PERAC AUDIT REPORT

Quincy
Contributory Retirement System

JAN. 1, 2008 - DEC. 31, 2010

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
COMMONWEALTH OF MASSACHUSETTS

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July 3, 2012

The Public Employee Retirement Administration Commission has completed an examination of the Quincy Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2008 to December 31, 2010. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission, in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

Please note, during the PERAC audit field examination, it was discovered and conveyed to the Quincy Retirement Board that existing Supplemental Regulations relating to "Regular Compensation" and "Membership" are not in compliance with the newly enacted provisions contained in Chapter 21 of the Acts of 2009. The Retirement Board should review these regulations with Board Counsel and make the necessary codifications to them in order to be in compliance with current law. While the effective date of the various provisions of Chapter 21 of the Acts of 2009 generally took place towards the end of this audit period, the Regulatory changes need to be made as soon as possible to assure the members' future plan benefits are in compliance with current law.

In closing, I acknowledge the work of examiners Martin J. Feeney and John J. Shea who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,

Joseph E. Connarton

Joseph E. Connarton
Executive Director

EXPLANATION OF FINDINGS AND RECOMMENDATIONS

1. Cash / Stale Dated Checks:

An inspection of the outstanding checks at 12/31/10 for the Quincy Retirement System Control Account with Eastern Bank revealed that a check in the amount of $3,298.25 drawn on a closed Citizens Bank account remained outstanding. Significant improvement has been made over prior audits yet this check remains outstanding.

Recommendation: Checks outstanding more than six months should be researched so that proper voiding and updating of these items can be completed on a regular and timely basis. The Treasurer's Office should review the list of outstanding checks and contact the payee to determine the status of the check. Any outstanding check older than six months should be voided and where applicable a new check issued.

Board Response:

The old check listed on the reconciliation will be researched, voided and replaced if necessary.

2. Annuity Savings Fund

The Quincy Retirement System continues to acknowledge a significant discrepancy between the Annuity Savings Fund represented in the membership module of their automated system and the Annuity Savings Fund represented in the general ledger. Differences can occur when changes to the membership module are not matched by corresponding adjustments to the general ledger.

The discrepancy that currently exists has remained constant for the years ended 12/31/09 and 12/31/10. This discrepancy has been cited in numerous prior audits.

Recommendation: As a sole source of information to third parties, The Annual Statement and supporting schedules must be in agreement, allowing readers to make an accurate assessment of the System's financial condition without having to reference the general ledger. The Board needs to develop a strategy or long term plan to correct the current practices used in recording Annuity Savings Fund balances and the General Ledger to address this ongoing issue. Prior to submission of the Annual Statement, a review process should be established to ensure all entries on the Annual Statement agree with the detailed supporting schedules using the PERAC Annual Statement Guide published each year. Any differences should be reconciled.

Board Response:

The Annuity Savings Fund discrepancy is being worked on and is expected to be corrected before the six month follow up.

3. Investment Approvals:

In January, 2008 the Quincy Retirement Board invested in the Rhumbline S&P Mid-Cap 400 Pooled Index Fund prior to receiving PERAC approval.

Paperwork was submitted and PERAC approval was sent on April 2, 2009.

PERAC also indicated in its letter of April 2, 2009 that the Quincy Retirement Board did not comply with the Investment Regulations and must do so in the future.

EXPLANATION OF FINDINGS AND RECOMMENDATIONS
(Continued)

Recommendation: The Board must comply with PERAC's Investment Regulations Chapter 176 of the Acts of 2011, Chapter 32 Section 23B, 840 CMR 16.08 which states in part: "The selection and hiring of investment managers, consultants, custodian banks and other investment related service providers by all retirement boards shall be subject to a competitive process which satisfies the boards' fiduciary duty and meets the requirements of M.G.L. c. 32 and 840 CMR. Prior to retention of the vendor, Boards shall notify the Commission that such a process, as well as the provisions of M.G.L. c. 32 and 840 CMR, was adhered to." Written acknowledgement from PERAC is required before an investment can be funded. PERAC memorandum #12/2005 dated March 7, 2005 entitled "Overview of Investment Regulation Issues" provides explicit guidance on this issue.

Board Response:
The Board has been in compliance with PERAC's Investment Regulations and will continue to be so in the future.

4. Appropriations – Quincy Housing Authority
The system has been engaged in protracted litigation with the Quincy Housing Authority (QHA) over the appropriation allocation assigned upon the closing of the Quincy Hospital. The elimination of a major contributing employer resulted in a significant increase in the appropriation percentage for the QHA. The Retirement Board defended the allocation and prevailed in Superior Court. The judgment of the Superior Court was reversed on appeal. A new judgment has been remanded to the Quincy Retirement Board for recalculation.

