

# Appendix B

## GASB 75 Entries for Universities, Community Colleges and Component Units

### 1. Info tab: Select your entity.

GASB 75 Template – RHBF  
Component Units  
Fiscal Year Ended June 30, 2018

Choose Your Agency:  << Click to see a list of agencies (sorted by agency type).

**GoTo "Detail" Tab — Enter Employer Contributions (FY2018).**

RHBF Number: 20100

This template automatically generates the GASB 75 journal entries (13th period) and certain note disclosures (see below) for the following component units that participate in the Retiree Health Benefit Fund (RHBF):

- University of North Carolina System (19)
- Community colleges (58)
- N.C. Housing Finance Agency
- State Education Assistance Authority
- State Health Plan
- N.C. State Ports Authority
- N.C. Global TransPark Authority

This template provides note disclosures required by GASB 75, paragraphs 96h(1) thru (5), 96i(1), and 96i(2). It also provides information needed to complete CAFR worksheet 310.

The OPEB data in this template was obtained from the Department of State Treasurer. The Office of the State Auditor (OSA) has completed a financial audit of the RHBF Schedule of Employer Allocations and the RHBF Schedule of OPEB Amounts by Employer for the year ended June 30, 2017. Component units will report the FY2017 OPEB allocations for DIPNC in their FY2018 financial statements. Each component unit should verify that the OPEB amounts provided by this template agree with the OPEB schedules in OSA's audit report (see link below).

#### **OSA's Audit Report**

##### **Retiree Health Benefit Fund – Financial Audit of Schedules**

<http://www.ncauditor.net/EPSWeb/Reports/Financial/FIN-2017-3400E.pdf>

*Note: This template was developed by the NC Office of the State Controller. If you have any questions about this template, please contact Virginia Sisson at (919) 707-0530 or [virginia.sisson@osc.nc.gov](mailto:virginia.sisson@osc.nc.gov)*

2. **Detail tab: Entries 1, 2, and 3 on this tab are the details of what make up the entry you will record in your financial statements.**

**Entry 1 – Restate Beginning Net Position**

Restatement amount is the difference between the beginning balances for the net OPEB liability and deferred outflows for OPEB.

GASB 75 paragraph 244(a) states that an employer must restate OPEB contributions made subsequent to the measurement date of the beginning net OPEB liability but before the beginning of the government's fiscal year.

Entry	Account Name	NCAS Number	Debit	Credit	Description	Notes
<b>BEGINNING BALANCES (FORMULAS)</b>						
(1)	Restatement - net position	330001	459,917,999		Calculated	
	Deferred outflows for OPEB	129720	10,027,469		Employer contributions made during the prior fiscal year	
	Net OPEB liability	229160		469,945,468	Beginning net OPEB liability	
(To record the beginning balances of the net OPEB liability and deferred outflows for OPEB)						

Employer's proportionate share of the beginning net OPEB liability.

3. **You will enter your current year retirement contributions in the red box in entry (3). This will be accrued retirement contributions as of 6/30/18. This should be the same amount as you have already recorded for your current year contributions in your financial statements.**

**Entry 2 – Change in OPEB amounts (current year activity)**

**Entry 3 – Contributions after the measurement date**

Entry	Account Name	NCAS Number	Debit	Credit	Description
<b>CURRENT FISCAL YEAR ENTRIES</b>					
<u>Change in OPEB Amounts (FORMULAS)</u>					
(2)	Net OPEB liability-noncurrent	229160	153,285,381		Change in the net OPEB liability
	Deferred inflows for OPEB	229220		117,685	Difference between projected/actual investment earnings
	OPEB expense	531598	7,544,851		Change in net OPEB liability recognized immediately
	Deferred inflows for OPEB	229220		22,705,111	Difference between expected/actual experience
	Deferred inflows for OPEB	229220		87,206,742	Changes of assumptions
	Deferred inflows for OPEB	229220		40,773,225	Change in proportion, contributions during measurement period
	Deferred outflows for OPEB	129720		10,027,469	Reversal of beginning deferred outflow balance – per actuary
(To record changes in the net OPEB liability, deferred outflows/inflows of resources for OPEB, OPEB expense, and reversal of deferred outflow in entry 1)			160,830,232	160,830,232	
<b>After Measurement Date (MANUAL ENTRY)</b>					
(3)	<b>Deferred outflows for OPEB (FY2018 Employer Contributions)</b>	129720	10,028,000		<b>FY2018 employer contributions – per agency/institution</b>
	RHBF contributions	531520		10,028,000	Calculated
(To record OPEB contributions after the measurement date)			10,028,000	10,028,000	
Calculated by multiplying the covered payroll for RHBF (on an accrual basis) by 6.05% (the 2017-18 employer contribution rate for RHBF)					

This is the only amount that the employer will have to provide this year. It's the total of the current fiscal year contributions made to RHBF.

