

Ross Valley Sanitary District

GASB 75 OPEB Valuation Report Measured as of June 30, 2020 for Disclosures for the Fiscal Year Ending June 30, 2021

September 2, 2021



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September 2, 2021

Melvin Garcia
Interim Finance Director
Ross Valley Sanitary District
2960 Kerner Boulevard
San Rafael, California 94901

Re: Ross Valley Sanitary District Retiree Health Benefits Plan GASB 75 OPEB Valuation Report Measured as of June 30, 2020

Dear Mr. Garcia:

At your request, we completed an actuarial valuation of the retiree health and welfare benefits valued as of June 30, 2020, and measured as of June 30, 2020, for the Ross Valley Sanitary District. This is a full valuation. Please use the information in this report for your financial statements for the fiscal year ending June 30, 2021. This valuation is based on input from the District and from CalPERS, as well as our understanding of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75).

We greatly appreciate your business. If you have any questions, please feel free to call us at (415) 801-5987.

Best Regards,

A handwritten signature in blue ink that reads "Roger T. Burton".

Roger T. Burton, FSA, MAAA, FCA



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Purpose of the Report

Precision Actuarial prepared this report to meet employer financial accounting requirements under GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (GASB 75), issued in June 2015, as amended by GASB Statement No. 85. This report includes information with respect to the obligation to provide future retiree health and welfare benefits for the fiscal year ending June 30, 2021.

Valuation Date: June 30, 2020

Measurement Date: June 30, 2020

Report Date: June 30, 2021

Application to Financials

This report provides assets, liabilities, and expenses for use in the District's 2021 financial reports.

The District should use the liabilities, assets, and expense measured as of June 30, 2020, for its financial statements for the year ending June 30, 2021.

The report also provides the actuarially determined contributions (ADCs) for funding purposes for reporting for the fiscal years ending June 30 for 2021, 2022, and 2023. The ADC for the fiscal year ending June 30, 2023 is an estimate and we recommend that the District have a roll-forward report produced for the fiscal year ending June 30, 2022, that updates this estimate.

Changes Since the Prior Valuation

This valuation is a full valuation. We updated:

- Census
- Benefit terms
- Premiums
- Healthcare trends
- Discount rate from 7.62% to 7.85%
- Modeling Assumptions
- Benefit payments
- Contributions
- Assets

Actuarial Certification

Our determinations reflect the provisions and methods prescribed by GASB 75. In preparing this report, we relied on assets, employee census, plan design, premium rates, and administrative fees provided directly or indirectly by the plan sponsor, and demographic assumptions provided by CalPERS. CalPERS' actuaries set the premium rates using community rating. We did not attempt to verify that the community-rated premium rates represent the true cost of claims and administrative fees.

Executive Summary

Overview

Actuarial Certification *(continued)*

We based the results in this report on this information, along with the actuarial assumptions and methods used herein. In our opinion, the assumptions used represent reasonable expectations of anticipated plan experience. We reviewed the census information for reasonableness, but we did not audit it.

Actuarial computations under GASB 75 fulfill employer accounting and financial reporting requirements. The calculations are consistent with our understanding of GASB 75. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results in our report. Accordingly, additional determinations may be necessary for other purposes, such as judging benefit security at termination.

No third-party recipient of Precision Actuarial's work product should rely solely on Precision Actuarial's work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs.

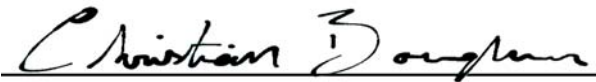
There is no relationship between Precision Actuarial, its owners, subcontractors, or staff; GovInvest; or the Ross Valley Sanitary District beyond the contractual services that we perform for the Ross Valley Sanitary District.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the report is complete and accurate and that we prepared it in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" as promulgated by the American Academy of Actuaries.

The undersigneds are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Roger T. Burton, FSA, MAAA, FCA
Chief Actuary



Christian M. Boughner, ASA, MAAA
Senior Consulting Actuary

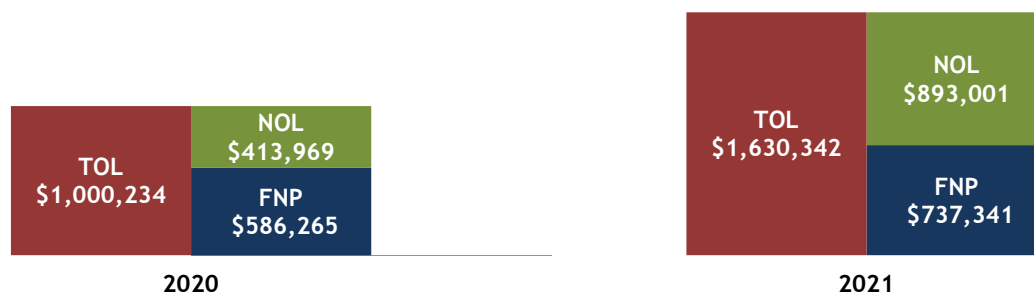
Executive Summary

Accounting Summary

A summary of the key valuation results follows.

	<i>Prior Report</i>	<i>Current Report</i>
Valuation Date:	June 30, 2019	June 30, 2020
Measurement Date:	June 30, 2019	June 30, 2020
Report Date:	June 30, 2020	June 30, 2021
Present Value of Future Benefits		
Active Employees	\$ 1,055,717	\$ 1,654,177
Retirees	+ 288,803	501,550
Total Present Value of Future Benefits	= 1,344,520	2,155,727
Total Present Value of Future Normal Costs	- 344,286	525,385
Total OPEB Liability (TOL)	= \$ 1,000,234	\$ 1,630,342
OPEB Liability		
Active Employees	\$ 711,431	\$ 1,128,792
Retirees	+ 288,803	501,550
Total OPEB Liability (TOL)	= 1,000,234	1,630,342
Fiduciary Net Position (FNP)	- 586,265	737,341
Net OPEB Liability (NOL)	= \$ 413,969	\$ 893,001
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	58.61%	45.23%
Covered-Employee Payroll	\$ 3,467,968	\$ 3,552,173
Net OPEB Liability as a Percentage of Covered-Employee Payroll	11.94%	25.14%
	Measurement Period:	2018-2019
	Reporting Period:	2019-2020
Expense	\$ 73,695	\$ 540,555
Actuarially Determined Contribution (ADC)*	102,082	80,231

Net Position Chart (NOL not shown if zero or negative)



*The Actuarially Determined Contribution includes the implicit subsidy. It is not the amount that the District contributes directly to the fund. See page 16 for the District's direct contribution.

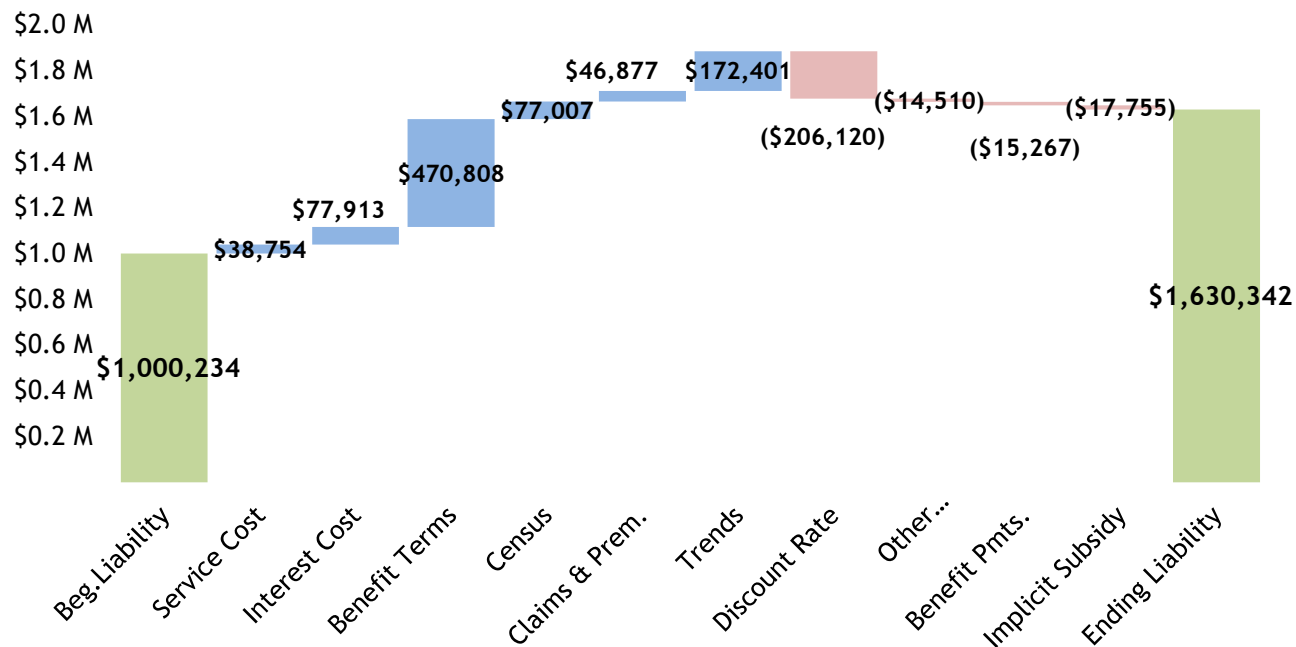
Executive Summary

Reconciliation of the Change in the Total OPEB Liability

A reconciliation of the changes to the Total OPEB Liability since the prior valuation report follow.

Total OPEB Liability as of Measurement Date June 30, 2019 / Report Date June 30, 2020	\$ 1,000,234
Service Cost	38,754
Interest Cost	77,913
Change in Benefit Terms	470,808
Differences Between Expected and Actual Experience	
<i>Change in Census</i>	77,007
<i>Change in Claims and Premiums</i>	46,877
Total Differences Between Expected and Actual Experience	123,884
Changes of Assumptions	
<i>Change in Healthcare Trends</i>	172,401
<i>Change in Discount Rate from 7.62% to 7.85%</i>	(206,120)
<i>Change in Other Assumptions</i>	(14,510)
Total Changes of Assumptions	(48,229)
Benefit Payments	(15,267)
Implicit Subsidy Credit	(17,755)
Total OPEB Liability as of Measurement Date June 30, 2020 / Report Date June 30, 2021	\$ 1,630,342

Reconciliation of the Change in the Total OPEB Liability



Accounting Information

Statement of Fiduciary Net Position

Measurement Date: June 30, 2020

Report Date: June 30, 2021

Assets

Cash and Deposits	\$	-
Securities Lending Cash Collateral		-
Total Cash		-
Receivables:		
Contributions		-
Due from Broker for Investments Sold		-
Investment Income (Interest on Investments)		-
Other		-
Total Receivables		-
Investments:		
Domestic Fixed Income Securities		-
Domestic Equities		-
Investment Funds		737,341
International Equities		-
Real Estate		-
Total Investments		<u>737,341</u>
Total Assets	\$	<u>737,341</u>

Liabilities

Payables:

Investment Management Fees	\$	-
Due to Broker for Investments Purchased		-
Collateral Payable for Securities Lending		-
Other		-
Total Liabilities	\$	-

Net Position Restricted for Postemployment Benefits Other than Pensions \$ 737,341

Accounting Information

Statement of Changes to the Fiduciary Net Position

	<i>Prior Report</i>	<i>Current Report</i>
Measurement Date:	June 30, 2019	June 30, 2020
Report Date:	June 30, 2020	June 30, 2021
Additions		
Investment Income:		
Net Appreciation in the Fair Value of Investments	\$ 23,924	\$ 21,129
Interest and Dividends	-	-
Less Investment Expense, Other than from Securities Lending	-	-
Net Income from Investing, Other than from Securities Lending	23,924	21,129
Securities Lending Income	-	-
Less Securities Lending Expense	-	-
Net Income from Securities Lending	-	-
Other Income/(Expense)	-	-
Net Investment Income (a)	23,924	21,129
Contributions:		
Employer – District's Contribution	214,167	145,501
Employer – Implicit Subsidy	19,351	17,755
Total Contributions (b)	233,518	163,256
Total Additions (c) = (a) + (b)	257,442	184,385
Deductions		
Benefit Payments	14,167	15,267
Implicit Subsidy Credit	19,351	17,755
Administrative Expense	78	287
Total Deductions (d)	33,596	33,309
Net Increase in Net Position = (c) – (d)	223,846	151,076
Net Position Restricted for Postemployment Benefits Other than Pensions		
Beginning of Year	362,419	586,265
Net Increase in Net Position	223,846	151,076
End of Year	\$ 586,265	\$ 737,341

Accounting Information

Changes in the Net OPEB Liability

The funded status of the Plan as of the fiscal year-end, as well as other required disclosure information, follows.

