



North Carolina Office of the State Controller

Financial Reporting Update

GASB 75 Effective for FY 2018

January 26, 2018

Update: August 16, 2018 – Added implementation guidance and appendices; links to OSA’s audit reports on the OPEB schedules for RHBF and DIPNC and links to OSC’s GASB 75 Templates (component units).

Update: April 30, 2019 – Clarified how to classify the DIPNC asset as a component of restricted net position and added GASB Codification references.

In June 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as well as the requirements of Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, as they relate to other postemployment benefits (OPEB) that are provided through OPEB plans administered as trusts or equivalent arrangements that meet certain criteria.

GASB 75 is effective for the fiscal year ending June 30, 2018. The objective of this statement is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

A major change is the reporting of the net OPEB liability on the statement of net position (i.e., total OPEB liability for the OPEB plan, which is actuarially based, less the plan's fiduciary net position). Under previous OPEB standards, this liability was reflected only in the note disclosures. Employers that participate in a cost-sharing multiple-employer defined benefit OPEB plan (e.g., Retiree Health Benefit Fund) are required to recognize liabilities for their proportionate share of the collective net OPEB liability. Also, the auditors of participating employers will require assurances that the OPEB amounts reported on the statement of net position are accurate and supported by verifiable audit evidence.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit OPEB plans, the statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement also establishes requirements related to special funding situations for defined contribution OPEB plans. Note disclosures and RSI requirements about OPEB are also addressed.



The provisions of this statement apply to the financial statements of all state and local governmental employers whose employees are provided with OPEB through OPEB plans that are administered through trusts. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.

To gain additional understanding of GASB 75, please refer to the following resources:

- a. The GASB webpage from which you can access a PDF file of GASB 75 as well as other GASB pronouncements – [GASB Pronouncements](#)
- b. GASB Plain-Language Article – [GASB Proposals Would Significantly Improve Reporting of Retiree Health Insurance and Other Benefits](#)
- c. GASB Q&A – [The GASB's OPEB Proposals](#)
- d. GASB In Focus – [GASB Statement No. 74 and GASB Statement No. 75](#)

GASB 75 Implementation

The State of North Carolina currently administers three postemployment benefit plans as pension and other employee benefit trust funds: the Retiree Health Benefit Fund (RHBF), the Disability Income Plan of North Carolina (DIPNC), and the Retirees' Contributory Death Benefit Plan (CDBP).

- a. The RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan established to provide benefits to retired and disabled employees and their applicable beneficiaries.
- b. The DIPNC is a cost-sharing, multiple-employer defined benefit plan established to provide short-term and long-term disability benefits to the eligible members of the Teachers' and State Employees' Retirement System and the University Employees' Optional Retirement Program.
- c. The CDBP is a single-employer defined benefit plan that provides a group life insurance option to all retired members of the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System.

As part of the GASB 75 implementation, component units and proprietary funds of the State primary government will be required to make year-end entries to record their proportionate share of the net OPEB liability, OPEB expense, and associated deferred inflows of resources and deferred outflows of resources for the cost-sharing, multiple-employer OPEB plans in which they participate. (The RHBF and the DIPNC are the State's two cost-sharing, multiple-employer OPEB plans.) The net OPEB liability will be measured as of June 30, 2017. (Note: GASB 75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year.) Additionally, net position will need to be restated to record the beginning balance of the net OPEB liability and the deferred outflow of resources for employer contributions made subsequent to the measurement date of the beginning net OPEB liability but before the start of the government's fiscal year. OPEB entries for governmental funds of the State primary government will be made at a statewide level by OSC and will be recorded at the government-wide functional level.



The RHBF entries referenced in the preceding paragraph will impact unrestricted net position because the RHBF is in a liability position. (This treatment is consistent with that of TSERS.) However, because DIPNC is in an asset position, the DIPNC entries will impact restricted net position. GASB Codification Section 1800 .734-6 defines the restricted component of net position as the restricted assets reduced by liabilities, as well as deferred inflows, related to those assets. Thus, the impact on DIPNC's restricted net position will be the DIPNC asset reduced by the DIPNC deferred inflows. If the deferred inflows of resources related to the DIPNC asset exceeds the DIPNC asset, no restricted component of net position should be reported. In that case, the net negative amount should reduce unrestricted net position (GASB Codification 1800 .734-9).

