



**City of Belvedere
Retiree Healthcare Plan**



June 30, 2023 GASBS 75 Accounting Information
As of Measurement Date June 30, 2022
Based on the June 30, 2021 Actuarial Valuation

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Foster & Foster, Inc.

September 8, 2023

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Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2023
■ Measurement date	June 30, 2022
■ Measurement period	July 1, 2021 to June 30, 2022
■ Actuarial valuation date	June 30, 2021

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (June 30, 2021) to the measurement date (June 30, 2022).



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Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2023
■ Plan type	Single Employer
■ OPEB trust	No
■ Special funding situation	No
■ Nonemployer contributing entities	No



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Note Disclosures

Covered Participants*

At June 30, 2022, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	14
■ Inactives entitled to but not yet receiving benefits	9
■ Active employees	18
■ Total	41

* As reported by the City.



Note Disclosures

Total OPEB Liability

	Fiscal Year Ended	
	6/30/22	6/30/23
	Measurement Date 6/30/21	Measurement Date 6/30/22
■ Total OPEB Liability (TOL)	\$ 1,614,197	\$ 1,396,048



Note Disclosures

Changes in Total OPEB Liability

	Total OPEB Liability
■ Balance at 6/30/22 (6/30/21 measurement date)	\$ 1,614,197
■ Changes for the year	
● Service Cost	78,962
● Interest	35,805
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(261,807)
● Benefit payments*	(71,109)
■ Net Changes	(218,149)
■ Balance at 6/30/23 (6/30/22 measurement date)	\$ 1,396,048

* See the measurement period column on page 16 for details.



Note Disclosures

Sensitivity of Total OPEB Liability

■ **Changes in the Discount Rate**

	Discount Rate		
	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
■ Total OPEB Liability	\$ 1,577,967	\$ 1,396,048	\$ 1,247,455

■ **Changes in the Healthcare Trend Rate**

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Total OPEB Liability	\$ 1,225,905	\$ 1,396,048	\$ 1,605,488



Note Disclosures

OPEB Expense/(Income) for Fiscal Year

	2022/23
	Measurement Period 2021/22
■ OPEB Expense/(Income)*	\$ 103,690

* See page 21 for OPEB expense/(income) detail, which is not a required disclosure.



Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2023

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ 39,819	\$ 4,210
■ Changes in assumptions	94,331	265,623
■ Employer contributions made subsequent to the measurement date*	77,784	-
■ Total	211,934	269,833

* See page 16 for details.



Note Disclosures

**Recognition of Deferred Outflows and Inflows of Resources
in Future OPEB Expense**

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2024	\$ (6,909)
■ 2025	(28,972)
■ 2026	(60,811)
■ 2027	(38,991)
■ 2028	-
■ Thereafter	-



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2022 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2021
■ Contribution Policy	■ No pre-funding
■ Discount Rate	■ 3.54% at June 30, 2022 (Bond Buyer 20-Bond Index) ■ 2.16% at June 30, 2021 (Bond Buyer 20-Bond Index)
■ General Inflation	■ 2.50% annually
■ Mortality, Retirement, Disability, Termination	■ CalPERS 2000-2019 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2022 Measurement Date
■ Salary Increases	<ul style="list-style-type: none"> ■ Aggregate - 2.75% annually ■ Merit - CalPERS 2000-2019 Experience Study
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
■ PEMHCA Minimum Increase	■ 4.00% annually
■ Medical Participation at Retirement	<ul style="list-style-type: none"> ■ Currently covered – 60% ■ Currently waived – 30%
■ Age-related Claims Costs for Medicare Advantage Plans	■ Due to age-risk adjusted federal subsidies to Medicare Advantage plans, no age-based claims costs were included for these plans past Medicare eligibility



Note Disclosures

Changes Since June 30, 2021 Measurement Date

Actuarial Assumption	June 30, 2022 Measurement Date
■ Changes of assumptions	■ Discount rate was updated based on municipal bond rate as of the measurement date
■ Changes of benefit terms	■ None



Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

	2022/23
	Measurement Period 2021/22
■ Changes in Total OPEB Liability	
● Service Cost	\$ 78,962
● Interest	35,805
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(261,807)
● Benefit payments	(71,109)
■ Net Changes	(218,149)
■ Total OPEB Liability (beginning of year)	<u>1,614,197</u>
■ Total OPEB Liability (end of year)	1,396,048



Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

	2022/23
	Measurement Date 6/30/22
■ Total OPEB Liability	\$ 1,396,048
■ Covered employee payroll*	2,817,918
■ Total OPEB Liability as a percentage of covered employee payroll	49.5%

* For the 12-month period ended on June 30, 2022 (Measurement Date).
As reported by the City.



