

# MEMORANDUM #07, 2011

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission  
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## MEMORANDUM

TO: All Retirement Boards

FROM: Frank E. Valeri, Deputy Director

RE: Calendar Year 2010 Annual Statements

DATE: January 14, 2011

It is time for the preparation of the Annual Statement, which must be completed, signed, and returned to the Public Employee Retirement Administration Commission (PERAC) by May 1, 2011. One of our Auditors will be assigned to work with you to provide technical assistance as needed.

The Annual Statement publications are now being distributed primarily via compact disc (CD). However, printed copies of all of the documents will still be available upon request.

The attached CD contains the *2010 Annual Statement*, a *Sample Annual Statement*, and the guide, *Preparing the Annual Statement* in PDF. All of these documents are designed to be printed on 8 ½ by 11 paper.

This year, our auditors will make a presentation about the changes in the 2010 Annual Statement that are related to recent statutory changes, such as the accounting for the 3% interest on refunds and ERI funds contributed by an employer. In addition, they will review certain recent revisions to PERAC's *Accounting Manual for Massachusetts Public Pension Systems*, which include accounting for Buyback agreements as assets and the use of the new general ledger accounts. After the presentation, PERAC auditors will also be available on an informal basis for one-on-one consultations about preparation basics, the process in general, and other Annual Statement issues.

Our goal is to provide whatever assistance is needed by retirement board staff members who are new to the entire process as well as those who are simply seeking clarification about a few points. We hope that each individual's needs will be better met by including time for such consultations.

Please note that PERAC staff members are currently working on a video of the 2010 Annual Statement seminar that was filmed in-house. In the event that you are unable to attend one of the scheduled presentations because of schedule conflicts or inclement weather, you will still be able to view the 2010 Annual Statement presentation via CD. Our goal is to mail a CD featuring Chief Auditor Chadwick and Deputy Chief Auditor Tivnan's presentation to every retirement board within the next two weeks.

We invite you to attend the seminar in-person and/or view the presentation via CD – whatever approach you feel works best for you.

A sign up sheet for the seminar about preparing the 2010 Annual Statement is attached. It would be very much appreciated if you would let us know if you plan on attending. It will help us to ensure that we have the right number of auditors and reference materials on hand.

Please submit your pre-closing cashbook and trial balance for December 2010 to PERAC prior to February 28, 2011. If you encounter difficulties with this deadline, please contact me directly.

Thank you for your cooperation in this year-end closing process.

Enclosure