

BRISTOL COUNTY RETIREMENT SYSTEM
FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH INDEPENDENT AUDITORS' REPORT

BRISTOL COUNTY RETIREMENT SYSTEM
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEX

	<u>PAGE</u>
Independent Auditors' Report on Financial Statements	1
Management's Discussion and Analysis	3
Statement of Fiduciary Net Position	7
Statement of Changes in Fiduciary Net Position	8
Notes to Financial Statements	9
Required Supplementary Information	
Schedule of Changes in the Net Pension Liability and Related Ratios	18
Schedule of Contributions	19
Schedule of Investment Return	20
Notes to Required Supplementary Information	21
Independent Auditors' Report on Audit of Specific Elements, Accounts, and Items of Financial Statements	22
Pension Plan Schedules	
Schedule of Employer Allocations	24
Schedule of Pension Amounts by Employer	25
Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer	29



Lynch, Malloy, Marini, LLP
Certified Public Accountants & Advisors
www.LMMepas.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Bristol County Retirement System (the "System"), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of December 31, 2015, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 18, Schedule of Contributions on page 19, and the Schedule of Investment Returns on page 20 and Notes to Required Supplementary Information on Page 21, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Restrictions on Use

This report is intended solely for the information and use of the System, the Public Employee Retirement Administration Commission and all member units and is not intended to be and should not be used by anyone other than these specified parties.



Norwell, Massachusetts
November 22, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

BRISTOL COUNTY RETIREMENT SYSTEM
Management's Discussion and Analysis
December 31, 2015

As management of the Bristol County Retirement System (the "System") we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2015.

FINANCIAL HIGHLIGHTS

The fiduciary net position held in trust for pension benefits totaled approximately \$571.6 million at December 31, 2015, and \$582 million at December 31, 2014. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of December 31, 2015 was 6,258 active and retired.

The funded ratio of the System was 65.7% at January 1, 2016, the date of the latest actuarial valuation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 municipalities and 24 special districts. Pursuant to Massachusetts General Law ("MGL") the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over \$30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents fairly the information on the System's assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position restricted for pension benefits changed during the year ended December 31, 2015. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

BRISTOL COUNTY RETIREMENT SYSTEM
Management's Discussion and Analysis
December 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The System is on a funding schedule to be 100% funded by the year 2029. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in the Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of investment Return and Notes to Required Supplementary information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the following pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the related schedules.

FINANCIAL ANALYSIS

ASSET COMPARISON– 2015 compared to 2014

	(\$ in millions) December 31, <u>2015</u>	(\$ in millions) December 31, <u>2014</u>
Domestic Equity and Funds	\$ 218.2	\$ 235.0
Real Estate Funds	17.5	12.9
Venture Capital Funds	25.7	25.2
Hedge Funds	35.7	36.4
International Equity Funds	137.0	145.3
Fixed Income		
Corporate Bond Funds	94.1	86.3
U.S. Government Securities	10.9	14.9
International Bonds	<u>19.1</u>	<u>16.8</u>
Total Managed Investments	558.2	572.8
Receivables	3.7	2.3
Cash and Other Assets	<u>12.8</u>	<u>8.9</u>
Total Assets	<u>\$ 574.7</u>	<u>\$ 584.0</u>

The increase in the System's cash is attributable to the System liquidating some investments in domestic equity and international equity funds and holding on to cash for favorable buying opportunities. Additionally, the decrease in international equity funds was due to weak performance in the international markets. The System's overall returns as published in Public Employee Retirement Administration Commission's (PERAC) annual report for the past three years were 0.40% in 2015, 5.50% in 2014, and 18.43% in 2013. As published in PERAC's annual report, during the period from 1985 to 2015 the System has achieved a return of 8.83% in annual performance.

BRISTOL COUNTY RETIREMENT SYSTEM
Management's Discussion and Analysis
December 31, 2015

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the System by members and employees for the years ended December 31, 2015 and 2014 are summarized below:

	(\$ in millions) December 31, <u>2015</u>	(\$ in millions) December 31, <u>2014</u>
Member Contributions	\$ 15.1	\$ 15.0
Employer and Other Contributions	<u>37.7</u>	<u>34.3</u>
Total	<u>\$ 52.8</u>	<u>\$ 49.3</u>

The member contributions remained the same year over year, while employer contributions increased by 10%. The increase in employer and other contributions are due to transfers in from other systems and a 5.4% increase in pension appropriations. The employer contributions are based on actuarial calculations.

Deductions from System assets for the year ended December 31, 2015 and 2014 are summarized below:

	(\$ in millions) December 31, <u>2015</u>	(\$ in millions) December 31, <u>2014</u>
Member Benefits	\$ 53.0	\$ 50.2
Refunds and Transfers	6.7	4.3
Administration	<u>1.0</u>	<u>1.0</u>
Total	<u>\$ 60.7</u>	<u>\$ 55.5</u>

The change in member benefits is attributable to increases in monthly benefits and newer retirees. The change in refunds and transfers is attributable to payments to other retirement systems.