The Quincy Housing Authority has not concurred with PERAC'S interpretation of their liability and has refused to pay the amounts that have been assessed.

The financial issue involves six appropriation payments currently maintained as reasonably collectible in Accounts Receivable. These relate to unpaid appropriations amounting as follows:

FY 2005	$788,372.62
FY 2006	$389,374.24
FY 2007	$385,662.71
FY 2008	$320,984.23
FY 2009	$474,043.18
FY 2010	$353,610.04

The underpayments will continue until the court action brought by the QHA against the City is concluded.

Recommendation: The issue of unpaid appropriations has been ongoing for an excessive period of time and should be resolved as soon as possible since the unpaid appropriation amount continues to increase each year.

The Quincy Retirement Board and its attorney should arrange to meet with the Quincy Housing Authority and its attorney to determine a deadline for the Housing Authority to begin payment of prior unpaid appropriations based on PERAC'S interpretation of the appropriate methodology to be used in such repayment. It is imperative that the Housing Authority negotiate in good faith such amounts due using the acceptable methodology recommended by PERAC. Any such further delay by the Housing Authority could significantly jeopardize the financial integrity of the Quincy Retirement System.

Board Response:

The Quincy Housing Authority has appealed PERAC's interpretation of the appropriation division between the member units. Therefore, it is unlikely that they will agree to pay until the resolution of the court action. Regardless of that, the Board will invite the Housing Authority to the May meeting in an attempt to bring closure to this issue.

FINAL DETERMINATION:

PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.

STATEMENT OF LEDGER ASSETS AND LIABILITIES

	AS OF DECEMBER 31, 2010	2009	2008
Net Assets Available For Benefits:			
Cash	$2,316,538	$1,729,968	$3,846,001
Short Term Investments	0	0	0
Fixed Income Securities	0	0	0
Equities	0	9,373,255	6,823,713
Pooled Domestic Equity Funds	76,209,247	79,543,237	67,381,276
Pooled International Equity Funds	65,743,094	47,223,691	30,301,802
Pooled Domestic Fixed Income Funds	65,846,694	51,435,755	51,448,233
Pooled Global Fixed Income Funds	9,596,044	8,407,586	4,542,614
Pooled Alternative Investment Funds	16,803,728	11,866,457	27,205,306
Pooled Real Estate Funds	21,952,991	26,647,665	33,076,292
Hedge Funds	12,097,857	16,280,295	0
PRIT Cash Fund	0	0	0
PRIT Core Fund	701,541	866,829	713,641
Interest Due and Accrued	533	792	7,441
Prepaid Expenses	0	0	0
Accounts Receivable	3,579,296	3,858,546	3,148,384
Premises and Equipment, Net	0	0	0
Accounts Payable	(80,051)	(99,574)	(85,908)
Total	$274,767,511	$257,134,502	$228,408,795
Fund Balances:			
Annuity Savings Fund	$74,025,983	$70,030,380	$66,131,748
Annuity Reserve Fund	32,481,598	34,379,451	35,126,277
Pension Fund	16,376,417	16,259,713	2,824,871
Military Service Fund	6,420	6,400	6,369
Expense Fund	0	0	0
Pension Reserve Fund	151,877,093	136,458,558	124,319,531
Total	$274,767,511	$257,134,502	$228,408,795

STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2008)	$62,225,368	$36,677,760	$13,741,686	$6,331	$0	$202,449,112	$315,100,257
Receipts	7,865,010	1,073,715	21,774,048	38	1,369,278	(78,129,803)	(46,047,714)
Interfund Transfers	(2,559,551)	2,559,329	0	0	0	222	(0)
Disbursements	(1,399,079)	(5,184,527)	(32,690,863)	0	(1,369,278)	0	(40,643,747)
Ending Balance (2008)	66,131,748	35,126,277	2,824,871	6,369	0	124,319,531	228,408,795
Receipts	7,731,137	1,033,027	22,004,137	32	1,254,555	37,242,986	69,265,874
Interfund Transfers	(3,432,292)	3,432,073	25,104,178	0	0	(25,103,959)	0
Disbursements	(400,213)	(5,211,926)	(33,673,473)	0	(1,254,555)	0	(40,540,167)
Ending Balance (2009)	70,030,380	34,379,451	16,259,713	6,400	0	136,458,558	257,134,502
Receipts	7,396,277	988,814	22,236,025	19	1,304,933	27,473,938	59,400,006
Interfund Transfers	(2,532,333)	2,531,978	12,055,757	0	0	(12,055,402)	0
Disbursements	(868,341)	(5,418,645)	(34,175,077)	0	(1,304,933)	0	(41,766,997)
Ending Balance (2010)	$74,025,983	$32,481,598	$16,376,417	$6,420	($0)	$151,877,093	$274,767,511

