



North Carolina Office of the State Controller

Financial Reporting Update

GASB 68 Effective for FY 2015

December 12, 2013

Update: March 19, 2014 – Added links to GASB toolkit, AICPA guidance (including whitepapers relevant to cost-sharing plans, participating employers, and auditors), and KPMG critical issues webcast

Update: June 29, 2015 – Added implementation guidance and appendices and links to OSA's audit report on the pension schedules for TSERS and OSC's GASB 68 Template (component units); added link to State Treasurer's pension standards website; deleted links to KPMG pension webcasts (no longer available)

Update: August 4, 2015 – Updated the implementation guidance for Appendix C-Proprietary fund entry instructions.

Update: August 18, 2015 – Added Appendix D-CAFR package worksheet examples

Update: August 16, 2018 – Added implementation guidance on note disclosure for GASB Codification Section 2300.131 requirement related to the significant impact on net position

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). This statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

GASB 68 is effective for the fiscal year ending June 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

A major change is the reporting of the net pension liability on the statement of net position (i.e., total pension liability for the pension plan, which is actuarially based, less the plan's fiduciary net position). Under previous pension standards, this liability was reflected only in the note disclosures. Employers that participate in a cost-sharing multiple-employer defined benefit pension plan, such as the Teachers' and State Employees' Retirement System (TSERS), are required to recognize liabilities for their proportionate share of the collective net pension liability. Also, the auditors of participating employers will require assurances that the pension amounts reported on the statement of net assets are accurate and supported by verifiable audit evidence.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement also establishes requirements related to special funding situations for defined contribution pensions. Note disclosures and RSI requirements about pensions are also addressed.

The provisions of this statement apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.



North Carolina Office of the State Controller

Financial Reporting Update

To gain additional understanding of GASB 68, please refer to the following resources:

- a. GASB Plain-Language Article – [New GASB Pension Statements to Bring about Major Improvements in Financial Reporting](#)
- b. GASB Toolkit – [Pension Implementation Toolkit for Governments](#) (Link to GASB 68 implementation guide, videos, fact sheets, articles, podcasts, and links to download the full text of GASB 68 and GASB 71)
- c. Article on NACUBO Website – [GASB Releases New Pension Guidance](#)
- d. AICPA Government Audit Quality Center (GAQC) Guidance – [GAQC Alert #244](#) (Background/high level summary; whitepapers released relevant to cost-sharing plans, participating employers, and auditors; and other guidance)
- e. Department of State Treasurer website – [Pension Standards - GASB 67 and GASB 68](#)

GASB 68 Implementation

As part of the GASB 68 implementation, component units (University of North Carolina System, community colleges, N.C. Housing Finance Agency, State Education Assistance Authority, N.C. State Ports Authority, N.C. Global TransPark Authority, and State Health Plan) and proprietary funds of the State primary government (enterprise funds and internal service funds) will be required to make year-end entries to record their proportionate share of the TSERS net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources. The net pension liability for TSERS was measured as of June 30, 2014 (Note: GASB 68 requires the net pension liability to be measured as of a date no earlier than the end of the employer's prior fiscal year). Additionally, net position will need to be restated to record the beginning balance of the net pension liability and the deferred outflow of resources for employer contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year (e.g., GASB 71 transition adjustment). Pension entries for governmental funds of the State primary government will be made at a statewide level by OSC and will be recorded at the government-wide functional level.

The TSERS entries referenced in the preceding paragraph will impact unrestricted net position because the TSERS is in a liability position. GASB Codification Section 2300.131 requires that a government should provide an explanation of the impact on its net position in the notes to the financial statements when a component of net position (net investment in capital assets, restricted, unrestricted) is significantly impacted by a transaction resulting in recognition of a deferred outflow or inflow of resources.

The impact of GASB 68 is deemed to have a significant impact on the financial statements of the State of North Carolina as well as certain other entities within the State of North Carolina's reporting entity, including but not limited to, universities and community colleges. If an entity determines that the transactions to record the TSERS liability and associated deferrals have a significant effect on unrestricted net position, the entity should disclose the impact in its standalone note disclosures. The North Carolina Office of the State Auditor (OSA) has included a note disclosure in its university and community college proformas for the component units to follow for the impact of the TSERS liability on the unrestricted net position.

