

Annual Statement

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·
· OF THE FINANCIAL CONDITION
· OF THE DUKES COUNTY RETIREMENT SYSTEM
· TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
· FOR THE YEAR ENDED 12/31/2020
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Annual Statement for the Year Ended December 31, 2020 of the conditions and Affairs of the Dukes County Retirement System.

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

Date of Certificate 03/01/1939

Effective Date 01/01/1940

ADMINISTRATION OFFICE

9 Airport Road, Suite 1
Street & Number

Vineyard Haven, MA 02568
City/Town, State and Zip Code

(508) 696-3846
Telephone Number

We, the undersigned, members of the Dukes County Retirement System certify under penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first date of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirty-first date of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Board Of Retirement

Ex-Officio Member

Ann Metcalf (Chairperson)

(Name)

(Signature)

Appointed Member

Term Expires 12/31/2023

Roger Wey

(Name)

(Signature)

Elected Member

Term Expires 12/31/2022

Jo Ann Murphy

(Name)

(Signature)

Elected Member

Term Expires 12/31/2022

David Rossi

(Name)

(Signature)

Member Appointed by Other Members

Term Expires 12/31/2023

Melanie Becker

(Name)

(Signature)

Investment Managers

Investment Managers list on next page

Investment Consultant

Dahab & Associates

423 So. Country Rd., Bay Shore, NY 11706

Custodian

People's United Bank

240 Cabot St., Beverly, MA 01915

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	186,551,109.43
Income Current Year	<u>36,764,765.69</u>
Disbursements Current Year	<u>14,095,747.67</u>
Assets Current Year	<u>209,220,127.45</u>

2. ASSET DIFFERENCE

Assets Current Year	209,220,127.45
Assets Previous Year	<u>186,551,109.43</u>
Difference	<u>22,669,018.02</u>

3. INCOME DIFFERENCE

Income Current Year	36,764,765.69
Disbursements Current Year	<u>14,095,747.67</u>
Difference	<u>22,669,018.02</u>

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	39,535,334.89
Total Fund Change Debits Current Year	<u>-16,866,316.87</u>
Difference	<u>22,669,018.02</u>

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

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

ASSETS & LIABILITIES

	2020	2019	2018
1. 1040 Cash	4,699,842.64	6,651,612.86	3,446,516.86
2. 1100 Short Term Investments	1,780,000.00	0.00	0.00
3. 1180 Fixed Income Securities	21,423,370.62	18,880,649.35	17,650,513.11
4. 1170 Equities	82,259,762.67	71,437,484.14	38,198,552.53
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	0.00	0.00	17,987,342.68
7. 1173 Pooled International Equity Funds	8,118,144.51	7,285,696.44	5,840,959.95
8. 1174 Pooled Global Equity Funds	0.00	0.00	0.00
9. 1181 Pooled Domestic Fixed Income Funds	0.00	0.00	0.00
10. 1182 Pooled International Fixed Income Funds	0.00	0.00	0.00
11. 1183 Pooled Global Fixed Income Funds	0.00	0.00	0.00
12. 1193 Pooled Alternative Investments	441,080.69	162,130.00	62,567.48
13. 1194 Pooled Real Estate Funds	14,238,505.42	14,150,990.79	12,794,582.06
14. 1195 Pooled Domestic Balanced Funds	0.00	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	0.00
16. 1197 Hedge Funds	0.00	0.00	0.00
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	76,351,092.66	68,079,852.26	58,581,272.43
19. 1550 Interest Due and Accrued	117,769.40	102,140.39	80,560.06
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	472,794.35	391,672.07	336,765.82
22. 1910 Land	0.00	0.00	0.00
23. 1920 Buildings	0.00	0.00	0.00
24. 1929 Accumulated Depreciation – Buildings	0.00	0.00	0.00
25. 2020 Accounts Payable (A)	(-682,235.51)	(-591,118.87)	(-654,143.77)
TOTAL	209,220,127.45	186,551,109.43	154,325,489.21
FUNDS			
1. 3293 Annuity Savings Fund	39,587,514.20	38,072,793.83	37,155,398.23
2. 3294 Annuity Reserve Fund	13,380,612.87	12,472,374.25	11,152,625.60
3. 3295 Military Service Fund	30,226.87	30,196.67	30,166.50
4. 3296 Pension Fund	3,762,480.02	5,770,213.15	7,230,160.10
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	152,459,293.49	130,205,531.53	98,757,072.44
TOTAL ASSETS AT MARKET VALUE	209,220,127.45	186,551,109.43	154,325,422.87