GASB Codification Section 2300.131 requires that a government should provide an explanation of the impact on its net position in the notes to the financial statements when a component of net position (net investment in capital assets, restricted, unrestricted) is significantly impacted by a transaction resulting in recognition of a deferred outflow or inflow of resources.

The impact of GASB 75 is deemed to have a significant impact on the financial statements of the State of North Carolina as well as certain other entities within the State of North Carolina's reporting entity, including but not limited to, universities and community colleges. If an entity determines that the transactions to record the RHBF liability and associated deferrals have a significant effect on unrestricted net position, the entity should disclose the impact in its standalone note disclosures. Similarly, if an entity determines that the transactions to record the DIPNC asset and associated deferrals have a significant effect on restricted net position, the entity should disclose the impact in its standalone note disclosures. The North Carolina Office of the State Auditor (OSA) has included a note disclosure in its university and community college proformas for the component units to follow for the impact of the RHBF liability on the unrestricted net position. If deemed significant, the entity should also disclose the impact of the DIPNC transactions on the restricted net position.

OSA has completed a financial audit of the Schedule of Employer Allocations for the year ended June 30, 2017 and June 30, 2016 and the Schedule of OPEB Amounts by Employer for the year ended June 30, 2017 for the State's two cost-sharing, multiple-employer plans. Below are the links to OSA's audit reports for RHBF and DIPNC.

Retirees Health Benefit Fund – Financial Audit of Schedules:

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

Disability Income Plan of North Carolina – Financial Audit of Schedules:

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

OSC has created a separate GASB 75 template for RHBF and DIPNC for component units that incorporates data from the audited schedules. The templates generate for each component unit, the GASB 75 year-end entries and information to assist component units with required GASB 75 note disclosures. Each component unit will verify that the OPEB amounts provided by the template agree with the audited OPEB schedules. Below are the links to the GASB 75 Templates for component units that participate in RHBF and DIPNC:

[GASB 75 Template for Component Units \(RHBF\)](#)

[GASB 75 Template for Component Units \(DIPNC\)](#)



At year-end, OSC will provide State agencies that have proprietary funds with a PDF file of the summarized year-end entries (13th period) they will need to make for their enterprise funds and/or internal service funds and information they will need to complete CAFR worksheet 310.

For additional information regarding the GASB 75 implementation, please refer to the following resources:

- Appendix A: Chart of account changes for GASB 75 – See Attachment below.
- Appendix B: Component unit entry instructions – See Attachment below.
- Appendix C: Proprietary fund entry instructions – See Attachment below.
- Appendix D: CAFR package worksheet examples – See Attachment below.

Thank you for your time and attention to this important change. OSC will continue to provide updates as the standard is implemented. Questions regarding this specific update and/or the GASB 75 templates should be directed to Virginia Sisson at 919-707-0530 or virginia.sisson@osc.nc.gov.

