

Accounting & Financial Reporting for Pension Liabilities and Completing the Net Pension Liability ~ GASB 68 Worksheet



Training presented by:
Local Government Services Bureau
State Financial Services Division
MT Department of Administration





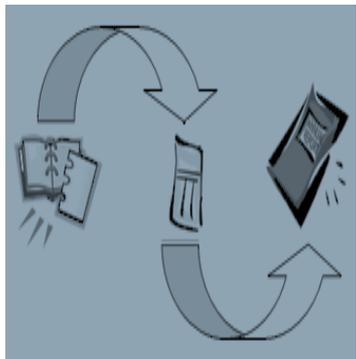
GASB – Governmental Accounting Standards Board –
Recognized as an official source of generally accepted
accounting principles (GAAP)

(2-7-504 MCA – Accounting methods)



Changed how Government's calculate & report the costs
and obligations associated with pensions.

Improve and increase transparency, consistency &
comparability



Employer Financial Statements will report their
proportionate share of the Net Pension Liability.

A change from showing only contributions and no liability
to a potentially large liability



Pension Plans will provide Local Governments with their proportionate share of each Plan's Net Pension Liability

LG's can complete the GASB 68 Worksheet

- Financial Statements include a non-current liability - Net pension liability (NPL), deferred inflows and outflows of resources, pension expense & on-behalf revenue.
- The Notes & Required Supplementary Information are expanded to clarify the Net Pension Liability to avoid confusion to the readers of the Financial Statements

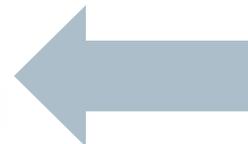
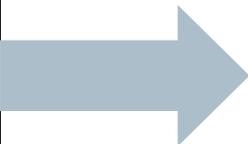


When: GASB 68 reporting for Local Governments – was first implemented for periods ending June 30, 2015

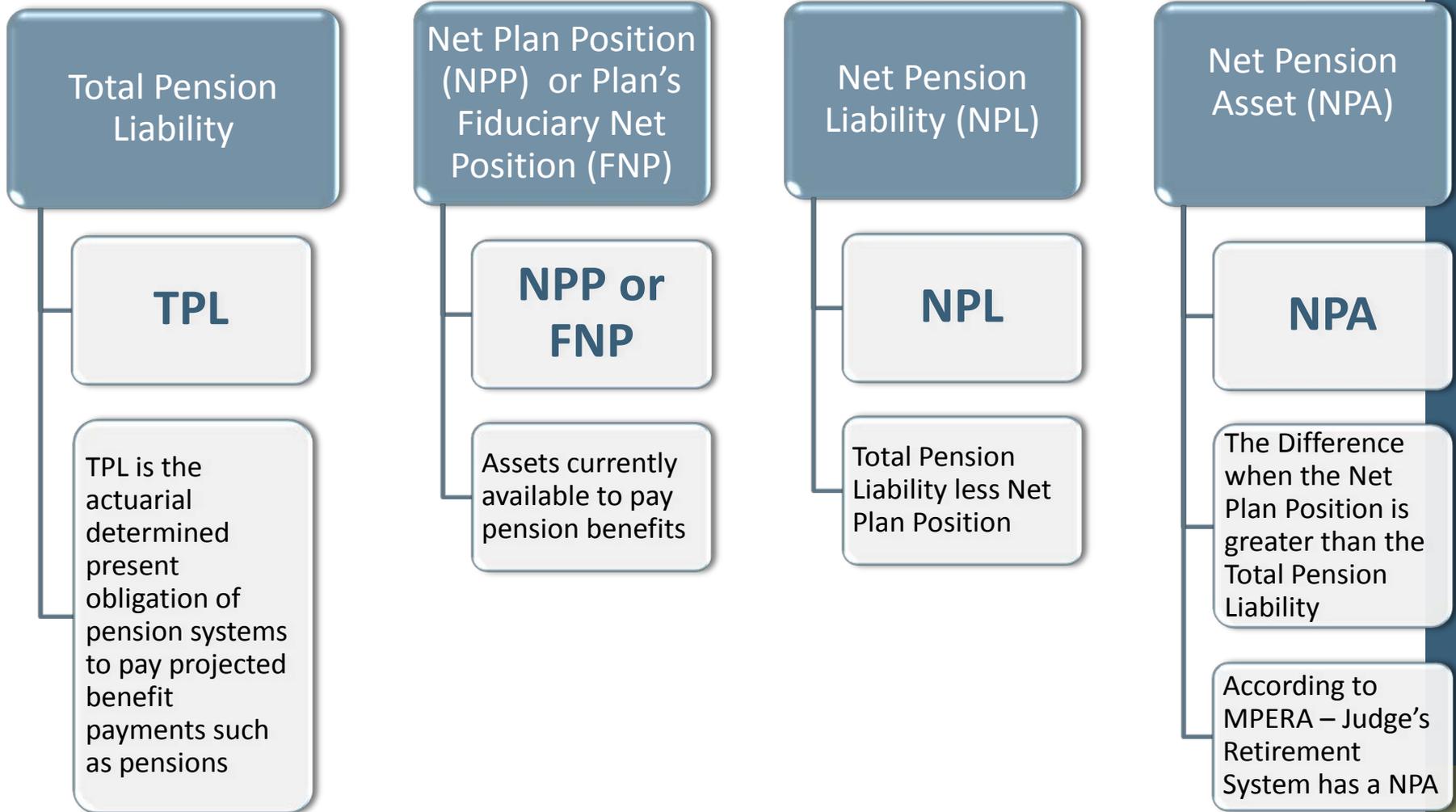


Accounting vs Funding Approach

- **GASB 68 Statements** relate only to accounting and financial reporting
 - Changes how pension costs and obligations are measured and reported in financial reports
 - Shift financial statement reporting from a funding approach to an accounting approach
- GASB Statements do not address or **change** how local governments fund the public pension systems
 - *In Montana – Statute (the Legislature) sets funding percentages*



Terminology relevant to GASB 68



$$\text{Total Pension Liability (TPL)} - \text{Net Plan Position (NPP)} = \text{NPL} \sim \text{or} \sim \text{NPA}$$

Reporting Information

- Employers will use the information provided by MPERA and/or TRS to complete their Fiscal Year Financial Statements
 - This information includes:
 - Each Employer's allocated share of the **Net Pension Liability (NPL)**
 - Information for Financial Statement Note Disclosures and RSI
 - MPERA and TRS will provide Local Governments with **annual schedules**

Note for Special Districts not using a June 30th FYE Date:

They must continue to use the same measurement date used in their first GASB 68 financial report



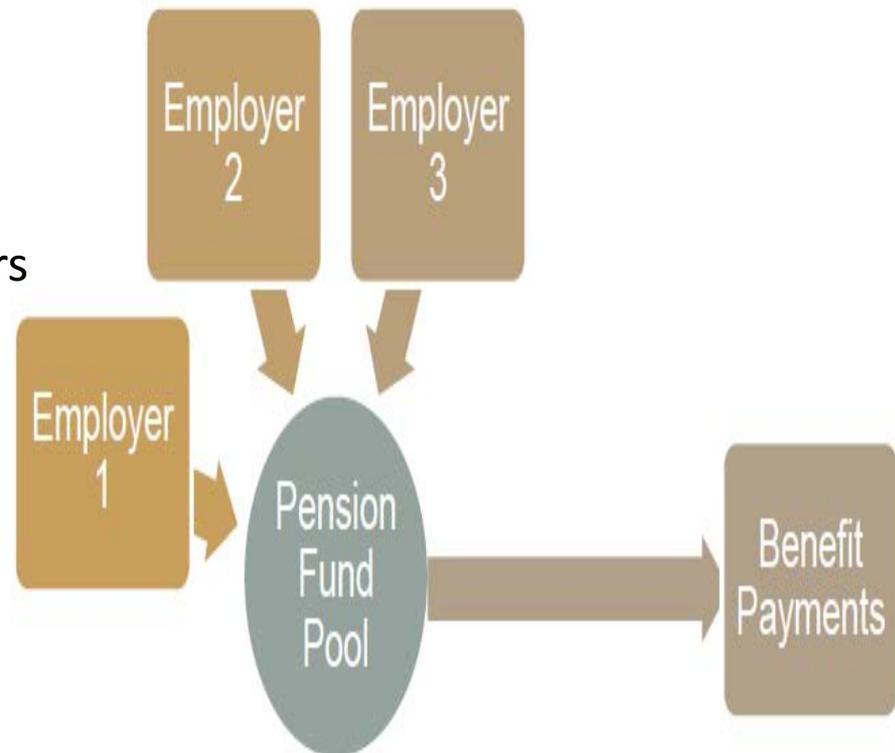
Types of Retirement Plans:

- **Cost-Sharing Multiple Employer Plan** – Participating employers pool their assets and their obligations to provide pensions ~ these plans include:

- **MPERA Plans:**

- PERS
- Sheriff's
- Game Wardens & Peace Officers
- Municipal Police Officers
- Firefighters Unified

- **Teacher's Retirement Systems**



Types of Retirement Plans cont.:

- **Single-Employer Pension Plan** – Provide pension benefits to the employees of one single employer
 - State of Montana is the only employer for:
 - Judge's
 - Highway Patrol Officers
- **Agent Multiple-Employer Plan** – Participating employers pool their assets for investment purposes but separate accounts are maintained for each individual employer (**not applicable in MT**)





Retirement Plan Options:

- **Defined Benefit Plan (DB)** – Specifies benefits to be provided to the employees at the end of their employment.
 - Employer commits to providing benefits at a predetermined level during retirement based on a variety of factors including earnings & length of employment
 - Plan bears the risk

- **Defined Contribution Plan (DC)** – Stipulates only the contribution to an active employee's account each year.
 - Employer commits to making agreed-upon payments to the employee's retirement account while the employee is in active service. Benefits are based on the value of that account at retirement
 - Employee bears the risk

