



Meeting Date: September 30<sup>th</sup>, 2020

Agenda Item: # C.5

## AGENDA SUMMARY REPORT

### SUBJECT:

GASB68 Report for FY 2019-2020

### SUMMARY:

The Draft GASB68 Report for Fiscal Year Ended June 30<sup>th</sup>, 2020 is attached. This report is prepared annually by Bartel Associates, LLC and the results are incorporated into our annual audit.

Attached is our draft 2020 GASBS 68 report for the Mendocino Transit Authority's cost sharing plans. There are a few items to note as you review this.

1. Responding to our clients' suggestion, this year we've added additional slides with "blurb" for the your financial statement footnote including CalPERS' actuarial assumptions to be reported (slides 5-8 and 15 of our report). Please note this is not the entire pension footnote, only the extracts from CalPERS reports that you can include to meet a part of the required reporting.
2. You may notice that the Authority's proportionate share of the net pension liability increased by roughly \$230K from last year (slides 3 and 13.) The largest part of the increase was the Risk Pool's actual experience for the year being different than assumed, including the impact of CalPERS change in valuation systems. That resulted in all plans' UAL increasing at 6/30/18 (you will see the unfunded liability added due to the change in CalPERS software systems on page 10 of Authority's 6/30/18 "funding" reports labeled "method change.") Because of the roll forward and measurement date timing, it first shows up in your 6/30/20 GASBS 68 numbers.

As you know, actuarial liabilities reported under GASB Statement 68 differ from the amounts and terminology used in CalPERS actuarial valuation report calculating the plan's funding requirements. We've posted an article describing the differences: <http://www.bartel-associates.com/news/2018/07/11/pension-plan-funding-and-accounting-comparison>

Please let us know if you or your auditors have any questions on this or anything else in the report, or if you would like to schedule a time to walk through the report over the phone. We'll send a final version of the report whenever you are ready for it.

Thank you,  
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**DRAFT**

**BARTEL**  
ASSOCIATES, LLC

**Mendocino Transit Authority  
CalPERS Miscellaneous Pension Plans**

June 30, 2020

Consolidated GASB 68 Reporting Information  
CalPERS Risk Pools  
Preliminary Results

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## Applicable Dates and Periods

	<b>June 30, 2020 Employer Fiscal Year</b>
■ Measurement date (MD)	June 30, 2019
■ Measurement period	July 1, 2018 to June 30, 2019
■ Actuarial valuation date	June 30, 2018



## Basis of Report

This report presents employer-specific amounts for reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68) for CalPERS public agency cost-sharing plans. Our calculations are based on information provided in actuarial valuation reports prepared by CalPERS and on the "Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts", prepared by CalPERS and audited by BDO. We have followed the methodology described in that report and in other CalPERS publications including the GASB 68 Guide for Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plans. It was not part of the scope of this project, nor was information available, to review the census data, actuarial calculations or the actuarial assumptions used to prepare those reports. CalPERS reports used for our calculations are available at: <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb> Additional information to be presented in each agency's Notes and RSI can be found on CalPERS website in the CalPERS Risk Pool reports as of the June 30, 2019 Measurement Date and CalPERS CAFR:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-miscellaneous-risk-pool-2019.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-safety-risk-pool-2019.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>



**Net Pension Liability**

**Proportionate Share of Net Pension Liability/(Asset)**

	Fiscal Year Ending	
	June 30, 2020	June 30, 2019
■ Total	\$ 1,797,406	\$ 1,563,664

See page 20 for supporting detail.



**Net Pension Liability**

**Proportionate Share of Net Pension Liability/(Asset)**

	Percentage Share of Plan		Change: Increase/ (Decrease)
	6/30/2020	6/30/2019	
■ Fiscal Year End	6/30/2020	6/30/2019	
■ Measurement Date	6/30/2019	6/30/2018	
■ Percentage of Plan (PERF C) NPL	0.01754%	0.01623%	0.00131%

See page 20 for supporting detail.



