

OkMRF
SAMPLE ENTRIES FOR GASB 68 FYE 2016
MEASUREMENT DATE OF JULY 1, 2015 - Year 2
SAMPLE CITY, OKLAHOMA

NOTES:

Sample City must determine appropriate internal allocation methods to record the related GASB 68 transactions. The Proprietary Funds' allocations will be at each fund level and the remaining allocation will be at the Government-wide level to the various departments or activities. Discuss your internal method to use for the allocation with your auditor, establishing an internal method that is representative of your group of employees creating the pension expense and net pension liability.

Let's assume the results of your allocation method are as follows:

General Fund	
General Government	28%
Streets	36%
Utility Authority	
Water	18%
Wastewater	18%
	100%

The numbers referenced A to I are cross-referenced to Exhibits 1 -5 of the Accounting Valuation Report for GASB 68.

FY 2015 **Actual** Employer Contributions were \$57,674 vs the estimate of \$48,000 in previous year's sample entries

FY 2016 **Estimated** Employer Contributions \$60,000

AJE-1

	Government Wide-Governmental Activities		Proprietary Fund @ Fund Level		Totals	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Pension Expense for General Government	19,007				19,007	
Pension Expense for Streets	24,437				24,437	
Pension Expense Water			12,218		12,218	
Pension Expense Wastewater			12,218		12,218	
Net Pension Liability (net change for year)		43,444		24,436		67,880
To record the net change to Net Pension Liability for FY 2015.						

AJE-2

Pension Expense for General Government	16,094	-			16,094	
Pension Expense for Streets	20,693	-			20,693	
Pension Expense Water			10,346		10,346	
Pension Expense Wastewater			10,346		10,346	
Deferred Outflows-Contributions (FYE 2015 actual)	-	36,787		20,692		57,479
To reverse last year's entry for FY 2015 Employer Contributions as Deferred Outflows for the actual amount vs estimate of \$48,000 in prior year example.						

	Government Wide- Governmental Activities		Proprietary Fund @ Fund Level		Totals		
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	
AJE-3							
Pension Expense for General Government	2,290				2,290		
Pension Expense for Streets	2,945				2,945		
Pension Expense Water			1,472		1,472		
Pension Expense Wastewater			1,472		1,472		
Deferred Outflows -actuarial (gain) loss		5,235		2,944		8,179	
To record current year amortization of 2016 Deferred Outflow for actuarial loss.							C
AJE-4							
Deferred Outflows -investment loss 2016	35,770		20,120		55,890		
Pension Expense for General Government		15,650				15,650	
Pension Expense for Streets		20,120				20,120	
Pension Expense Water				10,060		10,060	
Pension Expense Wastewater				10,060		10,060	
To record Deferred Outflows for Investment loss 2016.							D
AJE-5							
Deferred Outflows -actuarial loss 2016	18,111		10,188		28,299		
Pension Expense for General Government		7,924				7,924	
Pension Expense for Streets		10,187				10,187	
Pension Expense Water				5,094		5,094	
Pension Expense Wastewater				5,094		5,094	
To record Deferred Outflows for Actuarial loss 2016.							E
AJE-6							
Pension Expense for General Government	3,130				3,130		
Pension Expense for Streets	4,024				4,024		
Pension Expense Water			2,012		2,012		
Pension Expense Wastewater			2,012		2,012		
Deferred Outflows -Investment loss 2016		7,154		4,024		11,178	
To record current year amortization of 2016 Deferred Outflow for investment loss.							F

AJE-7

	Government Wide- Governmental Activities		Proprietary Fund @ Fund Level		Totals		
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	
Pension Expense for General Government		5,981					5,981
Pension Expense for Streets		7,688					7,688
Pension Expense Water				3,845			3,845
Pension Expense Wastewater				3,845			3,845
Deferred Inflows -investment gains 2015	13,669		7,690		21,359		
To record current year amortization of 2015 Deferred Inflow from investment gains.							

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AJE-8

Deferred Outflows -Contributions (FYE 2016 Estimated Er Contributions)	38,400		21,600		60,000		
Pension Expense for General Government		16,800					16,800
Pension Expense for Streets		21,600					21,600
Pension Expense Water				10,800			10,800
Pension Expense Wastewater				10,800			10,800
To record Er contributions made for FY 2016 as deferred outflow.							
This is an estimate of \$60,000.							

