

State Teachers Retirement System of Ohio

GASB 68 Example Journal Entries for Fiscal Year 2024

Amounts listed are for the STRS Ohio total plan level for fiscal year 2023

Note: Reversal of the prior year deferred outflow for fiscal year 2023 employer contributions (G) should be based on actual amount used by the employer and the difference adjusted in pension expense if different than the proportionate share of the plan total. The remaining amounts in the employer journal entry should be computed using the employer's proportionate share percentage per the Schedule of Employer Allocations and the STRS Ohio plan level amounts in the journal entries below. The amortization template for deferred outflows and inflows may be used to calculate and support the values used in these entries and the resulting balances on the employer's financial statements including any deferred outflow or deferred inflow resulting from a change in proportionate share.

Journal Entry 1			
June 30, 2024 (or other fiscal year beginning in 2023)	Debit	Credit	
Deferred Outflows of Resources	(A) \$755,807,984	(B) \$3,895,709,059	
Deferred Inflows of Resources	(C) \$1,973,413,388	(D) \$1,333,228,936	
Net Pension Liability	(E) \$695,188,211		
Pension Expense	(F) \$1,804,528,412		
Entry to record pension expense, deferred outflows, deferred inflows and change in NPL for current reporting year.			
NPL Reconciliation:			
Beginning NPL		\$22,230,126,021	
Pension Expense Before Amortization of Deferred Inflows and Outflows	\$1,862,358,969		
FY 2023 Deferred Outflows — Demographic Difference	\$755,807,984 (A)		
FY 2023 Deferred Inflows — Investment Difference	(\$1,333,228,936) (D)		
FY 2023 Other Contributions	(\$89,169,312) (B)		
FY 2023 Employer Contributions	(\$1,890,956,916) (B)		
Net Change in NPL		(\$695,188,211) (E)	
Ending NPL		\$21,534,937,810	
Pension Expense Reconciliation:			
Service Cost	\$1,272,649,684		
Interest	\$7,196,379,473		
Change in Benefit Terms	\$885,245,599		
Projected Earnings	(\$5,681,606,638)		
Member Contributions	(\$1,884,375,309)		
Administrative Expense	\$74,066,160		
Total Pension Expense Before Amortization of Deferred Inflows and Outflows	\$1,862,358,969		
Amortization of Deferred Outflows — Demographic Differences	\$255,263,649 (B)		
Amortization of Deferred Outflows — Changes in Actuarial Assumptions	\$886,759,385 (B)		
Amortization of Deferred Inflows — Demographic Differences	(\$37,250,375) (C)		
Amortization of Deferred Inflows — Changes in Actuarial Assumptions	(\$667,474,919) (C)		
Amortization of Net Deferred Inflows — Investment Differences	(\$495,128,297) (C)		
Total Amortization of Deferred Outflows and Inflows	(\$57,830,557)		
Net Pension Expense	\$1,804,528,412 (F)		
Deferred Outflow and Inflow Reconciliation			
Beginning Deferred Balances 2022	\$3,718,412,133	\$2,087,462,057	
Deferred Outflows and Inflows Recognized 2023	\$755,807,984	\$1,333,228,936	
Amount recognized in Expense	(\$1,142,023,034)	(\$1,199,853,591)	
Reclass of Prior Years Net Deferred Investment			
Outflows and Inflows (see note below)	(\$773,559,797)	(\$773,559,797) (B)(C)	
Ending Deferred Balances 2023	\$2,558,637,286	\$1,447,277,605	
Note that the Deferred Outflows and Deferred Inflows for the Difference between Projected and Actual Investment Earnings are to be reported as a net amount per GASB statement 68 para 71. b. (page 32 of the stmt)			

Journal Entry 2			
June 30, 2024 (or other fiscal year beginning in 2023)	Debit	Credit	
Deferred Outflows of Resources	(G) \$ Current Year		
Employer Pension Contribution Expense		(G) \$ Current Year	
(G) Entry assumes employer treated current (FY 2023) employer pension contributions as pension expense. Entry to reclass current year employer contributions to deferred outflows.			