

Public Pension Financial Focus



President's Message

I'm not sure why I thought things would slow down once GASB 67 was implemented and our CAFR was issued. It seems like things are busier now than they ever have been in my 30 years working with public pension plans. We're finishing up the audit of our GASB 68 schedules, meeting with various employer and auditor groups to provide education, and trying to decipher GASB 72. I am SO thankful I have a network of peers via P2F2 to help figure this all out!

The 2015 conference is starting to shape up. It will be held at the Hyatt Regency Mission Bay in San Diego October 25-28. We hope to have a preliminary schedule posted on our website in June...I think you'll enjoy the line-up of speakers we're bringing in this year. Once again it will be top notch.

The P2F2 GASB Toolkit is up and running on our website. If you're willing to share any GASB 68 schedules, audit opinions or employer education aids, please send them my direction and we'll add them to the Toolkit for others to view. Sharing information and networking help make your \$150 membership fee the best investment you'll ever make!!

Dave DeJonge

Dave DeJonge, P2F2 President, dave.dejonge@mnpera.org

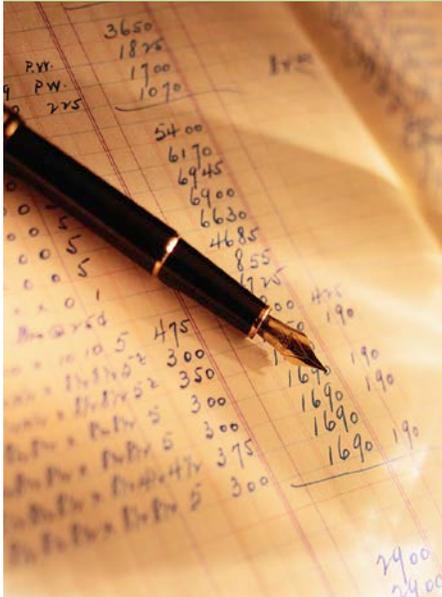
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P2F2 Mission and Purpose

P2F2 Mission Statement

Public Pension Financial Forum's mission is to serve its membership through education, pension advocacy, and networking by promoting financial excellence for public pension plans.

The purposes of the P2F2 are to:

- Promote excellence in public pension plan financial operations.
- Advocate for and represent public pension systems by responding to and collaborating with the Governmental Accounting Standards Board and other related organizations.
- Provide education to membership in areas of financial importance for public pension plans.
- Create networking opportunities for members to exchange ideas and information.

P2F2 ADDS GASB 67/68 TOOLKIT TO WEBSITE

P2F2 has gathered information related to GASB 67 and 68 from across the country and assembled it in one location...the GASB Toolkit page on our website! If you're looking for ideas about how to communicate the pension accounting standard changes to city councils, want to view videos and podcasts from other pension plans, or want to see examples of GASB schedules, P2F2's GASB Toolkit is the place to go for one-stop shopping. If you're willing to share the GASB 68 schedules and footnotes you prepared for your employers, please send them to Dave DeJonge at dave.dejonge@mnpera.org so that we can add them to the GASB Toolkit [GASB 67/68](#).

Pension Communications Resource Group documents now included as part of P2F2 GASB 67/68 Toolkit – To assist users of financial statements to understand the impact of the new pension accounting requirements, representatives of a number of major organizations, including P2F2, participated in an effort organized by GASB and referred to as the Pension Communication Resource Group (PCRG). Participants worked together to develop high-level plain-English educational resources that describe key aspects of the pension standards. Fourteen documents have been developed and include information on distinguishing between pension accounting and pension funding, financial statement impact, and auditing issues. The documents are not copyrighted, and are not publications of the GASB. You may tailor them to best meet the needs of your organization and distribute them as you see fit. To access the documents please use the following link – [PCRG pension documents](#).

AICPA responds to P2F2 letter on Census Data Audits

The AICPA responded to a letter from P2F2 regarding the ability of auditors to use their judgment in analyzing whether census data audits were necessary. You may read a copy of the letter by P2F2 by using the following link – [P2F2 letter](#).

The AICPA responded that they continue to believe the guidance included in the whitepapers is supported by the AICPA auditing standards and they will continue with their plan to incorporate the whitepaper and their concepts in the upcoming State and Local Government Audit Guide (SLG Guide). In their letter the AICPA states that the SLG Guide is considered an interpretive publication which should be considered when planning and performing an audit.

