

**OKMRF**  
**SAMPLE ENTRIES FOR GASB 68 FYE 2018**  
**MEASUREMENT DATE OF JULY 1, 2018 - Year 5**  
**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%	
		64%
Utility Authority		
Water	18%	
Wastewater	18%	
	100%	36%

example

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

FY 2018 **Actual** Employer Contributions were \$73,894 vs the estimate of \$88,000 in previous year's sample entries.

B

FY 2019 **Estimated** Employer Contributions \$55,000. This will be your actual employer portion of your contributions for FY 18-19.

O

**AJE-1**

		Government Wide- Governmental Activities		Proprietary Fund @ Fund Level		Totals	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>Net Pension Liability</b> (net change for year)	\$23,288	14,904		8,384		23,288	
Pension Expense for General Government			6,521				6,521
Pension Expense for Streets			8,383				8,383
Pension Expense Water					4,192		4,192
Pension Expense Wastewater					4,192		4,192
To record the net change to Net Pension Liability for FY 2018.							

A

**AJE-2**

Pension Expense for General Government		20,690				20,690	
Pension Expense for Streets		26,602				26,602	
Pension Expense Water				13,301		13,301	
Pension Expense Wastewater				13,301		13,301	
Deferred <b>Outflows</b> -Contributions (FYE 2018 actual)	\$73,894		47,292		26,602		73,894
To reverse last year's entry for FY 2018 Employer Contributions as Deferred Outflows for the actual amount vs estimate of \$88,000 in prior year example.							

B

		Government Wide- Governmental Activities Dr.		Proprietary Fund @ Fund Level Dr.		Totals Dr.	Cr.	
<b>AJE-3</b>								
Deferred <b>Outflows</b> -Actuarial Loss 2019	\$9,725	6,223		3,502		9,725		(C)
Pension Expense for General Government			2,722				2,722	
Pension Expense for Streets			3,501				3,501	
Pension Expense Water					1,751		1,751	
Pension Expense Wastewater					1,751		1,751	
To record Deferred Outflows for Actuarial Loss 2019.								
<b>AJE-4</b>								
Pension Expense for General Government		633				633		
Pension Expense for Streets		815				815		
Pension Expense Water				407		407		
Pension Expense Wastewater				407		407		
Deferred <b>Outflows</b> -Actuarial Loss 2019	\$2,262		1,448		814		2,262	(D)
To record current year amortization of 2019 Deferred Outflows for Actuarial Loss.								
<b>AJE-5</b>								
Deferred <b>Inflows</b> -Actuarial Gain 2018	\$6,642	4,250		2,392		6,642		(E)
Pension Expense for General Government			1,860				1,860	
Pension Expense for Streets			2,390				2,390	
Pension Expense Water					1,196		1,196	
Pension Expense Wastewater					1,196		1,196	
To record current year amortization of 2018 Deferred Inflows for Actuarial Gain.								
<b>AJE-6</b>								
Pension Expense for General Government		2,662				2,662		
Pension Expense for Streets		3,424				3,424		
Pension Expense Water				1,711		1,711		
Pension Expense Wastewater				1,711		1,711		
Deferred <b>Outflows</b> -Actuarial Loss 2017	\$9,508		6,086		3,422		9,508	(F)
To record current year amortization of 2017 Deferred Outflows for Actuarial Loss.								
<b>AJE-7</b>								
Pension Expense for General Government		1,053				1,053		
Pension Expense for Streets		1,355				1,355		
Pension Expense Water				677		677		
Pension Expense Wastewater				677		677		
Deferred <b>Outflows</b> -Actuarial Loss 2016	\$3,762		2,408		1,354		3,762	(G)
To record current year amortization of 2016 Deferred Outflows for Actuarial Loss.								

