

**GASB 75 Reconciliation and Sample Journal Entries for Line of Duty Disability (LODA)
For the Measurement Date of June 30, 2022.**

Information used in these sample entries is related to the LODA Plan and Employer 30154.

(Page references are related to the GASB Statement No. 75 Report for the Virginia Retirement System prepared as of June 30, 2022)

Reconciliation of Entries Necessary to Record June 30, 2022, Net OPEB Liability

| | All Employers | | Employer 30154 | |
|---|-----------------------|-----------------------|---------------------|---------------------|
| | Debit | Credit | Debit | Credit |
| Net OPEB Liability - July 1, 2021 | \$ 440,991,605 | | \$ 1,608,341 | |
| | | p 269 | | p 269 |
| FY 2021 Deferred Inflows of Resources | \$ 121,774,120 | | \$ 458,085 | |
| | | FY 2021 | | FY 2021 |
| FY 2022 Employer OPEB Expense | \$ 50,699,511 | | \$ 193,953 | |
| | | p 264 | | p 264 |
| FY 2022 Deferred Outflows of Resources | \$ 175,544,994 | | \$ 616,248 | |
| | | p 264 | | p 264 |
| FY 2022 Employer Contributions | | \$ 13,772,536 | | \$ 52,747 |
| | | (A) | | (A) |
| FY 2021 Deferred Outflows of Resources | | \$ 190,159,689 | | \$ 630,783 |
| | | FY 2021 | | FY 2021 |
| FY 2022 Deferred Inflows of Resources | | \$ 206,622,398 | | \$ 743,688 |
| | | p 264 | | p 264 |
| Net OPEB Liability - June 30, 2022 (payable in one year) | | \$ 8,294,004 | | \$ 31,765 |
| | | (B) | | (B) |
| Net OPEB Liability - June 30, 2022 (payable after one year) | | \$ 370,161,603 | | \$ 1,417,644 |
| | | p 269 minus B | | p 269 minus B |
| | <u>\$ 789,010,230</u> | <u>\$ 789,010,230</u> | <u>\$ 2,876,627</u> | <u>\$ 2,876,627</u> |

A - The employer contributions are the proportionate share of the total regular employer contributions to the LODA OPEB Plan in FY 2022 and not the agency's actual employer contributions. Refer to MD 6-30-2022 - Analysis of FY 2022 Changes in Net OPEB Liability - LODA under GASB Audit Opinions and Disclosure Guidance on the VRS website.

B - Because the Net Position for the LODA fund is not sufficient to cover the projected benefit expenses in the following fiscal year, the difference is considered "due within one year" and must be classified separately in the financial statements. See GASB Implementation Guide No. 2017-1 question 5.31.

Refer to MD 6-30-2022 - NET OPEB Liability - LODA (Due in 1 year) under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2021, Net OPEB Liability and Reverse FY 2021 Deferred Inflows and Outflows.

| | All Employers | | | Employer 30154 | |
|--|----------------|----------------|------------|----------------|-------------------------|
| | Debit | Credit | | Debit | Credit |
| Net OPEB Liability - July 1, 2021 | \$ 440,991,605 | | p 269 | \$ 1,608,341 | p 269 |
| FY 2021 Deferred Inflows of Resources | \$ 121,774,120 | | FY 2021 | \$ 458,085 | FY 2021 |
| FY 2021 Deferred Outflows of Resources | | \$ 190,159,689 | FY 2021 | | \$ 630,783 FY 2021 |
| Adjusted Net OPEB Liability - July 1, 2021 | | \$ 372,606,036 | Calculated | | \$ 1,435,643 Calculated |
| | \$ 562,765,725 | \$ 562,765,725 | | \$ 2,066,426 | \$ 2,066,426 |

This entry establishes the adjusted Net OPEB Liability at July 1, 2021, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2021 Reclassification of the FY 2022 Employer Contributions as Deferred Outflows of Resources.

| | All Employers | | Employer 30154 | |
|--|---------------|--------|----------------|--------|
| | Debit | Credit | Debit | Credit |
| FY 2022 Employer Contributions | \$ | — | \$ | — |
| FY 2021 Deferred Outflows of Resources | | \$ | | \$ |
| | \$ | — | \$ | — |

This is the employer's FY 2022 Employer Contributions for the LODA. Since the Measurement Date for the prior year was June 30, 2021, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2022 Financial Statements.

3. To set up June 30, 2022, Deferred Inflows and Outflows and Record FY 2022 OPEB Expense.

| | All Employers | | Employer 30154 | |
|--|-----------------------|-----------------------|-------------------|-------------------|
| | Debit | Credit | Debit | Credit |
| FY 2022 Employer OPEB Expense | \$ 50,699,511 | | \$ 193,953 | |
| | | p 264 | | p 264 |
| FY 2022 Deferred Outflows of Resources | \$ 175,544,994 | | \$ 616,248 | |
| | | p 264 | | p 264 |
| Net OPEB Liability - June 30, 2022 | | \$ 5,849,571 | | \$ 13,766 |
| | | Calculated | | Calculated |
| FY 2022 Employer Contributions | | \$ 13,772,536 | | \$ 52,747 |
| | | (A) | | (A) |
| FY 2022 Deferred Inflows of Resources | | \$ 206,622,398 | | \$ 743,688 |
| | | p 264 | | p 264 |
| | <u>\$ 226,244,505</u> | <u>\$ 226,244,505</u> | <u>\$ 810,201</u> | <u>\$ 810,201</u> |

This entry records the FY 2022 Employer OPEB Expense and the related Deferred Inflows and Outflows at June 30, 2022.

A - The employer contributions are the proportionate share of the total regular employer contributions to the LODA OPEB Plan in FY 2022 and not the agency's actual employer contributions.

Refer to MD 6-30-2022 - Analysis of FY 2022 Changes in Net OPEB Liability - LODA under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2023 Employer Contributions as Deferred Outflows of Resources.

| | All Employers | | Employer 30154 | |
|--|---------------|--------|----------------|--------|
| | Debit | Credit | Debit | Credit |
| FY 2022 Deferred Outflows of Resources | \$ | — | \$ | — |
| FY 2023 Employer Contributions | | \$ | | \$ |
| | \$ | — | \$ | — |

This is the employer's FY 2023 Employer Contributions for the LODA OPEB. Since the Measurement Date is June 30, 2022, 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 2024 Financial Statements.