

# GASB 68 Reconciliation and Sample FY 2015 Journal Entries for State Employers

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

(Page references are related to the GASB Statement No. 68 Report for the Virginia Retirement System prepared as of June 30, 2015)

## Reconciliation of Entries Necessary to Record June 30, 2015 Net Pension Liability

	All State Agencies			Agency 30100		
	Debit	Credit		Debit	Credit	
Net Pension Liability - July 1, 2014	\$ 5,598,398,000		p 64	\$ 8,754,000		p 55
FY 2014 Deferred Inflows of Resources	\$ 1,076,757,000		FY 2014	\$ 1,562,000		FY 2014
FY 2015 Adjustment to Employer Net Position for Share of VRS Liability	\$ -		N/A	\$ 64,000		(A)
FY 2015 Employer Pension Expense	\$ 401,906,000		P 45	\$ 755,000		p 32
FY 2015 Deferred Outflows of Resources	\$ 175,706,000		P 45	\$ 429,000		P 32
FY 2015 Employer Contributions		\$ 480,657,000	(B)		\$ 741,000	(B)
FY 2014 Deferred Outflows of Resources		\$ 77,511,000	FY 2014		\$ 551,000	FY 2014
FY 2015 Deferred inflows of Resources		\$ 572,044,000	P 45		\$ 835,000	P 32
Net Pension Liability - June 30, 2015		\$ 6,122,555,000	p 64		\$ 9,437,000	p 55
	<u>\$ 7,252,767,000</u>	<u>\$ 7,252,767,000</u>		<u>\$ 11,564,000</u>	<u>\$ 11,564,000</u>	

A - This value is the proportionate share of the Adjusted Net Pension Liability of the Virginia Retirement System for FY 2014. This was allocated to all State employers in FY 2015.

B - The employer contributions are the proportionate share of the total employer contributions to the State Plan in FY 2015 and not the agency's actual employer contributions.

### 1. To set up June 30, 2014 Net Pension Liability and Reverse FY 2014 Deferred Inflows and Outflows.

	All State Agencies			Agency 30100		
	Debit	Credit		Debit	Credit	
Net Pension Liability - July 1, 2014	\$ 5,598,398,000		p 64	\$ 8,754,000		p 55
FY 2014 Deferred Inflows of Resources	\$ 1,076,757,000		FY 2014	\$ 1,562,000		FY 2014
FY 2014 Deferred Outflows of Resources		\$ 77,511,000	FY 2014		\$ 551,000	FY 2014
Net Pension Liability - June 30, 2015		\$ 6,597,644,000	Calculated		\$ 9,765,000	Calculated

\$ 6,675,155,000	\$ 6,675,155,000
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\$ 10,316,000	\$ 10,316,000
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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 2014 Reclassification the FY 2015 Employer Contributions as Deferred Outflows Of Resources.**

	All State Agencies		Agency 30100	
	Debit	Credit	Debit	Credit
FY 2015 Employer Contributions	\$ -		\$ -	
FY 2014 Deferred Outflows of Resources		\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -

This is the employer's FY 2015 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2014, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2015 Financial Statements.

**3. To Adjust Employer Net Position for the Impact of the Allocation of the VRS FY 2014 Total Pension Liability.**

	All State Agencies		Agency 30100	
	Debit	Credit	Debit	Credit
Employer Net Position	\$ -		\$ 64,000	
FY 2015 Net Pension Liability		\$ -		\$ 64,000
	\$ -	\$ -	\$ 64,000	\$ 64,000

This is the employer's proportionate share of the VRS Net Pension Liability, Deferred Inflows of Resources and Deferred Inflows of Resources at June 30, 2014. This amount was allocated to other state employers in FY 2015 based on a change in the handling of Plan Administrator Net Pension Liabilities. (This adjustment should be treated as a current year expense)

**4. To set up June 30, 2015 Deferred Inflows and Outflows and Record FY 2015 Pension Expense.**

	All State Agencies			Agency 30100		
	Debit	Credit		Debit	Credit	
FY 2015 Employer Pension Expense	\$ 401,906,000		P 45	\$ 755,000		p 32
FY 2015 Deferred Outflows of Resources	\$ 175,706,000		P 45	\$ 429,000		p 32
Net Pension Liability - June 30, 2015	\$ 475,089,000		Calculated	\$ 392,000		Calculated
FY 2015 Employer Contributions		\$ 480,657,000	(A)		\$ 741,000	(A)
FY 2015 Deferred inflows of Resources		\$ 572,044,000	P 45		\$ 835,000	p 32
	<u>\$ 1,052,701,000</u>	<u>\$ 1,052,701,000</u>		<u>\$ 1,576,000</u>	<u>\$ 1,576,000</u>	

**This entry records the FY 2015 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2015.**

A - The employer contributions are the proportionate share of the total employer contributions to the State Plan in FY 2015 and not the agency's actual employer contributions.

**5. To Reclassify the FY 2016 Employer Contributions as Deferred Outflows Of Resources.**

	All State Agencies			Agency 30100	
	Debit	Credit		Debit	Credit
FY 2015 Deferred Outflows of Resources	\$ -			\$ -	
FY 2016 Employer Contributions		\$ -			\$ -
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

**This is the employer's FY 2016 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2015, 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 2017 Financial Statements.**