The N.C. Office of the State Auditor (OSA) has completed a financial audit of the TSERS Schedule of Employer Allocations for the year ended June 30, 2014 and June 30, 2013 and the Schedule of Pension Amounts by Employer for the year ended June 30, 2014. Below is a link to OSA's audit report, *Teachers and State Employees Retirement System - Financial Audit of Schedules*:
<http://www.ncauditor.net/EpsWeb/Reports/Financial/FIN-2014-3400A.pdf>



North Carolina Office of the State Controller

Financial Reporting Update

OSC has created a GASB 68 Template for component units that incorporates the data from the audited pension schedules for TSERS. This template generates, for each component unit, the GASB 68 year-end entries and information to assist component units with required GASB 68 note disclosures. Each component unit should verify that the pension amounts provided by this template agree with the audited pension schedules. Below is a link to the GASB 68 Template for component units that participate in TSERS:

[GASB 68 Template for Component Units \(TSERS\)](#)

At year-end, OSC will provide State agencies that have proprietary funds with a PDF file of the summarized year-end entries (13th period) they will need to make for their enterprise funds and/or internal service funds and information they will need to complete CAFR worksheet 310.

For additional information regarding the GASB 68 implementation, please refer to the following resources:

- Appendix A: Chart of account changes for GASB 68 – See Attachment below.
- Appendix B: Component unit entry instructions – See Attachment below.
- Appendix C: Proprietary fund entry instructions – See Attachment below.
- Appendix D: CAFR package worksheet examples – See Attachment below.

Thank you for your time and attention to this important change. Questions regarding this specific update should be directed to Virginia Sisson at 919-707-0530 or virginia.sisson@osc.nc.gov. Questions on the GASB 68 Template (component units) should be directed to Clayton Murphy at 919-707-0525 or clayton.murphy@osc.nc.gov.

NC Office of the State Controller - GASB 68 Appendix A

New Accounts Added to Implement GASB 68 Accounting and Financial Reporting for Pensions

Effective for fiscal year 2015

	New NCAS Acct #	**New Colleague Acct #	Full Acct Title; Account classification Definition	NCAS Account title (25 characters); Financial statement caption: DSS roll-up
1	129710	124090	<p>Deferred outflows for pensions - acct classified as Deferred outflow of resources <u>Definition:</u> For deferred outflows defined by GASB 68 Accounting and Financial Reporting for Pensions. Amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred outflows for that agency for cost-sharing plans (TSERS) and any deferred outflows associated with single-employer plans administered by the agency.</p>	<p>DEF OUTFLOWS FOR PENSIONS rolls to new caption "Deferred outflows for pensions" in the Deferred outflows of resources section on statement of net position (DSS CAFR 11P) Invalid for governmental funds balance sheet (DSS CAFR 11G)</p>
2	229150	242080	<p>Net pension liability - Noncurrent - acct classified as Noncurrent Liability <u>Definition:</u> The portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The account should only reflect the allocated portion of the net pension liability for that agency for cost-sharing plans (TSERS) and any net pension liability associated with single-employer plans administered by the agency.</p>	<p>NET PENSION LIAB - NONCUR rolls to new caption "Net pension liability" in the Noncurrent Liabilities section on the statement of net position (DSS CAFR 11P) Invalid for governmental funds balance sheet (DSS CAFR 11G)</p>
3	229210	242090	<p>Deferred inflows for pensions - acct classified as Deferred inflow of resources <u>Definition:</u> For deferred inflows defined by GASB 68 Accounting and Financial Reporting for Pensions. Amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred inflows for that agency for cost-sharing plans (TSERS) and any deferred inflows associated with single-employer plans administered by the agency.</p>	<p>DEF INFLOWS FOR PENSIONS rolls to new caption "Deferred inflows for pensions" in the Deferred inflows of resources section on statement of net position (DSS CAFR 11P) Invalid for governmental funds bal sheet (DSS CAFR 11G)</p>
4	531595	518250	<p>Pension Expense - acct classified as Operating expense <u>Definition:</u> This account reflects the change in net pension liability that is recognized immediately and the amortization of deferred inflows/ outflows of resources related to pensions over time. Proprietary Funds Only. No budgetary/monthly expense transactions will be posted to this account. The only transactions posted this account should be the year-end accrual entries for the allocated portion of total pension expense for that agency for cost-sharing plans (TSERS) and any pension expense associated with single-employer plans administered by the agency.</p>	<p>PENSION EXPENSE rolls to existing caption "Personal Services" in the Operating Expenses section on the income statement (DSS CAFR 53P) Invalid for governmental funds income statement (DSS CAFR 52G)</p>