STATEMENT OF RECEIPTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2010	2009	2008
Annuity Savings Fund:			
Members Deductions	$6,990,726	$7,174,222	$6,788,255
Transfers from Other Systems	40,571	129,030	508,619
Member Make Up Payments and Re-deposits	80,906	48,713	125,597
Member Payments from Rollovers	69,742	60,429	83,880
Investment Income Credited to Member Accounts	214,331	318,744	358,659
Sub Total	7,396,277	7,731,137	7,865,010
Annuity Reserve Fund:			
Investment Income Credited to the Annuity Reserve Fund	988,814	1,033,027	1,073,715
Pension Fund:			
3 (8) (c) Reimbursements from Other Systems	945,357	971,895	509,922
Received from Commonwealth for COLA and Survivor Benefits	420,373	414,665	903,372
Pension Fund Appropriation	20,870,295	20,611,577	20,360,753
Settlement of Workers' Compensation Claims	0	6,000	0
Sub Total	22,236,025	22,004,137	21,774,048
Military Service Fund:			
Contribution Received from Municipality on Account of Military Service	0	0	0
Investment Income Credited to the Military Service Fund	19	32	38
Sub Total	19	32	38
Expense Fund:			
Expense Fund Appropriation	0	0	0
Investment Income Credited to the Expense Fund	1,304,933	1,254,555	1,369,278
Sub Total	1,304,933	1,254,555	1,369,278
Pension Reserve Fund:			
Federal Grant Reimbursement	66,395	52,593	63,196
Pension Reserve Appropriation	0	0	0
Interest Not Refunded	9,734	2,882	6,160
Miscellaneous Income	35	0	0
Excess Investment Income (Loss)	27,397,773	37,187,510	(78,199,159)
Sub Total, Net	27,473,938	37,242,986	(78,129,803)
Total Receipts, Net	$59,400,006	$69,265,874	($46,047,714)

STATEMENT OF DISBURSEMENTS

	FOR THE PERIOD ENDING DECEMBER 31,		
	2010	2009	2008
Annuity Savings Fund:			
Refunds to Members	$459,668	$288,972	$486,776
Transfers to Other Systems	408,674	111,242	912,303
Sub Total	868,341	400,213	1,399,079
Annuity Reserve Fund:			
Annuities Paid	5,287,054	5,179,087	5,064,933
Option B Refunds	131,592	32,839	119,594
Sub Total	5,418,645	5,211,926	5,184,527
Pension Fund:			
Pensions Paid:			
Regular Pension Payments	24,381,890	24,476,829	23,583,745
Survivorship Payments	1,582,292	1,415,980	1,414,559
Ordinary Disability Payments	134,411	131,754	144,247
Accidental Disability Payments	5,193,400	4,910,972	4,963,552
Accidental Death Payments	1,762,104	1,629,634	1,534,754
Section 101 Benefits	124,838	118,508	123,346
3 (8) (c) Reimbursements to Other Systems	751,500	743,210	679,375
State Reimbursable COLA's Paid	244,643	246,586	247,285
Chapter 389 Beneficiary Increase Paid			
Sub Total	34,175,077	33,673,473	32,690,863
Military Service Fund:			
Return to Municipality for Members Who Withdrew Their Funds	0	0	0
Expense Fund:			
Board Member Stipend	15,000	12,500	14,000
Salaries	253,540	248,305	243,886
Legal Expenses	45,156	35,592	26,333
Medical Expenses	133	106	50
Travel Expenses	6,109	4,244	10,575
Administrative Expenses	18,760	21,039	61,533
Professional Services	23,671	13,375	0
Education and Training	3,345	2,619	0
Furniture and Equipment	2,212	0	1,960
Management Fees	747,689	714,323	798,097
Custodial Fees	24,503	27,488	26,659
Consultant Fees	88,000	80,083	88,417
Rent Expenses	53,023	51,158	49,715
Service Contracts	0	21,774	27,240
Fiduciary Insurance	23,793	21,949	20,814
Depreciation	0	0	0
Sub Total	1,304,933	1,254,555	1,369,278
Total Disbursements	$41,766,997	$40,540,167	$40,643,747

