

GASB 68 Calculations & Financial Statement Template Examples

GASB Statement No. 68 Calculations

Input Data from Audited GASB 68 Schedules:		
FYE 6/30/2014:		
LEA Employer Contributions	147,066	1
LEA Employer Allocation Percentage	0.031925%	2
LEA Net Pension Liability	1,101,443	3
LEA Deferred Outflows of Resources:		
LEA Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	4
LEA Total Deferred Outflows of Resources	-	
LEA Deferred Inflows of Resources:		
LEA Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	145,589	5
LEA Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	442,385	6
LEA Total Deferred Inflows of Resources	587,974	
LEA Pension Expense Excluding That Attributable to Employer-Paid Member Contributions		
LEA Proportionate Share of Allocable Pension Expense	59,789	7
LEA Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(90,099)	8
LEA Total Pension Expense Excluding That Attributable to Employer-Paid Member Contributions	(30,310)	9
Total Collective Pension Expense	187,279,058	10
Pension Expense Attributable to State Aid Funding (After Amortized Amounts)	38,382,196	11
Pension Expense Attributable to UAAL Funding (After Amortized Amounts)	141,296,756	12
States Employer Allocation Percentage (School Aid Funding + Unfunded Liability)	93.795218%	13
Total Contributions to the Plan	460,660,389	14
State of WV Contribution for Unfunded Liability	319,327,464	15
State of WV State Aid Funding Contribution	112,749,951	16
Employer Contributions from Non-LEA Employers (Colleges, Universities, WVDE, etc.)	6,596,597	17
Total Net Pension Liability	3,450,093,000	18
Net Pension Liability Attributable to UAAL	2,391,587,112	19
Net Pension Liability Attributable to State Aid Subsidy	844,435,133	20
Average Remaining Service Life in years (from Note 2 of GASB 68 Schedules)	5.91	21
NPL with 1.0% Decrease in Discount Rate (from Note 3 of GASB 68 Schedules)	4,474,369,000	26
NPL with 1.0% Increase in Discount Rate (from Note 3 of GASB 68 Schedules)	2,570,728,000	27
FYE 6/30/2013:		
LEA Employer Contributions	204,311	22
LEA Employer Allocation Percentage	0.044666%	23
LEA Net Pension Liability	1,866,700	24

Calculation of Beginning Net Position Entry:

6/30/2013 Net Pension Liability Per Schedule	1,866,700
FY2014 Employer Contributions Per Schedule	<u>(147,066)</u>
Debit/(Credit) to Net Position	<u><u>1,719,634</u></u>

LEA Pension Expense Per Schedule	(30,310)
Miscellaneous Immaterial Adjustment Posted to Pension Expense to Balance E	<u>93</u>
Total Entry to Pension Expense	<u><u>(30,217)</u></u>

Entry to Record Beg. Net Position Adjustment and Balances from GASB 68 pension schedules (JE #U):

	<u>DR.</u>	<u>CR.</u>
FY14 Pension Expense	-	30,217
FY14 Deferred Outflows of Resources per schedule	-	
Net Position (from calculation above)	1,719,634	-
Deferred Inflows of Resources per schedule		587,974
Net Pension Liability per schedule		<u>1,101,443</u>
	<u>1,719,634</u>	<u>1,719,634</u>
Entry out of balance by		-
	<u><u>1,719,634</u></u>	<u><u>1,719,634</u></u>

GASB 68 Adjustment to State Aid Support (paragraphs 94 & 95 of GASB Statement No. 68) (JE #W)

Paragraphs 94 and 95 of Statement 68 require an employer that has a special funding situation to recognize pension expense and revenue for the portion of the nonemployer contributing entity's total proportionate share of collective pension expense that is associated with the employer.

