

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date: 04/21/11

Request For Placement on Board Agenda:

**AGENDA TOPIC: Contract for services to complete the required
GASB 45 Actuarial Analysis of Retiree Medical
Benefits**

PRESENTER: Betty Skala, Director of Business Services

Background Information:

GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and the related GASB statement 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requires a study to be conducted every three years to assess our postemployment obligations, therefore measuring it and reporting those costs and obligations.

We have solicited for quotes from three vendors that provide these services and have selected Demsey, Filliger & Associates being the lowest quote and will meet our requirements per GASB 43 and 45.

Recommendations:

Board authorize the superintendent or their designee to enter into an agreement with Demey, Filliger & Associates to complete our three year actuarial study as required by GASB 45 at a cost of \$3,000.



Scope of Work

Demsey, Filliger & Associates (DF&A) will provide Willows Unified School District with an actuarial report as of July 1, 2011, setting forth all District liabilities of the postretirement health benefit program, including a 50-year projection of District expenditures under the plan. Our report will contain the following information:

- Disclosure of the postretirement benefit obligations and Annual Required Contributions (ARC) in accordance with the GASB Other Postemployment Benefits (OPEB) accounting standard (GASB 45), for the fiscal years ending June 30, 2012, 2013 and 2014;
- Disclosures for the trust funds as may be required by GASB 43;
- Projected annual pay-as-you-go District expenditures for the next 50 years;
- Recommended level annual funding amounts, to pre-fund the obligations as a flat dollar amount, a constant percent increase each year, or a level percent of unfunded liability;
- Reconciliation of Accrued Liability with prior actuarial report;
- Liability and expense items broken out by employee/retiree group;
- Roll-forward of Net OPEB Obligation to June 30, 2011; and
- Summary of plan provisions, actuarial assumptions, and certification.

In addition to the report, we provide ongoing assistance in the preparation or review of GASB 45 (OPEB) footnote disclosures at the time the District prepares its financial statements.

Fees

Our flat fee for the services listed above (including telephone support to explain and discuss the report) will be \$3,000, and is all-inclusive based on the scope of the project outlined above. No other expenses would be charged to the project, except as noted in the next section.

Optional services that would require additional charges

(1) The \$3,000 does not include the cost (including any direct expenses) of an on-site presentation to the District's Board, if requested. A quote for the on-site presentation may be requested later at the District's option.