



OFFICE OF THE  
UTAH STATE AUDITOR

April 21, 2014

L. Douglas Stone, CPA  
Davis County Lead Reporting Auditor  
P.O. Box 618  
Farmington, Utah 84025

Dear Mr. Stone:

On April 14, 2014 you submitted a GRAMA request to the Office of the State Auditor (OSA) for the following information:

“...any records containing official guidance or recommendations issued by the Office of the Utah State Auditor since April 1, 2004, concerning uniform standards of financial reporting by state and local governmental entities for other postemployment benefit plans (OPEB plans). Furthermore, I am requesting any records containing recommendations or advice made by any employees of the Office of the Utah State Auditor to the State of Utah or any of its political subdivisions concerning how OPEB plans should be funded.”

I located the following information related to your request specific to OPEB plans:

1. **March 2007 Local Government Auditing and Accounting Newsletter, *Selected Legislation Affecting Local Governments - 2007***

**HB 337, Local Government Post-Employment Benefit Trust Funds Amendments – K. Grover**

This bill requires all local government “other post-employment benefits” trust fund monies in the custody of a public treasurer to be established in a separate trust fund. It requires monies in a local government OPEB trust fund to be deposited or invested in certain types of assets that meet certain criteria. The state treasurer may develop and offer a variety of asset allocation options for monies in an OPEB trust fund and review the options for efficiency as needed.

2. **From 2009 UAM, Section IV. A.04, pg 1 of 3**

*Pension (and other employee benefit) trust funds* should be used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other employee benefit plans. The mere fact that a government offers pension benefits or other benefits to its employees does not necessarily mean that the government should report a pension (or other employee benefit) trust fund. Rather, the critical factor is whether a government is holding resources in trust for that purpose.

GAAP require the use of separate trust funds for each individual pension plan. A pension plan is an arrangement where all assets accumulated for the payment of benefits may legally be used to pay any member or beneficiary. If certain assets are legally restricted to the payment of certain members or beneficiaries, then there is more than one pension plan for financial reporting purposes.

In addition, local government entities are required to follow GASB standards as noted in the following OSA documents. Specific to your request would be GASB Statement 45, *Accounting and Financial Reporting By Employers For Postemployment Benefits Other Than Pensions*.

**3. 2009 UNIFORM ACCOUNTING MANUAL, Introduction page 1 of 3**

This accounting manual is not intended to be a text on accounting or auditing for local governments. Rather, it is a resource, particularly oriented toward Utah law, which should be considered in addition to authoritative literature on generally accepted accounting and auditing practices and procedures. Local government fiscal officials and auditors should have copies of the GASB “*Codification of Governmental Accounting and Financial Reporting Standards*” and the GFOA “*Governmental Accounting, Auditing, and Financial Reporting (GAAFR)*.”

**4. 2009 UNIFORM ACCOUNTING MANUAL, Section I. C. 04, pg. 1 of 2**

*Utah Code* Section 51-2-1(3) requires audits to be “performed and financial statements presented in accordance with generally-accepted auditing standards and accounting principles and procedures adopted by recognized authoritative bodies...” Generally accepted accounting principles (GAAP), including financial reporting requirements for state and local governments, are currently established by the Governmental Accounting Standards Board (GASB). Copies of the GASB Codification and GASB standards as they are issued should be obtained by local governmental fiscal officers and by independent auditors performing audits of local governmental units.

**5. 2013 UNIFORM ACCOUNTING MANUAL, p. 13**

**Financial Reporting Requirements**

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for state and local governments. Local governments are to adhere to the standards set by the GASB. These standards can be found at [gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391#gasbs70](http://gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391#gasbs70).

The above information was obtained by performing a succinct review of documents issued by the OSA. If you wish to perform a more in-depth review, you may visit the OSA’s website at [auditor.utah.gov](http://auditor.utah.gov) wherein is posted the Uniform Accounting Manual and past issues of Local Government and Accounting Newsletters. It would take an extensive amount of time and effort for our office to locate any further information from past trainings, publications, etc. Since you did not indicate on your GRAMA Request Form that you were willing to pay for additional research beyond the first 15 minutes (which is provided free of charge per GRAMA regulations), we will not proceed with any further research unless you request it. Also note that most requests for guidance beyond that in generally accepted auditing standards or state statutes come to our office by way of phone calls, for which there is no formal documentation.

Pursuant to Utah Code § 63G-2-401, you have the right to appeal the denial of this request to the chief administrative officer, John Dougall, Utah State Auditor. Your notice of appeal must be submitted within 30 days of the above denial date and must include your name, mailing address, daytime telephone number, and an explanation of the relief sought. You may also include any supporting information with your notice of appeal. Your appeal may be submitted at the address listed below.

Linda Siebenhaar  
Records Officer