

Ross Valley Sanitary District

GASB 75 OPEB Valuation Report Measured as of June 30, 2021 for Disclosures for the Fiscal Year Ending June 30, 2022

August 11, 2022



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August 11, 2022

Corey Spray
Finance Supervisor
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, 2021

Dear Mr. Spray:

At your request, we completed an actuarial valuation of the retiree health and welfare benefits measured as of June 30, 2021, for the Ross Valley Sanitary District. This is a roll-forward of the valuation produced for the fiscal year ending June 30, 2021. Please use the information in this report for your financial statements for the fiscal year ending June 30, 2022. 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, 2022.

Valuation Date: June 30, 2020

Measurement Date: June 30, 2021

Report Date: June 30, 2022

Application to Financials

This report provides assets, liabilities, and expenses for use in the District's 2022 financial reports.

The District should use the liabilities, assets, and expense measured as of June 30, 2021, for its financial statements for the year ending June 30, 2022.

Update procedures were used to roll the total OPEB liability forward to the measurement date.

The report also provides the actuarially determined contributions for funding purposes for reporting for the fiscal years ending June 30 for 2021, 2022, and 2023.

Changes Since the Prior Valuation

This valuation is a roll-forward of the valuation produced for the prior fiscal year. We updated:

- Discount rate from 7.85% to 7.80%
- Healthcare trends
- 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.

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, 2020	June 30, 2020
Measurement Date:	June 30, 2020	June 30, 2021
Report Date:	June 30, 2021	June 30, 2022
Present Value of Future Benefits		
Active Employees	\$ 1,654,177	\$ 2,021,467
Retirees	+ 501,550	550,669
Total Present Value of Future Benefits	= 2,155,727	2,572,136
Total Present Value of Future Normal Costs	- 525,385	599,249
Total OPEB Liability (TOL)	= \$ 1,630,342	\$ 1,972,887
OPEB Liability		
Active Employees	\$ 1,128,792	\$ 1,422,218
Retirees	+ 501,550	550,669
Total OPEB Liability (TOL)	= 1,630,342	1,972,887
Fiduciary Net Position (FNP)	- 737,341	1,126,253
Net OPEB Liability (NOL)	= \$ 893,001	\$ 846,634
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.23%	57.09%
Covered-Employee Payroll	\$ 3,552,173	\$ 3,713,533
Net OPEB Liability as a Percentage of Covered-Employee Payroll	25.14%	22.80%
Measurement Period:	2019-2020	2020-2021
Reporting Period:	2020-2021	2021-2022
Expense	\$ 510,321	\$ 52,480
Actuarially Determined Contribution (ADC)*	133,022	157,983

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.

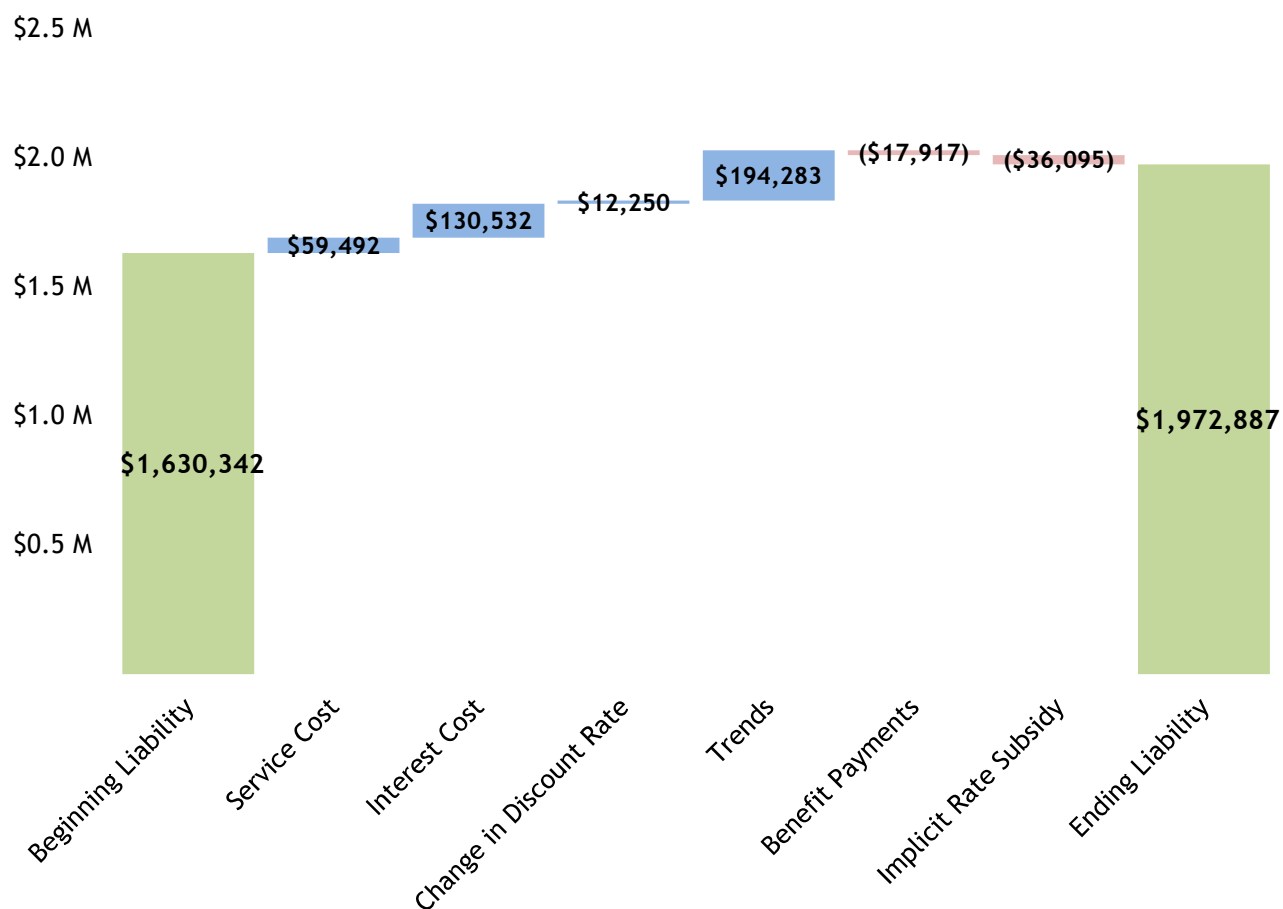
Executive Summary

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, 2020 / Report Date June 30, 2021	\$ 1,630,342
Service Cost	59,492
Interest Cost	130,532
Changes of Assumptions	
<i>Change in Discount Rate from 7.85% to 7.80%</i>	12,250
<i>Change in Healthcare Trends</i>	194,283
Total Changes of Assumptions	206,533
Benefit Payments	(17,917)
Implicit Subsidy Credit	(36,095)
Total OPEB Liability as of Measurement Date June 30, 2021 / Report Date June 30, 2022	\$ 1,972,887

Reconciliation of the Change in the Total OPEB Liability



Accounting Information

Statement of Fiduciary Net Position

Measurement Date: June 30, 2021

Report Date: June 30, 2022

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		1,126,253
International Equities		-
Real Estate		-
Total Investments		<u>1,126,253</u>
Total Assets	\$	<u>1,126,253</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 \$ 1,126,253

Accounting Information

Statement of Changes to the Fiduciary Net Position

	Measurement Date: Report Date:	June 30, 2020 June 30, 2021	June 30, 2021 June 30, 2022
Additions			
Investment Income:			
Net Appreciation in the Fair Value of Investments		\$ 21,129	\$ 202,563
Interest and Dividends		-	-
Less Investment Expense, Other than from Securities Lending	-	-	-
Net Income from Investing, Other than from Securities Lending		21,129	202,563
Securities Lending Income		-	-
Less Securities Lending Expense	-	-	-
Net Income from Securities Lending		-	-
Other Income/(Expense)		-	-
Net Investment Income (a)		21,129	202,563
Contributions:			
Employer – District's Contribution		115,267	117,917
Employer – Implicit Subsidy		17,755	36,095
Employee		30,234	86,629
Total Contributions (b)		163,256	240,641
Total Additions (c) = (a) + (b)		184,385	443,204
Deductions			
Benefit Payments		15,267	17,917
Implicit Subsidy Credit		17,755	36,095
Administrative Expense		287	280
Total Deductions (d)		33,309	54,292
Net Increase in Net Position = (c) – (d)		151,076	388,912
Net Position Restricted for Postemployment Benefits Other than Pensions			
Beginning of Year		586,265	737,341
Net Increase in Net Position		151,076	388,912
End of Year		\$ 737,341	\$ 1,126,253