	<i>Increase / (Decrease)</i>		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) – (b)
Balance as of:			
Measurement Date June 30, 2019 /			
Report Date June 30, 2020	<u>\$ 1,000,234</u>	<u>\$ 586,265</u>	<u>\$ 413,969</u>
Changes for the year:			
Service Cost	38,754		38,754
Interest	77,913		77,913
Changes of Benefit Terms	470,808		470,808
Differences Between Expected and Actual Experience	123,884		123,884
Changes of Assumptions	(48,229)		(48,229)
Net Investment Income		21,129	(21,129)
Contributions			
Employer – District's Contribution		145,501	(145,501)
Employer – Implicit Subsidy		17,755	(17,755)
Benefit Payments	(15,267)	(15,267)	-
Implicit Subsidy Credit	(17,755)	(17,755)	-
Administrative Expense		(287)	287
Other Changes	-	-	-
Net Changes	<u>630,108</u>	<u>151,076</u>	<u>479,032</u>
Balance as of:			
Measurement Date June 30, 2020 /			
Report Date June 30, 2021	<u>\$ 1,630,342</u>	<u>\$ 737,341</u>	<u>\$ 893,001</u>

Accounting Information

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2020 / Report Date June 30, 2021

Deferred Outflows and Inflows of Resources Arising from Differences Between Expected and Actual Experience

Measurement Date – June 30:	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2020 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-	-
2019	-	(103,329)	(24,030)	-	(79,299)
2020	123,884	-	15,108	108,776	-
Total				<u>\$ 108,776</u>	<u>\$ (79,299)</u>

Deferred Outflows and Inflows of Resources Arising from Changes in Assumptions

Measurement Date – June 30:	Increase in Total Liability (a)	Decrease in Total Liability (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2020 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	3,078	-	1,050	2,028	-
2019	-	(13,645)	(3,174)	-	(10,471)
2020	-	(48,229)	(5,882)	-	(42,347)
Total				<u>\$ 2,028</u>	<u>\$ (52,818)</u>

Accounting Information

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2020 / Report Date June 30, 2021

Deferred Outflows and Inflows of Resources Arising from Differences Between Projected and Actual Earnings on Investments

Measurement Date – June 30:	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2020 (c)	Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)	Net (f) = (d) + (e)
2017	\$ -	\$ (2,325)	\$ (1,860)	\$ -	\$ (465)	
2018	-	(1,884)	(1,131)	-	(753)	
2019	10,253	-	4,102	6,151	-	
2020	29,077	-	5,816	23,261	-	
Total				\$ 29,412	\$ (1,218)	\$ 28,194

Accounting Information

Expense and Deferred Outflows and Inflows

	Measurement Period:	2019-2020
	Reporting Period:	2020-2021
Expense		
Service Cost	\$	38,754
Interest on Total OPEB Liability		77,913
Changes of Benefit Terms		470,808
Recognized Differences Between Expected and Actual Experience		3,093
Recognized Changes of Assumptions		(7,119)
Projected Earnings on OPEB Plan Investments		(50,206)
Recognized Differences Between Projected and Actual Earnings		7,025
Administrative Expense		287
Other Miscellaneous (Income)/Expense		-
Total Expense	\$	540,555

	Report Year Ending June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 108,776	\$ (79,299)
Changes of Assumptions	2,028	(52,818)
Net Difference Between Projected and Actual Earnings on Plan Investments	28,194	-
Contributions Subsequent to the Measurement Date	54,012	-
Total	\$ 193,010	\$ (132,117)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Report Year Ending June 30:	Amount
	2022	\$ 2,999
	2023	3,465
	2024	3,839
	2025	1,787
	2026	(4,026)
	Remaining	(1,183)

Accounting Information

Impact on the Statement of Net Position

Impact on the Statement of Net Position

	Measurement Date: Report Date:	June 30, 2019 June 30, 2020	June 30, 2020 June 30, 2021	Change During Period
Total OPEB Liability		\$ 1,000,234	\$ 1,630,342	\$ 630,108
Fiduciary Net Position		586,265	737,341	151,076
Net OPEB Liability / (Asset)		<u>413,969</u>	<u>893,001</u>	<u>\$ 479,032</u>
Deferred (Outflows) / Inflows Due To:				
Differences between Expected and Actual Experience		91,314	(29,477)	(120,791)
Changes of Assumptions		9,680	50,790	41,110
Differences between Projected and Actual Investment Earnings		(6,142)	(28,194)	(22,052)
(Contributions Subsequent to the Measurement Date)		(163,256)	(54,012)	109,244
Net Deferred (Outflows) / Inflows		<u>(68,404)</u>	<u>(60,893)</u>	<u>7,511</u>
Impact on the Statement of Net Position		<u>345,565</u>	<u>832,108</u>	<u>486,543</u>

Change in Net Position During Fiscal Year

	Measurement Date: Report Date:	June 30, 2020 June 30, 2021
Impact on the Statement of Net Position, Fiscal Year Ending June 30, 2020		345,565
OPEB Expense / (Income) (Employer Contributions During Fiscal Year)		<u>(54,012)</u>
Impact on the Statement of Net Position for the Fiscal Year Ending June 30, 2021		<u>832,108</u>

OPEB Expense

	Measurement Date: Report Date:	June 30, 2020 June 30, 2021
Deterioration / (Improvement) in Net Position		486,543
Employer Contributions During the Fiscal Year		<u>54,012</u>
OPEB Expense / (Income) for the Fiscal Year Ending June 30, 2021		<u>540,555</u>

Accounting Information

Reconciliation of Expense

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Investment (Inflows)/ Outflows				Net OPEB Liability plus Net Deferrals	Annual Expense
				Deferred (Inflows)	Deferred Outflows	Outflows	Net Deferrals		
Balance as of: Measurement Date June 30, 2019 / Report Date June 30, 2020	\$ (1,000,234)	\$ 586,265	\$ (413,969)	\$ (103,372)	\$ 2,378	\$ 6,142	\$ (94,852)	\$ (508,821)	
Service Cost	(38,754)		(38,754)						\$ 38,754
Interest on Total OPEB Liability	(77,913)		(77,913)						77,913
Effect of Changes of Benefit Terms	(470,808)		(470,808)						470,808
Effect of Liability Gains or Losses	(123,884)		(123,884)	-	123,884		123,884		
Effect of Assumption Changes or Inputs	48,229		48,229	(48,229)	-		(48,229)		
Expected Investment Income (Net of Investment Expenses)		50,206	50,206						(50,206)
Investment Gains or Losses on Expected Return		(29,077)	(29,077)			29,077	29,077		
Contributions									
Employer – District's Contribution		145,501	145,501					145,501	
Employer – Implicit Subsidy		17,755	17,755					17,755	
Benefit Payments	15,267	(15,267)	-						
Implicit Subsidy Credit	17,755	(17,755)	-						
Administrative Expenses		(287)	(287)						287
Other Income/(Expense)		-	-						-
Recognition of Liability Gains or Losses				12,015	(15,108)		(3,093)		3,093
Recognition of Assumption Changes or Inputs				7,469	(350)		7,119		(7,119)
Recognition of Investment Gains or Losses						(7,025)	(7,025)		7,025
Contributions Subsequent to the Measurement Date					54,012		54,012	54,012	
Annual Expense								(540,555)	\$ 540,555
Balance as of: Measurement Date June 30, 2020 / Report Date June 30, 2021	\$ (1,630,342)	\$ 737,341	\$ (893,001)	\$ (132,117)	\$ 164,816	\$ 28,194	\$ 60,893	\$ (832,108)	

Accounting Information

Sample Journal Entries

Suggested Journal Entries for the Report Year ending June 30, 2021

Beginning Balance	Debit (Outflow)	Credit (Inflow)
Net OPEB Liability/Asset	\$ -	\$ 413,969
Differences between Expected and Actual Experience	-	91,314
Changes of Assumptions	2,378	12,058
Differences between Projected and Actual Investment Earnings	6,142	-
Contributions Subsequent to the Measurement Date	163,256	-
Impact on Statement of Net Position	-	345,565
Ending Balance	Debit (Outflow)	Credit (Inflow)
Net OPEB Liability/Asset	\$ -	\$ 893,001
Differences between Expected and Actual Experience	108,776	79,299
Changes of Assumptions	2,028	52,818
Differences between Projected and Actual Investment Earnings	28,194	-
Contributions Subsequent to the Measurement Date	54,012	-
Impact on Statement of Net Position	-	832,108
OPEB-Expense Journal Entries	Debit	Credit
Net OPEB Liability/Asset	\$ -	\$ 479,032
Differences between Expected and Actual Experience	Deferred Outflows 108,776 Deferred Inflows 12,015	- -
Changes of Assumptions	Deferred Outflows - Deferred Inflows -	350 40,760
Differences between Projected and Actual Investment Earnings	Deferred Outflows 22,052 Deferred Inflows -	- -
Contributions Subsequent to the Measurement Date	Deferred Outflows -	109,244
Change in Net OPEB Liability/Asset from Contributions	-	54,012
OPEB Expense/Credit	540,555	-
Total	683,398	683,398
Change to the Impact on the Statement of Net Position	-	486,543

Accounting Information

Sample Journal Entries

Suggested Journal Entries for the Report Year ending June 30, 2021

Journal Entries – Deferred Outflows

	Debit	Credit
Net OPEB Liability/Asset	\$ 163,256	\$ -
Contributions Subsequent to the Measurement Date: Fiscal Year 2019-2020	-	163,256
Contributions Subsequent to the Measurement Date: Fiscal Year 2020-2021	54,012	-
Contributions Expense	-	54,012

Journal Entries – Benefits Paid Outside of the Trust¹

	Debit	Credit
OPEB Expense	\$ 15,267	\$ -
Employer Contributions for Retiree Benefits During the Fiscal Year	-	15,267

Journal Entries – Implicit Subsidy²

	Debit	Credit
OPEB Expense	\$ 17,755	\$ -
Premium Expense During the Fiscal Year	-	17,755

¹ The entries here assume that when cash is used to pay benefits, that the trust does not reimburse, an account called "Employer Contributions for Retiree Benefits During the Fiscal Year" was debited (increased). These entries reassign the benefit payments to the OPEB Expense. If the OPEB Expense account was originally debited, then these entries are unnecessary.

² These entries assume that when premiums are paid for active employees, an account called "Premium Expense During the Fiscal Year" is debited (increased). This entry reverses the portion of the premium payments that represent implicit subsidies, recorded as a retiree liability, and assigns that value to the OPEB Expense.

Accounting Information

Amortization of the Net OPEB Liability

A summary of the information used to establish the amortization amount for the current year and the following year, with respect to the Net OPEB Liability, follows. We recalculate the amortization each fiscal year. If the Net OPEB Liability is negative, it is an asset and it is not amortized.

The District is amortizing the Net OPEB Liability using a level-percent-of-pay method on a closed basis. Remaining years of amortization as of the report date of June 30, 2021:

15

	Measurement Period:	2020-2021	2021-2022	<i>Estimated</i> 2022-2023
	Report Date (June 30):	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability		\$ 1,630,342	\$ 1,762,227	\$ 1,896,251
Fiduciary Net Position	-	<u>737,341</u>	<u>780,696</u>	<u>999,269</u>
Net OPEB Liability	=	\$ <u>893,001</u>	\$ <u>981,531</u>	\$ <u>896,982</u>

All values measured at the beginning of the measurement period.

Amortization Type		Closed	Closed	Closed
Interest Rate Used to Determine Amortization		7.62%	7.85%	7.85%
Assumed Rate of Payroll Growth		2.750%	2.750%	2.750%
Amortization Period		15 years	14 years	13 years
Amount Recognized, Beginning of Year	\$	80,701	\$ 94,249	\$ 90,774

It is the policy of the District not to allow negative amortizations.

Accounting Information

Actuarially Determined Contribution (ADC)

The calculation of the Actuarially Determined Contribution (ADC) follows. The ADC is based on the District's funding policy. The ADC is calculated as of the middle of the year.

	Measurement Period:	2020-2021	2021-2022	<i>Estimated</i> 2022-2023
	Report Date (June 30):	<u>2022</u>	<u>2023</u>	<u>2024</u>
Service Cost	\$	59,492	\$ 61,128	\$ 62,809
Amortization of the Net OPEB Liability		80,701	94,249	90,774
Interest to the End of the Year		<u>11,005</u>	<u>12,198</u>	<u>12,057</u>
Service Cost and Amortization (with Interest)	\$	151,198	\$ 167,575	\$ 165,640
Service Cost and Amortization (with Interest) as a Percentage of Payroll		4.07%	4.39%	4.23%
Discount Rate for ADC Calculation		7.62%	7.85%	7.85%
ADC Components				
District's Contribution to the Trust Fund	\$	93,215	\$ 99,990	\$ 85,811
Credit for Retiree Benefit Payments Outside of the Trust		21,888	25,134	29,298
Credit for Implicit Subsidy		<u>36,095</u>	<u>42,451</u>	<u>50,531</u>
Total ADC	\$	<u>151,198</u>	\$ <u>167,575</u>	\$ <u>165,640</u>
ADC as a Percentage of Payroll		4.07%	4.39%	4.22%

District's Funding Policy

The District's funding policy is to contribute 100% of the sum of the service cost and amortization (both with interest) each year until the plan is fully funded, and then contribute the greater of the service cost or the total of the benefit payments and the implicit subsidy.

