

## Instructions for GASB 75 FY 2022 Journal Entries

(Measurement Year Ended 08/31/21)

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

- A. Narrative of Journal Entries (This document)** – 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. **GASB 75, par. 68** requires that *“contributions 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 journal entry needs to be reversed the subsequent year so this is the reversal of last year’s journal entry #14. ***See also journal entry #14 below to comply with this requirement for this year.***

**Dr. Contribution Expense**

**Cr. Deferred Outflows of Resources**

2. **This entry is to eliminate the Plan level deferred outflows and deferred inflows** that were recorded in the financial statements of the reporting entity last year. This should be the reversal of journal entries 6 thru 13 from the instructions last year. The balances in deferred outflows and deferred inflows related to the Difference in Actuarial Experience, Change in Assumptions, Investment Earnings and Change in Proportionate Share need to be reversed. The entries will be:

**Dr. OPEB Expense**

**Cr. Deferred Outflows of Resources**

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**\*\*\*Important\*\*\*** *At this point, the OPEB related balance in the deferred outflows of resources and deferred inflows of resources should be ZERO.*

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.”* 2021 contributions and contribution adjustments should be recorded as a reduction to net OPEB liability and removed from the account they were originally charged to when payment to TRS was made. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to columns 4 and 5 and the total of these two columns will be the amount to report.

**Dr. Net OPEB Liability**  
**Cr. Contribution Expense**

4. **GASB 75 par 86.c** applies also to the federal contributions to the OPEB plan shown in column 7 on the **2021 GASB 75 Schedule of OPEB amounts by Employer** as Federal Funding. This is federal funding that was considered part of the OPEB plan. On the **2021 GASB 75 Schedule of OPEB amounts by Employer**, find the reporting entity line, and go to column 7 for this amount.

**Dr. Net OPEB Liability**  
**Cr. Grant Revenue**

5. **GASB 75, paragraph 63** requires recording of the proportionate share of the **Collective OPEB Expense**. Go to the **2021 GASB 75 Schedule of OPEB Amounts by Employer** and add columns 8 thru 12 for this amount.

**Dr. Net OPEB Liability**  
**Cr. OPEB Expense**

**\*\*\* Important \*\*\*** *The following journal entries are to record the collective (accumulated) balances of deferred outflows or resources and deferred inflows of resources on the **2021 GASB 75 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.*

6. **GASB 75, paragraph 86.a.1.** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Difference between Expected and Actual Actuarial Experience***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 14 for this amount.

**Dr. Deferred Outflows of Resources**  
**Cr. OPEB Expense**

7. **GASB 75, paragraph 86.a.2.** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Change in Assumptions***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 15 for this amount.

**Dr. Deferred Outflows of Resources**  
**Cr. OPEB Expense**

8. **GASB 75, paragraph 86.b.** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Difference between Projected and Actual Investment Earnings***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 16 for this amount.

**Dr. Deferred Outflows of Resources**  
**Cr. OPEB Expense**

9. **GASB 75, paragraph 64** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 17 for this amount.

Dr. Deferred Outflows of Resources  
Cr. OPEB Expense

**\*\*\* Important \*\*\*** *At this point the Plan Level Deferred Outflows of Resources should equal column 18 of the 2021 GASB 75 Schedule of OPEB Amounts by Employer – Total Deferred Outflows of Resources.*

10. **GASB 75, paragraph 86.a.1.** requires recording of the proportionate share of the **Collective Deferred Inflows of Resources** for the ***Difference in Expected and Actual Actuarial Experience***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 19 for this amount.

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Cr. Deferred Inflows of Resources

11. **GASB 75, paragraph 86.a.2** requires recording of the proportionate share of the **Collective Deferred Inflows of Resources** for the ***Changes in Actuarial Assumptions***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 20 for this amount.

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12. **GASB 75, paragraph 86.b** requires recording the difference between projected and actual earnings on OPEB plan investments. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 21 for this amount.

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13. **GASB 75, paragraph 64** requires recognizing of the proportionate share of the **Collective Deferred Inflows of Resources** for the ***Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion***. On the **2021 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 22 for this amount.

Dr. OPEB Expense  
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**\*\*\* Important \*\*\*** *At this point the Plan Level Deferred Inflows of Resources should equal column 23 on the 2021 GASB 75 Schedule of OPEB Amounts by Employer – Total Deferred Inflows of Resources.*

**\*\* Net OPEB Liability End of Year should match column 13.**

**\*\*\* OPEB Expense should equal column 26. It may be off a few dollars due to rounding.**

14. **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 8/31/21 and up to 8/31/22 or 6/30/22 (fiscal year-end.)** and will come from the employer’s records.

**Dr. Deferred Outflows of Resources**  
**Cr. Contribution Expense**

15. **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 **2021 GASB 75 Unaudited Schedule of On-Behalf Payments** made by the Non-Employer Contributing Entity.

**Dr. Grant Expense**  
**Cr. Grant Revenue**