

EXHIBIT B



Superior Court of California County of San Luis Obispo

Actuarial Valuation of
Other Postemployment Benefits (OPEB)
Under GASB Statement No. 75
For Fiscal Year Ending June 30, 2021

Valuation Date: June 30, 2019
Measurement Date: June 30, 2020
Reporting Date: June 30, 2021

December 30, 2020

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SAN LUIS OBISPO SUPERIOR COURT
Actuarial Valuation of Other Postemployment Benefits (OPEB) for Fiscal 2021

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Introduction and Certification

Purposes of the valuation

This report includes OPEB financial reporting information determined under Governmental Accounting Standards Board Statement No. 75 (GASB 75) for San Luis Obispo Superior Court (the Court). GASB 75 standardizes OPEB disclosure requirements and requires plans and employers to provide additional details about their OPEB obligations. The information to be disclosed includes:

- Obligations and funded status of the plan,
- The annual GASB 75 accounting expense, and
- Other disclosure information.

The Important Notices section of this report discusses several considerations for this actuarial valuation and its results. We highly recommend that anyone relying on this valuation's content read the Important Notices so they understand the limitations of actuarial results.

The language of this report includes a number of technical terms which have special meanings. The glossary at the end of the report is provided to enhance understanding of these terms; many of them are defined there.

Significant dates

The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year. The valuation, measurement and reporting dates are:

Valuation date (census)	June 30, 2019
Measurement date (assets and liabilities)	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Reporting date (fiscal year end)	June 30, 2021

We have not made any adjustments for events occurring after the measurement date. The Court's final GASB 75 disclosures should reflect employer contributions between the measurement and reporting dates, as noted on page 6.

Changes from the prior valuation

Changes to the plan provisions and actuarial assumptions reflected in this valuation are described towards the end of this report. The Court has confirmed that there have been no significant changes in the plan provisions or census since the fiscal 2020 valuation.

Introduction and Certification (continued)

Actuarial certification

To the best of our knowledge, this report is complete and accurate and all costs and liabilities under the plan were determined in accordance with generally accepted actuarial principles and practices. Upon receipt of the valuation report, the Court should notify us if you disagree with any information contained in the report or if you are aware of any information that would affect the results that has not been communicated to us. The report will be deemed final and acceptable to the Court unless you immediately notify us otherwise.

The actuarial assumptions and methods are the responsibility of the employer. We have reviewed the assumptions and believe that they are reasonable estimates of future plan experience, both individually and in the aggregate. The calculations reported herein are consistent with our understanding of GASB 75.

The undersigned credentialed actuary is a consulting actuary for Van Iwaarden Associates, a Member of the American Academy of Actuaries, and meets the Academy's Qualification Standards to render the actuarial opinion contained herein. I am available to answer questions on the material contained in the report or to provide explanations or further detail, as may be appropriate. I am not aware of any material direct or indirect financial interest or relationship that could create a conflict of interest or impair the objectivity of our work.



Gina N. Ganab, ASA, MAAA
Consulting Actuary

December 30, 2020

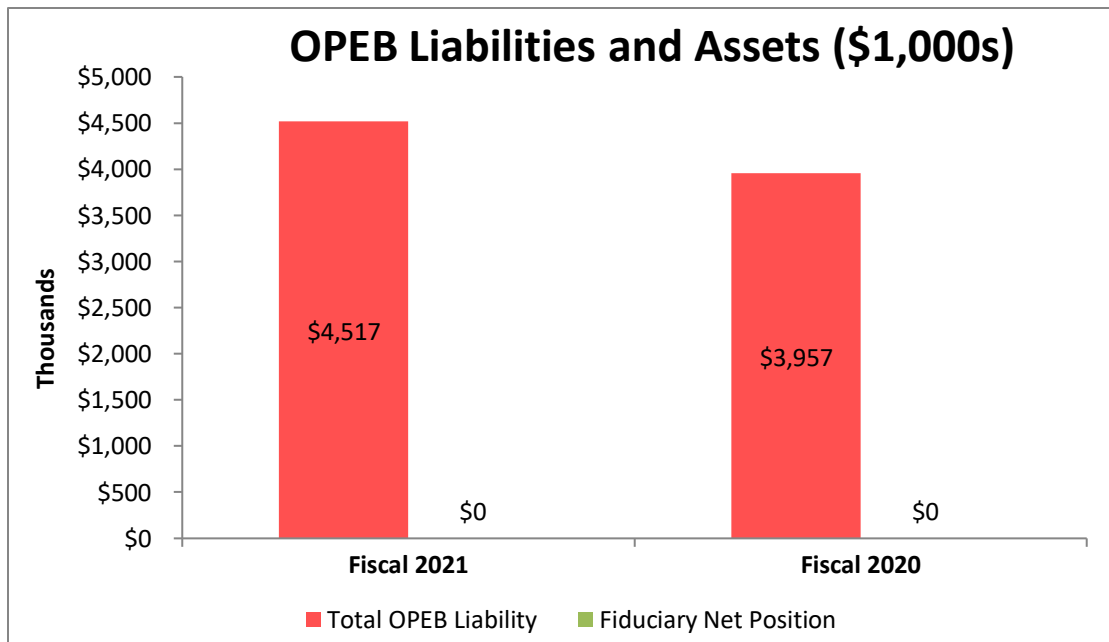
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Summary of Results