**Plan Description \***

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2018 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

\* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2019.pdf>



**Net Pension Liability Assumptions \***

Total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. The collective total pension liability was based on the following assumptions:

- |                                    |   |
|------------------------------------|---|
| ■ Discount Rate                    | 7.15%   |
| ■ Inflation                        | 2.50%   |
| ■ Salary increases                 | Varies by Entry Age and Service   |
| ■ Mortality                        | Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries |
| ■ Post-retirement benefit increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies   |

\* These assumptions are from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2019.pdf>



## Note Disclosures

### Long-Term Expected Rate of Return \*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11 + <sup>2</sup></u>
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%

\* This information is from the CalPERS report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2019.pdf>

<sup>1</sup> An expected inflation of 2.00% used for this period.

<sup>2</sup> An expected inflation of 2.92% used for this period.



## Note Disclosures

### Discount Rate \*

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

\* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2019.pdf>



**Note Disclosures**

**Sensitivity of Proportionate Share of Net Pension Liability (Asset)  
to Changes in the Discount Rate**

	<b>Discount Rate</b>		
	<b>6.15% (1% Decrease)</b>	<b>7.15% (Current Rate)</b>	<b>8.15% (1% Increase)</b>
■ Measurement Date	6/30/2019		
■ Fiscal Year End	6/30/2020		
■ Net Pension Liability	\$ 3,160,956	\$ 1,797,406	\$ 671,892

See page 21 for supporting detail.



**Note Disclosures**

**Pension Expense (Income) for Fiscal Year**

	<b>2019/20</b>
■ Total pension expense (income) for fiscal year	\$ 561,128

See page 31 for supporting detail.



**Note Disclosures**

**Deferred Outflows/Inflows Balances at June 30, 2020**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
■ Differences between expected and actual experience *	\$ 124,837	\$ (9,672)
■ Changes of assumptions *	85,709	(30,383)
■ Net differences between projected and actual earnings on plan investments *	-	(31,424)
■ Change in employer's proportion **	201,082	-
■ Differences between the employer's contributions and the employer's proportionate share of contributions***	-	(109,832)
■ Pension contributions subsequent to measurement date	305,721	-
■ Total	<u>717,349</u>	<u>(181,311)</u>

\* Supporting detail on page 23.

\*\* Supporting detail on page 26.

\*\*\* Supporting detail on page 29.



**Note Disclosures**

**Recognition of Deferred Outflows and Inflows of Resources  
in Future Pension Expense**

	<b>Deferred Outflows/(Inflows) of Resources</b>
■ <b>Fiscal Year Ending June 30:</b>	
● 2021	\$ 182,377
● 2022	21,879
● 2023	19,710
● 2024	6,351
● 2025	-
● Thereafter	-

Supporting detail on page 30.





**Required Supplementary Information**

**Schedule of Authority's Proportionate Share  
of the Plan's (PERF C) Net Pension Liability**

	Fiscal Year End	
	6/30/20	6/30/19
■ Measurement Date	6/30/19	6/30/18
■ Authority's proportion of the net pension liability	0.01754%	0.01623%
■ Authority's proportionate share of the net pension liability	\$ 1,797,406	\$ 1,563,664
■ Authority's covered payroll *	2,546,696	2,375,217
■ Authority's proportionate share of the net pension liability as a percentage of covered payroll	70.58%	65.83%
■ Plan's fiduciary net position as a percentage of the plan's total pension liability **	75.26%	75.26%

\* For the year ending on the measurement date.

\*\* Supporting detail on page 17.



**Required Supplementary Information**

**Schedule of the Authority's Contributions**

Contributions for the fiscal year ending:	6/30/20	6/30/19
■ Actuarially determined contribution	\$ 305,721	\$ 254,376
■ Contributions in relation to the actuarially determined contribution	<u>305,721</u>	<u>254,376</u>
■ Contribution deficiency (Excess)	-	-
■ Authority's covered payroll *	2,503,504	2,546,696
■ Contributions as a percentage of covered payroll	12.21%	9.99%

\* For the fiscal year ending on the date shown.



