CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

February 21, 2017 D2017-04

TO: District Agricultural Associations, CEOs & Accounting Staff

SUBJECT: Guidance for Governmental Accounting Standards Board Statement Number 68

The purpose of the letter is to provide the District Agricultural Associations (DAA) with further guidance on making the journal entries for their Pension Liability under Governmental Accounting Standards Board Statement Number 68 (GASB 68). To assist in booking the pension liability, Fairs & Expositions Branch (F&E) has previously provided spreadsheets to all the District Agricultural Associations (DAA) with their net pension liability. However, with the State being on the Fiscal Year and the DAAs being on the Calendar year, booking the GASB 68 entries became increasingly complex. By using the journal entries provided by the State Controller's Office, the entries would have led to estimated figures and actual figures being combined. This would have led to actual figures not matching the estimates, which would have resulted in discrepancies and confusion.

In order to assist the DAAs in reaching the correct GASB 68 figures, F&E is providing the attached spreadsheet to assist in booking the ending values for these figures. **Ending figures should be based on the figures computed in this spreadsheet instead of the journal entries in Circular Letter D2016-05.**

Each DAA will need to input a few things in the attached document:

- Ending balance of Deferred Inflows of Resources (Provided by F&E in Circular Letter D2016-05)
- Ending balance of Net Pension Liability (Provided by F&E in Circular Letter D2016-05)
- Monthly contribution towards the Pension Plan (Employer's Share) from July 1, 2015 to December 31, 2016.

The spreadsheet will automatically calculate the ending figures for the remaining GASB 68 line items:

- Deferred Outflow of Resources
- Pension Expense
- Unrestricted Net Position – Pension

Appropriate journal entries will need to be made to match the GASB 68 figures that are calculated by the spreadsheet. Please contact Joji if you require figures from Circular Letter D2016-05.

If you have any questions please feel free to contact Joji at joji.kume@cdfa.ca.gov or (916)900-5367.

Sincerely,

John Quiroz
Branch Chief
Fairs & Expositions Branch

Enclosure