INVESTMENT INCOME

	FOR THE PERIOD ENDING DECEMBER 31, 2010	2009	2008
Investment Income Received From:			
Cash	$5,346	$20,712	$65,846
Short Term Investments	0	0	0
Fixed Income	0	0	0
Equities	67,384	91,504	142,477
Pooled or Mutual Funds	1,039,555	1,042,219	1,724,700
Commission Recapture	0	0	0
Total Investment Income	1,112,284	1,154,436	1,933,024
Plus:			
Realized Gains	1,750,189	209,894	993,727
Unrealized Gains	66,206,166	70,845,755	24,930,105
Interest Due and Accrued - Current Year	533	792	7,441
Sub Total	67,956,888	71,056,441	25,931,272
Less:			
Paid Accrued Interest on Fixed Income Securities	0	0	0
Realized Loss	(817,694)	(856,767)	(2,274,620)
Unrealized Loss	(38,345,257)	(31,552,801)	(100,980,677)
Interest Due and Accrued - Prior Year	(792)	(7,441)	(6,468)
Sub Total	(39,163,742)	(32,417,008)	(103,261,764)
Net Investment Income (Loss)	29,905,429	39,793,868	(75,397,468)
Income Required:			
Annuity Savings Fund	214,331	318,744	358,659
Annuity Reserve Fund	988,814	1,033,027	1,073,715
Military Service Fund	19	32	38
Expense Fund	1,304,933	1,254,555	1,369,278
Total Income Required	2,508,098	2,606,358	2,801,691
Net Investment Income (Loss)	29,905,429	39,793,868	(75,397,468)
Less: Total Income Required	2,508,098	2,606,358	2,801,691
Excess Income (Loss) To The Pension Reserve Fund	$27,397,331	$37,187,510	($78,199,159)

SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

	AS OF DECEMBER 31, 2010	
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	$2,316,538	0.9%
Short Term	0	0.0%
Fixed Income	0	0.0%
Pooled Domestic Equity Funds	76,209,247	28.1%
Pooled International Equity Funds	65,743,094	24.2%
Pooled Domestic Fixed Income Funds	65,846,694	24.3%
Pooled Global Fixed Income Funds	9,596,044	3.5%
Pooled Alternative Investment Funds	16,803,728	6.2%
Pooled Real Estate Funds	21,952,991	8.1%
Hedge Funds	12,097,857	4.5%
PRIT Cash Fund	0	0.0%
PRIT Core Fund	701,541	0.3%
Grand Total	$271,267,733	100.0%

For the year ending December 31, 2010, the rate of return for the investments of the Quincy Retirement System was 12.68%. For the five-year period ending December 31, 2010, the rate of return for the investments of the Quincy Retirement System averaged 3.92%. For the twenty-six year period ending December 31, 2010, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Quincy Retirement System was 8.5%.

The composite rate of return for all retirement systems for the year ending December 31, 2010 was 13.67%. For the five-year period ending December 31, 2010, the composite rate of return for the investments of all retirement systems averaged 4.39%. For the twenty-six year period ending December 31, 2010, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.46%.

SUPPLEMENTARY INVESTMENT REGULATIONS

The Quincy Retirement System submitted the following supplementary investment regulations, which were approved by the Public Employee Retirement Administration Commission on:

January 5, 2012

In relation to the investment of the Quincy Retirement System ("System") in Loomis Sayles High Yield Conservative Trust ("Fund"), a constituent investment fund of the Loomis Sayles Trust Company LLC Collective Trust for Employee Benefit Plans ("Trust"), the following will apply:

840 CMR 16.02(5) with respect to indemnification obligations shall not apply to the extent that the System is subject to indemnification obligations as set forth in Section 5(h) of the Adoption Agreement for failure of representations and warranties made by the System to be true and accurate in all respects.

840 CMR 21.01(1) shall not apply to such purchases provided the purchase is made for the purpose of managing default risk and credit exposure, managing duration and yield curve exposure and otherwise to manage the risk of the Fund.

840 CMR 21.01(2) shall not apply to such sales provided the sale is made for the purpose of managing default risk and credit exposure, managing duration and yield curve exposure and otherwise to manage the risk of the Fund.

840 CMR 21.01(3) shall not apply to such contracts provided the contract is entered into for the purpose of managing default risk and credit exposure, managing duration and yield curve exposure and otherwise to manage the risk of the Fund.

