

Example Community College
Cost-Sharing Multiple-Employer Pension Plan
Schedule of Pension Amounts from the Pension Plan
As of and for the Year Ended June 30, 2014 (Measurement date)

Entity	Deferred outflows of resources					Deferred inflows of resources					Pension expense		
	Net pension liability	Difference between expected and actual experience	Net difference between projected and actual investment earnings on pension plan investments	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources	Differences between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of plan pension expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total employer pension expense
Emp. 1	\$45,224,620	-	1,569,847	1,404,206	111,375	3,085,428	355,917	-	-	355,917	1,907,283	12,375	1,919,658
Emp. 2	\$5,661,780	-	196,533	175,796	-	372,329	44,558	-	16,137	60,695	238,777	(1,793)	236,984
Emp. 3	\$6,795,628	-	235,892	211,001	-	446,893	53,481	-	72,792	126,273	286,596	(8,088)	278,508
Emp. 4	\$10,193,442	-	353,838	316,502	27,189	697,529	80,222	-	-	80,222	429,894	3,021	432,915
Emp. 5	\$13,355,038	-	463,584	414,668	-	878,252	105,103	-	89,100	194,203	563,229	(9,900)	553,329
Emp. 6	\$3,043,487	-	105,646	97,499	39,465	242,610	23,952	-	-	23,952	128,355	4,385	132,740
						<u>178,029</u>	*		<u>178,029</u>	*		<u>-</u>	*

Other information for employer 1:

- 1) Measurement date - June 30, 2014
- 2) Employer fiscal year ended - June 30, 2015
- 3) Employer contributions during fiscal year 2014 - \$3,000,000
- 4) Employer contributions during fiscal year 2015 - \$3,300,000
- 5) Net pension liability as of June 30, 2013 - \$43,575,451
- 6) Expected remaining service lives of employees who are provided pensions through the pension plan - 10 years

* The changes in proportion, etc., are unique to each employer. Therefore, the amortization is also unique to each employer and cannot be proportionately allocated. In addition, the sum of these deferred outflows/inflows will net to zero as will their amortization.

**Example Community College
Cost-Sharing Pension Plan
GASB 68 Implementation Year Journal Entries Example (Employer #1)
Year Ended June 30, 2015**

J/E #		Financial Statements	
		Debit	Credit
J/E 1	Record beginning balance adjustment, pension expense, deferred inflows/outflows, and net pension liability		
	Beginning net position, July 1, 2014	\$ 40,575,451	
	\$43,575,451 6/30/2013 net pension liability - \$3,000,000 employer pension contributions for fiscal year 2014, deferred outflows		
	Pension expense fiscal year 2015 (Charge to employee-related expenses by function)	1,919,658	
	\$1,919,658 from pension schedule		
	Deferred outflows of resources (Deferred outflows of resources related to pensions)	3,085,428	
	\$3,085,428 from pension schedule		
	Deferred inflows of resources (Deferred inflows of resources related to pensions)		\$ 355,917
	\$355,917 from pension schedule		
	Net pension liability (Noncurrent liabilities)		45,224,620
	\$45,224,620 from pension schedule		
J/E 2	Employer pension contributions in 2015		
	Deferred outflows of resources (Deferred outflows of resources related to pensions)	3,300,000	
	\$3,300,000 employer pension contributions for fiscal year 2015		
	Employee-related expenditures (Credit to employee-related expenses)		3,300,000
	\$3,300,000 employer pension contributions for fiscal year 2015		
		\$48,880,537	\$48,880,537

Note:

If journal entry 2 above is recorded in the college's records, it will be closed out to the net pension liability in the subsequent fiscal year.

Example Community College
Schedule of Deferred Outflows / Inflows and Prior Period Adjustment
Year Ended June 30, 2015

Pension Note Disclosure	Deferred Outflows of Resources	Deferred Inflows of Resources
JE #1		\$355,917
Difference between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$1,569,847	
Changes of assumptions	1,404,206	
Changes in proportion and differences between college contributions and proportionate share of contributions	111,375	
Total JE #1	3,085,428	355,917
JE #2		
College contributions subsequent to the measurement date (fiscal year 2015 college contributions)	3,300,000	
Totals	\$6,385,428	\$355,917

Prior Period Adjustment

Beginning net position as previously reported at June 30, 2014	\$XX,XXX,XXX
Prior period adjustment - Implementation GASB 68:	
Net pension liability (measurement date)	(43,575,451)
Deferred outflows - College's contributions made during fiscal year 2014	3,000,000
Total prior period adjustment	(40,575,451)
Net position as restated, July 1, 2014	\$XX,XXX,XXX