**Measurement
Date of
June 30, 2014**

Calculation of Expense attributable to Subsidy Special Funding:

Total contributions from allocation schedules	460,660,389
Less: UAAL Contribution	(319,327,464)
Subsidy Contribution	(112,749,951)
Total contributions from non-LEA employers	(6,596,597)
Basis of Subsidy Expense Allocation	<u>21,986,377</u>
LEA's Contribution from allocation schedules	147,066
LEA's Percentage Contributed	0.66890% @
Pension Expense Attributable to Subsidy	38,382,196
LEA's Portion of Subsidy Expense	<u>256,737</u>

Calculation of Expense attributable to UAAL Special Funding:

(Allocates across all employers)

Total contributions from allocation schedules	460,660,389
Less: UAAL Contribution	(319,327,464)
Basis of UAAL Expense Allocation	<u>141,332,925</u>
LEA's Contribution from allocation schedules	147,066
Plus: Portion of Subsidy contributions attributable to the LEA	754,180
Revised LEA Contribution for allocation of UAAL amounts	901,246
LEA's Percentage Contributed	0.63768% #
Pension Expense Attributable to UAAL	141,296,756
LEA's Portion of UAAL Expense	901,015
Total Pension Expense picked up by State for LEA	1,157,752
Less: On-behalf Payment Allocation for UAAL	(1,521,465) * 25
Increase/(Decrease) to revenue/expense to adjust special funding revenue/expense to actual as calculated in accordance with GASB Statement No. 68, paragraphs 94 & 95.	<u>(363,713)</u>

* - From Revised WVDE Retirement Allocation Schedules (UAAL Portion)

Calculation of Liability Assumed by State of WV Associated with the Board (Disclosure Item Only)

Calculation of NPL attributable to Subsidy Special Funding:

LEA's Percentage Contributed (from calculation of JE #W above)	0.66890% @
NPL Attributable to State Aid Subsidy	844,435,133
LEA's Portion of Subsidy NPL	<u>5,648,393</u>

Calculation of NPL attributable to UAAL Special Funding:

(Allocates across all employers)

LEA's Percentage Contributed	0.63768% #
NPL Attributable to UAAL	2,391,587,112
LEA's Portion of UAAL NPL	15,250,573
Liability Assumed by State of WV for Board	<u>20,898,966</u> Disclosure Item Only

Input amounts from the current year and prior year Expenditure by Function report for Objects 231 and 233. This information carries to the JE's for GASB 68 in the "JEs" tab.