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, 2020 /			
Report Date June 30, 2021	<u>\$ 1,630,342</u>	<u>\$ 737,341</u>	<u>\$ 893,001</u>
Changes for the year:			
Service Cost	59,492		59,492
Interest	130,532		130,532
Changes of Benefit Terms	-		-
Differences Between Expected and Actual Experience	-		-
Changes of Assumptions	206,533		206,533
Net Investment Income		202,563	(202,563)
Contributions			
Employer – District's Contribution		117,917	(117,917)
Employer – Implicit Subsidy		36,095	(36,095)
Employee		86,629	(86,629)
Benefit Payments	(17,917)	(17,917)	-
Implicit Subsidy Credit	(36,095)	(36,095)	-
Administrative Expense		(280)	280
Other Changes	-	-	-
Net Changes	<u>342,545</u>	<u>388,912</u>	<u>(46,367)</u>
Balance as of:			
Measurement Date June 30, 2021 /			
Report Date June 30, 2022	<u>\$ 1,972,887</u>	<u>\$ 1,126,253</u>	<u>\$ 846,634</u>

Accounting Information

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2021 / Report Date June 30, 2022

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, 2021 (c)	Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-	-
2019	-	(103,329)	(36,045)	-	(67,284)
2020	123,884	-	30,216	93,668	-
2021	-	-	-	-	-
Total				\$ 93,668	\$ (67,284)

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, 2021 (c)	Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	3,078	-	1,400	1,678	-
2019	-	(13,645)	(4,761)	-	(8,884)
2020	-	(48,229)	(11,764)	-	(36,465)
2021	206,533	-	25,187	181,346	-
Total				\$ 183,024	\$ (45,349)

Accounting Information

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2021 / Report Date June 30, 2022

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, 2021 (c)	Deferred Outflows of Resources (d) = (a) - (c)	Deferred Inflows of Resources (e) = (b) - (c)	Net (f) = (d) + (e)
2017	\$ -	\$ (2,325)	\$ (2,325)	\$ -	\$ -	
2018	-	(1,884)	(1,508)	-	(376)	
2019	10,253	-	6,153	4,100	-	
2020	29,077	-	11,632	17,445	-	
2021	-	(153,978)	(30,796)	-	(123,182)	
Total				\$ 21,545	\$ (123,558)	\$ (102,013)

Accounting Information

Expense and Deferred Outflows and Inflows

	Measurement Period: Reporting Period:	2019-2020 2020-2021	2020-2021 2021-2022
Expense			
Service Cost	\$	38,754	\$ 59,492
Interest on Total OPEB Liability		77,913	130,532
Changes of Benefit Terms		470,808	-
Recognized Differences Between Expected and Actual Experience		3,093	3,093
Recognized Changes of Assumptions		(7,119)	18,068
Employee Contributions		(30,234)	(86,629)
Projected Earnings on OPEB Plan Investments		(50,206)	(48,585)
Recognized Differences Between Projected and Actual Earnings		7,025	(23,771)
Administrative Expense		287	280
Other Miscellaneous (Income)/Expense		-	-
Total Expense	\$	510,321	\$ 52,480

Deferred Outflows and Inflows of Resources

	Report Year Ending June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 93,668	\$ (67,284)
Changes of Assumptions	183,024	(45,349)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(102,013)
Contributions Subsequent to the Measurement Date	161,574	-
Total	\$ 438,266	\$ (214,646)

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
	2023	\$ (2,144)
	2024	(1,770)
	2025	(3,822)
	2026	(9,633)
	2027	21,089
	Remaining	58,326

Accounting Information

Impact on the Statement of Net Position

Impact on the Statement of Net Position

	Measurement Date: Report Date:	June 30, 2020 June 30, 2021	June 30, 2021 June 30, 2022	Change During Period
Total OPEB Liability	\$	1,630,342	\$ 1,972,887	\$ 342,545
Fiduciary Net Position		737,341	1,126,253	388,912
Net OPEB Liability / (Asset)		<u>893,001</u>	<u>846,634</u>	<u>\$ (46,367)</u>
Deferred (Outflows) / Inflows Due To:				
Differences between Expected and Actual Experience		(29,477)	(26,384)	3,093
Changes of Assumptions		50,790	(137,675)	(188,465)
Differences between Projected and Actual Investment Earnings (Contributions Subsequent to the Measurement Date)		(28,194)	102,013	130,207
Net Deferred (Outflows) / Inflows		<u>(160,893)</u>	<u>(223,620)</u>	<u>(62,727)</u>
Impact on the Statement of Net Position		<u><u>732,108</u></u>	<u><u>623,014</u></u>	<u><u>(109,094)</u></u>

Change in Net Position During Fiscal Year

	Measurement Date: Report Date:	June 30, 2021 June 30, 2022	
Impact on the Statement of Net Position, Fiscal Year Ending June 30, 2021		732,108	
OPEB Expense / (Income) (Employer Contributions During Fiscal Year)		52,480	
		<u>(161,574)</u>	
Impact on the Statement of Net Position for the Fiscal Year Ending June 30, 2022		<u><u>623,014</u></u>	-

OPEB Expense

	Measurement Date: Report Date:	June 30, 2021 June 30, 2022
Deterioration / (Improvement) in Net Position		(109,094)
Employer Contributions During the Fiscal Year		161,574
OPEB Expense / (Income) for the Fiscal Year Ending June 30, 2022		<u><u>52,480</u></u>

Accounting Information

Reconciliation of Expense

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Deferred (Inflows)	Deferred Outflows	Net Investment (Inflows)/ Outflows	Net Deferrals	Net OPEB Liability plus Net Deferrals	Annual Expense
Balance as of: Measurement Date June 30, 2020 / Report Date June 30, 2021	\$ (1,630,342)	\$ 737,341	\$ (893,001)	\$ (132,117)	\$ 264,816	\$ 28,194	\$ 160,893	\$ (732,108)	
Service Cost	(59,492)		(59,492)						\$ 59,492
Interest on Total OPEB Liability	(130,532)		(130,532)						130,532
Effect of Changes of Benefit Terms	-		-						-
Effect of Liability Gains or Losses	-		-	-	-		-		
Effect of Assumption Changes or Inputs	(206,533)		(206,533)	-	206,533		206,533		
Expected Investment Income (Net of Investment Expenses)		48,585	48,585						(48,585)
Investment Gains or Losses on Expected Return		153,978	153,978			(153,978)	(153,978)		
Contributions									
Employer – District's Contribution		117,917	117,917					117,917	
Employer – Implicit Subsidy		36,095	36,095					36,095	
Employee		86,629	86,629						(86,629)
Benefit Payments	17,917	(17,917)	-						
Implicit Subsidy Credit	36,095	(36,095)	-						
Administrative Expenses		(280)	(280)						280
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	(25,537)		(18,068)		18,068
Recognition of Investment Gains or Losses						23,771	23,771		(23,771)
Change in Contributions Subsequent to the Measurement Date					7,562		7,562	7,562	
Annual Expense								(52,480)	\$ 52,480
Balance as of: Measurement Date June 30, 2021 / Report Date June 30, 2022	\$ (1,972,887)	\$ 1,126,253	\$ (846,634)	\$ (112,633)	\$ 438,266	\$ (102,013)	\$ 223,620	\$ (623,014)	

Accounting Information

Sample Journal Entries

Suggested Journal Entries for the Report Year ending June 30, 2022

Beginning 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	154,012	-
Impact on Statement of Net Position	732,108	-
Ending Balance	Debit (Outflow)	Credit (Inflow)
Net OPEB Liability/Asset	\$ -	\$ 846,634
Differences between Expected and Actual Experience	93,668	67,284
Changes of Assumptions	183,024	45,349
Differences between Projected and Actual Investment Earnings	-	102,013
Contributions Subsequent to the Measurement Date	161,574	-
Impact on Statement of Net Position	623,014	-
OPEB-Expense Journal Entries	Debit	Credit
Net OPEB Liability/Asset	\$ 46,367	\$ -
Differences between Expected and Actual Experience	Deferred Outflows - Deferred Inflows 12,015	15,108 -
Changes of Assumptions	Deferred Outflows 180,996 Deferred Inflows 7,469	- -
Differences between Projected and Actual Investment Earnings	Deferred Outflows - Deferred Inflows -	28,194 102,013
Contributions Subsequent to the Measurement Date	Deferred Outflows 7,562	-
OPEB Expense/Credit	-	109,094
Total	254,409	254,409
Change to the Impact on the Statement of Net Position	-	109,094

