

**FRANKLIN REGIONAL
RETIREMENT SYSTEM**

Independent Auditors' Report on
Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer

For the Year Ended December 31, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Schedule of Employer Allocations	3
Schedule of Pension Amounts by Employer	4

Additional Offices:

Nashua, NH
Manchester, NH
Andover, MA
Ellsworth, ME

INDEPENDENT AUDITOR'S REPORT

To the Retirement Board
Franklin Regional Retirement System

Report on Schedules

We have audited the accompanying schedule of employer allocations of Franklin Regional Retirement System as of and for the year ended December 31, 2013 and 2014. We have also audited the columns titled net pension liability, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and plan pension expense (specified column totals) included in the accompanying schedule of collective pension amounts of Franklin Regional Retirement System as of and for the year ended December 31, 2014 and December 31, 2013 for the total of the column titled 12/31/13 Net Pension Liability.

Management's Responsibility for the Schedules

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 the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of collective pension amounts 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 collective pension amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts. 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 specified column totals included in the schedule of collective pension amounts, 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 employer allocations and specified column totals included in the schedule of collective pension amounts 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 specified column totals included in the schedule of collective pension amounts.

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability as of and for the years ended December 31, 2013 and 2014, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and plan pension expense for Franklin Regional Retirement System as of and for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Restriction on Use

Our report is intended solely for the information and use of Franklin Regional Retirement System management, the Retirement Board, System employers as of and for the year ended December 31, 2014 and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Melanson Heath

September 30, 2015

**FRANKLIN REGIONAL RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS**

<u>Employer</u>	<u>FY 2015</u>		<u>FY 2014</u>	
	<u>Pension Fund Appropriation</u>	<u>Employer Allocation Percentage</u>	<u>Pension Fund Appropriation</u>	<u>Employer Allocation Percentage</u>
Town of Ashfield	\$ 74,747	1.31%	\$ 73,063	1.33%
Town of Bernardston	81,023	1.42%	78,556	1.43%
Bernardston Fire & Water District	2,853	0.05%	2,747	0.05%
Town of Buckland	99,282	1.74%	96,136	1.75%
Town of Charlemont	58,200	1.02%	56,583	1.03%
Town of Colrain	62,764	1.10%	60,428	1.10%
Town of Conway	146,641	2.57%	142,830	2.60%
Town of Deerfield	460,463	8.07%	449,365	8.18%
Town of Erving	235,081	4.12%	232,923	4.24%
Franklin County Regional Housing Authority	231,087	4.05%	218,640	3.98%
Franklin County Solid Waste Management District	22,253	0.39%	21,424	0.39%
Franklin Regional Council of Governments	395,416	6.93%	388,387	7.07%
Franklin Regional Transit Authority	53,064	0.93%	56,583	1.03%
Frontier Regional School District	334,363	5.86%	326,861	5.95%
Town of Gill	69,611	1.22%	68,668	1.25%
Hawlemont Regional School District	50,782	0.89%	48,342	0.88%
Town of Hawley	21,112	0.37%	20,875	0.38%
Town of Heath	46,217	0.81%	45,596	0.83%
Town of Leverett	161,476	2.83%	153,267	2.79%
Town of Leyden	22,253	0.39%	21,974	0.40%
Mahar Regional School District	247,064	4.33%	225,781	4.11%
Mohawk Regional School District	515,239	9.03%	480,678	8.75%
Town of Monroe	17,118	0.30%	15,382	0.28%
Town of New Salem	38,229	0.67%	36,806	0.67%
New Salem/Wendell Union School District	108,411	1.90%	105,474	1.92%
Town of Northfield	146,641	2.57%	143,929	2.62%
Town of Orange	740,049	12.97%	701,515	12.77%
Orange Housing Authority	8,559	0.15%	8,240	0.15%
Pioneer Valley Regional School District	378,869	6.64%	362,568	6.60%
Town of Rowe	110,694	1.94%	106,573	1.94%
Town of Shelburne	98,711	1.73%	93,938	1.71%
Shelburne Falls Fire District	37,659	0.66%	35,707	0.65%
Town of Shutesbury	151,776	2.66%	145,577	2.65%
South Deerfield Fire District	10,271	0.18%	10,438	0.19%
South Deerfield Water Supply District	22,823	0.40%	21,424	0.39%
Town of Sunderland	213,399	3.74%	204,906	3.73%
Town of Warwick	45,076	0.79%	45,046	0.82%
Town of Wendell	35,376	0.62%	34,609	0.63%
Town of Whately	151,205	2.65%	151,619	2.76%
Total	\$ 5,705,857	100.00%	\$ 5,493,458	100.00%

See actuarial assumptions in the Franklin Regional Retirement System audited financial statements.