NC Office of the State Controller - GASB 75 Appendix A				
New Accounts Added to Implement GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions				
Effective for fiscal year 2018				
	New	**New		
	NCAS	Colleague	Full Acct Title: Account classification	
	Acct #	Acct #	Definition	
			NCAS acct title (25 characters)	
			Financial statement caption: DSS roll-up	
1	129720	124091	<p>Deferred outflows for OPEB - acct classified as</p> <p>Deferred outflow of resources</p> <p><u>Definition:</u> For deferred outflows defined by GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Amounts reported in this account are amortized over time as OPEB expense. The account should only reflect the allocated portion of deferred outflows for that agency for cost-sharing plans and any deferred outflows associated with single-employer plans administered by the agency. [See GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for more information.]</p>	<p>DEF OUTFLOWS FOR OPEB</p> <p>rolls to new caption</p> <p>"Deferred outflows for OPEB" in the Deferred outflows of resources section on statement of net position (DSS CAFR 11P)</p> <p>Invalid for governmental funds balance sheet (DSS CAFR 11G)</p>
2	129780	142090	<p>Net OPEB asset - Noncurrent - acct clasified as</p> <p>Noncurrent Asset</p> <p><u>Definition:</u> Noncurrent portion of the Net OPEB Asset. This account is classified as a noncurrent asset for financial statement disclosure.</p> <p>Net OPEB Asset: the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, less the OPEB plan's fiduciary net position in which the OPEB plan's fiduciary net position exceeds the total OPEB liability, resulting in a collective net OPEB asset. The account should only reflect the allocated portion of the net OPEB asset for that agency for cost-sharing plans and any net OPEB asset associated with single-employer plans administered by the agency. [See GASB 75, paragraph 59 footnote 14, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for more information.]</p>	<p>NET OPEB ASSET - NONCUR</p> <p>rolls to new caption "Net OPEB asset" in the Noncurrent Assets section on the statement of net position (DSS CAFR11P) Invalid for governmental funds balance sheet (DSS CAFR 11G)</p>
3	229160	242081	<p>Net OPEB liability - Noncurrent - acct classified as</p> <p>Noncurrent Liability</p> <p><u>Definition:</u> Noncurrent portion of the Net OPEB Liability. This account is classified as a long-term liability for financial statement disclosure.</p> <p>Net OPEB Liability: the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, less the OPEB plan's fiduciary net position. The account should only reflect the allocated portion of the net OPEB liability for that agency for cost-sharing plans and any net OPEB liability associated with single-employer plans administered by the agency. [See GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for more information.]</p>	<p>NET OPEB LIAB - NONCUR</p> <p>rolls to new caption "Net OPEB liability" in the Noncurrent Liabilities section on the statement of net position (DSS CAFR 11P)</p> <p>Invalid for governmental funds balance sheet (DSS CAFR 11G)</p>

	New	**New		
	NCAS	Colleague	Full Acct Title: Account classification	NCAS acct title (25 characters)
	Acct #	Acct #	Definition	Financial statement caption: DSS roll-up
4	229220	242091	Deferred inflows for OPEB - acct classified as Deferred inflow of resources <u>Definition:</u> For deferred inflows defined by GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Amounts reported in this account are amortized over time as OPEB expense. The account should only reflect the allocated portion of deferred inflows for that agency for cost-sharing plans and any deferred inflows associated with single-employer plans administered by the agency. [See GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for more information.]	DEF INFLOWS FOR OPEB rolls to new caption " <u>Deferred inflows for OPEB</u> " in the Deferred inflows of resources section on the statement of net position (DSS CAFR 11P) Invalid for governmental funds balance sheet (DSS CAFR 11G)
5	531598	518251	OPEB Expense acct classified as Operating expense <u>Definition:</u> This account reflects the change in net OPEB liability that is recognized immediately and the amortization of deferred inflows/ outflows of resources related to OPEB over time. Proprietary Funds Only. No budgetary/monthly expense transactions will be posted to this account. The only transactions posted to this account should be the year-end accrual entries for the allocated portion of total OPEB expense for that agency for cost-sharing plans and any OPEB expense associated with single-employer plans. [See GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for more information.]	OPEB EXPENSE rolls to existing caption " <u>Personal Services</u> " in the Operating Expenses section on the income statement (DSS CAFR 53P) Invalid for governmental funds income statement (DSS CAFR 52G)
	**For Community Colleges only			

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

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
BEGINNING BALANCES (FORMULAS)						
(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
CURRENT FISCAL YEAR ENTRIES					
<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	
After Measurement Date (MANUAL ENTRY)					
(3)	Deferred outflows for OPEB (FY2018 Employer Contributions)	129720	10,028,000		FY2018 employer contributions - per agency/institution
	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 – 13th 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>
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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)

Appendix C

GASB 75 Entries for Primary Government Proprietary Funds

(business type activities and internal service)

1. Around the first week of August, you will receive a separate PDF file that contains the entry you need to make in NCAS for each proprietary fund.
 - a. You will use 6/30/18 effective date.
 - b. You will use a 31 doc ID.
 - c. For OPEB contributions, use accounts in the 53152X-Reg Retirement contributions account group depending on the type of retirement contributions your agency has.

