

**MARIN COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET 2015-2016**

45

**OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUND  
REVENUE AND EXPENDITURE REPORT**

In 2004, the Government Accounting Standards Board issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, which requires public agencies, including school districts to report their costs and obligations for post-employment healthcare and other post employment benefits (called "OPEBs") much like they now report pension plan obligations. The philosophy behind the rule is that the costs of these post-employment benefits should be recognized as a current cost during the working years of an employee (like a CalPERS or STRS pension) rather than after they retire.

GASB 45 requires that Districts with annual revenue between \$10 million and \$100 million must comply in the fiscal year after December 15, 2007, thus for College of Marin mandated compliance began with Fiscal Year 2008-09.

The District's Board of Trustees elected early application of the GASB pronouncement and in the fall of 2004 commissioned Total Compensation System, Inc. to perform the OPEB actuarial study which was completed in the spring of 2005. The Board further directed funding the obligation in advance rather than on the prior "pay as you go" basis, and in Fiscal Year 2005-06 \$1,000,000 of pre-funding the obligation was set aside and transferred out of the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. In 2007-08, an additional \$500,000 was transferred from the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. And, in 2009-10, an additional \$500,000 was transferred from the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. In June 2013, the funds were transferred into an irrevocable trust fund.

In December 2014, the District's Board of Trustees approved a \$250,000 contribution to the irrevocable trust fund. The FY 2015-16 Adoption Budget includes a \$500,000 contribution to the irrevocable trust fund. This contribution should then allow the District to begin receiving "pay-as-you-go" reimbursements from the trust fund for its retiree medical and dental premium payments.

As of June 30, 2015, the most recent actuarial valuation date, the District's Actuarial Accrued Liability for OPEB was \$3.6 million. The actuarial value of plan assets in the OPEB trust as of June 30, 2015 is \$2.8 million. A new actuarial study will be completed in FY 2016-17 for the period ending June 30, 2017.

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<b>FISCAL YEAR</b>	<b>ACTUAL 2012-2013</b>	<b>ACTUAL 2013-2014</b>	<b>ESTIMATED ACTUAL 2014-2015</b>	<b>ADOPTION BUDGET 2015-2016</b>
<b>REVENUE</b>				
Investment Income	\$ 3,440	\$ 337,529	\$ 48,000	\$ 50,000
<b>Total Revenue</b>	<b>3,440</b>	<b>337,529</b>	<b>48,000</b>	<b>50,000</b>
<b>EXPENDITURES</b>				
Administrative Fees	27	3,228	2,800	3,000
<b>Total Expenditures</b>	<b>27</b>	<b>3,228</b>	<b>2,800</b>	<b>3,000</b>
Excess of Revenue Over Expenditures	3,413	334,301	45,200	47,000
Other Financing Sources - Contributions	2,164,078	-	250,000	500,000
Beginning Fund Balance	-	2,167,491	2,501,792	2,796,992
<b>ENDING FUND BALANCE</b>	<b>\$ 2,167,491</b>	<b>\$ 2,501,792</b>	<b>\$ 2,796,992</b>	<b>\$ 3,343,992</b>