# Foster & Foster Actuaries and Consultants

## GASB Statement No. 75
## Supplemental Schedules for

# San Leandro Unified School District

| | |
|---|---|
| *Reporting Period:* | *July 1, 2024 to June 30, 2025* |
| *Measurement Period:* | *July 1, 2023 to June 30, 2024* |
| *Valuation Date:* | *June 30, 2023* |

March 4, 2025

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

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

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## 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, 2024 to June 30, 2025), with updates to the measurement date (June 30, 2024).

## Notes to the Financial Statements for the Year Ended June 30, 2025

### 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 $133.45 per month for calendar 2024 ($142.20 per month for calendar 2025) 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.

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*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, 2024 and the Total OPEB Liability used to calculate the Total OPEB Liability 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 | 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 precent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2024-2029 and 4.00 percent for 2030 and later years. |
| Preretirement Mortality | |
| Certificated | Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018). |
| Classified | Preretirement Mortality Rates from CalPERS Experience Study (2000-2019). |
| Postretirement Mortality | |
| Certificated | Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018). |
| Classified | 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.

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*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 these requirements and the following information:

| Reporting Date | Measurement Date | Fidelity GO AA 20 Years Municipal Index | Discount Rate |
|---|---|---|---|
| June 30, 2024 | June 30, 2023 | 3.86% | 3.86% |
| June 30, 2025 | June 30, 2024 | 3.97% | 3.97% |

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The Total OPEB liability was as follows:

| | |
|---|---|
| Total OPEB liability | $10,320,986 |

| | |
|---|---|
| Measurement date | June 30, 2024 |
| Reporting date | June 30, 2025 |

*Schedule of Changes in Total OPEB Liability (June 30, 2023 to June 30, 2024)*

| **Total OPEB Liability** | |
|---|---|
| Service Cost | 13,202 |
| Interest | 404,703 |
| Changes of benefit terms | 0 |
| Difference between expected and actual experience | 0 |
| Changes in assumptions or other inputs | (111,381) |
| Benefit payments[1] | (905,174) |
| **Net change in total OPEB liability** | (598,650) |
| **Total OPEB liability – June 30, 2023 (a)** | $10,919,636 |
| **Total OPEB liability – June 30, 2024 (b)** | $10,320,986 |

[1] Includes $615,974 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of $289,200.

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*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 *(2.97%)* | Discount Rate *(3.97%)* | 1% Increase *(4.97%)* |
|---|---|---|---|
| Total OPEB liability | 11,411,922 | 10,320,986 | 9,393,494 |

*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 | 9,458,572 | 10,320,986 | 11,324,800 |

[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, 2025, 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[5,6] | 0 | 0 |
| Changes in assumptions or other inputs[5,6] | 0 | 0 |
| **Total** | $0 | $0 |

| | | |
|---|---|---|
| Contributions after the measurement date[7] | TBD | 0 |
| **Total with contributions after measurement date** | TBD | $0 |

[5] Measured on June 30, 2024.
[6] See Schedule of Deferred Outflows and Inflows of Resources for additional information.
[7] District contributions made between July 1, 2024 and June 30, 2025, which will be recognized as a reduction in the Total OPEB Liability during the year ending June 30, 2025. Should include a credit for implicit subsidy equal to the amount of 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 |
|---|---|---|
| 2026 | 0 | 0 |
| 2027 | 0 | 0 |
| 2028 | 0 | 0 |
| 2029 | 0 | 0 |
| 2030 | 0 | 0 |
| Thereafter+ | 0 | 0 |

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## Schedule of Deferred Outflows of Resources

*Difference Between Expected and Actual Experience*

| Year | Initial Base | Amortization Period | Current Recognition | Current Balance |
|---|---|---|---|---|
| 2017 | 0 | 0.0 | 0 | 0 |
| 2018 | 0 | 0.0 | 0 | 0 |
| 2019 | 0 | 0.0 | 0 | 0 |
| 2020 | 0 | 0.0 | 0 | 0 |
| 2021 | 0 | 0.0 | 0 | 0 |
| 2022 | 0 | 0.0 | 0 | 0 |
| 2023 | 0 | 0.0 | 0 | 0 |
| 2024 | 700,265 | 0.1 | 0 | 0 |
| 2025 | 0 | 0.1 | 0 | 0 |
| | | Total | 0 | 0 |