The ADC is the sum of the service cost and the amortization of the net OPEB liability, plus interest to the end of the year. For payment of the ADC, however, it comprises three parts: the benefit payments paid directly by the District and not reimbursed through the Trust Fund, the credit for the implicit subsidy, and the contribution to the Trust Fund. If the total of the service cost and amortization is less than the total of the benefit payments and implicit subsidy, the contribution to the trust fund will be negative and is typically set to zero.

Because actual benefit payments (paid outside of the trust) rarely match the expected benefit payments used to determine the ADC Funding Goal, the District may adjust their contribution at the end of the year such that the total contributed to the Trust Fund, plus the actual benefit payments and the credit for the implicit subsidy, equals the ADC Funding Goal. If not, the difference between expected and actual benefit payments will be recorded as a contribution deficiency or excess.

Accounting Information

Interest on Liability and Earnings and Investment Gain/Loss

For the report year ending June 30, 2021

	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total OPEB Liability (d) = (a) × (b) × (c)
Interest on Total OPEB Liability				
Beginning Total OPEB Liability	\$ 1,000,234	100%	7.62%	\$ 76,218
Service Cost	38,754	100%	7.62%	2,953
Benefit Payments	(15,267)	50%	7.62%	(582)
Implicit Subsidy	(17,755)	50%	7.62%	(676)
Total Interest on Total OPEB Liability				<u>\$ 77,913</u>

	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (d) = (a) × (b) × (c)
Projected Earnings on Plan Investments				
Beginning Plan Fiduciary Net Position Excluding Receivables	\$ 586,265	100%	7.62%	\$ 44,673
Employer Contributions	145,501	50%	7.62%	5,544
Benefit Payments from Trust	-	50%	7.62%	-
Administrative Expense	(287)	50%	7.62%	(11)
Other Miscellaneous Income/ (Expense)	-	100%	7.62%	-
Total Projected Earnings (Investment Expense)				50,206
Net Projected Earnings				<u>\$ 50,206</u>

	Amount
Investment Gain / Loss	
Net Projected Earnings	\$ 50,206
Actual Net Earnings	-
Investment (Gain) / Loss	<u>\$ 29,077</u>

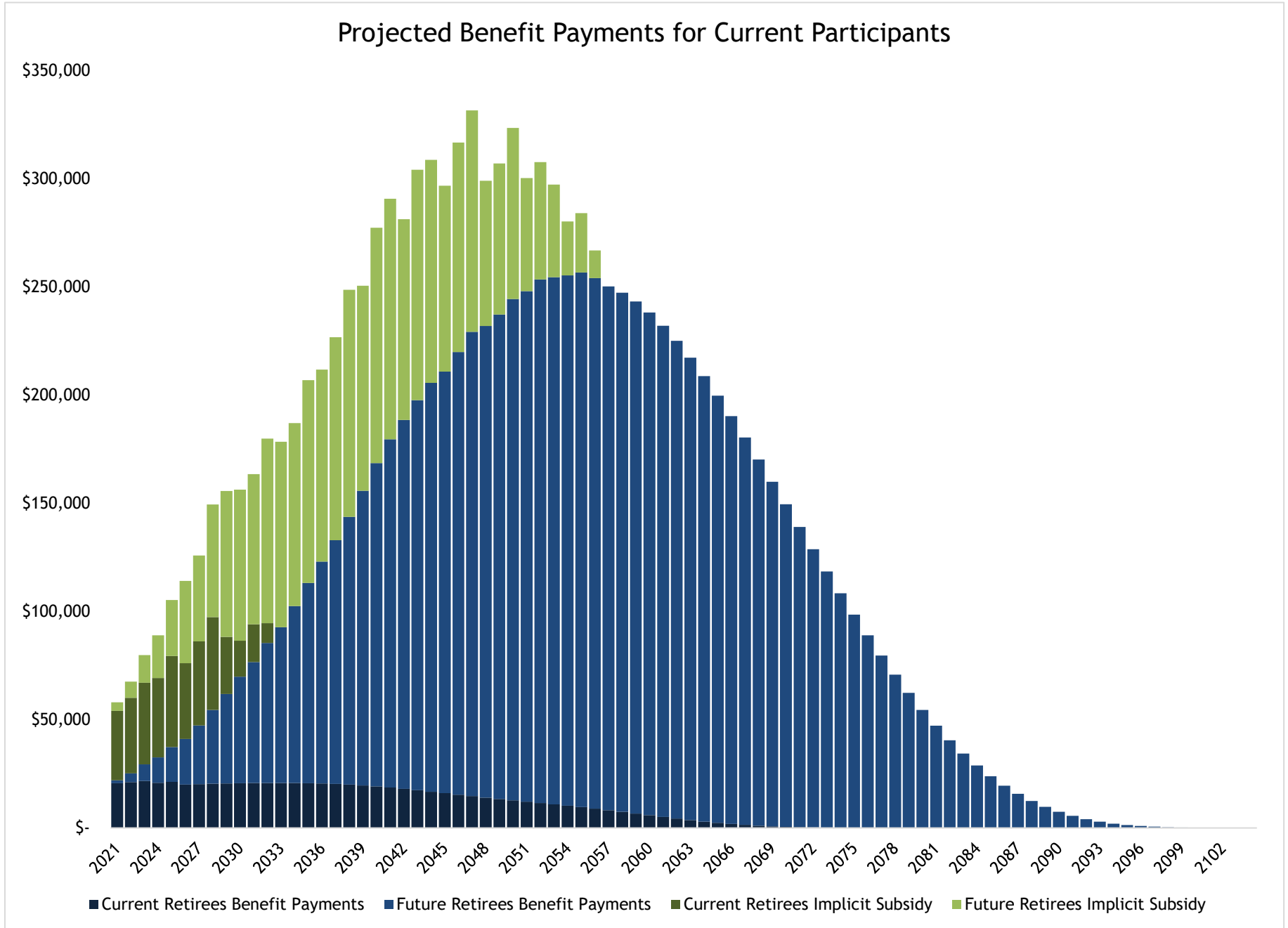
Accounting Information

Projection of Benefit Payments

Projected benefit payments for current participants follow. "Future Retirees" are employees currently working, but projected to retire and receive benefits. The projections do not include benefits for employees hired in the future.

Measurement Period Ending	Projected Retiree Benefit Payments			Projected Implicit Subsidy			Grand Total
June 30:	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2021	\$ 20,559	\$ 1,329	\$ 21,888	\$ 32,147	\$ 3,948	\$ 36,095	\$ 57,983
2022	21,097	4,037	25,134	34,898	7,553	42,451	67,585
2023	21,606	7,692	29,298	37,680	12,851	50,531	79,829
2024	20,822	11,717	32,539	36,689	19,722	56,411	88,950
2025	21,157	16,119	37,276	42,070	25,864	67,934	105,210
2026	20,003	21,076	41,079	34,966	38,012	72,978	114,057
2027	20,191	27,136	47,327	38,798	39,725	78,523	125,850
2028	20,359	34,120	54,479	42,885	52,048	94,933	149,412
2029	20,481	41,324	61,805	26,450	67,390	93,840	155,645
2030	20,575	49,225	69,800	16,682	69,823	86,505	156,305
2031	20,661	55,915	76,576	17,450	69,429	86,879	163,455
2032	20,711	64,671	85,382	9,133	85,279	94,412	179,794
2033	20,721	72,008	92,729	-	85,672	85,672	178,401
2034	20,686	81,768	102,454	-	84,583	84,583	187,037
2035	20,597	92,599	113,196	-	93,657	93,657	206,853
2036	20,446	102,602	123,048	-	88,733	88,733	211,781
2037	20,223	112,691	132,914	-	93,773	93,773	226,687
2038	19,922	123,723	143,645	-	104,945	104,945	248,590
2039	19,543	136,229	155,772	-	94,757	94,757	250,529
2040	19,088	149,469	168,557	-	108,778	108,778	277,335
2041	18,561	160,941	179,502	-	111,176	111,176	290,678
2042	17,974	170,517	188,491	-	92,747	92,747	281,238
2043	17,338	180,240	197,578	-	106,492	106,492	304,070
2044	16,669	188,933	205,602	-	103,047	103,047	308,649
2045	15,982	194,869	210,851	-	85,876	85,876	296,727
2046	15,293	204,528	219,821	-	96,850	96,850	316,671
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Accounting Information



Accounting Information

Projection of Contributions

Measurement Period Ending June 30:	Payroll			Projected Employer Contributions*		
	Current Employees	Future Employees	Total	Current Participants	Related to Payroll of Future Employees	15 Years, Then at 1.73%
	(a)	(b)	(c)	(d) = (f) - (e)	(e) = (b) x 1.15%**	(f) = (c) x 4.23%
2021	\$ 3,713,533	\$ -	\$ 3,713,533	\$ 151,198	\$ -	\$ 151,198
2022	3,647,313	168,342	3,815,655	165,639	1,936	167,575
2023	3,575,229	345,357	3,920,586	161,869	3,972	165,841
2024	3,470,519	557,883	4,028,402	163,985	6,416	170,401
2025	3,356,020	783,163	4,139,183	166,081	9,006	175,087
2026	3,257,587	995,424	4,253,011	168,455	11,447	179,902
2027	3,145,241	1,224,728	4,369,969	170,766	14,084	184,850
2028	3,026,358	1,463,785	4,490,143	173,099	16,834	189,933
2029	2,904,091	1,709,531	4,613,622	175,496	19,660	195,156
2030	2,782,119	1,958,378	4,740,497	178,002	22,521	200,523
2031	2,656,631	2,214,230	4,870,861	180,573	25,464	206,037
2032	2,531,849	2,472,961	5,004,810	183,264	28,439	211,703
2033	2,394,409	2,748,033	5,142,442	185,923	31,602	217,525
2034	2,261,644	3,022,215	5,283,859	188,752	34,755	223,507
2035	2,123,312	3,305,853	5,429,165	191,637	38,017	229,654
2036	1,967,503	3,610,964	5,578,467	170,255	41,526	211,781
2037	1,799,370	3,932,505	5,731,875	181,463	45,224	226,687
2038	1,650,882	4,238,620	5,889,502	199,846	48,744	248,590
2039	1,440,187	4,611,276	6,051,463	197,499	53,030	250,529
2040	1,258,553	4,959,325	6,217,878	220,303	57,032	277,335
2041	1,117,999	5,270,871	6,388,870	230,063	60,615	290,678
2042	989,434	5,575,130	6,564,564	217,124	64,114	281,238
2043	883,083	5,862,007	6,745,090	236,657	67,413	304,070
2044	786,561	6,144,019	6,930,580	237,993	70,656	308,649
2045	701,723	6,419,448	7,121,171	222,903	73,824	296,727
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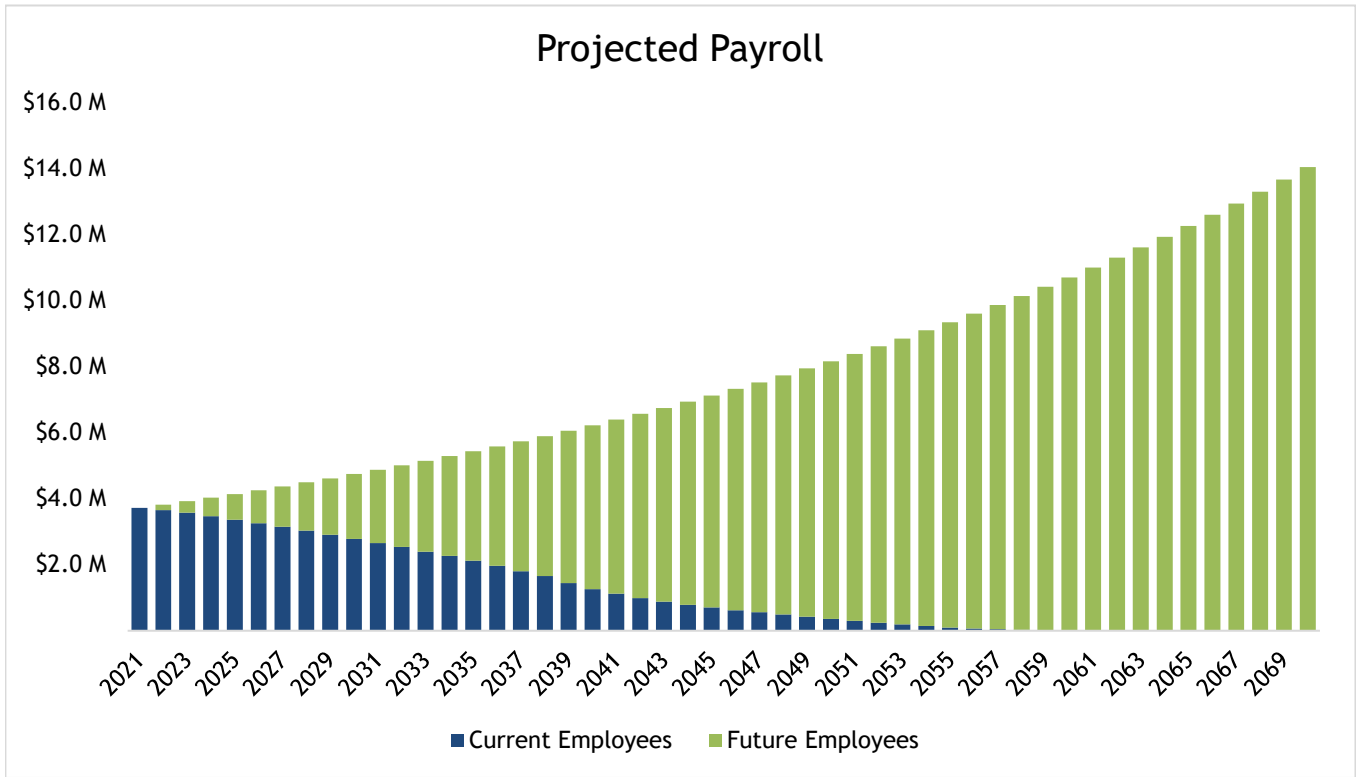
*The contributions for the first two years are calculated separately. Contributions for subsequent years use the percentages shown.

