

Instructions for GASB 75 FY 2023 Journal Entries

(Measurement Year Ended 8/31/22)

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, paragraph 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 inflows and deferred outflows related to the Difference in Actuarial Experience, Change of Assumptions, Difference in Investment Earnings and Change in Proportionate Share need to be reversed. The entries will be:

Dr. Deferred Inflows of Resources

Cr. OPEB Expense

Dr. OPEB Expense

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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, paragraph 86c** states that *“contributions to the OPEB plan from employers or non-employer contributing entities should not be included in collective OPEB expense.”* 2022 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 **2022 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

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4. **GASB 75 paragraph 86c** applies also to the federal contributions to the OPEB plan shown in column 7 on the **2022 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 **2022 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 **2022 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 **2022 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 86a(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 **2022 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 86a(2)** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Change in Actuarial Assumptions***. On the **2022 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 86b** requires recording of the proportionate share of the **Collective Deferred Outflows of Resources** for the ***Difference between Projected and Actual Investment Earnings***. On the **2022 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 16 for this amount.

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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 **2022 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 2022 GASB 75 Schedule of OPEB Amounts by Employer – Total Deferred Outflows of Resources.

10. **GASB 75, paragraph 86a(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 **2022 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 19 for this amount.

Dr. OPEB Expense

Cr. Deferred Inflows of Resources

11. **GASB 75, paragraph 86a(2)** requires recording of the proportionate share of the Collective Deferred Inflows of Resources for the *Changes in Actuarial Assumptions*. On the **2022 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 20 for this amount.

Dr. OPEB Expense

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12. **GASB 75, paragraph 86b** requires recording of the proportionate share of the Collective Deferred Inflows of Resources for the *Difference between Projected and Actual Investment Earnings*. On the **2022 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 **2022 GASB 75 Schedule of OPEB Amounts by Employer**, find the reporting entity line and go to column 22 for this amount.

Dr. OPEB Expense

Cr. Deferred Inflows of Resources

***** Important ***** At this point the Plan Level Deferred Inflows of Resources should equal column 23 on the 2022 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.**

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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 8/31/22 and up to 8/31/23 or 6/30/23 (fiscal year-end.)** and will come from the employer’s records.

Dr. Deferred Outflows of Resources

Cr. Contribution Expense

15. **GASB 75, paragraphs 111 and 113** 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 **2022 GASB 75 Unaudited Schedule of On-Behalf Payments** made by the Non-Employer Contributing Entity.

Dr. Grant Expense

Cr. Grant Revenue