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September 2, 2016

**Re: FY2015 GASB 68 information**

To all Massachusetts Municipal and Regional Treasurers:

Attached is a DRAFT of the report and pension allocation schedules for the Massachusetts Teachers' Retirement System (MTRS) as required under Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The report and allocation schedules are currently under final review by KPMG, the Commonwealth's independent auditor, and we expect to have the final, attested version of the report within the next few weeks. We do not anticipate the schedules to change materially, and wanted to distribute draft schedules to financial statement preparers as soon as they were available. The MTRS has been working in cooperation with the Office of the State Comptroller (CTR), the Public Employees' Retirement Administration Commission (PERAC) and KPMG to issue the GASB Statement No. 68 Schedules to be used by our employer units.

GASB 68 requires nonemployer entities (the Commonwealth) to provide certain "on-behalf" pension information to employer cities and towns whose teachers' pensions the Commonwealth is legally responsible for funding in a special funding situation. These on-behalf payments per district can be found under the Employer Pension Expense and Revenue for Commonwealth Support column in the "SUPPLEMENTAL SCHEDULE OF SPECIAL FUNDING AMOUNTS BY EMPLOYER", starting on page 21. Each city or town is required to recognize these on-behalf payments as revenue and a corresponding expense and disclose the amounts recognized in your financial statements.

In addition to the amounts listed for your district under the "SUPPLEMENTAL SCHEDULE OF SPECIAL FUNDING AMOUNTS BY EMPLOYER," particular attention should be paid to NOTE 5 on pages 8 and 9 and to the Notes to the Supplemental Schedules on page 32.

Entities should consult with their auditors as to how the standard should be applied to their own financial statements, but please do not hesitate to contact Michael Rodino of the State Comptroller's Office ([Michael.Rodino@MassMail.State.MA.US](mailto:Michael.Rodino@MassMail.State.MA.US)) or me ([Sean.Neilon@trb.state.ma.us](mailto:Sean.Neilon@trb.state.ma.us)) if you have any questions or need additional information about the report or the schedules themselves.

Thank you for your ongoing support and patience in our second year of reporting under this standard.

Sean Neilon  
*Assistant Executive Director*