

Hampshire County Retirement System

**Independent Auditors' Report and
Management's Schedule of
Employer Allocations and
Schedule of Pension Amounts
By Employer**

December 31, 2024

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

HAMPSHIRE COUNTY RETIREMENT SYSTEM

DECEMBER 31, 2024

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Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

www.rlbco.com
accting@rlbco.com

41 Bates Street
Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

To the Retirement Board of
Hampshire County Retirement System
Northampton, Massachusetts

Opinions

We have audited the schedule of employer allocations of Hampshire County Retirement System as of and for the year ended December 31, 2024, 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 (specified column totals) included in the accompanying schedule of pension amounts by employer of Hampshire County Retirement System as of and for the year ended December 31, 2024, and the related notes.

In our opinion, the accompanying 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 Hampshire County Retirement System, as of and for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of Hampshire County Retirement System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

Auditors' Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit 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 Hampshire County Retirement System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Hampshire County Retirement System as of and for the year ended December 31, 2024, and our report thereon, dated November 25, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of Hampshire County Retirement System management, Retirement Board, Hampshire 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.

Ron L. Beaulieu & Co.

Portland, Maine
November 25, 2025

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
AS OF AND YEAR ENDED DECEMBER 31,**

| | 2024 | |
|--|-------------------------------------|--------------------------------------|
| | Actual Employer Contributions | Employer Allocation Percentage |
| Employer | | |
| Hampshire County Group Insurance Trust | \$ 125,624 | 0.37371% |
| Town of Amherst | 8,350,575 | 24.84147% |
| Amherst Housing Authority | 275,604 | 0.81987% |
| Amherst-Pelham Regional School District | 2,023,933 | 6.02084% |
| Town of Belchertown | 4,497,658 | 13.37973% |
| Belchertown Housing Authority | - | 0.00000% |
| Belchertown Water District | 77,303 | 0.22996% |
| Town of Chesterfield | 125,624 | 0.37371% |
| Chesterfield/Goshen Regional School District | 92,565 | 0.27536% |
| Town of Cummington | 95,871 | 0.28520% |
| Foothills Health District | 67,220 | 0.19997% |
| Gateway Regional School District | 770,270 | 2.29142% |
| Town of Goshen | 92,565 | 0.27536% |
| Town of Granby | 1,578,752 | 4.69651% |
| Granby Housing Authority | 26,888 | 0.07999% |
| Town of Hadley | 2,140,733 | 6.36830% |
| Hadley Housing Authority | - | 0.00000% |
| Hampshire County Regional Housing Authority | - | 0.00000% |
| Hampshire County Regional School District | 596,479 | 1.77442% |
| Town of Hatfield | 922,341 | 2.74380% |
| Hatfield Housing Authority | 9,918 | 0.02950% |
| Town of Huntington | 157,968 | 0.46993% |
| Town of Middlefield | 82,647 | 0.24586% |
| Town of Pelham | 330,588 | 0.98344% |
| Town of Plainfield | 119,012 | 0.35404% |
| Quabbin Health District | 112,483 | 0.33462% |
| South Hadley Fire District #1 | 833,082 | 2.47827% |
| South Hadley Fire District #2 | 314,059 | 0.93427% |
| Town of South Hadley | 4,765,712 | 14.17714% |
| South Hadley Housing Authority | 82,647 | 0.24586% |
| So Hadley-Granby-Easthampton Veterans District | - | 0.00000% |
| Town of Southampton | 996,966 | 2.96580% |
| Town of Ware | 2,902,664 | 8.63491% |
| Ware Housing Authority | 59,564 | 0.17719% |
| Town of Westhampton | 251,247 | 0.74742% |
| Town of Williamsburg | 413,620 | 1.23045% |
| Town of Worthington | 323,278 | 0.96169% |
| Total | <u>\$ 33,615,460</u> | <u>100.00000%</u> |

See Independent Auditors' Report and management's notes to schedules.

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND YEAR ENDED DECEMBER 31,**