**For Community Colleges only

Appendix B

GASB 68 Entries for Universities, Community Colleges and Component Units

1. Info tab: Select your entity.

GASB 68 Template – TSERS
Component Units
Fiscal Year Ended June 30, 2015

Choose Your Agency:

APPALACHIAN STATE UNIVERSITY

<< Click on the cell to see a list of agencies.
Sorted by agency type:

TSERS Number:

20100

This template automatically generates the GASB 68 journal entries (13th period) and certain note disclosures (see below) for the following component units that participate in the **Teachers' and State Employees' Retirement System (TSERS)**:

- University of North Carolina System (19)
- Community colleges (58)
- N.C. Housing Finance Agency
- State Education Assistance Authority ⁽¹⁾
- State Health Plan ⁽¹⁾
- N.C. State Ports Authority ⁽¹⁾
- N.C. Global TransPark Authority ⁽¹⁾

This template provides note disclosures required by GASB 68, paragraphs 80h(1) thru (5), 80i(1), and 80i(2). It also provides information needed to complete CAFR worksheet 310.

The pension data in this template was obtained from the Department of State Treasurer. The Office of the State Auditor (OSA) has completed a financial audit of the TSERS Schedule of Employer Allocations for the year ended June 30, 2014 and June 30, 2013 and the Schedule of Pension Amounts by Employer for the year ended June 30, 2014. Component units will report the FY2014 pension allocations for TSERS in their FY2015 financial statements. **Each component unit should verify that the pension amounts provided by this template agree with the pension schedules in OSA's audit report (see link below).**

⁽¹⁾ In the audited pension schedules, the State Education Assistance Authority is included with UNC General Administration, the State Health Plan is included with the Department of State Treasurer, and the N.C. State Ports Authority and the N.C. Global TransPark Authority are included with the Department of Transportation. The pension amounts for these entities were allocated by OSC.

OSA's Audit Report

Teachers' and State Employees' Retirement System – Financial Audit of Schedules

<http://www.ncauditor.net/EpsWeb/Reports/Financial/FIN-2014-3400A.pdf>

Note: This template was developed by the NC Office of the State Controller. If you have any questions about this template, please contact Clayton Murphy at (919) 707-0525 or clayton.murphy@osc.nc.gov.

2. **Detail tab: Entries 1, 2, and 3 on this tab are the details of what make up the entry you will record in your financial statements.**

Entry 1 – Restate Beginning Net Position

Restatement amount is the difference between the beginning balances for the net pension liability and deferred outflows for pensions.

GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date. The measurement date was 6/30/2013. So this number represents the employer contributions made after the measurement date contributions made in FY 2014.

Entry	Account Name	NCAS Number	Debit	Credit	Description
BEGINNING BALANCE ENTRY (FORMULAS)					
(1)	Restatement-net position	330001	26,893,291		Calculated
	Deferred outflows for pensions	129710	6,898,001		Employer contributions made during the prior fiscal year
	Net pension liability-noncurrent	229150		33,791,292	Beginning net pension liability
	(To record beginning balances of the net pension liability and deferred outflows for pensions)		<u>33,791,292</u>	<u>33,791,292</u>	

Employer's prorata share of the beginning net pension liability

3. **You will enter your current year retirement contributions in the red box in entry (3). This will be accrued retirement contributions as of 6/30/15. This should be the same amount as you have already recorded for your current year contributions in your financial statements.**

Entry 2 – Change in Pension Amounts (current year activity)