*Changes in Assumptions or Other Inputs*

| Year | Initial Base | Amortization Period | Current Recognition | Current Balance |
|---|---|---|---|---|
| 2017 | 0 | 0.0 | 0 | 0 |
| 2018 | 0 | 0.0 | 0 | 0 |
| 2019 | 0 | 0.0 | 0 | 0 |
| 2020 | 0 | 0.0 | 0 | 0 |
| 2021 | 0 | 0.0 | 0 | 0 |
| 2022 | 0 | 0.0 | 0 | 0 |
| 2023 | 0 | 0.1 | 0 | 0 |
| 2024 | 0 | 0.1 | 0 | 0 |
| 2025 | 0 | 0.1 | 0 | 0 |
| | | Total | 0 | 0 |

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## Schedule of Deferred Inflows of Resources

*Difference Between Expected and Actual Experience*

| Year | Initial Base | Amortization Period | Current Recognition | Current Balance |
|---|---|---|---|---|
| 2017 | 0 | 0.0 | 0 | 0 |
| 2018 | 0 | 0.0 | 0 | 0 |
| 2019 | 0 | 0.0 | 0 | 0 |
| 2020 | 0 | 0.0 | 0 | 0 |
| 2021 | 0 | 0.0 | 0 | 0 |
| 2022 | 0 | 0.0 | 0 | 0 |
| 2023 | 0 | 0.0 | 0 | 0 |
| 2024 | 0 | 0.1 | 0 | 0 |
| 2025 | 0 | 0.1 | 0 | 0 |
| | | Total | 0 | 0 |

*Changes in Assumptions or Other Inputs*

| Year | Initial Base | Amortization Period | Current Recognition | Current Balance |
|---|---|---|---|---|
| 2017 | 0 | 0.0 | 0 | 0 |
| 2018 | 0 | 0.0 | 0 | 0 |
| 2019 | 0 | 0.0 | 0 | 0 |
| 2020 | 0 | 0.0 | 0 | 0 |
| 2021 | 0 | 0.0 | 0 | 0 |
| 2022 | 0 | 0.0 | 0 | 0 |
| 2023 | (2,318,529) | 0.1 | 0 | 0 |
| 2024 | (284,617) | 0.1 | 0 | 0 |
| 2025 | (111,381) | 0.1 | (111,381) | 0 |
| | | Total | (111,381) | 0 |

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## OPEB Expense

The District's OPEB expense (credit) was $306,524.

| | |
|---|---|
| Total OPEB Liability (Asset) – beginning (a) | $10,919,636 |
| Total OPEB Liability (Asset) – ending (b) | $10,320,986 |
| Change in Total OPEB Liability (Asset) [(b)-(a)] | (598,650) |
| Change in Deferred Outflows | 0 |
| Change in Deferred Inflows | 0 |
| Employer Contributions | 905,174 |
| Adjustment – OPEB Expense | 0 |
| OPEB Expense (Credit) – June 30, 2023 to June 30, 2024 | $306,524 |

| | |
|---|---|
| Service Cost | 13,202 |
| Interest Cost | 404,703 |
| Changes of benefit terms | 0 |
| | |
| Recognition of Deferred Outflows and Inflows | |
| Differences between expected and actual experience | 0 |
| Changes of assumptions | (111,381) |
| Total | (111,381) |
| | |
| Adjustment | 0 |
| OPEB Expense (Credit) – June 30, 2023 to June 30, 2024 | $306,524 |

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## Journal Entries[8]

OPEB Expense Journal Entries - June 30, 2025 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 |
| Differences between Projected and Actual Investment Earnings | Deferred Outflows | 0 | 0 |
| | Deferred Inflows | 0 | 0 |
| Total OPEB Liability | | 0 | (306,524) |
| OPEB Expense/(Credit) | | 306,524 | 0 |
| *Total* | | *$306,524* | *$(306,524)* |

Employer Contribution Journal Entries - June 30, 2025 Reporting Date

| | | Debit | Credit |
|---|---|---|---|
| Contributions paid July 1, 2023 to June 30, 2024 | Total OPEB Liability/(Asset) | $905,174 | $0 |
| | Deferred Outflows | 0 | (615,974) |
| | Other Healthcare (Implicit Subsidy) | 0 | 0 |
| | Contributions Expense | 0 | (289,200) |
| Contributions paid July 1, 2024 to June 30, 2025[9] | Deferred Outflows | TBD | 0 |
| | Other Healthcare (Implicit Subsidy) | 0 | TBD |
| | Contributions Expense | 0 | TBD |
| *Total* | | *TBD* | *TBD* |

[8] Provided for illustrative purpose. Actual entries may differ. We are available to discuss any differences.

[9] Employer contributions made between July 1, 2024 and June 30, 2025.

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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
Senior Consulting Actuary

Kevin Collins
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