

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: All Retirement Boards

FROM: Frank E. Valeri, Deputy Director

RE: Preparation of the Annual Statement Classes

DATE: January 11, 2013

It is time to prepare the *2012 Annual Statement*, which must be completed, signed and returned to the Public Employee Retirement Administration Commission (PERAC) by May 1, 2013. PERAC Auditors will be assigned to work with retirement systems to provide technical assistance as needed.

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

The attached CD contains the *2012 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. You are encouraged to read these materials carefully. There are several changes from prior year filings. New general ledger accounts are referenced to clarify reinstatements and recoveries. A new schedule, Schedule 7, has been provided to improve the disclosure of investment-related fees. Heretofore, these fees had been addressed inconsistently via a variety of accounting options. Our intent is to provide more comparable financial information for all retirement systems.

As you were previously informed via PERAC Memo # 38 of 2011, retirement board **members** may satisfy the newly established three-hour (minimum) annual education requirement by attending one of the classes listed below. As always, the class is also open to retirement board **administrators**.

To make reservations, please e-mail Rose Cipriani at RCipriani@per.state.ma.us.

1. January 30, 2013 at 10:00 a.m. at the PERAC Offices, 5 Middlesex Avenue, 3rd Floor, Somerville, MA. (Snow date is January 31, 2013.)



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2. February 7, 2013 at 10:00 a.m. at the West Springfield Municipal Office Building, 26 Central Street, West Springfield, MA. (Snow date is February 8, 2013.)
3. February 5, 2013 at 10:00 a.m. at the Taunton Public Library, Taunton MA. (Snow date is February 19, 2013.)

The class is titled *Financial Accounting for Retirement Systems*. It is a three-part course beginning with emerging trends in risk management and staff oversight for retirement board members with a discussion on best practices in the wake of audit trends and fraud discovery. The second part of the class focuses on filing requirements for the *2012 Annual Statement*. The course will conclude with a review of the best method for understanding a PERAC Audit Report.

Your pre-closing cashbook and trial balance for December 2012 should be submitted to PERAC prior to March 1, 2013. If you encounter difficulties with this deadline, please contact me directly.

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

Enclosure