- **PERS is allows an option for defined contribution**



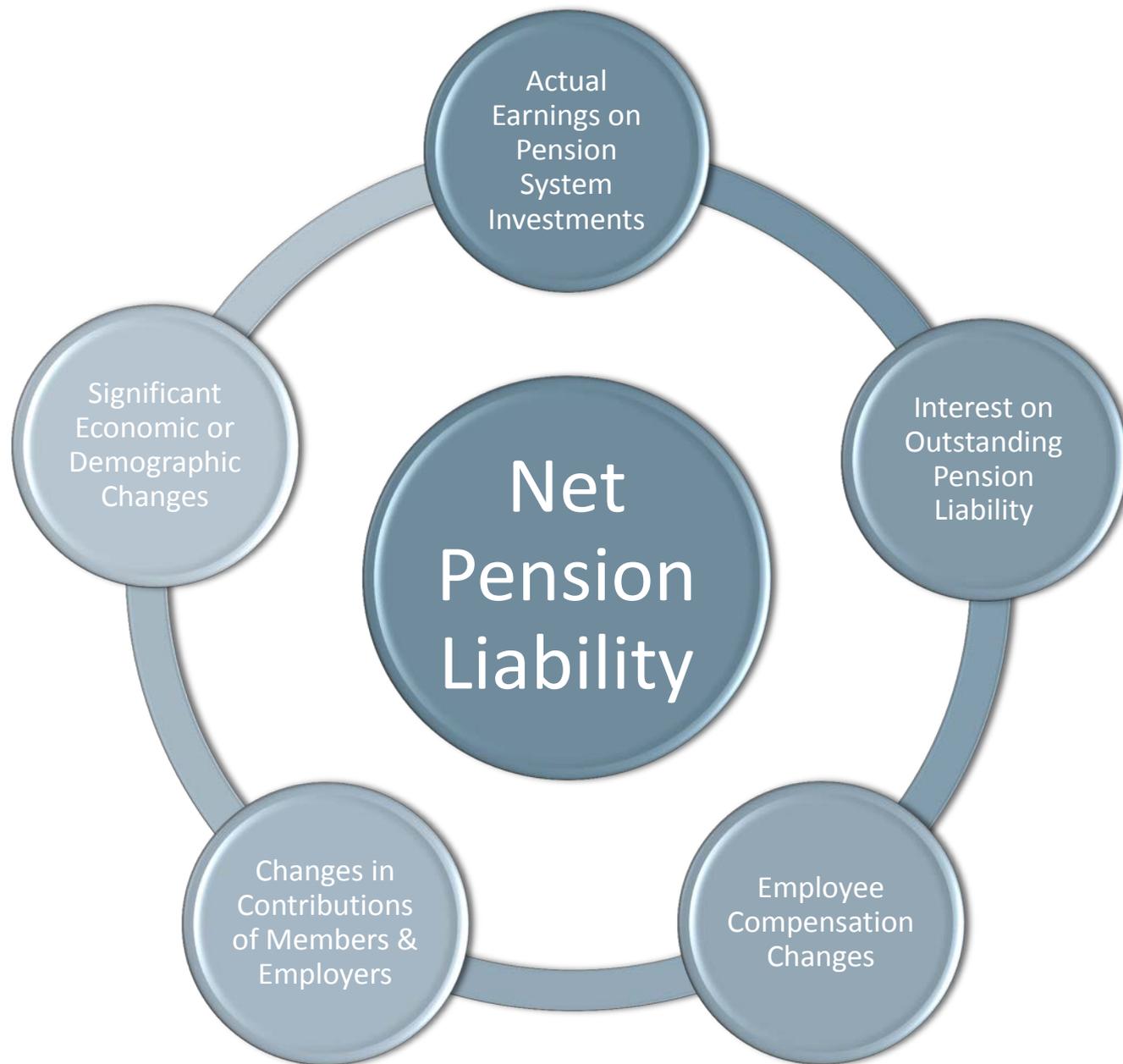
Reporting Issue: Net Pension Liability

- Employers will be required to report their **proportionate share** of the **Net Pension Liability** on their financial statements

NPL is a reporting issue – Shouldn't be funded

- **Net Pension Liability** is not immediately due and **cannot be paid off** under an accelerated schedule
- **Contributions to Pension Plans are set in statute**
 - Montana Employers are only responsible for payment of their statutorily required pension contributions

Net Pension Liability will vary from year to year due to:





Allocation of Net Pension Liability

- **Proportionate Share** – A measure of the share of each financial element a single employer or non-employer contributing entity must report on its financial records
 - The MPERA and TRS Actuary will determine each Entity's portion based on their share of all contributions made to the pension plan



Pension Expense:

- **Pension Expense** for a cost-sharing employer is its proportionate share of the plan's collective pension expense or change in the Net Pension Liability
 - **It is not the Employer's annual contributions made to the plan**
- Includes **current & deferred** recognition of pension expense
 - Over the average expected remaining service life of the employer's current members (active, inactive and retired)
 - Or over a 5-year period



Deferred Outflows and Inflows of Resources

- **Deferred Outflows and Inflows of Resources** – Portion of changes in Net Pension Liability that is not immediately recognized in Pension Expense.

These changes include:

- Differences between expected and actual experience
- Changes in assumptions
- Differences between expected and actual earnings on plan investments

**Deferred Outflow
of Resources**

- ***Normal balance is
a Debit***

**Deferred Inflow of
Resources**

- ***Normal balance is
a Credit***

Deferred Outflows and Inflows

This example shows the information provided by MPERA on the Employer Report used to determine the Deferred Outflows and Deferred Inflows:

Recognition of Deferred Inflows and Outflows - 57, 80h, 80i		
At June 30, 2016, the employer reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ -	\$ 9,948.87
Changes in Assumptions	\$ -	\$ -
Actual vs Expected Investment Earnings	\$ -	\$ 139,218.22
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	\$ 15,930.65	\$ 2,228.21
Employer Contributions subsequent to the measurement date - # FY2016 Contributions	\$ 127,760.33	
Total	\$ 143,690.98	\$ 151,395.30
# Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contribution subsequent to the measurement date will be recognized as a reduction of the NPL beginning in the year ended June 30, 2017.		
Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:		
For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense	
2017	\$	(57,319.03)
2018	\$	(57,319.03)
2019	\$	(57,034.57)
2020	\$	36,207.99
2021	\$	-
Thereafter	\$	-

Changes in the Plan investments & differences in contributions*

Contributions after the measurement date

*Example of deferred recognition



On-behalf payments to pensions

- **Non-Employer Contributing Entity** - Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities.
 - Several of the Multi-Employer Pension Plans receive contributions from the State of Montana, as a non-employer contributing entity.
 - The contributions are:
 - Intended to assist in funding the Plan's Net Pension Liability
 - Classified as either – Special Funding Situations and Nonspecial Funding Situations



Non-employer Entity Contributions

- Employers that participate in a plan that receives funding from a Non-employer Contributing Entity will report the amounts as:

BARS Chart of Accounts:

Other State Payments -

Revenue Acct #336020 – On Behalf Payment

- This entry is done by some entities as part of their annual closing adjustments or by auditor.



Don't duplicate the adjustment if done as part of closing



BARS Accounts related to GASB 68

237000	<ul style="list-style-type: none">• Non-current Portion of Long-term Debt• Net Pension Liability
336020	<ul style="list-style-type: none">• On-behalf Revenue by State & Coal Board• Paid directly to Pension Plans
1999XX	<ul style="list-style-type: none">• Deferred Outflow of Resources
22XXXX	<ul style="list-style-type: none">• Deferred Inflow of Resources
4xxxxx	<ul style="list-style-type: none">• Pension Expense (Non-cash item)• In Proprietary Funds
195-199	<ul style="list-style-type: none">• Object codes (Non-cash item)• In Proprietary Funds



Reporting Information provided by Pension Plans:

- Employers will use the information provided by MPERA and/or TRS to complete their Financial Statements
 - Information will be provided annually
- Information supplied will include:
 - Each Employer's allocated share of the Net Pension Liability (NPL) as of the Measurement Date
 - Items to assist with Financial Note Disclosures & RSI



Steps to complete the NPL/GASB68 Worksheet

- **Step 1:** Download necessary reports & worksheets
 - NPL - GASB 68 Worksheet from LGSB website
 - **Review the instructions**
 - Employer reports from MPERA and/or TRS
- **Step 2:** Complete the applicable Pension Plan and RSI Input pages of the GASB 68 Worksheet
- **Step 3:** Complete the Prior Year Input pages for each applicable plan
- **Step 4:** Complete the Payroll Allocation Page
- **Step 5:** Governmental Fund Adjustments (Fund 9500 if applicable)
- **Step 6:** Proprietary Fund Adjustments (Each Proprietary Fund)
- **Step 7:** Move the Note Disclosures to the AFR
- **Step 8:** Move or complete the RSI & RSI notes to the AFR

ov/LGSB Welcome to the Local Government Services Bureau

Tools Help

MSN.com - Hotmail, Outlook... MINE - Montana Information... Welcome to the Local Government Services Bureau Montana's Official State Website MDT T

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WELCOME TO THE LOCAL GOVERNMENT SERVICES BUREAU

Visit the bureau's [About Us Page](#) to learn about LGSBI

New LGS Local Government Entity Portal!

By law, local government entities must file their annual financial reports, budgets, and audit reports with the Local Government Services Bureau. In order to improve efficiencies, the LGSB has implemented a new way to receive and share this information.

PUBLIC VIEWERS

The Portal makes these reports readily available to citizens; promoting

REGISTERED USERS

The Portal provides local government entities and independent auditors with

QUICK LINKS

NEW RESOURCES

- **NEW!!** Training Videos
- **NEW!!** Net Pension Liability-GASB 68 Worksheet
- Important Dates - List of pertinent reporting dates
- Map - Regional Accounting Assistance

REPORT TO LEGISLATURE

- Local Charges for Services Funds

ACCOUNTING AND FINANCIAL REPORTING SECTION

- Accounting & Financial Reporting Forms and Documents
- BARS Updates (Memos)
- Database Ledger Load for Local Governments (Updated 9/2015)
- Delinquent Annual Reports

NPL-GASB 68 Worksheet ~ Step 1:

- The worksheet is on the LGSB website: <http://sfsd.mt.gov/LGSB>

- Under **Quick Links**
- Open the Excel Spreadsheet
- Rename the file
- Save the file to your computer

GASB 68 Worksheet Instructions Tab:

Review all the steps on the instructions page (or tab) of the NPL - GASB 68 Workbook

GASB 68 PENSION PLAN REPORTING

WORKSHEET INSTRUCTIONS

The reports necessary to complete the pension plan input pages can be found on the MPERA & TRS websites:

[GASB Information - Montana Public Employee Retirement Administration](#)

[Home - Montana TRS](#)

Instructions to complete the Pension Statement Input Worksheets - Yellow Tabs:

Use the plan reports to complete the Pension Note-Input and RSI-Input pages of the plans your entity participates in.

(Note: You may not participate in all the plans. **Do not delete** the worksheet page of the plans not applicable.

You can hide the worksheet pages your local government doesn't participate in.)

The **MPERA plans** are located in the link Under GASB 68 Employer Data: Employer Specific Data

Ensure you are using the report for the correct year. 2016 and 2015 reports are available on the website.

Enter information in **yellow-colored cells**

Do not enter info in **salmon-colored cells**

For MPERA Plans: PERS, FURS, MPOR and SRS:

Steps 1 and 2: Complete the **Note-Input** Pages and the **RSI-Input** Pages for each applicable Plan. The MPERA plans are located in the link Under GASB 68 Employer Data: Employer Specific Data - See Illustrations #1a, 1b and 1c. Enter the information as provided on the Employer Specific Data Report for each pension plan that is applicable. The information is provided by plan type. Start by inputting the Note-Input pages and then continue to the RSI-Input pages.

When inputting percentages you will need to input the number as a percentage - example: .035% would be entered as .00035.

Step 3: Input the Deferred Outflow of Resources and Deferred Inflow of Resources information on the **Prior Year Info** pages for all the plans your local government participates in. This information can be found on your prior year's GASB 68 Worksheet or on the MPERA website. When using the prior year's report, the numbers before the descriptions correspond to the input box from the prior's years report.