840 CMR 21.01(4) shall not apply to such options provided the option is written for the purpose of managing default risk and credit exposure, managing duration and yield curve exposure and otherwise to manage the risk of the Fund.

840 CMR 21.01(5) shall not apply to such purchases provided the purchase is made for the purpose of managing default risk and credit exposure, managing duration and yield curve exposure and otherwise to manage the risk of the Fund.

January 26, 2011

16.08

In accordance with Investment Guideline 99-2, the Quincy Retirement Board is authorized to make a modest modification to its fixed income mandate with State Street Global Advisors. In order to reduce the risk of capital losses arising from higher interest rates, the Board is decreasing its existing allocation to the SSgA Aggregate Bond Index Fund and initiating a position in the SSgA U.S. 1-3 Year Government/Credit Bond Strategy. The Board's consultant solicited and considered proposals from other prominent providers of similar short-term strategies before concluding that SSgA's product was the best fit for the Board.

June 3, 2010

16.08

In accordance with Investment Guideline 99-2, the Quincy Retirement Board is authorized to make a modest modification to its small cap equity management mandate with Earnest Partners. In transferring its assets from the existing separate account to Earnest Partners' small cap value mutual fund, the Board will achieve a substantial reduction in fees as well as bring its overall small cap allocation back to a neutral orientation.

May 20, 2010
21.01
Notwithstanding the provisions of any statute or regulations of the Public Employee Retirement Administration Commission to the contrary, including the provisions of 840 CMR 21.01 et seq., the Quincy Retirement Board is hereby granted an exemption from restrictions on investment and may invest a portion of the funds of the Quincy Retirement System (the "System") in the fund known as the Adams Street Partnership Fund Program 2010.

January 14, 2010
19.01
For the purpose of further diversifying its portfolio and enhancing its long-term performance, the Quincy Retirement Board is authorized to increase its holdings in alternative investments from 5% to 6%. The Board has been successfully investing in this asset class since 2001.

August 4, 2009
16.08
The Quincy Retirement Board is authorized to invest in State Street Global Advisors' MSCI-EAFE Index Fund. In accordance with PERAC's generally accepted practice with regard to the selection of broad market index products, the Board did not issue a formal RFP for this search but objectively considered the investment and fee characteristics of several major index providers obtained through solicitation by its investment consultant. The Board provided PERAC with a summary of this evaluation. The SSgA fund compared favorably to that of the other respondents and will serve to complement the Board's other SSgA index fund holdings

June 16, 2009

(1) Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, the Quincy Retirement Board may invest funds of the Quincy Retirement System (the "System") in the fund known as TA Realty Associates Fund IX (consisting of Realty Associates Fund IX Corporation and TA Realty Associates Fund IX, L.P., collectively, the "Fund"), and while the assets of the System are so invested, the assets of the System shall be deemed to include, for purposes of applying the rules set forth in 840 CMR 16.00 et seq., 17.00 et seq., and 840 CMR 21.01, the System's interest in the Fund but not any of the underlying assets of the Fund; provided that, at all times, either (A) less than twenty-five percent (25%) of each class of equity interest in the Fund is held by "benefit plan investors" (within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the regulations promulgated thereunder), or (B) the Fund qualifies as a "venture capital operating company" and/or "real estate operating company" within the meaning of ERISA and the regulations promulgated thereunder.

(2) The limitations and restrictions of 840 CMR Section 19.01(6) shall not apply to the Fund for the two-year period commencing on the date of the Fund's initial investment.

SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

May 28, 2009
16.08
In accordance with Investment Guideline 99-2, the Quincy Retirement Board is making a modest modification to its passive fixed income mandate with State Street Global Advisors. In order to maintain daily liquidity, the Board will transfer assets from the securities-lending version of SSgA's Passive Bond Market Index Fund to the non securities-lending version.

March 4, 2008
Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, including 840 CMR 21.01(6), the City of Quincy Retirement Board may exercise its investment discretion to invest funds of the City of Quincy Retirement System (the "system") in the shares of a real estate investment trust known as Hancock Timberland IX Inc. (the "Fund"), as contemplated by 840 CMR 19.01(6), and while funds of the System are invested in shares of the Fund, for purposes of applying the rules set forth in 840 CMR 16.00 et seq. and 17.00 et seq., investments of the System shall not be deemed to include any of the underlying assets of the Fund, but shall only include the shares of the Fund; provided that at all times the Fund qualifies as a "real estate operating company" within the meaning of the Employee Retirement Security Act of 1974, as amended ("ERISA") and the regulations promulgated thereunder, or the assets of the Fund are otherwise not treated as "plan assets" of the System and that fees paid to the advisor of the Fund be exempt from 840 CMR 19.01(7)(a)(6) as they are consistent with industry practice.