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

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	38,072,793.83	4,758,955.70	-2,770,569.20	-473,666.13	39,587,514.20
Annuity Reserve Fund	12,472,374.25	376,954.87	2,770,357.10	-2,239,073.35	13,380,612.87
Pension Fund	5,770,213.15	7,907,954.62	0.00	-9,915,687.75	3,762,480.02
Military Service Fund	30,196.67	30.20	0.00	0.00	30,226.87
Expense Fund	0.00	1,467,320.44	0.00	-1,467,320.44	0.00
Pension Reserve Fund	130,205,531.53	22,253,549.86	212.10	0.00	152,459,293.49
Total All Funds	186,551,109.43	36,764,765.69	- 0 -	-14,095,747.67	209,220,127.45

List below all transfers:

Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	2,770,357.10	on acct of	2020 Retirements
	Control Acct						
Xfer from	Annuity Savings Fund	to	Pension Reserve Fund	in the amt of	212.10	on acct of	Interest Not Refunded (retro
	Control Acct		Control Acct				ADR)
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

RECEIPTS

	2020	2019	2018
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	4,344,847.27	4,185,204.90	4,032,845.23
(b) 4892 Transfers from Other Systems	222,908.46	498,444.76	349,136.97
(c) 4893 Member Make Up Payments and Redeposits	89,828.83	33,568.95	55,524.99
(d) 4900 Member Payments from Rollovers	46,457.96	43,425.13	62,779.68
(e) Investment Income Credited to Members' Accounts	54,913.18	59,450.05	49,227.40
Subtotal	<u>4,758,955.70</u>	<u>4,820,093.79</u>	<u>4,549,514.27</u>
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	376,954.87	308,973.13	301,584.01
Subtotal	<u>376,954.87</u>	<u>308,973.13</u>	<u>301,584.01</u>
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	428,983.48	173,197.35	184,192.11
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	14,432.14	14,534.54	29,245.37
(c) 4894 Pension Fund Appropriation	7,433,339.00	7,012,999.00	6,597,440.00
(d) 4840 Workers Compensation Settlement	31,200.00	0.00	10,000.00
(e) 4751 Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 Recovery of 91A Overearnings	0.00	0.00	0.00
Subtotal	<u>7,907,954.62</u>	<u>7,200,730.89</u>	<u>6,820,877.48</u>
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	30.20	30.17	30.14
Subtotal	<u>30.20</u>	<u>30.17</u>	<u>30.14</u>
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	1,467,320.44	1,386,676.13	1,207,097.06
Subtotal	<u>1,467,320.44</u>	<u>1,386,676.13</u>	<u>1,207,097.06</u>
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	0.00	0.00	0.00
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 Interest Not Refunded	4,877.29	2,486.31	3,612.94
(d) 4825 Miscellaneous Income	0.00	0.00	0.00
(e) Excess Investment Income	22,248,672.57	31,445,972.78	-2,927,873.10
Subtotal	<u>22,253,549.86</u>	<u>31,448,459.09</u>	<u>-2,924,260.16</u>
TOTAL RECEIPTS	<u>36,764,765.69</u>	<u>45,164,963.20</u>	<u>9,954,842.80</u>

