Questar III BOCES
OPEB Accrual

July 24, 2014
$22,901,555 in OPEB Accrual Liability Account as of June 30, 2013

• The OSC indicated that Questar III needs to liquidate and return to districts the OPEB accrual.

• Various sources of OPEB accrual since fiscal year 2000.
Objectives

1. Determine what CoSers, program services, were charged by year when the accrual was recorded.

2. Determine which and what amount participants were charged with this expenditure.

3. Prepare options for returning the accrual.
Process

1. Review and summarize activity in the OPEB accrual by year and by CoSer.
2. Identify primary sources of the accrual.
3. Segregate amounts charged to Special Aid Fund as amount due to New York State.
4. Determine which participants incurred the expenditure by CoSer per year and allocate to participants based on percentage of participation.
### Primary Sources for Accrual

<table>
<thead>
<tr>
<th>Source</th>
<th>Allocated based on:</th>
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</thead>
<tbody>
<tr>
<td>OPEB accrual 2001 to 2013 – Debit expense, credit accrual.</td>
<td>Traced to OPEB journal entries by CoSer by year by district.</td>
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<tr>
<td>Sweeps from other benefit accruals such as TRS, ERS, Unemployment or Dental.</td>
<td>Benefit expenditure percentage by CoSer by year by district by type (TRS, ERS, etc.).</td>
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<tr>
<td>Beginning balance: $506,115 Accumulated reserves: $1,769,000</td>
<td>Allocated based on percentage of health insurance expenditures by CoSer to annual total.</td>
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</table>
Amounts Charged to Special Aid Fund

• Amounts identified by year and amount.
• Amount due to New York State for OPEB expenditures claimed on grants.
  – $2,318,337.26 subtracted from returnable OPEB accrual. Shown as liability to New York State until the State makes a final determination.
  – This amount is net of the actual Special Aid Fund retirees’ health insurance paid.
Allocation Based on Participation Percentage

• Obtained Final Refund/Surplus Report by participant and by CoSer for each year.

• Allocated yearly OPEB expenditures to participants by individual CoSers by percentage of total expenditures.
Internal Service Fund

• 700-Code CoSers are internal services such as Operations and Maintenance.
• Summarized charges and credits to the 700-Code CoSers relating to OPEB accrual.
• If the 700-Code CoSers were charged with OPEB expenditures, the amounts were then allocated back to active program service CoSers based upon the percentage to total expenditures.
QUESTIONS?