



GASB Statement No. 75

**Supplemental Schedules
for San Leandro Unified School District**

Reporting Period: July 1, 2023 to June 30, 2024
Measurement Period: July 1, 2022 to June 30, 2023
Valuation Date: June 30, 2023

February 2, 2024

**San Leandro Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Note to Auditors

DFA, LLC (DFA)—acquired by Foster & Foster Consulting Actuaries, Inc. (Foster & Foster) as of January 1, 2024—has prepared the following supplemental schedules to accompany the District’s actuarial valuation as of June 30, 2023 to (1) facilitate preparation of GASB 75 reporting and (2) to provide information that (if applicable) was not determinable as of the valuation date. We have prepared this supplement based on the results of our actuarial valuation and (if applicable) subsequent projections. We are available to discuss and reconcile any differences between your records and our calculations.

Our actuarial valuation report is intended to comply with GASB 75’s valuation requirements (at least one every two years); the following schedules are intended to provide the reporting information specific to the applicable reporting period (July 1, 2023 to June 30, 2024), with updates to the measurement date (June 30, 2023).

Notes to the Financial Statements for the Year Ended June 30, 2024

Plan Description

Plan administration. The District’s governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District’s governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Benefits provided. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"). Participation in PEMHCA is financed in part by the District with contributions made to the plan. The District contributed \$120.80 per month for calendar 2023 (\$130.90 per month for calendar 2024) to PEMHCA on behalf of each retiree eligible for PEMHCA. This contribution is increased each year pursuant to the "unequal contribution method" under PEMHCA, whereby the District contribution for retirees equals 5% of the District's contribution for active employees multiplied by the number of years the District has participated in PEMHCA. The District pays the PEMHCA percentage-of-premiums admin fee for all retirees participating in PEMHCA.

The District also make additional contributions towards certain eligible retirees' premiums until age 65 according to provisions of the District's MOUs with its various employee associations.

Plan membership. On June 30, 2023, the most recent valuation date, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	212
Active plan members	7

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.



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Total OPEB Liability

The District's Total OPEB Liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	No assets held in an irrevocable trust as of the measurement date.
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2023-2029 and 4.00 percent for 2030 and later years.
Preretirement Mortality Certificated Classified	Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018). Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality Certificated Classified	Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018). Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

Discount rate. For OPEB Plans That Are Not Administered through Trusts That Meet the Criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the District's Total OPEB liability is based on the following information:

Reporting Date	Measurement Date	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2023	June 30, 2022	3.69%	3.69%
June 30, 2024	June 30, 2023	3.86%	3.86%



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The Total OPEB liability was as follows:

Total OPEB liability	\$10,919,636
Measurement date	June 30, 2023
Reporting date	June 30, 2024

Schedule of Changes in Total OPEB Liability (June 30, 2022 to June 30, 2023)

Total OPEB Liability	
Service Cost	13,573
Interest	388,212
Changes of benefit terms	0
Difference between expected and actual experience	700,265
Changes in assumptions or other inputs	(284,617)
Benefit payments ¹	(802,495)
Net change in total OPEB liability	14,938
Total OPEB liability – June 30, 2022 (a)	\$10,904,698
Total OPEB liability – June 30, 2023 (b)	\$10,919,636

¹ Includes \$539,239 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$263,256.

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	12,097,604	10,919,636	9,922,621

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease ²	Trend Rate	1% Increase ³
Total OPEB liability	10,076,127	10,919,636	11,902,073

² Trend rate for each future year reduced by 1.00%.

³ Trend rate for each future year increased by 1.00%.



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

On June 30, 2024, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{4,5}	0	0
Changes in assumptions or other inputs ^{4,5}	0	0
Total	\$0	\$0
Contributions after the measurement date ⁶	TBD	0
Total with contributions after measurement date	TBD	\$0

⁴ Measured on June 30, 2023.

⁵ See Schedule of Deferred Outflows and Inflows of Resources for additional information.