Accounting Information

Sample Journal Entries

Suggested Journal Entries for the Report Year ending June 30, 2022

Journal Entries – Deferred Outflows

	Debit	Credit
Net OPEB Liability/Asset	\$ 154,012	\$ -
Contributions Subsequent to the Measurement Date: Fiscal Year 2020-2021	-	154,012
Contributions Subsequent to the Measurement Date: Fiscal Year 2021-2022	161,574	-
Contributions Expense	-	161,574

Journal Entries – Benefits Paid Outside of the Trust¹

	Debit	Credit
OPEB Expense	\$ 17,917	\$ -
Employer Contributions for Retiree Benefits During the Fiscal Year	-	17,917

Journal Entries – Implicit Subsidy²

	Debit	Credit
OPEB Expense	\$ 36,095	\$ -
Premium Expense During the Fiscal Year	-	36,095

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, 2022: 42,911

		<i>Historical</i>		<i>Estimated</i>
	Measurement Period:	2020-2021	2021-2022	2022-2023
	Report Date (June 30):	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB Liability		\$ 1,630,342	\$ 1,766,354	\$ 2,140,305
Fiduciary Net Position	-	<u>737,341</u>	<u>972,260</u>	<u>1,363,429</u>
Net OPEB Liability	=	<u>\$ 893,001</u>	<u>\$ 794,094</u>	<u>\$ 776,876</u>

All values measured at the beginning of the measurement period.

Amortization Type	Closed	Closed	Closed
Interest Rate Used to Determine Amortization	7.85%	7.85%	7.80%
Assumed Rate of Payroll Growth	2.750%	2.750%	2.750%
Amortization Period	42912 years	42911 years	42910 years
Amount Recognized, Beginning of Year	\$ 42,228	\$ 37,551	\$ 36,394

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 end of the year.

	<i>Historical</i>		<i>Estimated</i>
	Measurement Period:		2022-2023
	2020-2021	2021-2022	2022-2023
Report Date (June 30):	<u>2022</u>	<u>2023</u>	<u>2024</u>
Service Cost	\$ 59,492	\$ 61,128	\$ 73,878
Amortization of the Net OPEB Liability	42,228	37,551	36,394
Interest to the End of the Year	<u>7,985</u>	<u>7,747</u>	<u>8,601</u>
Service Cost and Amortization (with Interest)	\$ 109,705	\$ 106,426	\$ 118,873
Service Cost and Amortization (with Interest) as a Percentage of Payroll	2.96%	2.79%	3.12%
Discount Rate for ADC Calculation	7.85%	7.85%	7.80%
ADC Components			
District's Contribution to the Trust Fund	\$ 100,000	\$ 100,000	\$ 100,000
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>157,983</u>	\$ <u>167,585</u>	\$ <u>179,829</u>
ADC as a Percentage of Payroll	4.25%	4.39%	4.71%

District's Funding Policy

The District's funding policy is to contribute \$100,000, in addition to benefits paid outside of the Trust Fund, each year, until the Trust Fund is fully funded; then contribute the service cost each year.

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

	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	\$ 1,630,342	100%	7.85%	\$ 127,982
Service Cost	59,492	100%	7.85%	4,670
Benefit Payments	(17,917)	50%	7.85%	(703)
Implicit Subsidy	(36,095)	50%	7.85%	(1,417)
Total Interest on Total OPEB Liability				<u>\$ 130,532</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	\$ 737,341	100%	5.85%	\$ 43,134
Employer Contributions	100,000	50%	5.85%	2,925
Benefit Payments from Trust	-	50%	5.85%	-
Administrative Expense	(280)	50%	5.85%	(8)
Other Miscellaneous Income/ (Expense)	-	100%	5.85%	-
Total Projected Earnings (Investment Expense)				<u>46,051</u>
Net Projected Earnings				<u>\$ 46,051</u>

	Amount
Investment Gain / Loss	
Net Projected Earnings	\$ 46,051
Actual Net Earnings	- 202,563
Investment (Gain) / Loss	<u>\$ (156,512)</u>

Accounting Information

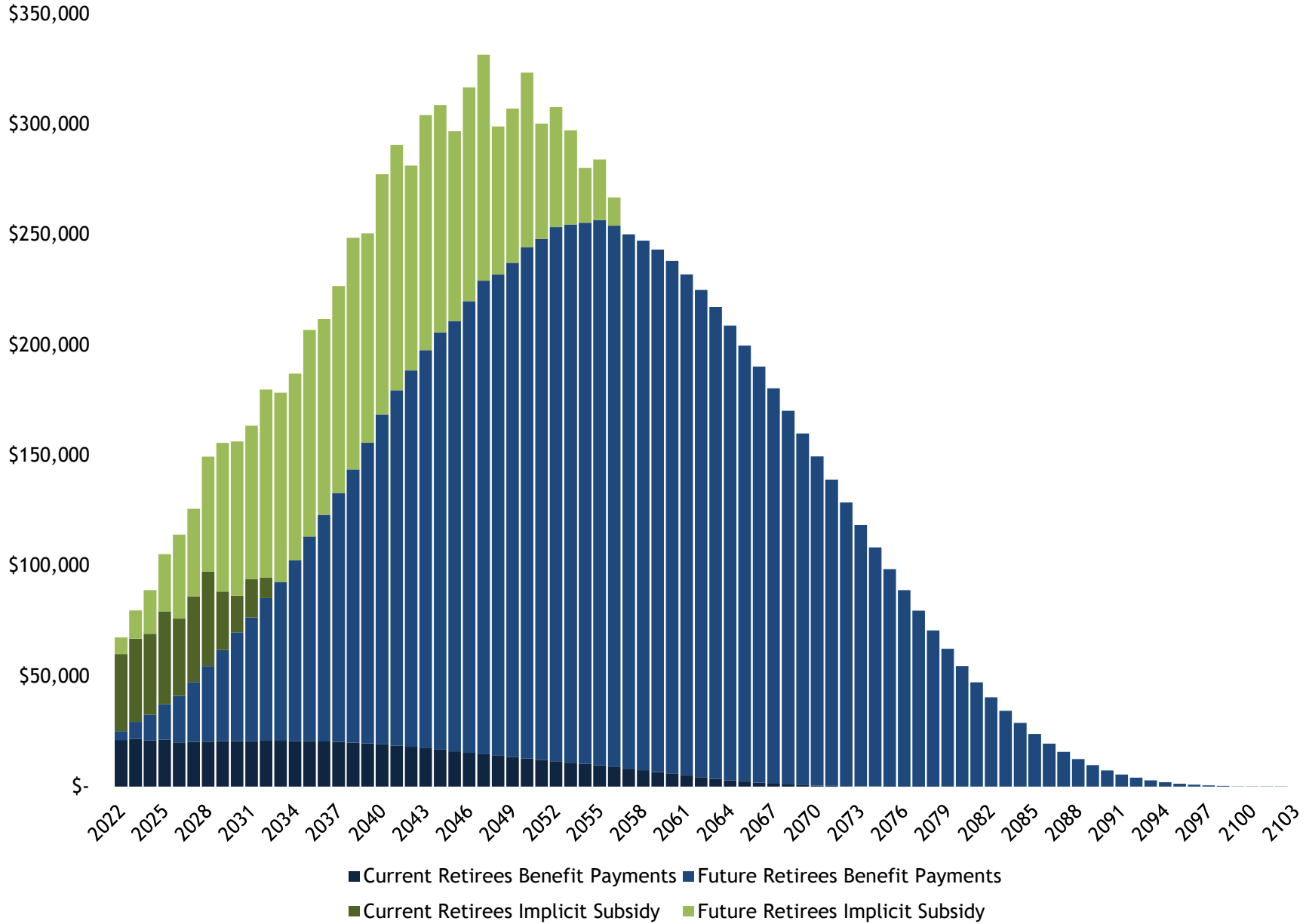
Projection of Benefit Payments

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			Implicit Subsidy			Grand Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
June 30:							
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
2047	14,612	214,550	229,162	-	102,321	102,321	331,483
2048	13,950	217,990	231,940	-	67,025	67,025	298,965
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Accounting Information

