

TOWN OF LONGMEADOW

REPORT

PENSION REVIEW TASK FORCE

JANUARY 22, 2008

A TALE OF TWO INVESTMENT PERFORMANCES, FEATURING:

- **Good Intentions vs. Professional Management**
 - **Missed Opportunities**
 - **Documented Lost Opportunity Costs to Member Town's Budgets and Taxpayers in the millions of dollars**
 - **Answers to the \$64,000 Question**
 - **"How did we get here and what do we do about it?"**
-

PENSION REVIEW TASK

Appointed by Town Manager on August 9, 2007

Task Force Members

Peter Landon

Dean Rogeness

Larry Starr

Edward Steiger

Ernest Welker

PENSION REFORM TASK FORCE CHARGE

Analyze and make recommendations on behalf of the town of Longmeadow, whether the town, either jointly, as part of the Hampden County Regional Board of Retirement, or individually, should become a member of the state pension system (“PRIM/PRIT”). *

*** (Note: This study pertains to the pension system for town employees other than the teachers. The town’s teachers are already part of a pension system managed by PRIM/PRIT. Accordingly, the town already has the experience with and benefit of that management pertains to the teachers.)**

GROWTH IN LONGMEADOW'S FISCAL YEAR PAYMENTS TO HAMPDEN COUNTY REGIONAL RETIREMENT BOARD

FY 09	\$2,245,312
FY 08	\$2,091,671
FY 07	\$2,000,969
FY 06	\$1,714,365
FY 05	\$1,465,431
FY 04	\$1,483,116
FY 03	\$1,505,624
FY 02	\$1,146,192
FY 01	\$1,061,720
FY 00	\$1,075,430
FY 99	\$1,088,068

TASK FORCE FOCUS

- The Hampden County Regional Board of Retirement's relative performance in the management and investment of the System's pension assets**
 - The impact of such performance on annual contributions from Longmeadow and other member units participating in the System**
 - Alternatives to the Hampden County Regional Board of Retirement's management and investment of the System's pension assets**
-

HELPFUL DEFINITIONS

- PRIT FUND - Pension Reserves Investment Trust - the professionally managed pooled investment fund consisting of the assets of the teachers, state employees and participating local retirement systems**
 - PRIM - Pension Reserve Investment Management Board - the state's 9 member board (plus the State Treasurer who is an ex officio member). Acts as the trustee for each retirement system that invests in the PRIT FUND and is responsible for managing, investing and controlling the assets of the PRIT FUND**
 - REGIONAL RETIREMENT BOARD ADVISORY COUNCIL - Board consisting of treasurers of member towns and units in a regional retirement system having some oversight powers over a local retirement system**
 - PERAC - Public Employee Retirement Administration Commission - the state body responsible for oversight of the 106 state, city, town and other retirement systems**
-

TASK FORCE CONCLUSIONS

- Investment returns on pension assets achieved by the Hampden County Regional Board of Retirement over a 1, 5, 10 and 22 year periods are substantially less than those obtained by PRIM/PRIT FUND.

 - Hampden County Regional Board of Retirement's investment returns on pension assets so far in calendar year 2007 and for the 5-year period ending December 31, 2006, are less than the System's own actuarial assumption for investment returns that is used in calculating annual contributions from member towns and other member units.

 - Investment underperformance results directly in substantially higher and unnecessary costs to Longmeadow and other towns and member units for the support of the pension system administered by the Hampden County Regional Regional Board of Retirement.

 - Doing nothing is not an option. The current status quo is unacceptable and places the risk of underperforming investment returns on the town's budget and town taxpayers.
-

TASK FORCE RECOMMENDATION

The Task Force recommends that the Select Board adopt the following resolutions, copies of which shall be delivered by the Town Manager to the Board of the Hampden County Regional Board of Retirement.

Resolved:

That it is the determination of the Town of Longmeadow that the Hampden County Regional Board of Retirement, on or before March 31, 2008, should join the 45 other retirement systems and appoint PRIM as the sole investment manager of the Hampden County Regional Retirement System's pension assets with total control thereof, including investment policy and allocation, and that all such assets, currently held and in the future, should promptly be transferred to and held by PRIT. The Select Board, on behalf of the Town, hereby consents to such transfer.

(NOTE: This recommendation will not affect or disrupt the pension administration functions of the system including dealings with employees who are members of the Hampden County system, all of which will continue to be handled by the Board and remain local.

FUNDAMENTALS OF RETIREMENT SYSTEMS

- All retirement systems are created under and governed by MGLA Chapters 32 and 34B which define their powers and obligations.
 - 106 retirement systems - all independently managed by 5 member boards of directors - some member elected and some appointed.
 - Each retirement system is subject to PERAC oversight. Some systems (including Hampden County) also have limited but important oversight from a regional retirement board advisory council.
 - Boards of directors have broad powers to manage systems including investments (subject to seizure by PRIM under certain conditions discussed later). Board members are fiduciaries.
-

FUNDAMENTALS OF RETIREMENT SYSTEMS (con't.)

- Members of a retirement system are the employees whose pensions are to be paid by the system – not the towns or cities that fund the system**
 - Chapter 32 determines the level of employer and employee contributions to a system, benefits payable and the method for determining and allocating contributions among towns and other governmental units in a regional system.**
 - A retirement system is basically an employer/employee funded system that obligates employers to make whatever contributions are necessary over and above employee contributions to fund the system (including making up deficits) and to pay the statutorily mandated benefits.**
-

HAMPDEN COUNTY REGIONAL BOARD OF RETIREMENT - BASIC FACTS

- Offices - Agawam Corporate Center, Agawam, MA
- 5 Member Board of Directors
- Chairman of Board/Treasurer: Richard M. Theroux
- Executive Director (full time): Julianne Bartley
- Investments - Investments are managed locally by the Board of Directors with the assistance of an outside investment advisor under contract with the Retirement Board.

Member Census: *

	<u>Active</u>	<u>Retired</u>
<input type="checkbox"/> Number of Members	2,589	1,466
<input type="checkbox"/> Total Payroll Benefit	\$77.8M	\$19.3M
<input type="checkbox"/> Average Salary Benefit	\$30,100	\$13,100

(Census numbers are as of 12-31-06 and are from the PERAC Annual Report 2006 - This is the latest official published report)

BOARD MEMBERSHIP: HAMPDEN COUNTY REGIONAL RETIREMENT BOARD

- First Member - Serves as Chairman and Treasurer and is elected for 6 year term by other 4 members**

 - Second Member - Chosen from among members of the Hampden County Retirement Board Advisory Council and elected to 3 year term**

 - Third and Fourth Members - Elected by members (current or retired employees of member towns or units for 3 year terms)**

 - Fifth Member - Chosen by other 4 members for 5 year term. The fifth member may not be an employee, retiree or official of the retirement system**
-

HAMPDEN COUNTY REGIONAL BOARD OF RETIREMENT - GOVERNMENT MEMBER UNITS

Agawam

Blandford

Brimfield

Chester

East Long.

