

GASB 68 Reconciliation and Sample Journal Entries for State Employers For the Measurement Date of June 30, 2021.

Information used in these sample entries is related to the Total State Plan and Employer 30100.

(Page references are related to the GASB Statement No. 68 Report for the Virginia Retirement System prepared as of June 30, 2021)

Reconciliation of Entries Necessary to Record June 30, 2021, Net Pension Liability

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2020	\$ 7,244,857,701	p 50	\$ 11,222,285	p 46
FY 2020 Deferred Inflows of Resources	\$ 188,254,770	FY 2020	\$ 173,587	FY 2020
FY 2021 Employer Pension Expense	\$ 120,900,292	p 40	\$ 335,471	p 36
FY 2021 Deferred Outflows of Resources	\$ 568,854,287	p 40	\$ 1,140,116	p 36
FY 2021 Employer Contributions		\$ 609,777,928 (A)		\$ 987,597 (A)
FY 2020 Deferred Outflows of Resources		\$ 1,061,280,189 FY 2020		\$ 1,609,633 FY 2020
FY 2021 Deferred Inflows of Resources		\$ 2,824,579,254 p 40		\$ 4,399,568 p 36
Net Pension Liability - June 30, 2021		\$ 3,627,229,679 p 50		\$ 5,874,661 p 46
	<u>\$ 8,122,867,050</u>	<u>\$ 8,122,867,050</u>	<u>\$ 12,871,459</u>	<u>\$ 12,871,459</u>

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2021 and not the agency's actual employer contributions.

Refer to MD 6-30-2021 - Analysis of FY 2021 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2020, Net Pension Liability and Reverse FY 2020 Deferred Inflows and Outflows.

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2020	\$ 7,244,857,701		\$ 11,222,285	
		p 50		p 46
FY 2020 Deferred Inflows of Resources	\$ 188,254,770		\$ 173,587	
		FY 2020		FY 2020
FY 2020 Deferred Outflows of Resources		\$ 1,061,280,189		\$ 1,609,633
		FY 2020		FY 2020
Adjusted Net Pension Liability - July 1, 2020		\$ 6,371,832,282		\$ 9,786,239
		Calculated		Calculated
	\$ 7,433,112,471	\$ 7,433,112,471	\$ 11,395,872	\$ 11,395,872

This entry establishes the adjusted Net Pension Liability at July 1, 2020, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2020 Reclassification of the FY 2021 Employer Contributions as Deferred Outflows of Resources.

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
FY 2021 Employer Contributions	\$	—	\$	—
FY 2020 Deferred Outflows of Resources		\$		\$
	\$	—	\$	—

This is the employer's FY 2021 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2020, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2021 Financial Statements.

3. To set up June 30, 2021, Deferred Inflows and Outflows and Record FY 2021 Pension Expense.

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
FY 2021 Employer Pension Expense	\$ 120,900,292	p 40	\$ 335,471	p 36
FY 2022 Deferred Outflows of Resources	\$ 568,854,287	p 40	\$ 1,140,116	p 36
Net Pension Liability - June 30, 2021	\$ 2,744,602,603	Calculated	\$ 3,911,578	Calculated
FY 2021 Employer Contributions		\$ 609,777,928 (A)		\$ 987,597 (A)
FY 2021 Deferred Inflows of Resources		\$ 2,824,579,254 p 40		\$ 4,399,568 p 36
	<u>\$ 3,434,357,182</u>	<u>\$ 3,434,357,182</u>	<u>\$ 5,387,165</u>	<u>\$ 5,387,165</u>

This entry records the FY 2021 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2021.

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2021 and not the agency's actual employer contributions. Refer to MD 6-30-2021 - Analysis of FY 2021 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2022 Employer Contributions as Deferred Outflows of Resources.

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
FY 2021 Deferred Outflows of Resources	\$ —		\$ —	
FY 2022 Employer Contributions		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2022 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2021, 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 2023 Financial Statements.