		Government Wide- Governmental Activities		Proprietary Fund @ Fund Level		Totals		
		Dr.		Dr.		Dr.	Cr.	
<b>AJE-8</b>								
Pension Expense for General Government		1,699				1,699		
Pension Expense for Streets		2,186				2,186		
Pension Expense Water				1,092		1,092		
Pension Expense Wastewater				1,092		1,092		
Deferred <b>Outflows</b> -Changes in Assumptions 2018	\$6,069		3,885		2,184		6,069	<b>H</b>
To record current year amortization of 2018 Deferred Outflows for Changes in Assumptions.								
<b>AJE-9</b>								
Deferred <b>Outflows</b> -Investment Loss 2019	\$857	549		308		857		<b>I</b>
Pension Expense for General Government			240				240	
Pension Expense for Streets			309				309	
Pension Expense Water					154		154	
Pension Expense Wastewater					154		154	
To record Deferred Outflows for Investment Loss 2019.								
<b>AJE-10</b>								
Pension Expense for General Government		48				48		
Pension Expense for Streets		61				61		
Pension Expense Water				31		31		
Pension Expense Wastewater				31		31		
Deferred <b>Outflows</b> -Investment Loss 2017	\$171		109		62		171	<b>J</b>
To record current year amortization of Deferred Outflows for Investment Loss 2019.								
<b>AJE-11</b>								
Deferred <b>Inflows</b> -Investment Gain 2018	\$11,145	7,133		4,012		11,145		<b>K</b>
Pension Expense for General Government			3,121				3,121	
Pension Expense for Streets			4,012				4,012	
Pension Expense Water					2,006		2,006	
Pension Expense Wastewater					2,006		2,006	
To record current year amortization of 2018 Deferred Inflows for Investment Gain.								

		Government Wide- Governmental Activities		Proprietary Fund @ Fund Level		Totals	
		Dr.		Dr.		Dr.	Cr.
<b>AJE-12</b>							
Pension Expense for General Government		4,801				4,801	
Pension Expense for Streets		6,173				6,173	
Pension Expense Water				3,087		3,087	
Pension Expense Wastewater				3,087		3,087	
Deferred <b>Outflows</b> -Investment Loss 2017	\$17,148		10,974		6,174		17,148
To record current year amortization of 2017 Deferred Outflows for Investment Loss.							
<b>AJE-13</b>							
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 <b>Outflows</b> -Investment Loss 2016	\$11,178		7,154		4,024		11,178
To record current year amortization of 2016 Deferred Outflows for Investment Loss.							
<b>AJE-14</b>							
Deferred <b>Inflows</b> -Investment Gain 2015	\$21,359	13,669		7,690		21,359	
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	
To record current year amortization of 2015 Deferred Inflows from Investment Gain.							
<b>AJE-15</b>							
Deferred <b>Outflows</b> -Estimated ER Contributions FY 2019	\$55,000	35,200		19,800		55,000	
Pension Expense for General Government			15,400			15,400	
Pension Expense for Streets			19,800			19,800	
Pension Expense Water					9,900	9,900	
Pension Expense Wastewater					9,900	9,900	
To record ER <u>Estimated</u> Contributions for FY 19 as Deferred Outflows.							

**Oklahoma Municipal Retirement Fund  
Employee Retirement System of ██████████**

**CHANGES IN NET PENSION LIABILITY**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 7/1/2017</b>	\$ 1,559,154	\$ 1,337,651	\$ 221,503
<b>Changes for the Year:</b>			
Service cost	40,802		40,802
Interest cost	112,036		112,036
Difference between expected and actual experience	9,725		9,725 <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">C</span>
Assumption changes	0		0
Contributions -- Employer		73,894	(73,894) <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">B</span>
Contributions -- Employee		16,889	(16,889)
Net investment income		97,808	(97,808)
Benefit payments, including refunds of ee contributions	(133,100)	(133,100)	0
Benefit changes due to plan amendments	0		0
Administrative expense		(2,740)	2,740
Other changes	0	0	0
<b>Net changes</b>	<u>29,463</u>	<u>52,751</u>	<u>(23,288) <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">A</span></u>
<b>Balance at 7/1/2018</b>	<u>\$ 1,588,617</u>	<u>\$ 1,390,402</u>	<u>\$ 198,215</u>

**ION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Total Pension Liability	\$ 1,759,817	\$ 1,588,617	\$ 1,448,390
Plan Fiduciary Net Position	<u>1,390,402</u>	<u>1,390,402</u>	<u>1,390,402</u>
<b>Net Pension Liability</b>	<u>\$ 369,415</u>	<u>\$ 198,215</u>	<u>\$ 57,988</u>

The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.50% (see Exhibit 11), as prescribed by paragraph 26 of GASB 68 when the plan's fiduciary net position is projected to be sufficient to make projected benefit payments.