**FRANKLIN REGIONAL RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

As of and for the year ended December 31, 2014

Entity	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense				
	12/31/13 Net Pension Liability	12/31/14 Net Pension Liability	Net Difference Between Projected Differences Between Expected and Actual Experience	Total Deferred Outflows of Investment Earnings on Pension Plans	Changes of Assumptions	Total Deferred Inflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Total Employer Pension Expense
Town of Ashfield	\$ 507,694	\$ 491,699	\$ -	\$ 3,212	\$ -	\$ 3,212	\$ -	\$ -	\$ -	\$ 59,405	\$ 59,405
Town of Bernardston	545,866	532,987	-	3,482	-	3,482	-	-	-	64,393	64,393
Bernardston Fire & Water District	19,086	18,767	-	123	-	123	-	-	-	2,267	2,267
Town of Buckland	668,018	653,096	-	4,267	-	4,267	-	-	-	78,904	78,904
Town of Charlemont	393,176	382,850	-	2,501	-	2,501	-	-	-	46,254	46,254
Town of Colrain	419,897	412,877	-	2,697	-	2,697	-	-	-	49,882	49,882
Town of Conway	992,484	964,631	-	6,302	-	6,302	-	-	-	116,543	116,543
Town of Deerfield	3,122,508	3,029,016	-	19,789	-	19,789	-	-	-	365,953	365,953
Town of Erving	1,618,513	1,546,412	-	10,103	-	10,103	-	-	-	186,831	186,831
Franklin County Regional Housing Authority	1,519,265	1,520,138	-	9,931	-	9,931	-	-	-	183,657	183,657
Franklin County Solid Waste Management District	148,873	146,384	-	956	-	956	-	-	-	17,685	17,685
Franklin Regional Council of Governments	2,698,794	2,601,125	-	16,994	-	16,994	-	-	-	314,257	314,257
Franklin Regional Transit Authority	393,176	349,069	-	2,281	-	2,281	-	-	-	42,173	42,173
Frontier Regional School District	2,271,262	2,199,508	-	14,370	-	14,370	-	-	-	265,735	265,735
Town of Gill	477,156	457,918	-	2,992	-	2,992	-	-	-	55,324	55,324
Hawlemont Regional School District	335,918	334,055	-	2,182	-	2,182	-	-	-	40,359	40,359
Town of Hawley	145,055	138,877	-	907	-	907	-	-	-	16,779	16,779
Town of Heath	316,832	304,028	-	1,986	-	1,986	-	-	-	36,731	36,731
Town of Leverett	1,065,012	1,062,220	-	6,940	-	6,940	-	-	-	128,333	128,333
Town of Leyden	152,690	146,384	-	956	-	956	-	-	-	17,685	17,685
Mahar Regional School District	1,568,889	1,625,234	-	10,618	-	10,618	-	-	-	196,354	196,354
Mohawk Regional School District	3,340,092	3,389,345	-	22,143	-	22,143	-	-	-	409,487	409,487
Town of Monroe	106,883	112,603	-	736	-	736	-	-	-	13,604	13,604
Town of New Salem	255,756	251,480	-	1,643	-	1,643	-	-	-	30,383	30,383
New Salem/Wendell Union School District	732,912	713,151	-	4,659	-	4,659	-	-	-	86,160	86,160
Town of Northfield	100,119	964,631	-	6,302	-	6,302	-	-	-	116,543	116,543
Town of Orange	4,874,625	4,868,195	-	31,805	-	31,805	-	-	-	588,155	588,155
Orange Housing Authority	57,259	56,301	-	368	-	368	-	-	-	6,802	6,802
Pioneer Valley Regional School District	2,519,383	2,492,276	-	16,283	-	16,283	-	-	-	301,106	301,106
Town of Rowe	740,546	728,165	-	4,757	-	4,757	-	-	-	87,974	87,974
Town of Shelburne	652,749	649,343	-	4,242	-	4,242	-	-	-	78,451	78,451
Shelburne Falls Fire District	248,121	247,726	-	1,618	-	1,618	-	-	-	29,929	29,929
Town of Shutesbury	1,011,571	998,412	-	6,523	-	6,523	-	-	-	120,624	120,624
South Deerfield Fire District	72,528	67,562	-	441	-	441	-	-	-	8,163	8,163
South Deerfield Water Supply District	148,873	150,137	-	981	-	981	-	-	-	18,139	18,139
Town of Sunderland	1,423,833	1,403,782	-	9,171	-	9,171	-	-	-	169,599	169,599
Town of Warwick	313,014	296,521	-	1,937	-	1,937	-	-	-	35,824	35,824
Town of Wendell	240,487	232,712	-	1,520	-	1,520	-	-	-	28,115	28,115
Town of Whately	1,053,560	994,658	-	6,498	-	6,498	-	-	-	120,170	120,170
Total for All Entities	\$ 38,172,475	\$ 37,534,273	\$ -	\$ 245,221	\$ -	\$ 245,221	\$ -	\$ -	\$ -	\$ 4,534,735	\$ 4,534,735

