Resource Management &
Corporate Services Division

LIABILITIES FOR EMPLOYEE FUTURE BENEFITS

For British Columbia School Districts

TABLE OF CONTENTS

Section 1	Background and Accounting Policies ……................……….................……….	Page 1
Section 2	PSA Handbook References..	Page 1
Section 3	Financial Statement Note Disclosure...	Page 1
Section 4	Plan to Retire Unfunded Liabilities ……...……………………………………………..	Page 2
Section 5	Actuarial Calculation Tool..	Page 2
Section 6	Actuarial Valuation Process..	Page 2
Section 7	Early Measurement Date...	Page 3
Section 8	Year-End Discount Rates..	Page 4
Section 9	Expected Average Remaining Service Lifetime (EARSL)....................................	Page 4
Section 10	Financial Statement Reporting at June 30, 2017…………………………………...	Page 4
Section 11	Plan Amendments & Curtailment Gains/Losses...	Page 6

Appendices

1. Extract from “2016/17 Notes to Financial Statements”
2. Actuarial Calculation Tool - Sample School District
    - *Actuarial Calculation Tool Instructions*
    - *Actuarial Calculation Tool*
    - *Employee Future Benefits – Sample Note to Financial Statements*
    - *Employee Future Benefits – Sample Journal Entries*
    - *Vested/Non-Vested Results as at March 31, 2017 (Actuarial Appendix C)*
    - *Vested and Non-Vested Projections – PSAS Accounting Basis (Actuarial Appendix E)*

SECTION 1: BACKGROUND AND ACCOUNTING POLICIES

Boards have entered into various contracts with their employee groups to provide certain post-employment benefits. Obligations for these benefits vary between school districts, based on collective agreement terms negotiated at the school district level (vested and non-vested sick leave, early retirement/severance, vested vacation and overtime, death benefits, etc). Prior to the implementation of GAAP, boards had discretion whether or not to fund these liabilities. As a result, some boards fully provided for these amounts, others made no provisions, while the balance set aside some funds to cover a portion of the liabilities.

Effective July 1, 2004, school districts were required to report full accruals for employee future benefits (EFB) in accordance with GAAP. Beginning with the year ended June 30, 2013, school districts follow Public Sector Accounting Standards (PSAS) section PS3250 & PS3255. These standards specify that non-vested benefits must be included in the calculation of EFB and specify the discount rates to be used.

SECTION 2: PSA HANDBOOK REFERENCES

CPA Public Sector Accounting Handbook, sections PS3250 and PS3255 establishes the criteria for measurement and disclosure of retirement and other post-employment benefits.

SECTION 3: FINANCIAL STATEMENT NOTE DISCLOSURE

Sample note disclosure (see Appendix 1) has been provided to assist school districts with preparation of their audited financial statements. EFB disclosure is provided in sample notes 2(i), 10 and 11. Note 10 is generated by the Actuarial Calculation Tool Tab 2 (see Appendix 2).

The “2016/17 Notes to Financial Statements” document is posted on the District Financial Accountability website at: http://www.bced.gov.bc.ca/accountability/district/ .

SECTION 4: PLAN TO RETIRE UNFUNDED LIABILITIES

A plan to fully retire the unfunded liability for EFB over a specified number of years is required and should be disclosed in the Notes to Financial Statements (see Sample Note 11).

Districts that still carry an **Unfunded Liability for EFB** (5 Districts @ June 30, 2016) are still expected to apply funds in order to eliminate this deficit. The Ministry will be monitoring the reduction of the unfunded liabilities for EFB by annual reviews of the audited Financial Statements and annual Budgets until all boards have fully provided for the unfunded accrued EFB.

SECTION 5: ACTUARIAL CALCULATION TOOL

School district financial statements and budgets must include actuarial considerations. The Ministry has provided an "Actuarial Tool" for completion as at June 30, 2017. This tool is preloaded with information specific to each school district. For completion instructions, sample actuarial appendices C and E, and a sample of a completed actuarial tool, please refer to Appendix 2.

This tool will also calculate the estimated 2017/18 EFB expense for use in budgeting and GRE reporting.

SECTION 6: ACTUARIAL VALUATION PROCESS

Generally accepted actuarial practice is to undertake a new actuarial study every 3 years based on updated employee census data and benefit plan descriptions. Valuation Results and Projections are then provided in actuarial appendices A to E for each school district.

