Year . .	15,052,911.93
Total Fund Chage Debits Current Year . . .	19,404,603.04
Difference	-4,351,691.11

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

**Annual Statement of the Medford Retirement Board for
the year ended December 31, 2011**

Assets and Liabilities

	2011 End Balance	2010 End Balance	2009 End Balance
1040 - 1049 Cash	89,111.11	245,250.19	354,766.24
1100 - Short Term Investments	1,119,175.59	1,031,411.14	1,143,682.32
1180 - Fixed Income Sec (book value)	18,232,725.03	17,148,096.14	16,443,009.66
1101 - Pooled Short Term Funds	0.00	0.00	0.00
1170 - Equities	8,264.36	9,893.58	7,363.67
1172 - Pooled Domestic Equity Funds	25,936,780.54	36,521,261.77	32,576,933.46
1173 - Pooled International Equity Funds	16,294,034.97	18,099,997.44	16,518,189.31
1174 - Pooled Global Equity Funds	0.00	0.00	0.00
1181 - Pooled Domestic Fixed Income Funds	27,212,006.32	27,724,374.97	26,173,415.40
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	5,436,098.91	3,995,154.98	2,559,424.32
1194 - Pooled Real Estate Funds	7,314,949.99	3,035,106.68	3,424,745.81
1195 - Pooled Domestic Balanced Funds	0.00	0.00	0.00
1196 - Pooled International Balanced Funds	29,872,308.41	29,838,484.55	26,357,773.45
1197 - Hedge Funds	11,354,324.77	9,410,098.41	8,853,357.39
1198 - PRIT Cash	0.00	0.00	0.00
1199 - PRIT Fund	0.00	0.00	0.00
1350 - Prepaid Expenses	0.00	0.00	0.00
1398 - Accounts Receivable (A)	169,477.42	0.00	0.00
1550 - Interest Due & Accrued Fixed Inc Sec Cur Yr	131,629.92	124,584.56	126,347.99
2020 - Accounts Payable (A)	-558,401.12	-219,537.08	0.00
Total	142,612,486.22	146,964,177.33	134,539,009.02
Funds :			
3293 - Annuity Savings Fund	40,276,555.06	39,616,260.56	38,634,195.28
3294 - Annuity Reserve Fund	12,276,565.79	11,980,785.54	11,567,959.61
3295 - Special Military Service Cr Fnd	15,152.90	15,117.38	14,773.54
3296 - Pension Fund	-6,152,564.73	-1,358,508.33	3,213,625.74
3298 - Expense Fund	0.00	0.00	0.00
3297 - Pension Reserve Fund	96,196,777.20	96,710,522.18	81,108,454.85
Total Assets at Market Value	142,612,486.22	146,964,177.33	134,539,009.02

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

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011**

	Balance December 31 <u>2010</u>	Receipts	Interfund Transfers	Disbursements	Balance December 31 <u>2011</u>
Annuity Savings Fund	39,616,260.56	3,256,152.61	-2,059,958.79	535,899.32	40,276,555.06
Annuity Reserve Fund	11,980,785.54	369,282.47	2,067,271.05	2,140,773.27	12,276,565.79
Special Military Service Cr Fnd	15,117.38	35.52	0.00	0.00	15,152.90
Pension Fund	-1,358,508.33	8,784,221.54	-7,971.10	13,570,306.84	-6,152,564.73
Expense Fund	0.00	1,089,693.72	0.00	1,089,693.72	0.00
Pension Reserve Fund	96,710,522.18	-514,403.82	658.84	0.00	96,196,777.20
TOTAL ALL FUNDS:	<u>146,964,177.33</u>	<u>12,984,982.04</u>	<u>0.00</u>	<u>17,336,673.15</u>	<u>142,612,486.22</u>

List Below all Transfers:

Transfer from 3293	Fund to the 3294	Fund in the Amount of	2,067,271.05	on account of	RETIREES 2011
Transfer from 3296	Fund to the 3293	Fund in the Amount of	7,971.55	on account of	WORKERS COMP
Transfer from 4822	Fund to the 3297	Fund in the Amount of	658.84	on account of	INTEREST NOT REFUNDED -
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	
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 Medford Retirement Board
for the year ended December 31, 2011**