January 2, 2008
19.00
Notwithstanding the provisions of Public Employee Retirement Administration Commission regulations, the Quincy Retirement Board may invest funds of the Quincy Retirement System ("System") in the fund known as UBS (US) Trumbull Property Income Fund LP ("Fund"), and while the assets of the System are so invested, the assets of the System shall be deemed to include, for purposes of applying the rules set forth in 840 CMR 16.00 et seq. and 17.00 et seq., the System's interest in the Fund but not any of the underlying assets of the Fund; provided that, at all times the Fund qualifies as a "venture capital operating company" within the meaning of the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

June 4, 2007
17.03
Notwithstanding the provisions of the Public Employee Retirement Administration Commission regulations, the Quincy Retirement Board may invest funds of the Retirement System (the "System") in the fund known as the Institutional Retirement Trust (IRT) International Equity Trust (the "Fund"), and effective as of the date of the initial investment by the System of any of its assets in the Fund, while the assets of the System are so invested, the activities and investments of the Fund, directly or indirectly, shall be deemed to satisfy the prohibited transaction rules set forth in 840 CMR 16.00 et seq. and 840 CMR 17.03 to the extent such activities satisfy the prohibited transaction rules set forth in Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), taking into account ERISA Section 408(b)(8) as well as other statutory exemptions under ERISA, and Prohibited Transaction Class Exemption 84-14, as amended, Prohibited Transaction Class Exemption 91-38, and other available class exemptions.

SUPPLEMENTARY INVESTMENT REGULATIONS (Continued)

December 4, 2006
16.08
In accordance with Investment Guideline 99-2, the Quincy Retirement Board is authorized to modify its passive fixed income management mandate with State Street Global Advisors. The Board's current investment in SSgA's Lehman Index strategy will be supplemented by an allocation to SSgA's TIPS Index strategy. This allocation will give the Board additional diversification within its fixed income portfolio as well as an inflation hedge. The Board and its consultant have determined that, on the basis of both investment capability and fees, the SSgA fund is the best option by which to achieve this objective

March 30, 2006
19.01(6)
Notwithstanding the provisions of Public Employee Retirement Administration Commission regulations, the Quincy Retirement Board may invest funds of the Quincy Retirement System (the "System") in the fund known as AEW Partners V, L.P. ("the Fund"), and while the funds of the System are so invested, the assets of the System shall be deemed to include, for purposes of applying the rules set forth in 840 CMR 16.00 et seq. and 17.00 et seq.; the System's interest in the Fund but not any of the underlying assets of the Fund; provided that, at all times, the Fund qualified as a "venture capital operating company" or "real estate operating company" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations promulgated thereunder.

The Limitations and restrictions of 840 CMR Section 19.01(6) shall not apply to the Fund for the two-year period commencing on the date of the Fund's initial investment.

March 23, 2005
16.08
In accordance with Investment Guideline 99-2, the Quincy Retirement System is authorized to modify its large cap equity index mandate with RhumbLine Advisors. Both the S&P 500 Index and the Russell 1000 Index track the universe of large capitalization stocks, and the performance of the two indices are very similar over time. Investing concurrently in the Value and Growth sub-indices of the Russell 1000 will give the Board the flexibility to periodically re-balance between the two sub-indices and should increase returns over time. Thus, the Board is transferring its assets from RhumbLine's S&P 500 Fund to approximately equal-weighted investments in RhumbLine's Russell 1000 Growth Fund and Russell 1000 Value Fund. The Board has had a satisfactory relationship with RhumbLine since 1992

November 25, 2003
16.08
In accordance with PERAC Investment Guideline 99-2, the Quincy Retirement Board is authorized to modify its existing fixed income mandate with State Street Global Advisors. In transferring from SSGA's Government/Credit index strategy to its Lehman Aggregate index strategy, the board will be adding exposure to mortgage-backed securities. This added diversification will reduce the account's duration or interest-rate sensitivity.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF PLAN PROVISIONS

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

ADMINISTRATION

There are 105 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board, and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements, and a uniform accounting and funds structure for all systems.

PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal, or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 3 classes of membership in the Retirement System:

Group 1:

General employees, including clerical, administrative, technical, and all other employees not otherwise classified.

Group 2:

Certain specified hazardous duty positions.

Group 4:

Police officers, firefighters, and other specified hazardous positions.