| Employer | December 31, 2024 Net Pension Liability | 2024 Deferred Outflows of Resources | | | | | | | | | | 2024 Deferred Inflows of Resources | | | | | | | | | | 2024 Pension Expense | | | | | |
|--|---|--|---------------|---------------|--------------|---------------|---|---------------|---------------|--------------|---------------|---|--------------|---------------|---------------|--------------|---|---------------|--------------|---------------|---------------|--|---------------|---------------|--------------|-----------------------|-----------|
| | | Differences Between Expected and Actual Experience | | | | | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources | | | | | Difference Between Projected and Actual Investment Earnings on Pension Plan | | | | | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources | | | | | Proportionate Share of Plan Pension Expense (Income) | | | | Total Pension Expense | |
| | | \$ | 10,515 | \$ | 125,954 | \$ | 52,729 | \$ | 51,302 | \$ | 240,500 | \$ | 3,892 | \$ | 81,147 | \$ | 582,678 | \$ | 687,717 | \$ | 99,273 | \$ | (246,402) | \$ | (147,129) | | |
| Hampshire County Group Insurance Trust | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Town of Amherst | 407,365,610 | 698,960 | 8,374,533 | 3,505,022 | 115,600 | 230,536 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 | 12,807,051 | 258,697 | 5,394,062 |
| Amherst Housing Authority | 1,344,446 | 23,089 | 276,329 | 115,680 | 130,183 | 545,261 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | 173,027 | 8,538 | 173,027 | |
| Amherst-Pelham Regional School District | 9,873,110 | 169,408 | 2,029,255 | 849,514 | 259,411 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | 3,307,588 | 62,701 | 1,307,361 | |
| Town of Belchertown | 21,940,387 | 376,463 | 4,509,485 | 1,887,822 | 899,315 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | 7,674,085 | 139,335 | 2,905,266 | |
| Belchertown Housing Authority | - | - | - | - | 81 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Belchertown Water District | 377,098 | 6,470 | 77,506 | 32,447 | 71,751 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | 188,174 | 2,395 | 49,934 | |
| Town of Chesterfield | 612,817 | 10,515 | 125,564 | 52,729 | 61,021 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | 250,219 | 3,892 | 81,147 | |
| Chesterfield/Goshen Regional School District | 451,549 | 7,748 | 96,808 | 38,853 | 54,967 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | 194,376 | 2,868 | 59,792 | |
| Town of Cummington | 467,676 | 8,025 | 96,123 | 40,240 | 87,510 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | 231,868 | 2,970 | 61,928 | |
| Foothills Health District | 327,911 | 5,626 | 67,397 | 28,215 | 135,788 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | 237,026 | 2,082 | 43,421 | |
| Gateway Regional School District | 3,757,516 | 64,473 | 772,295 | 323,309 | 264,036 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | 1,424,113 | 23,863 | 47,557 | |
| Town of Goshen | 451,549 | 7,748 | 96,808 | 38,853 | 128,899 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | 268,308 | 2,868 | 59,792 | |
| Town of Granby | 7701,437 | 132,145 | 1,582,903 | 662,666 | 451,312 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | 2,820,016 | 48,900 | 1,019,706 | |
| Granby Housing Authority | 131,165 | 2,251 | 26,959 | 11,286 | 1,576 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | 42,074 | 833 | 17,388 | |
| Town of Hadley | 10,442,862 | 179,164 | 2,146,362 | 886,539 | 1,431,174 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | 4,655,259 | 66,319 | 1,362,808 | |
| Hadley Housing Authority | - | - | - | - | 62 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Hampshire County Regional Housing Authority | - | - | - | - | 3,763 | 3,763 | - | - | - | 3,763 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Hampshire County Regional School District | 2,909,732 | 49,927 | 598,047 | 250,363 | 155,048 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | 1,053,385 | 18,479 | 385,296 | |
| Town of Hatfield | 4,499,346 | 77,202 | 924,766 | 387,138 | 444,033 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | 1,833,609 | 28,574 | 593,787 | |
| Hatfield Housing Authority | 48,382 | 830 | 9,944 | 4,163 | 181 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | 15,118 | 307 | 6,407 | |
| Town of Huntington | 770,596 | 13,222 | 158,383 | 66,305 | 78,388 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | 316,278 | 4,894 | 102,040 | |
| Town of Middlefield | 403,167 | 6,918 | 82,864 | 34,690 | 59,871 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | |
| Town of Pelham | 1,612,668 | 27,671 | 331,457 | 138,759 | 150,549 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | 648,346 | 10,241 | 25,544 | |
| Town of Plainfield | 580,562 | 9,962 | 119,325 | 49,953 | 87,454 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | 296,694 | 3,687 | 76,876 | |
| Quabbin Health District | 548,712 | 9,415 | 112,779 | 47,213 | 72,771 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | 242,178 | 3,485 | 72,659 | |
| South Hadley Fire District #1 | 4,063,924 | 69,731 | 835,272 | 349,673 | 205,045 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | 1,459,721 | 25,809 | 538,130 | |
| South Hadley Fire District #2 | 1,532,036 | 26,287 | 314,885 | 131,821 | 29,346 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | 502,359 | 7,794 | 162,293 | |
| Town of South Hadley | 23,248,002 | 398,900 | 4,778,243 | 2,000,333 | 1,376,480 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | 8,555,956 | 147,640 | 3,076,416 | |
| South Hadley Housing Authority | 403,167 | 6,918 | 82,864 | 34,690 | 59,871 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | 184,343 | 2,560 | 53,386 | |
| So Hadley-Granby-Easthampton Veterans District | - | - | - | - | 9,353 | 9,353 | - | - | - | 9,353 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Town of Southampton | 4,863,380 | 83,448 | 999,587 | 418,461 | 75,049 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | 1,576,545 | 30,886 | 643,991 | |
| Town of Ware | 14,159,718 | 242,959 | 2,910,296 | 1,218,348 | 703,926 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | 5,075,929 | 89,923 | 1,874,979 | |
| Ware Housing Authority | 290,564 | 4,986 | 59,721 | 25,001 | 19,942 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | 109,650 | 1,845 | 39,475 | |
| Town of Westhampton | 1,225,628 | 21,030 | 251,908 | 105,457 | 48,058 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | 424,453 | 7,784 | 162,293 | |
| Town of Williamsburg | 2,017,713 | 34,621 | 414,708 | 173,611 | 185,999 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | 808,939 | 12,814 | 287,178 | |
| Town of Worthington | 1,577,008 | 27,059 | 334,128 | 135,691 | 353,543 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | 58,949,741 | 10,015 | 1,041,394 | |
| Total | \$ 163,992,275 | \$ 2,813,686 | \$ 33,703,848 | \$ 14,109,564 | \$ 8,322,648 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | \$ 85,949,741 | \$ 1,041,394 | \$ 21,713,938 | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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See Independent Auditors' Report and management's notes to schedules.