Actuarial Certification

This report presents the City of Belvedere Retiree Healthcare Plan 2022/23 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75). This report may not be appropriate for other purposes, although it may be useful to the City for the Plan's financial management.

This report is based on information provided by the City which we relied on and did not audit. Additional information on the actuarial valuation can be found in the June 30, 2021 actuarial valuation report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices and complies with applicable Actuarial Standards of Practice. Additionally, in my opinion, actuarial methods and assumptions comply with GASBS 75. As the actuary, I have recommended the assumptions used in this report, and I believe they are reasonable. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,

Katherine Moore

Katherine Moore, ASA, MAAA
Foster & Foster, Inc.
September 8, 2023



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Supporting Calculations

Employer Contributions

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/21 to 6/30/22	7/1/22 to 6/30/23	Same as Measurement Period
■ Cash benefit payments	\$ 38,965	\$ 40,847	\$ 38,965
■ Implicit subsidy benefit payments	32,144	36,555	32,144
■ Total benefit payments	71,109	77,402	71,109
■ Administrative expenses	291	382	291
■ Total employer contributions	71,400	77,784	71,400

Measurement period (7/1/21 to 6/30/22): \$71,400

Fiscal year (7/1/22 to 6/30/23): \$77,784



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Supporting Calculations

Average of the Expected Remaining Service Lives

As of July 1, 2021 (beginning of the measurement period):

Valuation Date	Total expected remaining service lives*	Covered participants*	Average of the expected remaining service lives as of valuation date	Average of the expected remaining service lives as of 7/1/21 (not less than 1 yr)
6/30/21	174.8 years	37	4.7 years	4.7 years

* Participants with no liability excluded for the purpose of calculating the average.



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2023
Differences between Expected and Actual Experience

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2023	
			22/23	23/24	24/25	25/26	26/27	27/28	28/29+	Outflows	(Inflows)
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(60,362)	4.3	(14,038)	(4,210)	-	-	-	-	-	-	(4,210)
20/21	-	-	-	-	-	-	-	-	-	-	-
21/22	69,315	4.7	14,748	14,748	14,748	10,323	-	-	-	39,819	-
22/23	-	-	-	-	-	-	-	-	-	-	-
Total			710	10,538	14,748	10,323	-	-	-	39,819	(4,210)



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2023 Changes of Assumptions

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2023	
			22/23	23/24	24/25	25/26	26/27	27/28	28/29+	Outflows	(Inflows)
18/19	(47,000)	4.3	(3,000)	-	-	-	-	-	-	-	-
19/20	51,401	4.3	11,954	3,585	-	-	-	-	-	3,585	-
20/21	260,897	4.6	56,717	56,717	34,029	-	-	-	-	90,746	-
21/22	(103,610)	4.7	(22,045)	(22,045)	(22,045)	(15,430)	-	-	-	-	(59,520)
22/23	(261,807)	4.7	(55,704)	(55,704)	(55,704)	(55,704)	(38,991)	-	-	-	(206,103)
Total			(12,078)	(17,447)	(43,720)	(71,134)	(38,991)	-	-	94,331	(265,623)



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Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

	23/24	24/25	25/26	26/27	27/28	Thereafter 28/29+
■ Differences between Expected and Actual Experience	10,538	14,748	10,323	-	-	-
■ Changes of Assumptions	(17,447)	(43,720)	(71,134)	(38,991)	-	-
■ Total	(6,909)	(28,972)	(60,811)	(38,991)	-	-



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Supporting Calculations

Components of GASBS 75 OPEB Expense

	2022/23
	Measurement Period 2021/22
■ Service Cost	\$ 78,962
■ Interest on Total OPEB Liability	35,805
■ Administrative expense	291
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	710
● Assumptions	(12,078)
■ OPEB Expense/(Income)	103,690



Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability
2021/22 Measurement Period

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 1,614,197	2.16%	100%	\$ 34,867
■ Service Cost	78,962	2.16%	100%	1,706
■ Changes of benefit terms	-	2.16%	0%	-
■ Experience	-	2.16%	0%	-
■ Assumption changes*	(261,807)	2.16%	0%	-
■ Benefit payments	(71,109)	2.16%	50%	(768)
■ Total interest				35,805

* Liability determined as of the end of the measurement period, so no interest charge is applicable.