RECEIPTS

	<u>2011</u>	<u>2010</u>	<u>2009</u>
1. Annuity Savings Fund :			
(a) 4891 - Members Deductions	3,042,196.29	3,136,678.05	3,206,008.74
(b) 4892 - Transfers From Other	79,961.16	0.00	122,383.47
(c) 4893 - Make Up and Redeposit Payments	53,156.49	34,075.28	44,924.04
(d) 4900 - Member Payments from Rollovers	0.00	0.00	0.00
(e) Investment Income Cr to Members A/C	80,838.67	113,853.14	180,922.27
Subtotal	3,256,152.61	3,284,606.47	3,554,238.52
2. Annuity Reserve Fund :			
(a) Investment Income Cr to Annuity Res Fd	369,282.47	341,869.76	330,158.60
Subtotal	369,282.47	341,869.76	330,158.60
3. Pension Fund :			
(a) 4898 - 3(8) (c) Reimburse from Other Sys	125,212.92	115,096.44	137,185.35
(b) 4899 - Rec'd from State for COLA & Surviv	187,058.02	394,316.16	443,954.71
(c) 4894 - Pension Fund Appropriation	8,460,380.79	7,797,794.67	8,134,002.00
(d) 4840 - Workers' Compensation Settlements	11,569.81	12,624.52	0.00
Subtotal	8,784,221.54	8,319,831.79	8,715,142.06
4. Military Service Fund :			
(a) 4890 - Contributions Rec (for Military Serv)	0.00	1,508.18	2,734.50
(b) Invest Income Credited	35.52	48.19	74.49
Subtotal	35.52	1,556.37	2,808.99
5. Expense Fund :			
(a) 4896 - Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Cr to Expense Fund	1,089,693.72	1,000,834.80	991,481.39
Subtotal	1,089,693.72	1,000,834.80	991,481.39
6. Pension Reserve Fund :			
(a) 4897 - Federal Grant Reimbursement	27,474.81	30,051.38	42,290.15
(b) 4895 - Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 - Interest not Refunded:	0.00	1,907.27	5,653.56
(d) 4825 - Misc. Income	25.00	8.00	5.00
(e) Excess Investment Income	-541,903.63	15,570,495.22	22,065,851.11
Subtotal	-514,403.82	15,602,461.87	22,113,799.82
TOTAL RECEIPTS	<u>12,984,982.04</u>	<u>28,551,161.06</u>	<u>35,707,629.38</u>

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011**

Disbursements

	2011	2010	2009
1. Annuity Savings Fund :			
(a) 5757 - Refunds To Members	366,957.49	135,978.00	219,969.38
(b) 5756 - Transfers To Other Systems :	168,941.83	247,294.63	137,632.28
Subtotal	535,899.32	383,272.63	357,601.66
2. Annuity Reserve Fund :			
(a) 5750 - Annuities Paid	2,025,306.90	1,852,481.62	1,723,195.48
(b) 5759 - Option B Refunds	115,466.37	0.00	75,927.04
Subtotal	2,140,773.27	1,852,481.62	1,799,122.52
3. Pension Fund :			
(a) 5751 - Pensions Paid	0.00	0.00	0.00
Regular Pension Payments	7,602,728.86	7,142,245.98	6,810,651.04
Survivorship Payments	760,986.71	695,862.36	651,380.15
Ordinary Disability Payments	157,377.52	164,486.37	170,358.84
Accidental Disability Payments	3,543,989.94	3,444,046.70	3,301,322.61
Accidental Death Payments	941,603.80	888,908.34	831,593.77
Section 101 Benefits	110,391.02	103,969.94	108,035.10
(b) 5755 - 3 (8) (c) Reimb To Other Sys	351,995.01	361,945.94	357,104.49
(c) 5752 - COLA's Paid	101,233.98	87,938.07	87,539.49
(d) 5753 - Chapter 389 Ben Increase Pd	0.00	0.00	0.00
Subtotal	13,570,306.84	12,889,403.70	12,317,985.49
4. Military Service Fund :			
(a) 4890 - Return to Municipality for Members who withdrew their fund	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00
5. Expense Fund :			
(a) 5118 Board Member Stipend	17,700.00	17,700.00	19,902.20
(b) 5119 - Salaries	141,260.93	125,731.66	157,953.77
(c) 5304 - Management Fees	768,544.77	709,295.60	615,226.02
(d) 5305 - Custodial Fees	55,800.72	37,227.32	42,427.73
(e) 5307 - Investment Consultant Fees	55,750.00	72,000.00	113,643.73
(f) 5308 - Legal Expenses	14,065.95	4,286.00	8,492.00
(g) 5309 - Medical Expenses	0.00	0.00	0.00
(h) 5310 - Fiduciary Insurance	10,535.00	0.00	9,354.00
(i) 5311- Service Contracts	0.00	0.00	0.00
(j) 5312 - Rent Expense	0.00	0.00	0.00
(k) 5315 - Professional Services	0.00	0.00	0.00
(l) 5320 - Education and Training	800.00	0.00	0.00
(m) 5589 - Administrative Expenses	18,626.55	31,169.10	17,923.75
(n) 5599 - Furniture and Equipment	0.00	0.00	0.00
(o) 5719 - Travel	6,609.80	3,425.12	6,558.19
(p) 5829 - Depreciation expense: Building	0.00	0.00	0.00
Subtotal	1,089,693.72	1,000,834.80	991,481.39
Total Disbursements:	17,336,673.15	16,125,992.75	15,466,191.06