ECONOMIC FACTORS

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at January 1 (latest actuarial valuation completed was as of January 1, 2016), determined by an actuarial valuation as follows:

<u>2015</u>	<u>2014</u>
65.7%	61.4%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

BRISTOL COUNTY RETIREMENT SYSTEM
Management's Discussion and Analysis
December 31, 2015

OTHER

Other than changes in the fair value of System assets as may be impacted by the stock and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

BASIC FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2015

	<u>2015</u>
ASSETS	
Cash and short-term investments	\$ 12,443,532
Receivables	
Employee	845,769
Employer	145,747
Interest and dividends	1,121,620
Other systems	<u>1,579,191</u>
Total receivables	3,692,327
Investments, at fair value	
Domestic equities and funds	218,224,528
Real estate funds	17,533,176
Venture capital funds	25,737,678
Hedge funds	35,707,733
International equity funds	136,935,977
Fixed income	
Corporate bond funds	94,145,501
U.S. government security	10,856,676
International bonds	<u>19,101,356</u>
Total investments	558,242,625
Other asset	<u>310,900</u>
Total assets	<u><u>\$ 574,689,384</u></u>
LIABILITIES	
Due to brokers and investment managers	\$ 652,932
Due to other systems	2,410,726
Accounts payable	<u>27,608</u>
Total liabilities	<u>3,091,266</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 571,598,118</u></u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>
ADDITIONS	
Contributions	
Employer	\$ 34,411,381
Plan Members	15,135,389
Other systems and state	3,105,037
Miscellaneous	<u>225,521</u>
Total contributions	52,877,328
Investment Income	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	(1,656,501)
Real estate funds	1,424,728
Venture capital funds	2,501,158
Hedge funds	(673,626)
International equity funds	(8,289,859)
Corporate bond funds	(916,510)
U.S. government security	(72,291)
International bonds	(1,875,754)
Interest and dividends	<u>10,880,027</u>
	1,321,372
Less investment expense	<u>(4,873,466)</u>
Net investment income	<u>(3,552,094)</u>
Total additions	49,325,234
DEDUCTIONS	
Benefits	53,017,538
Refunds and transfers of contributions	6,755,827
Administrative and other expenses	<u>917,839</u>
Total deductions	<u>60,691,204</u>
NET CHANGE IN FIDUCIARY NET POSITION	(11,365,970)
Fiduciary Net Position, Beginning of Year	<u>582,964,088</u>
Fiduciary Net Position, End of Year	<u><u>\$ 571,598,118</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers and other employees covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2016 the date of the latest updated valuation, the System's membership consisted of:

	<u>2015</u>
Retirees and beneficiaries currently receiving benefits	2,119
Inactive participants	672
Disabled participants	274
Active participants	<u>3,193</u>
	<u>6,258</u>

Benefits

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 50 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over \$30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission ("PERAC") actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2015, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1982 and 1997.

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Participating Employers

As of December 31, 2015, there were 39 participating employers consisting of:

Towns	14
County	1
Special Districts	<u>24</u>
	<u>39</u>

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration Commission ("PERAC").

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

Tax Status

The System is qualified under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Bristol County Retirement System ("System") also referred to as the ("Plan").

Basis of Accounting

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

Cash and short-term investments

Cash and short-term investments are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Investments, at fair value

Investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Other investments that do not have an established market are reported at estimated fair value.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

Other Assets

Other assets consist of two condominiums which are owned by a Trust that is related to the System. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction). There were no deferred outflows of resources at December 31, 2015.

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition). There were no deferred inflows of resources at December 31, 2015.

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in Plan net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information in Schedule in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

3. CASH AND SHORT TERM INVESTMENTS, AND INVESTMENTS

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2015, cash and short-term investment deposits totaled \$13,105,470 and had a carrying amount of \$12,443,532. Of the deposit amounts, \$12,855,470 was exposed to custodial credit risk at December 31, 2015, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and therefore no rating is disclosed. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2015, the System had \$94,145,501 of the corporate fixed income bonds. Income Research and Management managed \$44,507,195, and PIMCO managed \$49,638,306. The average rating for Income Research and Management was Aa3/A+, and the average rating of PIMCO was BAA. At December 31, 2015, \$19,101,356 of the international fixed income bonds were managed by Colchester Global. The average rating for the Colchester Global managed investments was AA.

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2015 of the corporate fixed income bonds managed by Income Research and Management is 6.07 years, and the average maturity for PIMCO was 8.87 years. The average maturity of the U.S. Government Securities managed by Income Research and Management is 5.44 years for 2015. The average maturity of the international fixed income securities managed by Colchester was 7.99 years.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The system does not formally address currency risk. The following table represents the System's foreign currency exposure for international bonds at December 31, 2015; the information for international equity funds was not available:

BRISTOL COUNTY RETIREMENT SYSTEM**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Country	2015 Total
Australia	\$ 1,079,812
Austria	382,666
Belgium	439,799
Brazil	1,180,539
Canada	396,113
Czech Republic	101,909
Ireland	810,973
Japan	3,489,060
Malaysia	1,264,444
Mexico	1,846,501
Netherlands	190,566
New Zealand	2,046,484
Norway	1,201,103
South Africa	523,388
Supranational	547,523
United States	3,379,137
Other	221,339
	<u>\$ 19,101,356</u>

Concentration of credit risk is assumed to arise when the amount of investments that the System has with anyone issuer exceeds 5 percent or more of the total value of the System's investments. The System does not have more than 5% of its investments in any one issuer, except for certain pooled funds.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2015 was -0.55%, which has been calculated in accordance with the Provisions of GASB #67, *Financial Reporting for Pension Plans*.