Projected Benefit Payments for Current Participants



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	Plus Benefit Payments
	(a)	(b)	(c)	(d) = (f) - (e)	(e) = (b) x 1.20%**	(f)
2022	\$ 3,647,313	\$ 168,342	\$ 3,815,655	\$ 165,565	\$ 2,020	\$ 167,585
2023	3,575,229	345,357	3,920,586	175,685	4,144	179,829
2024	3,470,519	557,883	4,028,402	182,255	6,695	188,950
2025	3,356,020	783,163	4,139,183	195,812	9,398	205,210
2026	3,257,587	995,424	4,253,011	202,112	11,945	214,057
2027	3,145,241	1,224,728	4,369,969	211,153	14,697	225,850
2028	3,026,358	1,463,785	4,490,143	231,847	17,565	249,412
2029	2,904,091	1,709,531	4,613,622	235,131	20,514	255,645
2030	2,782,119	1,958,378	4,740,497	232,804	23,501	256,305
2031	2,656,631	2,214,230	4,870,861	236,884	26,571	263,455
2032	2,531,849	2,472,961	5,004,810	250,118	29,676	279,794
2033	2,394,409	2,748,033	5,142,442	245,425	32,976	278,401
2034	2,261,644	3,022,215	5,283,859	250,770	36,267	287,037
2035	2,123,312	3,305,853	5,429,165	267,183	39,670	306,853
2036	1,967,503	3,610,964	5,578,467	268,449	43,332	311,781
2037	1,799,370	3,932,505	5,731,875	279,497	47,190	326,687
2038	1,650,882	4,238,620	5,889,502	297,727	50,863	348,590
2039	1,440,187	4,611,276	6,051,463	295,194	55,335	350,529
2040	1,258,553	4,959,325	6,217,878	317,823	59,512	377,335
2041	1,117,999	5,270,871	6,388,870	327,428	63,250	390,678
2042	989,434	5,575,130	6,564,564	314,336	66,902	381,238
2043	883,083	5,862,007	6,745,090	333,726	70,344	404,070
2044	786,561	6,144,019	6,930,580	334,921	73,728	408,649
2045	701,723	6,419,448	7,121,171	319,694	77,033	396,727
2046	622,822	6,694,181	7,317,003	336,341	80,330	416,671
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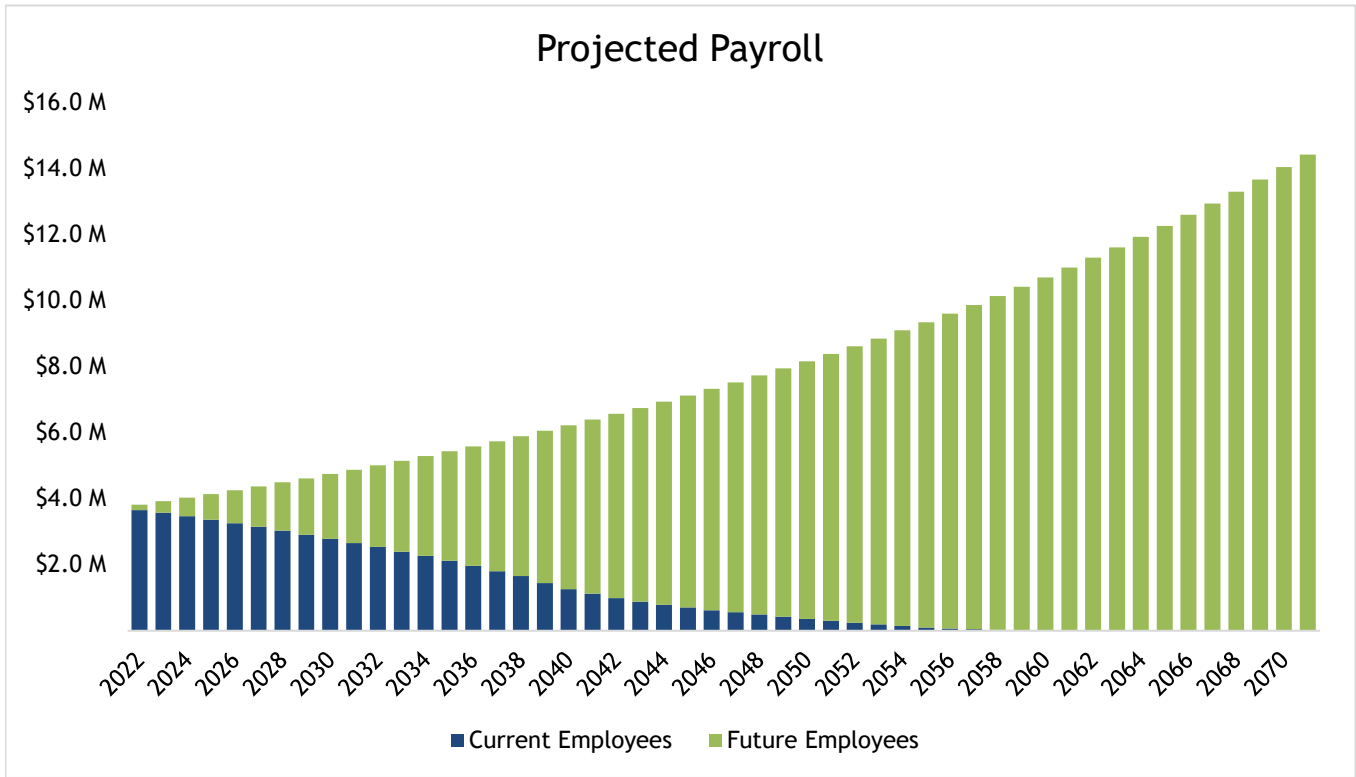
*The contributions for the first two years are calculated separately. Contributions for subsequent years use the percentages shown.

**The service cost percentage was determined in the prior report. If benefit payments are higher, they are used in place of the calculated amount.