⁶ To be determined by auditor. District contributions made between June 30, 2023 and June 30, 2024 which will be recognized as a reduction of the Total OPEB Liability in the year ending June 30, 2024. Should include a credit for implicit subsidy equal to the amount of actual District-paid premiums on behalf of retirees (from trust and non-trust) multiplied by 0.4695.

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

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$0	\$0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
Thereafter+	0	0



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Schedule of Deferred Outflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2020	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2021	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2022	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2023	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2024	Deferred Outflow	Difference between expected and actual experience	700,265	0.1	700,265	0
		Difference between expected and actual experience	Total		\$700,265	\$0

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2019	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2020	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2021	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2022	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2023	Deferred Outflow	Changes in assumptions or other inputs	0	0.1	0	0
2024	Deferred Outflow	Changes in assumptions or other inputs	0	0.1	0	0
		Changes in assumptions or other inputs	Total		\$0	\$0



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Schedule of Deferred Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2020	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2021	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2022	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2023	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2024	Deferred Inflow	Difference between expected and actual experience	0	0.1	0	0
Difference between expected and actual experience			Total		\$0	\$0

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2019	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2020	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2021	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2022	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2023	Deferred Inflow	Changes in assumptions or other inputs	(2,318,529)	0.1	0	0
2024	Deferred Inflow	Changes in assumptions or other inputs	(284,617)	0.1	(284,617)	0
Changes in assumptions or other inputs			Total		\$(284,617)	\$0



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OPEB Expense

The District's OPEB expense (credit) was \$817,433.

Total OPEB Liability – beginning (a)	\$10,904,698
Total OPEB Liability – ending (b)	\$10,919,636
Change in Total OPEB Liability [(b)-(a)]	14,938
Change in Deferred Outflows	0
Change in Deferred Inflows	0
Employer Contributions	802,495
Adjustment	0
OPEB Expense (Credit) – June 30, 2022 to June 30, 2023	\$817,433

Service Cost	13,573
Interest Cost	388,212
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	700,265
Changes of assumptions	(284,617)
Differences between projected and actual investments	0
Total	415,648
Adjustment	0
OPEB Expense (Credit) – June 30, 2022 to June 30, 2023	\$817,433



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Journal Entries⁷

OPEB Expense Journal Entries - June 30, 2024 Reporting Date

		Debit	Credit
Differences between Expected and Actual Experience	Deferred Outflows	\$0	\$0
	Deferred Inflows	0	0
Change in Assumptions and Other Inputs	Deferred Outflows	0	0
	Deferred Inflows	0	0
OPEB Liability		0	(817,433)
OPEB Expense/Credit		817,433	0
<i>Total</i>		<i>\$817,433</i>	<i>\$(817,433)</i>

Employer Contribution Journal Entries - June 30, 2024 Reporting Date

		Debit	Credit
Contributions paid July 1, 2022 to June 30, 2023	Total OPEB Liability/(Asset)	\$802,495	\$0
	Deferred Outflows	0	(578,207)
	Other Healthcare (Implicit Subsidy)	0	0
	Contributions Expense	0	(224,288)
Contributions paid July 1, 2023 to June 30, 2024 ⁸	Deferred Outflows ⁹	TBD	0
	Other Healthcare (Implicit Subsidy) ¹⁰	0	TBD
	Contributions Expense ¹¹	0	TBD
<i>Total</i>		<i>TBD</i>	<i>TBD</i>

⁷ Provided for illustrative purposes. Actual entries may differ. We are available to discuss any differences.

⁸ To be determined using audited actual contributions made between June 30, 2023 and June 30, 2024.

⁹ Debit equal to total employer contributions plus adjustment for implicit subsidy.

¹⁰ Credit equal to adjustment for implicit subsidy (the amount of actual District-paid premiums on behalf of retirees—from trust and non-trust—multiplied by a factor of 0.4695).

¹¹ Credit equal to total employer contributions (before adjustment for implicit subsidy).



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Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the San Leandro Unified School District as of June 30, 2023.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



Carlos Diaz, ASA, EA, MAAA
Actuary



Kevin Collins
Assistant Superintendent
San Leandro Unified School District
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