Granville

Hampden

Holland

Longmeadow

Ludlow

Monson

Montgomery

Palmer

Russell

Southwick

Tolland

Wales

Wilbraham

Reg. Retirement Bd.

Agawam Housing Auth.

Brimfield Housing Auth.

East Long. Housing Auth.

East. Hampden Vet. Dist.

Hampden Housing Auth .

Hamp./Wilb. Reg. School Dist.

Ludlow Housing Authority

Monson Housing Authority

Palmer Fire & Water Dist. 1

Palmer Housing Authority

Pathfinder Regional High School

Southwick Housing Authority

Southwick/Tolland School Dist.

Three Rivers Fire District

West. Hampden Veteran's Dist.

Wilbraham Housing Authority

PRINCIPAL HAMPDEN COUNTY REGIONAL BOARD OF RETIREMENT RESPONSIBILITIES*

- Administer retirement system (i.e. record keeping, reporting, actuarial, billing, payment of benefits and so on) in compliance with law

- Bill and collect required employer and employee contributions. In the case of towns and other employer unit contributions, this includes determining with the assistance of an outside actuary the amount required to be paid by the towns and other employer units.

- Invest and manage the system's assets. Board manages investments with assistance from outside investment advisor who is paid \$48,000 per year for advice. Final investment decisions rest with the Board. Board needs PERAC waiver to make investments beyond those allowed savings banks.

- Keep corporate records.

* (Except for investments, these are similar for all retirement systems)

HAMPDEN COUNTY REGIONAL BOARD OF RETIREMENT ASSETS AND PENSION FUNDING LEVEL *

- Assets - \$219.8 million**

- Funding Ratio (ratio of pension assets to pension liabilities) - 60.4%**

- Unfunded Liability - \$131.6 Million**

- Year to be fully funded – 2026**

- Assumed investment rate of return (for actuarial purposes) - 8.5%**

* (All data as of 12-31-06 - Latest official numbers from the PERAC Annual Report 2006)

PRIM FACTS

- Investment manager for each retirement system investing in the PRIT Fund, i.e. the teachers, state employee's and local participating and purchasing retirement systems**
 - \$46.7 Billion under management as of 12-31-06 (PERAC 2006 Annual Report)**
 - Investment manager for each retirement system investing in the PRIT Fund, i.e. the teachers, state employee's and local participating and purchasing retirement systems**
 - Has full-time professional investment staff managing day-to-day operations of the PRIT Fund**
 - Employs and oversees the outside professional investment managers who do the actual investing of PRIT Fund assets**
-

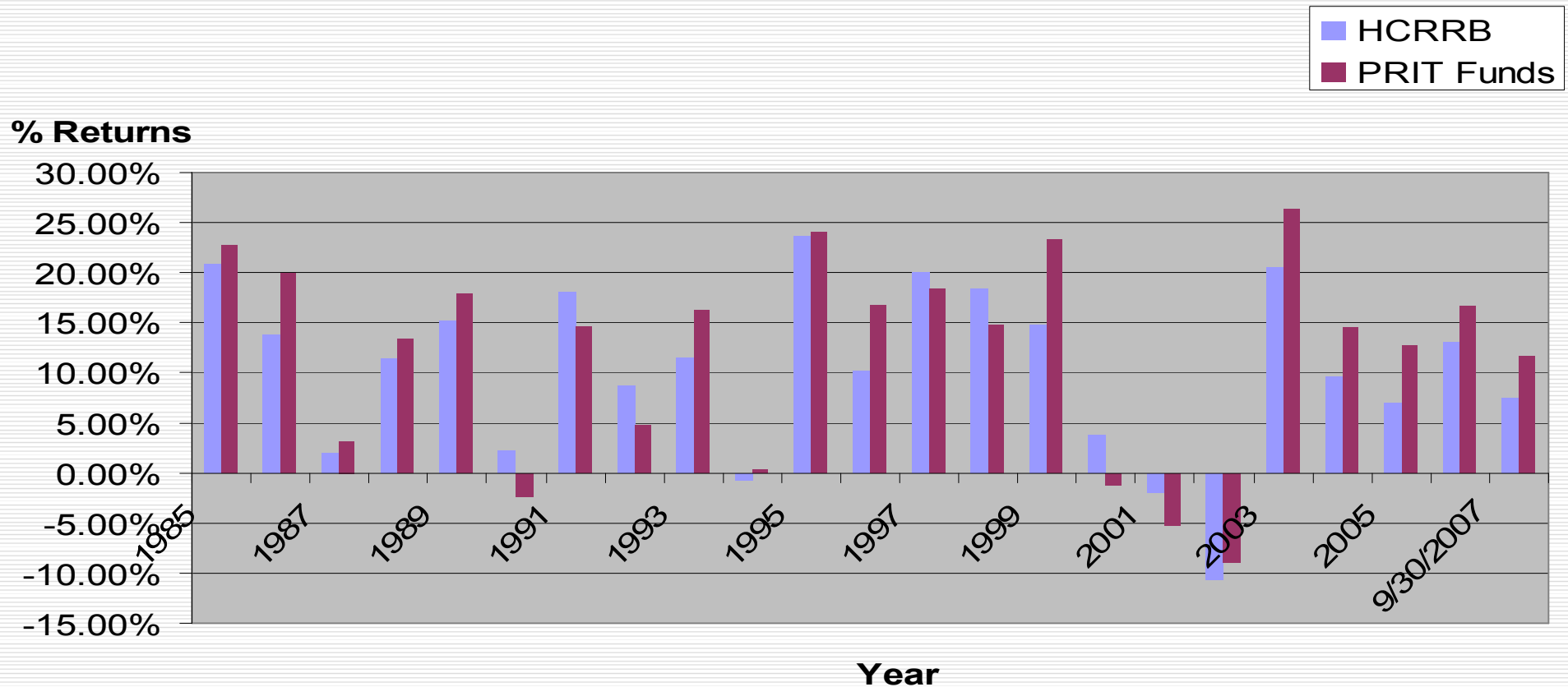
PRIM/PRIT FUND PERFORMANCE INFORMATION

U.S. Ranking of PRIT "Core" Fund Relative to Public Pension Funds For Periods Ending June 30, 2007

	1 Year as of 6/30/07	3 Years as of 6/30/07	5 Years as of 6/30/07	10 Years as of 6/30/07
PRIT Fund "Core" Return	19.95%	16.25%	14.32%	10.12%
PRIT Percentile Ranking	7th	2nd	1st	1st
Public Fund Median Return	17.69%	12.84%	11.47%	8.19%