**The service cost percentage was determined in the prior report.

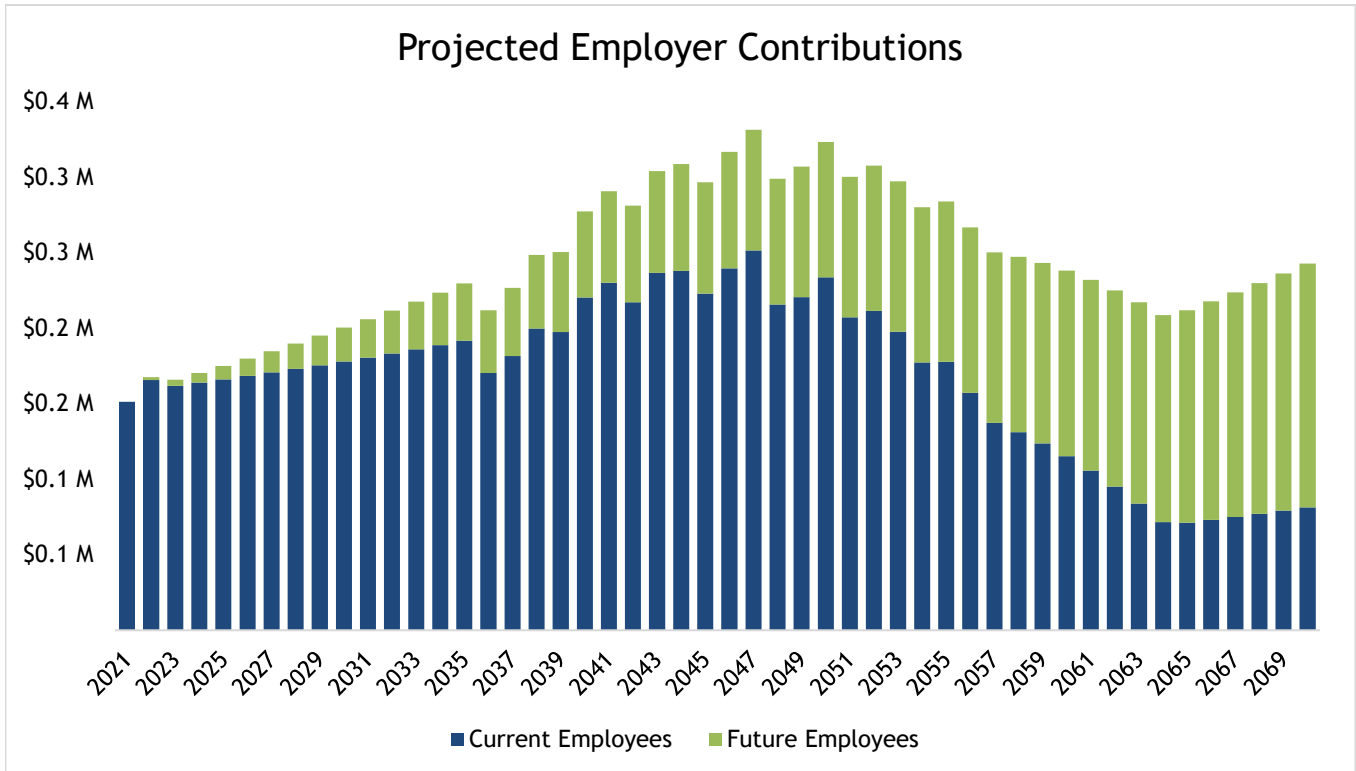
Accounting Information

Projection of Contributions Charts

Projected Payroll for Current and Future Employees



Projected Employer Contributions for Current and Future Plan Participants



Accounting Information

Projection of Fiduciary Net Position

Current Participants Only.

Measurement Period Ending June 30:	Investment Rate of Return (a)	Projected Beginning Fiduciary Net Position (b)	Employer Contributions for Current Participants (c)	Projected Benefit Payments (Including Implicit Subsidy) (d)	Projected Administrative Expense (e)	Projected Investment Earnings (f)	Projected Ending Fiduciary Net Position (g) = $\Sigma [(b) : (f)]$
2021	5.85%	\$ 737,341	\$ 151,198	\$ (57,983)	\$ (294)	\$ 45,852	\$ 876,114
2022	5.85%	876,114	165,639	(67,585)	(301)	54,112	1,027,979
2023	5.85%	1,027,979	161,869	(79,829)	(309)	62,527	1,172,237
2024	5.85%	1,172,237	163,985	(88,950)	(317)	70,761	1,317,716
2025	5.85%	1,317,716	166,081	(105,210)	(325)	78,857	1,457,119
2026	5.85%	1,457,119	168,455	(114,057)	(333)	86,823	1,598,007
2027	5.85%	1,598,007	170,766	(125,850)	(341)	94,787	1,737,369
2028	5.85%	1,737,369	173,099	(149,412)	(350)	102,319	1,863,025
2029	5.85%	1,863,025	175,496	(155,645)	(359)	109,557	1,992,074
2030	5.85%	1,992,074	178,002	(156,305)	(368)	117,160	2,130,563
2031	8.07%	2,130,563	180,573	(163,455)	(377)	172,612	2,319,916
2032	8.07%	2,319,916	183,264	(179,794)	(386)	187,342	2,510,342
2033	8.07%	2,510,342	185,923	(178,401)	(396)	202,872	2,720,340
2034	8.07%	2,720,340	188,752	(187,037)	(406)	219,584	2,941,233
2035	8.07%	2,941,233	191,637	(206,853)	(416)	236,727	3,162,328
2036	8.07%	3,162,328	170,255	(211,781)	(426)	253,507	3,373,883
2037	8.07%	3,373,883	181,463	(226,687)	(437)	270,430	3,598,652
2038	8.07%	3,598,652	199,846	(248,590)	(448)	288,426	3,837,886
2039	8.07%	3,837,886	197,499	(250,529)	(459)	307,559	4,091,956
2040	8.07%	4,091,956	220,303	(277,335)	(470)	327,901	4,362,355
2041	8.07%	4,362,355	230,063	(290,678)	(482)	349,577	4,650,835
2042	8.07%	4,650,835	217,124	(281,238)	(494)	372,715	4,958,942
2043	8.07%	4,958,942	236,657	(304,070)	(506)	397,446	5,288,469
2044	8.07%	5,288,469	237,993	(308,649)	(519)	423,908	5,641,202
2045	8.07%	5,641,202	222,903	(296,727)	(532)	452,245	6,019,091
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Accounting Information

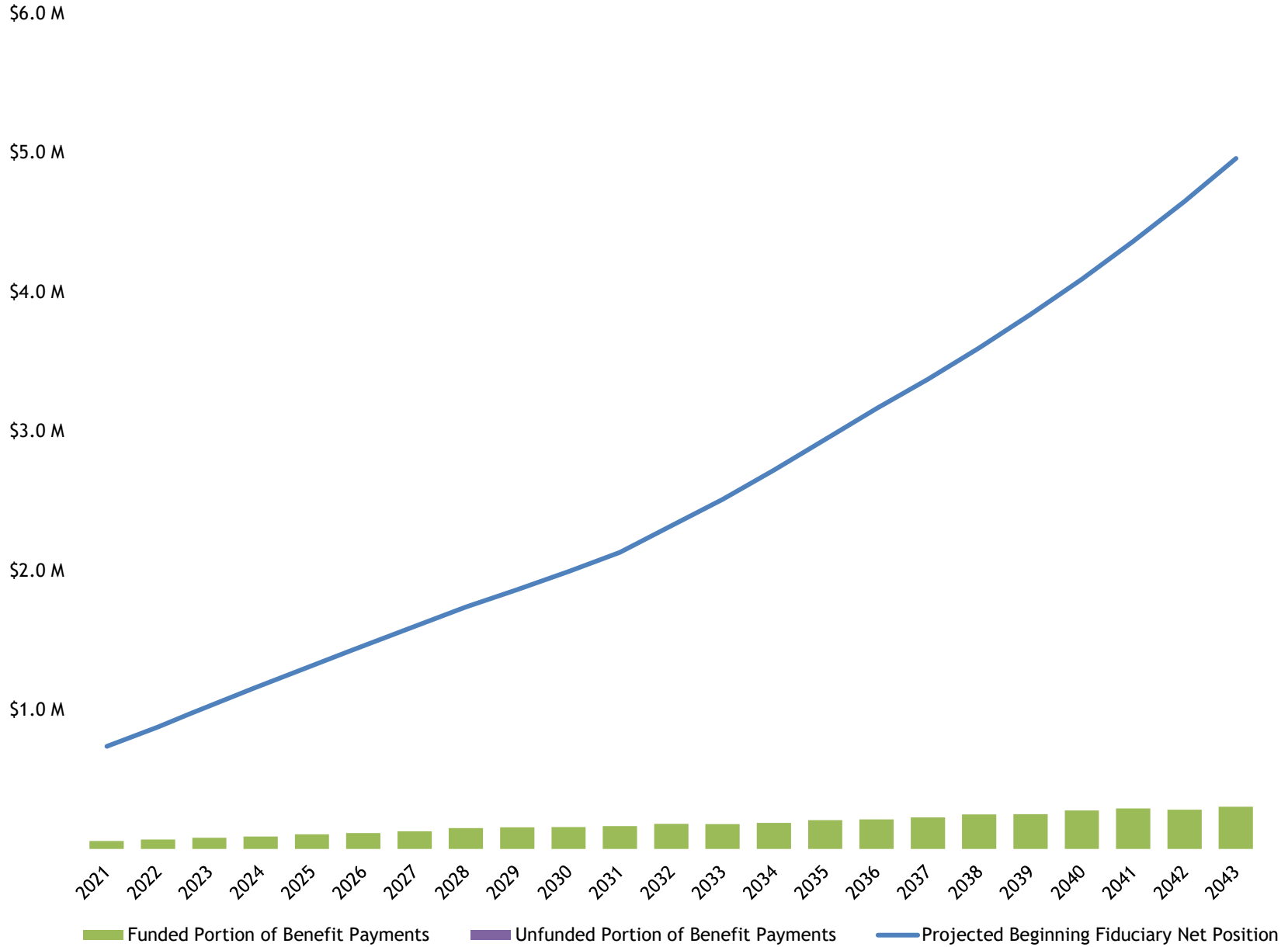
Depletion Date Projection

Current Participants Only

The investment earnings are determined using an investment rate of return of 5.85% for years 1-10 and 8.07% for years 11+

Measurement Period Ending June 30:	Projected Beginning Fiduciary Net Position	Total Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments at the Investment Rate of Return	Present Value of Unfunded Benefit Payments at 2.45%	Present Value of Benefit Payments at an equivalent Single Discount Rate of 7.85%
2021	\$ 737,341	\$ 57,983	\$ 57,983	\$ -	\$ 56,358	\$ -	\$ 55,833
2022	876,114	67,585	67,585	-	62,060	-	60,342
2023	1,027,979	79,829	79,829	-	69,252	-	66,086
2024	1,172,237	88,950	88,950	-	72,900	-	68,277
2025	1,317,716	105,210	105,210	-	81,461	-	74,880
2026	1,457,119	114,057	114,057	-	83,430	-	75,268
2027	1,598,007	125,850	125,850	-	86,969	-	77,006
2028	1,737,369	149,412	149,412	-	97,545	-	84,768
2029	1,863,025	155,645	155,645	-	95,998	-	81,877
2030	1,992,074	156,305	156,305	-	91,077	-	76,240
2031	2,130,563	163,455	163,455	-	72,359	-	73,924
2032	2,319,916	179,794	179,794	-	73,649	-	75,395
2033	2,510,342	178,401	178,401	-	67,621	-	69,366
2034	2,720,340	187,037	187,037	-	65,601	-	67,430
2035	2,941,233	206,853	206,853	-	67,133	-	69,146
2036	3,162,328	211,781	211,781	-	63,600	-	65,641
2037	3,373,883	226,687	226,687	-	62,993	-	65,147
2038	3,598,652	248,590	248,590	-	63,921	-	66,242
2039	3,837,886	250,529	250,529	-	59,609	-	61,899
2040	4,091,956	277,335	277,335	-	61,060	-	63,535
2041	4,362,355	290,678	290,678	-	59,218	-	61,745
2042	4,650,835	281,238	281,238	-	53,017	-	55,391
2043	4,958,942	304,070	304,070	-	53,041	-	55,529
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Depletion Date Projection



Accounting Information

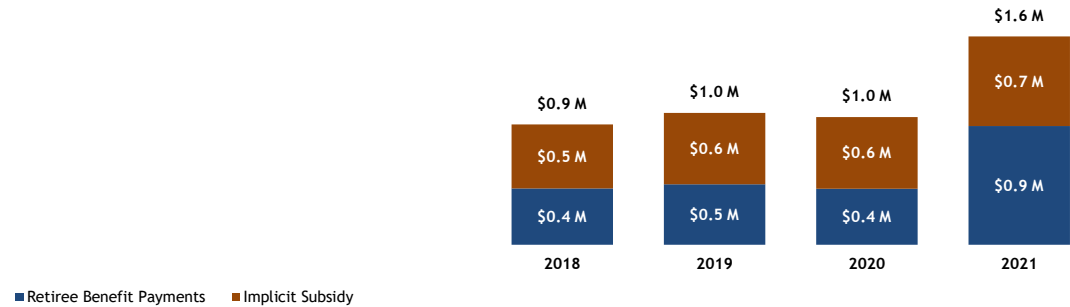
Schedule of Implicit Subsidy Liability

Actuarial standard of practice (ASOP) number 6, "Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions", requires the inclusion of the implicit subsidy in OPEB valuations.