	Valuation Date	
	6/30/2019	
A. Participants eligible for OPEB		
1. Active employees electing coverage		93
2. Active employees waiving coverage		28
3. Retirees electing coverage		41
4. Total		162
B. Funded Status		
	Fiscal Year Ending ¹	
	6/30/2021	6/30/2020
1. Total OPEB Liability	\$ 4,516,511	\$ 3,956,997
2. Plan Fiduciary Net Position (assets)	0	0
3. Net OPEB Liability (1. - 2.)	4,516,511	3,956,997
4. Funded Percent (2. / 1.)	0.0%	0.0%
5. Liability Discount Rate	2.45%	3.13%
C. Accounting Expense (see page 10)	\$ 238,403	\$ 245,433
D. Actuarially Determined Contribution (ADC)	N/A ²	N/A ²



¹ The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

² The Court does not currently calculate an ADC.

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Changes in Net OPEB Liability

	Increase (Decrease) for the Measurement Year		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance for fiscal year ending 6/30/2020¹ (Measured at 6/30/2019)	\$ 3,956,997	\$ -	\$ 3,956,997
Changes for the year:			
Service cost	196,709	-	196,709
Interest	127,528	-	127,528
Differences between expected and actual experience	-	-	-
Changes of assumptions	393,922	-	393,922
Changes of benefit terms	-	-	-
Employee contributions	-	-	-
Employer contributions ²	-	158,645	(158,645)
Net investment income	-	-	-
Other additions	-	-	-
Benefit payments ²	(158,645)	(158,645)	-
Administrative expense	-	-	-
Other deductions	-	-	-
Net changes	559,514	-	559,514
Balance for fiscal year ending 6/30/2021¹ (Measured at 6/30/2020)	\$ 4,516,511	\$ -	\$ 4,516,511

¹ The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

² Benefit payments equal \$69,031 explicit subsidy payments to retirees and \$89,614 implicit subsidy costs incurred during the measurement period ending 6/30/2020.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Discount Rate (1.45%)	\$ 5,208,659	\$ -	\$ 5,208,659
Current Discount Rate (2.45%)	4,516,511	-	4,516,511
1% increase in Discount Rate (3.45%)	3,955,325	-	3,955,325

Sensitivity of the Net OPEB Liability to Changes in the Trend Rates

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Trend Rates	\$ 3,833,066	\$ -	\$ 3,833,066
Current Trend Rates	4,516,511	-	4,516,511
1% increase in Trend Rates	5,384,540	-	5,384,540

Summary of Deferred Outflows and Deferred Inflows

<u>Summary of Deferred Outflows/Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
A. Difference between expected and actual liability	\$ -	\$ 303,015
B. Change of assumptions	338,828	294,773
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date ¹	TBD	N/A
E. Total	<u>\$ 338,828</u>	<u>\$ 597,788</u>

See page 12 for amortization schedules and development of deferred outflows/inflows.