The result of the most recent study at March 31, 2016, based on the census data provided by School Districts at October 31, 2015, was provided to Districts in an e-mail "SDXX District March 2016 Actuarial Results & Actuarial Tool" dated April 27, 2016. This valuation complies with CPA Public Sector Accounting Handbook, sections PS3250 and PS3255.

SECTION 6: ACTUARIAL VALUATION PROCESS *cont'd*

In accordance with CPA Public Sector Accounting Handbook section PS3250, figures in actuarial appendix C and appendix E may be recalculated annually for a change in the discount rate at March 31. The results of the most recent rate change at March 31, 2017 were provided to districts in an e-mail with revised appendix C's and E's in late April 2017. The financial statements and budgets should reflect these revised figures annually.

The next actuarial study is planned for March 31, 2019 based on data provided at October 31, 2018 and retiree experience data for the three years ended June 30, 2018. **In order to ease some of the data gathering requirements, it may be useful for Districts to collect their retiree experience data on an annual basis as at June 30, 2016 – 2018** in preparation for the 2018/19 actuarial study.

SECTION 7: EARLY MEASUREMENT DATE

CPA Public Sector Accounting Handbook section PS3250 allows for the measurement of a benefit obligation to occur prior to the date of the annual financial statements provided the government adopts this practice consistently from year to year and as long as no significant change relevant to the valuation of the plan occurs between the valuation date and the financial statement date. This allows school districts to receive information required to prepare their annual financial statements prior to fiscal year end. There is a further advantage in that the Province has a fiscal year end date of March 31.

The measurement date of March 31 was adopted beginning June 30, 2005 to comply with GAAP in effect at that time (CICA section 3461). Unlike CICA section 3461, PSAS is silent on the treatment of transactions occurring after the measurement date (April – June). The Office of the Auditor General has concluded that the best treatment would be to recognize both the cash payments and service and interest costs up to the financial statement date of June 30 (see Section 10). The EFB liability as at June 30 will equal the accrued benefit obligation measured as at March 31, less the April to June cash payments, plus the April to June EFB expense (service & interest costs) plus/minus any unamortized gain/loss (please refer to the "Actuarial Calculation Tool"). This practice has been applied since 2012/13.

SECTION 8: YEAR-END DISCOUNT RATES

The discount rate used to calculate the EFB is covered in section PS3250.044 of the Public Sector Accounting Handbook. This section prescribes that the discount rate should be based on the plan's assets earnings or the average borrowing rate. Since school districts have no plan assets, the rate used will be the average borrowing rate as determined by the actuary (province's cost of borrowing).

SECTION 9: EXPECTED AVERAGE REMAINING SERVICE LIFETIME (EARSL)

The EARSL, calculated by the actuary for each school district, is provided on Actuarial Appendix E. This figure is used as the amortization period for gains or losses that occur under the plan. The straight-line method of amortization is required under PSAS.

SECTION 10: FINANCIAL STATEMENT REPORTING AT JUNE 30, 2017

School district's Accrued Benefit Obligation (ABO) at March 31, 2017 has been recalculated by the actuary based on the census data provided by School Districts as at October 31, 2015 and by applying the applicable interest rates at March 31, 2017. Revised appendices C and E specific to each school district, and an actuarial calculation tool were provided to each district in an e-mail "SDXX District March 2017 Actuarial Results & Actuarial Tool" late April 2017.

PSAS permits the use of an early measurement date for EFB (see Section 7) but does not address transactions occurring after the measurement date (April – June). In order to maintain consistent reporting throughout the SUCH sector, the Office of the Auditor General has reviewed the accounting treatment and concluded that the best approach under PSAS would be to recognize both the payments and expenses up to the financial statement date of June 30. This practice has been followed since 2012/13.

The EFB liability as at June 30 will equal the accrued benefit obligation measured as at March 31, less the April to June cash payments, plus the April to June EFB expense (service & interest costs) plus/minus any unamortized gain/loss (please refer to the "Actuarial Calculation Tool").

SECTION 10: FINANCIAL STATEMENT REPORTING AT JUNE 30, 2017 *cont'd*

Districts will need to populate the actuarial tool with actual vested benefits paid (cash payments) for the periods April 1, 2016 to March 31, 2017 and April 1, 2017 to June 30, 2017 (after measurement date). Please refer to the Actuarial Calculation Tool Instructions in Appendix 2. This payment information includes all employees. Individual amounts for each employee group are not required. The tool will then calculate the balances required for the June 30, 2017 audited financial statements. Sample financial statement note disclosure is provided in Appendix 1.