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2015

Total Pension Liability	\$908,025,083
The Pension Plan's Fiduciary Net Position	\$571,598,118
Net Pension Liability	\$336,426,965

The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	62.9%
---	-------

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2016
Actuarial cost method	Entry age
Amortization method	Level percent, open group

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Remaining amortization period	15 years
Asset valuation method	Actuarially valued using a five-year smoothing of asset returns greater than or less than the assumed rate of return

Actuarial assumptions:

Investment rate of return	7.75%												
Projected salary increases	<table><tr><th><u>Service</u></th><th><u>Rate</u></th></tr><tr><td>0-1</td><td>5.50%</td></tr><tr><td>2</td><td>4.00%</td></tr><tr><td>3-4</td><td>3.50%</td></tr><tr><td>5-7</td><td>3.00%</td></tr><tr><td>8+</td><td>2.75%</td></tr></table>	<u>Service</u>	<u>Rate</u>	0-1	5.50%	2	4.00%	3-4	3.50%	5-7	3.00%	8+	2.75%
<u>Service</u>	<u>Rate</u>												
0-1	5.50%												
2	4.00%												
3-4	3.50%												
5-7	3.00%												
8+	2.75%												
Cost-of-living adjustments	3.00% of \$18,000/year												
Discount rate	7.75%												
Inflation	4.00%												
Rates of retirement	Varies based upon age for general employees, police, and fire employees												
Rates of disability	General employees – 35% ordinary, 65% service connected Police & Fire – 5% ordinary, 95% service connected												
Mortality rates	<p>Pre-Retirement – RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.</p> <p>Healthy Retiree – Group 1 & 2 retirees are represented by the RP-2000 Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retirees are represented by the RP-2000 Mortality Table set forward three years for males and six years for females, fully generational.</p> <p>Disabled Retiree – Group 1 & 2 disabled retirees are represented by the RP-2000 Mortality Table set forward six years. Group 4 disabled retirees are represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.</p>												
Family Composition	Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males, males are three years older than females												
Survivor Benefits	<p>Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary</p> <p>Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of \$250 per month to the surviving spouse, plus \$120 for the first child, plus \$90 for each additional child. If no beneficiary is designated and if the employee worked two years, and</p>												

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of \$250 per month plus \$120 for the first child and \$90 each additional child.

Refund of contributions – Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.

Cost-of-Living Adjustments

In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is \$13,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System. The Bristol County Retirement System has adopted a COLA base of \$16,000 for Fiscal Year 2014 and \$18,000 for Fiscal Year 2015.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%)

	<u>1% decrease</u> (6.75%)	<u>Current Discount Rate</u> (7.75%)	<u>1% increase</u> (8.75%)
Bristol County Retirement System's net pension liability as of December 31, 2015	\$439,894,806	\$336,426,965	\$249,343,367

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 62.9%

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved target weights and expected rates of return on November 4, 2014.

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

<u>Asset Class</u>	<u>Portfolio Target Weight</u>	<u>Long term Expected Rate of Return</u>
Equity	46.5%	7.8%
Fixed income	24.5%	5.0%
Private equity	8.5%	11.3%
Real estate funds	7.5%	6.3%
Hedge funds	5.0%	7.1%
Infrastructure	5.0%	8.0%
Timber	3.0%	7.5%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2015:

	<u>2015</u>	<u>Purpose</u>
Annuity Savings Fund	\$ 145,457,716	Active members' contribution balance
Annuity Reserve Fund	49,072,819	Retired members' contribution account
Pension Reserve Fund	377,005,136	Amounts appropriated to fund future retirement benefits
Military Credit	<u>62,447</u>	Members' contribution while on military leave
	<u>\$571,598,118</u>	

All reserve accounts are funded at levels required by state statute.

6. COMMITMENTS AND CONTINGENCIES

The System is involved in certain lawsuits at December 31, 2015. In the opinion of System management, the ultimate resolution of these legal actions will not result in a material loss to the System.

7. RECENT ACCOUNTING PRONOUNCEMENTS

Future Pronouncements

The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in fiscal year 2016. The pronouncement addresses accounting and financial reporting issues related to fair value measurements. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("OPEB")*, which is required to be implemented in fiscal year 2018. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System expects to implement the pronouncement as applicable.

BRISTOL COUNTY RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). The System expects to implement the pronouncement as applicable.