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

<u>Year ended</u>	<u>Future recognition</u>
2022	(85,834)
2023	(85,834)
2024	(85,834)
2025	(40,511)
2026	(14,349)
Thereafter	53,402
	<u>\$ (258,960)</u>

¹ Under GASB 75 paragraph 44, employer contributions made after the June 30, 2020 Measurement Date and on or before the June 30, 2021 Reporting Date must be disclosed as Deferred Outflows of Resources. If the contribution amount is not available at the time of this report, "TBD" is shown temporarily. The final amount should include employer trust contributions plus any unreimbursed benefits paid from general assets (both explicit and implicit subsidies). We estimate that implicit subsidy costs between the measurement date and reporting date will be \$102,738. This amount should be offset by implicit subsidy benefits reimbursed from trust assets, if applicable.

Significant Assumptions Used to Measure the Total OPEB Liability

Discount rate	2.45%
Long-term expected investment return	N/A
Inflation rate	2.50%
Healthy Mortality	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of scale MP-2016.
Healthcare cost trend rate	6.4% for FY2020, gradually decreasing over several decades to an ultimate rate of 4.0% in FY2076 and later years.

See pages 14 to 16 for more details on actuarial assumptions and methods.

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Schedule of Changes in Net OPEB Liability and Related Ratios¹

	Fiscal Year Ending ²	
	6/30/2021	6/30/2020
Total OPEB Liability		
Service cost	\$ 196,709	\$ 228,433
Interest	127,528	157,928
Differences between expected and actual experience	-	(420,691)
Changes of assumptions	393,922	(53,939)
Changes of benefit terms	-	-
Benefit payments	(158,645)	(177,888)
Net change in total OPEB liability	559,514	(266,157)
Total OPEB Liability - beginning of year	3,956,997	4,223,154
Total OPEB Liability - end of year	\$ 4,516,511	\$ 3,956,997
Plan Fiduciary Net Position (FNP, assets)		
Employee contributions	\$ -	\$ -
Employer contributions	158,645	177,888
Net investment income	-	-
Other additions	-	-
Benefit payments	(158,645)	(177,888)
Administrative expense	-	-
Other deductions	-	-
Net change in plan fiduciary net position	-	-
Plan Fiduciary Net Position - beginning of year	-	-
Plan Fiduciary Net Position - end of year	\$ -	\$ -
Net OPEB Liability - end of year	\$ 4,516,511	\$ 3,956,997
FNP as a percentage of the Total OPEB Liability	0.0%	0.0%
OPEB-eligible payroll for the measurement period	\$ 9,517,516	\$ 8,918,121
Net OPEB Liability as a % of eligible payroll	47.5%	44.4%

¹ The employer must disclose a 10-year history of the schedule of changes in Net OPEB Liability and related ratios.

² The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

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Schedule of Contributions¹

	Fiscal Year Ending	
	6/30/2021	6/30/2020
Actuarially determined contribution (ADC) ²	N/A	N/A
Contributions in relation to the ADC	N/A	N/A
Contribution deficiency (excess)	N/A	N/A
OPEB-eligible payroll for reporting period (fiscal year)	N/A	N/A
Contributions as a percent of payroll	N/A	N/A

¹ The employer must disclose a 10-year history of the contribution and payroll schedules.

² Per GASB 75 paragraph 57c., these disclosures are only required if the employer calculates an Actuarially Determined Contribution (ADC). The Court does not currently calculate an ADC.

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Calculation of OPEB Expense

	Fiscal Year Ending ¹	
	6/30/2021	6/30/2020
A. Service cost	\$ 196,709	\$ 228,433
B. Interest cost	127,528	157,928
C. Current period benefit changes	-	-
D. Employee contributions	-	-
E. Projected earnings on OPEB plan investments	-	-
F. Administrative expenses paid from the trust	-	-
G. Other changes in fiduciary net position	-	-
H. Recognition of expected vs. actual experience	(58,838)	(58,838)
I. Recognition of assumption changes	(26,996)	(82,090)
J. Recognition of net difference between projected and actual investment earnings	-	-
K. Total OPEB expense (sum of A. through J.)	\$ 238,403	\$ 245,433

