

**C. GASB 68 Journal Entries
(Measurement year 2020)**

Example: Angelo State RE# 1546

See attached T-Accounts

J.E. #	J.E. Date	Description	Debit	Credit
①	8/31/2021	<i>Source Document: Prior Year Journal Entry</i>		
		Dr. Contribution Expense	1,500,000	
		Cr. Deferred Outflow of Resources		1,500,000
		<i>To reverse journal entry ③ from last year that recorded the contributions made after the measurement date of the ending NPL and before the end of the employer's fiscal year-end per GASB 68, par 57.</i>		
②	8/31/2021	<i>Source Document: Prior Year Journal Entry</i>		
		Dr. Deferred Inflow of Resources - Differences in Experience	743,795	
		Dr. Deferred Inflow of Resources - Change of Assumptions	2,746,468	
		Dr. Deferred Inflow of Resources - Difference in Investment Earnings	1,072,781	
		Dr. Deferred Inflow of Resources - Change in Proportionate Share	332,294	
		Cr. Pension Expense		4,895,338
		Dr. Pension Expense	9,206,342	
		Cr. Deferred Outflow of Resources - Differences in Experience		89,990
		Cr. Deferred Outflow of Resources - Change of Assumptions		6,646,064
		Cr. Deferred Outflow of Resources - Change in Proportionate Share		1,182,409
		<i>To eliminate the balances of deferred inflows and deferred outflows on the balance sheet @ 08/31/20. Reversal of last year's JE ⑦ thru JE ⑭</i>		
③	8/31/2021	<i>Source Document: Employer's Records</i>		
		Dr. Deferred Outflow of Resources	1,575,000	
		Cr. Contribution Expense		1,575,000
		<i>This is just an estimate for purposes of illustration.</i>		
		<i>To record the contributions made after the measurement date of the ending Net Pension Liability and before the end of the reporting entity's current fiscal year in conformance with GASB 68, par 57. (For 8/31 year ends this is the contributions from 9/1/20 to 08/31/21). (For Financial Statements prepared on the Economic Resources Basis, the credit may be to Cash.)</i>		
④	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		

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		Dr. Net Pension Liability	1,654,961	
		Cr. Contribution Expense		1,654,961
		<i>To record employer contributions for current measurement year. From column 4 on the Schedule of Pension Amounts by Employer for employers with an 8/31 fiscal year end. For employers with a 6/30 year end, you will have to calculate this number.</i>		
⑤	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Net Pension Liability	-	
		Cr. Contribution Expense		-
		<i>To record additional contribution adjustments for current measurement year. From column 5 of the Schedule of Pension Amounts by Employer. This may be a debit or credit depending on the adjustment. Compare with column 4 to determine which it is.</i>		
⑥	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Pension Expense	1,715,505	
		Cr. Net Pension Liability		1,715,505
		<i>To record Pension Expense for measurement year 2020. This is the sum of columns 6-10 of the Schedule of Pension Amounts by Employer. (Your RE may have a credit instead of a debit.)</i>		
⑦	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Deferred Outflow of Resources	39,225	
		Cr. Pension Expense		39,225
		<i>To record the Collective Deferred Outflow of Resources for the <u>Difference in Expected and Actual Actuarial Experience</u> for the years 2015 thru 2020. From column 12 of the Schedule of Pension Amounts by Employer.</i>		
⑧	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Deferred Outflow of Resources	4,984,645	
		Cr. Pension Expense		4,984,645

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		<i>To record the Collective Deferred Outflow of Resources for the <u>Changes in Assumptions</u> for the years 2015 thru 2020. From column 13 of the Schedule of Pension Amounts by Employer.</i>		
⑨	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Deferred Outflow of Resources	969,211	
		Cr. Pension Expense		969,211
		<i>To record the Collective Deferred Outflow of Resources for the <u>Difference in Projected and Actual Investment Earnings</u> for the years 2015 thru 2020. From column 14 of the Schedule of Pension Amounts by Employer.</i>		
⑩	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Deferred Outflow of Resources	908,348	
		Cr. Pension Expense		908,348
		<i>To record the Collective Deferred Outflow of Resources for the <u>Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion</u> for the years 2015 thru 2020. From column 15 of the Schedule of Pension Amounts by Employer.</i>		
<i>At this point your Deferred Outflow of Resources should equal column 16 of the Schedule of Pension Amounts by Employer - Total Deferred Outflow of Resources.</i>				
⑪	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Pension Expense	599,512	
		Cr. Deferred Inflow of Resources		599,512
		<i>To record the Collective Deferred Inflow of Resources for the <u>Difference in Expected and Actual Actuarial Experience</u> for the years 2015 thru 2020. From column 17 of the Schedule of Pension Amounts by Employer.</i>		
⑫	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Pension Expense	2,119,436	
		Cr. Deferred Inflow of Resources		2,119,436
		<i>To record the Collective Deferred Inflow of Resources for the <u>Changes in Actuarial Assumptions</u> for the years 2015 thru 2020. From column 18 of the Schedule of Pension Amounts by Employer.</i>		

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⑬	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Pension Expense	522,090	
		Cr. Deferred Inflow of Resources		522,090
		<i>To record the Collective Deferred Inflow of Resources for the <u>Difference in Projected and Actual Investment Earnings</u> for the years 2015 thru 2020. From column 19 of the Schedule of Pension Amounts by Employer.</i>		
⑭	8/31/2021	<i>Source Document: Schedule of Pension Amounts by Employer</i>		
		Dr. Pension Expense	559,756	
		Cr. Deferred Inflow of Resources		559,756
		<i>To record the Collective Deferred Inflow of Resources for the <u>Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion</u> for the years 2015 thru 2020. From column 20 of the Schedule of Pension Amounts by Employer.</i>		
<i>At this point you should have the following matches:</i>				
<i>**Total Deferred Inflow of Resources should equal column 21 of the Schedule of Pension Amounts by Employer.</i>				
<i>**Ending Net Pension Liability should match column #11 on the Schedule of Pension Amounts by Employer.</i>				
<i>**The net(debits less credits) of journal entries 2,6,7,8,9,10,11,12,13,14 for Pension expense should match column #24 on the Schedule of Pension Amounts by Employer.</i>				
⑮	8/31/2021	<i>Source Document: Schedule of NonEmployer Contributing Entity On-Behalf Payments</i>		
		Dr. Grant Expense	XXX,XXX	
		Cr. Grant Revenue		XXX,XXX
		<i>To record Pension Expense and Revenue for <u>State Support</u> in conformity with GASB 68, par. 93 and 94.</i>		