**Actuarially Determined Contribution Assumptions \***

■ Valuation Date	June 30, 2017
■ Actuarial cost method	Entry age normal cost method
■ Amortization method	Level percent of pay, direct rate smoothing
■ Remaining Amortization Periods	Differs by employer rate plan but not more than 30 years
■ Asset valuation method	Market value of assets
■ Inflation	2.625%
■ Salary increases	Varies by Entry Age and Service
■ Discount Rate **	7.25% (net of administrative expenses)
■ Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries

\* From the CalPERS reports (Appendix A):

<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-miscellaneous-2017.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-safety-2017.pdf>

\*\* Please note, the discount rate used for Actuarially Determined Contributions is different from the one used for Total Pension Liability (page 6). You can find more information on this here:

<http://www.bartel-associates.com/news/2018/07/11/pension-plan-funding-and-accounting-comparison>



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**Data as of 6/30/19 Measurement Date**

	Miscellaneous Risk Pool	Safety Risk Pool	Total
<b>■ Employer Allocation Basis*</b>			
Total Pension Liability	0.05637%	N/A	N/A
Fiduciary Net Postion	0.05966%	N/A	N/A
<b>■ Data from Risk Pool Reports for Measurement Date June, 30 2019</b>			
Total Pension Liability	\$ 17,984,188,264	\$ 23,442,265,225	\$ 41,426,453,489
(1) Fiduciary Net Postion	13,979,687,268	17,199,726,799	31,179,414,067
Net Pension Liability	4,004,500,996	6,242,538,426	10,247,039,422
Funded Percentage	N/A	N/A	75.26%
<b>■ Sensitivity</b>			
(2) NPL @ 6.15% discount rate	6,423,429,224	9,455,145,852	
(1) + (2) TPL @ 6.15% discount rate	20,403,116,492	26,654,872,651	
(3) NPL @ 8.15% discount rate	2,007,846,603	3,608,703,617	
(1) + (3) TPL @ 8.15% discount rate	15,987,533,871	20,808,430,416	
<b>■ Collective Pension Expense</b>			
	943,590,814	1,264,997,744	



<b>■ Deferred Outflows (Inflows) Balances at June 30, 2019 Measurement Date (MD)</b>				
MD				
2017	Differences between expected and actual experience	(21,549,404)	17,643,200	N/A
2018	Differences between expected and actual experience	92,956,415	55,527,888	N/A
2019	Differences between expected and actual experience	185,173,056	334,410,371	N/A
2017	Change in Assumptions	190,953,116	255,870,778	N/A
2018	Change in Assumptions	(67,691,294)	(49,932,947)	N/A
2016	Differences between projected and actual earnings on plan investments	154,573,554	197,724,471	N/A
2017	Differences between projected and actual earnings on plan investments	(179,481,113)	(228,512,293)	N/A
2018	Differences between projected and actual earnings on plan investments	(101,692,042)	(121,924,858)	N/A
2019	Differences between projected and actual earnings on plan investments	56,588,526	66,835,952	N/A
<b>■ Other</b>				
	Aggregate Employer Contributions	579,262,498	754,297,049	N/A
	Expected Average Remaining Service Lifetime (EARSL)		N/A	3.8
	Future Recognition of Deferred Amounts			
	Measurement Date			
	2020	294,655,907	455,590,247	N/A
	2021	(32,128,597)	(16,269,862)	N/A
	2022	33,156,374	71,613,189	N/A
	2023	14,147,130	16,708,988	N/A

\*From the report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2019.pdf>



## Supporting Calculations

### Employer Contributions during Year

	Fiscal Year Paid:	
	2019/20	2018/19
■ Misc Classic	\$ 208,411	\$ 175,843
■ Misc PEPR	97,310	78,533
■ Total	305,721	254,376



## Supporting Calculations

### Proportionate Share of Net Pension Liability/(Asset)

	Fiscal Year Ending 6/30/2020		
	Measurement Date 6/30/2019		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
■ Authority % *	0.05637%	0.05966%	
■ Total Misc Risk Pool *	\$ 17,984,188,264	\$ 13,979,687,268	N/A
■ Authority's Proportionate Share	10,137,687	8,340,281	\$ 1,797,406
■ Total PERF-C NPL *	N/A	N/A	10,247,039,422
■ Authority's Proportionate Share of NPL	N/A	N/A	0.01754%

\* Supporting detail on page 17.