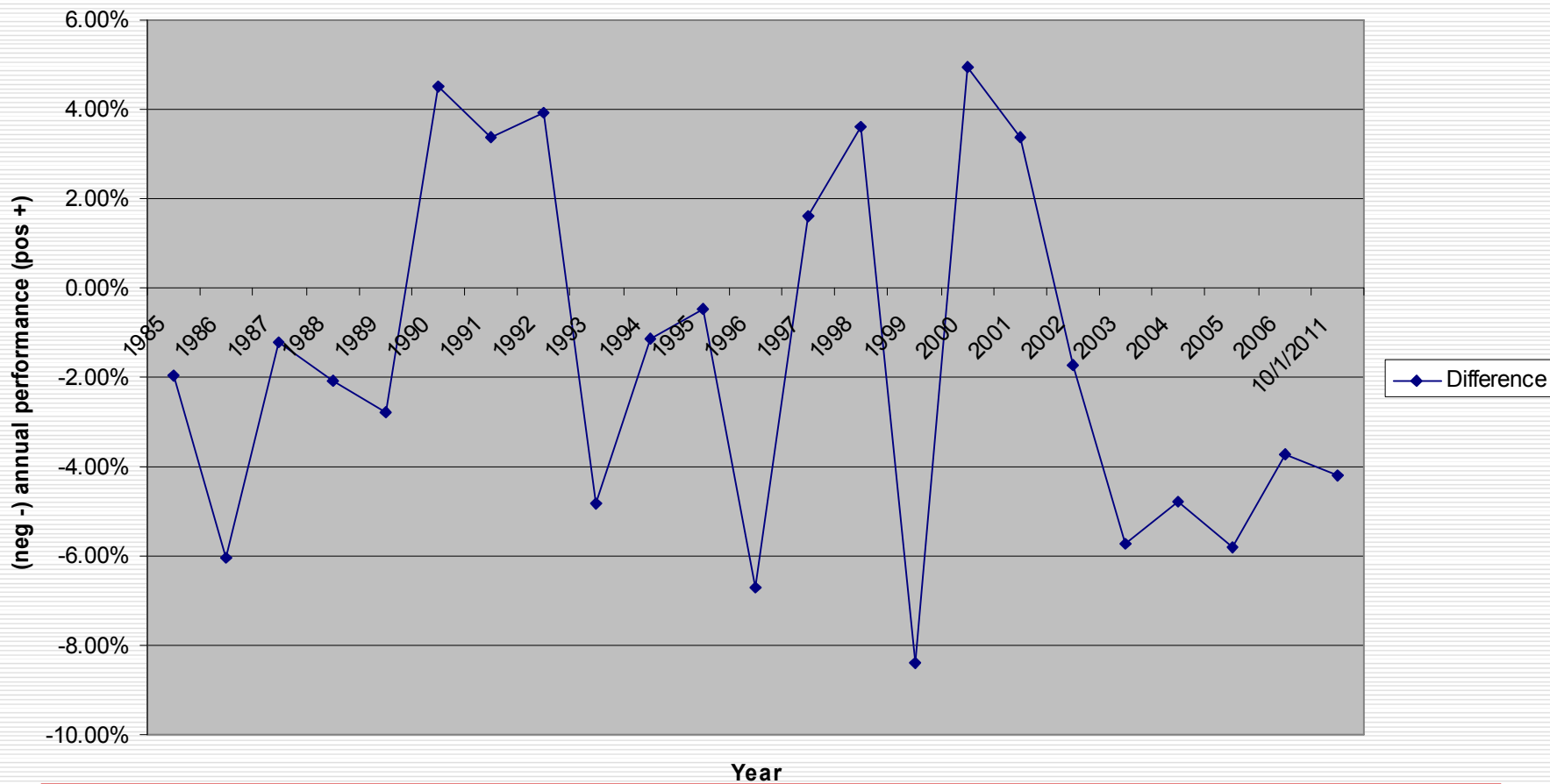
Source: Trust Universe Comparison Service Master Trust Report
Public Pension Funds With Over \$1 Billion in Assets