For Teachers Retirement System:

Step 4: Enter the information as provided on the TRS Website - Click on "The 2016 GASB 68 reports". Locate your report by Employer Name, then scroll down the TRS report until you locate the "Statement of Journal Entries" page to find the information to input on the TRS Statement - Input worksheet. (You do not have to complete a Prior Year Input page for TRS.)

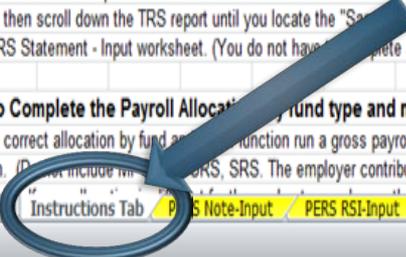
Instructions to Complete the Payroll Allocation (by fund type and major function) - Yellow Tab:

To determine the correct allocation by fund and major function run a gross payroll report for only employees participating in the PERS plan. Do not include FURS, SRS. The employer contributions are typically made only from

Illustration #1a:



Illustration #1b:



MPERA Reports:

MPERA reports necessary to complete the form can be found on their website:

<http://mpera.mt.gov/gasbinfo.shtml>

Click on the “Employer Specific Information – GASB 68 Employer Data” link

The screenshot shows the MPERA website interface. At the top, there is a navigation bar with links for HOME, MEMBERS, EMPLOYERS, RETIREES, THE BOARD, and ABOUT MPERA. Below this is a large banner image with the text "PERA MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION" and the "mt.gov" logo. A prominent button labeled "GASB Information" is centered below the banner. Underneath, there is a section titled "GASB Update: August 2016" which contains text about the release of audited reports and changes in reporting requirements. Below the update text is another button labeled "Employer Specific Information". Under this button, a link for "GASB 68 Employer Data" is highlighted with a blue oval and a blue arrow pointing towards the right. Below this is a section titled "MPERA Reports" which lists "Comprehensive Annual Financial Report", "GASB Reports", and "Pensionable Payroll". At the bottom, there are two columns: "Resources for Employers" and "Additional Resources", each with a list of links.

GASB 68 Worksheet



GASB 68 Employer Data

2016 Information			
GASB Memo for ERs	ER Specific Data	Audited 67 & 68 Rpts	Journal Entries

2015 Information				
GASB Memo for ERs	ER Specific Data	GASB Disclosures	Audited 67 & 68 Rpts	Journal Entries

- Information is available for multiple years
- Click on the “ER Specific Data” link for the fiscal year you are completing



2016 GASB Reports

Select your organization below

School District:	-- Select School Dist. --	Select
Other Employers:	-- Select Agency --	Select

- Select your local government information by scrolling until you find your local government

MPERA Employer Reports by Plan



Download the pension plan reports necessary to complete the worksheet

[GASB Reports](#)

City of Somewhere

PERS-C00349	PERS Employer Report (PDF)
FURS-P00349	FURS Employer Report (PDF)
MPORS-P00349	MPORS Employer Report (PDF)

[Return to Select Organization Page](#)

MPERA reports include:
PERS
FURS
MPORS
SRS

GASB 68 Worksheet Step 2:

2016 PERS-DBRP GASB 68 Disclosures

As of reporting date	<u>Net Pension Liability as of 6/30/2016</u>	<u>Net Pension Liability as of 6/30/2015</u>	<u>Percent of Collective NPL as of 6/30/2016</u>	<u>Percent of Collective NPL as of 6/30/2015</u>	<u>Change in Percent of Collective NPL</u>
Employer Proportionate Share	\$ 1,644,426.68	\$ 1,448,901.00	0.117638%	0.116283%	0.001355%
State of Montana Proportionate Share associated with Employer	\$ 20,198.88	\$ 17,693.23	0.001445%	0.001420%	0.000025%
Total	\$ 1,664,625.56	\$ 1,466,594.23	0.119083%	0.117703%	0.001380%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERS' participating employers. As of the employer's reporting date the employer recorded a liability of \$xxx,xxx and the employer's proportionate share was x.xxxxxx percent.

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL. *(Employers must disclose the details of significant changes or state no changes.)*

Use MPERA's PERS Report to input information in the NPL-GASB 68 Worksheet for each pension plan type applicable

Input in yellow cells
Salmon cells are formulas

GASB 68 Worksheet ~ Transfer information:

From the MPERA report to the Plan Note Input & RSI Input Pages:

The screenshot shows a spreadsheet with the following content:

1	EMPLOYER:	City of Somewhere			
2	PUBLIC EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT				
3	GASB 68 NOTES TO THE FINANCIAL STATEMENTS				
4	FOR FISCAL YEAR ENDED				
5	JUNE 30, 2015 (MEASUREMENT DATE)				
6	June 30, 2016 (REPORTING DATE)				
8	Pension Amount Totals - 74				
10	GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.				
12	Net Pension Liability - 80a, 80b, 80c, 80d, 80e, 80f				
14	In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions.				
16	PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government or school district's collective NPL that is associated with the non-State employer.				
18	The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Tax Severance fund. All employers are required to report the portion of Coal Tax Severance income and earnings attributable to the employer.				
20	The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 reporting values presented in these notes.				
21	Net Pension Liability as of	Net Pension Liability as of	Percent of Collective NPL as of	Percent of Collective NPL as of	Change in Percent of Collective

At the bottom, a navigation bar contains the following tabs: Coveragepage, Instructions Tab, PERS Note-Input, PERS RSI-Input, PERS-Prior Year Info, FURS Note-1. The 'PERS Note-Input' tab is circled in blue.

GASB 68 Worksheet ~

Transfer information:

Transfer information from the MPERA report to the yellow input cells of the GASB 68 Worksheet:

As of reporting date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 1,644,426.68	\$ 1,448,901.00	0.117638%	0.116283%	0.001355%
State of Montana Proportionate Share associated with Employer	\$ 20,198.88	\$ 17,693.23	0.001445%	0.001420%	0.000025%
Total	\$ 1,664,625.56	\$ 1,466,594.23	0.119083%	0.117703%	0.001380%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERS' participating employers. As of the employer's reporting date the employer recorded a liability of \$xxx.xxx and the employer's proportionate share was x.xxxxxx percent.

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL. (Employers must disclose the details of significant changes or state no changes.)

As of reporting date:	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 1,644,426.68	\$ 1,448,901.00	0.117638%	0.116283%	0.135500%
State of Montana Proportionate Share associated with the Employer	\$ 20,198.88	\$ 17,693.23	0.001445%	0.001420%	0.000025%
Total	\$ 1,664,625.56	\$ 1,466,594.23	0.119083%	0.117703%	0.135525%

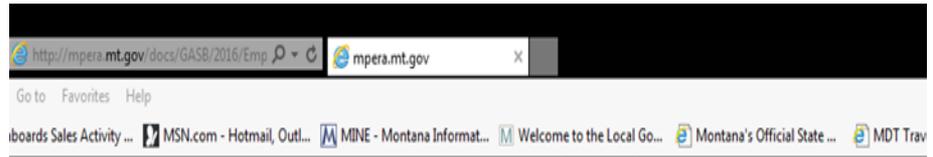
The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all PERS' participating employers.

As of the employer's reporting date the employer recorded a liability of \$1,644,426.68 and the employer's proportionate share was 0.117638%

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

NPL-GASB 68 Input Pages ~ Transfer RSI information:



Transfer information from the MPERA report to the yellow input cells of the RSI Input Pages

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
81a1

	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	0.117638%	0.116283%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 1,644,426.68	\$ 1,448,901.00
State of Montana's proportionate share of the Net Pension Liability associated with the Employer	\$ 20,198.88	\$ 17,693.23
Total	\$ 1,664,625.56	\$ 1,466,594.23
Employer's Pensionable Payroll	\$ 1,372,857.44	\$ 1,316,323.55
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	119.781%	110.072%
Plan fiduciary net position as a percentage of the Total Pension Liability	78.4%	79.9%

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
81a1

	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	0.117638%	0.116283%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 1,644,426.68	\$ 1,448,901.00
State of Montana's proportionate share of the Net Pension Liability associated with the Employer	\$ 20,198.88	\$ 17,693.23
Total	\$ 1,664,625.56	\$ 1,466,594.23
Employer's Pensionable Payroll	\$ 1,372,857.44	\$ 1,316,323.55
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	119.78%	110.07%
Plan fiduciary net position as a percentage of the total Pension Liability	78.40%	79.90%

Required Supplementary Information
Schedule of Contributions
For the Last Ten Fiscal Years*
81b

	2016	2015
Contractually Required Contributions	\$ 127,760.33	\$ 116,713.78
Contributions in Relation to the Contractually Required Contributions	\$ 127,760.33	\$ 116,713.78
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Pensionable Payroll	\$ 1,509,427.86	\$ 1,372,857.44
Contributions as a percentage of Pensionable Payroll	8.464%	8.502%

*The amounts presented above for each fiscal year were determined as of June 30th, the measurement date. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Step 3: Prior Year Ending Balances Page:

Prior Year Ending Balances

Entity: **SOMEWHERE, MT**
System: **PERS**

Employer's Deferred Outflows and Deferred Inflows at June 30, 2015

Line:		Deferred Outflows	Deferred Inflows
19	Differences between actual and expected experience	\$ -	\$ -
20	Changes in assumptions	\$ -	\$ -
21	Actual vs Expected Investment Earnings		\$ 374,372.18
22	Changes in proportion share and differences between employer contributions and proportionate share of contributions		\$ 901.25
23	Employer contributions made to the plan from 7/1/2014 to 6/30/2015	\$ 115,940.32	

Navigation: Coverage | Instructions Tab | PERS Note-Input | PERS RSI-Input | **PERS-Prior Year Info** | PERS Note-Input

Step 3: Complete the Prior Year Ending Information for Deferred Outflows and Deferred Inflows (FY15 Lines 19-23)



PERA MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

HOME MEMBERS EMPLOYERS RETIREES THE BOARD ABOUT MPERA

GASB 68 Employer Data

2016 Information
GASB Memo for ERs | ER Specific Data | Audited Financial Rpts | Journal Entries

2015 Information
GASB Memo for ERs | ER Specific Data | **GASB Disclosures** | Audited 67 & 68 Rpts | Journal Entries

Information can be completed by using the prior year's NPL-GASB-68 Worksheet or the MPERA Website - Employer Specific Data Report for your Prior Fiscal Year

MONTANA DEPARTMENT OF ADMINISTRATION
STATE FINANCIAL SERVICES DIVISION
LOCAL GOVERNMENT SERVICES BUREAU
Mitchell Building, Room 270, PO Box 200547, Helena, MT 59620-0547
Phone: (406) 444-9101
<http://sfsd.mt.gov/LGSB>

GASB 68 Worksheet

Version 15.2
Release Date: October 28, 2015

Other Plans:

Input the information for the other applicable pension plans from the MPERA reports to the GASB 68 Worksheet

	A	B	C	D	E	F	G	H
1	EMPLOYER: 0							
2	FIREFIIGHTERS' UNIFIED RETIREMENT SYSTEM							
3	GASB 68 NOTES TO THE FINANCIAL STATEMENTS							
4	FOR FISCAL YEAR ENDED							
5	JUNE 30, 2015 (MEASUREMENT DATE)							
6	June 30, 2016 (REPORTING DATE)							
7								
8	Pension Amount Totals - 74							
9								
10	GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.							
11								
12	Net Pension Liability - 80a, 80b, 80c, 80d, 80e, 80f							
13								
14	In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Firefighters' Unified Retirement System (FURS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows							
15								
16	FURS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to FURS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government's collective NPL that is associated with the non-State employer.							
17								
18	The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 reporting values presented in these notes.							
19								
20		Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL		
21	As of reporting date:							
	Employer Proportionate Share							
	State of Montana Proportionate Share associated with the							

The screenshot shows the MPERA website interface. At the top is the MPERA logo and navigation menu: HOME, MEMBERS, EMPLOYERS, RETIREES, THE BOARD, ABOUT MPERA. Below this is a search bar labeled "GASB Reports". Underneath, a dropdown menu is open for "City of Somewhere", showing three report options:

PERS-00349	PERS Employer Report (PDF)
FURS-FG0349	FURS Employer Report (PDF)
MPORS-FG0349	MPORS Employer Report (PDF)

Below the dropdown is a link: "Return to Select Organization Page". At the bottom of the page is a footer with links: "PRIVACY & SECURITY", "ACCESSIBILITY", "CONTACT US", "SEARCH".

