



# Public Hearing Item 14

Receive Government Accounting  
Standards Board Statement No. 75  
Accounting and Financial Reporting for  
Other Post-Employment Benefits (OPEB)

December 12, 2022, MPWMD Board Meeting  
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# What is GASB

- Established in 1984, the Governmental Accounting Standards Board (GASB) is the independent, private-sector organization, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP)

# What is GASB 75

- In July 2004, GASB issued Statements No. 43 & 45, financial reporting requirements for OPEB
- To be implemented with FY 2009-2010 financials
- Record current year OPEB obligations on financial statements
- District has complied since FY 2009-2010 financial statements



# What is GASB 75

- In June 2015, GASB issued Statement No. 75, revising financial reporting requirements for OPEB
- To be implemented with FY beginning June 15, 2017 financials
- Record total OPEB obligations on financial statements
- District complied with FY 2017-2018 financial statements

# OPEB Liability

- District provides healthcare premium to retirees as follows:

Tier 1 employees (prior to July 1, 2013)

- <15 years = \$540/month
- >15 years = \$1,332 in 2021 (escalated 3% each year)

Tier 2 employees (after July 1, 2013)

- \$540/month



## ■ OPEB Liability

- The portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service as of the measurement date

# OPEB Liability

## ■ Fiduciary Net Position

- The actual amount of assets held in the pension trust for a plan as of the measurement date (Also called the market value of assets)

## ■ Net OPEB Liability

- The difference between the OPEB Liability and the Fiduciary Net Position as of the measurement date



# OPEB Liability

## ■ Net OPEB Liability (3-years):

Measurement Date	06/30/2020	06/30/2021	06/30/2022
NOL	\$4,116,712	\$4,533,952	\$5,056,238
Change		+\$417,240	+\$522,286
Disc. Rate	2.45%	1.92%	3.69%
Fund Status	4.86%	6.62%	7.91%
Fund Amount	\$200,000	\$300,000	\$400,000




# OPEB Liability

## ■ Change in liability:

■ \$522,286 (2022) ↑

- Discount rate changed 1.92% to 3.69%
- Net change between current year expenses less contributions (census/premiums/healthcare trends/medicare part B reimbursements)

# OPEB Liability

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- What has the District done:
    - Created reserve to address unfunded OPEB liability beginning 2018-2019; As of 06/30/2022, total of \$400,000
    - Current FY 2022-2023 Budget includes additional \$100,000

# Recommendation

- Staff recommends receiving Government Accounting Standards Board Statement No. 75 postemployment benefits other than pension valuation report



# For More Information

- Staff reports and presentation materials can be found on the District's website at:

[www.mpwmd.net](http://www.mpwmd.net)

- PowerPoint presentations will be posted on the website the day after the meeting.