The GASB issued Statement #79, *Certain External Investment Pools and Pool Participants*, which is required to be implemented in 2016. The pronouncement addresses accounting and financial reporting for certain external investment pools and pool participants. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #82, *Pension Issues- an amendment of statements #67, #68, and #73*, which is required to be implemented in 2017. The pronouncement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations for the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The System expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

	2015	2014
Total pension liability:		
Service cost	\$ 15,124,490	\$ 16,427,712
Interest	68,495,323	68,538,354
Benefit payments, including refunds of employee contributions	(44,280,880)	(56,581,624)
Net change in total pension liability	39,338,933	28,384,442
Total pension liability, beginning	868,686,150	840,301,708
Total pension liability, ending (a)	<u>\$ 908,025,083</u>	<u>\$ 868,686,150</u>
Plan fiduciary net position increase (decrease):		
Member contributions	\$ 18,270,738	\$ 14,991,145
Employer contributions	34,411,381	32,216,280
Net investment income (loss)	(5,679,765)	27,547,920
Retirement benefits and refunds	(59,773,359)	(52,732,330)
Administrative expenses	1,405,035	(1,507,773)
Net increase in fiduciary net position	(11,365,970)	20,515,242
Fiduciary net position at beginning of year	582,964,088	562,448,846
Fiduciary net position at end of year (b)	<u>\$ 571,598,118</u>	<u>\$ 582,964,088</u>
Net pension liability - ending (a) - (b)	<u>\$ 336,426,965</u>	<u>\$ 285,722,062</u>
Plan fiduciary net position as a percentage of the total pension liability	62.95%	67.11%
Covered-employee payroll	\$ 152,406,793	\$ 141,877,055
Net pension liability as a percentage of covered-employee payroll	220.74%	201.39%

See Independent Auditors' Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution (a)	\$ 34,405,310	\$ 32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments	(643,501)	(89,206)
Contributions in relation to the actuarially determined contribution	<u>34,411,381</u>	<u>32,216,280</u>
Contribution deficiency (excess)	<u>\$ (649,572)</u>	<u>\$</u>
Covered-employee payroll	\$ 152,406,793	\$ 141,877,055
Contributions as a percentage of covered- employee payroll	22.58%	22.71%

(a) Based on the results of the January 1, 2014 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2016.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURN
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB# 67, <i>Financial Reporting for Pension Plans</i>	-0.55%	5.29%

See Independent Auditors' Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

NOTE 1 – CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the system's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

The System performs an actuarial valuation bi-annually. The latest valuation date was January 1, 2016. Changes in benefit terms, differences between expected and actual experience and changes in assumptions have been included in these financial statements.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

NOTE 3 – MONEY WEIGHTED RATE OF RETURN

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

INDEPENDENT AUDITORS' REPORT
ON AUDITS OF SPECIFIC ELEMENTS, ACCOUNTS,
AND ITEMS OF FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System (the System), as of and for the year ended December 31, 2015 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2015, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

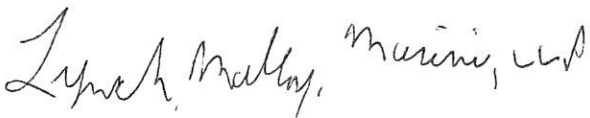
Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2015, and our report thereon dated November 22, 2016, expressed an unmodified opinion on those financial statements.

As more fully described in Note 3, we are reissuing our report on the accompanying Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Norwell, Massachusetts
December 23, 2016

