

Instructions for Using the GASB 75 Schedules

Measurement Year Ended 08/31/17

(Used for FY18 Financial Statements)

- *This is the first year of implementation of GASB 75 and the process will align with the approach and procedures we have in place for GASB 68. TRS will maintain the amortization levels by year for the plan amounts of each deferred outflow and deferred inflow and combine all year's layers together to arrive at a "collective" or "accumulated" total for each deferral. Since this is the initial year, there will only be one year (layer), which is measurement year 2017. Next year, this accumulated total will be the sum of measurement years 2017 and 2018. The total accumulated (collective) amount is allocated proportionately to each participating employer. Since the information is calculated at the plan level, there is no need for participating employers to maintain an amortization schedule.*
1. **Participating employers will receive a proportionate share of each collective deferred outflow and deferred inflow each year.** *This means that participating employers will not be required to maintain amortization schedules for the deferred outflows and deferred inflows.*
 2. **In each future year, the participating employers will reverse their deferred outflows and deferred inflows and record the new accumulated deferrals.** *For example, next year, (measurement year 2018) you will reverse all PLAN level deferrals on your financial statements that were recorded this year. Then you will record the accumulated combined deferred amounts (for both years 2017 and 2018) based on the 2018 proportions provided to you in next year's schedules.*
 3. **This also will create a change in proportionate share in future years that will be calculated for you.** *A change in proportionate share for each participating employer will be recognized as pension expense and a **deferred outflow or inflow related to the Change in Proportion** will be established.*

To Summarize: Amortization schedules will not be maintained by the participating employers for these plan amounts. The amounts to be recognized in future years will be provided by the plan as a collective amount in the future years. In each future year, employers will be reversing out the balance of deferred outflows and deferred inflows that are recorded in their financials and will be provided the new accumulated (collective) amounts to record that year.

- In compliance with GASB 75, paragraph 68, contributions paid after the measurement date of the ending Net OPEB Liability (08/31/17) and before the end of your reporting period (08/31/18 or 6/30/18) that is recorded as a deferred outflow on this year's financials will need to be reversed **next** year. This needs to be done before any other entries. **This means that next year, this deferral will be reversed before you reverse the prior years deferred outflows and deferred inflows as discussed in items 1 thru 3 above.** This entry will be an ongoing requirement so it will be kept separate.

The following instructions are intended to explain the purpose of each schedule and how to use the related information provided by TRS. It should be used in conjunction with guidance by your oversight agency. [Texas Education Agency \(TEA\)](#).

Schedules Provided

Name of Schedule	Audited?	Purpose
Schedule of Employer's Proportionate Shares (Allocations)	Yes*	To show the basis of the allocation
Schedule of OPEB Amounts by Employer	Yes*	To provide amounts for journal entries
Schedule of OPEB Expense Detail by Employer	No**	To provide the additional detail on the components of the Plan OPEB Expense on the <i>Schedule of OPEB Amounts by Employer</i>
Schedule of Future Deferrals	No**	To provide the future annual amortization of the balance of Deferred Outflows (Inflows)
Schedule of On-Behalf Payments by the Non-Employer Contributing Entity	No**	To provide amounts for journal entries recognizing the State's contributions on behalf of employers

*The audit was performed by the Texas State Auditor's Office specifically for the two AICPA recommended GASB 75 Schedules shown below:

- The **Schedule of Employer's Proportionate Shares (Allocations)** contains the employer contributions and their proportionate shares only. This schedule provides the contribution amounts on which the proportions are based. Refer to the ***Notes to the Allocation Schedule, C - Employer Contributions*** for potential adjustments that may have been made to your reporting entity to arrive at the contributions as presented.
- The **Schedule of OPEB Amounts by Employer** is the basis of the journal entries required by GASB. It contains the Beginning Net OPEB Liability, employer contributions, deferred outflows and inflows of resources and the Ending Net OPEB Liability. It also contains the accumulated (cumulative for all years) deferred outflows and deferred inflows.

** **The Schedule of OPEB Expense Detail by Employer** details the components of the OPEB expense. While the SAO did not render an opinion on this schedule, the total flows to the **Schedule of OPEB Amounts by Employer**, column 22 which was audited.

** **The Schedule of Future Deferrals** contains the details needed to prepare the note disclosures. While the SAO did not render an opinion on this schedule, the total of columns 16 and 21 flows to the **Schedule of OPEB Amounts by Employer** which was audited.

****The Schedule of On-Behalf Payments by the Non-Employer Contributing Entity** is an unaudited schedule and is the source of the journal entry for GASB 75, paragraph 69.

Step by Step Instructions: The detailed instructions on how to use the schedules to prepare the journal entries are provided separately. See **"Instructions for Journal Entries"**