Annual Returns

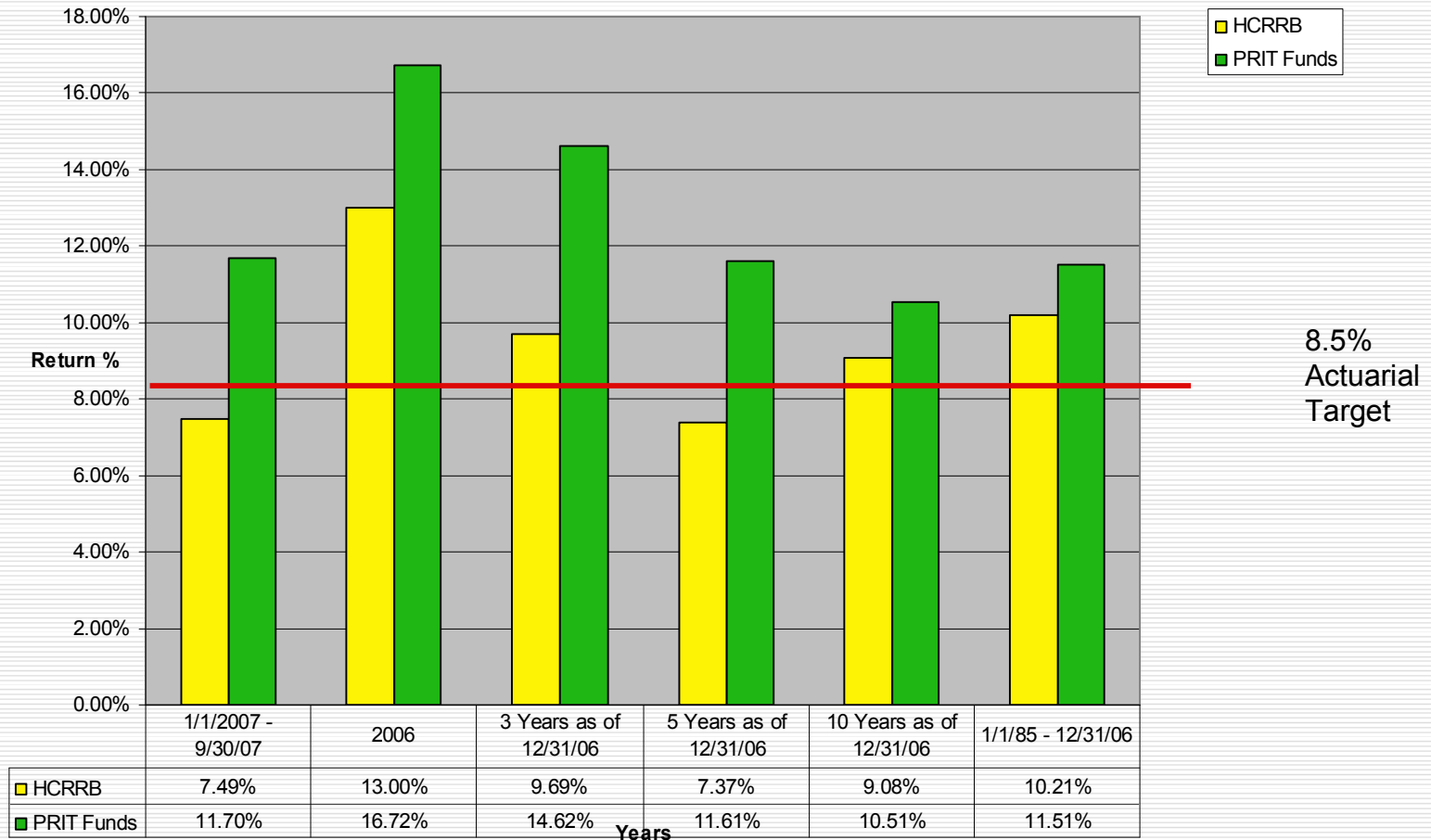


Note: HCRRB
2007 Return from Segal & Co.

ANNUAL % RETURN DIFFERENCE BETWEEN HCRRB vs. PRIT



Annualized Trailing Returns 12/31/06

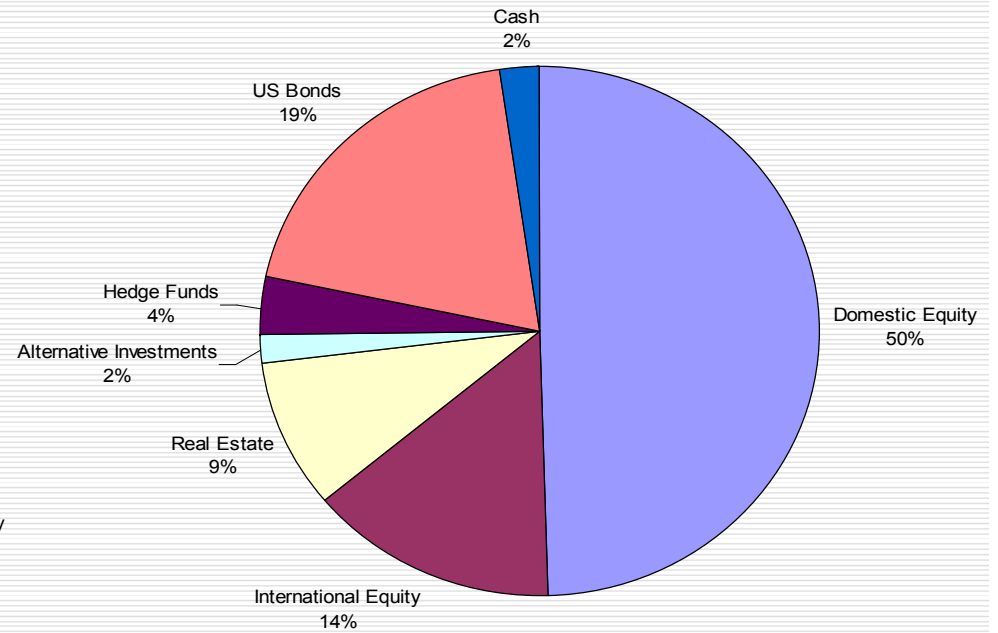
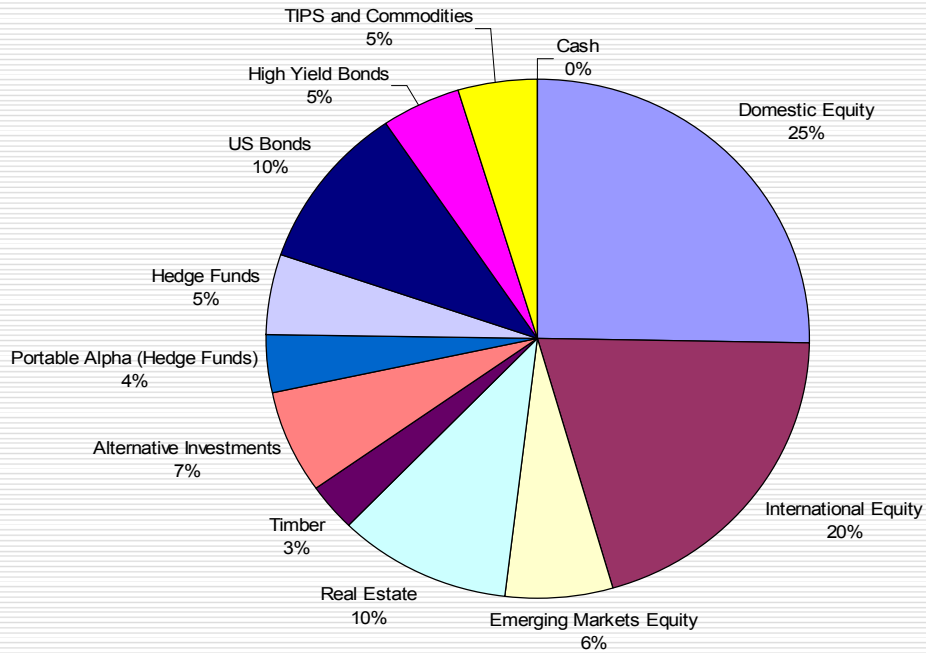


□ Note: The 2007 return shown for the HCRRB was obtained from PERAC, but is based upon calculations by Segal Advisors, HCRRB's investment advisor

HAMPDEN COUNTY - PRIM/PRIT FUND ASSET ALLOCATION COMPARISON

PRIT ASSET ALLOCATION as of 12/31/06

HCRRB ASSET ALLOCATION as of 12/31/06



**Hampden
County
Regional**

Agawam Corporate Center
67 Hunt Street, Suite 116
Agawam, MA 01001
Phone 413-737-1344
Fax 413-732-7999

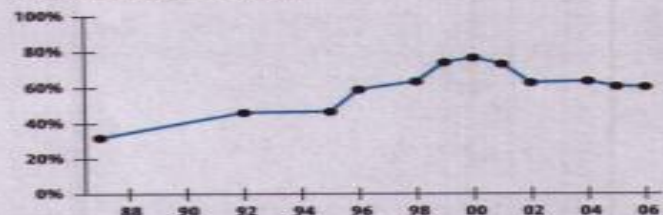
Board Members

Richard M. Theroux (Chairperson),
Patricia C. Donovan, Patrick O'Neil,
Laurel Placzek, Karl Schmaelzle