¹ The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

Calculation of Interest Cost and Investment (Gain) or Loss for OPEB Expense

	Fiscal Year Ending ¹	
	6/30/2021	6/30/2020
<u>Interest cost</u>		
A. Total OPEB Liability at beginning of measurement year	\$ 3,956,997	\$ 4,223,154
B. Service cost	196,709	228,433
C. Benefit payments	(158,645)	(177,888)
D. Discount rate at beginning of measurement year	3.13%	3.62%
E. Interest cost ((A. + B. + ½ x C.) x D.)	\$ 127,528	\$ 157,928
 <u>Projected OPEB plan investment earnings</u>		
A. Fiduciary Net Position at beginning of measurement year,	\$ -	\$ -
B. Time-weighted cash flows	-	-
C. Expected investment return at beginning of measurement year	N/A	N/A
D. Projected OPEB plan investment earnings ((A. + B.) x C.)	\$ -	\$ -
 <u>Investment (gain) or loss</u>		
A. Projected OPEB plan investment earnings	\$ -	\$ -
B. Actual OPEB plan investment earnings	-	-
C. Investment (gain) or loss (A. - B.)	\$ -	\$ -

¹ The Court has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

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Schedule of Amortizations: Liability Experience (Gains) and Losses

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2018	\$ -	N/A	\$ -	N/A	\$ -
2019	-	N/A	-	N/A	-
2020	(420,691)	7.15	(303,015)	5.15	(58,838)
2021	-	N/A	-	N/A	-
Subtotal			\$ (303,015)		\$ (58,838)

Schedule of Amortizations: Assumption Changes

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2018	\$ (376,285)	7.14	\$ (165,481)	3.14	\$ (52,701)
2019	(155,976)	7.14	(90,441)	4.14	(21,845)
2020	(53,939)	7.15	(38,851)	5.15	(7,544)
2021	393,922	7.15	338,828	6.15	55,094
Subtotal			\$ 44,055		\$ (26,996)

Schedule of Amortizations: Investment (Gains) and Losses

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2018	\$ -	N/A	\$ -	N/A	\$ -
2019	-	N/A	-	N/A	-
2020	-	N/A	-	N/A	-
2021	-	N/A	-	N/A	-
Subtotal			\$ -		\$ -

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Projected Benefit Payments

Year Ending 6/30	Employer-Paid Premiums			Implicit Subsidy		
	Explicit Subsidy			Implicit Subsidy		
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total
2021	\$ 68,651	\$ 11,693	\$ 80,344	\$ 79,197	\$ 23,541	\$ 102,738
2022	70,414	16,688	87,102	69,871	33,586	103,457
2023	72,108	21,871	93,979	38,287	44,579	82,866
2024	73,723	27,678	101,401	37,347	56,883	94,230
2025	75,254	33,581	108,835	32,687	68,969	101,656
2026	76,692	39,806	116,498	26,020	75,295	101,315
2027	78,028	46,205	124,233	15,979	82,399	98,378
2028	79,251	52,427	131,678	17,514	99,848	117,362
2029	80,347	59,115	139,462	19,174	107,145	126,319
2030	81,294	65,864	147,158	10,080	105,851	115,931
2031	82,071	72,662	154,733	-	103,179	103,179
2032	82,647	79,407	162,054	-	84,426	84,426
2033	82,991	85,701	168,692	-	93,659	93,659
2034	83,067	91,884	174,951	-	101,008	101,008
2035	82,843	98,320	181,163	-	90,743	90,743
2036	82,284	104,909	187,193	-	74,229	74,229
2037	81,363	111,022	192,385	-	87,424	87,424
2038	80,057	116,630	196,687	-	84,336	84,336
2039	78,350	122,336	200,686	-	68,979	68,979
2040	76,238	127,831	204,069	-	71,509	71,509
2041	73,721	133,327	207,048	-	65,951	65,951
2042	70,816	138,091	208,907	-	65,984	65,984
2043	67,545	142,818	210,363	-	67,235	67,235
2044	63,943	147,580	211,523	-	57,411	57,411
2045	60,053	151,681	211,734	-	61,677	61,677
2046	55,925	155,506	211,431	-	62,720	62,720
2047	51,617	158,949	210,566	-	58,476	58,476
2048	47,196	161,849	209,045	-	52,096	52,096
2049	42,725	164,168	206,893	-	46,752	46,752
2050	38,271	165,692	203,963	-	41,114	41,114
2051	33,898	166,522	200,420	-	39,201	39,201

Notes: The projections are based on current participants and do not include any future entrants (closed group projections).