## Supporting Calculations

### Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

	Discount Rate		
	6.15%	7.15%	8.15%
■ Measurement Date	6/30/2019		
■ Fiscal Year End	6/30/2020		
■ Miscellaneous			
Risk Pool Total Pension Liability *	\$ 20,403,116,492	\$ 17,984,188,264	\$ 15,987,533,871
Employer's TPL Proportion	<u>0.05637%</u>	<u>0.05637%</u>	<u>0.05637%</u>
Proportionate share of TPL	\$ 11,501,237	\$ 10,137,687	\$ 9,012,173
Less: Proportionate share of FNP **	<u>8,340,281</u>	<u>8,340,281</u>	<u>8,340,281</u>
Net Pension Liability	3,160,956	1,797,406	671,892

\* Supporting detail on page 17.

\*\* Supporting detail on page 20.



## Supporting Calculations

### Allocation Factor for Deferred Inflows and Outflows

	<u>Miscellaneous</u>
(1) Total Misc Risk Pool Net Pension Liability*	\$ 4,004,500,996
(2) Authority's Proportionate Share of Net Pension Liability **	1,797,406
(3) Authority's Deferred Outflows/Inflows of Resources Allocation Basis (2) ÷ (1) ***	0.04488%

\* Supporting detail on page 17.

\*\* Supporting detail on page 20.

\*\*\* Deferred Outflows/Inflows of resources allocated based on the employer's share of the Miscellaneous Risk Pool net pension liability, per CalPERS' guidance in the 6/30/2019 Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts.



## Supporting Calculations

### Total Risk Pool Deferred Outflows/(Inflows)

Measurement Date	Item	Misc Risk Pool*	Employer Amount (0.04488%)**	Employer Deferred Outflow	Employer Deferred (Inflow)
Differences between Actual and Expected Experience					
2017		\$ (21,549,404)	\$ (9,672)	\$ -	(9,672)
2018		92,956,415	41,723	41,723	-
2019		185,173,056	83,114	83,114	-
Actual and Expected Experience			115,165	124,837	(9,672)
Changes of assumptions					
2017		190,953,116	85,709	85,709	-
2018		(67,691,294)	(30,383)	-	(30,383)
Total Assumptions Change			55,326	85,709	(30,383)
Net Difference between Projected and Actual Return on Investments 2016 to 2019					
		(70,011,075)	(31,424)	-	(31,424)

\* Supporting detail on page 18. \*\* Supporting detail on page 22, unrounded allocation factor is used.



## Supporting Calculations

### Change in Proportion Calculation

	Unrecognized Differences between Expected and Actual Experience	Unrecognized Changes in Assumptions	Unrecognized Net Difference Between Projected and Actual Earnings on Investments	Total Pension Liability	Fiduciary Net Position	Total
■ Miscellaneous Risk Pool						
Net deferral at 6/30/2018 MD	\$ 95,392,760	\$324,346,941	\$ 18,631,550	\$(16,891,153,209)	\$13,122,440,092	
Employer proportion at 6/30/2019 MD*	<u>0.04488%</u>	<u>0.04488%</u>	<u>0.04488%</u>	<u>0.05637%</u>	<u>0.05966%</u>	
Employer amount using 6/30/2019 basis	42,817	145,582	8,363	(9,521,543)	7,828,848	(1,495,933)
Employer balances at 6/30/2018 MD	<u>39,579</u>	<u>134,573</u>	<u>7,730</u>	<u>(8,984,404)</u>	<u>7,420,740</u>	<u>(1,381,782)</u>
Difference	(3,238)	(11,009)	(633)	537,139	(408,108)	114,151

\* Supporting details on pages 17 and 22, unrounded allocation factor is used.