Entry 3 – Contributions After Measurement Date

Entry	Account Name	NCAS Number	Debit	Credit	Description
Change in Pension Amounts (FORMULAS)					
(2)	Net pension liability-noncurrent	229150	27,183,527		Change in the net pension liability
	Deferred outflows for pensions	129710	594,587		Change in proportion; contributions during measurement period
	Pension expense	531595	2,985,343		Change in net pension liability recognized immediately
	Deferred inflows for pensions	229210		1,540,234	Difference between expected/actual experience
	Deferred inflows for pensions	229210		22,325,222	Difference between projected/actual investment earnings
	Deferred outflows for pensions	129710		6,898,001	Reversal of beginning deferred outflow balance
	(To record changes in the net pension liability, deferred outflows/inflows of resources for pensions, pension expense, and reversal of deferred outflow in entry 1)		<u>30,763,457</u>	<u>30,763,457</u>	

After Measurement Date (MANUAL ENTRY)

(3)	Deferred outflows for pensions	129710	7,123,456		Employer contributions made during the current fiscal year
	Retirement contributions	531520		7,123,456	Calculated
	(To record pension contributions after the measurement date)		<u>7,123,456</u>	<u>7,123,456</u>	

Calculated by multiplying the covered payroll for TSERS (on an accrual basis) by 9.15% (the 2014-15 employer contribution rate for TSERS)

This is the only amount that the employer will have to provide. It's the total of the current fiscal year retirement contributions made to TSERS.

Because the contributions were made after the measurement date of 6/30/14, retirement contributions has to be credited and the contributions recorded as a deferred outflow. In the next fiscal year, this will reduce the net pension liability.

4. **Summary tab:** This is the summarized entry from all of the detail. This is the entry you will use to record in your financial statements.
- a. You will use 6/30/15 effective date.

Summary – 13th Period Entry

ABC UNIVERSITY
 13th Period Journal Entry – TSERS
 Fiscal Year Ended June 30, 2015

Account Name	NCAS Number			13th Period
		Debit	Credit	Entry, Net
				Debit (Credit)
Net pension liability–noncurrent	229150	\$ 27,183,527	\$ 33,791,292	\$ (6,607,765)
Deferred outflows for pensions	129710	14,616,044	6,898,001	7,718,043
Deferred inflows for pensions	229210	—	23,865,456	(23,865,456)
Pension expense	531595	2,985,343	—	2,985,343
Retirement contributions	531520	—	7,123,456	(7,123,456)
Restatement–net position	330001	26,893,291	—	26,893,291
Totals		<u>\$ 71,678,205</u>	<u>\$ 71,678,205</u>	<u>\$ —</u>

5. **Disclosures tab:** This is the information you will use to complete your note disclosures.

Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions by Classification:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount to be Recognized in Pension Expense
Difference between actual and expected experience	\$ —	\$ 1,540,234	\$ (1,540,234)
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments (see note below)	—	22,325,222	(22,325,222)
Change in proportion and differences between agency's contributions and proportionate share of contributions	594,587	—	594,587
Contributions subsequent to the measurement date	7,123,456	—	7,123,456
Total	<u>\$ 7,718,043</u>	<u>\$ 23,865,456</u>	<u>\$ (23,270,869)</u>

Contributions made after the measurement date are not amortized. This amount will reduce the net pension liability in the next fiscal year.

Per GASB 68, para 71b, this amount will be amortized over a 5 year closed period.

These are the amounts that will be amortized over the average expected remaining service lives of active and inactive employees. DST calculated this to be 4.79 years = 5 years closed period.

Amount of the Employer's Balance of Deferred Outflows of Resources That will be Included as a Reduction of the Net Pension Liability in the Fiscal Year Ended June 30, 2016:

Deferred Outflow Amount	<u>\$ 7,123,456</u>
-------------------------	---------------------

Source: GASB 68, paragraph 80i(2)

Schedule of the Net Amount of the Employer's Balances of Deferred Outflows of Resources and Deferred Inflows of Resources That will be Recognized in Pension Expense:

Year ended June 30:	
2016	\$ (5,830,820)
2017	(5,830,820)
2018	(5,830,820)
2019	(5,778,409)
2020	—
Total	<u>\$ (23,270,869)</u>

Note: negative amounts indicate amortization of pension deferrals that will decrease pension expense.