MPERA Employer Specific Reports:

- PERS
- FURS
- MPORS
- SRS

The TRS report is separate from MPERA

Teachers Retirement System – TRS:

Teachers Retirement System (TRS) information is located:

<https://trs.mt.gov/>

Click on the link for **GASB 68 Employer Reports**

Locate your local government on the drop-down menu

Montana Teachers' Retirement System

ACTIVE MEMBERS
Benefit information and account access

BENEFIT RECIPIENTS
Handbook, forms and account access

EMPLOYERS
Account access for insurance, wages and contributions

Revised 2016 Active Member Handbook Now Available
2016 GASB 68 Employer Reports
TRRS Fact Sheets - Find Answers to Your Questions

Home
Active Members
Benefit Recipients
Employers
Site Index
About TRS
TRS Board
Contact TRS
Staff and Technical

Welcome to the TRS Website

The TRS mission is to promote long-term financial security for our members while maintaining the stability of the fund. The most common sources of income for retirees in the U.S. are Social Security and personal savings (including investments). TRS members have the additional security of a defined benefit pension plan in which benefits are paid based on their years of service and their final average compensation. Defined benefits are guaranteed during the lifetime of the member.

Public pensions benefit, not only Montana's retired public employees, they also have a direct economic benefit to local communities. More than \$251 million are paid to 11,379 retired members in 56 counties around the state of Montana. These dollars flow back into local and state communities.

Popular Links

- Contact TRS Staff
- Communication Archive
- Active Member Handbook
- Benefit Recipient Handbook
- Horizons Newsletter
- Fact Sheets **NEW!**
- Rate & Salary Charts
- Annual Reports

TRS Information for NPL-GASB 68 Report

- Teachers Retirement System's Employer Reports are in Note Disclosure format.
- Input the information from the Sample Journal Entries page of the report provided by TRS.

Sample Journal Entries

For Employer's Fiscal Year Ended June 30, 2016 (June 30, 2015 Measurement Date)

	<u>Debit</u>	<u>Credit</u>
Proportionate share of beginning collective net pension liability	\$65,119	
Proportionate share of ending collective net pension liability		\$67,593
Pension expense – Employer	2,804	0
Deferred outflows of resources – Difference b/w Expected and Actual Experience BEG		644
Deferred outflows of resources – Difference b/w Expected and Actual Experience END	713	
Deferred outflows – Change of Assumptions BEG		1,476
Deferred outflows – Change of Assumptions END	957	
Deferred inflows – Change of Assumptions END		143
Deferred outflows/inflows of resources –Difference b/w Actual and Expected Contributions & Change in Proportionate Share BEG	1,310	0
Adjustment to Deferred outflows/inflows of resources –Difference b/w Actual and Expected Contributions & Change in Proportionate Share BEG		0
Deferred outflows/inflows of resources –Difference b/w Actual and Expected Contributions & Change in Proportionate Share END	0	3,003
Deferred inflows – Difference b/w Projected and Actual Investment Earnings BEG	10,086	
Deferred inflows – Difference b/w Projected and Actual Investment Earnings END		3,630
Deferred outflows of resources – Employer contributions 7/1/2014 – 6/30/2015		4,500
To record current year activity	\$80,989	\$80,989
Pension expense – Non-Employer Contributing Entity	\$ 3,219	\$
Revenue – State aid	\$	\$ 3,219
To record pension expense and revenue for State support		

TRS Input:

The Teacher Retirement Worksheet entry page is different than the MPERA pension plan input pages

Reason:
Format of the information provided by TRS differs from MPERA
Journal Voucher Adjustment entries are provided

A	B	C	D	E	F	G	
5			System: TRS	(Teachers Retirement System)			
6			Employer: SOMEWHERE, MT.				
7			Current Fiscal Year: June 30, 2016	(REPORTING DATE)			
8			input the Information as provided on the "Sample Journal Entries" page provided by the Teachers Retirement System.				
9			Montana TRS				
11							
12	#1	To record current year activity					
13		Proportionate share of beginning collective Net Pension Liability	\$	65,119.00			
14		Proportionate share of ending collective Net Pension Liability			\$	67,593.00	
15							
16		Pension Expense	\$	2,804.00			
17							
18		Beginning Balance: Deferred Outflow: Actual & expected experience				644	
19		Beginning Balance: Deferred Inflow: Difference between actual & expected experience					
20		Deferred outflows of resources - Differences between actual and expected experience	\$	713.00			
21		Deferred inflows of resources - Differences between actual and expected experience					
22							
23		Beginning Balance: Deferred Outflow: Changes in assumptions			\$	1,476.00	
24		Beginning Balance: Deferred Inflow: Changes in assumption					
25		Deferred outflows of resources - Changes in assumptions	\$	957.00			
26		Deferred inflows of resources - Changes in assumptions			\$	143.00	
27							
28		Beginning Balance: Deferred Outflow: Actual vs expected investment return					
29		Beginning Balance: Deferred Inflow: Actual vs expected investment return	\$	10,085.00			
30		Deferred outflows of resources - Net difference between projected and actual earnings on pension plan investments					
31		Deferred inflows of resources - Net difference between projected and actual earnings on pension plan investments			\$	3,630.00	
32							
33		Beginning Balance: Deferred Outflow: Difference in actual vs expected contributions					
34		Beginning Balance: Deferred Inflow: Difference between actual vs expected contributions	\$	1,310.00			
35		Deferred outflows of resources - Changes in proportion and differences between employer contributions and proportionate share of contributions					
36		Deferred inflows of resources - Changes in proportion and differences between employer contributions and proportionate share of contributions			\$	3,003.00	
37							
38		Pension Expense					
39		Deferred outflows of resources - employer contributions 7/1/2014 - 6/30/2015			\$	4,500.00	
40							
			Total:	\$	80,989.00	\$	80,989.00

Ready

SRS RSI-Input SRS-Prior Year Info **TRS Stmt-Input Tab** Payroll Allocation-Input Tab Governance



Payroll Allocation for PERS & Other Pension Plans cont.

Entity:	City of Somewhere
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Instructions: Input gross payroll totals for all employees participating in the PERS Plan by the total amount paid from all governmental funds and separately by Proprietary Fund to determine the allocation by Fund Type.

Payroll Allocation by Total Payroll for PERS-Covered Employees:

Fund type:	Payroll of Employees Participating in PERS Pension by fund type:	Percentage of "PERS payroll"
Total of Governmental Funds:	75,000	48.39%
Individual Proprietary Funds:		
5210 Water	40,000	25.81%
5310 Sewer	20,000	12.90%
5410 Solid Waste	15,000	9.68%
5510 Ambulance	3,000	1.97%
5610 Airport	2,000	1.29%
Total:	155,000	100.00%

Payroll Allocation for PERS Pension Plan:

a) Run a gross payroll report by fund type for only the employees participating in PERS

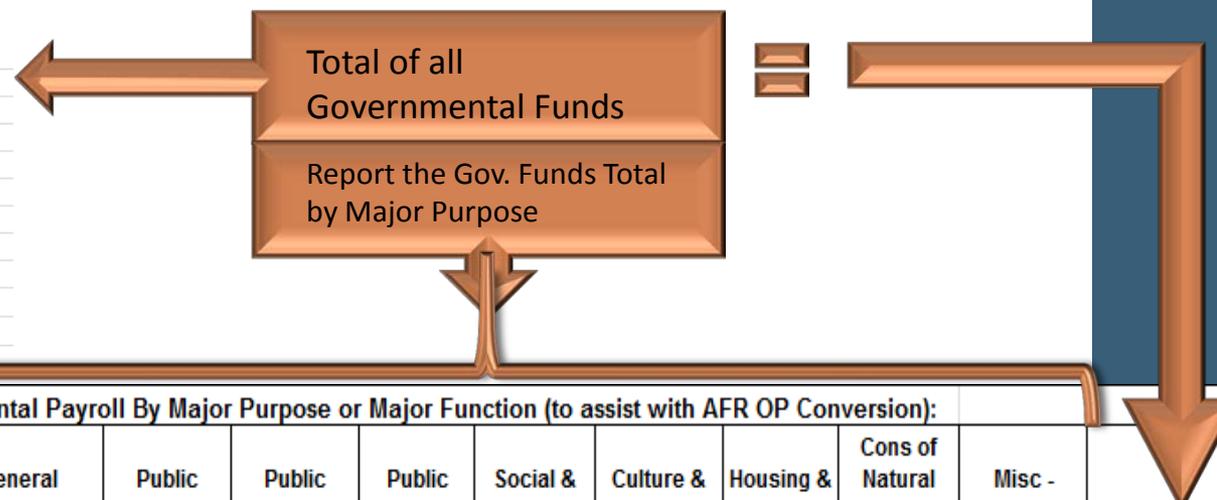
b) Input the amount of the payroll for governmental funds as one total and the amount for each proprietary fund individually in the yellow cells

Payroll Allocation for PERS & Other Pension Plans cont.