**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	221960	\$ 207,304	\$ 793,702	\$ (586,398)
Deferred outflows for OPEB ⁽¹⁾	129720	20,628	20,628	—
Deferred inflows for OPEB ⁽¹⁾	229220	—	213,750	(213,750)
OPEB expense	531598	27,074	—	27,074
RHBF contributions	531520	—	—	—
Restatement–net position	330001	773,074	—	773,074
Totals		\$ 1,028,080	\$ 1,028,080	\$ —

**GASB 75 Journal Entries – DIPNC
Fiscal Year Ended June 30, 2018**

Account Name	NCAS Number	Debit	Credit	13th Period Entry, Net Debit (Credit)
Net OPEB asset–noncurrent	129780	\$ 1,133	\$ 49	\$ 1,084
Deferred outflows for OPEB ⁽¹⁾	129720	2,101	1,350	751
Deferred inflows for OPEB ⁽¹⁾	229220	—	—	—
OPEB expense	531598	648	—	648
DIPNC contributions	531520	—	—	—
Miscellaneous expense ⁽²⁾	535900	—	—	—
Miscellaneous income ⁽²⁾	437995	—	—	—
Restatement–net position	330001	—	2,483	(2,483)
Totals		\$ 3,882	\$ 3,882	\$ —

2. The PDF will also contain the information you need to complete a worksheet 310 – Changes in Long-Term Liabilities for the RHBF liability.

Changes in Long-term Liabilities (Worksheet 310)	
	Net OPEB Liability
Balance July 1, 2017	\$ —
Prior year adjustments	793,702
Additions	—
Deletions (see Note 1)	(207,304)
Balance, June 30, 2018	<u>\$ 586,398</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)

3. All entries must be recorded in NCAS by August 3, 2018.

Appendix D

CAFR Package Worksheet Examples for Proprietary Funds and Component Units

Proprietary Funds (business type activities and internal service funds):

Follow the highlighted items below to worksheets 310 and 430 on the following pages to determine how each worksheet should be completed.

RHBF

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	221960	\$ 207,304	\$ 793,702	\$ (586,398)
Deferred outflows for OPEB ⁽¹⁾	129720	20,628	20,628	—
Deferred inflows for OPEB ⁽¹⁾	229220	—	213,750	(213,750)
OPEB expense	531598	27,074	—	27,074
RHBF contributions	531520	—	—	—
Restatement—net position	330001	773,074	—	773,074
Totals		\$ 1,028,080	\$ 1,028,080	\$ —

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



Entry	Account Name	NCAS Number	Sub	Debit	Credit	Description
BEGINNING BALANCES (FORMULAS)						
	Restatement - net position	330001		773,074		Change in proportion, OSC calculated
	Deferred outflows for OPEB	129720		20,628		FY2017 employer contributions – per actuary
	Net OPEB liability	221960			793,702	Beginning net OPEB liability

Changes in Long-term Liabilities (Worksheet 310)

	Net OPEB Liability
Balance July 1, 2017	\$ —
Prior year adjustments	793,702
Additions	—
Deletions (see Note 1)	(207,304)
Balance, June 30, 2018	<u>\$ 586,398</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)

