

**GASB 68 Reconciliation and Sample Journal Entries for Political Subdivision Employers
For the Measurement Date of June 30, 2019**

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, 2019)

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 2019 Changes in Net Pension Liability posted on the VRS website.

Reconciliation of Entries Necessary to Record June 30, 2019 Net Pension Liability

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2018	\$ 2,194,911,952	p 107	\$ 168,723	p 96
FY 2018 Deferred Inflows of Resources	859,199,874	FY 2018	2,466,852	FY 2018
FY 2019 Employer Pension Expense	626,923,150	p 85	1,026,024	p 72
FY 2019 Deferred Outflows of Resources	851,911,986	p 85	2,186,087	p 72
FY 2019 Employer Contributions		499,292,259 p 131		897,263 p 120
FY 2018 Deferred Outflows of Resources		530,125,788 FY 2018		1,696,148 FY 2018
FY 2019 Deferred Inflows of Resources		555,799,608 p 85		1,341,538 p 72
Net Pension Liability - June 30, 2019		2,947,729,307 p 107		1,912,737 p 96
	\$ 4,532,946,962		\$ 5,847,686	\$ 5,847,686

1. To set up July 1, 2018 Net Pension Liability and Reverse FY 2018 Deferred Inflows and Outflows.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2018	\$ 2,194,911,952	p 107	\$ 168,723	p 96
FY 2018 Deferred Inflows of Resources	859,199,874	FY 2018	2,466,852	FY 2018
FY 2018 Deferred Outflows of Resources		530,125,788 FY 2018		1,696,148 FY 2018
Adjusted Net Pension Liability - July 1, 2018		2,523,986,038 Calculated		939,427 Calculated
	\$ 3,054,111,826	\$ 3,054,111,826	\$ 2,635,575	\$ 2,635,575

This entry establishes the adjusted Net Pension Liability at July 1, 2018 exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2018 Reclassification of FY 2019 Employer Contributions as Deferred Outflows Of Resources.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2019 Employer Contributions	\$	—	\$	—
FY 2018 Deferred Outflows of Resources		\$		\$
	\$	—	\$	—

This is the employer's FY 2019 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2018, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2019 Financial Statements.

3. To set up June 30, 2019 Deferred Inflows and Outflows and Record FY 2019 Pension Expense.

	All Political Subdivisions		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2019 Employer Pension Expense	\$ 626,923,150	p 85	\$ 1,026,024	p 72
FY 2019 Deferred Outflows of Resources	851,911,986	p 85	2,186,087	p 72
Net Pension Liability - June 30, 2019		423,743,269 Calculated		973,310 Calculated
FY 2019 Employer Contributions		499,292,259 p 131		897,263 p 120
FY 2019 Deferred Inflows of Resources		555,799,608 p 85		1,341,538 p 72
	<u>\$ 1,478,835,136</u>	<u>\$ 1,478,835,136</u>	<u>\$ 3,212,111</u>	<u>\$ 3,212,111</u>

This entry records the FY 2019 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2019.

4. To Reclassify the FY 2020 Employer Contributions as Deferred Outflows Of Resources.

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

This is the employer's FY 2020 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2019, 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 2021 Financial Statements.