Account Code	Function Description	FY2014			FY2015		
		Obj. 231	Obj. 233	Total	Obj. 231	Obj. 233	Total
11.XXXXX.X11XX	Instruction - Regular Ed.	192,481.70	134,674.90	327,156.60	191,777.93	138,677.08	330,455.01
11.XXXXX.X12XX	Instruction - Special Ed.	31,603.64	47,644.28	79,247.92	26,252.23	47,433.26	73,685.49
11.XXXXX.X13XX	Instruction - Vocational Ed.	10,490.88	10,150.56	20,641.44	10,776.72	10,524.37	21,301.09
11.XXXXX.X14XX	Instruction - Other Instr. Ed.	-	-	-	-	-	-
11.XXXXX.X15XX	Instruction - Non-Public Ed.	-	-	-	-	-	-
11.XXXXX.X16XX	Instruction - Adult/Continuing Ed.	-	-	-	-	-	-
11.XXXXX.X18XX	Instruction - Community Service	-	-	-	-	-	-
11.XXXXX.X19XX	Instruction - Co-Curr. & Extra-Curr.	-	-	-	-	-	-
11.XXXXX.X21XX	Supp. Serv. - Student	8,635.68	19,519.50	28,155.18	8,885.52	14,975.04	23,860.56
11.XXXXX.X22XX	Supp. Serv. - Instr. Staff	20,775.12	4,449.36	25,224.48	21,208.96	4,604.64	25,813.60
11.XXXXX.X23XX	Supp. Serv. - Gen. Admin	9,427.44	15,476.40	24,903.84	9,687.85	15,908.11	25,595.96
11.XXXXX.X24XX	Supp. Serv. - School Admin	16,185.60	13,013.53	29,199.13	5,722.86	15,273.08	20,995.94
11.XXXXX.X25XX	Supp. Serv. - Central Services	-	6,108.12	6,108.12	-	6,512.73	6,512.73
11.XXXXX.X26XX	Supp. Serv. - O & M	12,031.75	23,121.55	35,153.30	13,507.06	24,728.68	38,235.74
11.XXXXX.X27XX	Supp. Serv. - Student Transport	36,253.73	36,397.23	72,650.96	20,673.54	39,657.63	60,331.17
11.XXXXX.X29XX	Supp. Serv. - Other	-	-	-	-	-	-
11.XXXXX.X31XX	Food Service Operations	-	-	-	-	-	-
11.XXXXX.X33XX	Community Service Programs	-	-	-	-	-	-
61.XXXXX.X11XX	Instruction - Regular Ed.	10,009.59	21,634.44	31,644.03	10,085.39	22,926.90	33,012.29
61.XXXXX.X12XX	Instruction - Special Ed.	8,052.48	7,679.58	15,732.06	8,290.56	8,648.83	16,939.39
61.XXXXX.X13XX	Instruction - Vocational Ed.	-	-	-	-	-	-
61.XXXXX.X14XX	Instruction - Other Instr. Ed.	-	-	-	-	-	-
61.XXXXX.X15XX	Instruction - Non-Public Ed.	-	-	-	-	-	-
61.XXXXX.X16XX	Instruction - Adult/Continuing Ed.	-	-	-	-	-	-
61.XXXXX.X18XX	Instruction - Community Service	-	-	-	-	-	-
61.XXXXX.X19XX	Instruction - Co-Curr. & Extra-Curr.	-	-	-	-	-	-
61.XXXXX.X21XX	Supp. Serv. - Student	-	23.62	23.62	8.10	39.83	47.93
61.XXXXX.X22XX	Supp. Serv. - Instr. Staff	2,057.31	2,707.70	4,765.01	1,199.87	1,699.05	2,898.92
61.XXXXX.X23XX	Supp. Serv. - Gen. Admin	4,529.56	-	4,529.56	4,300.00	-	4,300.00
61.XXXXX.X24XX	Supp. Serv. - School Admin	-	-	-	-	-	-
61.XXXXX.X25XX	Supp. Serv. - Central Services	-	-	-	-	-	-
61.XXXXX.X26XX	Supp. Serv. - O & M	-	-	-	-	-	-
61.XXXXX.X27XX	Supp. Serv. - Student Transport	84.00	37.82	121.82	-	-	-
61.XXXXX.X29XX	Supp. Serv. - Other	-	-	-	-	-	-
61.XXXXX.X31XX	Food Service Operations	-	16,804.32	16,804.32	-	18,655.14	18,655.14
61.XXXXX.X33XX	Community Service Programs	-	-	-	-	-	-
		<u>362,618.48</u>	<u>359,442.91</u>	<u>722,061.39</u>	<u>332,376.59</u>	<u>370,264.37</u>	<u>702,640.96</u>

Summary for Conversion Entries:	FY2014	%	FY2015	%
Pension Expense: Expenditures-Instruction	474,422.05	65.70%	475,393.27	67.66%
Pension Expense: Expenditures-support services - student	28,178.80	3.90%	23,908.49	3.40%
Pension Expense: Expenditures-support services - instructional staff	29,989.49	4.15%	28,712.52	4.09%
Pension Expense: Expenditures-support services - general administration	29,433.40	4.08%	29,895.96	4.25%
Pension Expense: Expenditures-support services - school administration	29,199.13	4.04%	20,995.94	2.99%
Pension Expense: Expenditures-support services - central services	6,108.12	0.85%	6,512.73	0.93%
Pension Expense: Expenditures-support services - operations and maintenance	35,153.30	4.87%	38,235.74	5.44%
Pension Expense: Expenditures-support services - student transportation	72,772.78	10.08%	60,331.17	8.59%
Pension Expense: Expenditures-support services - other support services	-	0.00%	-	0.00%
Pension Expense: Expenditures-food services	16,804.32	2.33%	18,655.14	2.66%
Pension Expense: Expenditures-community services	-	0.00%	-	0.00%
	<u>722,061.39</u>	<u>100.00%</u>	<u>702,640.96</u>	<u>100.00%</u>

Key data from WVEIS Exp. by Function reports into the yellow cells (refer to pages 19 - 22 of example supporting documentation needed to complete GASB 68 & 71 conversion journal entries.)

**TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
CONVERSION ENTRIES FOR GASB 34**

*Note: Accounts in all CAPS are used ONLY off-system - these accounts are NOT in WVEIS
Cells highlighted in yellow require manual input.*

	Debit	Credit
U GASB 68 - To Record Beginning Net Position Adjustment & Amounts from CY Audited Schedules		
Pension Expense: Expenditures-Instruction	-	20,444
Pension Expense: Expenditures-support services - student	-	1,028
Pension Expense: Expenditures-support services - instructional staff	-	1,235
Pension Expense: Expenditures-support services - general administration	-	1,286
Pension Expense: Expenditures-support services - school administration	-	903
Pension Expense: Expenditures-support services - central services	-	280
Pension Expense: Expenditures-support services - operations and maintenance	-	1,644
Pension Expense: Expenditures-support services - student transportation	-	2,595
Pension Expense: Expenditures-support services - other support services	-	-
Pension Expense: Expenditures-food services	-	802
Pension Expense: Expenditures-community services	-	-
Deferred Outflows of Resources	-	-
NET POSITION	1,719,634	-
Deferred Inflows of Resources	-	587,974
PROPORTIONATE SHARE OF COLLECTIVE NET PENSION EXPENSE	-	1,101,443
<i>(This entry is needed to record the District's proportionate share of the TRS deferred inflows of resources, deferred outflow of resources, collective net pension liability, and collective pension expense. It adjusts beginning net position for the beginning balance of the net pension liability)</i>		
V GASB 68 Deferred Outflows of Resources for Employer Contributions after the Measurement Date		
Deferred Outflows of Resources (paragraph 54 and 55)	702,641	-
Pension Expense: Expenditures-Instruction	-	475,393
Pension Expense: Expenditures-support services - student	-	23,908
Pension Expense: Expenditures-support services - instructional staff	-	28,713
Pension Expense: Expenditures-support services - general administration	-	29,896
Pension Expense: Expenditures-support services - school administration	-	20,996
Pension Expense: Expenditures-support services - central services	-	6,513
Pension Expense: Expenditures-support services - operations and maintenance	-	38,236
Pension Expense: Expenditures-support services - student transportation	-	60,331
Pension Expense: Expenditures-support services - other support services	-	-
Pension Expense: Expenditures-food services	-	18,655
Pension Expense: Expenditures-community services	-	-
Pension Expense: Expenditures-Instruction (Used for rounding adjustment in this entry only)	-	-
<i>(This entry is needed to move the District's current year contributions from pension expenses to deferred outflows of resources.)</i>		
W GASB 68 Adjustment of State Aid Support		
Unrestricted State Aid	363,713	-
Pension Expense: Expenditures-Instruction	-	238,973
Pension Expense: Expenditures-support services - student	-	14,194
Pension Expense: Expenditures-support services - instructional staff	-	15,106
Pension Expense: Expenditures-support services - general administration	-	14,826
Pension Expense: Expenditures-support services - school administration	-	14,708
Pension Expense: Expenditures-support services - central services	-	3,077
Pension Expense: Expenditures-support services - operations and maintenance	-	17,707
Pension Expense: Expenditures-support services - student transportation	-	36,657
Pension Expense: Expenditures-support services - other support services	-	-
Pension Expense: Expenditures-food services	-	8,465
Pension Expense: Expenditures-community services	-	-
Pension Expense: Expenditures-Instruction (Used for rounding adjustment in this entry only)	-	-
<i>Paragraphs 94 and 95 of Statement 68 require an employer that has a special funding situation to recognize pension expense and revenue for the portion of the nonemployer contributing entity's total proportionate share of collective pension expense that is associated with the employer. (Adjusts on-behalf revenue/expense for fringe benefits through Unrestricted State Aid)</i>		
Total of conversion entries made - check for balance	2,785,988	2,785,988

TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

STATEMENT OF NET POSITION

FYE JUNE 30, 2015

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash and cash equivalents	\$ -
Investments	-
Taxes receivable, net of allowance for uncollectible taxes	-
Deposit with Retirement Board	-
Food service receivable	-
Other receivables	-
Prepaid Workers' Compensation	-
Due from other governments:	
State aid receivable	-
PEIA allocation receivable	-
Reimbursements receivable	-
Capital Assets:	
Land	-
Land improvements	-
Buildings and improvements	-
Furniture and equipment	-
Vehicles	-
Construction in process	-
Less accumulated depreciation	-
Total capital assets, net of depreciation	<u>-</u>
Total assets	<u>-</u>
Deferred outflows of resources:	
Total deferred outflows of resources	<u>702,641</u>
Total assets and deferred outflows of resources	<u>\$ 702,641</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	
Liabilities:	
Salaries payable and related payroll liabilities	\$ -
PEIA premiums payable	-
Compensated absences	-
Accounts payable	-
Other post employment benefit payable	-
Due to Other Fiscal Agents	-
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	-
Accrued interest	-
Accrued sick leave payable	-
Due beyond one year:	
Bonds, capital leases, and contracts	-
Accrued sick leave payable	-
Net pension liability - Proportionate Share	1,101,443
Total liabilities	<u>1,101,443</u>
Deferred inflows of resources:	
Total deferred inflows of resources	<u>587,974</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,689,417</u>
Net Position:	
Net Investment in Capital Assets	\$ -
Restricted for:	
Debt service	-
Special projects	-
Capital projects	-
Unrestricted	(986,776)
Total net position	<u>\$ (986,776)</u>

TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

STATEMENT OF ACTIVITIES

Functions	Expenses	Program Revenues			Net (Expense), Revenue & Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ (734,810)	\$ -	\$ -	\$ -	\$ 734,810
Supporting services:					
Students	(39,130)	-	-	-	39,130
Instructional staff	(45,054)	-	-	-	45,054
General administration	(46,008)	-	-	-	46,008
School administration	(36,607)	-	-	-	36,607
Central services	(9,870)	-	-	-	9,870
Operation and maintenance of facilities	(57,587)	-	-	-	57,587
Student transportation	(99,583)	-	-	-	99,583
Other support services	-	-	-	-	-
Food services	(27,922)	-	-	-	27,922
Community services	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total governmental activities	(1,096,571)	-	-	-	1,096,571
General revenues:					
Property taxes					-
Unrestricted state aid					(363,713)
Unrestricted investment earnings					-
Unrestricted grants and contributions					-
Extraordinary item - other post employment benefits					-
Gain (loss) on disposal of capital assets					-
Transfers in					-
Transfers (out)					-
Total general revenues, extraordinary items and transfers					(363,713)
Change in net position					732,858
Net assets - beginning					-
Prior period adjustments - (See Note 2)					(1,719,634)
Net position - beginning, as restated					(1,719,634)
Net position - ending					\$ (986,776)

See Notes to Financial Statements

TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

BALANCE SHEET - GOVERNMENTAL FUNDS
FYE JUNE 30, 2015

	11 General Current Expense	61 Special Revenue Fund	71 Special Revenue ARRA Fund	21 Debt Service Fund	31 Bond Construction Fund	41 Permanent Improvement Fund	51 Capital Projects Fund	Total Governmental
Total fund balances	-	-	-	-	-	-	-	-
Amounts reported for governmental activities in the statement of net assets differ due to								
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds								-
Other deferred charges are not reported in the funds								-
Property taxes receivable and food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and are therefore deferred in the funds								-
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds								
Deferred outflows of resources related to pensions								702,641
Deferred inflows of resources related to pensions								(587,974)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the fund:								
Bonds payable, due within one year								-
Bonds payable, due beyond one year								-
Accrued interest on bonds								-
Capital leases payable								-
Accrued sick leave payable								-
Compensated absences								-
Net pension liability - proportionate share								(1,101,443)
Net position of governmental activities								\$ (986,776)

