

**GASB 68 Reconciliation and Sample Journal Entries for Political Subdivision Employers
For the Measurement Date of June 30, 2020**

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, 2020)

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 2020 Changes in Net Pension Liability posted on the VRS website.

Reconciliation of Entries Necessary to Record June 30, 2020, Net Pension Liability

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2019	\$ 2,947,729,307	p 106	\$ 1,912,737	p 95
FY 2019 Deferred Inflows of Resources	555,799,608	FY 2019	1,341,538	FY 2019
FY 2020 Employer Pension Expense	974,209,100	p 84	1,945,757	p 71
FY 2020 Deferred Outflows of Resources	1,405,772,852	p 84	3,177,547	p 71
FY 2020 Employer Contributions		521,612,593 p 130		931,306 p 119
FY 2019 Deferred Outflows of Resources		851,911,987 FY 2019		2,186,087 FY 2019
FY 2020 Deferred Inflows of Resources		294,760,625 p 84		1,080,987 p 71
Net Pension Liability - June 30, 2020		4,215,225,662 p 106		4,179,199 p 95
	<u>\$ 5,883,510,867</u>	<u>\$ 5,883,510,867</u>	<u>\$ 8,377,579</u>	<u>\$ 8,377,579</u>

1. To set up July 1, 2019, Net Pension Liability and Reverse FY 2019 Deferred Inflows and Outflows.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2019	\$ 2,947,729,307	p 106	\$ 1,912,737	p 95
FY 2019 Deferred Inflows of Resources	555,799,608	FY 2019	1,341,538	FY 2019
FY 2019 Deferred Outflows of Resources		851,911,987 FY 2019		2,186,087 FY 2019
Adjusted Net Pension Liability - July 1, 2019		2,651,616,928 Calculated		1,068,188 Calculated
	\$ 3,503,528,915	\$ 3,503,528,915	\$ 3,254,275	\$ 3,254,275

This entry establishes the adjusted Net Pension Liability at July 1, 2019, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2019 Reclassification of FY 2020 Employer Contributions as Deferred Outflows of Resources.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2020 Employer Contributions	\$ —		\$ —	
FY 2019 Deferred Outflows of Resources		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2020 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2019, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2020 Financial Statements.

3. To set up June 30, 2020, Deferred Inflows and Outflows and Record FY 2020 Pension Expense.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2020 Employer Pension Expense	\$ 974,209,100	p 84	\$ 1,945,757	p 71
FY 2020 Deferred Outflows of Resources	1,405,772,852	p 84	3,177,547	p 71
Net Pension Liability - June 30, 2020		1,563,608,734 Calculated		3,111,011 Calculated
FY 2020 Employer Contributions		521,612,593 p 130		931,306 p 119
FY 2020 Deferred Inflows of Resources		294,760,625 p 84		1,080,987 p 71
	<u>\$ 2,379,981,952</u>	<u>\$ 2,379,981,952</u>	<u>\$ 5,123,304</u>	<u>\$ 5,123,304</u>

This entry records the FY 2020 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2020.

4. To Reclassify the FY 2021 Employer Contributions as Deferred Outflows of Resources.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2020 Deferred Outflows of Resources	\$ —		\$ —	
FY 2021 Employer Contributions		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2021 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2020, 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 2022 Financial Statements.