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**Oklahoma Municipal Retirement Fund
Employee Retirement System of [REDACTED]**

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability
Balance at 7/1/2014	\$ 1,382,872	\$ 1,288,766	\$ 94,106
Changes for the Year:			
Service cost	46,072		46,072
Interest cost	103,666		103,666
Difference between expected and actual experience	28,299		28,299
Contributions -- Employer		57,479	(57,479)
Contributions -- Employee		19,484	(19,484)
Net investment income		35,860	(35,860)
Benefit payments, including refunds of ee contributions	(92,218)	(92,218)	0
Benefit changes due to plan amendments	0		0
Administrative expense		(2,666)	2,666
Other changes			0
Net changes	85,819	17,939	67,880
Balance at 7/1/2015	\$ 1,468,691	\$ 1,306,705	\$ 161,986

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SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Total Pension Liability	\$ 1,606,970	\$ 1,468,691	\$ 1,351,061
Plan Net Fiduciary Position	1,306,705	1,306,705	1,306,705
Net Pension Liability	\$ 300,265	\$ 161,986	\$ 44,356

**Oklahoma Municipal Retirement Fund
Employee Retirement System of [REDACTED]**

RECONCILIATION OF TOTAL PENSION LIABILITY

Total Pension Liability at 7/1/2014	\$ 1,382,872
Service Cost	46,072
Interest Cost	103,666
Benefit Payments	<u>(92,218)</u>
Projected Total Pension Liability at 7/1/2015	\$ 1,440,392
Benefit Changes Due to Plan Amendments	0
Actuarial (Gain)/Loss	<u>28,299</u>
Total Pension Liability at 7/1/2015	<u><u>\$ 1,468,691</u></u>



If there was an amendment, it is briefly described here.



**Oklahoma Municipal Retirement Fund
Employee Retirement System of [REDACTED]**

RECONCILIATION OF PLAN NET FIDUCIARY POSITION

Market Value of Assets at 7/1/2014	\$ 1,288,766
Contributions -- Employer	57,479 B
Contributions -- Employee	19,484
Net Investment Income	35,860
Benefit Payments	(92,218)
Administrative Expenses	<u>(2,666)</u>
Market Value of Assets at 7/1/2015	<u><u>\$ 1,306,705</u></u>

**Oklahoma Municipal Retirement Fund
Employee Retirement System of [REDACTED]**

PENSION EXPENSE

Service Cost	\$ 46,072	
Interest Cost	103,666	
Expected Return on Plan Investments	(91,750)	
Administrative Expenses	2,666	
Contributions -- Employee	(19,484)	
Amortization of Deferred (Inflows) and Outflows		
Actuarial (gains) and losses	8,179	
Changes in assumptions	0	
Investment (gains) and losses	(10,181)	
Benefit Changes Due to Plan Amendments	<u>0</u>	
Pension Expense for Fiscal 2016	<u><u>\$ 39,168</u></u>	

Oklahoma Municipal Retirement Fund
Employee Retirement System of [REDACTED]

AMORTIZATION OF DEFERRED (INFLOWS) AND OUTFLOWS

	Fiscal Year Established	Deferred (Inflow)/Outflow	Amortization Years	Balance before Current Recognition	Current Recognition	Balance after Current Recognition
Actuarial (gains)/losses						
	2015	\$ 0	N/A	\$ 0	\$ 0	\$ 0
	2016	28,299	3.46	28,299	8,179	20,120
Total current recognition		E			\$ 8,179	
Remaining deferred (inflows)					C	\$ 0
Remaining deferred outflows						\$ 20,120
Changes in assumptions						
	N/A					
Total current recognition						
Remaining deferred (inflows)						\$ 0
Remaining deferred outflows						\$ 0
Investment (gains)/losses						
	2015	\$ (106,795)	5	\$ (85,436)	\$ (21,359)	\$ (64,077)
	2016	55,890	5	55,890	11,178	44,712
Total current recognition		D			I (10,181)	
Remaining deferred (inflows)						\$ (64,077)
Remaining deferred outflows						\$ 44,712

Amounts reported as deferred (inflows) of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal 2017	\$ (2,002)
Fiscal 2018	(2,002)
Fiscal 2019	(6,419)
Fiscal 2020	11,178
Fiscal 2021	0
Thereafter	0