



Pension Standard – GASB 68

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North Carolina Department of State Treasurer
State and Local Government Finance

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Agenda

- GASB 68
 - Statement review
 - Changes to sample statements
 - Journal entry template



- Plans
 - Local Government Employees' Retirement System (LGERS)
 - Teachers' and State Employees' Retirement System (TSERS)
 - Register of Deeds' Pension Plan (ROD)
 - Firefighters' and Rescue Squad Workers' Pension Plan (FRSWP)
 - LEOSSA – for a select minority





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GASB 68 review

- June 30, 2015 implementation
- Is reporting standard, not funding guidance
- Will affect most units across the State
- Much has been determined
 - Net position of each plan
 - Allocation method
 - Allocation percentages
- Will heavily rely on collaborative effort between local governments and State



GASB 68 Changes

	Pre-68	68
Pension expense	Contributions made to the plan in current fiscal year	Allocated portion of actuarially determined collective plan expense
Pension asset or liability	Difference between ARC and what was contributed to plan	Difference between plan assets and obligations of the plan
Contributions to the plan in current fiscal year	Pension expense	Deferred outflows of resources
FRSWP	On behalf payment amount	IF MATERIAL - allocated portion of liability and plan pension expense
Covered payroll	Pensionable payroll	Payroll of employees that are provided pensions through the pension plan



GASB 68

- FRSWP
 - Special funding situation
 - Reporting requirements
 - On behalf payments
 - Materiality

<https://www.nctreasurer.com/sl原因/Memos/2015-19.pdf>



GASB 68

- State will provide
 - Data table with OSA opinion
 - Walkthrough doc for data table
 - Journal entry workbooks
 - Memos on specific topics
 - https://www.nctreasurer.com/slglfm/audit_acct/Pages/Pension-Standards.aspx
 - Sample financial statements



GASB 68 Data Table

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Schedule of Pension Amounts by Employer

As of and for the year ended June 30, 2014

Agency	Net Pension Liability	Deferred Outflows Of Resources					Deferred Inflows Of Resources					Pension Expense		
		Differences Between Expected And Actual Experience	Net Difference Between Projected And Actual Investment Earnings On Plan Investments	Changes Of Assumptions	Changes In Proportion And Differences Between Employer Contributions And Proportional Share Of Contributions	Total Deferred Outflows of Resources	Differences Between Expected And Actual Experience	Net Difference Between Projected And Actual Investment Earnings On Plan Investments	Changes Of Assumptions	Changes In Proportion And Differences Between Employer Contributions And Proportional Share Of Contributions	Total Deferred Inflows of Resources	Proportional Share Of Pension Expense	Net Amortization Of Deferred Amounts From Changes In Proportion And Differences Between Employer Contributions And Proportional Share Of Contributions	Total Employer Pension Expense
Eastern Band Of Cherokee Indians	(288,032)	-	-	-	-	-	31,472	670,532	-	16,722	718,726	18,058	(4,191)	13,867
Misenheimer, Village Of	(25,241)	-	-	-	-	-	2,758	58,761	-	4,600	66,119	1,582	(1,153)	429
Piedmont Triad Airport Authority	(73,718)	-	-	-	14,464	14,464	8,055	171,615	-	-	179,670	4,622	3,625	8,247
Sparta, Town Of	(27,600)	-	-	-	13,187	13,187	3,016	64,252	-	-	67,268	1,730	3,305	5,035
Yancey County	(490,728)	-	-	-	8,866	8,866	53,621	1,142,403	-	-	1,196,024	30,766	2,222	32,988