(Continued)

**FRANKLIN REGIONAL RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT SYSTEM**

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)

As of and for the year ended December 31, 2014

<u>Entity</u>	<u>Deferred Outflows Recognized in Future Pension Expense</u>				<u>Covered Employer Payroll</u>
	<u>30-Jun 2016</u>	<u>30-Jun 2017</u>	<u>30-Jun 2018</u>	<u>30-Jun 2019</u>	
Town of Ashfield	\$ 803	\$ 803	\$ 803	\$ 803	\$ 404,196
Town of Bernardston	870	870	870	870	438,136
Bernardston Fire & Water District	31	31	31	31	15,427
Town of Buckland	1,067	1,067	1,067	1,067	536,871
Town of Charlemont	625	625	625	625	314,718
Town of Colrain	674	674	674	674	339,401
Town of Conway	1,576	1,576	1,576	1,576	792,965
Town of Deerfield	4,947	4,947	4,947	4,947	2,489,970
Town of Erving	2,526	2,526	2,526	2,526	1,271,212
Franklin County Regional Housing Authority	2,483	2,483	2,483	2,483	1,249,613
Franklin County Solid Waste Management District	239	239	239	239	120,333
Franklin Regional Council of Governments	4,248	4,248	4,248	4,249	2,138,227
Franklin Regional Transit Authority	570	570	570	570	286,948
Frontier Regional School District	3,592	3,592	3,592	3,593	1,808,083
Town of Gill	748	748	748	748	376,427
Hawlemont Regional School District	546	546	546	546	274,606
Town of Hawley	227	227	227	227	114,162
Town of Heath	497	497	497	497	249,923
Town of Leverett	1,735	1,735	1,735	1,735	873,187
Town of Leyden	239	239	239	239	120,333
Mahar Regional School District	2,655	2,655	2,655	2,655	1,336,006
Mohawk Regional School District	5,536	5,536	5,536	5,536	2,786,175
Town of Monroe	184	184	184	184	92,564
Town of New Salem	411	411	411	411	206,726
New Salem/Wendell Union School District	1,165	1,165	1,165	1,165	586,238
Town of Northfield	1,576	1,576	1,576	1,576	792,965
Town of Orange	7,951	7,951	7,951	7,951	4,001,848
Orange Housing Authority	92	92	92	92	46,282
Pioneer Valley Regional School District	4,071	4,071	4,071	4,071	2,048,749
Town of Rowe	1,189	1,189	1,189	1,189	598,580
Town of Shelburne	1,061	1,061	1,061	1,061	533,786
Shelburne Falls Fire District	405	405	405	405	203,641
Town of Shutesbury	1,631	1,631	1,631	1,631	820,734
South Deerfield Fire District	110	110	110	110	55,538
South Deerfield Water Supply District	245	245	245	245	123,419
Town of Sunderland	2,292	2,292	2,292	2,292	1,153,964
Town of Warwick	484	484	484	484	243,752
Town of Wendell	380	380	380	380	191,299
Town of Whately	1,624	1,624	1,624	1,625	817,648
Total for All Entities	\$ <u>61,305</u>	\$ <u>61,305</u>	\$ <u>61,305</u>	\$ <u>61,306</u>	\$ <u>30,854,652</u>

See actuarial assumptions in the Franklin Regional Retirement System audited financial statements