Entity:	City of Somewhere	
Instructions: Input gross payroll totals for all employees participating in the PERS Plan by the total amount paid from all governmental funds and separately by Proprietary Fund to determine the allocation by Fund Type.		
Payroll Allocation by Total Payroll for PERS-Covered Employees:		
Fund type:	Payroll of Employees Participating in PERS Pension by	Percentage of "PERS payroll"
Total of Governmental Funds:	75,000	48.39%
Individual Proprietary Funds:		
5210 Water	40,000	25.81%
5310 Sewer	20,000	12.90%
5410 Solid Waste	15,000	9.68%
5510 Ambulance	3,000	1.94%
5610 Airport	2,000	1.29%
Total:	155,000	100.00%

Payroll Allocation for Governmental Funds:

c) Further allocate the payroll of Governmental Funds by Major Purpose (account type)



Breakdown of Governmental Payroll By Major Purpose or Major Function (to assist with AFR OP Conversion):										
	General Government	Public Safety	Public Works	Public Health	Social & Economic	Culture & Recreation	Housing & Com Dev	Cons of Natural Resources	Misc - Unallocated	Total:
	41	42	43	44	45	46	47	48	51	
PERS ONLY										
Input the amount paid in all governmental funds for PERS by major purpose in yellow cells:										75000
Total:	75,000	33.33%	20.00%	13.33%	0.00%	0.00%	26.67%	0.00%	0.00%	6.67%

Payroll Allocation for Pension Plans other than PERS

Payroll Allocation of Pension Plans **other than PERS** for Governmental Funds :

d) Enter the percentages for pension plans other than PERS

- **For FURS, MPORS & SRS** - The default will be 100% to Public Safety;
- **TRS** default is 100% General Government
 - Update to reflect your actual payroll allocation if different

Example below shows SRS manually changed to reflect 90% Public Safety & 10% General Government

		Plan Types:	41	42	43	44	45	46	47	48	51	Total:
Other Pension Plan Types	Update the percentage of payroll allocated by	FURS		100%								1
	Major Purpose for the	MPORS		100%								1
	Plan Types reported if	SRS	10%	90%								1
	different	TRS	100%									1





GASB 68 Worksheet Input ~ Step 4:

The information from the Payroll Allocation will be used to calculate the adjustments by fund type and plan type.

Calculations are done on hidden worksheet pages at the end of the workbook and information is transferred to Governmental Fund Adjustments & Proprietary Fund Journal Adjustment tabs

Pages are hidden

~

No Input is necessary!

GASB 68 Worksheet Input ~ Step 5

Governmental Funds Adjustments #1 - #3:

Governmental Funds - GASB 34 Adjustments for Government-Wide Statements

Annual Financial Report Adjustments for Conversion Pages
and Adjustments to General Long-Term Debt Account Group

Adjustments:

Annual Financial Report Form - Governmental Long-Term Debt Account Group (Fund 9500)

#1

	Debit:	Credit:
174300 Amount to be provided - other	1,772,456.36	-
237000 Net Pension Liability	-	1,772,456.36

Input Entries #1 on GLTDAG of AFR
for Governmental Funds
and input as a JV in your Software
if updating Fund 9500 - Long-Term Debt Acct.

Annual Financial Report Form - BS Conversion:

#2

1999XX Deferred Outflows of Resources	1,150,293.82	-
1999XX Deferred Outflows of Resources	-	-
2238XX Deferred Inflows of Resources	-	-
2238XX Deferred Inflows of Resources	731,395.85	-

Input Entries #2 on BS Conversion of AFR:
Deferred Inflows & Outflows Adjustment on
BS Conversion Page of AFR.

Annual Financial Report Form - OP Conversion

#3

336020 Revenue - On-behalf payment	-	186,017.46
4XXXXX Pension Expense	76,784.15	-
Total:	1,958,473.82	1,958,473.83

Input Entries #3 on OP Conversation of AFR:
Input On-behalf payment Column F Row13 Intergov. Revenue
Input Pension Exp by Function as listed below in Column F
Rows 23-37

Difference: 0.01

If rounding adjustment is necessary, adjust pension expense

Account Description	Debit	Credit	Net Change:	Normal Balance:	Prior Year's AFR:	Current Year's Ending Balance:
1999XX Deferred Outflows of Resources	\$ 1,551,009.18	\$ 400,715.37	\$ 1,150,293.82	Debit		\$ 1,150,293.82
2238XX Deferred Inflows of Resources	\$ 731,395.85	\$ -	\$ (731,395.85)	Credit		\$ (731,395.85)
237000 Net Pension Liability - Ending		\$ 1,772,456.36	\$ 1,772,456.36	Credit		
4XXXXX Pension Expense	\$ 501,544.18	\$ 424,760.03	\$ 76,784.15	Debit		
336020 Revenue - On-behalf payment		\$ 186,017.46	\$ 186,017.46	Credit		
	\$ 2,783,949.21	\$ 2,783,949.22				
			\$ (0.01) Diff			

Governmental Funds Adjustments – Frequently asked question:

Do I make the adjustments in my accounting software?

Governmental Funds - GASB 34 Adjustments for Government-Wide Statements				
Annual Financial Report Adjustments for Conversion Pages				
and Adjustments to General Long-Term Debt Account Group				
Adjustments:				
Annual Financial Report Form - Governmental Long-Term Debt Account Group (Fund 9500)				
		Debit:	Credit:	
#1	174300	Amount to be provided - other	1,772,456.36	-
	237000	Net Pension Liability	-	1,772,456.36
Annual Financial Report Form - BS Conversion:				
	1999XX	Deferred Outflows of Resources	1,150,293.82	-
	1999XX	Deferred Outflows of Resources	-	-
#2	2238XX	Deferred Inflows of Resources	-	-
	2238XX	Deferred Inflows of Resources	731,395.85	-
Annual Financial Report Form - OP Conversion				
#3	336020	Revenue - On-behalf payment	-	186,017.46
	4XXXXX	Pension Expense	76,784.15	-
		Total:	1,958,473.82	1,958,473.83
		Difference:		0.01

Answer:

Do you keep Fund 9500 Up-to-date in your Accounting Software?

If so, Enter Adjustment #1

If not, you will only adjust on your AFR

#1 - Fund 9500 & GLTDAG

#2 - BS Conversion

#3 - OP Conversion - Revenue Analysis

Net Pension Liability on the GLTDAG of AFR:

Governmental Funds - GASB 34 Adjustments for Government-Wide Statements

Annual Financial Report Adjustments for Conversion Pages

and Adjustments to General Long-Term Debt Account Group

Adjustments:

Annual Financial Report Form - Governmental Long-Term Debt Account Group (Fund 9500)

		Debit:	Credit:
#1	174300 Amount to be provided - other	1,772,456.36	
	237000 Net Pension Liability		1,772,456.36

#1 – Use to complete the GLTDAG of AFR

LONG-TERM DEBT (9500)

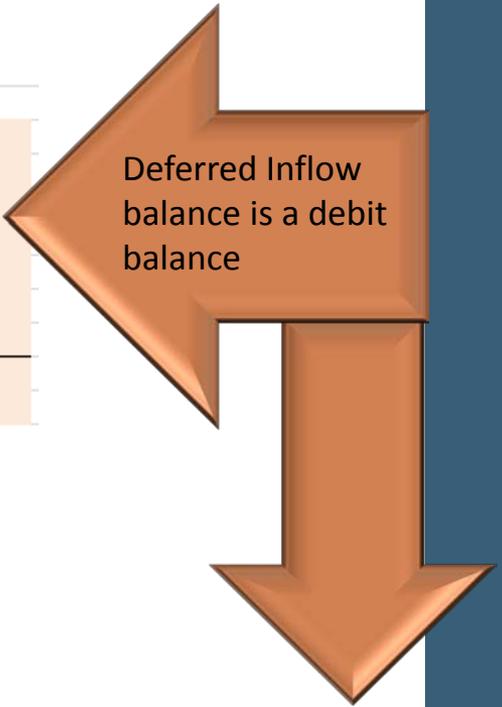
STATEMENT OF CHANGES IN GOVERNMENTAL FUNDS LONG-TERM DEBT FISCAL YEAR ENDING JUNE 30, 2016

Account number	Description	Balance July 1, 2015	Debits	Credits	Balance June 30, 2016
ASSETS					
174300	Amount to be provided - other	2,746,295.54	1,772,456.36		4,518,751.90
					0.00
	*TOTAL ASSETS	2,746,295.54	1,772,456.36	0.00	4,518,751.90
DEBT PAYABLE					
235400	Notes/Loans/Intercap				0.00
237000	Net Pension Liability	2,746,295.54		1,772,456.36	4,518,751.90
238000	OPEB Liability				0.00
239000	Compensated absences payable				0.00
	TOTAL DEBT PAYABLE	2,746,295.54	0.00	1,772,456.36	4,518,751.90

Input the Change in Net Pension Liability and offset to Amount to be provided - other

Deferred Outflows & Inflows Adjustments on AFR – BS Conversion Worksheet :

Account Description	Debit	Credit	Net Change:	
1999XX Deferred Outflows of Resources	\$ 1,551,009.18	\$ 400,715.37	\$ 1,150,293.82	Debit
2238XX Deferred Inflows of Resources	\$ 731,395.85	\$ -	\$ (731,395.85)	Credit
237000 Net Pension Liability - Ending	\$ -	\$ 1,772,456.36	\$ 1,772,456.36	Credit
4XXXXX Pension Expense	\$ 501,544.18	\$ 424,760.03	\$ 76,784.15	Debit
336020 Revenue - On-behalf payment	\$ -	\$ 186,017.46	\$ 186,017.46	Credit
	\$ 2,783,949.21	\$ 2,783,949.22		
			\$ (0.01)	Diff



Annual Financial Report Form - BS Conversion:	Debit	Credit
1999XX Deferred Outflows of Resources	1,150,293.82	
1999XX Deferred Outflows of Resources		.
2238XX Deferred Inflows of Resources		
2238XX Deferred Inflows of Resources	731,395.85	

The resulting debit balance of Deferred Inflows of Resources will be input on the AFR as a negative amount.



Deferred Outflows & Inflows Adjustments on AFR – BS Conversion Worksheet:

Annual Financial Report Form - BS Conversion:		Debit	Credit
#2	1999XX Deferred Outflows of Resources	1,150,293.82	
	1999XX Deferred Outflows of Resources		-
	2238XX Deferred Inflows of Resources		-
	2238XX Deferred Inflows of Resources	731,395.85	

#2 Input on the BS Conversion Sheet of the AFR

BS Conversion Page of AFR:

	FROM GOVERNMENTAL FUND B/S	Column D NEW: Add the Prior Year's AFR Ending Balance Deferred Outflows & Inflows of Resources associated with GASB 68; Outflows in Cell D28; Inflows in Cell D49	Column E Remove Current Year Deferred Inflows of Tax Revenue & other Deferred Inflows; GASB68: Add Deferred Inflows & Outflows related to GASB68
ASSETS			
190000	Deferred Outflows of Resources including GASB 68	0.00	1,150,293.82
190xxx	Deferred Outflows of Resources	0.00	
	Total Deferred Outflows of Resources	0.00	1,150,293.82
LIABILITIES			
220000	Deferred Inflows of Resources including GASB 68	0.00	(731,395.85)
223000	Deferred Inflows of Tax Revenues	0.00	
		0.00	(731,395.85)

Input the prior year's ending balance of Deferred Outflows & Inflows from prior AFR **and** current year Deferred Outflow of Resources & Deferred Inflow of Resources in the AFR BS Conversion Page

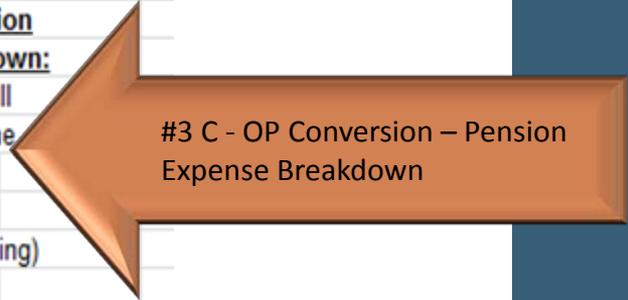
Governmental Funds Adjustments #3 B and C