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	FY2016 Pension Fund Appropriation	Direct Appropriation E.R.I., Sheriff	FY2016 Total Appropriation	Employer Allocation Percent of Total Net Pension Liability
Bristol County	\$ 1,114,424	\$ 88,871	\$ 1,203,295	9.657%
Town of Acushnet	1,029,589	14,877	1,044,466	3.086%
Acushnet Hous. Auth.	11,525		11,525	0.061%
Town of Berkley	648,808	8,437	657,245	1.392%
Town of Dartmouth	3,957,820	301,831	4,259,651	12.337%
Dartmouth Hous. Auth.	62,595		62,595	0.168%
Dartmouth Fire Dis. #3	88,953		88,953	0.171%
Dartmouth Fire Dis. #2	17,431		17,431	0.029%
Dartmouth Fire Dis. #1	21,157		21,157	0.095%
Town of Dighton	622,161	45,003	667,164	1.765%
Dighton Hous. Auth.	19,550		19,550	0.014%
Dight.-Reh. Reg. School	794,932		794,932	2.116%
Dighton Water Dist.	125,692		125,692	0.217%
North Dighton Fire Dis.				0.000%
Town of Easton	3,561,941		3,561,941	10.768%
Easton Hous. Auth.	38,208		38,208	0.227%
Town of Freetown	689,271	55,872	745,143	2.558%
Freet.-Lakev.Reg. Sch.	830,408		830,408	1.836%
Town of Mansfield	4,047,511	67,500	4,115,011	11.189%
Mansfield Housing	63,352		63,352	0.173%
Brist.Cnty. Mosquito Cont.	136,355	16,009	152,364	0.329%
Town of Norton	2,243,522		2,243,522	6.909%
Norton Housing Auth.	32,577		32,577	0.095%
Town of Raynham	1,632,745	80,156	1,712,901	5.044%
Raynham Hous. Auth.	35,458		35,458	0.145%
Raynham Water Dist.	95,866		95,866	0.222%
Town of Rehoboth	721,033		721,033	2.194%
Town of Seekonk	2,159,057	89,174	2,248,231	6.762%
Seekonk Housin. Auth.	15,537	5,768	21,305	0.069%
Seekonk Water District	120,076		120,076	0.209%
Town of Somerset	2,296,315		2,296,315	8.177%
Somerset Housing Auth.	40,095		40,095	0.160%
Town of Swansea	1,699,173	47,764	1,746,937	4.834%
Swansea Housing Auth.	15,995	6,125	22,120	0.059%
Swansea Water District	157,523	13,625	171,148	0.214%
Town of Westport	2,065,849	101,311	2,167,160	6.149%
Westport Housing Auth.	8,680		8,680	0.029%
Somerset Berkley Schools	318,426		318,426	0.539%
Sheriffs retirees	1,923,377		1,923,377	0.000%
Total	\$ 33,462,987	\$ 942,323	\$ 34,405,310	100.000%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Deferred Outflows of Resources							
	(restated, See Note 3) 12/31/2014 Net Pension Liability	(restated, See Note 3) 12/31/2014 Total Deferred Outflows of Resources	12/31/2015 Net Pension Liability	Total Differences Between Expected and Actual Experience	Total Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12/31/2015 Total Deferred Outflows of Resources
Bristol County	25,630,831	1,233,161	\$ 32,487,508	\$ 1,793,367	\$ 4,836,898	\$	1,841,263	\$ 8,471,528
Town of Acushnet	8,801,500	423,461	10,381,362	573,069	1,567,682	-	-	2,140,751
Acushnet Hous. Auth	98,522	4,740	206,064	11,375	28,369	-	51,973	91,717
Town of Berkley	5,546,364	266,849	4,684,248	258,579	764,197	-	-	1,022,776
Town of Dartmouth	33,833,616	1,627,813	41,503,714	2,291,077	6,218,589	-	1,052,055	9,561,721
Dartmouth Hous.Auth	535,095	25,745	566,442	31,269	87,518	-	-	118,787
Dartmouth Fire Dis.#3	760,419	36,586	575,161	31,750	96,699	-	-	128,449
Dartmouth Fire Dis.#2	149,006	7,169	97,570	5,386	17,126	-	-	22,512
Dartmouth Fire Dis.#1	180,865	8,702	319,853	17,656	45,043	-	61,401	124,100
Town of Dighton	5,318,579	255,890	5,939,429	327,867	907,122	-	-	1,234,989
Dighton Hous. Auth.	167,127	8,041	48,050	2,652	11,817	-	-	14,469
Dight.-Reh. Reg. School	6,795,518	326,949	7,120,262	393,051	1,102,608	-	-	1,495,659
Dighton Water Dist.	1,074,481	51,696	730,572	40,329	126,745	-	-	167,074
North Dighton Fire Dis	0	0	-	-	-	-	-	-
Town of Easton	30,449,433	1,464,996	36,225,149	1,999,692	5,460,848	-	80,282	7,540,822
Easton Hous. Auth	326,625	15,715	762,055	42,067	103,550	-	218,223	363,840
Town of Freetown	5,892,270	283,491	8,607,260	475,136	1,249,073	-	988,480	2,712,689
Freet.-Lakev.Reg. Sch	7,098,784	341,540	6,175,940	340,923	999,839	-	-	1,340,762
Town of Mansfield	34,600,356	1,664,707	37,644,374	2,078,035	5,781,528	-	-	7,859,563
Mansfield Housing	541,564	26,056	583,608	32,216	89,818	-	-	122,034
Brist.Cnty.Mosquito.Cont.	1,165,635	56,082	1,105,454	61,023	175,177	-	-	236,200
Town of Norton	19,178,865	922,741	23,244,309	1,283,126	3,491,051	-	299,403	5,073,580
Norton Housing Auth	278,483	13,398	320,958	17,717	48,697	-	-	66,414
Town of Raynham	13,957,600	671,534	16,969,770	936,761	2,547,089	-	311,153	3,795,003
Raynham Hous.Auth	303,117	14,584	486,817	26,873	69,559	-	74,778	171,210
Raynham Water Dist	819,518	39,429	747,533	41,265	119,587	-	-	160,852
Town of Rehoboth	6,163,790	296,555	7,382,676	407,537	1,111,411	-	45,190	1,564,138
Town of Seekonk	18,456,805	888,001	22,748,741	1,255,770	3,405,322	-	578,137	5,239,229
Seekonk Housin. Auth.	132,820	6,390	230,814	12,741	32,586	-	47,508	92,835
Seekonk Water District	1,026,474	49,386	702,251	38,765	121,602	-	-	160,367
Town of Somerset	19,630,163	944,455	27,508,809	1,518,534	4,020,852	-	2,470,044	8,009,430
Somerset Housing Auth.	342,753	16,491	536,775	29,631	77,005	-	76,585	183,221
Town of Swansea	14,525,466	698,855	16,263,524	897,775	2,482,535	-	-	3,380,310
Swansea Housing Auth.	136,737	6,579	199,782	11,028	28,991	-	26,704	66,723
Swansea Water District	1,346,590	64,788	721,004	39,801	135,412	-	-	175,213
Town of Westport	17,660,013	849,666	20,687,771	1,142,001	3,128,396	-	-	4,270,397
Westport Housing Auth.	74,198	3,570	97,972	5,408	14,475	-	5,841	25,724
Somerset Berkley Schools	2,722,080	130,966	1,813,384	100,102	316,586	-	-	416,688
Sheriffs retirees	-	-	-	-	-	-	-	-
Total for All Entities	\$ 285,722,062	\$ 13,746,777	\$ 336,426,965	\$ 18,571,354	\$ 50,821,402	\$	\$ 8,229,020	\$ 77,621,776