## Supporting Calculations

### Change in Proportion

Calculation at June 30, 2020 financial statement date

	<b>2016</b> <b>Measurement</b> <b>Date</b>	<b>2017</b> <b>Measurement</b> <b>Date</b>	<b>2018</b> <b>Measurement</b> <b>Date</b>	<b>2019</b> <b>Measurement</b> <b>Date</b>	<b>Total</b>
Balance reported at June 30, 2019	\$ 11,741	\$ 38,151	\$ 155,578	\$ 114,151 *	
Remaining Amortization Years	0.7 years	1.8 years	2.8 years	3.8 years	
Current Year Amortization	(11,741)	(21,195)	(55,563)	(30,040)	(118,539)
Balance reported at June 30, 2020	-	16,956	100,015	84,111	201,082

\* Balance at July 1, 2019, after 6/30/19 reporting date.



## Supporting Calculations

### Recognition Schedule for Deferred Outflows/Inflows at June 30, 2020 Employer-Specific Deferral: Change in Proportions

	Initial Recognition Period				Total
	2016/17	2017/18	2018/19	2019/20	
■ Measurement Period	2015/16	2016/17	2017/18	2018/19	
■ Initial amount	\$ 62,066	\$ 80,541	\$ 211,141	\$ 114,151	
■ Initial recognition period	3.7 years	3.8 years	3.8 years	3.8 years	
■ Amount recognized in FY pension expense					
● 2016/17 (3rd prior year)	16,775	N/A	N/A	N/A	16,775
● 2017/18 (2nd prior year)	16,775	21,195	N/A	N/A	37,970
● 2018/19 (Prior year)	16,775	21,195	55,563	N/A	93,533
● 2019/20 (Current year)	11,741	21,195	55,563	30,040	118,539
● 2020/21	-	16,956	55,563	30,040	102,559
● 2021/22	-	-	44,452	30,040	74,492
● 2022/23	-	-	-	24,031	24,031
● Total	62,066	80,541	211,141	114,151	467,899
■ Deferred Outflows at FYE 6/30/2020	-	16,956	100,015	84,111	201,082
■ Deferred Inflows at FYE 6/30/2020	-	-	-	-	-



## Supporting Calculations

### Difference in Actual Contribution and Proportionate Share of Contribution Calculation

	<u>Miscellaneous</u>
(1) Aggregate Risk Pool employer contributions for MP 2018/19*	\$ 579,262,498
(2) Employer proportion (FNP %)**	0.05966%
(3) Proportionate share of aggregate Employer contribution (1) * (2)	345,588
(4) Actual Contribution for Measurement Period 2018/2019	254,376
(5) Difference (4) - (3)	(91,212)

\* Supporting detail on page 18.

\*\* Supporting detail on page 17.



## Supporting Calculations

### Difference in Actual Contributions and Proportionate Share of Contributions

Calculation at June 30, 2020 financial statement date

	<u>2016 Measurement Date</u>	<u>2017 Measurement Date</u>	<u>2018 Measurement Date</u>	<u>2019 Measurement Date</u>	<u>Total</u>
Balance reported at June 30, 2019	(10,292)	(24,070)	(49,663)	(91,212) *	(175,237)
Remaining Amortization Years	0.7 years	1.8 years	2.8 years	3.8 years	
Current Year Amortization	10,292	13,373	17,737	24,003	65,405
Balance reported at June 30, 2020	-	(10,697)	(31,926)	(67,209)	(109,832)

\* Balance at July 1, 2019, after 6/30/19 reporting date.