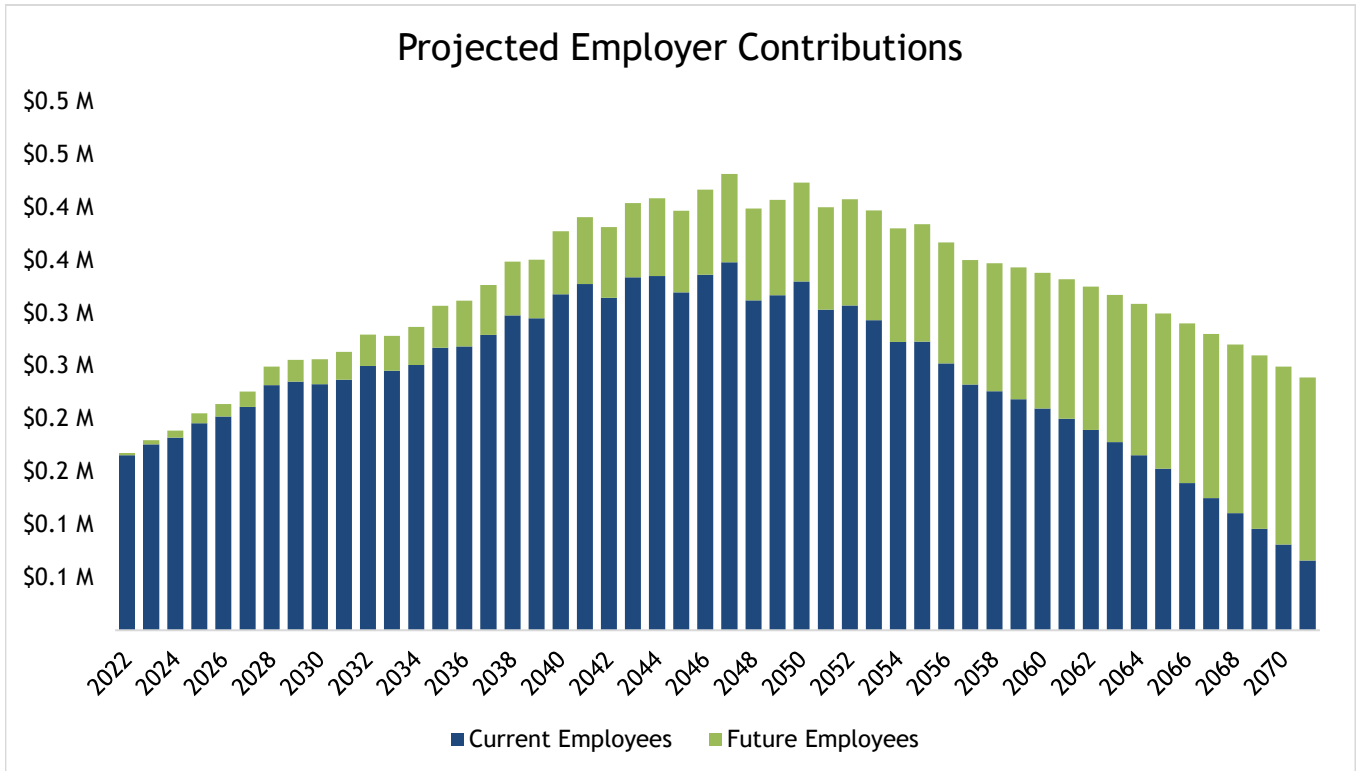
Accounting Information

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) = $\Sigma [(b) : (f)]$
2022	5.85%	\$ 1,363,429	\$ 165,565	\$ (67,585)	\$ (280)	\$ 82,618	\$ 1,543,747
2023	5.85%	1,543,747	175,685	(79,829)	(295)	93,104	1,732,412
2024	5.85%	1,732,412	182,255	(88,950)	(311)	104,066	1,929,472
2025	5.85%	1,929,472	195,812	(105,210)	(328)	115,515	2,135,261
2026	5.85%	2,135,261	202,112	(114,057)	(346)	127,478	2,350,448
2027	5.85%	2,350,448	211,153	(125,850)	(365)	139,986	2,575,372
2028	5.85%	2,575,372	231,847	(149,412)	(385)	153,059	2,810,481
2029	5.85%	2,810,481	235,131	(155,645)	(406)	166,726	3,056,287
2030	5.85%	3,056,287	232,804	(156,305)	(428)	181,018	3,313,376
2031	5.85%	3,313,376	236,884	(163,455)	(452)	195,967	3,582,320
2032	8.07%	3,582,320	250,118	(179,794)	(477)	291,912	3,944,079
2033	8.07%	3,944,079	245,425	(178,401)	(503)	320,971	4,331,571
2034	8.07%	4,331,571	250,770	(187,037)	(531)	352,108	4,746,881
2035	8.07%	4,746,881	267,183	(206,853)	(560)	385,485	5,192,136
2036	8.07%	5,192,136	268,449	(211,781)	(591)	421,268	5,669,481
2037	8.07%	5,669,481	279,497	(226,687)	(624)	459,633	6,181,300
2038	8.07%	6,181,300	297,727	(248,590)	(658)	500,787	6,730,566
2039	8.07%	6,730,566	295,194	(250,529)	(694)	544,931	7,319,468
2040	8.07%	7,319,468	317,823	(277,335)	(732)	592,285	7,951,509
2041	8.07%	7,951,509	327,428	(290,678)	(772)	643,138	8,630,625
2042	8.07%	8,630,625	314,336	(281,238)	(814)	697,794	9,360,703
2043	8.07%	9,360,703	333,726	(304,070)	(859)	756,571	10,146,071
2044	8.07%	10,146,071	334,921	(308,649)	(906)	819,811	10,991,248
2045	8.07%	10,991,248	319,694	(296,727)	(956)	887,882	11,901,141
2046	8.07%	11,901,141	336,341	(316,671)	(1,009)	961,175	12,880,977
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Accounting Information

Depletion Date Projection

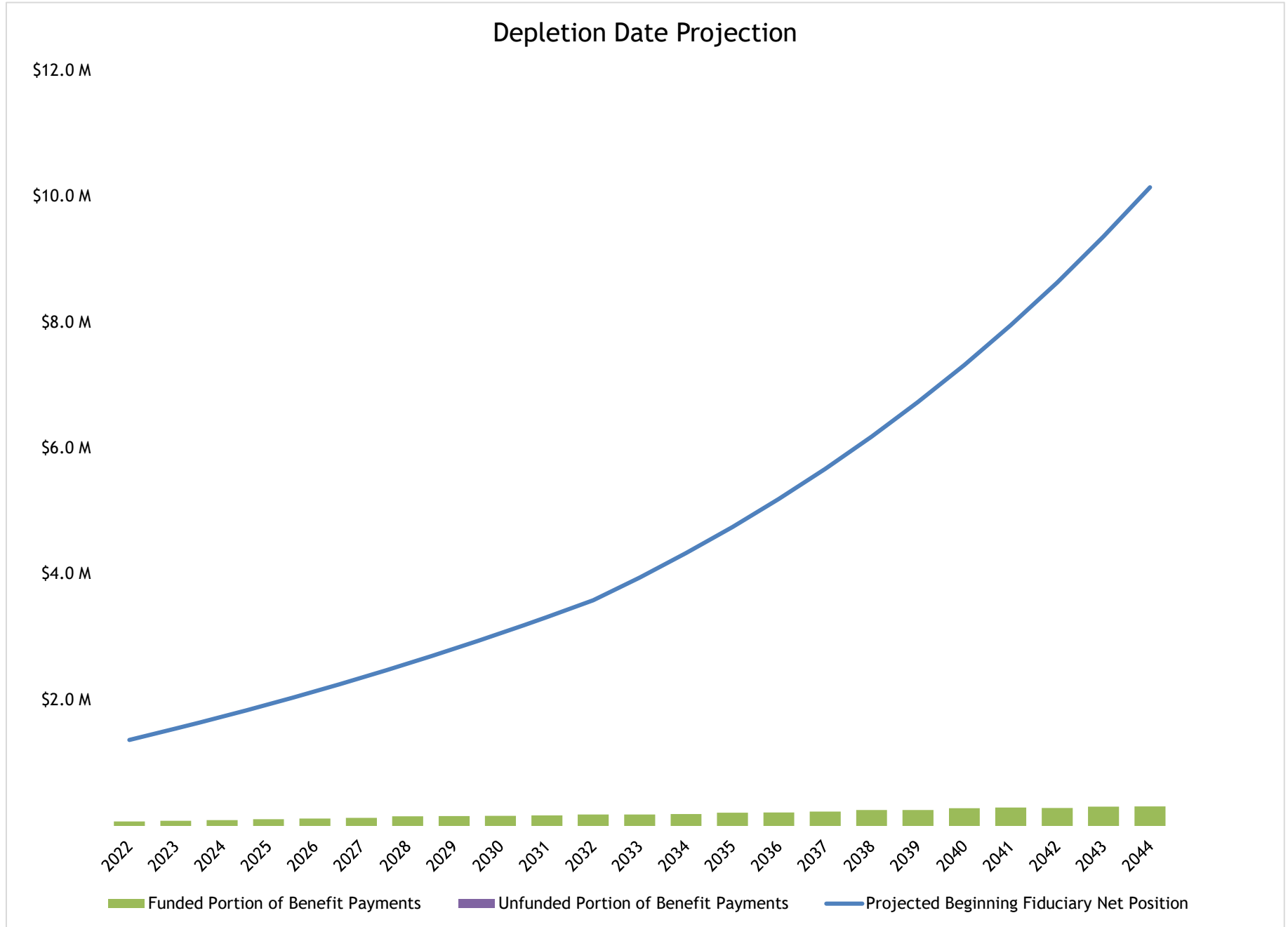
Current Participants Only

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 1.92%	Present Value of Benefit Payments at an equivalent Single Discount Rate of 7.80%
2022	\$ 1,363,429	\$ 67,585	\$ 67,585	\$ -	\$ 65,691	\$ -	\$ 65,419
2023	1,543,747	79,829	79,829	-	73,303	-	72,399
2024	1,732,412	88,950	88,950	-	77,165	-	75,584
2025	1,929,472	105,210	105,210	-	86,226	-	83,763
2026	2,135,261	114,057	114,057	-	88,311	-	85,081
2027	2,350,448	125,850	125,850	-	92,056	-	87,958
2028	2,575,372	149,412	149,412	-	103,251	-	97,842
2029	2,810,481	155,645	155,645	-	101,614	-	95,496
2030	3,056,287	156,305	156,305	-	96,405	-	89,854
2031	3,313,376	163,455	163,455	-	95,243	-	88,039
2032	3,582,320	179,794	179,794	-	79,592	-	90,733
2033	3,944,079	178,401	178,401	-	73,078	-	84,353
2034	4,331,571	187,037	187,037	-	70,895	-	82,860
2035	4,746,881	206,853	206,853	-	72,551	-	85,861
2036	5,192,136	211,781	211,781	-	68,733	-	82,363
2037	5,669,481	226,687	226,687	-	68,076	-	82,601
2038	6,181,300	248,590	248,590	-	69,079	-	84,870
2039	6,730,566	250,529	250,529	-	64,420	-	80,139
2040	7,319,468	277,335	277,335	-	65,987	-	83,120
2041	7,951,509	290,678	290,678	-	63,997	-	81,625
2042	8,630,625	281,238	281,238	-	57,295	-	73,995
2043	9,360,703	304,070	304,070	-	57,321	-	74,957
2044	10,146,071	308,649	308,649	-	53,839	-	71,288
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Accounting Information

Depletion Date Projection



Accounting Information

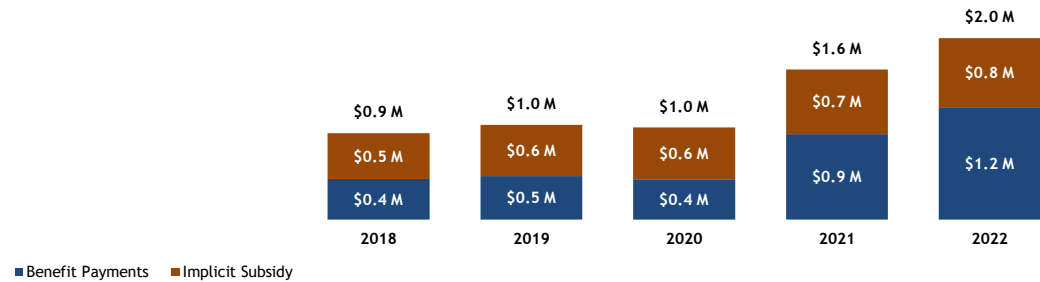
Schedule of Implicit Subsidy Liability

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.