NOTES TO FINANCIAL STATEMENTS (Continued)

MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of $30,000.

RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

SUPERANNUATION RETIREMENT

A member is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2

NOTES TO FINANCIAL STATEMENTS (Continued)

AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year average salary. For veterans as defined in G.L. c. 32, § 1, there is an additional benefit of $15 per year for each year of creditable service, up to a maximum of $300.

- Salary is defined as gross regular compensation. For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17).

- Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last three years (whether or not consecutive) preceding retirement.

- The Benefit Rate varies with the member's retirement age, but the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.

DEFERRED VESTED BENEFIT

A participant who has completed 10 or more years of creditable service is eligible for a deferred vested retirement benefit. Members who were hired prior to 1978 may be vested after 6 years in accordance with G.L. c. 32, §. 10.

The participant's accrued benefit is payable commencing at age 55, or the completion of 20 years, or may be deferred until later at the participant's option.

WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

NOTES TO FINANCIAL STATEMENTS (Continued)

DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

ORDINARY DISABILITY

Eligibility: Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, § 6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to employees classified in Group 4 who are subject to mandatory retirement.

Retirement Allowance: Equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

ACCIDENTAL DISABILITY

Eligibility: Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

Retirement Allowance: 72% of salary plus an annuity based on accumulated member contributions, with interest. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of $751.80 per year (or $312 per year in systems in which the local option contained in G.L. c. 32, § 7(2)(a)(iii) has not been adopted), per child who is under 18 at the time of the member’s retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. For systems that have adopted Chapter 157 of the Acts of 2005, veterans as defined in G.L. c. 32, §. 1 receive an additional benefit of $15 per year for each year of creditable service, up to a maximum of $300.

ACCIDENTAL DEATH

Eligibility: Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

Allowance: An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of $751.80 per year, per child (or $312 per year in systems in which the local option contained in G.L. c. 32, §. 9(2)(d)(ii) has not been adopted) payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries resulting in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death.

In addition, an eligible family member may receive a one time payment of $100,000 from the State Retirement Board.

DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of $6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is $9,000.

DEATH IN ACTIVE SERVICE

Allowance: An immediate allowance equal to that which would have been payable had the member retired and elected Option C on the day before his or her death. For death occurring prior to the member's superannuation retirement age, the age 55 benefit rate is used. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is $3,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

The surviving spouse of such a member in service receives an additional allowance equal to the sum of $1,440 per year for the first child, and $1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. The first $12,000 of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, § 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of $1,000. Presently that amount is $12,000. Each increase must be accepted by a majority vote of the Retirement Board and approved by the legislative body.

METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

Option A: Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

Option B: A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

Option C: A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is unmarried at the time of retirement for a member whose retirement becomes effective on or after February 2, 1992, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

ALLOCATION OF PENSION COSTS

If a member's total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member's service within each retirement system.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair market value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23 (2) generally govern the investment practices of the system. The Board (retains an investment consultant to closely monitor the implementation and performance of their investment strategy and advise them of the) (primarily relies upon the investment strategy of the PRIM Board to maintain their) progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

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

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

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Quincy Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission on:

March 29, 2010
Membership:

EMPLOYEES WHO EARN LESS THAN $5,000.00 PER ANNUM

Consistent with the provisions of G.L. c, 32, § 4(1)(o) which was enacted by the passage of Chapter 21 of the Acts of 2009, §5, employees who earn less than $5,000 in a position shall be precluded from membership in the Quincy Retirement System.

The Quincy Retirement System will not accept liability under M.G.L. Chapter 32, § 3(8)(c) from the date of the acceptance of this supplemental regulation, and going forward into the future.

December 12, 1984
Regular Employed:

Full-time Employees: Obliged to join immediately.

Temporary Employees: Obliged to join after six (6) months.
Part-time Employees:

a. Obliged to join immediately if working 24 hours or more per week on a permanent basis.

b. Obliged to join after six (6) months if working 24 hours or more per week on a temporary basis.

Members of the Retirement System have to resign or be discharged in order to withdraw their funds.

Membership must be continued regardless of reduction of hours.

Employees who work 24 hours or more per week must join the Retirement System.

Creditable Service will be pro-rated using a full-time work schedule for the position as a base to calculate part-time credit.

