

GASB 68 Reconciliation and Sample FY 2016 Journal Entries for VaLORS Employers

Information used in these sample entries is related to the Total VaLORS Plan and Employer 70156.

(Page references are related to the GASB Statement No. 68 Report for the Virginia Retirement System prepared as of June 30, 2016)

Reconciliation of Entries Necessary to Record June 30, 2016 Net Pension Liability

	All VaLORS Employers			Employer 70156		
	Debit	Credit		Debit	Credit	
Net Pension Liability - July 1, 2015	\$ 710,698,000		p 108	\$ 1,344,000		p 106
FY 2015 Deferred Inflows of Resources	\$ 58,145,000		FY 2015	\$ 151,000		FY 2015
FY 2016 Employer Pension Expense	\$ 76,147,000		P 101	\$ 101,000		p 97
FY 2016 Deferred Outflows of Resources	\$ 67,182,000		P 101	\$ 85,000		p 97
FY 2016 Special Employer Contributions		\$ 16,492,000	(A)		\$ 32,000	(A)
FY 2016 Employer Contributions		\$ 62,900,000	(B)		\$ 121,000	(B)
FY 2015 Deferred Outflows of Resources		\$ 24,573,000	FY 2015		\$ 1,000	FY 2015
FY 2016 Deferred Inflows of Resources		\$ 34,035,000	P 101		\$ 37,000	p 97
Net Pension Liability - June 30, 2016		\$ 774,172,000	p 108		\$ 1,490,000	p 106
	<u>\$ 912,172,000</u>	<u>\$ 912,172,000</u>		<u>\$ 1,681,000</u>	<u>\$ 1,681,000</u>	

A - The employer contributions are the proportionate share of the Special employer contributions to the VaLORS Plan in FY 2016.

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

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

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

1. To set up July 1, 2015 Net Pension Liability and Reverse FY 2015 Deferred Inflows and Outflows.

	All VaLORS Employers			Employer 70156	
	Debit	Credit		Debit	Credit
Net Pension Liability - July 1, 2015	\$ 710,698,000		p 108	\$ 1,344,000	p 106
FY 2015 Deferred Inflows of Resources	\$ 58,145,000		FY 2015	\$ 151,000	FY 2015
FY 2015 Deferred Outflows of Resources		\$ 24,573,000	FY 2015	\$ 1,000	FY 2015
Adjusted Net Pension Liability - July 1, 2015		\$ 744,270,000	Calculated	\$ 1,494,000	Calculated
	<u>\$ 768,843,000</u>	<u>\$ 768,843,000</u>		<u>\$ 1,495,000</u>	<u>\$ 1,495,000</u>

This entry establishes the adjusted Net Pension Liability at July 1, 2015 exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2015 Reclassification the FY 2016 Employer Contributions as Deferred Outflows Of Resources.

	All VaLORS Employers			Employer 70156	
	Debit	Credit		Debit	Credit
FY 2016 Employer Contributions	\$ -			\$ -	
FY 2015 Deferred Outflows of Resources		\$ -			\$ -
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

This is the employer's FY 2016 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2015, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2016 Financial Statements.

3. To set up June 30, 2016 Deferred Inflows and Outflows and Record FY 2016 Pension Expense.

	All VaLORS Employers			Employer 70156		
	Debit	Credit		Debit	Credit	
FY 2016 Employer Pension Expense	\$ 76,147,000		P 101	\$ 101,000		p 97
FY 2016 Deferred Outflows of Resources	\$ 67,182,000		P 101	\$ 85,000		p 97
Net Pension Liability - June 30, 2016		\$ 29,902,000	Calculated	\$ 4,000		Calculated
FY 2016 Special Employer Contributions		\$ 16,492,000	(A)		\$ 32,000	(A)
FY 2016 Employer Contributions		\$ 62,900,000	(B)		\$ 121,000	(B)
FY 2016 Deferred Inflows of Resources		\$ 34,035,000	P 101		\$ 37,000	p 97
	<u>\$ 143,329,000</u>	<u>\$ 143,329,000</u>		<u>\$ 190,000</u>	<u>\$ 190,000</u>	

This entry records the FY 2016 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2016.

A - The employer contributions are the proportionate share of the Special employer contributions to the VaLORS Plan in FY 2016.

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

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

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

4. To Reclassify the FY 2017 Employer Contributions as Deferred Outflows Of Resources.

	All VaLORS Employers			Employer 70156	
	Debit	Credit		Debit	Credit
FY 2016 Deferred Outflows of Resources	\$ -			\$ -	
FY 2017 Employer Contributions		\$ -			\$ -
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

This is the employer's FY 2017 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2016, 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 2018 Financial Statements.