Detail information for Pension Expense & On-Behalf Payment:

Annual Financial Report Form - OP Conversion			
#3	336020	Revenue - On-behalf payment	186,017.46
	4XXXXX	Pension Expense	76,784.15

#3 Expense by Major Function	Pension Expense by Function for OP Conversion Worksheet:	
	General Government #41	\$ (2,129.59)
	Public Safety #42	\$ 85,535.02
	Public Works #43	\$ (2,148.54)
	Public Health #44	\$ 898.62
	Social & Economic Services #45	\$ (1,074.27)
	Culture & Recreation #46	\$ (1,074.27)
	Housing & Community Development #47	\$ (1,074.27)
	Conservation of Natural Resources #48	\$ (1,074.27)
	Misc. - Unallocated #51	\$ (1,074.27)
		\$ 76,784.15

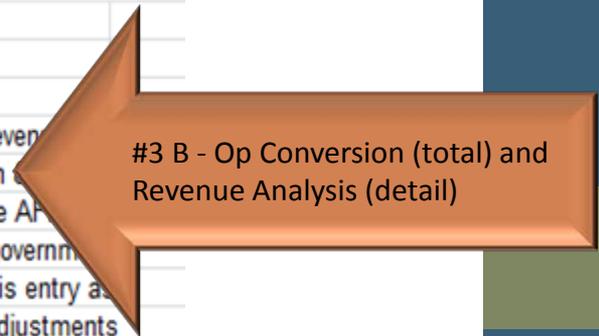
Entries #3 - Pension Expense breakdown:
 This information will be used to input the Pension Expense by Major Purpose on the OP (Operating) Conversion Page of the Annual Financial Report as detailed in Entries #3.



#3 C - OP Conversion – Pension Expense Breakdown

#3 - Intergov. Rev by Maj. Source	Intergovernmental Revenue by Function for Revenue Analysis Worksheet:	
	General Government #41	\$ 6,213.09
	Public Safety #42	\$ 153,817.39
	Public Works #43	\$ 5,988.17
	Public Health #44	\$ 5,028.39
	Social & Economic Services #45	\$ 2,994.09
	Culture & Recreation #46	\$ 2,994.09
	Housing & Community Development #47	\$ 2,994.09
	Conservation of Natural Resources #48	\$ 2,994.09
	Misc - Unallocated #51	\$ 2,994.09
		\$ 186,017.46

Entries #3 - On-behalf Revenue
 This information will be used to input the On-Behalf Payment (Intergovernmental Revenue) on the OP Conversion Analysis Pages of the AF
NOTE: Some local governments may already make this entry as part of their closing adjustments within the funds - DO Not duplicate this entry if you made as part of your closing adjustments.



#3 B - Op Conversion (total) and Revenue Analysis (detail)



On-Behalf Revenue Adjustments #3 B on AFR:

#3	336020	Revenue - On-behalf payment	76,784.15	186,017.46
	4XXXXX	Pension Expense		

#3 B Transfer to OP Conversion

OP Conversion of AFR:

Account Number	Description	FROM GOVERNMENTAL FUNDS	Current Year Deferred Inflow of Tax Revenue (Enter as positive on line 11 and/or 17)	Prior Year Deferred Inflow of Tax Revenue (Enter as negative on line 11 and/or 17)	Add Beginning Long-term Debt (to fund balance); GASB68: Add on-behalf payment as intergovernmental revenue and pension expense by major purpose
REVENUES					
310000/323000	Taxes/assessments	0.00	0.00		
32XXXX	Licenses and permits	0.00			
330000	Intergovernmental revenues	0.00			186,017.46
340000	Charges for services	0.00			
350000	Fines and forfeitures	0.00			
360000	Miscellaneous	0.00			
370000	Investment and royalty earnings	0.00			
	Capital Asset Adj, gain/loss on sale, donation				
Total Revenues		0.00	0.00	0.00	186,017.46

Insert #3 B in Column F under Intergovernmental Revenues of the OP Conversion

Breakdown of Intergovernmental Revenue by Function:

#3 - Intergov. Rev by Maj. Source	Intergovernmental Revenue by Function for Revenue Analysis Worksheet:		
	General Government #41	\$ 6,213.09	Entries #3 - On-behalf Revenue This information will be used to input the On-Behalf Payment (Intergovernmental Revenue) on the OP Conversion & Revenue Analysis Pages of the AFR NOTE: Some local governments may already make this entry as part of their closing adjustments within the funds - DO Not duplicate this entry if you made as part of your closing adjustments.
	Public Safety #42	\$ 153,817.39	
	Public Works #43	\$ 5,988.17	
	Public Health #44	\$ 5,028.39	
	Social & Economic Services #45	\$ 2,994.09	
	Culture & Recreation #46	\$ 2,994.09	
	Housing & Community Development #47	\$ 2,994.09	
	Conservation of Natural Resources #48	\$ 2,994.09	
	Misc - Unallocated #51	\$ 2,994.09	
		\$ 186,017.46	

Input the breakdown of On-behalf Rev. on the Revenue Analysis Page of AFR

Revenue Analysis of AFR:

Functional Activity	Intergovernmental		
	Operating Grants and Contributions	Capital Grants and Contributions	State and Federal Shared Revenues
From OP Conversion Spreadsheet		186,017.46	
PROGRAM REVENUES			
General Government			6,213.09
Public Safety			153,817.39
Public Works			5,988.17
Public Health			5,028.39
Social/Economic Services			2,994.09
Culture/Recreation			2,994.09
Housing/Community Development			2,994.09
Conservation of Natural Resources			2,994.09
Interest on long-term debt			
Miscellaneous			2,994.09
TOTAL PROGRAM REVENUES	0.00	0.00	186,017.47

Input the revenue by major purpose/function on the Revenue Analysis Page – under Program Revenues – State & Federal Shared Revenues Column

Governmental Funds Pension Expense:

Pension Expense by Function for OP Conversion Worksheet:

#3 Expense by Major Function

General Government #41	\$	(2,129.59)
Public Safety #42	\$	85,535.02
Public Works #43	\$	(2,148.54)
Public Health #44	\$	898.62
Social & Economic Services #45	\$	(1,074.27)
Culture & Recreation #46	\$	(1,074.27)
Housing & Community Development #47	\$	(1,074.27)
Conservation of Natural Resources #48	\$	(1,074.27)
Misc. - Unallocated #51	\$	(1,074.27)
	\$	76,784.15

Entries #3 - Pension

Expense breakdown:

This information will be used to input the Pension Expense by Major Purpose on the OP (Operating) Conversion Page of the Annual Financial Report as detailed in Entries #3.

Transfer Pension Expense to OP Conversion

OP Conversion of AFR:

Account Number	Description	FROM GOVERNMENTAL FUNDS	Current Year Deferred Inflow of Tax Revenue (Enter as positive on line 11 and/or 17)	Prior Year Deferred Inflow of Tax Revenue (Enter as negative on line 11 and/or 17)	Add Beginning Long-term Debt (to fund balance); GASB68: Add on-behalf payment as intergovernmental revenue and pension expense by major purpose
	EXPENDITURES				
	Current:				
410000	General government	0.00			(2,129.59)
420000	Public safety	0.00			85,535.02
430000	Public works	0.00			(2,148.54)
440000	Public health	0.00			898.62
450000	Social and economic services	0.00			(1,074.27)
460000	Culture and recreation	0.00			(1,074.27)
470000	Housing and community development	0.00			(1,074.27)
480000	Conservation of natural resources	0.00			(1,074.27)
490000	Debt Service:				
	Principal	0.00			
	Interest	0.00			
	Unallocated costs				(1,074.27)
	Capital outlay	0.00			
500000	Internal Services	0.00			
510000	Miscellaneous	0.00			
	Total Expenditures	0.00	0.00	0.00	76,784.16

Insert the Pension Expense by Function in Column F under Expenditures on the OP Conversion

Proprietary Fund Adjustments – Step 6

Payroll Allocation by Total Payroll for PERS-Covered Employees			
	Fund type:	Payroll of Employees Participating in PERS Pension by fund type:	Percentage of "PERS payroll"
Total of	Governmental Funds:	75,000	48.39%
Individual Proprietary Funds:			
	5210 Water	40,000	25.81%
	5310 Sewer	20,000	12.90%
	5410 Solid Waste	15,000	9.68%
	5510 Ambulance	3,000	1.94%
	5610 Airport	2,000	1.29%
	Total:	155,000	100.00%

Proprietary Fund adjustments are calculated on the payroll allocation

GASB68-Worksheet-Version15.1-Test-file - Microsoft Excel

File Home Insert Page Layout Formulas Data Review View Add-Ins Acrobat

Spelling Research Thesaurus Translate Proofing Language New Comment Delete Previous Next Show/Hide Comment Show All Comments Show Ink Unprotect Sheet Protect Workbook Share Workbook Track Changes

K21

Journal Voucher Adjustments by Proprietary Fund Type:				Account numbers to be determined by the Local Government:			
City of Somewhere				1999xx - Deferred Outflow of Resources			
				2238xx - Deferred Inflow of Resources			
				4xxxx - Payroll Expense (may differ by fund - as used for payroll)			
				190-195 Pension Expense Object Code (not Pension contributions)			
Account Description	Debit	Credit					
1999XX Deferred Outflow of Resources	\$ 28,726.69						
272500 Prior Period Adjustment		\$ 28,726.69					
#1. To record beginning deferred outflow of resources for FY14 contributions - GASB 71 Adjustment							
272500 Prior Period Adjustment	\$ 481,300.40						
237000 Net Pension Liability		\$ 481,164.64					
#2. To record employer's beginning proportionate share of net pension liability							
1999XX Deferred Outflows of Resources	\$ -	\$ 28,726.69					
2238XX Deferred Inflows of Resources	0	\$ 96,844.76					
4XXXXX Pension Expense	\$ 18,180.98						
237000 Net Pension Liability - beginning	\$ 481,164.64						
237000 Net Pension Liability - ending		\$ 373,909.94					
#3. To record activity adjusting net pension							
4XXXXX Pension Expense	\$ 10,572.58						
336020 Revenue - On-behalf payment		\$ 10,572.58					
#4. To record State (non-employer contributing entity) contributions							
1999XX Deferred Outflow of Resources	\$ 4,393.22						
4XXXXX Pension Payroll Expense		\$ 4,393.22					
#5. To record employer contributions made in current fiscal year							
	\$ 1,024,338.52	\$ 1,024,338.52	\$ -				
Account Description	Debit	Credit					
1999XX Deferred Outflow of Resources	\$ 14,363.34						
272500 Prior Period Adjustment		\$ 14,363.34					

Governmental Fund Adjustments Proprietary Fund Journal Adjust PERS Note Disclosure FURS Note Disclosure MPORS Note Disclosure SRS