Measurement Date (June 30):	2017	2018	2019	2020	2021	2022
Report Date (June 30):	2018	2019	2020	2021	2022	2022
Benefit Payments	\$ 440,408	\$ 473,486	\$ 437,111	\$ 929,040	\$ 1,214,271	
Implicit Subsidy	500,059	557,403	563,123	701,302	758,616	
Total OPEB Liability	\$ 940,467	\$ 1,030,889	\$ 1,000,234	\$ 1,630,342	\$ 1,972,887	
Discount Rate	7.28%	7.28%	7.62%	7.85%	7.80%	

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
						2021 2022	2022 2023	2023 2024	2024 2025	2025 2026	2026 2027	
Differences Between Expected and Actual Experience	2016-2017	\$ -	\$ -	8.9	4.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2017-2018	-	-	8.8	5.8	-	-	-	-	-	-	-
	2018-2019	(103,329)	(24,030)	8.6	6.6	(12,015)	(12,015)	(12,015)	(12,015)	(12,015)	(12,015)	(7,209)
	2019-2020	123,884	15,108	8.2	7.2	15,108	15,108	15,108	15,108	15,108	15,108	18,128
	2020-2021	-	-	8.2	8.2	-	-	-	-	-	-	-
Changes of Assumptions	2016-2017	-	-	8.9	4.9	-	-	-	-	-	-	-
	2017-2018	3,078	1,050	8.8	5.8	350	350	350	350	350	278	-
	2018-2019	(13,645)	(3,174)	8.6	6.6	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)	(949)
	2019-2020	(48,229)	(5,882)	8.2	7.2	(5,882)	(5,882)	(5,882)	(5,882)	(5,882)	(5,882)	(7,055)
	2020-2021	206,533	-	8.2	8.2	25,187	25,187	25,187	25,187	25,187	25,187	55,411
Differences Between Projected and Actual Earnings	2016-2017	(2,325)	(1,860)	5.0	1.0	(465)						
	2017-2018	(1,884)	(1,131)	5.0	2.0	(377)	(376)					
	2018-2019	10,253	4,102	5.0	3.0	2,051	2,051	2,049				
	2019-2020	29,077	5,816	5.0	4.0	5,816	5,816	5,816	5,813			
	2020-2021	(153,978)	-	5.0	5.0	(30,796)	(30,796)	(30,796)	(30,796)	(30,794)		

Summary of Deferred Outflows and Inflows of Resources

Measurement Period: July 1, 2020 - June 30, 2021

Fiscal Reporting Period: July 1, 2021 - June 30, 2022

	Measurement Years Ending June 30:		Report Years Ending June 30:		2021		2022		2023		2024		2025		2026		Remaining
	2021	2022	2022	2023	2021	2022	2023	2024	2025	2026	2027						
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	\$ 10,919	
Changes of Assumptions	18,068	18,068	18,068	18,068	18,068	18,068	18,068	18,068	18,068	18,068	17,996	17,996	17,996	17,996	17,996	47,407	
Differences Between Projected and Actual Earnings	(23,771)	(23,305)	(22,931)	(24,983)	(24,983)	(30,794)										-	
Total	\$ (2,610)	\$ (2,144)	\$ (1,770)	\$ (3,822)	\$ (9,633)	\$ 21,089	\$ 58,326										

Accounting Information

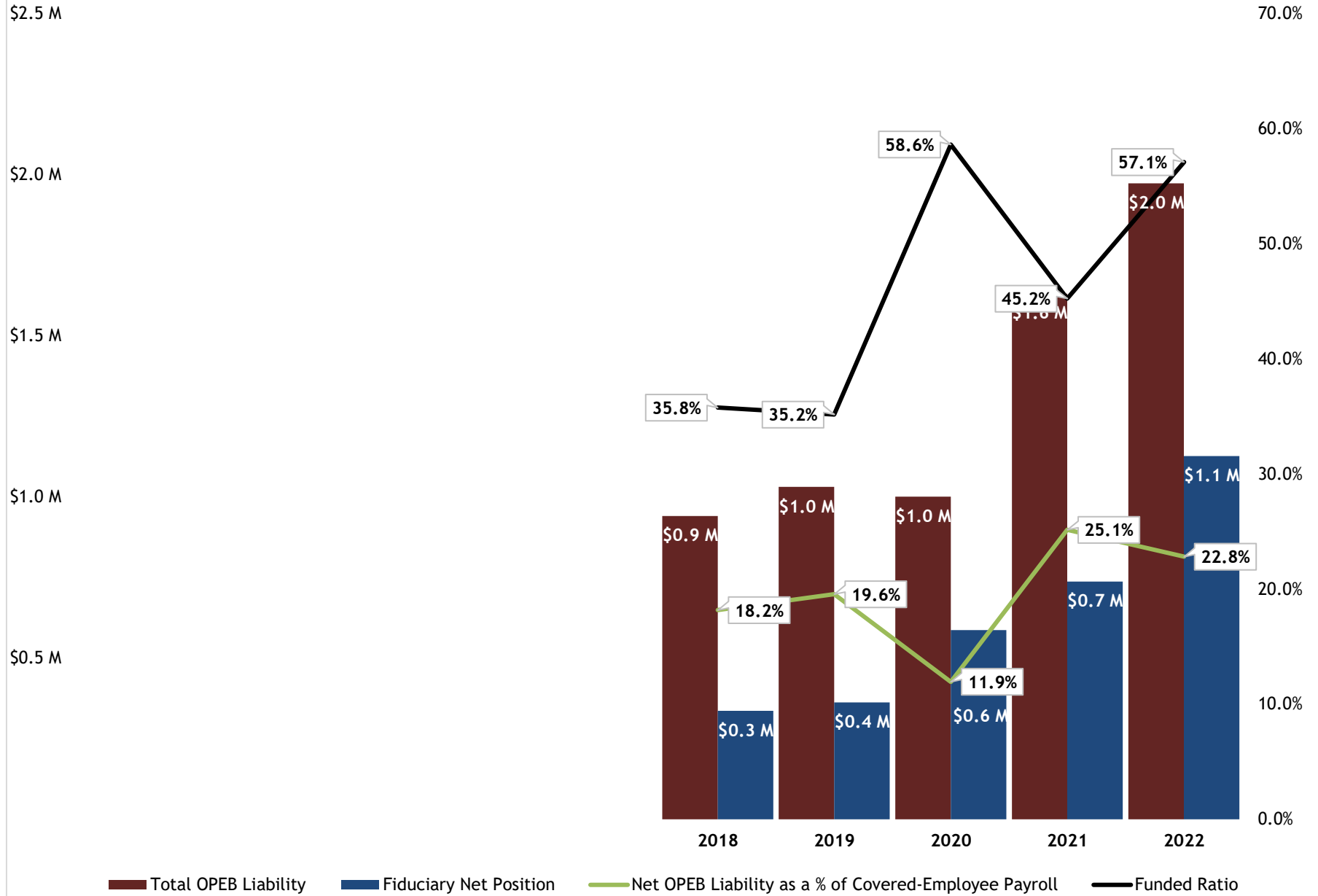
Schedule of Changes in the Net OPEB Liability and Related Ratios

