

**GASB 68 Reconciliation and Sample Journal Entries for Political Subdivision Employers
For the Measurement Date of June 30, 2023**

Information used in these sample entries is related to the Total of the Political Subdivision Plans and Employer 55100.

(Page references are related to the GASB Statement No. 68 Report for the Virginia Retirement System prepared as of June 30, 2023)

Note: Employer specific rounded values can also be found on the pages indicated. More precise information is in the Locality's GASB 68 Report and the Analysis of 2023 Changes in Net Pension Liability posted on the VRS website.

Reconciliation of Entries Necessary to Record June 30, 2023, Net Pension Liability

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability (Asset) - July 1, 2022	\$ 2,104,325,688	p 106	\$ 2,981,063	p 97
FY 2022 Deferred Inflows of Resources	2,966,013,606	FY 2022	8,859,819	FY 2022
FY 2023 Employer Pension Expense (Revenue)	586,097,099	p 87	151,137	p 77
FY 2023 Deferred Outflows of Resources	1,886,651,737	p 87	4,168,354	p 77
FY 2023 Employer Contributions		736,844,665 p 128		1,192,670 p 119
FY 2022 Deferred Outflows of Resources		2,439,158,907 FY 2022		6,374,252 FY 2022
FY 2023 Deferred Inflows of Resources		1,970,843,837 p 87		6,299,804 p 77
Net Pension Liability (Asset) - June 30, 2023		2,396,240,721 p 106	3,970,753	p 97
	<u>\$ 7,543,088,130</u>	<u>\$ 7,543,088,130</u>	<u>\$ 16,998,926</u>	<u>\$ 16,998,926</u>

1. To set up July 1, 2022, Net Pension Liability and Reverse FY 2022 Deferred Inflows and Outflows.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2022	\$ 2,104,325,688	p 106		\$2,981,063 p 97
FY 2022 Deferred Inflows of Resources	2,966,013,606	FY 2022	8,859,819	FY 2022
FY 2022 Deferred Outflows of Resources		2,439,158,907 FY 2022		6,374,252 FY 2022
Adjusted Net Pension Liability - July 1, 2022		2,631,180,387 Calculated	495,496	Calculated
	<u>\$ 5,070,339,294</u>	<u>\$ 5,070,339,294</u>	<u>\$ 9,355,315</u>	<u>\$ 9,355,315</u>

This entry establishes the adjusted Net Pension Liability at July 1, 2022, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2022 Reclassification of FY 2023 Employer Contributions as Deferred Outflows of Resources.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2023 Employer Contributions	\$	—	\$	—
FY 2022 Deferred Outflows of Resources		\$		\$
	\$	—	\$	—

This is the employer's FY 2023 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2022, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2023 Financial Statements.

3. To set up June 30, 2023, Deferred Inflows and Outflows and Record FY 2023 Pension Expense.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2023 Employer Pension Expense (Revenue)	\$ 586,097,099	p 87	\$ 151,137	p 77
FY 2023 Deferred Outflows of Resources	1,886,651,737	p 87	4,168,354	p 77
Net Pension Liability (Asset) - June 30, 2023	234,939,666	Calculated	3,475,257	Calculated
FY 2023 Employer Contributions		736,844,665 p 128		1,192,670 p 119
FY 2023 Deferred Inflows of Resources		1,970,843,837 p 87		6,299,804 p 77
	<u>\$ 2,707,688,502</u>	<u>\$ 2,707,688,502</u>	<u>\$ 7,643,611</u>	<u>\$ 7,643,611</u>

This entry records the FY 2023 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2023.

4. To Reclassify the FY 2024 Employer Contributions as Deferred Outflows of Resources.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2023 Deferred Outflows of Resources	\$ —		\$ —	
FY 2024 Employer Contributions		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2024 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2023, employer contributions made after that date must be reclassified as Deferred Outflows of Resources. These contributions will be part of the Total Employer Pension Expense in the FY 2025 Financial Statements.