The Proprietary Fund Adjustments will self-calculate. They are located on the Proprietary Fund Journal Adjustment Tab (Lavender tab)

Proprietary Fund Adjustments – Step 6

Journal Voucher Adjustments by Proprietary Fund Type:

SOMEWHERE, MT

Fund	Account	Description	Debit		Credit	
5210	237000	Difference in Net Pension Liability	\$	-		14,376.89
5210	1999XX	Deferred Outflows of Resources	\$	1,171.37	\$	8,581.90
5210	2238XX	Deferred Inflows of Resources		16,461.63	\$	-
5210	4XXXXX	Pension Expense	\$	5,325.79		
#1 To record current year activities						
5210	4XXXXX	Pension Expense	\$	2,994.09		
5210	336020	Revenue - On-behalf payment			\$	2,994.09
#2 To record State (non-employer contributing entity)						
5210	1999XX	Deferred Outflow of Resources	\$	9,394.14		
5210	4XXXXX	Pension Payroll Expense			\$	9,394.14
#3 To record employer contributions made in current fiscal year						
			\$	35,347.01	\$	35,347.01

Fund	Account	Description	Debit		Credit	
5310	237000	Difference in Net Pension Liability	\$	-		7,188.44
5310	1999XX	Deferred Outflows of Resources	\$	585.69	\$	4,290.95
5310	2238XX	Deferred Inflows of Resources	\$	8,230.81	\$	-
5310	4XXXXX	Pension Expense	\$	2,662.89		0
#1 To record current year activities						
5310	4XXXXX	Pension Expense	\$	1,497.04		
5310	336020	Revenue - On-behalf payment			\$	1,497.04
#2 To record State (non-employer contributing entity)						
5310	1999XX	Deferred Outflow of Resources	\$	4,697.07		
5310	4XXXXX	Pension Expense			\$	4,697.07
#3 To record employer contributions made in current fiscal year						
			\$	17,673.51	\$	17,673.51

The necessary journal voucher adjustments for each Proprietary Fund will populate.

Review the Deferred Outflow & Inflow balances

The journal adjustments will be input in the accounting software

Proprietary Fund Adjustments – Step 6

Journal Voucher Adjustments by Proprietary Fund Type:

SOMEWHERE, MT

Fund	Account	Description	Debit	Credit
5210	237000	Difference in Net Pension Liability	\$ -	14,376.89
5210	1999XX	Deferred Outflows of Resources	\$ 1,171.37	\$ 8,581.90
5210	2238XX	Deferred Inflows of Resources	16,461.63	\$ -
5210	4XXXXX	Pension Expense	5,325.79	
		#1 To record current year activities		
	5210-430500-195	Pension Expense	\$ 2,994.09	
	5210 336020	Revenue - On-behalf payment		\$ 2,994.09
		#2 To record State (non-employer contributing entity)		
5210	1999XX	Deferred Outflow of Resources	\$ 9,394.14	
5210	4XXXXX	Pension Payroll Expense		\$ 9,394.14
		#3 To record employer contributions made in current fiscal year	\$ 35,347.01	\$ 35,347.01

Fund	Account	Description	Debit	Credit
5310	237000	Difference in Net Pension Liability	\$ -	7,188.44
5310	1999XX	Deferred Outflows of Resources	\$ 585.69	\$ 4,290.95
5310	2238XX	Deferred Inflows of Resources	\$ 8,230.81	\$ -
5310	4XXXXX	Pension Expense	\$ 2,662.89	0
		#1 To record current year activities		
5310	4XXXXX	Pension Expense	\$ 1,497.04	
5310	336020	Revenue - On-behalf payment		\$ 1,497.04
		#2 To record State (non-employer contributing entity)		
5310	1999XX	Deferred Outflow of Resources	\$ 4,697.07	
5310	4XXXXX	Pension Expense		\$ 4,697.07
		#3 To record employer contributions made in current fiscal year	\$ 17,673.51	\$ 17,673.51

The Pension Expense Account Number should be the same as used for your payroll in the fund.

Example #1:
Water payroll:
5210-430500
Pension expense will be 430500
Object Code will be 195 - 199

Proprietary Fund Adjustments – Step 6

Account Number	Description	Fund #5210 Water	Fund #5310 Sewer
	ASSETS		
	Current Assets		
	DEFERRED OUTFLOWS OF RESOURCES		
199000	Deferred Outflows of Resources	4,393.22	2,196.61
199xxx	Deferred Outflow of Resources		
	Total Deferred Outflows of Resources	4,393.22	2,196.61
	LIABILITIES		
	Current Liabilities		
202100	Accounts payable		
214000	Deposits payable		
216000	Revenues collected in advance		
	Total Current Liabilities	0.00	
	Noncurrent Liabilities		
231000	Bonds payable		
237000	Net Pension Liability	373,909.94	186,954.97
238000	OPEB Liability		
239000	Compensated absences		
	Total Noncurrent Liabilities	373,909.94	186,954.97
	Total Liabilities	373,909.94	186,954.97
	DEFERRED INFLOWS OF RESOURCES		
220000	Deferred Inflows of Resources	96,844.76	48,422.38
22xxxx	Deferred Inflows of Resources		
	Total Deferred Inflows of Resources	96,844.76	48,422.38

Proprietary Fund Adjustments will be entered in the Accounting Software

The entries will be made on the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position.

Proprietary Fund Cash Flow Statements:

Description	Fund #5210 Water	Fund #5310 Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	400,000.00	200,000.00
Cash paid to suppliers	0.00	0.00
Cash paid to employees	(24,360.34)	(12,180.17)
Cash received from interfund services provided		
Cash paid for interfund services used		
Net cash provided (used) by operating activities	375,639.66	187,819.83
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	0.00	0.00
Advances from (to) other funds		
Subsidies from taxes and other governments	10,572.58	5,286.29
Net cash provided (used) by capital and related financing activities	10,572.58	5,286.29

Description	Fund #5210 Water	Fund #5310 Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Reconciliation of operating income to net cash provided (used) by operating activities:		
Increase (decrease) in customer deposits		
Increase (decrease) in accounts payable		
Increase (decrease) in compensated absences pay		
Increase (decrease) in intergovernmental revenues	(10,572.58)	(5,286.29)
Increase (decrease) in pension expense	24,360.34	12,180.17
Total adjustments	13,787.76	6,893.88
Net cash provided (used) by operating activities	389,427.42	194,713.71

Adjustments will be necessary on the Cash Flow Statements

The pension expense adjustments are non-cash items – Adjust the Cash paid to employees

The On-Behalf Payment is also a non-cash item – decrease the Subsidies from taxes & governments by the On-behalf payment

Adjust using a line on the Reconciliation of operating income to net cash provided that you aren't using



Note Disclosures of the AFR ~ Step 7

GASB 68 requires additional Note Disclosures

- The format and disclosure is provided by MPERA and TRS
- **Follow the instructions in this presentation and in the Worksheet instructions to Copy & Move the applicable MPERA note disclosures from the GASB 68 Worksheet to your AFR**

Instructions to Copy & Move the Note Disclosures:

Have both the annual financial report and the GASB 68 Worksheet files open on your computer.

In the GASB 68 Worksheet go to the Note Disclosure tab you would like to copy and move.

Step 1: Right click on the tab at the bottom of the workbook page of the Note Disclosure tab

Step 2: A pop-up menu will appear – Click on Move or Copy

Step 3: A Move or Copy Menu will appear

Step 4: Check the “Create a copy box”

Step 5: Under “To book” scroll down to find your AFR file

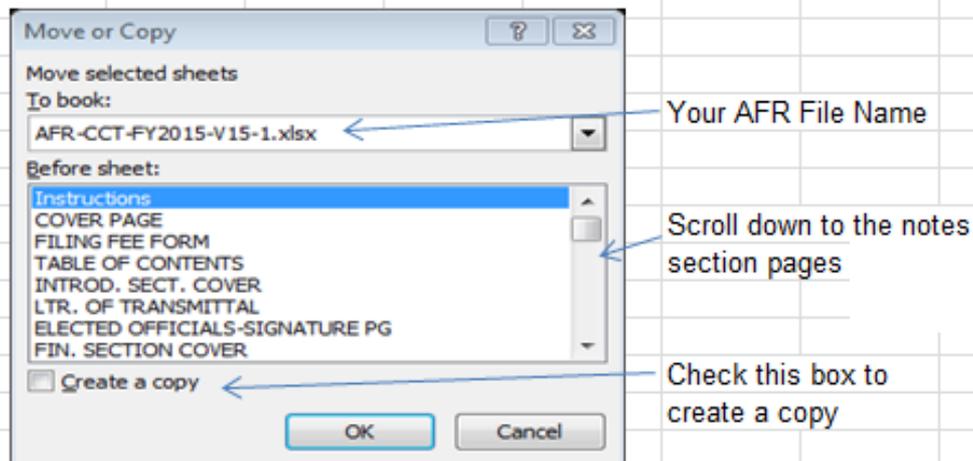
Step 6: Under “Before Sheet” scroll down to the Note Disclosure Page – Notes to the Fin Statement 38-42

Step 7: Click the “OK” box

Step 8: The PERS Note Disclosure will be added to your AFR file – the AFR file will be viewed on your cpu desktop.

Note: A separate note was not added for Teachers Retirement System. TRS provided a complete note disclosure copy and paste the TRS Note in the Annual Financial Report

Illustration #3:



Moving the Note Disclosures:

EMPLOYER: SOMEWHERE, MT
PUBLIC EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2015 (MEASUREMENT DATE)
June 30, 2016 (REPORTING DATE)

Pension Amount Totals - 74

GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.

Net Pension Liability - 80a, 80b, 80c, 80d, 80e, 80f

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions.

PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government or school district's collective NPL that is associated with the non-State employer.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Tax Severance income and earnings attributable to...

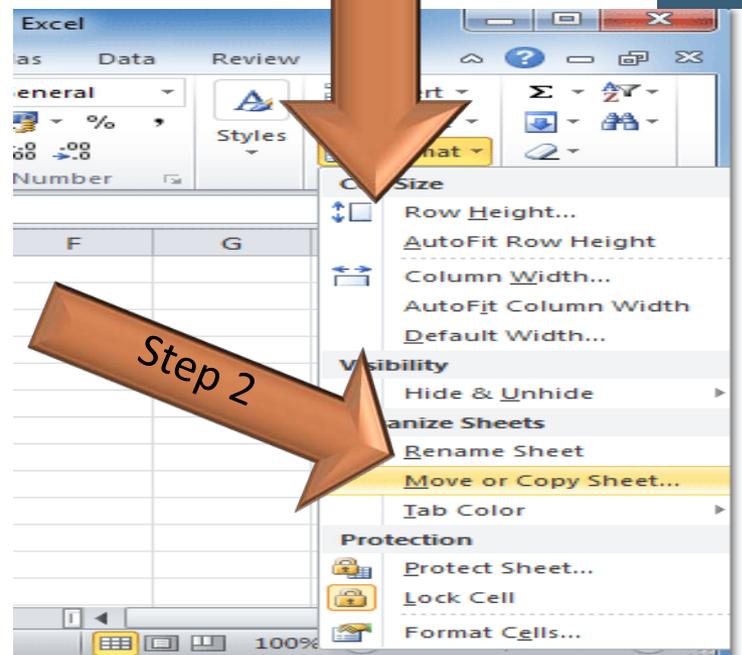
The Total Pension Liability (TPL) used to calculate the TPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 values presented in these notes.