They go on to say that if auditors “opt not to test census data at participating employers, they should document how they were able to obtain sufficient appropriate evidence over the completeness and accuracy of census data that was used in the calculation of the total pension liability.” You can read the entire AICPA response by using the following link: [April 28, 2015 AICPA letter](#).



12th Annual Conference in San Diego, California

P2F2 is pleased to announce the 2015 Annual Conference will be held in sunny San Diego at the [Hyatt Regency Mission Bay](#) October 25-28.

The following Volunteer Committees are working hard to put together another great conference in San Diego:

- Speaker's Committee – responsible for educational topics, scheduling/securing speakers for the conference
- On-Site/Hospitality Committee – responsible for registration desk and conference materials, activities at the conference and other on-site duties as assigned
- Sponsorship Committee – responsible for choosing and securing commercial vendors to participate in the annual conference.

It's easy to volunteer for one of the committees, just click here ([Conference Volunteers](#)) or contact one of the P2F2 Board members. We look forward to working with you to make P2F2 a success for years to come!

Change in San Diego for the Roll Call of the States

Some members love it, but most members are ready for a change! As a result of your conference feedback, "Vanna White" will put the heels, "group hugs" and shiny attire away for a while so that we can try a new approach at the 2015 conference. Due to our growing membership, if every member system took 10 minutes to speak at the Roll Call of the States, the session would be 7.5 hours long! In an effort to streamline the information, we will continue to provide the Roll Call of the States booklet that has been prepared for the last two years. Please make an effort to complete the information for your system so that you will be included in the booklet that is distributed to attendees at registration. If you still want to put a name with a face, you will want to make sure to attend our networking reception on Sunday evening.

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San Diego Travel

[San Diego Visitor Planning Guide](#)

[San Diego Travel Apps](#)

[Offers and Coupons](#)

[San Diego Video Travel Guide](#)



GASB Statement 72: Fair Value Measurement and Application Summary

By Michelle Camuglia

The objective of the recently issued Government Accounting Standards Board Statement 72 is to clarify the definition of fair value for assets and liabilities. Fair value is the price that would be offered to sell an asset or paid to transfer a liability at the measurement date. Fair value is defined as a market based measurement and not an entity specific one. GASB 72 is effective for financial statements with reporting periods beginning after June 15, 2015.

Valuation techniques are used to determine fair value. The relevant observable inputs used in performing a valuation should be maximized; the unobservable inputs should be minimized. If there are no observable market transactions available on the measurement date, a fair value measurement should assume that a transaction happened on that date. The price should not be adjusted for transaction costs, and transaction costs do not include transportation costs. A significant revision to the financial statements resulting from a change in valuation technique should be accounted for as a change in accounting estimate.

There are three valuation approaches discussed in the statement. The *market approach* uses prices and other information generated by market transactions to determine fair value. The *cost approach* is basically where the cost required to replace the asset is judged to be the fair value. The *income approach* is a valuation technique where the conversion of future amounts, such as cash flows, is discounted to a single current amount, which then can be used as a fair value measurement.

GASB 72 utilizes a hierarchy of levels to illustrate the quality of the information used in a valuation. *Level 1 valuations* use unadjusted quoted prices for identical assets or liabilities from active markets that the government can access (Covers many financial assets and liabilities). *Level 2 valuations* use a lesser quality evaluation, where quoted prices (other than those used in Level 1) are supportive; they may be directly or indirectly observable for an asset or liability or may be similar assets in active markets. *Level 3 valuations* utilize other information including unobservable inputs. The use of the best information available under the circumstances, including the government's own data, would fit here. Note that if two levels are used in a determination – the asset or liability is listed at the lowest level.

(Continued on page 5)

GASB 72 Toolkit

GASB Documents

GASB 72 – [Statement](#)

GASB 72 - [Summary](#)

GASB Project Team Discusses Statement No. 72 - [Video](#)

Other Summaries

PWC - [In Brief](#)

Deloitte - [Spotlight](#)

BKD - [GASB 72 Summary](#)

Investment Tools

Investment knowledge

- [Tutorials](#)
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[List of stock market indices](#)

Index Data

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- [S&P Down Jones Indices](#)

Free Online Courses

Take great online courses from the world's best universities:

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GASB Statement 72: Fair Value Measurement and Application Summary

(Continued from page 4)

The Statement addresses the use of Third Party Quotes in paragraph 52. These quotes from brokers, pricing services, etc. may be used if the information is developed in accordance with GASB72.