August 12, 2002
Travel Regulations:

The Quincy Retirement System has adopted Travel Supplemental Regulations under the provisions of G.L. c. 7, § 50 and G.L. c. 32, § 21(4). Regulations available upon written request, and are also available on the PERAC website http://www.mass.gov/perac/Quincy.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the City Auditor who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member:	Susan O'Connor		
Appointed Member:	Robert E. Foy, III	Until a successor is appointed	
Elected Member:	Richard P. Crespi	Term Expires:	12/16/2013
Elected Member:	George F. McCray Chairman	Term Expires:	11/19/2011
Appointed Member:	Richard D. Fitzpatrick	Term Expires:	01/31/2014

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:	)	$50,000,000 Fiduciary Liability
Ex-officio Member:	)	$1,000,000 Fidelity (ERISA) Bond
Elected Members:	)	MACRS Blanket Policy:
Appointed Members:	)	Issued as a Rider: St. Paul Travelers
Staff Employees:		Insurance Company, National Union
		Fire, Arch Insurance Company

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Stone Consulting, Inc. as of January 1, 2010.

The actuarial liability for active members was	$188,422,067
The actuarial liability for terminated members was	3,450,231
The actuarial liability for retired members was	348,041,240
The total actuarial liability was	$539,913,538
System assets as of that date were	257,134,502
The unfunded actuarial liability was	$282,779,036
The ratio of system's assets to total actuarial liability was	47.6%
As of that date the total covered employee payroll was	$76,888,323

The normal cost for employees on that date was	9.1% of payroll
The normal cost for the employer was	3.0% of payroll

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

Investment Return:	8.125% per annum
Rate of Salary Increase:	4.00% per annum ultimate rate

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION
AS OF JANUARY 1, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2010	$257,134,502	$539,913,538	$282,779,036	47.8%	$76,888,323	367.8%
1/1/2007	$307,082,089	$472,269,186	$165,187,097	65.0%	$66,709,914	247.6%
1/1/2005	$276,793,988	$474,568,932	$197,774,944	58.3%	$59,492,900	332.4%
1/1/2003	$231,277,798	$436,352,345	$205,074,547	53.0%	$58,949,749	347.9%

NOTE 6 - MEMBERSHIP EXHIBIT

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Retirement in Past Years										
Superannuation	21	14	43	17	32	6	22	28	9	27
Ordinary Disability	0	1	0	0	0	0	0	0	0	0
Accidental Disability	6	1	2	2	5	1	3	4	1	4
Total Retirements	27	16	45	19	37	7	25	32	10	31
Total Retirees, Beneficiaries and Survivors	1,746	1,891	2,028	1,835	1,888	1,732	1,801	1,791	1,625	1,691
Total Active Members	1,849	1,726	1,425	1,350	1,408	1,444	1,461	1,492	1,433	1,352
Pension Payments										
Superannuation	$16,452,157	$18,473,420	$20,171,841	$22,179,164	$23,287,201	$23,595,901	$23,612,544	$23,583,745	$24,476,829	$24,381,890
Survivor/Beneficiary Payments	1,043,779	1,187,369	1,229,508	1,240,110	1,302,475	1,326,473	1,406,047	1,414,559	1,415,980	1,582,292
Ordinary Disability	200,042	183,744	173,713	146,145	129,654	141,941	141,239	144,247	131,754	134,411
Accidental Disability	3,268,475	3,420,942	3,793,230	4,248,811	4,392,078	4,704,864	4,770,112	4,963,552	4,910,972	5,193,400
Other	1,855,957	1,890,291	2,182,491	2,229,640	2,494,473	2,588,220	2,437,269	2,584,760	2,737,938	2,883,085
Total Payments for Year	$22,820,410	$25,155,766	$27,550,783	$30,043,870	$31,605,881	$32,357,399	$32,367,211	$32,690,863	$33,673,473	$34,175,077

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – LEASED PREMISES

The Quincy Retirement Board leases approximately 2,056 square feet of space for its offices located at Suite 506-S, 1250 Hancock Street, Quincy, Massachusetts 02169. They signed an initial 5-year lease term commencing August 1, 2002 which expired July 31, 2007. A first amendment to the lease was signed June 30, 2007 extending the lease to July 31, 2012 ($23.00 per sq ft). A second amendment to the lease extends the lease to July 31, 2017 at the same rate. The landlord is TR Presidents Place Corporation.

The following schedule displays the minimum lease obligations on non-cancelable operating leases as of December 31, 2010. This does not include escalators for operating expenses and Real Estate Taxes:

For the year ending:	Annual Rent
2011	$47,288.00
2012	47,288.00
2013	47,288.00
2014	47,288.00
2015	47,288.00
2016	47,288.00
2017 through July 31, 2017	27,584.49
Total future minimum lease payments required	$311,312.69

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