

Instructions for GASB 75 Journal Entries

The instructions for the journal entries include the following 4 cross-referenced documents.

- A. Narrative of Journal Entries** – gives the GASB reference and describes each journal entry
- B. Summary of Journal Entries** - gives a summary of each journal entry, the purpose and identifies the schedule used for each journal entry
- C. Journal Entries** – these are the journal entries for a sample reporting entity
- D. T Accounts** – these are the balances in the related accounts

A. Narrative of Journal Entries

1. **GASB75, par 244(a)** states that the cumulative effect of applying this statement should be reported as a restatement of beginning net position for the earliest period restated, so the first entry will be to record the beginning Net OPEB Liability.

Dr. Restatement of Net Position as of 9/1/16

Cr. Net OPEB Liability as of 9/1/16

2. **GASB75, par 244(a)** states that *“contributions made after the measurement date of the Beginning Net OPEB Liability and the beginning of the reporting entity’s fiscal year should be reported as a beginning deferred outflow of resources”*. This journal entry will be needed only for the initial year of GASB 75. (This will be the contributions from 9/1/16 thru 8/31/17 for reporting entities having an 8/31 year-end).

Dr. Deferred Outflow of Resources as of 9/1/16

Cr. Restatement of Net Position as of 9/1/16

3. **GASB 75, par 86.c.** states that *“contributions to the OPEB plan from employers or non-employer contributing entities should not be included in collective OPEB expense.”* 2017 contributions should be recorded as a reduction to net OPEB liability and then removed from the account to which they were originally charged when payment to TRS was made. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 4 for this amount.

Dr. Net OPEB Liability

Cr. Contribution Expense

4. **GASB 75 par 86.c** applies also to the contributions to the OPEB plan that are shown on the *Schedule OPEB amounts by Employer* as Contributions Adjustment. These represent contribution adjustments submitted that relate to a prior year and were disallowed for purposes of GASB 75 only. On the *Schedule OPEB amounts by Employer*, find the related reporting entity line and go to column 5 for this amount.

Dr. Contribution Expense
Cr. Net OPEB Liability

5. **GASB 75 par 86.c** applies also to the federal contributions to the OPEB plan that are shown on the *Schedule OPEB amounts by Employer* as Federal Funding. This represents federal funding that was considered part of the substantive OPEB plan. On the *Schedule OPEB amounts by Employer*, find the related reporting entity line and go to column 7 for this amount.

Dr. Net OPEB Liability
Cr. Grant Revenue

6. **GASB 75, paragraph 63** requires recording of the proportionate share of the **Collective OPEB Expense**. Go to the *Schedule of OPEB Amounts by Employer* and go to column 8 for this amount. This entry may be the reverse if, in fact; there was OPEB Revenue instead of expense as is the case this year.

Dr. Net OPEB Liability
Cr. OPEB Expense

***** Important ***** *The following journal entries are to record the collective (accumulated) balances of deferred outflows and deferred inflows on the Schedule of OPEB Amounts by Employer. Next year, a reversal will be needed to remove these entries and then record the amounts reported for that year.*

7. **GASB 75, paragraph 86.b.** requires recording of the proportionate share of the **Collective Deferred Outflow of Resources** for the ***Difference in Projected and Actual Investment Earnings***. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 16 for this amount.

Dr. Deferred Outflow of Resources
Cr. Net OPEB Liability

8. **GASB 75, paragraph 64.** requires recording of the proportionate share of the **Collective Deferred Outflow of Resources** for the ***Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion***. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 17 for this amount.

Dr. Deferred Outflow of Resources
Cr. Net OPEB Liability

***** Important ***** *At this point the Plan Level Deferred Outflow of Resources should equal column 18 of the Schedule of OPEB Amounts by Employer – Total Deferred Outflow of Resources.*

9. **GASB 75, paragraph 86.a. (1)** requires recording of the proportionate share of the **Collective Deferred Inflow of Resources** for the ***Difference in Expected and Actual Actuarial Experience***. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 19 for this amount.

Dr. Net OPEB Liability
Cr. Deferred Inflow of Resources

10. **GASB 75, paragraph 86.a. (2)** requires recording of the proportionate share of the **Collective Deferred Inflow of Resources** for the ***Changes in Actuarial Assumptions***. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 20 for this amount.

Dr. Net OPEB Liability
Cr. Deferred Inflow of Resources

11. **GASB 75, paragraph 64** requires recognizing of the proportionate share of the **Collective Deferred Inflow of Resources** for the ***Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion***. On the *Schedule of OPEB Amounts by Employer*, find your reporting entity line and go to column 22 for this amount.

Dr. Net OPEB Liability
Cr. Deferred Inflow of Resources

**** At this point, Net OPEB Liability End of Year should match column 13.**

***** Important *** At this point the Plan Level Deferred Inflow of Resources should equal column 23 of the Schedule of OPEB Amounts by Employer – Total Deferred Inflow of Resources.**

12. **GASB 75, paragraph 68** requires that “contributions made to the OPEB plan made after the measurement date of the ending Net OPEB Liability and before the end of the employer’s reporting period be reported as a deferred outflow of resources related to OPEB.” ***This entry is to record the contributions made after 8/31/17 and up to 8/31/18 or 6/30/18 (fiscal year-end.)***

Dr. Deferred Outflow of Resources
Cr. Contribution Expense

13. **GASB 75, paragraph 106** requires that *OPEB Expense and Revenue should be recognized for the non-employer contributing entity’s total proportionate share of collective OPEB expense that is associated with the employer*. This amount comes from the *Schedule of On-Behalf Payments Made by the Non-Employer Contributing Entity* column 3.

Dr. Grant Expense
Cr. Grant Revenue