See Notes to Financial Statements

TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances - total governmental funds	\$ -
<p>Amounts reported for governmental activities in the statement of activities are different due to:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net assets, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net assets is the amount by which capital outlays exceed depreciation in the current period.</p>	
Depreciation expense	-
Capital outlays	-
<p>Certain receivables will be collected this year but are not available soon enough to pay for the current period's expenditures. This is the amount by which such receivables increased (decreased).</p>	
Property taxes receivable	-
Operating Grants and Contributions	-
Other miscellaneous conversion adjustments	-
<p>A portion of the change in fund balances is the proceeds from the general obligation bonds issued during fiscal year 2014. those proceeds are not considered revenue items for the purpose of this statement.</p>	
<p>The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net assets.</p>	
<p>Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.</p>	
Cost of assets disposed	-
Accumulated depreciation of assets disposed	-
<p>Compensated absences are reported as liabilities in the statement of net assets, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.</p>	
Accrued vacation payable	-
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense</p>	
District pension contributions	702,641
Cost of benefits earned net of employee contributions	30,217
Change in net assets of governmental activities	<u>\$ 732,858</u>

Restatement of Beginning Net Position Due to Changes in Accounting Principles
(This information will appear in the Notes to the Financial Statements)

	Governmental Activities
	<hr/>
Beginning net position as previously reported at June 30, 2014	\$ -
Prior period adjustment - Implementation GASB 68 & 71	
Beginning net pension liability	(1,866,700)
Deferred outflows of resources - 2014 Board contributions	<hr/> 147,066
Total prior period adjustment	(1,719,634)
Net position as restated, July 1, 2014	<hr/> <hr/> \$ (1,719,634)

Total portion of NPL associated with the School Board

(This information will appear in the Notes to the Financial Statements)

School Board's proportionate share of the net pension liability	\$	1,101,443
State's proportionate share of the net pension liability associated with the School Board.		<u>17,953,661</u>
Total portion of net pension liability associated with the school board	\$	<u><u>19,055,104</u></u>

Schedule of Pension Deferred Outflows and Deferred Inflows of Resources

(This information will appear in the Notes to the Financial Statements)

	Deferred Outflows of Resource	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 145,589
Changes in proportion and differences between School Board contributions and proportionate share of contributions	-	442,385
District contributions subsequent to the measurement Date	<u>702,641</u>	<u>-</u>
Total	<u>\$ 702,641</u>	<u>\$ 587,974</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources

(This information will appear in the Notes to the Financial Statements)

Years ending June 30,	Deferred Inflows of Resources
2016	\$ 103,972
2017	103,972
2018	103,972
2019	103,972
2020	103,971
Thereafter	68,117
Total	\$ 587,974

	Amortization Rate	
Net difference between projected and actual earnings on pension plan	5.00 Years	Rate is 5 years per GASB 68
Changes in proportion and differences between School Board contributions and proportionate share of contributions	5.91 Years	Rate is the average remaining service lives (in accordance with GASB 68)

	Net difference between projected and actual earnings on pension plan investments	Changes in proportion and differences between School Board contributions and proportionate share of contributions	Total
2015	29,118	74,854	103,972
2016	29,118	74,854	103,972
2017	29,118	74,854	103,972
2018	29,118	74,854	103,972
2019	29,117	74,854	103,971
2020	-	68,117	68,117
Thereafter	-	-	-
Total	145,589	442,385	587,974
Difference from actual	-	-	-
Rounding Adjustment Needed	(1)	-	(1)

GASB 68 Sensitivity Analysis

(This information will appear in the Notes to the Financial Statements)

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
School Board's proportionate share of the TRS net pension liability	\$ 1,428,442	\$ 1,101,442	\$ 820,705

From GASB 68 Audited Schedules (Note 3):

Total net pension liability	4,474,369,000	3,450,093,000	2,570,728,000
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TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies:

L. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teacher Retirement System (TRS) and additions to/deductions from the TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See note 10 for further discussion.