Source: GASB 68, paragraph 80i(1)

6. **Disclosures tab** – This is the information you will use to complete the worksheet 310 – Changes in Long-Term Liabilities in the CAFR package.

Changes in Long-term Liabilities (Worksheet 310)

	Net Pension Liability
Balance July 1, 2014	\$ —
Prior year adjustments	33,791,292
Additions	—
Deletions (see Note 1)	<u>(27,183,527)</u>
Balance, June 30, 2015	<u>\$ 6,607,765</u>
Due within one year (see Note 2)	<u>\$ —</u>

Note 1: Employers should disclose the net change amount (instead of both additions and deletions).

Note 2: There is no amount that is “due” within one year since TSERS’s fiduciary net position is more than the amount of benefit payments expected to be paid within one year. (Comprehensive Implementation Guide, 7.22.6)

Appendix C

GASB 68 Entries for Primary Government Proprietary Funds (*enterprise and internal service*)

1. Around the first week of August, you will receive a PDF file that contains the entry you need to make in NCAS for each proprietary fund.
 - a. You will use 6/30/15 effective date.
 - b. You will use a 31 doc ID.
 - c. For retirement contributions, use accounts in the 53152X-Reg Retirement contributions account group depending on the type of retirement contributions your agency has.

GASB 68 Journal Entries – TSERS
Fiscal Year Ended June 30, 2015

Account Name	NCAS Number	13th Period Entry, Net Debit (Credit)					
		Proprietary GASB Funds					Total
		2500	2501	2515	0	0	
Net pension liability–noncurrent	229150	\$ (47,084)	\$ (74,662)	\$ (210,533)	\$ —	\$ —	\$ (332,279)
Deferred outflows for pensions	129710	5,750	9,117	25,710	—	—	40,577
Deferred inflows for pensions	229210	(170,055)	(269,659)	(760,388)	—	—	(1,200,102)
Pension expense	531595	21,671	34,365	96,902	—	—	152,938
Retirement contributions	53152X	—	—	—	—	—	—
Restatement–net position	330001	189,718	300,839	848,309	—	—	1,338,866
Totals		\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

2. The PDF will also contain the information you need to complete a worksheet 310 – Changes in Long-Term Liabilities for each of your proprietary GASB funds.

Changes in Long-term Liabilities (Worksheet 310)

	Net Pension Liability					Total
	2500	2501	2515	0	0	
Balance July 1, 2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Prior year adjustments	241,001	382,159	1,077,620	—	—	1,700,780
Additions	—	—	—	—	—	—
Deletions (see Note 1)	(193,917)	(307,497)	(867,087)	—	—	(1,368,501)
Balance, June 30, 2015	<u>\$ 47,084</u>	<u>\$ 74,662</u>	<u>\$ 210,533</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 332,279</u>
Due within one year (see Note 2)	\$ —	\$ —	\$ —	\$ —	\$ —	—

Note 1: Employers should disclose the net change amount (instead of both additions and deletions) and reference that more information on the net pension liability is available in the separate note on retirement plans. Since the amount reported is the employer's proportionate share of the collective net pension liability, additions and deletions are not relevant for this disclosure. The collective net pension liability equals the total pension liability for the pension plan, net of the plan's fiduciary net position.

Note 2: If the employer reports a net pension liability under Statement 68, the amount of the net pension liability that is "due" within one year is the amount of benefit payments expected to be paid within one year, net of the pension plan's fiduciary net position available to pay that amount. Therefore, there would be no amount that is "due" within one year unless the pension plan's fiduciary net position is less than the amount of benefit payments expected to be paid within one year. (Comprehensive Implementation Guide, 7.22.6)

Source: GASB 34, paragraph 119

3. All entries must be recorded in NCAS by August 12, 2015.

Appendix D

CAFR Package Worksheet Examples for Proprietary Funds and Component Units

Proprietary Funds (business type activities and internal service funds):

Recently OSC emailed information to your agency to provide guidance on making the GASB 68 entries and completing the CAFR package worksheets 310 and 430. Follow the highlighted items below to worksheets 310 and 430 on the following pages to determine how each worksheet should be completed.

