

GASB 68 Reconciliation and Sample Journal Entries for State Employers For the Measurement Date of June 30, 2020.

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, 2020)

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

	All State Employers		Employer 30100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2019	\$ 6,319,732,531	p 48	\$ 9,580,714	p 44
FY 2019 Deferred Inflows of Resources	\$ 448,111,609	FY 2019	\$ 603,155	FY 2019
FY 2020 Employer Pension Expense	\$ 930,358,269	p 38	\$ 1,477,269	p 34
FY 2020 Deferred Outflows of Resources	\$ 1,061,280,189	p 38	\$ 1,609,633	p 34
FY 2020 Employer Contributions	\$ 576,443,391	(A)	\$ 892,909	(A)
FY 2019 Deferred Outflows of Resources	\$ 749,926,736	FY 2019	\$ 981,990	FY 2019
FY 2020 Deferred Inflows of Resources	\$ 188,254,770	p 38	\$ 173,587	p 34
Net Pension Liability - June 30, 2020	\$ 7,244,857,701	p 48	\$ 11,222,285	p 44
	<u>\$ 8,759,482,598</u>	<u>\$ 8,759,482,598</u>	<u>\$ 13,270,771</u>	<u>\$ 13,270,771</u>

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2020 and not the agency's actual employer contributions.

Refer to MD 6-30-2020 - Analysis of FY 2020 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

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

	All State Employers			Employer 30100	
	Debit	Credit		Debit	Credit
Net Pension Liability - July 1, 2019	\$ 6,319,732,531		p 48	\$ 9,580,714	p 44
FY 2019 Deferred Inflows of Resources	\$ 448,111,609		FY 2019	\$ 603,155	FY 2019
FY 2019 Deferred Outflows of Resources		\$ 749,926,736	FY 2019	\$ 981,990	FY 2019
Adjusted Net Pension Liability - July 1, 2019		\$ 6,017,917,404	Calculated	\$ 9,201,879	Calculated
	\$ 6,767,844,140	\$ 6,767,844,140		\$ 10,183,869	\$ 10,183,869

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 the FY 2020 Employer Contributions as Deferred Outflows of Resources.

	All State Employers		Employer 30100	
	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 State Employers			Employer 30100	
	Debit	Credit		Debit	Credit
FY 2020 Employer Pension Expense	\$ 930,358,269		p 38	\$ 1,477,269	p 34
FY 2020 Deferred Outflows of Resources	\$ 1,061,280,189		p 38	\$ 1,609,633	p 34
Net Pension Liability - June 30, 2020		\$ 1,226,940,297	Calculated	\$ 2,020,406	Calculated
FY 2020 Employer Contributions		\$ 576,443,391	(A)	\$ 892,909	(A)
FY 2020 Deferred Inflows of Resources		\$ 188,254,770	p 38	\$ 173,587	p 34
	<u>\$ 1,991,638,458</u>	<u>\$ 1,991,638,458</u>		<u>\$ 3,086,902</u>	<u>\$ 3,086,902</u>

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

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2020 and not the agency's actual employer contributions. Refer to MD 6-30-2020 - Analysis of FY 2020 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

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

	All State Employers		Employer 30100	
	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.