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Total

7KH IROORZLQJ WDEOH VKRZV WKH ³SD\DV\RX JR´ projection of annual payments for the employer share of retiree health costs. Although actual payments are certain to vary from those shown below, these projections can be useful for planning purpos8g54 ay.00000912 0 612 792 r79W* W* nBT/F2 11.04 Tfh costs.

$9,316,542[p)11(a)9(y)11(135.022914]103.58 12.7)]TJETQq0.00000912 0 612 792 233.09631.6BT/F04 Tf1 0 0 1 54 725.19(rq0.0000091

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 13 while the complete deferral history is shown beginning on page 24.

Balances at June 30, 2023 Fiscal Year-End	*Deferred Outflows*	*Deferred Inflows*

D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan. Those hired prior to January 10, 2009 are subject to different, grandfathered eligibility requirements.

	Faculty	Classified	Stationary Engineers	Management	SFBCTCU
Benefit types provided	Medical only	Medical only	Medical only	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required Service	5 years	10 years	10 years	5/10 years	10 years
Minimum Age	55	50	50	50	50
Dependent Coverage	One dependent	One dependent	One dependent	One dependent	One dependent

Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Will Kane, FSA, EA, MAAA
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by San Francisco CCD. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 15.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent San Francisco CCD uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2022 at 6.75% interest.

For any ***current retirees***, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2022 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

C. Actuarial Accrual

$FFRXQWLQJ SULQFLSOHV SURYLGH WKDW WKH FRVW RI UHWLU
lifetime. For this reason, the Governmental Accounting Stand

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for San Francisco CCD to understand that the appropriateness of all selected actuarial assumptions and methods are San Francisco CCD

B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.50% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 6.75% per year net of expenses. This is based on assumed long-term return on employer assets. :H XVHG WKH ³%XLOGLQJ %ORFN 0HV Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE

C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

Participant Type	***Mortality Tables***
Certificated	2020 CalSTRS Mortality
Classified	2020 SFERS Mortality
Miscellaneous	2020 SFERS Mortality

RETIREMENT RATES

Employee Type

Total Compensation Systems, Inc.

Mortality Table	2020 SFERS Mortality
Disclosure	The mortality assumptions are based on the 2020 SFERS Mortality table created by SFERS. SFERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on SFERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2020 CalSTRS 2.0%@60 Rates
Disclosure	The retirement assumptions are based on the 2020 CalSTRS 2.0%@60 Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2020 CalSTRS 2.0%@62 Rates
Disclosure	The retirement assumptions are based on the 2020 CalSTRS 2.0%@62 Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	SFERS Retirement Rates - NonPEPRA
Disclosure	C /Artifact BMC 161.78 376.15 0.48001 0.47998 ref*161.78 37

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	$133,607,192	$152,734,682	$175,769,296

Paragraph 53: **Discount Rate**

The following information is intended to assist San Francisco CCD to comply with Paragraph 53 requirements.

53.a: A discount rate of 6.75% was used in the valuation.

0.000CID 8>BDC7(m)6(aBT/F2 11.04 Tf1 0 0 1 4m00 G[0.000CID 8>BDC7(m)6(aBT/F2(0.00 14.04 Tf1 0 0 1 254.33 742.92 TmJ)6(aBT

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist San Francisco CCD to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2021.
The measurement date is June 30, 2022.
56.b: We are not aware of a special funding arrangement.
56.c: There were no assumption changes since the prior measurement date.
56.d: There were no changes in benefit terms since the prior measurement date.
56.e: Not applicable
56.f: To be determined by the employer
56.g: To be determined by the employer
56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 13 and in Appendix D
56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 13. Please see the notes for Paragraph 244 below for more information.
57.b: These items are provided on pages 2 and 13 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.
57.c: Contribution rates are made according to statute, so no ADC valuation was performed.

APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

			Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)								
Measuremei Period	Experience (Gain)/Loss	Original Recognitior Period (Years)	Amounts Recognized in OPEB Expense through 2021	2022	Amounts to be Recognized in OPEB Expense after 2022	2023	2024	2025	2026	2027	Thereafte
2017-18	($1,314,630	4.2	($1,252,032	($62,598)	$0						
2018-19	($16,416,531	4.5	($10,944,354	($3,648,118	($1,824,059	($1,824,059					
2019-20	$2,015,002	4.5	$895,558	$447,779	$671,665	$447,779	$223,886				
2020-21	$14,160,11(	4.8		[illegible]							