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Hampshire County Retirement System, a Massachusetts regional public employee pension plan, is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws for a more detailed description of the pension plan provisions.

General

The Hampshire County Retirement System (the Plan) is a cost-sharing, multiple-employer, defined benefit pension plan maintained to provide retirement, disability, and death benefits to all member unit employees and beneficiaries deemed eligible by the Retirement Board, with the exception of the school department employees who serve in a teaching capacity. The Plan has 37 participating employers. The Plan was established and is governed in accordance with Chapter 32 and Chapter 34B, Section 19 of the Massachusetts General Laws (M.G.L), and is further regulated by the Code of Massachusetts Regulations 840 CMR 1.00-27.00: Public Employee Retirement Administration (PERAC).

Administration of the Plan

The Plan is administered by a five person Board of Retirement consisting of the Chairperson who shall be appointed by the other four board members, a second member who shall be a member of the regional retirement board advisory council and is elected by the advisory council, a third and fourth member who shall be elected by the members in or retired from the service of the Plan, and a fifth member, who shall not be a member of the Plan, appointed by the other four board members.

Plan Amendments

The Plan did not adopt any significant plan amendments during 2024.

Plan Membership

Participation in the plan is required for nearly all employees who are regularly employed on a full-time basis. There are three classes of membership:

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.

At December 31, 2024, Plan membership consisted of the following:

| Group | Inactive members receiving benefits | Inactive members entitled to benefits but not yet receiving benefits | Active Members | Total |
|-------------|--|---|-------------------|-------|
| Group 1 | 1,229 | 979 | 1,710 | 3,918 |
| Group 2 & 4 | 260 | 101 | 378 | 739 |
| | 1,489 | 1,080 | 2,088 | 4,657 |

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 1 - DESCRIPTION OF PLAN (CONTINUED)

Benefits Provided

Pursuant to M.G.L. Chapter 32, members are eligible to receive benefits once they have met one of the conditions below:

Tier 1 (Membership prior to April 2, 2012):

- Completion of 20 years of service, or
- Reach age 55 if hired prior to 1978, or
- Reach age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 and 2, or
- Disabled or death

Tier 2 (Membership on or after April 2, 2012):

- If classified as Group 1, attain age 60 with 10 years of creditable service, or
- If classified as Group 2, attain age 55 with 10 years creditable service, or
- If classified as Group 4, attain age 55, or
- Disabled or death

The annual amount of a member's retirement allowance is calculated as the member's highest 3-year (5-year for members hired after April 2, 2012) average annual rate of regular compensation multiplied by the member's creditable service and multiplied by a benefit rate. The benefit rate is based upon a member's age at retirement and group classification. The annual retirement allowance may not exceed 80% of the member's highest 3-year (or 5-year) average annual rate of regular compensation.

An annual cost of living adjustment may be voted on and granted by the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3% on the base amount of the first \$13,000 of a member's benefit.