The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are set for Medicare retirees separately, and are set to be sufficient to cover the true costs of the Medicare retirees. Thus, there is no implicit subsidy for Medicare retirees.

	2017	2018	2019	2020
Measurement Date (June 30):	2018	2019	2020	2021
Report Date (June 30):				
Retiree Benefit Payments	\$ 440,408	\$ 473,486	\$ 437,111	\$ 929,040
Implicit Subsidy	500,059	557,403	563,123	701,302
Total OPEB Liability	\$ 940,467	\$ 1,030,889	\$ 1,000,234	\$ 1,630,342
Discount Rate	7.28%	7.28%	7.62%	7.85%

Retiree Benefit Payments and Implicit Subsidy



Accounting Information

Schedule of Deferred Outflows and Inflows of Resources

Schedule of Deferred Outflows and Inflows of Resources

	Measurement Period	Base Amount	Amount Previously Recognized	Recognition Period	Remaining Period	Increase/(Decrease) in Expense: Measurement / Report Years Ending June 30:						Remaining	
						2020	2021	2022	2023	2024	2025		2026
Differences Between Expected and Actual Experience	2016-2017	\$ -	\$ -	8.9	5.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2017-2018	-	-	8.8	6.8	-	-	-	-	-	-	-	-
	2018-2019	(103,329)	(12,015)	8.6	7.6	(12,015)	(12,015)	(12,015)	(12,015)	(12,015)	(12,015)	(12,015)	(19,224)
	2019-2020	123,884	-	8.2	8.2	15,108	15,108	15,108	15,108	15,108	15,108	15,108	33,236
Changes of Assumptions	2016-2017	-	-	8.9	5.9	-	-	-	-	-	-	-	-
	2017-2018	3,078	700	8.8	6.8	350	350	350	350	350	350	350	278
	2018-2019	(13,645)	(1,587)	8.6	7.6	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)	(2,536)
	2019-2020	(48,229)	-	8.2	8.2	(5,882)	(5,882)	(5,882)	(5,882)	(5,882)	(5,882)	(5,882)	(12,937)
Differences Between Projected and Actual Earnings	2016-2017	(2,325)	(1,395)	5.0	2.0	(465)	(465)						
	2017-2018	(1,884)	(754)	5.0	3.0	(377)	(377)	(376)					
	2018-2019	10,253	2,051	5.0	4.0	2,051	2,051	2,051	2,049				
	2019-2020	29,077	-	5.0	5.0	5,816	5,816	5,816	5,816	5,813			

Summary of Deferred Outflows and Inflows of Resources

Measurement Period: July 1, 2019 - June 30, 2020

Fiscal Reporting Period: July 1, 2020 - June 30, 2021

	Measurement Years Ending June 30:		Report Years Ending June 30:		2020		2021		2022		2023		2024		2025		Remaining
	2020	2021	2021	2022	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
Differences Between Expected and Actual Experience	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 3,093	\$ 14,012
Changes of Assumptions	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(7,119)	(15,195)
Differences Between Projected and Actual Earnings	7,025	7,025	7,491	7,865	5,813	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 2,999	\$ 2,999	\$ 3,465	\$ 3,839	\$ 1,787	\$ (4,026)	\$ (1,183)										

Accounting Information

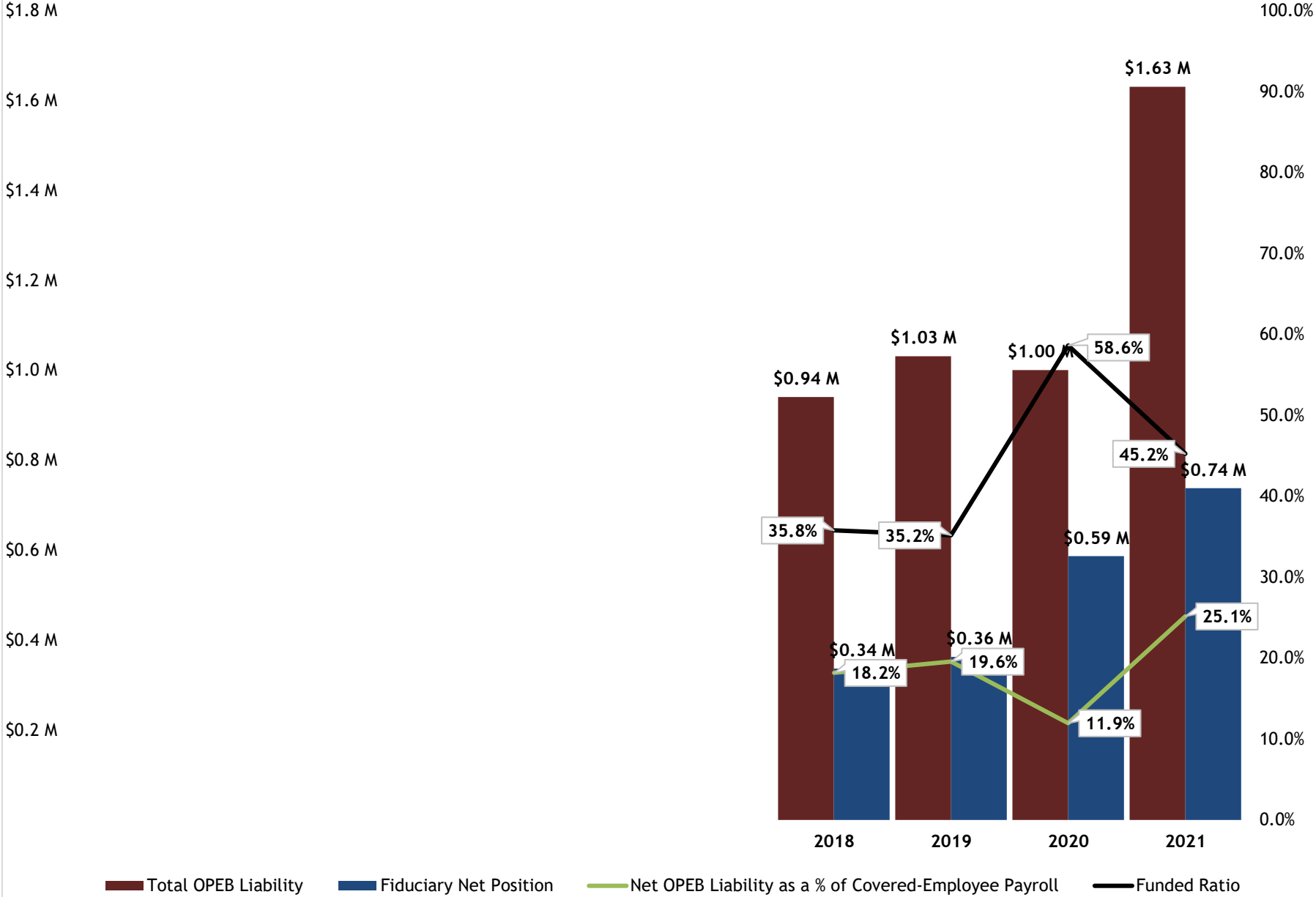
Schedule of Changes in the Total OPEB Liability and Related Ratios

GASB 75 requires a disclosure of the changes in the Net OPEB Liability for the last ten fiscal years, or for as many years as are available.

Measurement Date (June 30):	2017	2018	2019	2020
Report Date (June 30):	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 40,607	\$ 41,774	\$ 42,886	\$ 38,754
Interest	64,611	70,812	76,951	77,913
Changes of Benefit Terms	-	-	-	470,808
Differences Between Expected and Actual Experience	-	-	(103,329)	123,884
Changes of Assumptions	-	3,078	(13,645)	(48,229)
Benefit Payments	(11,959)	(13,044)	(14,167)	(15,267)
Implicit Rate Subsidy Credit	(11,370)	(12,198)	(19,351)	(17,755)
Net Change in Total OPEB Liability	<u>81,889</u>	<u>90,422</u>	<u>(30,655)</u>	<u>630,108</u>
Total OPEB Liability – Beginning	<u>858,578</u>	<u>940,467</u>	<u>1,030,889</u>	<u>1,000,234</u>
Total OPEB Liability – Ending (a)	<u>\$ 940,467</u>	<u>\$ 1,030,889</u>	<u>\$ 1,000,234</u>	<u>\$ 1,630,342</u>
Plan Fiduciary Net Position				
Net Investment Income	\$ 22,000	\$ 26,814	\$ 23,924	\$ 21,129
Employer – District’s Contribution	111,959	13,044	214,167	145,501
Employer – Implicit Subsidy	11,370	12,198	19,351	17,755
Benefit Payments	(11,959)	(13,044)	(14,167)	(15,267)
Implicit Subsidy Credit	(11,370)	(12,198)	(19,351)	(17,755)
Administrative Expense	(111)	(624)	(78)	(287)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>121,889</u>	<u>26,190</u>	<u>223,846</u>	<u>151,076</u>
Plan Fiduciary Net Position – Beginning	<u>214,340</u>	<u>336,229</u>	<u>362,419</u>	<u>586,265</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 336,229</u>	<u>\$ 362,419</u>	<u>\$ 586,265</u>	<u>\$ 737,341</u>
Net OPEB Liability				
District’s Net OPEB Liability – Ending = (a) – (b)	\$ 604,238	\$ 668,470	\$ 413,969	\$ 893,001
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.8%	35.2%	58.6%	45.2%
Covered-Employee Payroll	\$ 3,327,681	\$ 3,419,192	\$ 3,467,968	\$ 3,552,173
District’s Net OPEB Liability as a Percentage of Covered-Employee Payroll	18.2%	19.6%	11.9%	25.1%

Notes to schedule: the District adopted GASB 75 for the fiscal year ending June 30, 2018.

Schedule of Changes in the Total OPEB Liability and Related Ratios



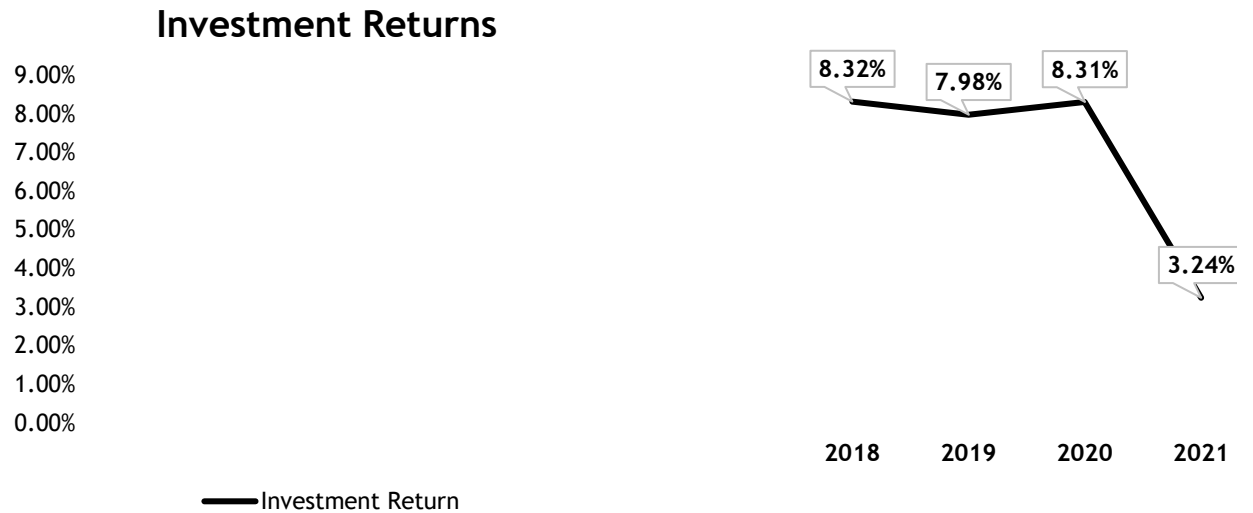
Accounting Information

Schedule of Investment Returns

GASB 75 requires a schedule of investment returns for the last ten fiscal years, or for as many years as are available if less than ten years are available.