Supporting Calculations

GASBS 75 Balance Equation

	Fiscal Year Ended	
	6/30/22	6/30/23
	Measurement Date 6/30/21	Measurement Date 6/30/22
■ Total OPEB Liability	\$ 1,614,197	\$ 1,396,048
■ Fiduciary Net Position	-	-
■ Net OPEB Liability	1,614,197	1,396,048
■ Deferred inflows of resources	102,813	269,833
■ Deferred (outflows) of resources	(217,569)	(134,150)
■ Balance Sheet	1,499,441	1,531,731

Check:

■ Balance Sheet 6/30/22	\$ 1,499,441
● OPEB Expense/(Income)	103,690
● Employer Contributions*	(71,400)
■ Balance Sheet 6/30/23	1,531,731

* See the measurement period column on page 16 for details.



Supporting Calculations

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Journal Entries

Employer Contributions

The entries below assume cash benefit payments, Trust contributions, and administrative expenses have been charged to OPEB Expense when paid, and that no accounting entries have been made for the current year implicit subsidy payment, which is recorded as a reduction to active employee health care costs. See page 16 for details.

Following records the impact of employer contributions as deferred outflows of resources and as a reduction to Net OPEB Liability.

	Debit	(Credit)
■ Net OPEB Liability - (for Contributions paid 7/1/21 to 6/30/22)	\$ 71,109	\$ -
■ OPEB Expense - (for admin fees paid 7/1/21 to 6/30/22)	291	-
■ Deferred Outflow - 7/1/21 to 6/30/22 contributions	-	(71,400)
■ Deferred Outflow - 7/1/22 to 6/30/23 contributions	77,784	-
■ Active employee health care costs - (implicit subsidy payments 7/1/22 to 6/30/23)	-	(36,555)
■ OPEB Expense - (for contributions paid 7/1/22 to 6/30/23)	-	(41,229)
<i>Check</i>	<i>149,184</i>	<i>(149,184)</i>



Journal Entries

Summary Journal Entries - OPEB Expense

Following records the impact of current year OPEB expense

	Debit	(Credit)
■ Deferred Outflows*	\$ -	\$ (83,419)
■ Deferred Inflows**	14,038	(181,058)
■ OPEB Expense/Credit ***	103,399	-
■ Net OPEB Liability	147,040	-
<i>Check</i>	<i>264,477</i>	<i>(264,477)</i>

* See page 28 ('Subtotal' row) for details.

** See page 29 for details.

*** Total OPEB expense, \$103,690, equals \$103,399 plus \$291 admin fees from page 25.



Journal Entries

Ending Balances at June 30, 2023

	Debit	(Credit)
■ Deferral: Differences between expected and actual experience	\$ 39,819	\$ (4,210)
■ Deferral: Changes of assumptions	94,331	(265,623)
■ Total deferred outflow/inflow	134,150	(269,833)
■ Net OPEB Liability (NOL)	-	(1,396,048)
■ Contributions after the Measurement Date	77,784	-
■ Net Impact	1,453,947	-

Check: 1,665,881 (1,665,881)

■ Total OPEB expense/(income) for FYE 2023	103,690	-
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Journal Entries

Reconciliation of Deferred Outflows

Detail for page 26

Deferred Outflows	Opening Balance - Debit	Journal Entry - Debit	Journal Entry - (Credit)	Ending Balance - Debit
■ Differences between actual and expected experience	\$ 54,567	\$ -	\$ (14,748)	\$ 39,819
■ Change in assumptions	163,002	-	(68,671)	94,331
■ Subtotal - actuarial deferrals	217,569	-	(83,419)	134,150
■ Contributions after the Measurement Date	71,400	77,784	(71,400)	77,784
■ Total Deferred Outflows	288,969	77,784	(154,819)	211,934



Journal Entries

Reconciliation of Deferred Inflows

Detail for page 26

Deferred Inflows	Opening Balance - (Credit)	Journal Entry - (Credit)	Journal Entry - Debit	Ending Balance - (Credit)
■ Differences between actual and expected experience	\$ (18,248)	\$ -	\$ 14,038	\$ (4,210)
■ Change in assumptions	(84,565)	(181,058)	-	(265,623)
■ Total Deferred (Inflows)	(102,813)	(181,058)	14,038	(269,833)



Journal Entries

Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances

	Fiscal Year Ended	
	6/30/22	6/30/23
	Measurement Date 6/30/21	Measurement Date 6/30/22
■ Total OPEB (Liability)	\$ (1,614,197)	\$ (1,396,048)
■ Fiduciary Net Position	-	-
■ Net OPEB (Liability)	(1,614,197)	(1,396,048)
■ Deferred (inflows) of resources	(102,813)	(269,833)
■ Deferred outflows of resources	288,969	211,934
■ Balance Sheet Impact	(1,428,041)	(1,453,947)

Deferred Outflows include contributions after the measurement date.