Contributions

The contributions of plan members and participating employers are governed by Chapter 32 of M.G.L. Member contribution rates vary depending on the most recent date of membership as follows:

| | |
|--|--|
| Prior to 1975: | 5% of compensation |
| 1975 - 1983: | 7% of compensation |
| 1984 - 6/30/96: | 8% of compensation |
| 7/1/96 - present: | 9% of compensation |
| 1979 to present: | an additional 2% of compensation in excess of \$30,000 |
| Group 1 members hired on or after April 2, 2012: | 6% of compensation with 30 or more years of creditable service |

Participating employer contributions are set by annual appropriations as determined by the Plan's actuary. For the year ended December 31, 2024, employers were required to contribute \$33,615,460. In addition to member and employer contributions, the Commonwealth of Massachusetts currently reimburses the Plan for cost of living adjustments granted to members after 1981 and prior to July 1, 1998.

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The schedules are prepared using the accrual method of accounting.

Basis of Allocation

The Schedule of Employer Allocations is prepared using the historical measure basis of actual contributions.

NOTE 3 - NET PENSION LIABILITY OF THE PARTICIPATING EMPLOYERS

The net pension liability is the actuarial total liability less the fiduciary net position. The components of the collective net pension liability of the participating employers at December 31, 2024, were as follows:

| | <u>2024</u> |
|--|----------------------|
| Total pension liability | \$679,850,432 |
| Plan fiduciary net position | 515,868,157 |
| Employer's net pension liability (asset) | <u>\$163,982,275</u> |

| | |
|---|-------|
| Plan fiduciary net position as a % of total pension liability | 75.9% |
|---|-------|

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to the measurement date of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.5 % |
| Salary increases | Group 1: 6% - 4.25%, based on service Group 4: 7% - 4.75%, based on service |
| Investment rate of return | 6.8% of pension plan investment, net of expense, including inflation |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021. For disabled lives, the mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 3 - NET PENSION LIABILITY OF THE PARTICIPATING EMPLOYERS (CONTINUED)

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Cash | 3.0% | 0.00% |
| Domestic Equity | 26.0% | 4.50% |
| Non-US Developed Equity | 11.0% | 4.20% |
| Emerging Equity | 6.0% | 6.30% |
| Private Equity | 16.0% | 7.80% |
| Core Bonds | 12.0% | 2.60% |
| Value Add Fixed Income - Public | 12.0% | 5.30% |
| Real Estate | 14.0% | 4.10% |
| Total | 100.0% | |

Discount rate. The discount rate used to measure the total pension liability was 6.8%. The discount rate at the Plan's prior fiscal year end was 6.8%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The municipal bond rate used was 4.08%, based on the December 2024 Bond Buyer Index as published by the Federal Reserve.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.8%, as well as what the participating employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

| | <u>1% Decrease (5.8%)</u> | <u>Current Discount Rate (6.8%)</u> | <u>1% Increase (7.8%)</u> |
|--|-------------------------------|---|-------------------------------|
| Employer's net pension liability (asset) | \$ 241,138,832 | \$ 163,982,275 | \$ 98,136,642 |

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 4 – COMPONENTS OF SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

Net Pension Liability

The Net Pension Liability is the product of the Total Net Pension Liability multiplied by the Employer Allocation Percentage for the year ended December 31, 2024.

Difference between Expected and Actual Experience

The difference between the projected total pension liability and accrued liability is the amount of the difference between expected and actual experience. Each employer's proportionate share of this amount is the product of the Difference between Expected and Actual Experience multiplied by the Employer's Allocation Percentage for the year ended December 31, 2024, as shown in the schedule of employer allocations.

Difference between Projected and Actual Investment Earnings on Pension Plan Investments

The difference between the actual earnings on plan investments compared to the plan's expected rate of return of 6.8% is amortized over a closed period of 5 years. Each employer's proportionate share of this amount is the product of the Total Difference Between Projected and Actual Investment Earnings on Pension Plan Investments multiplied by the Employer's Allocation Percentage for the year ended December 31, 2024, as shown in the schedule of employer allocations.

Changes of Assumptions

Each employer's proportionate share of this amount is the product of the Change of Assumptions multiplied by the Employer's Allocation Percentage for the year ended December 31, 2024, as shown in the schedule of employer allocations. All of the actuarial assumptions and methods used in these disclosures are the same as the last measurement date.

Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions

The Changes in Proportion are the December 31, 2024 Net Pension Liability multiplied by the December 31, 2023 Employer Allocation Percentage less the current year Net Pension Liability plus the December 31, 2024 Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments multiplied by the December 31, 2023 Employer Allocation Percentage less the current year Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments. The changes in proportion are amortized over the average expected remaining service life of members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024

NOTE 4 – COMPONENTS OF SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following table summarizes the changes in the collective deferred outflows and (deferred inflows) of resources (excluding employer specific amounts) as of December 31, 2024:

| | Year of deferral | Amortization period | Balance January 1 | Additions | Deletions | Balance December 31 |
|--|---------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| Deferred outflows of resources: | | | | | | |
| Difference between expected and actual experience | 2021 | 7.08 years | \$ 3,230,665 | \$ - | \$ (791,829) | \$ 2,438,836 |
| | 2023 | 7.13 years | 447,920 | - | (73,070) | 374,850 |
| | | | <u>\$ 3,678,585</u> | <u>\$ -</u> | <u>\$ (864,899)</u> | <u>\$ 2,813,686</u> |
| | | | | | | |
| Difference between projected and actual investments earnings | 2022 | 5 years | \$ 50,555,772 | \$ - | \$ (16,851,924) | \$ 33,703,848 |
| | | | <u>\$ 50,555,772</u> | <u>\$ -</u> | <u>\$ (16,851,924)</u> | <u>\$ 33,703,848</u> |
| | | | | | | |
| Changes in assumptions | 2019 | 7.2 years | \$ 6,100,613 | \$ - | \$ (2,877,649) | \$ 3,222,964 |
| | 2021 | 7.08 years | 6,505,595 | - | (1,594,508) | 4,911,087 |
| | 2023 | 7.13 years | 7,140,330 | - | (1,164,817) | 5,975,513 |
| | | | <u>\$ 19,746,538</u> | <u>\$ -</u> | <u>\$ (5,636,974)</u> | <u>\$ 14,109,564</u> |
| | | | | | | |
| Deferred inflows of resources: | | | | | | |
| Differences between expected and actual experience | 2019 | 7.12 years | \$ (1,971,210) | \$ - | \$ 929,816 | \$ (1,041,394) |
| | | | <u>\$ (1,971,210)</u> | <u>\$ -</u> | <u>\$ 929,816</u> | <u>\$ (1,041,394)</u> |
| | | | | | | |
| Difference between projected and actual investments earnings | 2020 | 5 years | \$ (3,201,080) | \$ - | \$ 3,201,080 | \$ - |
| | 2021 | 5 years | (17,957,311) | - | 8,978,656 | (8,978,655) |
| | 2023 | 5 years | (10,556,911) | - | 2,639,228 | (7,917,683) |
| | 2024 | 5 years | - | (6,022,000) | 1,204,400 | (4,817,600) |
| | | | <u>\$ (31,715,302)</u> | <u>\$ (6,022,000)</u> | <u>\$ 16,023,364</u> | <u>\$ (21,713,938)</u> |
| | | | | | | |
| Changes in assumptions | n/a | n/a | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**HAMPSHIRE COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULES
DECEMBER 31, 2024**

NOTE 4 – COMPONENTS OF SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)

Collective Pension Expense

Each employer's proportionate share of the collective pension expense is equal to the Total Pension Expense multiplied by the Employer's Allocation Percentage for the year ended December 31, 2024.

| | |
|---|----------------------|
| Service cost | \$ 17,918,989 |
| Interest cost | 44,557,382 |
| Employee contributions | (10,916,663) |
| Projected earnings on pension plan investments | (32,211,083) |
| Administrative expenses | 867,019 |
| Recognition of deferred outflows and deferred inflows of resources: | |
| Differences between expected and actual experience | (64,917) |
| Changes of benefit terms | - |
| Changes of assumptions | 5,636,974 |
| Differences between projected and actual earnings on plan investments | 828,560 |
| Other changes in fiduciary net position | - |
| Pension Expense per Actuarial Certification Report | <u>\$ 26,616,261</u> |

Subsequent to the measurement date of the pension liability, there were adjustments made to the financial statements of the Plan.

Below is the reconciliation between the Actuarial Certification report and the Schedule of Pension Amounts by Employer:

| | |
|--------------------------------|----------------------|
| Actuarial Certification Report | \$ 26,616,261 |
| Year end accruals | (51,902) |
| Total Pension Expense | <u>\$ 26,564,359</u> |

NOTE 5 – FUTURE RECOGNITION OF DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the collective pension expense as follows:

| <u>Total</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>Thereafter</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| \$ 27,871,766 | 9,601,698 | 16,866,257 | (219,403) | 224,399 | 1,237,887 | 160,928 |

NOTE 6 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of November 25, 2025, the date the schedules were available to be issued. At that time, there were no material subsequent events.