SECTION 11: PLAN AMENDMENTS & CURTAILMENT GAINS/LOSSES

The change in the Accrued Benefit Obligation for employee future benefits may include increases or decreases relating to plan amendments or curtailments. These will be calculated and presented in the Appendix E provided to districts and will be preloaded into the actuarial tool. Per PSAS, these gains and losses must be recognized immediately as part of employee benefit expenses. If available, unamortized gains/losses carried forward must be recognized up to the amount available to offset the gain/loss from plan amendments. The actuarial tool will automatically calculate these amounts and whether or not they should be recognized. Districts should ensure that the total amount recognized as expense for the year ended June 30, 2017 agrees with the amount calculated by the actuarial tool's "Net Benefit Expense (Income)" line.

Extract from "2016/17 Notes to Financial Statements"
Pertaining to Liabilities for Employee Future Benefits

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Employee Future Benefits
PS 3250.84, .100-.104, PS 3255.35-.36

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

Extract from "2016/17 Notes to Financial Statements"
Pertaining to Liabilities for Employee Future Benefits
(Continued)

NOTE 10 EMPLOYEE FUTURE BENEFITS

PS 3255.35-.36

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 11.

(this note can be copied/pasted from tab 2 of the Actuarial Calculation Tool provided late April 2017).

	June 30, 2017	June 30, 2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	$	$
Service Cost		
Interest Cost		
Benefit Payments		
Increase (Decrease) in obligation due to Plan Amendment		
Actuarial (Gain) Loss		
Accrued Benefit Obligation – March 31	$	$
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	$	$
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)		
Employer Contributions After Measurement Date		
Benefits Expense After Measurement Date		
Unamortized Net Actuarial (Gain) Loss		
Accrued Benefit Asset (Liability) – June 30	$	$
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1		
Net expense for Fiscal Year		
Employer Contributions		
Accrued Benefit Liability – June 30	$	$

Extract from "2016/17 Notes to Financial Statements"
Pertaining to Liabilities for Employee Future Benefits
(Continued)

NOTE 10 EMPLOYEE FUTURE BENEFITS *(continued)*

	June 30, 2017	June 30, 2016
Components of Net Benefit Expense		
Service Cost	$	$
Interest Cost		
Immediate Recognition of Plan Amendment		
Amortization of Net Actuarial (Gain)/Loss		
Net Benefit Expense (Income)	$	$

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	June 30, 2017	June 30, 2016
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31		

NOTE 11 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in ___ years.

Unfunded liability, as at July 1, 2016	$
Reductions during the year	______________
Unfunded liability, as at June 30, 2017	$ ______________

ACTUARIAL CALCULATION TOOL INSTRUCTIONS – DUE JULY 12, 2017
Please e-mail the completed actuarial tool to Linda.seabrook@gov.bc.ca by July 12, 2017

For your convenience, Ministry staff has preloaded your specific school district figures as provided by Mercer into the **Actuarial Calculation Tool**.

1. Actuarial Calculation Tool (tab 1)

The Actuarial Calculation Tool will calculate district's Employee Future Benefits (EFB) liability, expenses and journal entries for use in preparing your June 30, 2017 GRE report and audited financial statements. Ministry staff preloaded the most recent actuarial figures provided by the Actuarial Consultants as well as comparative figures reported by districts in the previous year. Ministry staff populated the yellow shaded cells.

Please refer to the paper "Liabilities for Employee Future Benefits (April 2017)" that is posted on the District Financial Accountability Website http://www.bced.gov.bc.ca/accountability/district/ in the Reference and Resource section under the heading "Employee Future Benefits".

Actuarial figures are those provided by Mercer at March 31, 2017 (early measurement date). The package specific to your school district was provided in an e-mail "SDXX District March 2017 Actuarial Results & Actuarial Tool" late April 2017 from the Ministry.

Figures provided in this tool should be those reported in your 2016/17 audited financial statements. **Please enter amounts in the green shaded cells only**, which are:

- **D13** - Vested Benefit Payments – April 1, 2016 to March 31, 2017 (12 months) (see *NOTE below) (Please enter as a negative figure)
- **E30** - Employer Contributions (Vested only) After Measurement Date – April 1, 2017 to June 30, 2017 (3 months) (Please enter as a positive figure)

ENTRY IS NOT PERMITTED IN THE BALANCE OF CELLS. THEY ARE PROTECTED.