DIPNC

GASB 75 Journal Entries – DIPNC
Fiscal Year Ended June 30, 2018

Account Name	NCAS Number	Debit	Credit	13th Period Entry, Net Debit (Credit)
Net OPEB asset–noncurrent	129780	\$ 1,133	\$ 49	\$ 1,084
Deferred outflows for OPEB ⁽¹⁾	129720	2,101	1,350	751
Deferred inflows for OPEB ⁽¹⁾	229220	—	—	—
OPEB expense	531598	648	—	648
DIPNC contributions	531520	—	—	—
Miscellaneous expense ⁽²⁾	535900	—	—	—
Miscellaneous income ⁽²⁾	437995	—	—	—
Restatement–net position	330001	—	2,483	(2,483)
Totals		<u>\$ 3,882</u>	<u>\$ 3,882</u>	<u>\$ —</u>

GASB 75 Journal Entries – DIPNC
Fiscal Year Ended June 30, 2018



Entry	Account Name	NCAS Number	Sub	Debit	Credit	Description
BEGINNING BALANCES (FORMULAS)						
	Restatement - net position	330001			2,483	Change in proportion, OSC calculated
	Deferred outflows for OPEB	129720		1,350		FY2017 employer contributions – per actuary
	Net OPEB asset	129780		1,133		Beginning net OPEB liability

CAFR worksheet 310 (for RHBF OPEB liability only):

Office of the State Controller
2018 CAFR Worksheets
CHANGES IN LONG-TERM LIABILITIES AND SHORT-TERM DEBT (310)
BUSINESS TYPE ACTIVITIES

NA for State Health Plan

Agency No: _____
Agency Name: _____
Preparer/Phone: _____
Email: _____ 0

GASB Fund No: _____ N/A for GASB 3XXX
Place cursor over cell E14 to view comment.

	Balance July 1, 2017 A	Prior Year Adjustments B	Additions C	Deletions D	Balance June 30, 2018 E	Due Within One Year F
Bonds and similar debt payable:						
Revenue bonds						
GARVEE bonds						
Certificates of participation						
Limited obligation bonds						
Issuance discounts						
Issuance premium						
Arbitrage rebate payable						
Workers compensation						
Notes payable						
Capital leases payable						
Annuity and life income payable						
Federal unemployment a/c advances						
Pollution remediation payable						
Compensated absences						
Net pension liability						
Net OPEB liability		793,702.00		(207,304.00)	586,398.00	
Liability insurance trust fund payable						
Other (Call OSC/describe in Explanations tab)						
Short-term debt:						
Revolving line of credit/Loan						
Commercial paper						
Anticipation notes						

For each type of short-term debt, describe the debt activity and the purpose for which the debt was issued in an attached "CAFR Package Narratives".

Bonds & COPs Payable amounts per column [E] and [F] agree to Statement of Net Position? YES _____ NO _____

CAFR worksheet 430 (combined for RHBF and DIPNC restatements):

**Office of the State Controller
2018 CAFR Worksheets
RESTATEMENTS Business Type Activities (430BTA)
Part 1 of 2 for Fund Equity Restatements**

Agency No: _____ Agency Name: _____
 GASB Fund No: _____ Preparer/Phone: _____
 Email: _____

Complete the following schedule for any GASB fund that has restated numbers (may or may not be fund equity). If fund equity is restated, the amounts should agree to the amounts shown on the operating statement. Restatements for capital assets/long-term debt will not tie to the operating statement. (see note below)

Business-type Activity:

GASB Fund Number	GASB Reclassification	Capital Transactions	Long term/short Term Transactions	Other	Explanation
	Change in July 1, 2017 Fund Equity	Change in July 1, 2017 Balances	Change in July 1, 2017 Balances	Change in July 1, 2017 Fund Equity	
			(793,702.00)		beginning net OPEB liability restatement
				1,133.00	beginning net OPEB asset restatement
				21,978.00	beginning deferred outflows for OPEB restatement
Totals			(793,702.00)	23,111.00	

(770,591.00) Total ALL restatements. Tie back to "restatements" caption on the 53P/905.

Component Units:

Follow the highlighted items below to the ExhA&B and the worksheet 430 on the following pages to determine how each worksheet should be completed.

