



# GASB 68

## Accounting Valuation Reports for Schools

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# GASB 68 Accounting Valuation Report Samples

Please download and print report samples from  
**[www.calpers.ca.gov](http://www.calpers.ca.gov)**

# Today's Topics

- GASB 68 Information
- GASB 68 Accounting Valuation Reports
  - Pooled Plans, Cost Sharing Multiple-Employer

# GASB 68 Information

# New Accounting - GASB 68

- Accounting  $\neq$  Funding
- Net Pension Liability
  - Difference between Total Pension Liability and Plan Net Fiduciary Position
- Pension Expense
  - No longer equal to the ARC
  - Shorter amortization periods
- Deferred Outflow/Inflows of Resources
  - Experience gains and losses
  - Investment gains and losses
  - Change in assumptions

# Highlights of GASB 68

- More extensive note disclosures and Required Supplementary Information (RSI)
  - General information about the plan and members
  - Assets
    - Classes of assets and long term expected real returns for each class
    - Target Allocation
- Net Pension Liability
  - NPL Sensitivity: Discount Rate +/- 1 percent
- 10 year Summary of Changes in Net Pension Liability
- 10 Year Summary of Contributions

# Terminology Equivalents

Pension Terminology	GASB Terminology
Present Value of Benefit (PVB)	N/A
Normal Cost (NC)	Service Cost
Accrued Liability (AL)	Total Pension Liability
Market Value of Assets (MVA)	Plan Fiduciary Net Position
Unfunded Accrued Liability	Net Pension Liability
Gains/Losses	Deferred Inflows / Outflows of Resources

# Independent Accountant's Report

## School Cost-Sharing Plans

Auditor's opinion on the schedule of employer allocations

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Auditor's opinion on the schedule of collective pension amounts

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# Additional Report Details

- Access allocation and valuation reports at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- Reports available by June 2015
- The County Office of Education will receive one invoice with a total amount charged for all districts

# Funding vs. GASB Accounting

	Funding	GASB Accounting
Discount Rate	7.5%	7.5%*
Economic & demographic assumptions	Set in annual valuation report	same
Actuarial cost method	Entry age normal	same
Asset value**	Market value of assets	same

\* Subject to cross-over test. Blended rate of long-term return on asset rate and 20-year municipal bond rate

\*\* Plan fiduciary net position in GASB terminology

# Funding vs. GASB Accounting

	Funding	GASB Accounting
Demographic & economic experience gains/losses*	Fixed 30-year amortization	Recognized over average expected remaining service lives
Change of assumptions	Fixed 20-year amortization	Recognized over average expected remaining service lives
Pension asset investment gains/losses*	Fixed 30-year amortization	Recognized over a closed 5-year period
Plan amendments	Fixed 20-year amortization	Recognized immediately

\* Gains/losses called *Deferred Inflows and Outflows* in GASB terminology

# **School Pooled Plans**

**Cost Sharing Multiple-Employer**

**Defined Benefit Pension Plan**

**GASB 68 Accounting Valuation Report**

# Transition to PDF

Please refer to the GASB 68 Accounting Valuation Report  
Sample – Schools Cost-Sharing Multiple-Employer.PDF

# Questions & Answers

# Resources

CalPERS On-line [www.calpers.ca.gov](http://www.calpers.ca.gov)  
(report samples, GASB 68, census data)

# Resources

We encourage you to **discuss audit and reporting requirements of GASB 68 with your auditors.**

*Although CalPERS will provide GASB 68 information regarding your CalPERS pension plan, it is your responsibility to work with auditors to determine how to present GASB 68 information in your financial statements.*