

## **INFORMATION RELATED TO THE FUND 73 POST-EMPLOYMENT TRUST ACCOUNT**

This is a short summary of the purpose and use of a post-employment trust account. More information is available on the Department of Public Instruction website:

<https://dpi.wi.gov/sfs/finances/fund-info/employee-benefit-trust-fund>

Employee benefits paid to employees after the retirement date (post-employment) and funds set aside for future benefits are recorded in this fund. Both of these benefits are the result of services rendered during employment. Post-employment benefits include non-pension benefits such as health benefits or a cash-in-lieu payment depending on the retirement date. Financial information is filed with the Department of Public Instruction relating to these benefits, must be based on the accounting system prescribed by the State Superintendent per s. 115.28 (13) of WI Statutes.

These requirements apply to all employee benefit plans, unless otherwise specified, where the district is providing for such benefits by contributions to a legally established irrevocable trust. Upon establishment and funding of such the trust, the district has elected to no longer record costs funded by the trust on the "pay as you go" method and therefore, all current benefits are paid by the trust, not by general operating funds. The department recognizes that employee benefits may represent a significant liability that must be funded. The department also acknowledges that it is fiscally appropriate to have the cost and funding recognized and provided for such benefits as they are earned. The Wisconsin Uniform Financial Accounting Requirements "WUFAR" for school districts has a separate accounting fund, "Employee Benefit Trust Fund" (Fund 73) for reporting resources set aside and held in a trust arrangement for these benefits.

The following are conditions and considerations in the use of the Employee Benefit Trust Fund:

1. The employee benefits accounted for in the Fund must result from a contractual agreement as compensation for employee services. The district's obligation to pay for the benefits must accumulate during employment although the actual benefits are provided and payment for the provided benefits may or may not occur until after employment.
2. An actuarial study must be performed at least biennially from the date first used without regard to the number of Plan members.
3. The contribution to the trust is a district expenditure that must be budgeted and may include an additional contribution. If it is determined at a later date that additional funds are to be placed in the trust, the budget may be amended and additional funds contributed to the trust at that time.
4. Trust fund assets cannot be used for purposes other than to provide benefits for which the trust was established. Physical segregation of trust assets must be made.
5. OPEB and pension contributions less than or equal to the ARC/ADC determined amount MAY be eligible for state categorical aid (special education, high cost and state tuition) administered by the DPI.

6. The audited financial statements must contain note disclosures that the GASB has identified as minimum disclosure requirements for financial statements presented in accordance with generally accepted accounting principles.
7. The following information is required to be included in the written report that is presented at the annual meeting or public budget hearing:
  - a. Amount in the trust
  - b. Investment return earned since last annual meeting
  - c. Total of disbursements made since last annual meeting
  - d. Name of investment manager if investment authority has been delegated

Amount in trust as of 6/30/19:	\$2,484,293.16
Total Revenue for 2018-19:	\$924,789.46
Total disbursements for 2018-19:	\$684,884.89
Fund balance as of 6/30/19:	\$2,724,197.73
Interest earnings for 2018-19:	\$36,105.05

The 2019-20 Fund 73 revenue budget includes projected interest revenue, the districts required contribution as determined by the actuarial study, and the retiree share of health insurance benefits. The Fund 73 expense budget includes the projected costs of the benefits provided in this fiscal year and the "Implicit Rate Subsidy" as determined by the actuarial study.

The duration of post-retirement benefits is determined upon retirement. The district budget includes expense for 47 retirees July – August 2019, and reduces to 30 retirees September 2019 – June 2020. The number of eligible retirees will change from year to year and may require an increase or allow a decrease in expended funds.

							2019-20	
Fd	T	Loc	Obj	Func	Prj	Obj	Revised Budget	
73	R	800	280	500000	000	INTEREST ON INVESTMENTS	36,000.00	
73	R	800	951	500000	000	DIST CNTRB OPEB SPTB	463,995.00	
73	R	800	952	500000	000	Retiree Contrib. Health/LTC	24,916.00	
73	R	---	---	500000	---	*DISTRICT WIDE	524,911.00	
73	R	---	---	-----	---	*Revenue	524,911.00	
73	E	800	991	420000	000	OPEB OTHER EXPENSES	372,295.00	
73	E	800	994	420000	000	TRUST FUND-IMPLICIT RATE SBSDY	91,621.00	
73	E	---	---	420000	---	*PMT TO NON-GOVERMENTAL UNITS	463,916.00	
73	E	---	---	-----	---	*Expense	463,916.00	