## Supporting Calculations

### Recognition Schedule for Deferred Outflows/Inflows at June 30, 2020 Employer-Specific Deferral: Difference Between Actual & Proportionate Share of Employer Contributions

	Initial Recognition Period				Total
	2016/17	2017/18	2018/19	2019/20	
■ Measurement Period	2015/16	2016/17	2017/18	2018/19	
■ Initial amount	\$ (54,395)	\$ (50,816)	\$ (67,400)	\$ (91,212)	
■ Initial recognition period	3.7 years	3.8 years	3.8 years	3.8 years	
■ Amount recognized in FY pension expense					
● 2016/17 (3rd prior year)	(14,701)	N/A	N/A	N/A	(14,701)
● 2017/18 (2nd prior year)	(14,701)	(13,373)	N/A	N/A	(28,074)
● 2018/19 (Prior year)	(14,701)	(13,373)	(17,737)	N/A	(45,811)
● 2019/20 (Current year)	(10,292)	(13,373)	(17,737)	(24,003)	(65,405)
● 2020/21	-	(10,697)	(17,737)	(24,003)	(52,437)
● 2021/22	-	-	(14,189)	(24,003)	(38,192)
● 2022/23	-	-	-	(19,203)	(19,203)
● Total	(54,395)	(50,816)	(67,400)	(91,212)	(263,823)
■ Deferred Outflows at FYE 6/30/2020	-	-	-	-	-
■ Deferred Inflows at FYE 6/30/2020	-	(10,697)	(31,926)	(67,209)	(109,832)



## Supporting Calculations

### Recognition of Deferrals in Future Pension Expense

Measurement Period Ending June 30:	Fiscal Year Ending June 30:	Miscellaneous Risk Pool Amount			Employer Specific Amounts		Total
		Risk Pool Amount*	Applicable Percentage**	Authority's Proportionate Share	Change in Proportion***	Difference Between Actual and Proportionate Share of Contributions****	
■ 2020	■ 2021	\$294,655,907	0.04488%	\$ 132,255	\$ 102,559	\$ (52,437)	\$ 182,377
■ 2021	■ 2022	(32,128,597)	0.04488%	(14,421)	74,492	(38,192)	21,879
■ 2022	■ 2023	33,156,374	0.04488%	14,882	24,031	(19,203)	19,710
■ 2023	■ 2024	14,147,130	0.04488%	6,351	-	-	6,351
■ 2024	■ 2025	-	0.04488%	-	-	-	-
■ Thereafter	■ Thereafter	-	0.04488%	-	-	-	-

\* See page 18.

\*\* See page 22, unrounded allocation factor is used.

\*\*\* See page 26.

\*\*\*\* See page 29.



**Supporting Calculations**

**GASB 68 Balance Equation for Pension Expense Calculation**

	Fiscal year ending		Change
	6/30/2019	6/30/2020	
■ Measurement date	6/30/2018	6/30/2019	
■ Total pension liability	\$ 8,984,404	\$ 10,137,687	\$ 1,153,283
■ Fiduciary net position	7,420,740	8,340,281	919,541
■ Net pension liability/(asset)	1,563,664	1,797,406	233,742
■ Deferred inflows of resources	148,130	181,311	33,181
■ Deferred (outflows) of resources *	(451,457)	(411,628)	39,829
■ Contributions in the measurement period	-	254,376	254,376
■ Net balance sheet impact	1,260,337	1,821,465	561,128
■ Pension Expense (Income)			561,128

\* The deferral for contributions after the measurement date is excluded.



**Supporting Calculations**

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## Journal Entries

### Beginning Balances

Following summarizes the beginning balances from the 2018 measurement date \*

	<b>Debit</b>	<b>Credit</b>
Differences between expected and actual experience	\$ 59,995	\$ (20,416)
Changes of assumptions	178,262	(43,689)
Net differences between projected and actual earnings on plan investments	7,730	-
Change in employer's proportion	205,470	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(84,025)
Total deferred outflow/inflow	451,457	(148,130)
Pension contributions subsequent to measurement date	254,376	-
Net Pension Liability	-	(1,563,664)
Net Impact	1,005,961	-
<i>Check</i>	<i>1,711,794</i>	<i>(1,711,794)</i>

\* Recorded at 6/30/19 fiscal year end.