Measurement Date (June 30):	2017	2018	2019	2020
Report Date (June 30):	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.32%	7.98%	8.31%	3.24%

The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).



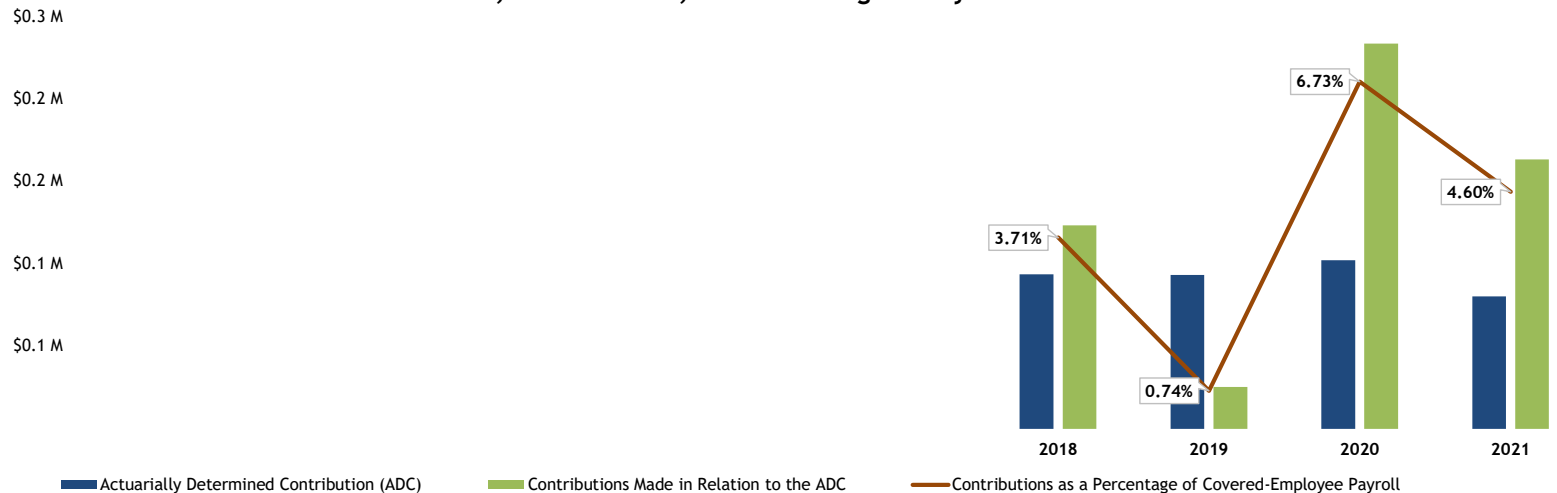
Accounting Information

Schedule of Contributions

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available.

Measurement Period: Reporting Period: Report Date (June 30): Actuarially Determined Contribution (ADC)	2016-2017 2017-2018 2018	2017-2018 2018-2019 2019	2018-2019 2019-2020 2020	2019-2020 2020-2021 2021
Less: Contributions Made in Relation to the ADC - Contribution Deficiency (Excess)	\$ 93,556	\$ 93,284	\$ 102,082	\$ 80,231
Covered-Employee Payroll	123,329	25,242	233,518	163,256
	(29,773)	68,042	(131,436)	(83,025)
	\$ 3,327,681	\$ 3,419,192	\$ 3,467,968	\$ 3,552,173
Contributions as a Percentage of Covered-Employee Payroll	3.71%	0.74%	6.73%	4.60%

ADC, Contributions, and Percentage of Payroll



Notes to Schedule:

Assumptions and Methods

- Actuarial Cost Method: Entry-age normal, level percent of pay
- Amortization Method: Closed period, level percent of pay
- Amortization Period: 20 years
- Inflation: 2.50%
- Assumed Payroll Growth: 2.750%
- Healthcare Trend Rates: 7.00%, trending down to 4.04%
- Rate of Return on Assets: 5.85%
- Mortality Rate: CalPERS Rates. See appendix.
- Retirement Rates: CalPERS Rates. See appendix.

Accounting Information

Draft Notes to the Financial Statements

A draft of the required notes to the District's financial statements, based on the requirements of GASB 75 and our understanding of the District's retiree health plan, follows.

Notes to the Financial Statements for the Year Ended June 30, 2021

Summary of Significant Accounting Policies

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District's Retiree Health Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Note X – Other Post-Employment Benefits (OPEB)

Plan Description

The District administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and surviving spouses continue receiving the PEMHCA Minimum Benefit.

Benefits Provided

Retirees are eligible for medical benefits if they retire at Age 50+, have 5+ years of District service, and were enrolled in CalPERS plan upon retirement. The District provides the PEMHCA minimum for each subscriber (\$139 in 2020, \$141 in 2021), regardless of elected coverage tier. Prior to January 1, 2020, the District pays 40% of the lowest cost single-party premium until the retiree reaches age 65 for employees who attained age 55+ and 20+ years of service. On or after January 1, 2020, the District pays for 50% of the lowest cost single-party premium for the lifetime of any retiree who attains age 55+ and 10 years of service. For Retirees who retire at age 55+, the District pays 75% of the lowest cost single-party premium upon retirement with at least 15 years of service and 100% of the lowest cost single-party premium upon retirement with at least 20 years of service. For more information about the benefits offered in the Plan, please see the Substantive Plan of this report. The Plan is open to new participants who are eligible, and the Ross Valley Sanitation District Board of Directors maintains the authority to establish and amend the benefit terms of the Plan.

Employees Covered by Benefit Terms

At June 30, 2020 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	18
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	32
Total	50

Accounting Information

Draft Notes to the Financial Statements

Contributions

The District makes contributions based on an actuarially determined rate.

Contribution rate: 4.23% for 15 years,
1.73% thereafter.

Reporting period contributions: \$163,256 (Includes implicit subsidy credit.)

Financial Report

The District issues a stand-alone financial report that is available to the public. The report is available by calling (707) 257-9510 or visiting:

www.rvsd.org

Net OPEB Liability

The District's total OPEB liability was valued as of June 30, 2020, and was used to calculate the net OPEB liability measured as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	June 30, 2019	June 30, 2020
Discount Rate	7.62%	7.85%
Investment Rate of Return	7.62%	5.85%
Inflation	2.50%	2.50%
Healthcare Cost Trend Rates		
Pre-Medicare	7.00%	7.00% *
Medicare	4.00%	6.00% *
Salary Increases	2.750%	2.750% **
Mortality Rates	Based on CalPERS tables.	

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, revised May 14, 2018.
- Inactive employees (retirees) pay the cost of benefits in excess of the District's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.

Discount Rate

GASB 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments will be used. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 7.85%.

*Trending down to 4.04% over 57 years. Applies to calendar years.

**Additional merit-based increases based on CalPERS merit salary increase tables.

Accounting Information

Draft Notes to the Financial Statements

Long-Term Expected Real Rate of Return

The long-term expected rate of return is determined using the long-term rates of return developed by the CalPERS Investment Office in their report dated May 14, 2018.

Asset Class	Target Allocation	Compound Expected Return	Volatility	Arithmetic Expected Return
Global Equity	59%	6.80%	17.00%	8.14%
Fixed Income	25%	3.10%	7.83%	3.40%
TIPS	5%	2.25%	5.46%	2.40%
Commodities	3%	3.50%	21.50%	5.71%
REITs	8%	5.50%	17.28%	6.90%
Total/Average	<u>100%</u>			
Expected Compound Return (1-10 Years)				5.85%
Expected Compound Return (11-60 Years)				8.07%
Expected Volatility				11.83%

Uses an expected long-term inflation rate of 2.00%

<i>Current Liability</i>	Amount
Current OPEB Liability	\$ 56,335
Non-Current OPEB Liability	1,574,007
Total OPEB Liability	\$ 1,630,342

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows.

EARSL: 8.2 years

Accounting Information

Draft Notes to the Financial Statements

<i>Changes in the Net OPEB Liability</i>	<i>Increase/(Decrease)</i>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance as of Report Date June 30, 2020	\$ 1,000,234	\$ 586,265	\$ 413,969
Changes for the Year:			
Service Cost	38,754		38,754
Interest	77,913		77,913
Changes of Benefit Terms	470,808		470,808
Differences Between Expected and Actual Experience	123,884		123,884
Changes of Assumptions	(48,229)		(48,229)
Contributions			
Employer – District's Contribution		145,501	(145,501)
Employer – Implicit Subsidy		17,755	(17,755)
Net Investment Income		21,129	(21,129)
Benefit Payments	(15,267)	(15,267)	-
Implicit Subsidy Credit	(17,755)	(17,755)	-
Administrative Expenses		(287)	287
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	630,108	151,076	479,032
Balance as of Report Date June 30, 2021	\$ 1,630,342	\$ 737,341	\$ 893,001

Accounting Information

Draft Notes to the Financial Statements

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

Sensitivity of the total and net OPEB liability to changes in the discount rate. The total and net OPEB liability of the District, as well as what the District's total and net OPEB liability would be if they were calculated using a discount rate that is one percentage point lower (6.85%) or one percentage point higher (8.85%) follows:

	1% Decrease 6.85%	Discount Rate 7.85%	1% Increase 8.85%
Total OPEB Liability (Asset)	\$ 1,838,320	\$ 1,630,342	\$ 1,455,807
Increase (Decrease)	207,978		(174,535)
% Change	12.8%		-10.7%
Net OPEB Liability (Asset)	\$ 1,100,979	\$ 893,001	\$ 718,466
Increase (Decrease)	207,978		(174,535)
% Change	23.3%		-19.5%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 7.00% and decreased to 4.04% over 57 years. The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

	1% Decrease 6.00%	Trend Rate 7.00%	1% Increase 8.00%
Total OPEB Liability (Asset)	\$ 1,425,568	\$ 1,630,342	\$ 1,881,906
Increase (Decrease)	(204,774)		251,564
% Change	-12.6%		15.4%
Net OPEB Liability (Asset)	\$ 688,227	\$ 893,001	\$ 1,144,565
Increase (Decrease)	(204,774)		251,564
% Change	-22.9%		28.2%

Accounting Information

Draft Notes to the Financial Statements

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the report year ended June 30, 2021, the District recognized an OPEB expense of \$540,555. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Actual and Expected Experience	\$ 108,776	\$ (79,299)
Changes of Assumptions	2,028	(52,818)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	28,194	-
Contributions Subsequent to the Measurement Date	<u>54,012</u>	<u>-</u>
Total	\$ 193,010	\$ (132,117)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Report Year Ending June 30:</u>	<u>Amount</u>
2022	\$ 2,999
2023	3,465
2024	3,839
2025	1,787
2026	(4,026)
Remaining	(1,183)

Basis of Valuation

Substantive Plan

A summary of the substantive plan used as the basis of the valuation follows.

Retiree Benefits										
Retiree Medical Benefit										
Eligibility	Upon attainment of age 50 and 5 years CalPERS Service, or by qualifying disability retirement status.									
Duration of coverage	Retiree's lifetime.									
Spouse coverage	Eligible to enroll but no employer contribution. Surviving spouse benefits available if applicable.									
Medical plan choices	Retiree may choose one of any medical plan provided through CalPERS.									
Core Contribution	<p>City contributed the unequal contribution determined by PEMHCA for 2018 and the minimum contribution determined by PEMHCA for 2019 & 2020.</p> <table border="1" data-bbox="667 758 1138 873"> <thead> <tr> <th colspan="3">Year</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>\$136.00</td> <td>\$139.00</td> <td>\$141.00</td> </tr> </tbody> </table>	Year			2019	2020	2021	\$136.00	\$139.00	\$141.00
Year										
2019	2020	2021								
\$136.00	\$139.00	\$141.00								
Additional Contribution	<p>Before January 1, 2020, if a retiree has attained age 55 and at least 20 years of CalPERS service, the District contributed 40% of the lowest cost single-party health premium for the CalPERS plans offered in Region 1. This benefit ceases at 65.</p> <p>On or after January 1, 2020, if a retiree has attained age 55, the District contributes the following percentages of the lowest cost single-party health premium for the CalPERS plans offered in Region 1 for the retiree's lifetime: 50% of premium for at least 10 years of service, 75% of premium for at least 15 years of service, and 100% of premium for at least 20 years of service.</p>									

Basis of Valuation

Participant Summary

Census Date: June 30, 2020
Age and service determined as of the census date.