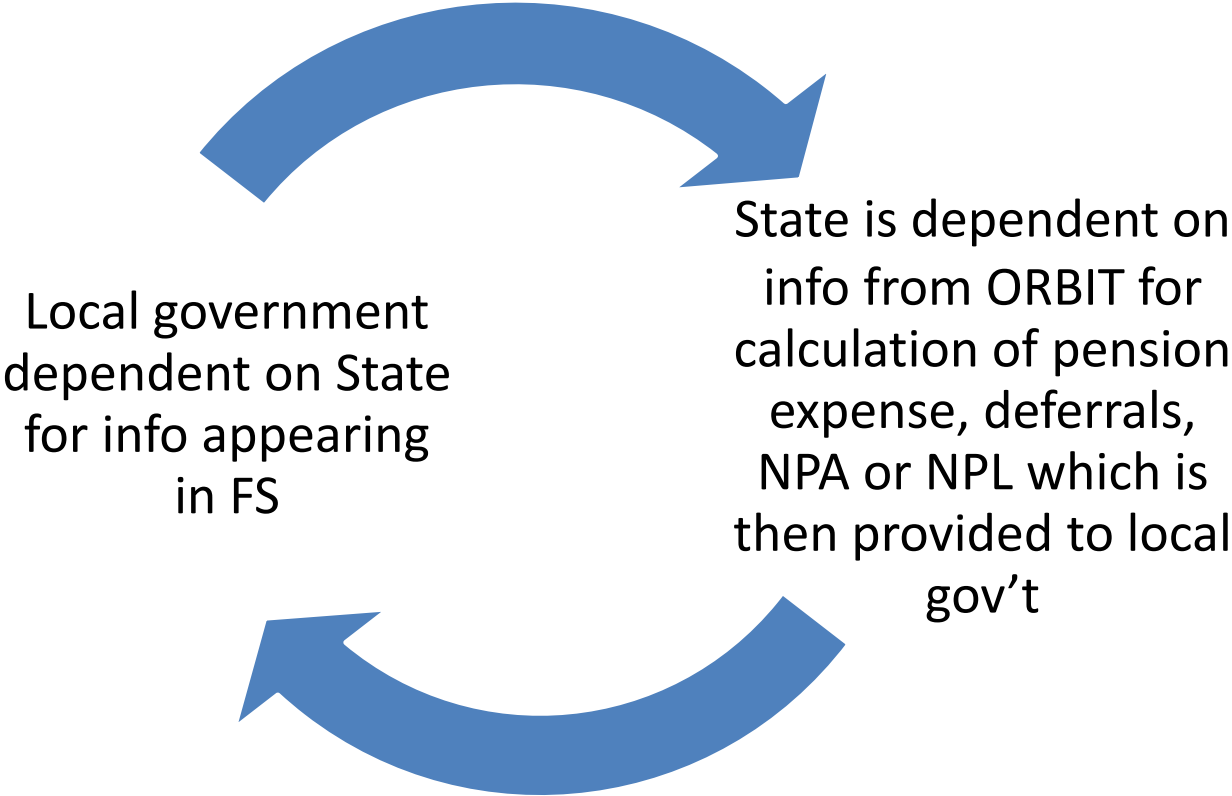


Guidance

- *AICPA Audit and Accounting Guide, State and Local Governments*
- *Government Employer Participation in Cost-Sharing Multiple Employer Plans: Issues Related to Information for Employer Reporting*
- *Single-Employer and Cost-Sharing Multiple-Employer Plans: Issues Associated with Testing Census Data in an Audit of Financial Statements*



GASB 68 cycle



Census Data Engagement

- Separate engagement from annual financial audit
 - Sample chosen each year
- Submitted to SLGFD through portal
 - Engagement letter, attestation opinion, invoices
 - Findings will be shared with Retirement
 - Indicate on TD for which engagement you are submitting paperwork
 - **Deadline is 10/16/2015**
- OSA memo provides additional guidance



LEOSSA in trust

- Should implement 68 this year IF meet following criteria (GASBS 68, ¶ 4)
 - Contributions to pension plan from employers and nonemployer contributing entities and the earnings on those contributions are irrevocable
 - Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms
 - Pension plan assets are legally protected from creditors of employers, nonemployer contributing entities, the pension plan administrator, and creditors of plan members



LEOSSA not in trust

- If not - Statement 73, *Accounting and Financial Reporting for Pensions and Financial Reporting for Pension Plans that **are not Administered through Trusts that meet Specified Criteria*** applies
 - Most NC units are **not** accounting for LEOSSA in GASB defined trust
 - GFOA comment
 - Carolina County note disclosure
 - SLGFD will draft response to GASB 67 comment



Final thoughts

- Ultimately, numbers appearing on financial statement are responsibility of local government
- Tools provided by the State are only tools
 - Important to at least conceptually understand where the numbers are coming from
- SLGFD is here to assist
- Check Pension Standards page for new information





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Resources - memos

- Fiscal Management page – www.nctreasurer.com
 - Pension Standards page
 - Memos
 - Memo to employers - introduction to GASB 67 and 68
 - 2015-04 - Q&A for FOs
 - 2015-06 - general implementation guidance
 - 2015-19 - FRSWP reporting guidance



Resources - tools

- On Pension Standards page
 - Data tables with OSA opinion
 - One each for LGERS, TSERS, ROD
 - Journal entry templates
 - One each for LGERS, TSERS, ROD
 - One for each plan for each sample FS unit
 - Actuaries' valuation reports
 - One each for LGERS, TSERS, ROD, and FRSWP
 - More information will be added as necessary



Other resources

- Sample financial statements
 - Note disclosures, RSI, other changes to presentation
- Preeti Nayak,
preeta.nayak@nctreasurer.com or
919.814.4291 or Sharon Edmundson,
sharon.edmundson@nctreasurer.com or
919.814.4289.





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Thank You!

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