

Instructions for Using the FY 2022 GASB 75 Schedules

Measurement Year Ended 08/31/21

- *This is the fifth year of implementation of GASB 75 and TRS maintains the amortization by year for the plan amounts of each deferred outflow of resources and deferred inflow of resources. The sum of all years' layers will equal the "collective" or "accumulated" total for each deferral. There will be five years (layers), which are measurement years 2017 thru 2021. 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 the participating employers to maintain an amortization schedule.*
1. **Participating employers will receive a proportionate share of each collective deferred outflow of resources and deferred inflow of resources 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 subsequent year, the participating employers will reverse the prior year accumulated deferred outflows and deferred inflows and then record the new accumulated deferred outflows and deferred inflows.** *For example, for fiscal year 2022 (measurement year 2021) you will reverse all PLAN level deferrals (2017 thru 2020) that were recorded last year. Then you will record the new accumulated combined deferred amounts (total for 2017 thru 2021) based on the 2021 proportions provided to you in this year's schedule.*
 3. **This also will create a change in proportionate share that has been calculated for you.** *A change in proportionate share for each participating employer will be recognized as OPEB expense and either a **deferred outflow or deferred 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 cumulative 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 (08/31/21) and before the end of the reporting period (08/31/22 or 6/30/22) that were recorded as a deferred outflow on last year's financials will need to be reversed this year. This needs to be done before any other entries. **This means that this deferred outflow entry from last year 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 plan level Discount Rate Sensitivity of the Net OPEB Liability can be found in the 2021 TRS Annual Comprehensive Financial Report, Note 9, page 77. Employers will need to apply their proportionate share to these amounts to get the 1% decrease and 1% increase in the discount rate for their reporting entity.
- The plan level Discount Rate Sensitivity of the Net OPEB Liability to the Health Care Cost Trend Rate Assumption can be found in the 2021 TRS Annual Comprehensive Financial Report, Note 9, page 78. Employers will need to apply their proportionate share to these amounts to get the 1% decrease and 1% increase in the discount rate for their reporting entity.

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 \(TEA\)](https://tea.texas.gov/finance/audit),

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 detail on the components of the Plan OPEB Expense on the <i>Schedule of OPEB Amounts by Employer</i>
Schedule of 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 **2021 GASB 75 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 Notes are located in the Audited file on a separate tab.
- The **2021 GASB 75 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 of resources, deferred inflows of resources and the Ending Net OPEB Liability. It also contains the accumulated (cumulative for all years) deferred outflows of resources and deferred inflows of resources.

**** The 2021 Unaudited 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 **2021 GASB 75 Schedule of OPEB Amounts by Employer**, columns 8 and 24 which was audited.

**** The 2021 Unaudited Schedule of Deferrals by Employer** contains the details needed to prepare the note disclosures. While the SAO did not render an opinion on this schedule, column 2 ties to the net total of columns 18 and 23 on the **Schedule of OPEB Amounts by Employer** which was audited. Column 18 is shown as a positive but is actually a negative.

****The Schedule of On-Behalf Payments by the Non-Employer Contributing Entity** is an unaudited schedule and is the source of journal entry #15 for GASB 75, paragraph 106.

Step by Step Instructions: The detailed instructions on how to use the schedules to prepare the journal entries are provided separately. See ***"Instructions for 2021 GASB 75 Journal Entries"***.