Disclosures should be organized by type of asset or liability. The level of fair value hierarchy within which the fair value measurement (FMV) is categorized should be shown. A greater degree of uncertainty and subjectivity suggests that the number of types may need to be increased. Disclosures should be disaggregated by type as specified by relevant accounting standards. Additional disclosures and level of aggregation may be based upon the characteristics of the government and the significance of the assets or liabilities. A type of asset or liability may require greater disaggregation than the line item where it is presented on the statement of net position.

Schedule 1

A government should disclose the following information for each type of asset or liability measured at fair value in the statement of net position after initial recognition. For recurring and nonrecurring fair value measurements: the FMV at the end of the reporting period (except for NAV per share measurements), a description of the valuation techniques used in the fair value measurement and if there has been a significant impact due to a change in a valuation technique, and the reasons for any nonrecurring fair value measurements.

Schedule 2

There are additional requirements for fair value measurements in investments in certain entities that calculate the Net Asset Value per share and do not have a readily determinable fair value and are measured at fair value on a recurring and nonrecurring basis throughout the period. The nature and risks associated with the probable sale at amounts different than the NAV value is also a disclosure.

This covers only the highlights of Statement 72. You should read the Statement to get a better understanding how it will apply to your organization. P2F2 will again bring experts to the Conference in San Diego to assist you in learning more about Statement 72. Please watch for more information when the schedule is posted later this year.

Free Microsoft Office Tutorials

Excel

- [2010](#)
- [2013](#)

Outlook

- [2010](#)
- [2013](#)

PowerPoint

- [2010](#)
- [2013](#)

Access

- [2010](#)
- [2013](#)

Word

- [2010](#)
- [2013](#)

10 Life Lessons from a Navy SEAL

Naval Admiral William H. McRaven returned to his alma mater and spoke to the graduates with lessons he learned from his basic SEAL training.

If you want to change the world:

- 1) Start off by making your bed
- 2) Find someone to help you paddle
- 3) Measure a person by the size of their heart, not the size of their flippers
- 4) Get over being a sugar cookie and keep moving forward
- 5) Don't be afraid of the circuses
- 6) Sometimes you have to slide down the obstacle head first
- 7) Don't back down from the sharks
- 8) You must be your very best in the darkest moment
- 9) Start singing when you're up to your neck in mud
- 10) Don't ever, ever ring the bell

Read more and watch a video of his speech at lifebuzz.com

Public Pension Financial Forum Benefits for You

Excellence, Education & Interaction

Delivered to you through the

Annual conference,
Member forum,
Contacts you develop,
Newsletter,
Website, and the
Board responding to GASB & GFOA

P2F2 Board Minutes

[Board minutes](#)

Suggestion Box

Please email your suggestions to
kgreve@copera.org



[Excellence, Education, & Interaction]

www.p2f2.org

Excel Tip by Mundy

Using Excel Fill Handle - The fill handle is a handy small black square at the bottom right corner of an active cell or group of cells that can save you a lot of time when copying the contents of one or more cells to adjacent cells. If you make a simple spreadsheet as shown below, you can quickly copy the formula in cell C1 and D1.

	A	B	C	D	E	F	G	H
1	1	10	11	2.75				
2	2	10						
3	3	10						
4	4	10						

C1 is formula = +A1+ B1

D1 is formula = +C1*0.25

Place your cursor on cell C1, highlight cell C1 and D1 and then move to the bottom right of cell D1 and a plus sign appears, when you see the sign double right click your mouse. Voila, you have now filled the cells C2 through the bottom of the list to cell D4 with the formula in C1 and D1.

	A	B	C	D	E	F	G	H	I
1	1	10	11	2.75					
2	2	10	12	3					
3	3	10	13	3.25					
4	4	10	14	3.5					
5									

For more info use this link – [Fill Handle](#).

This trick can save you an incredible amount of time when building a new spreadsheet with many rows of data. Try it!

P2F2 Benefit – Contacts!

The most important thing in life is not knowing everything, it's having the phone number of somebody who does!