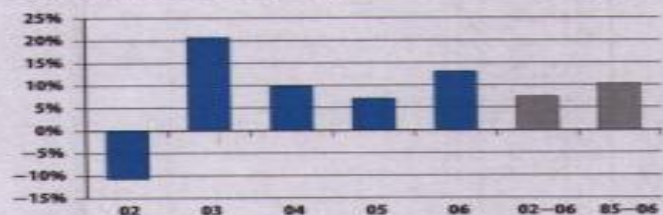
Board Administrator

Julianne Bartley
Board Meeting
Usually second to last business day of each
month

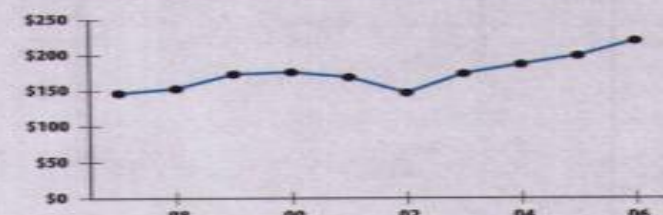
► **Funded Ratio (1987-2006)**



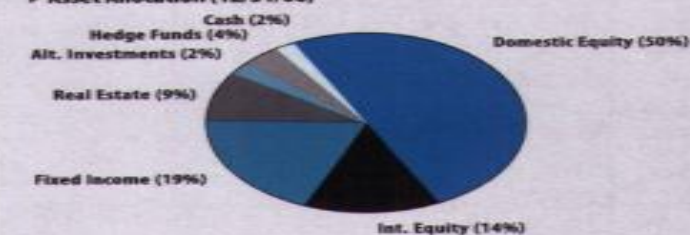
► **Investment Return (2002-2006, 5 Year and 22 Year Averages)**



► **Asset Growth (1997-2006) (Market Value in Millions)**



► **Asset Allocation (12/31/06)**



► **ACTUARIAL**

- Funded Ratio	60.4%
- Date of Last Valuation	01/06
- Actuary	Buck
- Assumed Rate of Return	8.50%
- Funding Schedule	4.5% Increasing
- Year Fully Funded	2026
- Unfunded Liability	\$131.6 M
- Total Pension Appropriation (Fiscal 2007)	\$15.2 M

	Active	Retired
- Number of Members	2,589	1,466
- Total Payroll/Benefit	\$77.8 M	\$19.3 M
- Average Salary/Benefit	\$30,100	\$13,100
- Average Age	NA	73
- Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- Voyageur Asset Management Inc.
- Voyageur Concentrated Value Fund
- Voyageur Equity Style Fund
- Voyageur Large Cap Growth Fund
- Voyageur Large Cap Value Fund

International Equity

- Brandes International Equity Trust

Domestic Fixed Income

- Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- New Boston Institutional Fund, L.P. VI
- PRIT

Alternative Investments

- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Zero Stage Capital VII, L.P.

Absolute Return

- PRIT

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

► 2006 Return	12.98%
► 2006 Target	8.50%
► 2006 Market Value	\$219.8 M
► 2002-2006 (Annualized)	7.37%
► 1985-2006 (Annualized)	10.21%

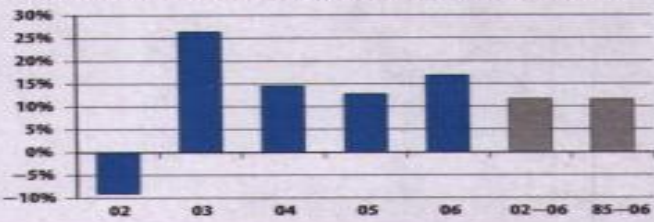
PRIM Board

84 State Street
 Suite 250
 Boston, MA 02109
 Phone 617-946-8401
 Fax 617-946-8475

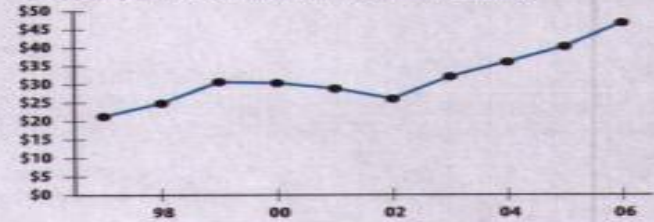
Board Members
 Treasurer Timothy P. Cahill (Chairperson),
 Alexander E. Aikens, III, C. LaRoy Brantley,
 Robert Brousseau, Paul Cesan,
 Leslie A. Kinwan, Theresa McGoldrick, Esq.,

George F. McSherry, Ralph White
Board Administrator
 Michael Travaglini
Board Meeting
 Every other month, day and date varies

► Investment Return (2002-2006, 5 Year and 22 Year Averages)



► Asset Growth (1997-2006) (Market Value in Billions)



► INVESTMENT

Domestic Equity Managers

- Ariel Capital Management, LLC
- AXA Rosenberg Investment Management
- Crestline Investors
- Earnest Partners
- Gardner Lewis
- Goldman Sachs Asset Management
- Grosvenor Capital Management
- INTECH
- Legg Mason Capital Management, Inc.
- Mazama Capital Management
- Numeric Investors, LP
- NWQ
- Pacific Investment Management Company
- Putnam Advisory Company, LLC
- Russell
- State Street Global Advisors
- Strategic Investment Group
- Wellington Management Company, LLP

International Equity Managers

- Alliance Bernstein
- AXA Rosenberg Investment Management
- Baillie Gifford
- Boston Company

- Marathon Asset Management, Ltd.
- State Street Global Advisors

Core Fixed Income Managers

- Access Capital
- Bardays Global Investors
- Blackrock Financial Management, Inc.
- Bridgewater Associates
- CRA Fund Advisors
- Loomis, Sayles & Company, L.P.
- Pacific Investment Management Company

High Yield Debt Managers

- Ashmore Investment Management, Ltd.
- Fidelity Management Trust Company
- Grantham, Mayo, Van Otterloo & Co.
- Loomis, Sayles & Company, L.P.
- Pacific Investment Management Company
- Shenkman Capital Management

