



City of Villa Park

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September 22, 2015

The Honorable Glenda Sanders
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, California 92701

RE: CITY OF VILLA PARK RESPONSE TO THE 2014-2015 ORANGE COUNTY GRAND JURY REPORT: "UNFUNDED RETIREE HEALTHCARE OBLIGATIONS – A PROBLEM FOR PUBLIC AGENCIES?"

Dear Honorable Judge Sanders:

This letter is in response to the 2014-15 Orange County Grand Jury Report entitled "*Unfunded Retiree Healthcare Obligations – A Problem for Public Agencies?*" The City Council has reviewed the content of the report, and, on September 22, 2015, authorized the following response. The report required that the City of Villa Park respond to Finding F-1 and Recommendation R-1.

Finding F-1: Aliso Viejo, Dana Point, Laguna Hills, and Villa Park were not in compliance with GASB Statement No. 45 regarding the authorization of a study to determine other post-employment benefit liabilities. Aliso Viejo, Dana Point, Laguna Hills, Laguna Woods, and Villa Park were not in compliance with the disclosure of post-employment benefits in the Notes Section of their Comprehensive Annual Financial Report for the FY 2012-13.

Response: The City of Villa Park disagrees with this finding. Nothing was disclosed because OPEB was not expected to be material (per management and independent audit firm Mayer, Hoffman, McCann, P.C.) to Villa Park's statement of net position. GASB No. 45 states very clearly, if it's immaterial, none of the provisions of GASB 45 are required to be addressed in the financial statements for that entity.

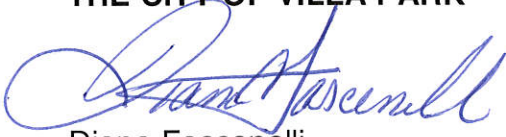
Recommendation R-1: The cities of Aliso Viejo, Dana Point, Laguna Hills, Villa Park and Laguna Woods should measure and disclose their liability in accordance with Governmental Accounting Standards Board Statement No. 45. (F.1.)

Response: The recommendation has been implemented. In FY 2014-15, Villa Park obtained an OPEB actuarial valuation and it will be disclosed with GASB No. 45 in the Notes Section of their Comprehensive Annual Financial Report for the FY 2014-15.

Thank you for the Grand Jury's vigilance in maintaining open and transparent government; we appreciate the opportunity to respond to this Report.

Sincerely,

THE CITY OF VILLA PARK

A handwritten signature in blue ink, appearing to read "Diana Fascenelli", written over the printed name.

Diana Fascenelli
Mayor

C: City Council
Orange County Grand Jury