U. Newly Adopted Statements Issued by the GASB:

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. This Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Implementation of GASB Statement No. 68 impacts only the district-wide statement of net position and statement of activities as an adjustment to pension expense, allocated among expense functions, and consequently an adjustment to net position due to the recognition of the Boards proportionate share of the cumulative net pension liability. Implementation of GASB Statement No. 68 has no effect on the governmental funds balance sheet, or the statement of revenues, expenditures, and changes in fund balances for the governmental funds. See note 2 for a discussion of the effect that adoption GASB Statement No. 68 had on the June 30, 2015 financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective for fiscal years beginning after June 15, 2014. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs. See note 2 for a discussion of the effect that adoption GASB Statement No. 71 had on the June 30, 2015 financial statements.

Note 2 – Changes in Accounting Principles:

Effective July 1, 2014, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (the Statements). The Statements address accounting and financial reporting for pensions provided to School Board employees who participate in the State Teachers' Retirement System (TRS). The Statements also require various note disclosures (Note 10) and required supplementary information. As a result, beginning net position has been restated as follows:

**TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015**

	Governmental Activities
Beginning net position as previously reported at June 30, 2014	\$ -
Prior period adjustment - Implementation GASB 68 & 71	
Beginning net pension liability	(1,866,700)
Deferred outflows of resources - 2014 Board contributions	147,066
Total prior period adjustment	(1,719,634)
Net position as restated, July 1, 2014	\$ (1,719,634)

Note 10 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDCRC). For the year ended June 30, 2015, the School Board's total payroll for all employees was \$ _____ and the payroll was \$ _____ for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as state revenue (Contributions For/On Behalf of the LEA) in the School Board's financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The balance is considered to be the State's contribution toward the past service unfunded liability and is included as a for/on behalf revenue and expenditure in the School Board's financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The State's contribution to TRS on-behalf of the School Board meets the GASB Statement No. 68 definition of a special funding source. Therefore, the School Board has recorded pension expense and revenue for the portion of the State's total proportionate share of collective pension expense that is associated with the School Board in the financial statements prepared on the economic resources focus and accrual basis of accounting.

Conversion of leave for post-retirement: For employees hired for the first time and first becoming a member of the Teachers' Retirement System (TRS) before July 1, 2015, upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree. For employees hired for the first time and first becoming a member of the Teachers' Retirement System (TRS) on or after July 1, 2015, there is no provision to convert an employee's unused vacation and sick leave to a greater retirement benefit or payment of health insurance premiums.

TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015

A. Teachers' Retirement System (TRS):

Plan Description:

The Teachers' Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. The West Virginia Legislature passed Senate Bill 529 in 2015 essentially adding a second tier of retirement benefits for those eligible to be a member of TRS who are hired for the first time and first become a member of TRS on or after July 1, 2015. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Benefits provided: Prior to the passage of Senate Bill 529, to qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent. With the passage of Senate Bill 529, to qualify for full benefits, employees hired for the first time and first becoming a member of TRS on or after July 1, 2015 must meet the following conditions:

- age 62 for an employee who goes directly into retirement with no break in service,
- age 64 for employees with a break in service between employment and retirement and less than 20 years of TRS service,
- age 63 for those with a break in service between employment and retirement and 20 or more years of TRS service,

With the passage of Senate Bill 529, to qualify for reduced annuity benefits employees hired for the first time and first becoming a member of TRS on or after July 1, 2015 must meet the following conditions:

- between the ages of 60 and 62 and having a minimum of 10 years of contributing service,
- between the ages of 57 and 62 and having 20 or more years of contributing service.
- between the ages of 55 and 62 and having 30 or more years of contributing service.