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011**

Investment Income

	2011 End Balance	2010 End Balance	2009
Investment Income Received From :			
(a) Cash (from schedules 1)	2,098.19	9,383.95	13,106.07
(b) Short Term Investments (sch 2)	0.00	0.00	0.00
(c) Fixed Inc Sec (from sch 3A and 3C)	778,849.98	776,173.10	1,437,069.85
(d) Equities (from sch 4A and 4C)	58,282.16	23,181.42	36,880.70
(e) Pooled Funds (from Schedule 5)	2,040,885.41	2,146,694.55	2,047,364.26
(f) Commission Recapture	0.00	0.00	0.00
4821 - TOTAL INVESTMENT INCOME	2,880,115.74	2,955,433.02	3,534,420.88
Plus :			
4884 - Realized Gains	714,722.39	589,729.34	1,962,560.27
4886 - Unrealized Gains	20,291,551.77	31,353,405.22	31,581,825.94
1550 - Interest Due & Accrued Fixed Inc Sec Cur Yr	131,629.92	124,584.56	126,347.99
	21,137,904.08	32,067,719.12	33,670,734.20
Less :			
4823 - Pd Accrued Int - Fixed Inc Securities	-17,777.00	-56,683.44	-88,625.21
4885 - Realized Losses	-332,258.42	-577,593.49	-8,309,840.58
4887 - Unrealized Losses	-22,545,453.09	-17,235,426.11	-5,011,303.66
1550 - Inc Due & Accrued Prior Year	-124,584.56	-126,347.99	-226,897.77
	-23,020,073.07	-17,996,051.03	-13,636,667.22
NET INVESTMENT INCOME	997,946.75	17,027,101.11	23,568,487.86
Income Required :			
Annuity Savings Fund (Supp Schedule)	80,838.67	113,853.14	180,922.27
Annuity Reserve Fund	369,282.47	341,869.76	330,158.60
Expense Fund	1,089,693.72	1,000,834.80	991,481.39
Special Military Service Cr Fnd	35.52	48.19	74.49
	1,539,850.38	1,456,605.89	1,502,636.75
TOTAL INCOME REQUIRED	1,539,850.38	1,456,605.89	1,502,636.75
Net Investment Income	997,946.75	17,027,101.11	23,568,487.86
Less : Income Required	-1,539,850.38	-1,456,605.89	-1,502,636.75
EXCESS INCOME TO THE PENSION RESERVE FUND	-541,903.63	15,570,495.22	22,065,851.11

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011
Interest Posted to the Annuity Reserve Fund**

<u>Month</u>	<u>(Debits) Credits</u>	<u>Balance</u>	<u>Balance X .0025</u>
January 1st	-----	11980785.54	29951.96
January 31st	361575.17	12342360.71	30855.90
February 28 th	-792021.44	11550339.27	28875.85
March 31st	1274373.85	12824713.12	32061.78
April 30 th	-167382.63	12657330.49	31643.33
May 31st	-148308.72	12509021.77	31272.55
June 30 th	50507.88	12559529.65	31398.82
July 31st	-168252.36	12391277.29	30978.19
August 31st	-22773.29	12368504.00	30921.26
September 30 th	-26520.87	12341983.13	30854.96
October 31st	-169278.26	12172704.87	30431.76
November 30th	-158260.00	12014444.87	30036.11
			369282.47

**Annual Statement of the Medford Retirement Board
for the year ended December 31, 2011**

Schedule A

Detail of Accounts Receivable and Accounts Payable

Accounts Receivable

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

Investments Sold but funds not received (list individually)

4901 - US TREASURY N/B - MORGAN STANLEY	374,552.37
4902 - FNMA TBA 30YR SINGLE FAMILY - JP MORGAN CHASE	183,848.75
4903 -	0.00
4904 -	0.00
4905 -	0.00
Total Receivables	558,401.12

Accounts Payable

5757 - Refunds to Members	0.00
5756 - Transfers to Other Systems	0.00
5750 - Annuities Paid	0.00
5759 - Option B Refunds	0.00
5751 - Pensions Paid	0.00
5755 - 3(8)(c) Reimbursements To Other Systems	0.00
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	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	0.00
5320 - Education and Training	0.00
5589 - Administrative Expenses	0.00
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 - US TREASURY N/B - MORGAN STANLEY	169,477.42
5902 -	0.00
5903 -	0.00
5904 -	0.00
Total Payables	169,477.42