***NOTE**: The measurement date for the actuarial figures is March 31. As such, the opening accrued benefit obligation is as at April 1. In cell D13, districts need to enter their actual cash payments, for vested benefits only, for the period April 1, 2016 to March 31, 2017 (12 months). This amount should be the April 1, 2016 to June 30, 2016 payments (3 months) reported last year (see cell H30) plus the July 1, 2016 – March 31, 2017 payments (9 months) made in the current fiscal year. Cell E30 should equal the April 1 to June 30, 2017 payments (3 months after measurement date) used to arrive at the June 30, 2017 fiscal year end balance.

1. Actuarial Calculation Tool (tab 1) *cont'd*

The actual cash payments made by the district in the 2016/17 school year (July – June) for VESTED benefits only, should equal the total of the following amounts reported on tab 1:

> **Employer Contributions July 1, 2016 – March 31, 2017 (-cell D13 – cell H30)**
> **Employer Contributions April 1, 2017 – June 30, 2017 (cell E30)**

Budget Reporting: The estimate of the **2017/18 expenses** calculated at the bottom of the actuarial tool should be used as the employee future benefit expense (vested & non-vested) reported in the 2017/18 Annual Budget and Amended Annual Budget as part of employee benefits. This amount will be calculated to include any amortization of gains/losses that must be reported in 2017/18.

2. Note Disclosure (tab 2) – no entry required

This tab automatically populates from tab 1.

This tab may be copied/pasted into District's Notes to Financial Statements (see Sample Notes to Financial Statements – Note 10).

3. Employee Future Benefits – Sample Journal Entries (tab 3)

All entries automatically populate from tab 1.

4. Unfunded Liability (only applicable to 5 districts)

The Ministry will be monitoring the reduction of the unfunded liabilities for EFB by annual reviews of the audited Financial Statements and annual Budgets. A plan to fully retire the unfunded liability over a specified number of years is required and should be disclosed in the Notes to Financial Statements (see Sample Note 11).

Ministry staff populated **YELLOW** cells			SD staff please populate **GREEN** cells	
SD:	**SAMPLE**		**SD #:**	**XX**

ACTUARIAL CALCULATION TOOL
FISCAL YEAR - 2016/17

			2017	**Notes**	**2016**	**Notes**
Reconciliation of Accrued Benefit Obligation						
Accrued Benefit Obligation - April 1			2,884,062		2,769,662	
Service Cost			138,900	(1)	138,400	(1)
Interest Cost			128,800	(1)	128,500	(1)
Benefit Payments - April 1 to March 31 - VESTED	(Enter as a **NEGATIVE** number)	(194,000)				
Benefit Payments - April 1 to March 31 - NON-VESTED		(9,700)	(203,700)		(190,000)	
Increase (Decrease) in obligation due to plan amendment			0	(1)		(1)
Actuarial (Gain)/Loss			48,500		37,500	
Accrued Benefit Obligation - March 31			2,996,562	(1)	2,884,062	(1)
Change in Plan Assets						
Market Value of Plan Assets - April 1			0		0	
Actual Return on Plan Assets			0		0	
Employer Contributions - April 1 to March 31			203,700		190,000	
Benefit Payments - April 1 to March 31			(203,700)		(190,000)	
Market Value of Plan Assets - March 31			0		0	
Reconciliation of Funded Status at End of Fiscal Year						
Accrued Benefit Obligation - March 31			2,996,562		2,884,062	
Market Value of Plan Assets - March 31			0		0	
Funded Status - Surplus (Deficit)			(2,996,562)		(2,884,062)	
Employer Contributions After Measurement Date - April 1 to June 30 - VESTE[	(Enter as a **POSITIVE** number)		71,000		49,000	
Benefit Expense After Measurement Date - April 1 to June 30			(67,675)		(66,925)	
Unamortized Net Actuarial (Gain)/Loss			255,819		231,107	
Accrued Benefit (Liability) Asset - June 30			(2,737,418)		(2,670,880)	
Components of Net Benefit Expense						
Service Cost - July 1 to March 31			104,175		103,800	
Service Cost - April 1 to June 30			35,125		34,725	
Interest Cost - July 1 to March 31			96,600		96,375	
Interest Cost - April 1 to June 30			32,550		32,200	
Immediate Recognition of Plan Amendment			0		0	
Amortization of Net Actuarial (Gain)/Loss			23,788		20,637	
Net Benefit Expense (Income)			292,238		287,737	
Reconciliation of Change in Accrued Benefit Liability (Asset)						
Accrued Benefit Liability (Asset) - July 1			2,670,880		2,577,144	
Net Expense for Fiscal Year			292,238		287,737	
Employer Contributions - July 1 to March 31			(154,700)		(145,000)	
Employer Contributions - April 1 to June 30			(71,000)		(49,000)	
Accrued Benefit Liability (Asset) - June 30			2,737,418		2,670,880	
Assumptions						
Discount Rate - April 1			2.50%		2.25%	
Discount Rate - March 31			2.75%		2.50%	
Long Term Salary Growth - April 1			2.50%	+ seniority	2.50%	+ seniority
Long Term Salary Growth - March 31			2.50%	+ seniority	2.50%	+ seniority
EARSL - March 31			11.9		11.9	