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

DISBURSEMENTS

	2020	2019	2018
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	280,382.39	361,133.80	207,824.42
(b) 5756 Transfers to Other Systems	193,283.74	631,646.09	86,592.04
Subtotal	<u>473,666.13</u>	<u>992,779.89</u>	<u>294,416.46</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	2,133,694.91	1,903,635.16	1,639,917.63
(b) 5759 Option B Refunds	105,378.44	-4,492.38	4,492.38
Subtotal	<u>2,239,073.35</u>	<u>1,899,142.78</u>	<u>1,644,410.01</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	8,623,879.87	7,859,572.06	6,969,911.32
Regular Pension Payments	6,928,688.75	6,282,723.92	5,653,390.37
Survivorship Payments	262,435.69	304,948.24	138,685.95
Ordinary Disability Payments	94,646.92	105,681.84	103,581.84
Accidental Disability Payments	1,162,877.07	993,423.64	888,964.04
Accidental Death Payments	163,661.40	161,561.40	174,383.28
Section 101 Benefits	11,570.04	11,233.02	10,905.84
(b) 5755 3(8)(c) Reimbursements To Other Systems	1,165,392.26	686,951.89	994,054.16
(c) 5752 COLAs Paid	126,415.62	114,153.89	106,397.54
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	<u>9,915,687.75</u>	<u>8,660,677.84</u>	<u>8,070,363.02</u>
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
5. Expense Fund:			
(a) 5118 Board Member Stipend	22,500.00	15,000.00	15,000.00
(b) 5119 Salaries	181,758.22	174,932.16	161,855.55
(c) 5120 Benefits	43,768.00	0.00	0.00
(d) 5304 Management Fees	938,659.43	865,831.65	771,796.70
(e) 5305 Custodial Fees	56,831.62	48,174.42	47,928.37
(f) 5307 Investment Consultant Fees	37,911.85	35,000.00	35,000.00
(g) 5308 Legal Expenses	57,307.77	42,753.17	21,430.56
(h) 5309 Medical Expenses	0.00	0.00	0.00
(i) 5310 Fiduciary Insurance	6,564.00	6,424.00	6,141.00
(j) 5311 Service Contracts	30,840.00	28,906.00	30,169.00
(k) 5312 Rent Expense	0.00	0.00	0.00
(l) 5315 Professional Services	0.00	600.00	0.00
(m) 5316 Actuarial Services	23,500.00	31,000.00	4,500.00
(n) 5317 Accounting Services	38,000.00	38,000.00	38,000.00
(o) 5320 Education And Training	764.00	1,530.00	960.00
(p) 5589 Administrative Expenses	22,102.46	91,891.30	65,370.42
(q) 5599 Furniture and Equipment	3,444.94	1,973.49	5,098.89
(r) 5719 Travel	3,368.15	4,659.94	3,846.57
(s) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	<u>1,467,320.44</u>	<u>1,386,676.13</u>	<u>1,207,097.06</u>
TOTAL DISBURSEMENTS	<u>14,095,747.67</u>	<u>12,939,276.64</u>	<u>11,216,286.55</u>

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

INVESTMENT INCOME

Investment Income received from:	<u>2020</u>	<u>2019</u>	<u>2018</u>
(a) Cash (from Schedule 1)	16,582.85	3,736.81	20,420.48
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	538,796.25	618,421.52	468,363.84
(d) Equities (from Schedules 4A and 4C)	794,627.57	868,372.56	344,383.13
(e) Pooled Funds (from Schedule 5)	2,327,544.05	2,523,941.07	2,901,176.52
(f) Commission Recapture and Securities Litigation	0.00	0.00	0.00
4821 TOTAL INVESTMENT INCOME	<u>3,677,550.72</u>	<u>4,014,471.96</u>	<u>3,734,343.97</u>
Plus:			
4884 Realized Gains (Profits)	6,022,625.81	6,108,273.38	4,462,133.14
4886 Unrealized Gains (Increase in Market Value)	30,373,320.28	27,330,420.05	7,180,458.06
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	<u>117,769.40</u>	<u>102,140.39</u>	<u>80,560.06</u>
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	121,698.32	78,090.50	85,617.92
4885 Realized Losses	3,892,952.27	324,045.01	375,040.77
4887 Unrealized Losses (Decrease in Market Value)	11,926,449.36	3,871,253.21	16,339,636.77
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	<u>102,140.39</u>	<u>80,560.06</u>	<u>58,902.31</u>
Additional Adjustments:			
4701 Carried Interest Expense	0.00	0.00	0.00
4702 Equalization Expense	0.00	0.00	0.00
4703 Miscellaneous Investment Expenses	134.61	254.74	172.30
NET INVESTMENT INCOME	<u>24,147,891.26</u>	<u>33,201,102.26</u>	<u>-1,401,874.84</u>
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	54,913.18	59,450.05	49,227.40
Annuity Reserve Fund	376,954.87	308,973.13	301,584.01
Expense Fund	1,467,320.44	1,386,676.13	1,207,097.06
Military Service Fund	<u>30.20</u>	<u>30.17</u>	<u>30.14</u>
TOTAL INCOME REQUIRED	<u>1,899,218.69</u>	<u>1,755,129.48</u>	<u>1,557,938.61</u>
Net Investment Income	24,147,891.26	33,201,102.26	-1,401,874.84
Less Income Required	<u>1,899,218.69</u>	<u>1,755,129.48</u>	<u>1,557,938.61</u>
EXCESS INCOME TO PENSION RESERVE FUND	<u>22,248,672.57</u>	<u>31,445,972.78</u>	<u>-2,959,813.45</u>

