

Local Governments Notice

OPEB Reporting Information Instructions

Your entity has been provided with the information necessary to properly report its OPEB liability for the fiscal year ended June 30, 2019. The purpose of this document is to provide some additional instructions on how to use the OPEB reporting information that has been provided to you. Along with these instructions you have received the following items:

- An individual valuation report, for each plan identifying a liability for your entity. These reports will contain the individual financial reporting information and information needed to prepare the required accounting entries and individual employer note disclosures and exhibits.
- A spreadsheet titled **LG Entries and Disclosures** that contains the sample journal entries and a template of the required note disclosures, for the Local Government OPEB Plan and the Tennessee Plan, and instructions on how to complete it.

LG Entries and Disclosures File

The LG Entries and Disclosures spreadsheet had been provided to assist with the preparation of the detailed accounting entries and note disclosures. Inside the spreadsheet, there are six tabs of information. Below is an explanation of what is on each tab. **This file has been provided as a courtesy intended to shorten the employers' journal entry and note disclosure preparation time. It is management's responsibility to understand the Statement No. 75 reporting requirements and to validate the information displayed in this file against the individual valuation reports provided.**

Journal Entries LG and TN Tabs

On the first two tabs, you will see a listing of all of the possible journal entries that can be required in any fiscal year, for both the LGOP and TNP. Each journal entry contains a description of purpose and the related Statement No.75 reference. Some of the listed entries may not be required for FY19 reporting. In order to see the specific sample journal entries for your entity, please go to cell A7, in both tabs, and search for your entity on the drop down box. Upon selecting your entity, the value cells should populate with the appropriate information from the actuarial valuation. Amounts are rounded to the nearest dollar.

75 LGOP Disclosures

This tab provides a summary of the accounting and note disclosure requirements related to the Local Government OPEB Plan. Rows 8-35 lays out the financial statement reporting requirements of this plan and includes a Statement No.75 reference to assist management and auditors with understanding the statement and how it applies to this plan. These requirements are satisfied by the journal entries on the first tab.

Rows 40-154 represent the detailed note disclosures that are required for this plan. The GASB reference is also included, in column L, for each element of the disclosure. Column M contains the directions for obtaining any value that may be required in that paragraph or table. In order to populate the value fields with the appropriate amounts, make sure that the proper entity is selected in cell A2. Once the proper entity is selected, the appropriate values will either be displayed in the appropriate exhibit or in a shaded box below the narrative the value belongs in. The values are expressed in the thousands. Feel free to adjust rounding to the level preferred by your entity.

Rows 158-185 represent the Required Supplementary information required by the statement.

Be sure to update all note sections to include entity name, entity specific amounts, and other entity specific information related to OPEB funding policies. Due to rounding differences, exhibits may not foot. Adjust as needed.

75 TN Disclosures

This accounting requirement and note disclosure tab has been prepared for the employers that participate in the Tennessee Plan and also provide a direct subsidy towards the premium cost of their retirees. This tab is prepared in the same fashion as the LGI plan tab and will be used in the same way.

Additional Consideration

Some entities will notice that their OPEB liabilities have been calculated as 0 due to opting out of active or retiree insurance coverage in the LGOP or TNP. Other employers in the TNP will notice their OPEB liability has been calculated as 0 due to decreasing direct subsidies to 0 (TNP has no implicit subsidy). Generally, these employers recognized OPEB related deferrals that were required to be amortized over future reporting periods. While the standard does not address this type of situation, individual reports have been prepared that assumes these future deferrals will continue to be amortized in future periods, even though the related liability will be 0. It is suggested that the employers that find themselves in this situation should consult with their auditors and determine if it would be appropriate to fully amortize any remaining deferral balances and run the amount through current year OPEB expense. You can find these ending balances on the journal entry tabs of the entry and disclosure document. You will continue to receive results in future periods, however, if you determine that it is appropriate to fully amortize these amounts in this fiscal year, future reports can be ignored.