ESTIMATE OF 2017/18 EXPENSE

Service Cost		140,600
Interest Cost		130,300
Amortization of Net Actuarial (Gain)/Loss (straight-line over EARSL)		27,863
Net Benefit Expense (Income)		298,763

Forecast data per Appendix E - March 31, 2017:		
Service Cost - April 1 to March 31, 2018	140,500	(1)
Interest Cost - April 1 to March 31, 2018	130,200	(1)
Service Cost - April 1 to March 31, 2019	140,900	(1)
Interest Cost - April 1 to March 31, 2019	130,600	(1)

NOTE (1) As per Appendix E - March 31, 2017 (prepared April 2017) (includes vested & non-vested results)

Please e-mail completed actuarial tool to:	Linda Seabrook (Resource Management Division)
	linda.seabrook@gov.bc.ca
	(250) 356-5088
DUE DATE	July 12, 2017

EMPLOYEE FUTURE BENEFITS - SAMPLE NOTE TO FINANCIAL STATEMENTS FISCAL YEAR 2016/17

	June 30, 2017		June 30, 2016	
Reconciliation of Accrued Benefit Obligation				
Accrued Benefit Obligation – April 1	2,884,062		2,769,662	
Service Cost	138,900		138,400	
Interest Cost	128,800		128,500	
Benefit Payments	(203,700)		(190,000)	
Increase (Decrease) in obligation due to Plan Amendment	0		0	
Actuarial (Gain) Loss	48,500		37,500	
Accrued Benefit Obligation – March 31	2,996,562		2,884,062	
Reconciliation of Funded Status at End of Fiscal Year				
Accrued Benefit Obligation - March 31	2,996,562		2,884,062	
Market Value of Plan Assets - March 31	0		0	
Funded Status - Surplus (Deficit)	(2,996,562)		(2,884,062)	
Employer Contributions After Measurement Date	71,000		49,000	
Benefits Expense After Measurement Date	(67,675)		(66,925)	
Unamortized Net Actuarial (Gain) Loss	255,819		231,107	
Accrued Benefit Asset (Liability) - June 30	(2,737,418)		(2,670,880)	
Reconciliation of Change in Accrued Benefit Liability				
Accrued Benefit Liability (Asset) - July 1	2,670,880		2,577,144	
Net Expense for Fiscal Year	292,238		287,737	
Employer Contributions	(225,700)		(194,000)	
Accrued Benefit Liability (Asset) - June 30	2,737,418		2,670,880	
Components of Net Benefit Expense				
Service Cost	139,300		138,525	
Interest Cost	129,150		128,575	
Immediate Recognition of Plan Amendment	0		0	
Amortization of Net Actuarial (Gain)/Loss	23,788		20,637	
Net Benefit Expense (Income)	292,238		287,737	
Assumptions				
Discount Rate - April 1	2.50%		2.25%	
Discount Rate - March 31	2.75%		2.50%	
Long Term Salary Growth - April 1	2.50%	+ seniority	2.50%	+ seniority
Long Term Salary Growth - March 31	2.50%	+ seniority	2.50%	+ seniority
EARSL - March 31	11.9		11.9	

SD staff can populate **GREEN** cells

SD: SAMPLE **SD #: XX**

EMPLOYEE FUTURE BENEFITS - SAMPLE JOURNAL ENTRIES
FISCAL YEAR - 2016/17

AJE			Debit	Credit
(1)	June 30, 2017	Salaries & Benefits expense	9,700	
		Cash		9,700
		Record sick leave payments during the year as paid (non-vested portion)		
(2)	June 30, 2017	Accrued Employee Future Benefits	225,700	
		Cash		216,000
		Salaries & Benefits expense (reclassify non-vested sick leave pmts posted to expense account as paid)		9,700
		To record the annual benefit payments made from operating.		
(3)	June 30, 2017	Salaries & Benefits expense	292,238	
		Accrued Employee Future Benefits		292,238
		To record the annual EFB expense (PSAS) per the actuarial report		
(4)	June 30, 2017	Operating Surplus		
		Unfunded Accrued Employee Future Benefits		-
		To record the amount of the 2015/16 annual surplus applied to unfunded. (ONLY APPLIES TO THOSE 6 DISTRICTS THAT HAVE AN UNFUNDED EFB BALANCE)		
			527,638	527,638

