

GASB 75 Reconciliation and Sample Journal Entries for Health Insurance Credit - Teacher For the Measurement Date of June 30, 2018.

Information used in these sample entries is related to the Teacher HIC Plan and Employer 40100.

(Page references are related to the GASB Statement No. 75 Report for the Virginia Retirement System prepared as of June 30, 2018)

Reconciliation of Entries Necessary to Record June 30, 2018 Net OPEB Liability

| | All Employers | | | Employer 40100 | | |
|--|-------------------------|-------------------------|---------|---------------------|---------------------|---------|
| | Debit | Credit | | Debit | Credit | |
| Net OPEB Liability - July 1, 2017 | \$ 1,268,611,000 | | p 188 | \$ 4,366,000 | | p 186 |
| FY 2017 Deferred Inflows of Resources | \$ 25,061,000 | | FY 2017 | \$ 53,000 | | FY 2017 |
| FY 2018 Employer OPEB Expense | \$ 103,517,000 | | P 182 | \$ 366,000 | | p 180 |
| FY 2018 Deferred Outflows of Resources | \$ 17,662,000 | | P 182 | \$ 50,000 | | p 180 |
| FY 2018 Employer Contributions | | \$ 99,469,000 | (A) | | \$ 344,000 | (A) |
| FY 2017 Deferred Outflows of Resources | | \$ 9,737,000 | FY 2017 | | \$ 34,000 | FY 2017 |
| FY 2018 Deferred Inflows of Resources | | \$ 35,971,000 | P 182 | | \$ 63,000 | p 180 |
| Net OPEB Liability - June 30, 2018 | | \$ 1,269,674,000 | p 188 | | \$ 4,394,000 | p 186 |
| | <u>\$ 1,414,851,000</u> | <u>\$ 1,414,851,000</u> | | <u>\$ 4,835,000</u> | <u>\$ 4,835,000</u> | |

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher HIC OPEB Plan in FY 2018 and not the agency's actual employer contributions.

Refer to MD 6-30-2018 - Analysis of FY 2018 Changes in Net OPEB Liability - HIC - Teacher under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2017 Net OPEB Liability and Reverse FY 2017 Deferred Inflows and Outflows.

| | All Employers | | | Employer 40100 | |
|--|-------------------------|-------------------------|------------|---------------------|---------------------|
| | Debit | Credit | | Debit | Credit |
| Net OPEB Liability - July 1, 2017 | \$ 1,268,611,000 | | p 188 | \$ 4,366,000 | p 186 |
| FY 2017 Deferred Inflows of Resources | \$ 25,061,000 | | FY 2017 | \$ 53,000 | FY 2017 |
| FY 2017 Deferred Outflows of Resources | | \$ 9,737,000 | FY 2017 | | \$ 34,000 |
| Adjusted Net OPEB Liability - July 1, 2017 | | \$ 1,283,935,000 | Calculated | | \$ 4,385,000 |
| | <u>\$ 1,293,672,000</u> | <u>\$ 1,293,672,000</u> | | <u>\$ 4,419,000</u> | <u>\$ 4,419,000</u> |

This entry establishes the adjusted Net OPEB Liability at July 1, 2017 exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2017 Reclassification the FY 2018 Employer Contributions as Deferred Outflows Of Resources.

| | All Employers | | | Employer 40100 | |
|--|---------------|-------------|--|----------------|-------------|
| | Debit | Credit | | Debit | Credit |
| FY 2018 Employer Contributions | \$ - | | | \$ - | |
| FY 2017 Deferred Outflows of Resources | | \$ - | | | \$ - |
| | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> | <u>\$ -</u> |

This is the employer's FY 2018 Employer Contributions for the Teacher HIC OPEB Plan. Since the Measurement Date for the prior year was June 30, 2017, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2018 Financial Statements.

3. To set up June 30, 2018 Deferred Inflows and Outflows and Record FY 2018 OPEB Expense.

| | All Employers | | | Employer 40100 | | |
|--|-----------------------|-----------------------|------------|-------------------|-------------------|------------|
| | Debit | Credit | | Debit | Credit | |
| FY 2018 Employer OPEB Expense | \$ 103,517,000 | | P 182 | \$ 366,000 | | p 180 |
| FY 2018 Deferred Outflows of Resources | \$ 17,662,000 | | P 182 | \$ 50,000 | | p 180 |
| Net OPEB Liability - June 30, 2018 | \$ 14,261,000 | | Calculated | \$ 9,000 | | Calculated |
| FY 2018 Employer Contributions | | \$ 99,469,000 | (A) | \$ 344,000 | | (A) |
| FY 2018 Deferred Inflows of Resources | | \$ 35,971,000 | P 182 | \$ 63,000 | | p 180 |
| | <u>\$ 135,440,000</u> | <u>\$ 135,440,000</u> | | <u>\$ 416,000</u> | <u>\$ 416,000</u> | |

This entry records the FY 2018 Employer OPEB Expense and the related Deferred Inflows and Outflows at June 30, 2018.

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher HIC OPEB Plan in FY 2018 and not the agency's actual employer contributions.

Refer to MD 6-30-2018 - Analysis of FY 2018 Changes in Net OPEB Liability - HIC - Teacher under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2019 Employer Contributions as Deferred Outflows Of Resources.

| | All Employers | | | Employer 40100 | | |
|--|---------------|-------------|--|----------------|-------------|--|
| | Debit | Credit | | Debit | Credit | |
| FY 2018 Deferred Outflows of Resources | \$ - | | | \$ - | | |
| FY 2019 Employer Contributions | | \$ - | | | \$ - | |
| | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> | <u>\$ -</u> | |

This is the employer's FY 2019 Employer Contributions for the Teacher HIC OPEB. Since the Measurement Date is June 30, 2018, employer contributions made after that date must be reclassified as Deferred Outflows of Resources. These contributions will be part of the Total Employer OPEB Expense in the FY 2020 Financial Statements.