RHBF

DURHAM TECHNICAL INSTITUTE
GASB 75 Journal Entries – RHBF
Fiscal Year Ended June 30, 2018

Entry	Account Name	Colleague Number	Debit	Credit	Description
BEGINNING BALANCES (FORMULAS)					
	Restatement - net position	379000	47,521,001		Calculated
	Deferred outflows for OPEB	124091	1,128,850		Employer contributions made during the prior fiscal year
	Net OPEB liability	242081		48,649,851	Beginning net OPEB liability
(To record the beginning balances of the net OPEB liability and deferred outflows for OPEB)					
CURRENT FISCAL YEAR ENTRIES					
Change in OPEB Amounts (FORMULAS)					
	Net OPEB liability--noncurrent	242081	13,306,411		Change in the net OPEB liability
	Deferred outflows for OPEB	124091	—		Difference between expected/actual experience
(2)	Deferred inflows for OPEB	242091	—		Difference between expected/actual experience
	Deferred outflows for OPEB	124091	—		Changes of assumptions
	Deferred inflows for OPEB	242091	—		Changes of assumptions
	Deferred outflows for OPEB	124091	—		Change in proportion; contributions during measurement period
	Deferred inflows for OPEB	242091		13,135	Difference between projected/actual investment earnings
	Deferred outflows for OPEB	124091	—		Difference between projected/actual investment earnings
	Deferred inflows for OPEB	242091	—		Change in proportion; contributions during measurement period
	OPEB expense	518251	1,477,421		Change in net OPEB liability recognized immediately
	Net OPEB liability--noncurrent	242081		—	Change in the net OPEB liability
	Deferred inflows for OPEB	242091		2,534,190	Difference between expected/actual experience
	Deferred outflows for OPEB	124091		—	Difference between expected/actual experience
	Deferred inflows for OPEB	242091		9,733,422	Changes of assumptions
	Deferred outflows for OPEB	124091		—	Changes of assumptions
	Deferred inflows for OPEB	242091		1,374,235	Change in proportion; contributions during measurement period
	Deferred outflows for OPEB	124091		—	Change in proportion; contributions during measurement period
	Deferred outflows for OPEB	124091		1,128,850	Reversal of beginning deferred outflow balance - per actual
(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)					
			14,783,832	14,783,832	
After Measurement Date (MANUAL ENTRY)					
(3)	Deferred outflows for OPEB (FY2018 Employer Contributions)	124091	—		FY2018 employer contributions – per agency/institution
	RHBF contributions	518200		—	Calculated
(To record OPEB contributions after the measurement date)					
Calculated by multiplying the covered payroll for RHBF (on an accrual basis) by 6.05% (the 2017-18 employer contribution rate for RHBF)					

DIPNC

DURHAM TECHNICAL INSTITUTE
 GASB 75 Journal Entries – DIPNC
 Fiscal Year Ended June 30, 2018