## Journal Entries

### Employer Contributions

Following records the impact of employer contributions, assuming employer contributions were recorded as pension expense when paid.

	<b>Debit</b>	<b>Credit</b>
Net pension liability	\$ 254,376	
Deferred Outflow - FY 2019 contributions		\$ (254,376)
Deferred Outflow - FY 2020 contributions	305,721	
Pension Expense		(305,721)
<i>Check</i>	<i>560,097</i>	<i>(560,097)</i>



## Journal Entries

### Summary Journal Entries - Pension Expense

Following records the impact of current year pension expense

	<b>Debit</b>	<b>Credit</b>
Deferred Outflows	\$ 64,842	\$ (104,671)
Deferred Inflows	24,050	(57,231)
Pension Expense (Income)	561,128	-
Net pension liability	-	(488,118)
 <i>Check</i>	 650,020	 (650,020)

See pages 38 and 37 ("Subtotal" row) for details.



## Journal Entries

### Ending Balances at June 30, 2020

	<b>Debit</b>	<b>Credit</b>
Differences between expected and actual experience	\$ 124,837	\$ (9,672)
Changes of assumptions	85,709	(30,383)
Net differences between projected and actual earnings on plan investments	-	(31,424)
Change in employer's proportion	201,082	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(109,832)
Total deferred outflow/inflow	411,628	(181,311)
Pension contributions subsequent to measurement date	305,721	-
Net Pension Liability (NPL)	-	(1,797,406)
Net Impact	1,261,368	-
 <i>Check</i>	 1,978,717	 (1,978,717)
Total pension expense (income) for FYE 2020	561,128	-



## Reconciliation of Deferred Outflows

(Detail for page 35)

Deferred Outflows	Opening Balance Debit	Journal Entry- Debit	Journal Entry - (Credit)	Ending Balance Debit
Differences between actual and expected experience	\$ 59,995	\$ 64,842	\$ -	\$ 124,837
Change in assumptions	178,262	-	(92,553)	85,709
Differences between projected and actual earnings on plan investments	7,730	-	(7,730)	-
<u>Employer Specific</u>				
Change in employer's proportion	205,470	-	(4,388)	201,082
Differences between the employer's contributions and the employer's proportionate share of contributions	-	-	-	-
Subtotal	451,457	64,842	(104,671)	411,628
Contributions after the Measurement Date	254,376	305,721	(254,376)	305,721
Total Deferred Outflows	705,833	370,563	(359,047)	717,349

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



## Reconciliation of Deferred Inflows

(Detail for page 35)

Deferred Inflows	Opening Balance (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance (Credit)
Differences between actual and expected experience	\$ (20,416)	\$ -	\$ 10,744	\$ (9,672)
Change in assumptions	(43,689)	-	13,306	(30,383)
Differences between projected and actual earnings on plan investments	-	(31,424)	-	(31,424)
<u>Employer Specific</u>				
Change in employer's proportion	-	-	-	-
Differences between the employer's contributions and the employer's proportionate share of contributions	(84,025)	(25,807)	-	(109,832)
Total Deferred Inflows	(148,130)	(57,231)	24,050	(181,311)

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



## Reconciliation of Deferred Outflows/(Inflows)

### Summary of Balances

	Fiscal year ending	
	6/30/2019	6/30/2020
■ Measurement date	6/30/2018	6/30/2019
■ Total pension liability	\$ (8,984,404)	\$ (10,137,687)
■ Fiduciary net position	<u>7,420,740</u>	<u>8,340,281</u>
■ Net pension (liability)/asset	(1,563,664)	(1,797,406)
■ Deferred (inflows) of resources	(148,130)	(181,311)
■ Deferred outflows of resources	<u>705,833</u>	<u>717,349</u>
■ Net balance sheet impact	(1,005,961)	(1,261,368)

Deferred Outflows includes contributions after the measurement date.

