

**GASB 75 Reconciliation and Sample Journal Entries for Health Insurance Credit - Political Subs
For the Measurement Date of June 30, 2020.**

Information used in these sample entries is related to the Political Subs HIC Plan and Employer 55100.

(Page references are related to the GASB Statement No. 75 Report for the Virginia Retirement System prepared as of June 30, 2020)

Reconciliation of Entries Necessary to Record June 30, 2020, Net OPEB Liability

	All Employers			Employer 55100	
	Debit	Credit		Debit	Credit
Net OPEB Liability - July 1, 2019	\$ 19,076,608		p 166	\$ 249,979	p 163
FY 2019 Deferred Inflows of Resources	\$ 1,727,884		FY 2019	\$ 17,030	FY 2019
FY 2020 Employer OPEB Expense	\$ 34,860,988		p 158	\$ 19,939	p 153
FY 2020 Deferred Outflows of Resources	\$ 3,961,058		p 158	\$ 12,159	p 153
FY 2020 Employer Contributions		\$ 2,553,186	(A)		\$ 30,407 (A)
FY 2019 Deferred Outflows of Resources		\$ 2,491,139	FY 2019		\$ 12,963 FY 2019
FY 2020 Deferred Inflows of Resources		\$ (1,560,433)	p 158		\$ (17,745) p 153
Net OPEB Liability - June 30, 2020		\$ 53,021,780	p 166		\$ 237,992 p 163
	<u>\$ 59,626,538</u>	<u>\$ 56,505,672</u>	3,120,866.00	<u>\$ 299,107</u>	<u>\$ 263,617</u>

A - The employer contributions are the proportionate share of the total regular employer contributions to the Political Subs HIC OPEB Plan in FY 2020 and not the agency's actual employer contributions.

Refer to MD 6-30-2020 - Analysis of FY 2020 Changes in Net OPEB Liability - HIC - Political Subs under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2019, Net OPEB Liability and Reverse FY 2019 Deferred Inflows and Outflows.

	All Employers			Employer 55100	
	Debit	Credit		Debit	Credit
Net OPEB Liability - July 1, 2019	\$ 19,076,608		p 166	\$ 249,979	p 163
FY 2019 Deferred Inflows of Resources	\$ 1,727,884		FY 2019	\$ 17,030	FY 2019
FY 2019 Deferred Outflows of Resources		\$ 2,491,139	FY 2019	\$ 12,963	FY 2019
Adjusted Net OPEB Liability - July 1, 2019		\$ 18,313,353	Calculated	\$ 254,046	Calculated
	\$ 20,804,492	\$ 20,804,492		\$ 267,009	\$ 267,009

This entry establishes the adjusted Net OPEB Liability at July 1, 2019, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2019 Reclassification of the FY 2020 Employer Contributions as Deferred Outflows of Resources.

	All Employers		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2020 Employer Contributions	\$	—	\$	—
FY 2019 Deferred Outflows of Resources		\$		\$
	\$	—	\$	—

This is the employer's FY 2020 Employer Contributions for the Political Subs HIC OPEB Plan. Since the Measurement Date for the prior year was June 30, 2019, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2020 Financial Statements.

3. To set up June 30, 2020, Deferred Inflows and Outflows and Record FY 2020 OPEB Expense.

	All Employers		Employer 55100	
	Debit	Credit	Debit	Credit
FY 2020 Employer OPEB Expense	\$ 34,860,988	p 158	\$ 19,939	p 153
FY 2020 Deferred Outflows of Resources	\$ 3,961,058	p 158	\$ 12,159	p 153
Net OPEB Liability - June 30, 2020	\$ 37,829,293	Calculated	\$ (19,436)	Calculated
FY 2020 Employer Contributions	\$ 2,553,186	(A)	\$ 30,407	(A)
FY 2020 Deferred Inflows of Resources	\$ (1,560,433)	p 158	\$ (17,745)	p 153
	<u>\$ 38,822,046</u>	<u>\$ 38,822,046</u>	<u>\$ 12,662</u>	<u>\$ 12,662</u>

This entry records the FY 2020 Employer OPEB Expense and the related Deferred Inflows and Outflows at June 30, 2020.

A - The employer contributions are the proportionate share of the total regular employer contributions to the Political Subs HIC OPEB Plan in FY 2020 and not the agency's actual employer contributions.

Refer to MD 6-30-2020 - Analysis of FY 2020 Changes in Net OPEB Liability - HIC - Political Subs under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2021 Employer Contributions as Deferred Outflows of Resources.

	All Employers		Employer 40100	
	Debit	Credit	Debit	Credit
FY 2020 Deferred Outflows of Resources	\$	—	\$	—
FY 2021 Employer Contributions		\$		\$
	\$	—	\$	—

This is the employer's FY 2021 Employer Contributions for the Political Subs HIC OPEB. Since the Measurement Date is June 30, 2020, 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 2022 Financial Statements.