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	2021
Report Date (June 30):	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service Cost	\$ 40,607	\$ 41,774	\$ 42,886	\$ 38,754	\$ 59,492
Interest	64,611	70,812	76,951	77,913	130,532
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)	206,533
Benefit Payments	(11,959)	(13,044)	(14,167)	(15,267)	(17,917)
Implicit Subsidy Credit	(11,370)	(12,198)	(19,351)	(17,755)	(36,095)
Net Change in Total OPEB Liability	81,889	90,422	(30,655)	630,108	342,545
Total OPEB Liability – Beginning	<u>858,578</u>	<u>940,467</u>	<u>1,030,889</u>	<u>1,000,234</u>	<u>1,630,342</u>
Total OPEB Liability – Ending (a)	\$ 940,467	\$ 1,030,889	\$ 1,000,234	\$ 1,630,342	\$ 1,972,887
Plan Fiduciary Net Position					
Net Investment Income	\$ 22,000	\$ 26,814	\$ 23,924	\$ 21,129	\$ 202,563
Employer – District's Contribution	111,959	13,044	214,167	115,267	117,917
Employer – Implicit Subsidy	11,370	12,198	19,351	17,755	36,095
Employee Contributions	-	-	-	30,234	86,629
Benefit Payments	(11,959)	(13,044)	(14,167)	(15,267)	(17,917)
Implicit Subsidy Credit	(11,370)	(12,198)	(19,351)	(17,755)	(36,095)
Administrative Expense	(111)	(624)	(78)	(287)	(280)
Other Miscellaneous Income/(Expense)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	121,889	26,190	223,846	151,076	388,912
Plan Fiduciary Net Position – Beginning	<u>214,340</u>	<u>336,229</u>	<u>362,419</u>	<u>586,265</u>	<u>737,341</u>
Plan Fiduciary Net Position – Ending (b)	\$ 336,229	\$ 362,419	\$ 586,265	\$ 737,341	\$ 1,126,253
Net OPEB Liability					
District's Net OPEB Liability – Ending = (a) – (b)	\$ 604,238	\$ 668,470	\$ 413,969	\$ 893,001	\$ 846,634
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.8%	35.2%	58.6%	45.2%	57.1%
Covered-Employee Payroll	\$ 3,327,681	\$ 3,419,192	\$ 3,467,968	\$ 3,552,173	\$ 3,713,533
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	18.2%	19.6%	11.9%	25.1%	22.8%

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

Schedule of Changes in the Net OPEB Liability and Related Ratios



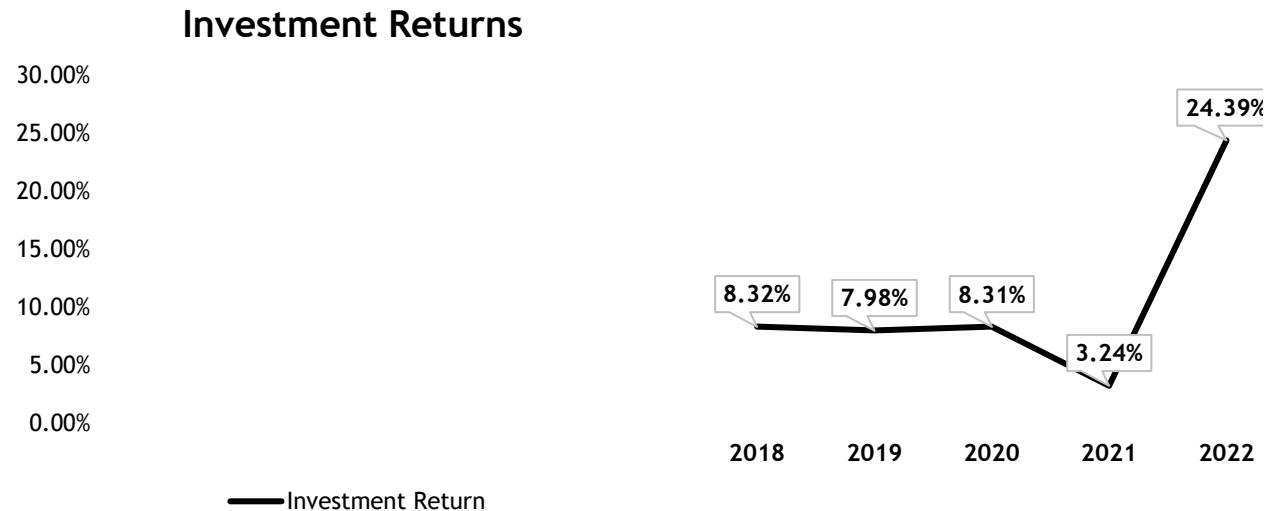
Accounting Information

Schedule of Investment Returns

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, follows.

Measurement Date (June 30):	2017	2018	2019	2020	2021
Report Date (June 30):	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.32%	7.98%	8.31%	3.24%	24.39%

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).



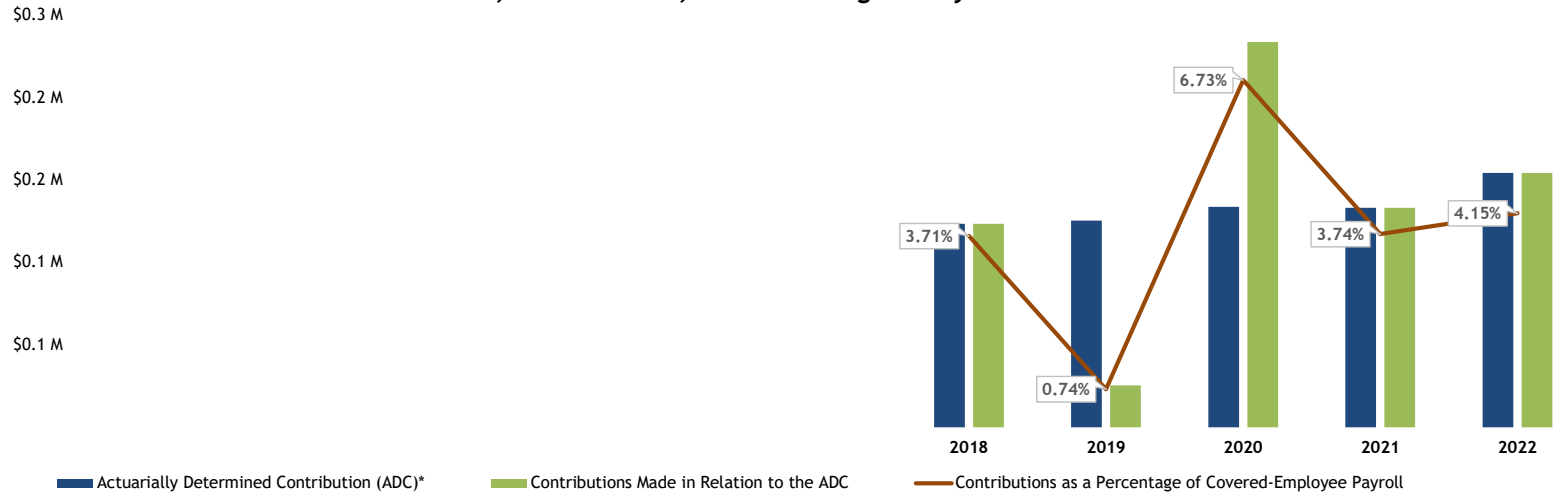
Accounting Information

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:	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Reporting Period:	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Report Date (June 30):	2018	2019	2020	2021	2022
Actuarially Determined Contribution (ADC)*	\$ 123,329	\$ 125,242	\$ 133,518	\$ 133,022	\$ 154,012
Less: Contributions Made in Relation to the ADC	-	-	-	-	-
Contribution Deficiency (Excess)	123,329	25,242	233,518	133,022	154,012
Covered-Employee Payroll	\$ 3,327,681	\$ 3,419,192	\$ 3,467,968	\$ 3,552,173	\$ 3,713,533
Contributions as a Percentage of Covered-Employee Payroll	3.71%	0.74%	6.73%	3.74%	4.15%

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: 42916 years
- Inflation: 5.50%
- 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.

*Adjusted to reflect actual benefit payments and historical practice of contributing \$100,000 per year to the trust fund in addition to paying benefit payments outside of the trust.

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, 2022

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 the 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 benefits continue to surviving spouses.

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:

Category	Count
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: 3.12% for 42912 years,
2.09% thereafter.

Reporting period contributions: \$154,012 (Includes implicit subsidy credit.)

Financial Report

The District issues a stand-alone financial report that is available to the public. The report is available at: 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, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	June 30, 2020	June 30, 2021
Discount Rate	7.85%	7.80%
Investment Rate of Return	5.85%	5.85%
Inflation	2.50%	5.50%
Healthcare Cost Trend Rates		
Pre-Medicare	7.00%	7.00% *
Medicare	6.00%	6.00% *
Salary Increases	2.75%	2.75% **
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.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the total OPEB liability.

