

GASB 68 Reconciliation and Sample Journal Entries for Political Subdivision Employers For the Measurement Date of June 30, 2018

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, 2018)

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 2018 Changes in Net Pension Liability posted on the VRS website.

Reconciliation of Entries Necessary to Record June 30, 2018 Net Pension Liability

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2017	\$ 2,313,758,000		\$ 139,287	
FY 2017 Deferred Inflows of Resources	\$ 1,317,627,000		\$ 4,100,373	
FY 2018 Employer Pension Expense	\$ 155,590,000		-	\$ 242,145
FY 2018 Deferred Outflows of Resources	\$ 530,127,000		\$ 1,696,148	
FY 2018 Employer Contributions		\$ 490,286,000		\$ 915,071
FY 2017 Deferred Outflows of Resources		\$ 772,704,000		\$ 2,143,017
FY 2018 Deferred Inflows of Resources		\$ 859,200,000		\$ 2,466,852
Net Pension Liability - June 30, 2018		\$ 2,194,912,000		\$ 168,723
	\$ 4,317,102,000	\$ 4,317,102,000	\$ 5,935,808	\$ 5,935,808

1. To set up July 1, 2017 Net Pension Liability and Reverse FY 2017 Deferred Inflows and Outflows.

	All Political Subdivisions			Employer 55100	
	Debit	Credit		Debit	Credit
Net Pension Liability - July 1, 2017	\$ 2,313,758,000		p 110	\$ 139,287	p 99
FY 2017 Deferred Inflows of Resources	\$ 1,317,627,000		FY 2017	\$ 4,100,373	FY 2017
FY 2017 Deferred Outflows of Resources		\$ 772,704,000	FY 2017	\$ 2,143,017	FY 2017
Adjusted Net Pension Liability - July 1, 2017		\$ 2,858,681,000	Calculated	\$ 2,096,643	Calculated
	<u>\$ 3,631,385,000</u>	<u>\$ 3,631,385,000</u>		<u>\$ 4,239,660</u>	<u>\$ 4,239,660</u>

This entry establishes the adjusted Net Pension Liability at July 1, 2017 exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2017 Reclassification the FY 2018 Employer Contributions as Deferred Outflows Of Resources.

	All Political Subdivisions			Employer 55100	
	Debit	Credit		Debit	Credit
FY 2018 Employer Contributions	\$ -			\$ -	
FY 2017 Deferred Outflows of Resources		\$ -			\$ -
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

This is the employer's FY 2018 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2017, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2018 Financial Statements.

3. To set up June 30, 2018 Deferred Inflows and Outflows and Record FY 2018 Pension Expense.

	All Political Subdivisions			Employer 55100	
	Debit	Credit		Debit	Credit
FY 2018 Employer Pension Expense	\$ 155,590,000		P 86	\$ 242,145	p 73
FY 2018 Deferred Outflows of Resources	\$ 530,127,000		P 86	\$ 1,696,148	p 73
Net Pension Liability - June 30, 2018	\$ 663,769,000		Calculated	\$ 1,927,920	Calculated
FY 2018 Employer Contributions		\$ 490,286,000	p 134	\$ 915,071	p 123
FY 2018 Deferred Inflows of Resources		\$ 859,200,000	P 86	\$ 2,466,852	p 73
	<u>\$ 1,349,486,000</u>	<u>\$ 1,349,486,000</u>		<u>\$ 3,624,068</u>	<u>\$ 3,624,068</u>

This entry records the FY 2018 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2018.

4. To Reclassify the FY 2019 Employer Contributions as Deferred Outflows Of Resources.

	All Political Subdivisions			Employer 55100	
	Debit	Credit		Debit	Credit
FY 2018 Deferred Outflows of Resources	\$ -			\$ -	
FY 2019 Employer Contributions		\$ -			\$ -
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

This is the employer's FY 2019 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2018, 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 2020 Financial Statements.