GASB 68 Journal Entries – TSERS
Fiscal Year Ended June 30, 2015

Account Name	NCAS Number	13th Period Entry, Net Debit (Credit)					
		Proprietary GASB Funds					
		0	0	0	0	0	Total
Net pension liability–noncurrent	229150	\$ (337,633)	\$ —	\$ —	\$ —	\$ —	\$ (337,633)
Deferred outflows for pensions	129710	399,002	—	—	—	—	399,002
Deferred inflows for pensions	229210	(1,229,209)	—	—	—	—	(1,229,209)
Pension expense	531595	141,946	—	—	—	—	141,946
Retirement contributions	53152X	(399,002)	—	—	—	—	(399,002)
Restatement–net position	330001	1,424,896	—	—	—	—	1,424,896
Totals		\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

GASB 68 Journal Entries – TSERS
Fiscal Year Ended June 30, 2015

Account Name	NCAS Number	Proprietary GASB Funds					Total
		0	0	0	0	0	
Deferred outflows for pensions restatement (Wkst 430)		\$ 361,784	\$ —	\$ —	\$ —	\$ —	\$ 361,784

Changes in Long-term Liabilities (Worksheet 310)

	Net Pension Liability					
	XXXX	0	0	0	0	Total
Balance July 1, 2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Prior year adjustments	1,786,680	—	—	—	—	1,786,680
Additions	—	—	—	—	—	—
Deletions (see Note 1)	(1,449,047)	—	—	—	—	(1,449,047)
Balance, June 30, 2015	\$ 337,633	\$ —	\$ —	\$ —	\$ —	\$ 337,633
Due within one year (see Note 2)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

CAFR worksheet 310:

Office of the State Controller
2015 CAFR Worksheets
CHANGES IN LONG-TERM LIABILITIES AND SHORT-TERM DEBT (310)
BUSINESS TYPE ACTIVITIES

GASB Fund No: <u>XXXX</u> N/A for GASB 3XXX Place cursor over cell E14 to view comment.	Agency No: <u>NA for State Health Plan</u> Agency Name: <u>ABC</u> Preparer/Phone: <u></u> Email: <u>0</u>
--	---

	Balance July 1, 2014 A	Prior Year Adjustments B	Additions C	Deletions D	Balance June 30, 2015 E	Due Within One Year F
Bonds and similar debt payable:						
Revenue bonds						
GARVEE bonds						
Certificates of participation						
Limited obligation bonds						
Issuance discounts						
Issuance premium						
Arbitrage rebate payable						
Workers compensation						
Notes payable						
Capital leases payable						
Annuity and life income payable						
Federal unemployment a/c advances						
Pollution remediation payable						
Compensated absences						
Net pension liability		1,786,680.00		(1,449,047.00)	337,633.00	
Liability insurance trust fund payable						
Other (Call OSC/describe in Explanations tab)						
Short-term debt:						
Revolving line of credit/Loan						
Commercial paper						
Anticipation notes						

For each type of short-term debt, describe the debt activity and the purpose for which the debt was issued in an attached "CAFR Package Narratives".

Bonds & COPs Payable amounts per column [E] and [F] agree to Statement of Net Position? YES _____ NO _____

CAFR worksheet 430:

Office of the State Controller
 2015 CAFR Worksheets
 RESTATEMENTS Business Type Activities (430BTA)
 Part 1 of 2 for Fund Equity Restatements

Agency No: XX Agency Name: ABC
 GASB Fund No: 200X Preparer/Phone:
 Email:

Complete the following schedule for any GASB fund that has restated numbers (may or may not be fund equity). If fund equity is restated, the amounts should agree to the amounts shown on the operating statement. Restatements for capital assets/long-term debt will not tie to the operating statement. (see note below)

Business-type Activity:

GASB Fund Number	GASB Reclassification	Capital Transactions	Long term/short Term Transactions	Other	Explanation
	Inc / (Dec) in June 30, 2014 Fund Equity	Inc / (Dec) in June 30, 2014 Balances	Inc / (Dec) in June 30, 2014 Balances	Inc / (Dec) in June 30, 2014 Fund Equity	
			(1,795,690.00)		beginning net pension liability restatement
				361,784.00	beginning deferred outflows for pensions restatement
Totals	0.00	0.00	(1795690.00)	361784.00	

(1,424,896.00) Total ALL restatements. Tie back to "restatements" caption on the 53P/915.

