

1. What is GASB 45 liability? How is it reflected on the financial reports?

GASB statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", was issued to provide standards for governmental employers to record expense for Other Postemployment Benefits (OPEB).

Evergreen School District is using a Pay-As-You-Go pension plan. Under this plan the contributions to the plan are generally made at the same time and in the same amount as retiree benefits payments and expenses coming due. The annual OPEB cost is reflected on the Districts annual Budget report and the total Actuarial Accrued Liability (AAL) also reported on the Districts' Interim reports and Audit report.

2. When we discussed GASB 45 liability, there are two liability numbers, \$40M and \$77M, what is the difference between those two numbers?

Valuation of retiree health benefits obligation performed as of July 1, 2014 reported Actuarial Present Value of Total Projected Benefits (APVTPB) is \$77,637,926. This is the amount the District would theoretically need to set aside at this time to fully fund earned liability and all future benefits.

Under the accounting rules, a portion of each employee's benefits is attributed to each year of employment. The portion of the APVTPB which is due to past year of employment is called the Actuarial Accrued Liability (AAL). The AAL is part of APVTPB which was "earned" in prior years. As of July 1, 2014, the AAL is \$40,133,096.

3. Can we revoke the irrevocable trust or use the money for expenditures that are not identified for early retiree benefits?

No. An irrevocable trust, once established, can be used for only its intended purpose.

4. What other school district has early retiree benefits and how many of them have set up irrevocable trust?

Please refer to Table 1.

5. For those districts that have early retiree benefits, what are their employee demographics?

Please refer to Table 2.

TABLE 1

RETIREES POST RETIREMENT BENEFITS FISCAL YEAR 2014-15

4/11/2016

DISTRICT NAME	AVERAGE DISTRICT CONTRIBUTION FOR RETIRED TEACHERS (UNDER 65)	PROVISION OF H&W BENEFITS AFTER AGE 65 AND AGE BENEFITS STOP FROM J-90	IRREVOCABLE TRUST
ALUM ROCK UNION ELEMENTARY	0	N	
BERRYESSA UNION ELEMENTARY	13,169	Y - Life	
CAMBRIAN ELEMENTARY	0	N	
CAMPBELL UNION ELEMENTARY	3,250	Y - 7	Y
COMPARATIVE GROUP	8,534	N/A	
CUPERTINO UNION ELEMENTARY	0	N	
EAST SIDE UNION HIGH	8,151	N	Y
EVERGREEN ELEMENTARY	16,111	N	
FRANKLIN-MCKINLEY	0	N	
GILROY UNIFIED	0	N	
LOS GATOS UNION ELEMENTARY	16,835	N	
MILPITAS UNIFIED	10,613	N	
MORELAND ELEMENTARY	5,500	N	
MORGAN HILL UNIFIED	1,391	N	
MOUNTAIN VIEW WHISMAN ELEM	13,465	N	
OAK GROVE ELEMENTARY	8,324	N	
PALO ALTO UNIFIED	18,945	N	Y
REGION 05 ELEMENTARY	12,266	N/A	
SAN JOSE UNIFIED	960	Y - Life	
SANTA CLARA UNIFIED	7,692	Y - 4	
SARATOGA UNION ELEMENTARY	17,898	N	
STATEWIDE ELEMENTARY	9,524	N/A	
SUNNYVALE ELEMENTARY	12,057	N	
UNION ELEMENTARY	2,566	N	

Data source: School Services of California, Inc. Salary and Benefit report Table 17 and Table 8

TABLE 2

COMPARATIVE ANALYSIS OF CERTIFICATED SALARIES AND BENEFITS, 2014-15 PERCENTAGE OF FTES AT VARIOUS SALARY RANGES RANKED BY AVERAGE SALARY

Table 20

DISTRICT NAME	AVERAGE SALARY	RANK	<\$48,000	\$48,000 - \$55,000	\$55,000 - \$62,000	\$62,000 - \$69,000	\$69,000 - \$76,000	\$76,000 - \$83,000	\$83,000 - \$90,000	>\$90,000
PALO ALTO UNIFIED	95,811	1	0.00	0.00	3.93	3.99	6.37	5.86	9.32	70.53
SARATOGA UNION ELEMENTARY	89,192	2	0.00	0.00	5.30	8.42	6.16	4.47	16.82	58.84
EVERGREEN ELEMENTARY	86,588	3	0.00	5.73	4.86	4.76	4.25	8.18	13.37	58.85
LOS GATOS UNION ELEMENTARY	85,798	4	0.00	0.63	4.90	4.40	9.42	20.85	12.88	46.92
SANTA CLARA UNIFIED	85,112	5	0.00	0.00	6.36	6.23	9.21	17.01	17.71	43.48
EAST SIDE UNION HIGH	84,725	6	0.00	10.17	3.18	6.39	5.64	10.92	10.96	52.74
FRANKLIN-MCKINLEY ELEMENTARY	80,675	7	1.17	3.28	9.13	8.66	8.80	11.49	29.16	28.32
MILPITAS UNIFIED	80,570	8	0.00	11.67	9.61	4.41	9.21	9.24	22.25	33.61
CAMBRIAN ELEMENTARY	80,119	9	0.00	0.00	11.80	5.57	13.43	21.69	21.30	26.21
CUPERTINO UNION ELEMENTARY	78,280	10	0.00	0.42	16.44	9.20	15.14	11.08	31.20	16.53
COMPARATIVE GROUP AVERAGE	78,161	11	0.37	10.20	7.67	9.73	13.31	16.10	19.04	23.57
SUNNYVALE ELEMENTARY	74,663	12	0.00	15.63	8.14	12.24	12.06	17.94	24.16	9.82
CAMPBELL UNION ELEMENTARY	74,377	13	0.00	14.30	7.40	11.17	13.32	17.90	29.01	6.90
REGION 05 ELEMENTARY AVERAGE	74,266	14	3.64	10.70	9.98	10.84	13.87	16.00	20.02	14.94
ALUM ROCK UNION ELEMENTARY	74,018	15	0.00	17.15	3.04	5.99	20.93	15.09	37.81	0.00
STATEWIDE ELEMENTARY AVERAGE	73,521	16	5.43	9.59	9.31	12.05	14.03	18.81	18.56	12.23
MORELAND ELEMENTARY	73,292	17	0.00	19.96	6.94	11.63	17.79	11.54	11.67	20.46
OAK GROVE ELEMENTARY	73,229	18	1.41	13.29	3.79	11.50	17.18	24.99	21.61	6.24
BERRYESSA UNION ELEMENTARY	73,023	19	0.00	16.17	9.41	11.29	14.92	16.38	23.35	8.48
UNION ELEMENTARY	72,791	20	0.77	16.39	7.70	13.05	12.98	17.53	25.80	5.78
GILROY UNIFIED	72,456	21	0.00	18.03	10.19	12.49	9.49	18.96	17.30	13.55
MOUNTAIN VIEW WHISMAN ELEM	71,105	22	0.00	13.96	16.42	11.58	19.87	16.29	9.60	12.28
SAN JOSE UNIFIED	70,979	23	0.00	15.65	7.41	15.17	22.70	25.33	10.27	3.46
MORGAN HILL UNIFIED	69,092	24	6.23	14.97	10.91	17.96	9.49	19.58	20.85	0.00

Percentages may not add up to 100 percent due to rounding.