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Deferred Inflows of Resources				Pension Expense			Revenue
	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12/31/2015 Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense	
Bristol County	\$	\$ 1,053,262	-	\$ 1,053,262	\$ 3,948,279	\$ 489,700	\$ 4,437,979	49,178
Town of Acushnet		336,569	17,427	353,996	1,261,670	(4,635)	1,257,035	15,715
Acushnet Hous. Auth.		6,681	-	6,681	25,043	13,823	38,866	312
Town of Berkley		151,866	1,092,876	1,244,742	569,287	(290,658)	278,629	7,091
Town of Dartmouth		1,345,572	-	1,345,572	5,044,039	279,802	5,323,841	62,826
Dartmouth Hous. Auth.		18,364	39,418	57,782	68,841	(10,484)	58,357	857
Dartmouth Fire Dis. #3		18,647	189,762	208,409	69,901	(50,468)	19,433	871
Dartmouth Fire Dis. #2		3,163	45,992	49,155	11,858	(12,232)	(374)	148
Dartmouth Fire Dis. #1		10,370	-	10,370	38,872	16,330	55,202	484
Town of Dighton		192,559	176,910	369,469	721,832	(47,050)	674,782	8,991
Dighton Hous. Auth.		1,558	87,312	88,870	5,840	(23,221)	(17,381)	73
Dight.-Reh. Reg. School		230,843	543,271	774,114	865,341	(144,487)	720,854	10,778
Dighton Water Dist.		23,686	315,938	339,624	88,788	(84,026)	4,762	1,106
North Dighton Fire Dis.		-	-	-	-	-	-	-
Town of Easton		1,174,438	-	1,174,438	4,402,523	21,351	4,423,874	54,836
Easton Hous. Auth.		24,706	-	24,706	92,614	58,038	150,652	1,154
Town of Freetown		279,052	-	279,052	1,046,059	262,893	1,308,952	13,029
Freet.-Lakev.Reg. Sch.		200,227	1,302,044	1,502,271	750,576	(346,288)	404,288	9,349
Town of Mansfield		1,220,450	1,904,541	3,124,991	4,575,004	(506,527)	4,068,477	56,984
Mansfield Housing		18,921	33,888	52,809	70,927	(9,013)	61,914	883
Brist.Cnty.Mosquito.Cont.		35,839	148,225	184,064	134,348	(39,422)	94,926	1,673
Town of Norton		753,593	-	753,593	2,824,932	79,628	2,904,560	35,186
Norton Housing Auth.		10,406	5,288	15,694	39,007	(1,406)	37,601	486
Town of Raynham		550,169	-	550,169	2,062,374	82,753	2,145,127	25,688
Raynham Hous. Auth.		15,783	-	15,783	59,164	19,888	79,052	737
Raynham Water Dist		24,235	128,775	153,010	90,849	(34,249)	56,600	1,132
Town of Rehoboth		239,350	-	239,350	897,233	12,019	909,252	11,175
Town of Seekonk		737,526	-	737,526	2,764,705	153,760	2,918,465	34,436
Seekonk Housin. Auth.		7,483	-	7,483	28,051	12,635	40,686	349
Seekonk Water District		22,767	297,517	320,284	85,346	(79,127)	6,219	1,063
Town of Somerset		891,850	-	891,850	3,343,207	656,926	4,000,133	41,641
Somerset Housing Auth.		17,403	-	17,403	65,235	20,368	85,603	813
Town of Swansea		527,272	516,672	1,043,944	1,976,542	(137,413)	1,839,129	24,619
Swansea Housing Auth.		6,477	-	6,477	24,280	7,102	31,382	302
Swansea Water District		23,375	498,635	522,010	87,625	(132,616)	(44,991)	1,091
Town of Westport		670,708	62,344	733,052	2,514,231	(16,581)	2,497,650	31,316
Westport Housing Auth.		3,176	-	3,176	11,907	1,553	13,460	148
Somerset Berkley Schools		58,791	822,185	880,976	220,385	(218,666)	1,719	2,745
Sheriffs retirees		-	-	-	-	-	-	-
Total for All Entities	\$	\$ 10,907,137	\$ 8,229,020	\$ 19,136,157	\$ 40,886,715	\$	\$ 40,886,715	\$ 509,265

See notes to schedule of employer allocations and schedule of pension amounts by employer.

