

GASB 68 Reconciliation and Sample FY 2017 Journal Entries for State Employers

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, 2017)

Reconciliation of Entries Necessary to Record June 30, 2017 Net Pension Liability

	All State Employers			Employer 30100		
	Debit	Credit		Debit	Credit	
Net Pension Liability - July 1, 2016	\$ 6,590,751,000		p 53	\$ 10,042,000		p 48
FY 2016 Deferred Inflows of Resources	\$ 323,593,000		FY 2016	\$ 459,000		FY 2016
FY 2017 Employer Pension Expense	\$ 397,520,000		P 42	\$ 731,000		p 38
FY 2017 Deferred Outflows of Resources	\$ 207,796,000		P 42	\$ 203,000		p 38
FY 2017 Employer Contributions		\$ 535,424,000	(A)		\$ 827,000	(A)
FY 2016 Deferred Outflows of Resources		\$ 592,493,000	FY 2016		\$ 852,000	FY 2016
FY 2017 Deferred Inflows of Resources		\$ 564,219,000	P 42		\$ 755,000	p 38
Net Pension Liability - June 30, 2017		\$ 5,827,524,000	p 53		\$ 9,001,000	p 48
	<u>\$ 7,519,660,000</u>	<u>\$ 7,519,660,000</u>		<u>\$ 11,435,000</u>	<u>\$ 11,435,000</u>	

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2016 and not the agency's actual employer contributions.

Refer to FY 2017 - Analysis of FY 2016 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2016 Net Pension Liability and Reverse FY 2016 Deferred Inflows and Outflows.

	All State Employers			Employer 30100	
	Debit	Credit		Debit	Credit
Net Pension Liability - July 1, 2016	\$ 6,590,751,000		p 53	\$ 10,042,000	p 48
FY 2016 Deferred Inflows of Resources	\$ 323,593,000		FY 2016	\$ 459,000	FY 2016
FY 2016 Deferred Outflows of Resources		\$ 592,493,000	FY 2016		\$ 852,000
Adjusted Net Pension Liability - July 1, 2016		\$ 6,321,851,000	Calculated		\$ 9,649,000
	\$ 6,914,344,000	\$ 6,914,344,000		\$ 10,501,000	\$ 10,501,000

This entry establishes the adjusted Net Pension Liability at July 1, 2016 exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2016 Reclassification the FY 2017 Employer Contributions as Deferred Outflows Of Resources.

	All State Employers			Employer 30100	
	Debit	Credit		Debit	Credit
FY 2017 Employer Contributions	\$ -			\$ -	
FY 2016 Deferred Outflows of Resources		\$ -			\$ -
	\$ -	\$ -		\$ -	\$ -

This is the employer's FY 2017 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2016, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2017 Financial Statements.

3. To set up June 30, 2017 Deferred Inflows and Outflows and Record FY 2017 Pension Expense.

	All State Employers			Employer 30100		
	Debit	Credit		Debit	Credit	
FY 2017 Employer Pension Expense	\$ 397,520,000		P 42	\$ 731,000		p 38
FY 2017 Deferred Outflows of Resources	\$ 207,796,000		P 42	\$ 203,000		p 38
Net Pension Liability - June 30, 2017	\$ 494,327,000		Calculated	\$ 648,000		Calculated
FY 2017 Employer Contributions		\$ 535,424,000	(A)		\$ 827,000	(A)
FY 2017 Deferred Inflows of Resources		\$ 564,219,000	P 42		\$ 755,000	p 38
	<u>\$ 1,099,643,000</u>	<u>\$ 1,099,643,000</u>		<u>\$ 1,582,000</u>	<u>\$ 1,582,000</u>	

This entry records the FY 2017 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2017.

A - The employer contributions are the proportionate share of the total Regular employer contributions to the State Plan in FY 2016 and not the agency's actual employer contributions. Refer to FY 2017 - Analysis of FY 2016 State Employer Change in Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2018 Employer Contributions as Deferred Outflows Of Resources.

	All State Employers			Employer 30100		
	Debit	Credit		Debit	Credit	
FY 2017 Deferred Outflows of Resources	\$ -			\$ -		
FY 2018 Employer Contributions		\$ -			\$ -	
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	

This is the employer's FY 2018 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2017, 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 2019 Financial Statements.