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. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 7.80%.

*Trending down to 4.04% over 56 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	100%			
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	\$ 69,701
Non-Current OPEB Liability	1,903,186
Total OPEB Liability	\$ 1,972,887

Expected Average Remaining Service Lives (EARSL)

The effects on the total pension 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 pension 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 pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1.0 when calculating amortizations if the EARSL is less than 1 year.

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, 2021	\$ 1,630,342	\$ 737,341	\$ 893,001
Changes for the Year:			
Service Cost	59,492		59,492
Interest	130,532		130,532
Changes of Benefit Terms	-		-
Differences Between Expected and Actual Experience	-		-
Changes of Assumptions	206,533		206,533
Contributions			
Employer – District's Contribution		117,917	(117,917)
Employer – Implicit Subsidy		36,095	(36,095)
Employee		86,629	(86,629)
Net Investment Income		202,563	(202,563)
Benefit Payments	(17,917)	(17,917)	-
Implicit Subsidy Credit	(36,095)	(36,095)	-
Administrative Expenses		(280)	280
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	342,545	388,912	(46,367)
Balance as of Report Date June 30, 2022	\$ 1,972,887	\$ 1,126,253	\$ 846,634

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 (6.80%) or one percentage point higher (8.80%) follows:

	1% Decrease 6.80%	Discount Rate 7.80%	1% Increase 8.80%
Total OPEB Liability (Asset)	\$ 2,244,125	\$ 1,972,887	\$ 1,748,183
Increase (Decrease)	271,238		(224,704)
% Change	13.7%		-11.4%
Net OPEB Liability (Asset)	\$ 1,117,872	\$ 846,634	\$ 621,930
Increase (Decrease)	271,238		(224,704)
% Change	32.0%		-26.5%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 6.50% and decreased to 4.04% over 56 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 (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates follows:

	1% Decrease 5.50%	Trend Rate 6.50%	1% Increase 7.50%
Total OPEB Liability (Asset)	\$ 1,696,446	\$ 1,972,887	\$ 2,317,626
Increase (Decrease)	(276,441)		344,739
% Change	-14.0%		17.5%
Net OPEB Liability (Asset)	\$ 570,193	\$ 846,634	\$ 1,191,373
Increase (Decrease)	(276,441)		344,739
% Change	-32.7%		40.7%

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, 2022, the District recognized an OPEB expense of \$52,480. 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	\$ 93,668	\$ (67,284)
Changes of Assumptions	183,024	(45,349)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(102,013)
Contributions Subsequent to the Measurement Date	<u>161,574</u>	<u>-</u>
Total	\$ 438,266	\$ (214,646)

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>
2023	\$ (2,144)
2024	(1,770)
2025	(3,822)
2026	(9,633)
2027	21,089
Remaining	58,326

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. District contributes the PEMHCA Minimum Benefit each year.									
Core Contribution	<table border="1"> <thead> <tr> <th colspan="3">PEMHCA Minimum Benefit per 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>\$143.00</td> </tr> </tbody> </table>	PEMHCA Minimum Benefit per Year			2019	2020	2021	\$136.00	\$139.00	\$143.00
PEMHCA Minimum Benefit per Year										
2019	2020	2021								
\$136.00	\$139.00	\$143.00								
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

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

Average Inactive Participant Age: 68.1

Basis of Valuation

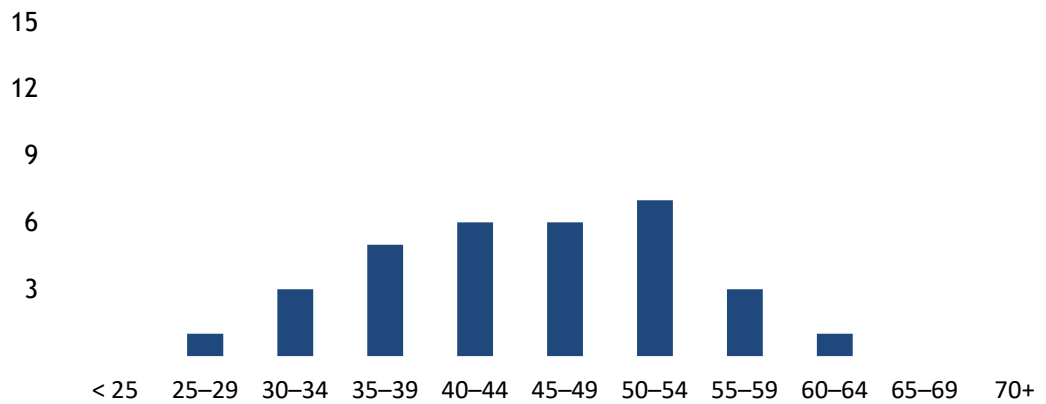
Participant Summary Charts

Census Date: June 30, 2020

Age and service determined as of the census date.

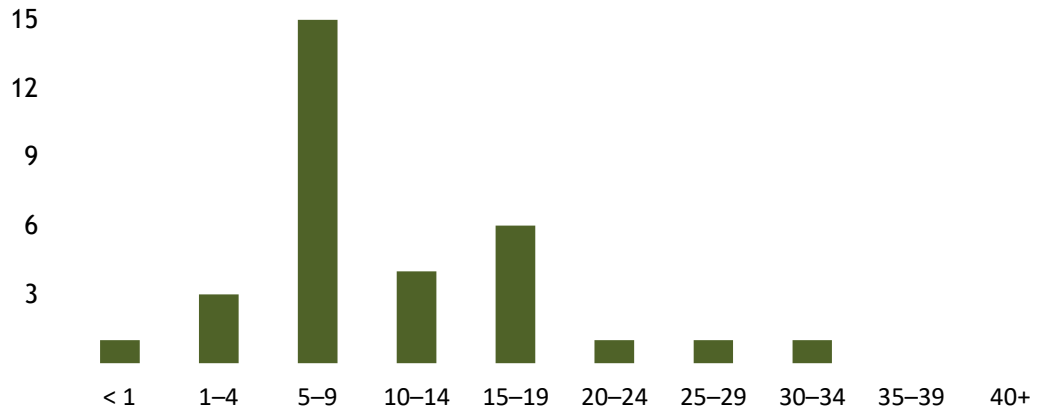
Actives by Age Bracket

Average Employee Age: 45.6



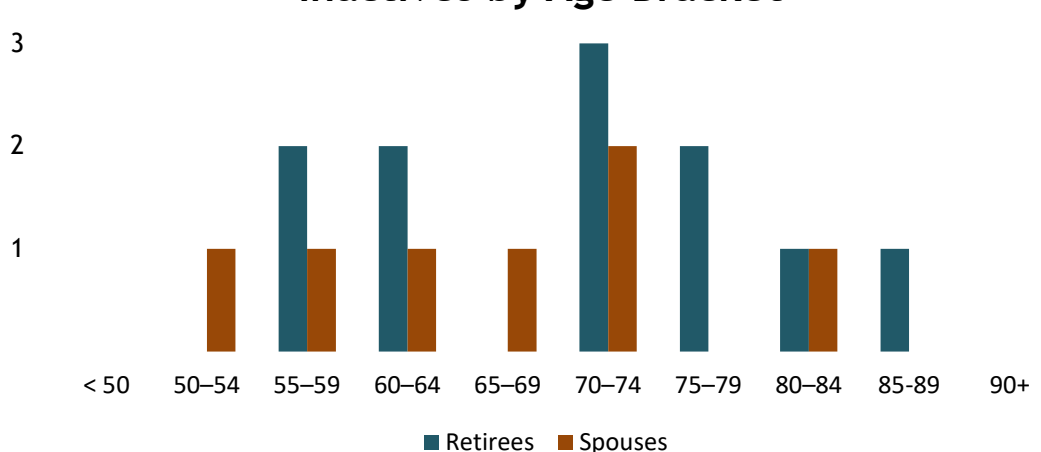
Actives by Years of Service

Average Years of Service: 11.8



Inactives by Age Bracket

Average Inactive Age: 68.1



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, 2021												
Report Date	June 30, 2022												
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. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 7.80%.												
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	5.50%						
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 of July 1, 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 v2021_b" using baseline assumptions. Applied to both claims and premiums.

Calendar Year	Pre-Medicare Trend	Medicare Trend	PEMHCA 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%
2028-2075
2076+	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	<u>Source Table</u>
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		15	20	25	30	35	40	45	50	55	59
Service											
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		15	20	25	30	35	40	45	50	55	59
Service											
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	