(Continued)

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Deferred Inflows/(Outflows) Recognized in Future Pension Expense

Employer	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	Covered Employer Payroll
Bristol County	1,972,830	1,972,830	1,972,830	1,499,776	\$ 4,893,495
Town of Acushnet	476,650	476,650	476,650	356,804	5,125,090
Acushnet Hous. Auth.	22,459	22,459	22,459	17,659	64,033
Town of Berkley	(54,550)	(54,550)	(54,550)	(58,317)	3,086,632
Town of Dartmouth	2,187,652	2,187,652	2,187,652	1,653,196	19,676,258
Dartmouth Hous. Auth.	16,436	16,436	16,436	11,696	283,177
Dartmouth Fire Dis. #3	(20,522)	(20,522)	(20,522)	(18,395)	421,719
Dartmouth Fire Dis. #2	(6,912)	(6,912)	(6,912)	(5,908)	129,228
Dartmouth Fire Dis. #1	30,073	30,073	30,073	23,512	59,530
Town of Dighton	231,710	231,710	231,710	170,391	3,392,553
Dighton Hous. Auth.	(19,474)	(19,474)	(19,474)	(15,980)	39,853
Dight.-Reh. Reg. School	194,740	194,740	194,740	137,324	3,964,201
Dighton Water Dist.	(44,682)	(44,682)	(44,682)	(38,504)	500,550
North Dighton Fire Dis.	-	-	-	-	
Town of Easton	1,697,607	1,697,607	1,697,607	1,273,563	16,827,462
Easton Hous. Auth.	89,525	89,525	89,525	70,560	274,781
Town of Freetown	645,030	645,030	645,030	498,548	3,276,740
Freet.-Lakev. Reg. Sch.	(37,563)	(37,563)	(37,563)	(48,820)	4,469,382
Town of Mansfield	1,270,981	1,270,981	1,270,981	921,630	20,056,126
Mansfield Housing	18,606	18,606	18,606	13,407	321,178
Brist. Cnty. Mosquito Cont.	14,576	14,576	14,576	8,409	672,967
Town of Norton	1,150,895	1,150,895	1,150,895	867,301	11,589,091
Norton Housing Auth.	13,551	13,551	13,551	10,068	174,293
Town of Raynham	864,313	864,313	864,313	651,896	7,688,100
Raynham Hous. Auth.	41,138	41,138	41,138	32,013	190,770
Raynham Water Dist	2,641	2,641	2,641	(82)	536,525
Town of Rehoboth	353,137	353,137	353,137	265,378	3,012,202
Town of Seekonk	1,198,420	1,198,420	1,198,420	906,442	10,264,919
Seekonk Housin. Auth.	22,580	22,580	22,580	17,613	57,480
Seekonk Water District	(41,385)	(41,385)	(41,385)	(35,763)	581,854
Town of Somerset	1,887,840	1,887,840	1,887,840	1,454,061	10,642,061
Somerset Housing Auth.	43,903	43,903	43,903	34,110	189,571
Town of Swansea	625,438	625,438	625,438	460,053	7,796,889
Swansea Housing Auth.	15,971	15,971	15,971	12,334	75,816
Swansea Water District	(90,346)	(90,346)	(90,346)	(75,760)	751,963
Town of Westport	943,967	943,967	943,967	705,445	9,841,278
Westport Housing Auth.	5,988	5,988	5,988	4,585	39,039
Somerset Berkley Schools Sheriffs retirees	(120,348)	(120,348)	(120,348)	(103,246)	1,439,987
Total for All Entities	\$ 15,602,873	\$ 15,602,873	\$ 15,602,873	\$ 11,676,999	\$ 152,406,793