As of reporting date:	Net Pension Liability as of 6/30/2016	Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate					

Coverage | Instructions | **PERS Note-Input** | PERS RSI-Input | PERS-Prior Year Info | FURS Note-1

Step 1: Right click with your mouse on the tab at the bottom of the worksheet of the pension plan you want to copy and move to the AFR

Step 2: Select the Move or Copy Sheet

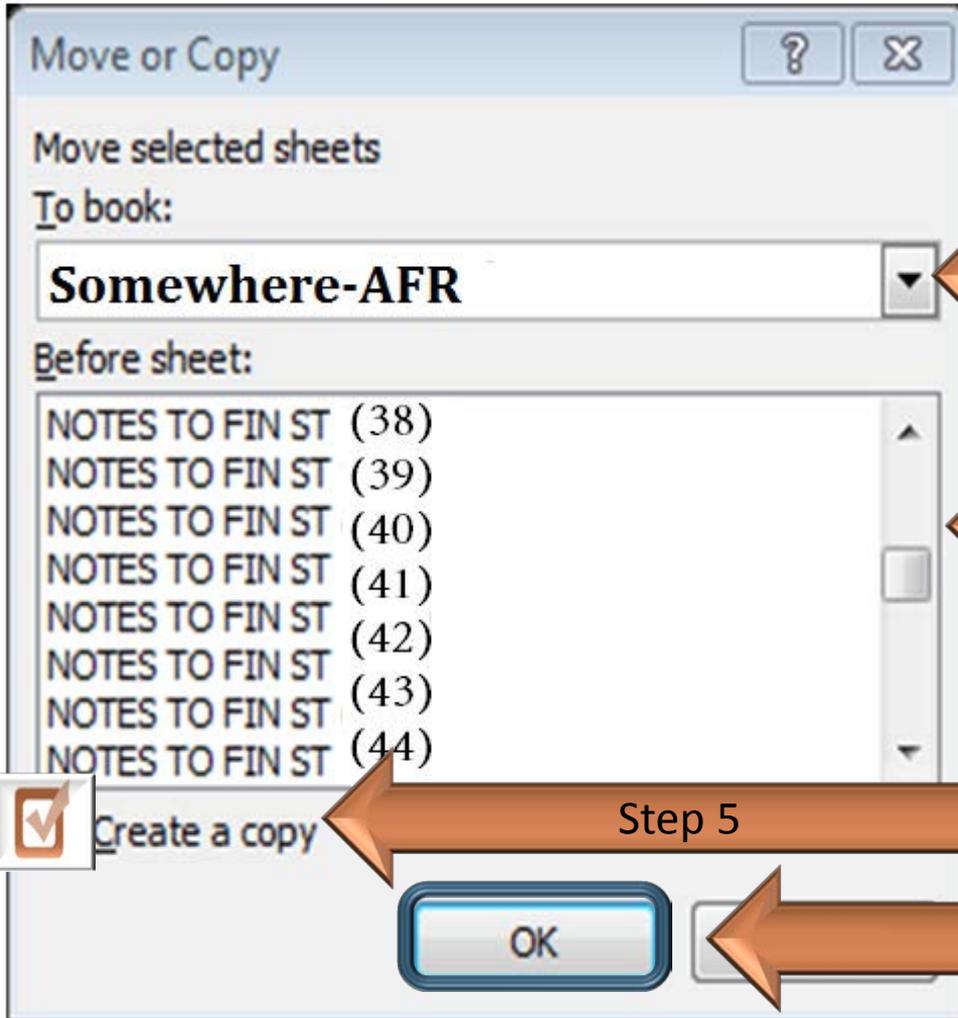


Step 1

Step 2

Moving the Note Disclosures to your AFR:

Pop-up Menu to Move and Copy:



A Move or Copy Pop-up Menu will appear:

Step 3:

Find your AFR name in the To book: menu

Step 4:

Find the location in the AFR you want to place the pages
(Note section 38-42)

Step 5:

✓ **Check** the Create a Copy box

Click on the OK Box and the worksheet will be copied to your AFR



Required Supplementary Information – Step 8

- **The GASB 68 Worksheet includes the RSI Schedules.**
 - **Transfer the RSI Schedules to the Annual Financial Report or complete the RSI schedules within the AFR.**
- **10-Year Schedules:**
 - Employer's Proportionate Share of the Collective Net Pension Liability, Covered Employee Payroll, Net Pension Liability as % of Employee Covered Payroll, Pension Plans Net Position as % of Total Pension Liability
 - Statutory/Contractual Contributions to Actual Contributions and Payroll (if necessary)

10-year Schedules are not required in the first years of implementation until a full 10-year trend is compiled. Governments should present information for years which information is available

RSI from NPL-GASB 68 Worksheet:

SOMEWHERE, MT
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
81a1

	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	0.117638%	0.116283%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 1,644,426.68	\$ 1,448,901.00
State of Montana's proportionate share of the Net Pension Liability associated with the Employer	\$ 20,198.88	\$ 17,693.23
Total	\$ 1,664,625.56	\$ 1,466,594.23
Employer's Pensionable Payroll	\$ 1,372,857.44	\$ 1,316,323.55
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	119.78%	110.07%
Plan fiduciary net position as a percentage of the total Pension Liability	78.40%	79.90%

**The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

SOMEWHERE, MT
Required Supplementary Information
Schedule of Contributions
For the Last Ten Fiscal Years*
81b

	2016	2015
Contractually Required Contributions	\$ 127,760.33	\$ 116,713.78
Contributions in Relation to the Contractually Required Contributions	\$ 127,760.33	\$ 116,713.78
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Pensionable Payroll	\$ 1,509,427.86	\$ 1,372,857.44
Contributions as a percentage of Pensionable Payroll	8.464%	8.502%

**The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Optional RSI on the Annual Financial Report:

Transfer information from the Net Pension Liability - GASB 68 Worksheet or complete the blank RSI tables within the Annual Financial Report:

Plan:							
Schedule of Proportionate Share of the Net Pension Liability:							
	2017	2016	2015				
Employer's proportion of the net pension liability							
Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)							
State of MT proportionate share of the net pension liability associated with the Employer							
Total	0	0	0	0	0	0	0
Employer's covered-employee payroll							
Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)							
Plan fiduciary net position the total pension liability (as a percentage)							
<i>*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available</i>							
Schedule of Contributions:							
	2017	2016	2015				
Contractually required contributions							
Contributions in relation to the contractually required contributions							
Contribution deficiency (excess)	0	0	0	0	0	0	0
Employer's covered-employee payroll							
Contributions of covered-employee payroll (as a percentage)							
<i>*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available</i>							



Recap:

- Local Governments will use the reports supplied by MPERA and TRS
 - Net Pension Liability - GASB 68 Worksheet will assist with adjustments and reporting requirements
- Employer's Statements of Net Position will include:
 - Net Pension Liability added for Pension Plans
 - Pension Expense
 - Deferred Inflows &/or Outflows
- Additional Requirements:
 - Notes to the Financial Statements
 - Required Supplementary Information & Notes



Resources:

• **LGSB Website:** <http://sfsd.mt.gov/LGSB>

- Net Pension Liability - GASB 68 Worksheet



• **GASB Website:** www.gasb.org

- GASB 68 Statements
- GASB 68 Implementation Guide
- GASB Q&A's
- GASB Toolkit



• **MPERA Website:** www.mpera.mt.gov

- Employer Specific Data
- Training – GASB 68 Presentations ~ Guidelines for Employers
- MPERA CAFR



• **TRS Website:** www.trs.mt.gov

- GASB 68 Reports



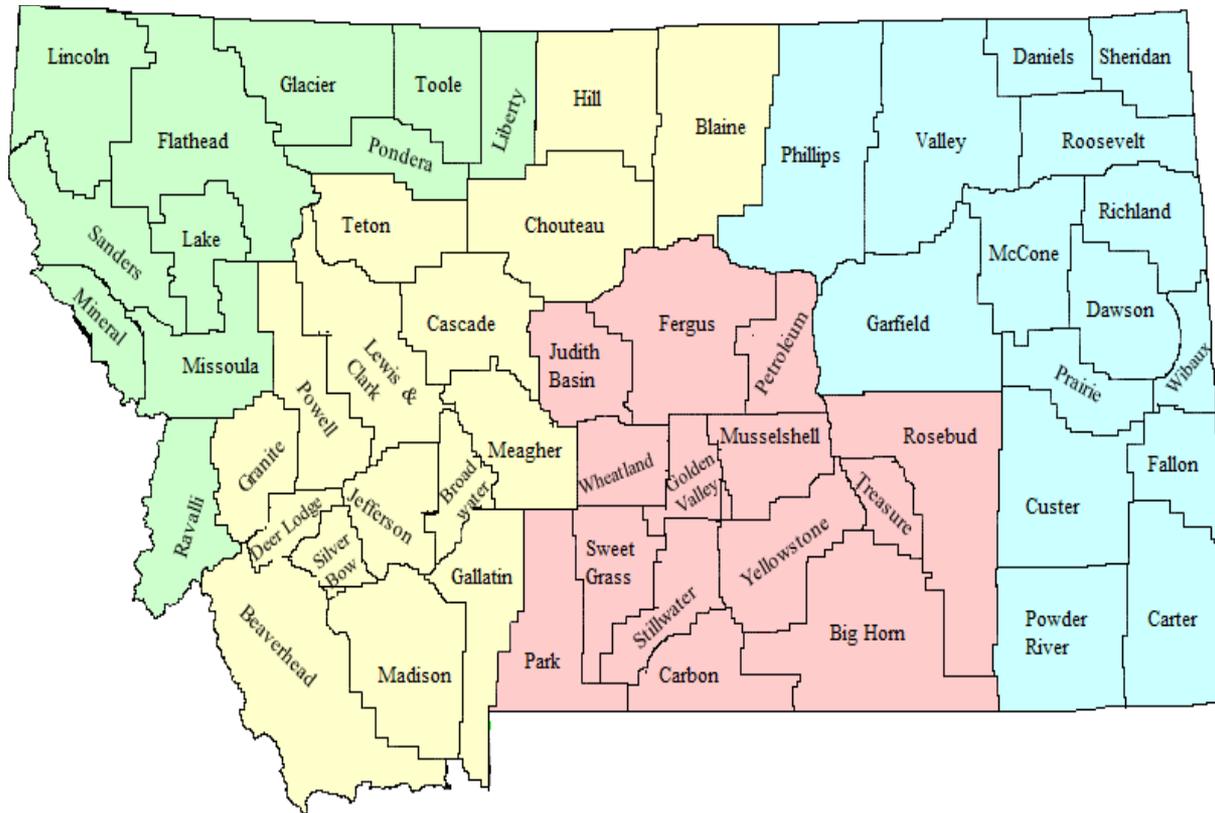
Local Government Services Bureau

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