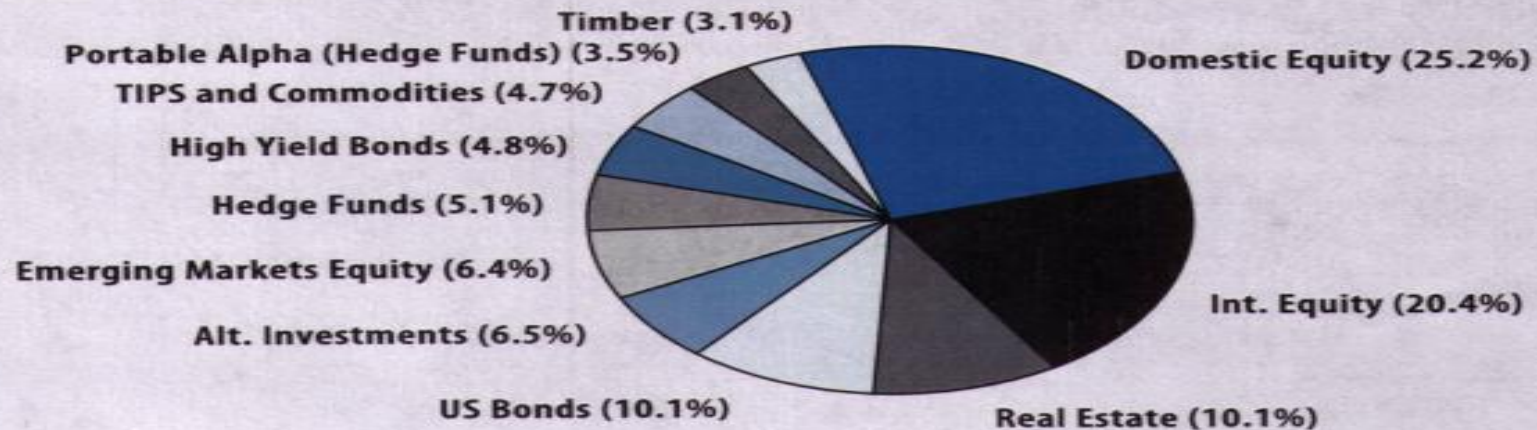
Emerging Markets Managers

- Emerging Markets Management
- Grantham, Mayo, Van Otterloo & Co.
- T Rowe Price

Real Estate Managers

- Canyon Johnson II

► Asset Allocation (12/31/06)



PRIM Board (cont.)

► INVESTMENT (CONT.)

- Intercontinental IV
- INVESCO Realty Advisors
- J.P. Morgan Investment Management
- LaSalle Investment Management
- RREEF America, LLC
- TA Associates Realty
- Urdang Advisors
- Wellington Management Company, LLP

Non-Core Real Estate Managers

- AEW Capital Management, L.P.
- Capital Associates Realty Advisors
- CB Richard Ellis
- Heltman Capital Management Corporation
- L&B Real Estate Council

Timber Managers

- Campbell Group LLC
- Forest Investment Associates

Alternative Investments Managers

- Advent International
- Alchemy Partners
- Alta Communications
- APAX Partners & Co.
- Apollo Management Co.
- Austin Ventures
- Battery Ventures
- Berkshire Partners, LLC
- Blackstone Group
- Boston Ventures
- Brown Brothers Harriman & Co.
- Candover
- Carlyle Partners
- Castile Ventures
- Charles River Ventures
- Charlesbank Capital Partners
- Chequers Capital
- Code Hennessey & Simmons
- Commonwealth Capital Ventures
- CVC Capital
- Cypress Merchant Banking
- DLJ Merchant Banking
- El Dorado Ventures
- Equitable Capital Management
- Essex Woodlands
- Exponent Partners

- First Reserve Corporation
- Flagship Ventures
- Forstmann, Little & Co.
- Freeman Spogli Equity Partners
- Genstar Capital Partners
- GTCR Golder, Rauner
- Harbourvest Partners
- Hellman & Friedman Capital Partners
- H.J.G. Capital
- Highland Capital Partners
- Insight Venture Partners
- InterWest Partners
- Joseph Littlejohn & Levy
- Kelso & Company
- Kohlberg Kravis Roberts and Co.
- Landmark Equity Partners
- Lexington Partners
- Madison Dearborn Capital Partners
- M/C Venture Partners
- Menlo Ventures
- Montagu Private Equity
- Narragansett Capital, Inc.
- Nautic Partners
- New Enterprise Associates
- Nordic Capital
- Olympus Growth Fund
- Onex Partners
- Permira Europe
- Polaris Venture Partners
- Providence Equity Partners
- Quad-C Management, Inc.
- Richland Ventures
- Sovereign Capital Limited
- Spark Capital
- Spectrum Equity Partners
- Summit Ventures
- TA Associates/Advent
- TCV
- Texas Pacific Group
- Thoma Cressey Fund
- Thomas H. Lee Equity Partners
- Torquest
- Trident Capital
- Union Square
- VantagePoint Partners

- Venture Capital Fund of New England
- Westar Capital Partners
- Welsh Carson Anderson & Stowe
- Weston Presidio Capital
- Whitney & Company
- William Blair Mezzanine Capital Fund
- Willis Stein

Absolute Return Managers

- Arden Asset Management
- Ivy Asset Management Corporation
- K2 Advisors
- Pacific Alternative Asset Management Company
- Rock Creek Group

Consultants

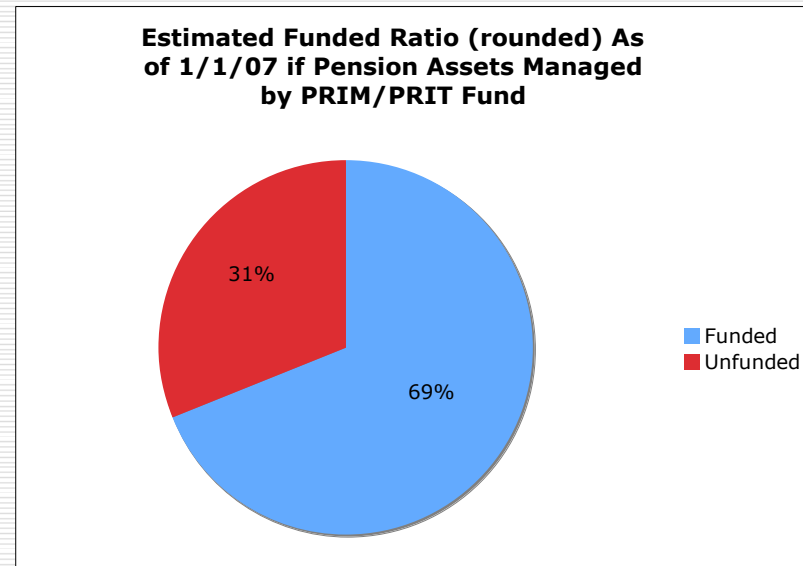
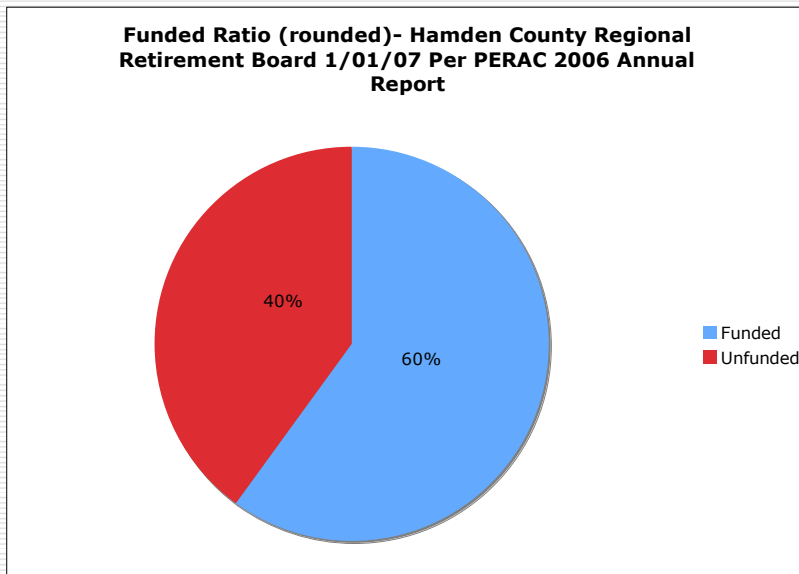
- Cliffwater, LLC
- Pathway Capital Management, LLC
- Townsend Group