Summary of Actuarial Methods

- A. Liability Measurement Method**
- GASB 75 requires that "The total OPEB liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end."
- Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques per GASB 75 option (b) above.
- | | |
|---|-------------------------------|
| Valuation date (census) | June 30, 2019 |
| Measurement date (assets and liabilities) | June 30, 2020 |
| Measurement period | July 1, 2019 to June 30, 2020 |
| Reporting date (fiscal year end) | June 30, 2021 |
- B. Actuarial Cost Method**
- Liabilities are based on the Entry Age Normal level percent of pay cost method. In this method, the actuarial Present Value of Benefits (PVB) for each individual is allocated as a level percent of pay from entry age (hire age, for most employees) to the last age with any future benefits. The portion of the PVB allocated to the valuation year is called the Normal Cost (NC). The portion of the PVB allocated to past years is called the Actuarial Accrued Liability (AAL) or the Total OPEB Liability (TOL).
- C. GASB 75 Amortization Method**
- Investment Gains and Losses:
Each year's gain or loss is straight-line amortized over 5 years.
- Effects of Assumption Changes and Experience Gains and Losses:
Each change is straight-line amortized over a period equal to the average of the expected remaining service lives of all members (i.e., active employees and terminated/retired members) that are provided with OPEB through the plan.
- D. Funding Policy**
- Pay-as-you-go method under which contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due.

Summary of Actuarial Methods (continued)

E. Data Methods The census data used in this report is the same data used in the fiscal 2020 GASB 75 actuarial valuation report dated February 21, 2020.

To the extent that census data was collected as of a date later than June 30, 2019, we have assumed that it is reasonably representative of the plan census on the valuation date and used it with only minor adjustments.

As instructed by the Judicial Council of California, participants terminating employment or retiring before January 1, 2001 are excluded from the valuation unless we've been notified of a special agreement between the Court and County. The Judicial Council's interpretation is that the County, not the Court, is responsible for OPEB of employees terminating or retiring before that date.

F. Covered Payroll Covered OPEB-eligible payroll information for the measurement year ending June 30, 2020 was provided by the Court.

G. Models Used The results in this report are based on an actuarial valuation model with three components as outlined in Actuarial Standard of Practice No. 56 - Modeling (ASOP 56):

1. Information inputs including the data, assumptions, methods and plan provisions outlined in this report,
2. Processing by the ProVal® software developed by Winklevoss Technologies, and
3. Our report template which translates the ProVal® output into valuation results.

The model is intended to convert the information input above to usable actuarial valuation results. We have reviewed the ProVal® software's output for reasonableness, and have independently checked sample one-person output where appropriate, but have otherwise relied on it.

Other models used in this actuarial valuation include:

- Internal per capita claims cost model used to estimate average expected claims costs at different participant ages
- Healthcare trend rate model based on the "Getzen" model published by the Society of Actuaries (v2020_b)

Each of these input models are described in greater detail in the fiscal 2020 GASB 75 actuarial valuation report dated February 21, 2020.

Summary of Plan Provisions and Actuarial Assumptions

The benefits and actuarial assumptions valued in this report are based on the same plan provisions and assumptions described in the fiscal 2020 GASB 75 actuarial valuation report dated February 21, 2020, with the exception of the changes listed below.

A. Plan Provisions	No changes												
B. Economic Assumptions	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border-bottom: 1px solid black;"></th> <th colspan="2" style="border-bottom: 1px solid black; text-align: center;">Measurement Date</th> </tr> <tr> <th style="border-bottom: 1px solid black;"></th> <th style="border-bottom: 1px solid black; text-align: center;">June 30, 2020</th> <th style="border-bottom: 1px solid black; text-align: center;">June 30, 2019</th> </tr> </thead> <tbody> <tr> <td>Discount Rate</td> <td style="text-align: center;">2.45%</td> <td style="text-align: center;">3.13%</td> </tr> <tr> <td>Index rate for 20-year, tax-exempt municipal bonds¹ (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination</td> <td style="text-align: center;">2.45%</td> <td style="text-align: center;">3.13%</td> </tr> </tbody> </table>		Measurement Date			June 30, 2020	June 30, 2019	Discount Rate	2.45%	3.13%	Index rate for 20-year, tax-exempt municipal bonds ¹ (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination	2.45%	3.13%
	Measurement Date												
	June 30, 2020	June 30, 2019											
Discount Rate	2.45%	3.13%											
Index rate for 20-year, tax-exempt municipal bonds ¹ (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination	2.45%	3.13%											
C. Demographic and Other Assumptions	No changes												

¹ The municipal bond index rate was updated to reflect rates as of the June 30, 2020 measurement date.