Active Participants											
Age	Years of Service										Total
	< 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
< 25											
25-29		1									1
30-34		2	1								3
35-39			3	1	1						5
40-44	1		3	1	1						6
45-49			4		2						6
50-54			2	1	1	1	1	1			7
55-59			2		1						3
60-64				1							1
65-69											
70+											
Total	1	3	15	4	6	1	1	1			32

Average Active Participant Age: 45.6

Average Years of Service: 11.8

Changes from Prior Census

Active Participants	Count
Prior Census	33
Hires	2
Terminations*	(1)
Retirements	(2)
Current Census	32

Inactive Participants			
Age	Retiree	Spouse	Total
< 50			
50-54		1	1
55-59	2	1	3
60-64	2	1	3
65-69		1	1
70-74	3	2	5
75-79	2		2
80-84	1	1	2
85-89	1		1
90+			
Total	11	7	18

Inactive Participants	Retiree	Spouse	Total
Prior Census	9	5	14
Retirements	2	2	4
Deaths*	0	0	0
Current Census	11	7	18

*Includes withdrawals

Average Inactive Participant Age: 68.1

Basis of Valuation

Participant Summary Charts

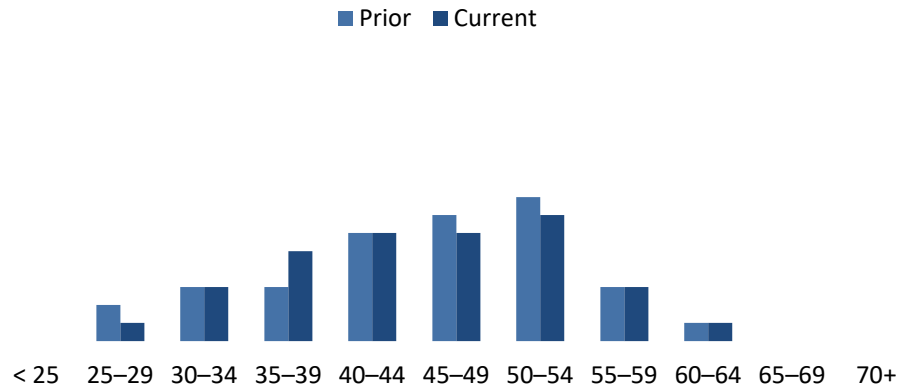
Census Date: June 30, 2020

Age and service determined as of the census date.

Average Active Participant Age

Prior Report:	45.6
Current:	45.6
Change:	0.0
% Change:	0.0%

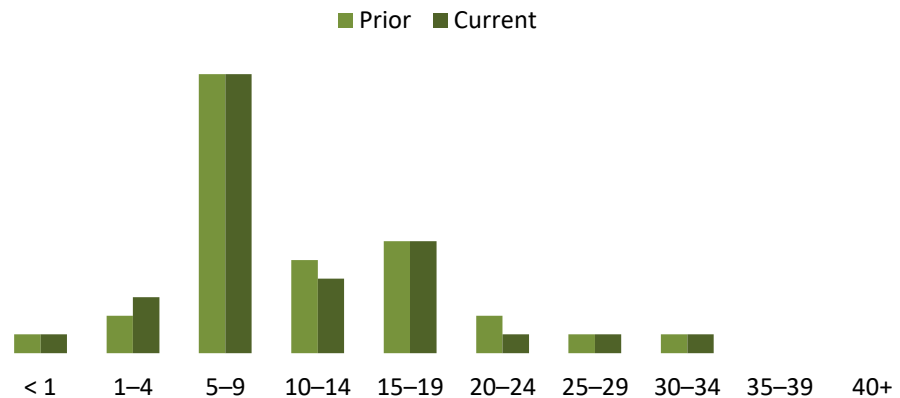
Actives by Age Bracket



Average Years of Service

Prior Report:	11.8
Current:	11.8
Change:	0.0
% Change:	0.0%

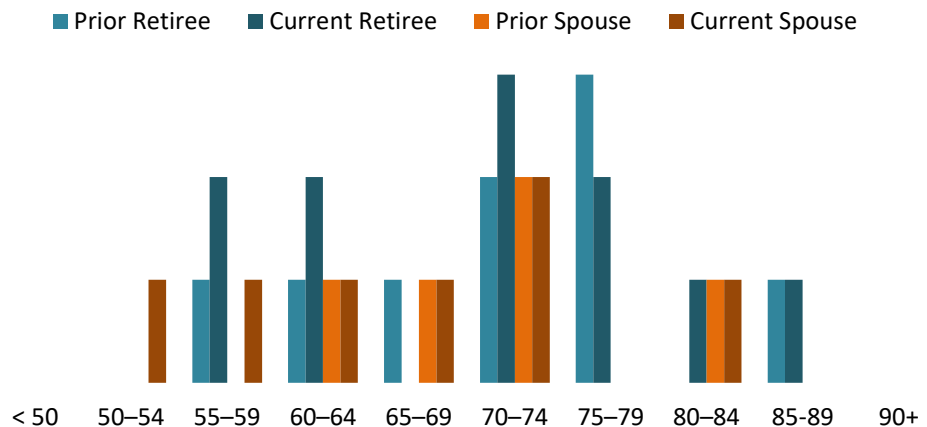
Actives by Years of Service



Average Inactive Participant Age

Prior Report:	70.8
Current:	68.1
Change:	(2.7)
% Change:	-3.8%

Inactives by Age Bracket



Basis of Valuation

Actuarial Assumptions

A summary of the actuarial assumptions used for this valuation follows. We considered the reasonableness of each assumption independently based on its own merits, consistent with each other assumption, and the combined impact of all assumptions.

Assumption	Rates												
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Salary												
Valuation Date	June 30, 2020												
Measurement Date	June 30, 2020												
Report Date	June 30, 2021												
Discount Rate	GASB 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments will be used. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 7.85%.												
Mortality	Same as CalPERS. See appendix.												
Termination Rates	Same as CalPERS. See appendix. Also known as "turnover".												
Disability	Same as CalPERS. See appendix.												
Retirement	Same as CalPERS. See appendix.												
Annual Per Capita Claims Cost	Developed using CalPERS experience to calculate age-related risk scores, but using the District's actual premiums for all other purposes. Assumed annual per capita claims costs follow:												
	<table border="1"> <thead> <tr> <th>Age</th> <th>Males</th> <th>Females</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>\$ 12,062</td> <td>\$ 12,504</td> </tr> <tr> <td>55</td> <td>13,644</td> <td>13,156</td> </tr> <tr> <td>60-64</td> <td>16,528</td> <td>14,732</td> </tr> </tbody> </table>	Age	Males	Females	50	\$ 12,062	\$ 12,504	55	13,644	13,156	60-64	16,528	14,732
Age	Males	Females											
50	\$ 12,062	\$ 12,504											
55	13,644	13,156											
60-64	16,528	14,732											
Average Per Capita Cost for Implicit Subsidy Calculation	Developed based on premiums for the District's enrollment by plan, family demographics from CalPERS plans, and risk scores (both HMO and PPO) for the CalPERS population.												

Basis of Valuation

Actuarial Assumptions

Assumption	Rates						
Aging or Morbidity Factors	Based on actual CalPERS HMO and PPO population data.						
Participant Contributions	Based on service at retirement and employee group.						
Salary Increases	2.750% The salary increase is used to determine the growth in the aggregate payroll. Individual Salary Increases: 2018 CalPERS Merit Salary Increases.						
Inflation Rate	2.50%						
Marital Status	Current Retirees: Actual spouse coverage is used. Future retirees: 70% assumed to be married.						
Spouse Gender	Assumes spouse of opposite gender for current and future retirees.						
Spouse Age Difference	Actual spouse age is used for current retirees. Assumes males are three years older than females for future retirees.						
Participation	Current Retirees: Assume current elections continue until decrement. Future Retiree election assumptions summarized below: <table border="1"><thead><tr><th>Condition</th><th>Participation</th></tr></thead><tbody><tr><td>Eligible for Supplemental Benefits</td><td>70%</td></tr><tr><td>Eligible for PEMHCA Minimum Only</td><td>60%</td></tr></tbody></table>	Condition	Participation	Eligible for Supplemental Benefits	70%	Eligible for PEMHCA Minimum Only	60%
Condition	Participation						
Eligible for Supplemental Benefits	70%						
Eligible for PEMHCA Minimum Only	60%						
PEMHCA Administrative Fee	0.24% of retiree premium.						
Annual PEMHCA Amount	\$1,692 for the period June 30, 2020 through June 30, 2021						

Basis of Valuation

Actuarial Assumptions

Assumption

Rates

Premiums

Premiums used to develop aged claims

Grouping	EE Only	Two-Party
Pre-Medicare	\$ 790.01	\$ 1,580.02
Medicare	339.98	679.96

Trend Rates

Medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2020_b" using baseline assumptions. Applied to both claims and premiums.

Calendar Year	Pre-Medicare	Medicare	PEMHCA Trend
	Trend	Trend	
2020	7.00%	6.00%	3.00%
2021	6.50%	5.50%	3.00%
2022	6.00%	5.20%	3.00%
2023	5.50%	5.20%	3.00%
2024	5.45%	5.20%	3.00%
2025	5.39%	5.19%	3.00%
2026	5.34%	5.19%	3.00%
2027	5.29%	5.19%	3.00%
2028-2076
2077+	4.04%	4.04%	3.00%

This section includes a brief summary of GASB 75, as well as definitions of some of the key terminology used in this report.

About GASB 75

In General. In June 2015 the Governmental Accounting Standards Board released GASB 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. GASB 75 replaced GASB 45 for fiscal years beginning after June 15, 2017, for employers that sponsor OPEB plans. The provisions in GASB 75 are similar to the provisions of GASB 68 for pensions.

Accounting. GASB 75 requires a liability known as the Net OPEB Liability (NOL). The employer recognizes the NOL on its balance sheet. The employer also recognizes an OPEB expense in the income statement. GASB 45 recorded the Unfunded Accrued Actuarial Liability (UAAL) in the notes to the financial statement, whereas GASB 75 records the NOL, which is very similar to the UAAL with just a few technical differences, on the balance sheet.

Financial Statement Impact (Employers). One of the biggest changes to the financial statements of governmental employers that provide OPEB is the reporting of the OPEB liability on the face of the statements rather than in the footnotes. Governments that do not provide OPEB through a trust are required to recognize the entire OPEB liability in the financial statements. For governments that provide OPEB through an OPEB plan that is administered through a trust, the government’s OPEB liability is recognized net of the amount of the OPEB plan’s fiduciary net position.

Changes to the Measurement of the Total OPEB Liability. Measurement of the OPEB liability includes discounting future benefit payments for current and former employees and their beneficiaries to their present value and allocating the present value over past and future periods of the employee service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The calculation continues to include employee-related events, such as projected salary increases and projected years of service, if they affect the amount of OPEB payments employees will receive, as well as provisions for automatic cost-of-living adjustments (COLAs) and other automatic benefits. Additionally, ad hoc COLAs and other ad hoc benefit changes, which are made at the discretion of the government, are included in projections as well, if they routinely recur.

GASB 75 requires governments to discount projected OPEB payments to their present value. Under the new standard, governments discount the projected OPEB payments to be made in each year and the amount of plan assets (if a government administers the OPEB through a trust) available for providing those benefits to current active and inactive employees and their beneficiaries. Similar to the pension standards, the discount rate used is based on whether the plan assets are projected to be sufficient to make future payments. If the plan assets are sufficient, governments discount future payments using the long-term expected rate of return. If projected plan assets are insufficient to make all future payments to current and inactive employees and their beneficiaries, or if there are no plan assets held in trust, the discount rate is based on a high-quality 20-year tax-exempt general obligation municipal bond yield or index rate. “High-quality” is defined as being rated AA or higher (or an equivalent rating).

Cost Method. The Entry Age Normal Cost method must be used.

About GASB 75 (continued)

Factors that affect a government's OPEB liability, such as actual earnings on plan investments when the OPEB plan is administered as a trust, employee compensation changes, interest on the outstanding OPEB liability, contributions from employees and employers, and actual demographic and economic changes that are not in line with assumptions made in the actuarial calculations, are considered when determining the government's OPEB expense. A government's annual OPEB expense is calculated with consideration for factors affecting the OPEB liability within the reporting period. Several causes of changes in OPEB liability are immediately factored into the calculation of OPEB expense for the period, such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments, if administered through a trust.

Governments are required to recognize deferred outflows of resources or deferred inflows of resources and then introduce into the expense calculation, systematically and rationally over the average remaining years of employment (active employees and inactive employees, including retirees), the effect on the total OPEB liability of differences between assumptions and actual experience.