Custodian

- Mellon Trust

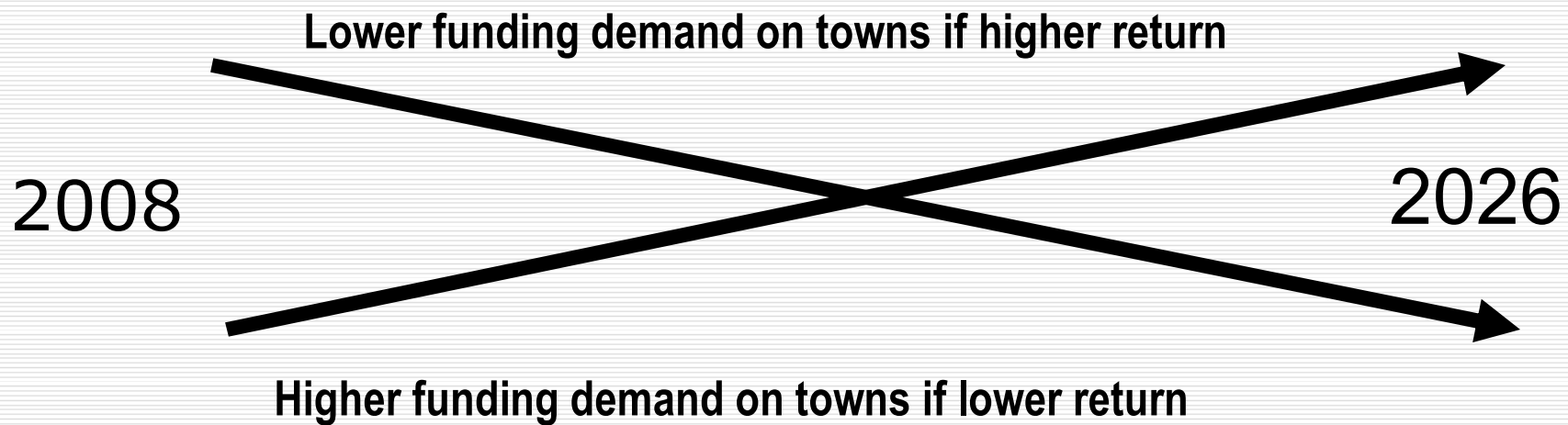
► 2006 Return	16.72%
► 2006 Target	8.12%
► 2006 Market Value	\$46.7 B
► 2002-2006 (Annualized)	11.61%
► 1985-2006 (Annualized)	11.51%

FUNDED RATIO COMPARISON HAMDEN COUNTY VS PRIM/PRIT FUND LOST OPPORTUNITY-1997 TO 2007

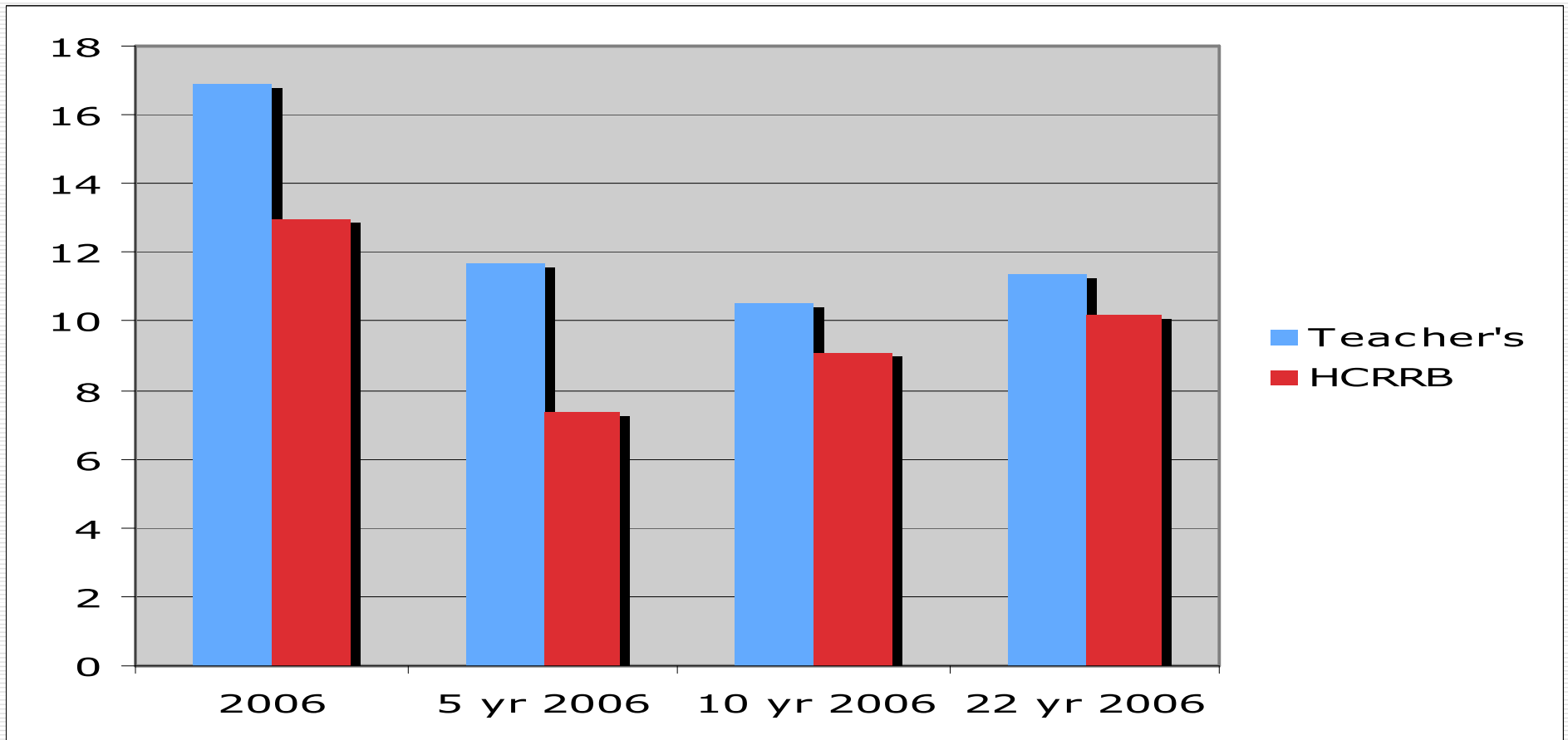


“Lost dollar” differential is \$33.3 Million for period from 1/1/97 to 1/1/07 as reported by the Longmeadow Audit Committee to the Select Board