Important Notices

Purpose and Scope of the Valuation

This valuation has been prepared exclusively for the Court and solely to provide GASB 75 accounting information. It is important to recognize that calculations performed for other purposes (such as benefit design, investment policy, or plan funding) may yield significantly different results. This report may not be used for any other purpose, and Van Iwaarden Associates is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, or otherwise provided, in whole or in part, to any other person or entity, without our permission.

Assumptions and Methods

Since modeling all possible future outcomes is not possible or practical, the valuation is based on a single set of data, assumptions, methods, and plan provisions which satisfy current GASB 75 accounting requirements. We may also use estimates or simplifications to model future events in an efficient and cost-effective manner, so long as we believe that these simplifying techniques do not affect the reasonableness of the valuation results.

The Court is responsible for the assumptions, methods, and funding policies used to prepare the valuation. The assumptions used in this report are among a wide range of possibilities (each of which may be considered reasonable), but have been chosen as a single “best estimate”. A different set of reasonable assumptions would produce different results. This report does not include analysis of the effect of alternative assumptions because that is beyond the limited scope of our engagement. If the Court is interested in analyzing the effect of different assumption sets on the valuation results, then we suggest a sensitivity analysis to be performed at a later date.

Actuarial Measurement Changes

An actuarial valuation is only a snapshot of a plan’s estimated financial condition at a single point in time. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

Actuarial valuations are extremely complex and it’s possible that data, computer coding, and mathematical errors could occur during the valuation process. Errors in a valuation discovered after its preparation may be corrected by revising the current valuation or in a subsequent year’s valuation.

Important Notices (continued)

Accuracy of Substantive Plan Information and Census Data

For purposes of this valuation, we have assumed that the Court has validated our summary of the substantive plan provisions and has provided us with any relevant information on interpretation of the plan provisions and changes to the plan terms since the prior valuation.

The Court is solely responsible for the validity, accuracy and comprehensiveness of this information. If any data or plan provisions supplied are not accurate and complete, the valuation results may differ significantly.

Impact of Legislative Changes

The legislative and regulatory environments have many implications for OPEB plans. Changes to current rules and implementation of new legislation are difficult to predict but could have a dramatic impact on the value of future plan benefits. These include changes to government medical programs, such as Medicare and the Affordable Care Act. Future changes to these programs will be reflected if/when they become law.

Glossary of Selected Terms

This section provides the definitions of applicable terminology in the actuarial valuation, with references to the Governmental Accounting Standards (GASB) No. 75.

Actuarial Cost Method - the method used to allocate OPEB liability costs between past, current, and future years.

Actuarial Present Value of Benefits - the amount of money needed today to cover the promised benefits for the current participant group, if all actuarial assumptions are exactly met.

Discount Rate - the interest rate used to adjust liabilities and obligations for the time value of money.

Explicit Subsidy - OPEB expressly provided by employer.

Fiduciary Net Position - The value of assets reported by the plan/employer.

GASB Statement No. 75 - the Governmental Accounting Standards Board Statement Number 75 Accounting and Financial Reporting for OPEB Plans.

Implicit Subsidy or Implicit Rate Subsidy - the difference between the actual and apparent cost of OPEB coverage. The actual cost for early retirees is higher than the average per-person premium for the active/retiree group. Plans in which retirees pay the average active/retiree rate (the apparent cost) give rise to an implicit rate subsidy: the employer pays the difference between the actual and apparent cost.

Long-Term Expected Investment Return - the assumed long-term asset return expected to be earned by the OPEB investments.

Measurement Date - the date as of which the Total OPEB Liability and Fiduciary Net Position (assets) are measured.

Net OPEB Liability - the difference between the actuarial accrued liability (Total OPEB Liability) and OPEB assets (Fiduciary Net Position).

Net Position Restricted for OPEB - accounting terminology for OPEB plan assets.

Reporting Date - the plan's or employer's fiscal year end.

Service Cost - the portion of the actuarial present value which is allocated to the current year by the actuarial cost method.

Total OPEB Liability - the portion of the actuarial present value which is not attributable to future service costs, determined under the actuarial cost method.

Valuation Date - the date as of which liabilities are calculated. Liabilities may be "rolled forward" from the Valuation Date to the Measurement Date.