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Discount Rate Sensitivity			Schedule of Contributions			
	1% decrease (6.75%)	Current discount rate (7.75%)	1% increase (8.75%)	Statutory Required Contribution	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	Contributions as a Percentage of Covered Employee Payroll
Bristol County	\$ 42,479,015	32,487,508	\$ 24,078,167	\$ 1,203,295	\$ 1,180,582	\$	24.13%
Town of Acushnet	13,574,142	10,381,362	7,694,163	1,044,466	1,024,752		19.99%
Acushnet Hous. Auth.	269,439	206,064	152,725	11,525	11,308		17.66%
Town of Berkley	6,124,884	4,684,248	3,471,738	657,245	644,839		20.89%
Town of Dartmouth	54,268,147	41,503,714	30,760,542	4,259,651	4,179,249		21.24%
Dartmouth Hous. Auth.	740,651	566,442	419,820	62,595	61,414		21.69%
Dartmouth Fire Dis. #3	752,051	575,161	426,281	88,953	87,274		20.69%
Dartmouth Fire Dis. #2	127,578	97,570	72,314	17,431	17,102		13.23%
Dartmouth Fire Dis. #1	418,223	319,853	237,059	21,157	20,758		34.87%
Town of Dighton	7,766,096	5,939,429	4,402,017	667,164	654,571		19.29%
Dighton Hous. Auth.	62,827	48,050	35,612	19,550	19,181		48.13%
Dight.-Reh. Reg. School	9,310,092	7,120,262	5,277,193	794,932	779,928		19.67%
Dighton Water Dist.	955,259	730,572	541,465	125,692	123,319		24.64%
North Dighton Fire Dis.					-		0.00%
Town of Easton	47,366,165	36,225,149	26,848,326	3,561,941	3,494,709		20.77%
Easton Hous. Auth.	996,425	762,055	564,798	38,208	37,487		13.64%
Town of Freetown	11,254,415	8,607,260	6,379,284	745,143	731,079		22.31%
Freet.-Lakev.Reg. Sch.	8,075,345	6,175,940	4,577,307	830,408	814,734		18.23%
Town of Mansfield	49,221,870	37,644,374	27,900,186	4,115,011	4,037,340		20.13%
Mansfield Housing	763,097	583,608	432,542	63,352	62,156		19.35%
Brist. Cnty. Mosquito Cont.	1,445,435	1,105,454	819,309	152,364	149,488		22.21%
Town of Norton	30,393,077	23,244,309	17,227,555	2,243,522	2,201,176		18.99%
Norton Housing Auth.	419,669	320,958	237,879	32,577	31,962		18.34%
Town of Raynham	22,188,809	16,969,770	12,577,171	1,712,901	1,680,569		21.86%
Raynham Hous. Auth.	636,538	486,817	360,805	35,458	35,457		18.59%
Raynham Water Dist.	977,436	747,533	554,035	95,866	95,865		17.87%
Town of Rehoboth	9,653,212	7,382,676	5,471,682	721,033	707,424		23.49%
Town of Seekonk	29,745,098	22,748,741	16,860,265	2,248,231	2,205,795		21.49%
Seekonk Housin. Auth.	301,800	230,814	171,068	21,305	21,305		37.07%
Seekonk Water District	918,228	702,251	520,474	120,076	120,076		20.64%
Town of Somerset	35,969,121	27,508,809	20,388,197	2,296,315	2,252,971		21.17%
Somerset Housing Auth.	701,860	536,775	397,832	40,095	40,095		21.15%
Town of Swansea	21,265,358	16,263,524	12,053,736	1,746,937	1,713,963		21.98%
Swansea Housing Auth.	261,225	199,782	148,069	22,120	21,703		28.63%
Swansea Water District	942,748	721,004	534,373	171,148	167,918		22.33%
Town of Westport	27,050,278	20,687,771	15,332,774	2,167,160	2,126,255		21.61%
Westport Housing Auth.	128,103	97,972	72,612	8,680	8,516		21.81%
Somerset Berkley Schools	2,371,090	1,813,384	1,343,992	318,426	312,416		21.70%
Sheriffs retirees				1,923,377	2,536,645	649,572	0.00%
Total for All Entities	\$ 439,894,806	\$ 336,426,965	\$ 249,343,367	\$ 34,405,310	\$ 34,411,381	\$ 649,572	22.58%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

1. SCHEDULE OF EMPLOYER ALLOCATIONS

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost-sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. As permissible under GASB Statement #68, The Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans allocate the annual required pension fund appropriation to employer units based on their proportionate share of the aggregate of the annual rates of regular compensation of all members in service of the system who are employees of any government unit at the close of business on the September 30th immediately preceding the fiscal year. Accordingly, the proportionate aggregate rates of regular compensation as of the close of business on September 30, 2013 were applied to allocate the System's fiscal year 2016 pension fund appropriation by member unit.

In 2010, the Bristol County Sheriffs functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are separately identified in the system's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completed an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP as retirees including the ERIP less the accrued liability for the members as active employees excluding the ERIP represents the increase in accrued liability due to the ERIP. The net increase is amortized for each member unit accepting the ERIP, and is separately identified in the system's funding schedule. The 2003 ERIP amortization is occurring over 9 years, increasing 4.5% per year. The 2010 ERIP amortization is occurring over an 8 year, straight-line basis.

The allocation percentage of the total net pension liability is a blended rate of the following three items. (1) The proportionate share of active employer's covered payroll is applied to the fiscal year 2015 pension fund appropriation calculated by the actuary. (2) ERI is a direct charge calculated by PERAC for only the employers that accepted the ERI. (3) The direct amortization of the actuarial determined net pension liability for Bristol County Sheriff and North Dighton Fire District since they no longer have active covered payroll.

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. In 2015, the System conducted an Experience Study as of December 31, 2014 which significantly changed the projected Net Pension Liability for each member unit of the System. The results and allocations of this Experience Study have been allocated to the member units and will be amortized in accordance with GASB 67.

The Sheriff's Department had an excess contribution of \$649,572 for the year ended December 31, 2015. The Retirement System, the Executive Office for Administration and Finance, the Public Employee Retirement Administration Commission ("PERAC") Actuary, the Bristol County Treasurer and Bristol County agreed to a payment schedule to satisfy all liabilities of the Commonwealth towards Bristol County Retirement Association and County of Bristol, Massachusetts for fiscal year 2015, fiscal year 2016 and all past fiscal years. The excess is not separately identified in the actuarial valuation GASB 67 & 68 reports as of December 31, 2015.

3. PRIOR PERIOD RESTATEMENT

Management determined to reallocate the employer allocations reported for December 31, 2014 in which allocations associated with the Sheriff's Department retirees that were allocated across member units, were re-allocated to the County of Bristol. The restated net pension liability and deferred outflows as of December 31, 2014 are presented in the Schedule of Pension Amounts by Employer.