INVESTMENT RETURNS - DIRECTLY AFFECT FUNDING DEMANDS ON TOWNS THROUGH 2026 AND BEYOND



HCRRB vs. State teachers' Returns Through 12/31/06



BENEFITS OF INVESTING THROUGH PRIM/PRIT

- Higher returns giving likely revenue relief to Longmeadow and other towns and member units in system
 - Proven, diverse, long-term investment strategy and results
 - Superior performance - top 1 or 2 percentile nationwide over 3, 5 and 10 years
 - Broad diversification across and within asset classes
 - Size allows excellent access to top quartile private equity managers
 - PRIM/PRIT - Independent boards of trustees and staff with low turnover
 - Board and full-time professional investment staff focused solely on investments
-

BENEFITS OF INVESTING THROUGH PRIM/PRIT (con't.)

- Professional staff recruited from top firms
 - Access to top consultants
 - Low, all-inclusive fees - custody, consulting, investment management and operations
 - Extra layers of fiduciary oversight and constant due diligence
 - No impact on access to assets - assets held in PRIT Trust and are commingled for investment purposes only
 - No impact on members (employees) - Seamless - Hampden County Regional Retirement System will continue to do pension administration including payment of benefits
-

HAMPDEN COUNTY - ASSET TRANSFER TO PRIT FUND - HOW ACCOMPLISHED?

VOLUNTARILY

By board action to become either a “Participating System” or a “Purchasing System.” (See the following slide for an explanation and the significance of each.)

INVOLUNTARILY OR VOLUNTARILY UNDER DURESS

If PERAC determines the Hampden County Regional Retirement Board to be “underperforming” under chapter 68 (2007 amendment to chapter 32), transfer can be voluntary for minimum 5 year period or mandatory and permanent. (Following slides give specifics).

RETIREMENT SYSTEMS - VOLUNTARY INVESTING THROUGH PRIM/PRIT FUND

- Participating System - a local retirement system becomes a "Participating System" by transferring all of its assets to PRIM/PRIT Fund to manage. This requires an affirmative vote of the PRIM Board and the board of the local retirement system and the consent or non-action of the executive officer (select board of a town) and the legislative body (town meeting). A decision to participate is irrevocable for 5 years. A "Participating System" is eligible to participate in state appropriations to reduce certain pension liabilities.**
-

RETIREMENT SYSTEMS - VOLUNTARY INVESTING THROUGH PRIM/PRIT FUND (con't.)

- Purchasing System - a local retirement board by a simple board vote may choose to invest all or a portion of its assets in the PRIT Fund. This is similar to hiring any outside investment manager. Assets so invested can be withdrawn at any time upon 30 days notice. A "Purchasing System" is not eligible to participate in state appropriations to reduce certain pension liabilities. Hampden County is now a "Purchasing System" for a portion of its assets.**
-

CHAPTER 68 - NEW STATUTE - PRIM/PRIT TAKEOVER OF RETIREMENT SYSTEM ASSETS

- Chapter 68, a 2007 Addition to Chapter 32, provides for voluntary and involuntary transfer of investment management and assets of “underperforming” retirement systems to the PRIT Fund. The stated purpose of the statute is to reduce the stress on local property taxes through enhanced pension fund investment. The assets of several retirement systems have been or are currently being transferred to the PRIT Fund under this statute.**
-

CHAPTER 68 - PRIT FUND CAPTURES - HOW IT WORKS

Involuntary

A retirement system PERAC declares “underperforming” must transfer its assets to the PRIT FUND. Transfer is permanent. There is an annual test of “underperforming,” meaning:

- A funded ratio of less than 65%; and**
 - An average rate of return during the previous 10 years at least 2 percentage points less than the PRIT Fund rate of return for the same period.**
-

CHAPTER 68 - PRIT FUND CAPTURES - HOW IT WORKS (CON'T.)

Semi-Voluntary

A retirement system that PERAC deems underperforming under the statute, by vote of its board and subject to the approval of its regional retirement board advisory council, may voluntarily transfer its pension assets to the PRIM Board. Decision to transfer is not revocable for 5 years

EFFECT ON LONGMEADOW FINANCES AND THOSE OF OTHER MEMBER UNITS - REVENUE RELIEF

Past performance of investment return is no guarantee of future performance. PRIM/PRIT Fund, however, has demonstrated superior rates of investment returns on pensions assets over substantial periods of time compared to the investment returns of the Hampden County Regional Board of Retirement for the same periods. Higher investment returns resulting from PRIM/PRIT management of pension assets on Hampden County Regional Board of Retirement pension assets, over time, should stabilize or reduce the annual contributions required of Longmeadow and the other towns and member units in the System and provide revenue relief.

OTHER RETIREMENT SYSTEMS

- As of December 4, 2007, 45 retirement systems were entirely in PRIM/PRIT Fund or in the process of joining PRIM/PRIT. Of the 45, 11 systems have been ordered into PRIM/PRIT Fund under the provisions added to Chapter 32 in 2007 mandating asset transfers for underperforming systems.**

 - As of July 1, 2007, 48 retirement systems (including Hampden County) had some of their assets invested in PRIM/PRIT Fund investment vehicles.**

 - Wellesley elected to join PRIM/PRIT Fund in 2007 even though its system was 103% funded as of December 31, 2006 and had one of the top investment records of any of the retirement systems in the Commonwealth. The Wellesley Retirement Board determined that this was the best investment management alternative on a going forward basis.**
-

LONGMEADOW GO IT ALONE

The option of having Longmeadow withdraw from the Hampden County Regional Retirement Board, administer its own retirement system and invest through PRIM/PRIT Fund would need substantial further investigation and study. Legislation may be required to accomplish this. Such a move raises actuarial and administrative issues and questions regarding the separation of Longmeadow's share of pension assets and liabilities from those of the Hampden County Regional Retirement Board that would have to be resolved. Many towns do administer their own retirement systems. PRIM/PRIT Fund would handle investment of funds.