Upon retirement members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

**TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015**

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

Net Pension Asset (Liability), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources:

At June 30, 2015, the School Board reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Board were as follows:

School Board's proportionate share of the net pension liability	\$ 1,101,443
State's proportionate share of the net pension liability	
associated with the School Board.	<u>20,898,966</u>
Total portion of net pension liability associated with the school board	<u>\$ 22,000,409</u>

The TRS net pension liability was measured as of June 30, 2014, and the total pension liability was determined by an actuarial valuation as of July 1, 2013 rolled forward to the measurement date. The School Board's proportion of the net pension liability was based on its proportionate share of employer and non-employer contributions to the TRS Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2015, the School Board recognized pension expense of \$1,127,535 and for support provided by the State, revenue of \$1,157,752. At June 30, 2015, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resource</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings		
on pension plan investments	\$ -	\$ 145,589
Changes in proportion and differences between School Board		
contributions and proportionate share of contributions	-	442,385
District contributions subsequent to the measurement Date	<u>702,641</u>	<u>-</u>
Total	<u>\$ 702,641</u>	<u>\$ 587,974</u>

**TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015**

School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30,</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 103,972
2017	103,972
2018	103,972
2019	103,972
2020	103,971
Thereafter	68,117
Total	\$ 587,974

Actuarial Assumptions:

For TRS, the actuarial assumptions used in the June 30, 2013 valuation, with update procedures used to roll forward the total pension liability to June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010. These assumptions are as follows:

Inflation – 2.2%

Salary increases – For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75-5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40-6.50%.

Investment rate of return – 7.5%, net of pension plan investment expense, including inflation.

Mortality – Active – RP2000, non-annuitant monthly mortality table, retired – RP2000 healthy annuitant, scale AA; disabled – RP2000 disabled annuitant mortality table, scale AA.

Discount Rate – 7.5%

Investment Asset Allocation:

The long-term rate of return on pension plan investments was determined using the building block method in which estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015**

Asset Class	Strategic Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.5%	7.6%
International Equity	27.5%	8.5%
Private Equity	10.0%	9.9%
Fixed Income	15.0%	2.9%
Hedge Fund	10.0%	5.0%
Real Estate	10.0%	6.8%
Total	100%	

Discount Rate:

The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of the TRS Plan was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the School Board's proportionate share of its net pension liability calculated using the discount rate of 7.5% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
School Board's proportionate share of the TRS net pension liability	\$ 1,428,442	\$ 1,101,442	\$ 820,705

Payables to the pension plan:

At June 30, 2015, the School Board reported a liability of \$_____ for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

TYLER COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2015

C. Actuarial Revisions:

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board's June 30, 2014 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of July 1, 2013, rolled forward to June 30, 2014, were revised. The amounts revised as of June 30, 2014 are described below:

Total pension liability	\$ 10,132,186,000
Plan fiduciary net position	<u>(6,682,093,000)</u>
Total	<u><u>\$ 3,450,093,000</u></u>
Plan fiduciary net position as a percentage of the total pension liability	65.95%

TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2014</u>
District's proportion of the net pension liability (asset)	0.031925%
District's proportionate share of the net pension liability (asset)	\$ 1,101,443
State's proportionate share of the net pension liability (asset) associated with the district	<u>20,898,966</u>
Total	<u>22,000,409</u>
District's covered-employee payroll	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	65.95%

Data prior to 2014 is unavailable.

**TYLER COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers Retirement System**

	<u>2015</u>
Contractually required contribution	\$ -
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	-
District's covered-employee payroll	\$ -
Contributions as a percentage of covered-employee payroll	#DIV/0!

Data prior to 2015 is unavailable.

Reconciliation of Pension Expense (located at bottom of JE's tab)

Summary of entries to pension Expense

Original balance of pension expense at the fund level		2,224,106
JE #U		(30,217)
JE #V		(702,641)
JE #W		<u>(363,713)</u>
Ending Balance in Pension Expense at the DW Level		1,127,535

Pension Expense per GASB 68 Schedules (30,310)

Pension Expense for paragraphs 94 & 95 of GASB 68 1,157,752

Total pension expense under GASB 68

Difference

1,127,442
93

Difference should be total "plugged" through JE #U to balance the entry and any rounding adjustments. Amount should not be material. (See below)

93 Plug for JE #U

- JE #V Rounding

- JE #W Rounding

93