Because the contributions were made after the measurement date of 6/30/17, OPEB contributions has to be credited and the contributions recorded as a deferred outflow. In the next fiscal year, this will

4. Summary tab: This is the summarized entry from all of the detail. This is the entry you will use to record in your financial statements.
- a. You will use 6/30/18 effective date.

**Summary – 13<sup>th</sup> period entry**

**ABC UNIVERSITY  
GASB 75 Journal Entries – RHBF  
Fiscal Year Ended June 30, 2018**

Account Name	NCAS Number	Debit	Credit	13th Period Entry, Net Debit (Credit)
Net OPEB liability–noncurrent	229160	\$ 153,285,381	\$ 469,945,468	\$ (316,660,087)
Deferred outflows for OPEB	129720	20,055,469	10,027,469	10,028,000
Deferred inflows for OPEB	229220	—	150,802,763	(150,802,763)
OPEB expense	531598	7,544,851	—	7,544,851
RHBF contributions	531520	—	10,028,000	(10,028,000)
Restatement–net position	330001	459,917,999	—	459,917,999
Totals		\$ 640,803,700	\$ 640,803,700	\$ —

5. Disclosures tab: This is the information you will use to complete your note disclosures.

1) Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB by Classification:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Amount to be Recognized in OPEB Expense
Difference between actual and expected experience	\$ —	\$ 22,705,111	\$ (22,705,111)
Changes of assumptions	—	87,206,742	(87,206,742)
Net difference between projected and actual earnings on OPEB plan investments (see note below)	—	117,685	(117,685)
Change in proportion and differences between agency's contributions and proportionate share of contributions	—	40,773,225	(40,773,225)
Contributions subsequent to the measurement date	10,028,000	—	
Total	\$ 10,028,000	\$ 150,802,763	\$ (150,802,763)

*Note: Collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual OPEB plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to OPEB or a net collective deferred inflow of resources related to OPEB. (GASB 75, paragraph 86b and 96h(3))*

Source: GASB 75, paragraph 96h(1) thru (5)

These are the amounts that will be amortized over the average expected remaining service lives of active and inactive employees.

Per GASB 75, paragraph 86b, this amount will be amortized over a 5 year closed period.

Contributions made after the measurement date are not amortized. This amount will reduce the net OPEB liability in the next fiscal year.

**Amount of the Employer’s Balance of Deferred Outflows of Resources that will be included as a Reduction of the Net OPEB Liability in the Fiscal Year Ended June 30, 2019:**

Deferred Outflow Amount	<u>\$ 10,028,000</u>
-------------------------	----------------------

*Source: GASB 75, paragraph 96i(2)*

**Schedule of the Net Amount of the Employer’s Balances of Deferred Outflows of Resources and Deferred Inflows of Resources that will be Recognized in OPEB Expense:**

Year ended June 30:	
2019	\$ (30,166,437)
2020	(30,166,437)
2021	(30,166,437)
2022	(30,166,436)
2023	<u>(30,137,016)</u>
Total	<u>\$ (150,802,763)</u>

Note: negative amounts indicate amortization of OPEB deferrals that will decrease OPEB expense.

*Source: GASB 75, paragraph 96i(1)*

6. Disclosures tab – This is the information you will use to complete the worksheet 310 – Changes in Long-Term Liabilities in the CAFR package.

4) Changes in Long-term Liabilities (Worksheet 310)

	Net OPEB Liability
Balance July 1, 2017	\$ —
Prior year adjustments	469,945,468
Additions	—
Deletions (see Note 1)	(153,285,381)
Balance, June 30, 2018	<u>\$ 316,660,087</u>
Due within one year (see Note 2)	<u>\$ —</u>

*Note 1: Employers should disclose the net change amount (instead of both additions and deletions) and reference that more information on the net OPEB liability is available in the separate note on OPEB plans. Since the amount reported is the employer's proportionate share of the collective net OPEB liability, additions and deletions are not relevant for this disclosure. The collective net OPEB liability equals the total OPEB liability for the OPEB plan, net of the plan's fiduciary net position.*

*Note 2: If the employer reports a net OPEB liability under Statement 75, the amount of the net OPEB liability that is "due" within one year is the amount of benefit payments expected to be paid within one year, net of the OPEB plan's fiduciary net position available to pay that amount. Therefore, there would be no amount that is "due" within one year unless the OPEB plan's fiduciary net position is less than the amount of benefit payments expected to be paid within one year. (Comprehensive Implementation Guide, 7.22.6)*