	Statement of Financial Position			
	June 30, 2016	Debit	Credit	June 30, 2017
Financial Assets				
Cash	2,670,880		225,700	2,445,180
Liabilities				
Accrued Employee Future Benefits	(2,670,880)	225,700	292,238	(2,737,418)
Accumulated (Surplus) Deficit				
Operating Surplus		292,238	-	292,238
Unfunded Accrued EFB			-	-
	-	517,938	517,938	0

	Statement of Operations			
Expenses				
Employee Benefits		292,238		292,238
	-	292,238	-	292,238

Vested/Non-Vested Results at March 31, 2017
SAMPLE SCHOOL DISTRICT
Actuarial Appendix C

District		Teachers	Administrative Officers	Union Groups	Other Employees	Grand Total
XX	Number of Employees	1,060	85	725	24	1,894
	Accrued Benefit Obligation					
	- Vested Sick Leave	0	0	1,698,182	206,100	1,904,282
	- Early Retirement	0	0	0	0	0
	- Retirement/Severance	0	0	416,050	0	416,050
	- Vacation	0	0	0	60,300	60,300
	- Overtime	0	0	0	0	0
	- Death Benefit	376,750	0	0	1,360	378,110
	- Non Vested Sick Leave	207,800	4,320	22,400	3,300	237,820
	Total	584,550	4,320	2,136,632	271,060	2,996,562
	2016/17 Service Cost					
	- Vested Sick Leave	0	0	105,000	1,290	106,290
	- Early Retirement	0	0	0	0	0
	- Retirement/Severance	0	0	12,800	0	12,800
	- Vacation	0	0	0	2,400	2,400
	- Overtime	0	0	0	0	0
	- Death Benefit	7,090	0	0	110	7,200
	- Non Vested Sick Leave	9,100	770	1,480	460	11,810
	Total	16,190	770	119,280	4,260	140,500
	2016/17 Cash Costs					
	- Vested Sick Leave	0	0	16,700	15,250	31,950
	- Early Retirement	0	0	0	0	0
	- Retirement/Severance	0	0	44,675	0	44,675
	- Vacation	0	0	0	13,900	13,900
	- Overtime	0	0	0	0	0
	- Death Benefit	35,375	0	0	2,600	37,975
	- Non Vested Sick Leave	8,900	320	970	210	10,400
	Total	44,275	320	62,345	31,960	138,900

Vested and Non-Vested Benefit Projections PSAS Accounting Basis
SAMPLE SCHOOL DISTRICT
Actuarial Appendix E

District		Based on March 31, 2013 valuation			Based on March 31, 2016 valuation		
		2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019
XX	Accrued Benefit Obligation – April 1	2,519,612	2,592,662	2,769,662	2,884,062	2,996,562	3,128,362
	Service Cost	138,280	138,000	138,400	138,900	140,500	140,900
	Interest Cost	129,000	128,000	128,500	128,800	130,200	130,600
	Subtotal	2,786,892	2,858,662	3,036,562	3,151,762	3,267,262	3,399,862
	Expected Cash Costs - Vested Benefits	(135,700)	(130,000)	(125,000)	(126,000)	(128,500)	(130,500)
	Expected Cash Costs - Non-Vested Benefits	(10,530)	(10,000)	(9,500)	(9,700)	(10,400)	(10,500)
	Curtailment (Gain) / Loss	0	0	0	0		
	Change in Obligation Due to Plan Amendment	0	0	0	0		
	(Gain) / Loss	(48,000)	51,000	(18,000)	(19,500)		
	Accrued Benefit Obligation – March 31	2,592,662	2,769,662	2,884,062	2,996,562	3,128,362	3,258,862
	Interest Rate at Beginning of Period	3.00%	3.25%	2.25%	2.50%	2.75%	2.75%
	Interest Rate at End of Period	3.25%	2.25%	2.50%	2.75%	2.75%	2.75%

EARSL	**11.9**