The employer has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, in accordance with paragraph 29, the evaluations required by paragraph 27 to determine the sufficiency pension plan assets can be made without a separate projection of cashflows.

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

**RECONCILIATION OF TOTAL PENSION LIABILITY**

Total Pension Liability at 7/1/2017	\$	1,559,154
Service Cost		40,802
Interest Cost		112,036
Benefit Payments		<u>(133,100)</u>
Projected Total Pension Liability at 7/1/2018	\$	1,578,892
Benefit Changes Due to Plan Amendments		0
Actuarial (Gain)/Loss		9,725
Assumption Changes		<u>0</u>
Total Pension Liability at 7/1/2018	\$	<u><u>1,588,617</u></u>

(C)

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

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

**RECONCILIATION OF PLAN FIDUCIARY NET POSITION**

Market Value of Assets at 7/1/2017	\$	1,337,651
Contributions -- Employer		73,894
Contributions -- Employee		16,889
Net Investment Income		97,808
Benefit Payments		(133,100)
Administrative Expenses		<u>(2,740)</u>
Market Value of Assets at 7/1/2018	\$	<u><u>1,390,402</u></u>

(B)

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

**PENSION EXPENSE**

Service Cost	\$	40,802	
Interest Cost		112,036	
Expected Return on Plan Investments		(98,665)	
Administrative Expenses		2,740	
Contributions -- Employee		(16,889)	
Amortization of Deferred (Inflows) and Outflows			
Actuarial (gains) and losses		8,890	Σ (D) (E) (F) (G)
Changes in assumptions		6,069	(H)
Investment (gains) and losses		(4,007)	Σ (J) (K) (L) (M) (N)
Benefit Changes Due to Plan Amendments		<u>0</u>	
Pension Expense for Fiscal 2018	\$	<u><u>50,976</u></u>	



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

**AMORTIZATION OF DEFERRED (INFLOWS) AND OUTFLOWS**

	<b>Fiscal Year Established</b>	<b>Deferred (Inflow)/Outflow</b>	<b>Amortization Years</b>	<b>Balance before Current Recognition</b>	<b>Current Recognition</b>	<b>Balance after Current Recognition</b>
<b>Actuarial (gains)/losses</b>						
	2015	\$ 0	N/A	\$ 0	\$ 0	\$ 0
	2016	28,299	3.46	3,762	3,762 <b>(G)</b>	0
	2017	44,878	4.72	25,862	9,508 <b>(F)</b>	16,354
	2018	(27,298)	4.11	(20,656)	(6,642) <b>(E)</b>	(14,014)
	2019	9,725 <b>(C)</b>	4.30	9,725	2,262 <b>(D)</b>	7,463
Total current recognition					\$ 8,890	
Remaining deferred (inflows)						\$ (14,014)
Remaining deferred outflows						\$ 23,817
<b>Changes in assumptions</b>						
	2018	\$ 24,945	4.11	\$ 18,876	\$ 6,069 <b>(H)</b>	\$ 12,807
Total current recognition					\$ 6,069	
Remaining deferred (inflows)						\$ 0
Remaining deferred outflows						\$ 12,807
<b>Investment (gains)/losses</b>						
	2015	\$ (106,795)	5	\$ (21,359)	\$ (21,359) <b>(N)</b>	\$ 0
	2016	55,890	5	22,356	11,178 <b>(M)</b>	11,178
	2017	85,743	5	51,445	17,148 <b>(L)</b>	34,297
	2018	(55,724)	5	(44,579)	(11,145) <b>(K)</b>	(33,434)
	2019	857 <b>(I)</b>	5	857	171 <b>(J)</b>	686
Total current recognition					\$ (4,007)	
Remaining deferred (inflows)						\$ (33,434)
Remaining deferred outflows						\$ 46,161

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

Fiscal 2019	\$ 28,552
Fiscal 2020	14,709
Fiscal 2021	(8,773)
Fiscal 2022	849
Fiscal 2023	0
Thereafter	0