Entry	Account Name	Colleague Number	Debit	Credit	Description
BEGINNING BALANCES (FORMULAS)					
	Restatement- net position	37900		144,623	Calculated
	Deferred outflows for OPEB	124091	73,872		Employer contributions made during the prior fiscal year
	Net OPEB asset	142090	70,751		Beginning of OPEB asset
(To record the beginning balances of the net OPEB asset and deferred outflows for OPEB)					
CURRENT FISCAL YEAR ENTRIES					
<u>Change in OPEB Amounts (FORMULAS)</u>					
	Net OPEB asset-noncurrent	142090		—	Change in the net OPEB asset
	Deferred outflows for OPEB	124091	19,456		Difference between expected actual experience
(2)	Deferred inflows for OPEB	242091	—		Difference between expected actual experience
	Deferred outflows for OPEB	124091	—		Changes of assumptions
	Deferred inflows for OPEB	242091	—		Changes of assumptions
	Deferred outflows for OPEB	124091	714		Change in proportion; contributions during measurement period
	Deferred inflows for OPEB	242091		—	Difference between projected actual investment earnings
	Deferred outflows for OPEB	124091	15,554		Difference between projected actual investment earnings
	Deferred inflows for OPEB	242091	—		Change in proportion; contributions during measurement period
	OPEB expense	518251	37,939		Change in net OPEB asset recognized immediately
	Net OPEB asset-noncurrent	142090	209		Change in the net OPEB asset
	Deferred inflows for OPEB	242091		—	Difference between expected actual experience
	Deferred outflows for OPEB	124091		—	Difference between expected actual experience
	Deferred inflows for OPEB	242091		—	Changes of assumptions
	Deferred outflows for OPEB	242091		—	Changes of assumptions
	Deferred inflows for OPEB	242091		—	Change in proportion; contributions during measurement period
	Deferred outflows for OPEB	124091		—	Change in proportion; contributions during measurement period
	Deferred outflows for OPEB	124091		73,872	Reversal of beginning deferred outflow balance – per actuary
(To record changes in the net OPEB asset, deferred outflows/inflows of resources for OPEB, OPEB expense, and reversal of deferred outflow in entry 1)					
			73,872	73,872	
<u>After Measurement Date (MANUAL ENTRY)</u>					
(3)	Deferred outflows for OPEB (FY2018 Employer Contributions)	124091	—		FY2018 employer contributions – per agency/institution
	DIPNC contributions	518200		—	Calculated
(To record OPEB contributions after the measurement date) Calculated by multiplying the covered payroll for DIPNC (on an accrual basis) by 0.1498% (the 2017-18 employer contribution rate for DIPNC)					



**Exhibit B - Statement of Revenues, Expenses,
 and Changes in Net Position**

REVENUES	
Operating Revenues	
Student tuition and fees, net	\$ —
Federal grants and contracts	—
State and local grants and contracts	—
Nongovernmental grants and contracts	—
Sales and services, net	—
Other operating revenues	—
Total operating revenues	<u>—</u>
EXPENSES	
Operating Expenses	
Personal services	—
Supplies and materials	—
Services	—
Scholarships and fellowships	—
Utilities	—
Depreciation	—
Total operating expenses	<u>—</u>
Operating loss	—
NON OPERATING REVENUES (EXPENSES)	
State aid	—
County appropriations	—
Noncapital grants	—
Noncapital gifts, net	—
Investment income, net	—
Interest and fees expense	—
Other nonoperating revenues	—
Other nonoperating expenses	—
Net nonoperating revenues (expenses)	<u>—</u>
Income before other revenues, expenses, gains, or losses	—
State capital aid	—
County capital aid	—
Capital grants	—
Capital gifts, net	—
Additions to endowments	—
Special items	—
Extraordinary items	—
Increase (decrease) in net position	<u>—</u>
NET POSITION	
Net position - beginning of year	37,463,430.93
Restatements	(47,376,378.00)
Net position - end of year	<u>\$ (9,912,947.07)</u>
NOT BALANCED	

CAFR worksheet 430 (combined for RHBF and DIPNC restatements):

Office of the State Controller
2018 Year-End CAFR Package
RESTATEMENTS (PRIOR PERIOD ADJUSTMENTS) (430)

Agency No: _____ CJ _____
 Agency Name: _____ Durham Technical Community College _____
 Preparer/Phone: _____

Complete the following schedule for any amount of restated fund equity. Any prior year adjustment amounts on the **Capital Assets** and **Long-term Liabilities** worksheets must be included below. The total of all restatements should agree to the amount shown on the operating statement(Exhibit B).

<i>Capital Transactions</i> Change July 1, 2017 Fund Equity	<i>Long Term/Short Term Liability Transactions</i> Change July 1, 2017 Fund Equity	<i>Other</i> Change July 1, 2017 Fund Equity	Explanation
	(48,649,851.00)		Beginning net OPEB liability restatement
		70,751.00	Beginning net OPEB asset restatement
		1,202,722.00	Beginning deferred outflows for OPEB restatement
	(48,649,851.00)	1,273,473.00	
	Grand Total	(47,376,378.00)	

Grand Total must agree to Exhibit A&B Restatements caption.