Component Units:

Follow the highlighted items below to the ExhA&B and the worksheet 430 on the following pages to determine how each worksheet should be completed.

DURHAM TECHNICAL INSTITUTE
GASB 68 Journal Entries – TSERS
Fiscal Year Ended June 30, 2015

<u>Entry</u>	<u>Account Name</u>	<u>Colleague Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Description</u>
BEGINNING BALANCE ENTRY (FORMULAS)					
(1)	Restatement—net position	379000	5,977,766		Calculated
	Deferred outflows for pensions	124090	1,526,013		Employer contributions made during the prior fiscal year
	Net pension liability—noncurrent	242080		7,503,779	Beginning net pension liability
	(To record beginning balances of the net pension liability and deferred outflows for pensions)		<u>7,503,779</u>	<u>7,503,779</u>	
CURRENT FISCAL YEAR ENTRIES					
<u>Change in Pension Amounts (FORMULAS)</u>					
(2)	Net pension liability—noncurrent	242080	6,063,577		Change in the net pension liability
	Deferred outflows for pensions	124090	—		Difference between expected/actual experience
	Deferred outflows for pensions	124090	—		Difference between projected/actual investment earnings
	Deferred outflows for pensions	124090	—		Changes of assumptions
	Deferred outflows for pensions	124090	37,643		Change in proportion; contributions during measurement period
	Pension expense	518250	626,412		Change in net pension liability recognized immediately
	Deferred inflows for pensions	242090		335,703	Difference between expected/actual experience
	Deferred inflows for pensions	242090		4,865,916	Difference between projected/actual investment earnings
	Deferred inflows for pensions	242090		—	Changes of assumptions
	Deferred inflows for pensions	242090		—	Change in proportion; contributions during measurement period
	Deferred outflows for pensions	124090		1,526,013	Reversal of beginning deferred outflow balance
	(To record changes in the net pension liability, deferred outflows/inflows of resources for pensions, pension expense, and reversal of deferred outflow in entry 1)		<u>6,727,632</u>	<u>6,727,632</u>	
<u>After Measurement Date (MANUAL ENTRY)</u>					
(3)	Deferred outflows for pensions	124090			Employer contributions made during the current fiscal year
	Retirement contributions	518200		—	Calculated
	(To record pension contributions after the measurement date)		<u>—</u>	<u>—</u>	
	Calculated by multiplying the covered payroll for TSERS (on an accrual basis) by 9.15% (the 2014-15 employer contribution rate for TSERS)				

CJ
Durham Technical Community College
June 30, 2015

Preparer Name: _____
Preparer Phone: _____
E-mail address: _____

**Exhibit B - Statement of Revenues, Expenses,
and Changes in Net Position**

REVENUES	
Operating Revenues	
Student tuition and fees, net.....	\$ —
Federal grants and contracts	—
State and local grants and contracts.....	—
Nongovernmental grants and contracts.....	—
Sales and services, net.....	—
Other operating revenues.....	—
Total operating revenues.....	<u>—</u>
EXPENSES	
Operating Expenses	
Personal services.....	—
Supplies and materials.....	—
Services.....	—
Scholarships and fellowships.....	—
Utilities.....	—
Depreciation.....	—
Total operating expenses.....	<u>—</u>
Operating loss.....	<u>—</u>
NONOPERATING REVENUES (EXPENSES)	
State aid.....	—
County appropriations.....	—
Noncapital grants.....	—
Noncapital gifts, net.....	—
Investment income, net.....	—
Interest and fees expense.....	—
Other nonoperating revenues.....	—
Other nonoperating expenses.....	—
Net nonoperating revenues (expenses).....	<u>—</u>
Income before other revenues, expenses, gains, or losses.....	—
State capital aid.....	—
County capital aid.....	—
Capital grants.....	—
Capital gifts, net.....	—
Additions to endowments.....	—
Special items.....	—
Extraordinary items.....	—
Increase (decrease) in net position.....	<u>—</u>
NET POSITION	
Net position - beginning of year.....	45,960,460.46
Restatements.....	(5,977,766.00)
Net position - end of year.....	<u>\$ 39,982,694.46</u>