Key Terminology

Actuarially Determined Contribution	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Actuarial Present Value of Projected Benefit Payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Agent Employer	An employer whose employees are provided with OPEB through an agent multiple-employer defined-benefit OPEB plan.
Closed Period	A specific number of years that is counted from one date, which declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth until no years remain.
Contributions	Additions to an OPEB plan's fiduciary net position for amounts from employers, non-employer contributing entities, or employees.
Dates and Periods	
• Census Date	The date of the census. It is usually the same as the Valuation Date .
• Measurement Date	The date on which assets are measured. The liabilities are rolled forward to this date from the Valuation Date , should it differ, using actuarial roll-forward techniques.
• Measurement Period	The year ending on the Measurement Date .
• Report Date	The date on which the amounts are reported in the financial statements. It is the same as the fiscal year-end. It may be up to one year ahead of the Measurement Date , with no roll-forward of liabilities or assets required.
• Reporting Period	The year ending on the Report Date . It is the same as the fiscal year.
• Valuation Date	The date on which the liabilities are valued.
Deferred Inflows and Outflows of Resources	The portion of the changes in the Net OPEB Liability that are not recognized in the current pension expense and are recognized in later periods. The changes deferred include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on OPEB plan investments.

Key Terminology (continued)

Defined-Benefit OPEB	OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation, or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums. OPEB that does not have all of the terms of defined contribution OPEB is classified as defined-benefit OPEB.
Discount Rate	The single rate of return that reflects the following: a. The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return. b. A yield or index rate for 20-year, tax-exempt general-obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions in (a) are not met.
Fiduciary Net Position	The market value of assets as of the Measurement Date .
Implicit Subsidy	The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are set for Medicare retirees separately, and are set to be sufficient to cover the true costs of the Medicare retirees. Thus, there is no implicit subsidy for Medicare retirees.
Net OPEB Liability	The Total OPEB Liability minus the Fiduciary Net Position .
Normal Cost	See Service Cost .
Other Postemployment Benefits (OPEB)	Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payment for sick leave.
Projected Benefit Payments	All benefits estimated to be payable through OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

Key Terminology (continued)

Service Cost	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years. Also called Normal Cost .
Substantive Plan	The plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees.
Total OPEB Liability	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined-benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Appendix

Decrement Tables

The valuation used the following decrement tables from the CalPERS OPEB Assumption Model, revised May 14, 2018:

Mortality	Source Table
Miscellaneous Employees	Mort and Disb Rates_PA Misc
Disability Rates	
Miscellaneous Employees	Mort and Disb Rates_PA Misc
Terminated Refund Rates	
Miscellaneous Employees	Terminated Refund Rates_Misc
Terminated Vested Rates	
Miscellaneous Employees	Terminated Vested Rates_PA Misc
Salary Scale Rates	
Miscellaneous Employees	Salary Scale Rates_PA Misc
Service Retirement Rates	
Miscellaneous Employees	
• 2.0% at 62	Rx PA Misc 2% @ 62
• 2.7% at 55	Rx PA Misc 2.7% @ 55

Appendix

Sample Mortality and Disability Rates

Attained Age	Public Agency Miscellaneous													
	Pre-Retirement Mortality				Post-Retirement Mortality						Disability			
	Male Assumptions		Female Assumptions		Male Assumptions			Female Assumptions			Male Assumptions		Female Assumptions	
	Non Industrial Death	Industrial Death	Non Industrial Death	Industrial Death	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Non Industrial Disability	Industrial Disability	Non Industrial Disability	Industrial Disability
1	0.00000	0.00000	0.00000	0.00000	0.00016	0.00016	0.00003	0.00003	0.00003	0.00003	0.00000	0.00000	0.00000	0.00000
5	0.00000	0.00000	0.00000	0.00000	0.00016	0.00016	0.00003	0.00003	0.00003	0.00003	0.00000	0.00000	0.00000	0.00000
10	0.00000	0.00000	0.00000	0.00000	0.00016	0.00016	0.00003	0.00003	0.00003	0.00003	0.00000	0.00000	0.00000	0.00000
15	0.00016	0.00000	0.00003	0.00000	0.00016	0.00016	0.00003	0.00003	0.00003	0.00003	0.00017	0.00000	0.00010	0.00000
20	0.00022	0.00000	0.00007	0.00000	0.00022	0.00022	0.00004	0.00007	0.00007	0.00007	0.00017	0.00000	0.00010	0.00000
25	0.00029	0.00000	0.00011	0.00000	0.00029	0.00029	0.00006	0.00011	0.00011	0.00006	0.00017	0.00000	0.00010	0.00000
30	0.00038	0.00000	0.00016	0.00000	0.00038	0.00038	0.00007	0.00016	0.00016	0.00007	0.00019	0.00000	0.00024	0.00000
35	0.00049	0.00000	0.00027	0.00000	0.00049	0.00049	0.00009	0.00027	0.00027	0.00009	0.00039	0.00000	0.00071	0.00000
40	0.00064	0.00000	0.00037	0.00000	0.00064	0.00064	0.00010	0.00037	0.00037	0.00010	0.00102	0.00000	0.00135	0.00000
45	0.00080	0.00000	0.00054	0.00000	0.00080	0.00080	0.00012	0.00054	0.00054	0.00012	0.00151	0.00000	0.00188	0.00000
50	0.00116	0.00000	0.00079	0.00000	0.00372	0.01183	0.00372	0.00346	0.01083	0.00346	0.00158	0.00000	0.00199	0.00000
55	0.00172	0.00000	0.00120	0.00000	0.00437	0.01613	0.00437	0.00410	0.01178	0.00410	0.00158	0.00000	0.00149	0.00000
60	0.00255	0.00000	0.00166	0.00000	0.00671	0.02166	0.00671	0.00476	0.01404	0.00476	0.00153	0.00000	0.00105	0.00000
65	0.00363	0.00000	0.00233	0.00000	0.00928	0.02733	0.01113	0.00637	0.01757	0.00765	0.00128	0.00000	0.00088	0.00000
70	0.00623	0.00000	0.00388	0.00000	0.01339	0.03358	0.01607	0.00926	0.02184	0.01112	0.00102	0.00000	0.00084	0.00000
75	0.01057	0.00000	0.00623	0.00000	0.02316	0.04277	0.02779	0.01635	0.02969	0.01962	0.00102	0.00000	0.00088	0.00000
80	0.01659	0.00000	0.00939	0.00000	0.03977	0.06272	0.04773	0.03007	0.04641	0.03609	0.00102	0.00000	0.00088	0.00000
85	0.00000	0.00000	0.00000	0.00000	0.07122	0.09793	0.08547	0.05418	0.07847	0.06501	0.00000	0.00000	0.00000	0.00000
90	0.00000	0.00000	0.00000	0.00000	0.13044	0.14616	0.14348	0.10089	0.13220	0.11098	0.00000	0.00000	0.00000	0.00000
95	0.00000	0.00000	0.00000	0.00000	0.21658	0.21658	0.21658	0.17698	0.21015	0.17698	0.00000	0.00000	0.00000	0.00000
100	0.00000	0.00000	0.00000	0.00000	0.32222	0.32222	0.32222	0.28151	0.32226	0.28151	0.00000	0.00000	0.00000	0.00000
105	0.00000	0.00000	0.00000	0.00000	0.46691	0.46691	0.46691	0.43491	0.43491	0.43491	0.00000	0.00000	0.00000	0.00000
110	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
115	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
120	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000

Notes:

- 1) Pre-Retirement and Post-Retirement mortality rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.
- 2) Miscellaneous Plans usually have Industrial Death rates set to zero unless the agency has specifically contracted for Industrial Death benefits. If so, each Non-Industrial Death rate shown above will be split into two components: 99% will become the Non-Industrial Death rate and 1% will become the Industrial Death rate.
- 3) The Miscellaneous Non-Industrial Disability rates are used for Local Prosecutors.
- 4) Normally, Industrial Disability rates are zero for miscellaneous plans unless the agency has specifically contracted for Industrial Disability benefits. If so, each miscellaneous non-industrial disability rate will be split into two components: 50% will become the Non-Industrial Disability rate and 50% will become the Industrial Disability rate.

Appendix

Sample Termination Rates

		Sample Terminated Refund Rates Public Agency Miscellaneous								
Entry Ages										
Service	15	20	25	30	35	40	45	50	55	59
0	0.18120	0.17420	0.16740	0.16060	0.15370	0.14680	0.14000	0.13320	0.12620	0.12080
5	0.02320	0.02120	0.01930	0.01740	0.01550	0.01360	0.01160	0.00970	0.00780	0.00620
10	0.01550	0.01380	0.01210	0.01040	0.00880	0.00710	0.00550	0.00380	0.00210	0.00080
15	0.00700	0.00600	0.00510	0.00420	0.00320	0.00230	0.00140	0.00040	0.00020	0.00020
20	0.00450	0.00370	0.00290	0.00210	0.00130	0.00050	0.00010	0.00010	0.00010	0.00010
25	0.00240	0.00170	0.00110	0.00050	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010
30	0.00110	0.00050	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000
35	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000
40	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000
45	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

		Sample Terminated Vested Rates Public Agency Miscellaneous								
Entry Ages										
Service	15	20	25	30	35	40	45	50	55	59
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	0.07140	0.06560	0.05970	0.05370	0.04770	0.04180	0.00000	0.00000	0.00000	0.00000
10	0.05940	0.05300	0.04660	0.04030	0.03390	0.00000	0.00000	0.00000	0.00000	0.00000
15	0.05110	0.04430	0.03730	0.03050	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	0.04050	0.03330	0.02610	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.02880	0.02120	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.01500	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

When a member is eligible to retire, the termination with vested benefits probability is set to zero

Appendix

Sample Salary Scale Rates

Service	Entry Ages										Public Agency Miscellaneous			
	15	20	25	30	35	40	45	50	55	60	65	70	75	79
0	0.1220	0.1220	0.1220	0.1160	0.1090	0.1020	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950
5	0.0640	0.0640	0.0640	0.0600	0.0550	0.0520	0.0480	0.0480	0.0480	0.0480	0.0480	0.0480	0.0480	0.0480
10	0.0460	0.0460	0.0460	0.0430	0.0410	0.0390	0.0370	0.0370	0.0370	0.0370	0.0370	0.0370	0.0370	0.0370
15	0.0420	0.0420	0.0420	0.0400	0.0380	0.0360	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340
20	0.0390	0.0390	0.0390	0.0380	0.0360	0.0340	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330
25	0.0370	0.0370	0.0370	0.0360	0.0340	0.0330	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310
30	0.0350	0.0350	0.0350	0.0340	0.0330	0.0320	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
35	0.0350	0.0350	0.0350	0.0340	0.0330	0.0320	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
40	0.0350	0.0350	0.0350	0.0340	0.0330	0.0320	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
45	0.0350	0.0350	0.0350	0.0340	0.0330	0.0320	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
50	0.0350	0.0350	0.0350	0.0340	0.0330	0.0320	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300

Appendix

Matrix of Sample Service Retirement Assumption Rates

Service	Attained Ages				Public Agency Miscellaneous 2% @ 62			
	50	55	60	65	70	75	79	
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
5	0.00000	0.01000	0.03100	0.10800	0.12000	1.00000	1.00000	
10	0.00000	0.01900	0.05100	0.14100	0.15600	1.00000	1.00000	
15	0.00000	0.02800	0.07100	0.17300	0.19300	1.00000	1.00000	
20	0.00000	0.03600	0.09100	0.20600	0.22900	1.00000	1.00000	
25	0.00000	0.06100	0.11100	0.23900	0.26500	1.00000	1.00000	
30	0.00000	0.09600	0.13800	0.30000	0.33300	1.00000	1.00000	
35	0.00000	0.15200	0.18300	0.34800	0.38700	1.00000	1.00000	
40	0.00000	0.18000	0.20400	0.36000	0.40000	1.00000	1.00000	
45	0.00000	0.00000	0.20400	0.36000	0.40000	1.00000	1.00000	
50	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	

Service	Attained Ages				Public Agency Miscellaneous 2.7% @ 55			
	50	55	60	65	70	75	79	
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
5	0.00300	0.03300	0.06000	0.14000	0.15000	1.00000	1.00000	
10	0.01000	0.05500	0.08600	0.17400	0.18100	1.00000	1.00000	
15	0.01600	0.07800	0.11200	0.20800	0.21200	1.00000	1.00000	
20	0.03400	0.11300	0.15000	0.25400	0.24300	1.00000	1.00000	
25	0.03300	0.15600	0.18200	0.30600	0.29100	1.00000	1.00000	
30	0.04500	0.23400	0.23800	0.38900	0.35000	1.00000	1.00000	
35	0.12000	0.36100	0.30200	0.42200	0.39000	1.00000	1.00000	
40	0.00000	0.42500	0.33000	0.42200	0.40000	1.00000	1.00000	
45	0.00000	0.00000	0.33000	0.42200	0.40000	1.00000	1.00000	
50	0.00000	0.00000	0.00000	0.42200	0.40000	1.00000	1.00000	