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	561	111	672
Inactive Membership, Dec. 31st, Previous Year	221	13	234
Enrolled During Current Year	72	5	77
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	72	5	77
Deduct:			
Death	0	1	1
Withdrawals	17	3	20
Retirements	25	1	26
SUBTOTAL	42	5	47
Active Membership, Dec. 31st, Current Year	559	107	666
Inactive Membership, Dec. 31st, Current Year	253	17	270

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	308	63	371
Retirements During the Year			
Superannuation	25	1	26
Ordinary Disability	0	0	0
Accidental Disability	0	0	0
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	1	0	1
Survivor Benefits from Active Membership	0	0	0
SUBTOTAL	26	1	27
Deduct:			
Deaths of Retired Members	10	1	11
Termination of Survivor Benefits	0	0	0
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	10	1	11
Retired Membership, Dec. 31st, Current Year			
Superannuation	289	37	326
Ordinary Disability	1	3	4
Accidental Disability	11	15	26
Termination	1	1	2
Beneficiaries from Accidental Deaths	1	4	5
Beneficiaries from Section 100	0	0	0
Beneficiaries from Section 101	0	0	0
Beneficiaries under Option C	11	1	12
Option (D) Survivor Allowance	10	2	12
Section 12B Survivor Allowance	0	0	0
Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	324	63	388
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	1,136	187	1,324

Annual Statement of the Dukes County Retirement System for the Year Ended December 31, 2020.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4751 Recovery of Pension from Reinstatement	0.00	
4840 Workers Compensation Settlements	0.00	
4841 Recovery of 91A Overearnings	0.00	
4891 Members Deductions	471,106.48	12/31/2020
4892 Transfers From Other Systems	0.00	
4893 Member Make Up Payments and Redeposits	1,687.87	12/31/2020
4900 Member Payments from Rollovers	0.00	
4898 3(8)(c) Reimbursements from Other Systems	0.00	
4899 Received from Commonwealth for COLA and Survivor Benefits	0.00	
4884 Realized Gain on Sale of Investments	0.00	
4894 Pension Fund Appropriation (Current Fiscal Year)	0.00	
4894 Pension Fund Appropriation (Previous Fiscal Year)	0.00	
4890 Contributions Received from Municipality on Account of Military Service	0.00	
4897 Federal Grant Reimbursement	0.00	
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
TOTAL RECEIVABLES	472,794.35	
Accounts Payable		
5316 Actuarial Services	-1,000.00	12/31/2020
5317 Accounting Services	0.00	
5320 Education and Training	0.00	
5757 Refunds to Members	0.00	
5756 Transfers to Other Systems	0.00	
5750 Annuities Paid	0.00	
5759 Option B Refund	0.00	
5751 Pensions Paid	0.00	
5755 3(8)(c) Reimbursements to Other Systems	-570,596.58	12/31/2020
5752 COLAs Paid	0.00	
5753 Chapter 389 Beneficiary Increase Paid	0.00	
4885 Realized Loss on Sale of Investments	0.00	
4890 Return to Municipality for Members Who Withdrew Their Funds	0.00	
5118 Board Members' Stipend	0.00	
5119 Salaries	0.00	
5304 Management Fees	-97,940.84	12/31/2020
5305 Custodial Fees	-9,369.46	12/31/2020
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	-2,766.50	12/31/2020
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	0.00	
5312 Rent Expense	0.00	
5315 Professional Services Expense	0.00	
5589 Administrative Expenses	-348.13	12/31/2020
5599 Furniture and Equipment	0.00	
5719 Travel	-214.00	12/31/2020
Investments Purchased But Not Paid For (list individually)	0.00	
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	-682,235.51	