



**CITY OF STAMFORD
OPEB PLAN**

**GASB 74 and 75 DISCLOSURE
Fiscal Year: July 1, 2019 to June 30, 2020**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

Yelena Pelletier, ASA
Consulting Actuary

Milliman, Inc.
80 Lambertson Road
Windsor, CT 06095 USA
Tel +1 860 687 2110
Fax +1 860 687 2111
milliman.com

Table of Contents

Certification	1
Overview of GASB 74 and GASB 75	3
Executive Summary	4
Schedule of Employer Contributions	5
Actuarial Methods and Assumptions Used for Funding Policy	6
Money-Weighted Rate of Return	7
Long-Term Expected Rate of Return	8
Depletion Date Projection	9
Net OPEB Liability	10
Changes in Net OPEB Liability	11
Schedule of Changes in Net OPEB Liability and Related Ratios	12
OPEB Expense	13
Schedule of Deferred Inflows and Outflows of Resources	14
Summary Chart	15
Glossary	16

Certification

Actuarial computations presented in this report under Statements No. 74 and 75 of the Governmental Accounting Standards Board are for purposes of assisting the City in fulfilling its financial accounting requirements. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year July 1, 2019 to June 30, 2020. The reporting date for determining plan assets and obligations is June 30, 2020. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

In preparing this report, we relied, without audit, on information as of July 1, 2019 and June 30, 2020 furnished by the City. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please see Milliman's valuation report dated May 11, 2020 for more information on the plan's participant group as of July 1, 2019 as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions used for funding purposes.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

We hereby certify that, to the best of our knowledge, this report, including all costs and liabilities based on actuarial assumptions and methods, is complete and accurate and determined in conformance with generally recognized and accepted actuarial principles and practices, which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Code of Professional Conduct, amplifying Opinions and supporting Recommendations of the American Academy of Actuaries.

Each of the assumptions used in this valuation with the exception of those set by law was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period. Assumptions related to the claims costs and healthcare trend (cost inflation) rates for the retiree healthcare program discussed in this report were determined by Milliman actuaries qualified in such matters.

This valuation report is only an estimate of the plan's financial condition as of a single date. It can neither predict the plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plan benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Certification

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic 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 or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. In addition to the models described previously, Milliman has developed certain models to develop the expected long term rate of return on assets and estimate the claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Milliman's work is prepared solely for the internal use and benefit of the City of Stamford. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the City; and (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

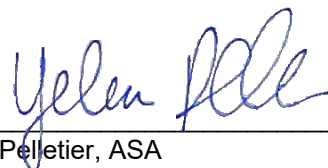
The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and has been prepared in accordance with generally recognized accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary



Yelena Pelletier, ASA
Consulting Actuary

Overview of GASB 74 and GASB 75

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans other than pension (OPEB) and participating employers in 2015. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45. The most notable change is that the Annual Required Contribution (ARC) has been eliminated and the Net OPEB Liability will be an item on the employer's financial statement rather than a footnote entry.

GASB 74 applies to financial reporting for public OPEB plans funded by OPEB trusts and is required to be implemented for plan fiscal years beginning after June 15, 2016. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue standalone financial statements, but rather is considered a trust fund of a government, it is subject to GASB 74. Under GASB 74, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Executive Summary

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is July 1, 2019. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2020. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2020. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

Participant Data as of July 1, 2019

Actives	3,169
Retirees	1,116
Spouses of Retirees	390
Beneficiaries	<u>7</u>
Total	4,682

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2020	\$31,620,000	\$31,620,000	\$0	\$247,042,302	12.80%
2019	27,665,000	27,665,000	0	252,314,595	10.96%
2018	28,439,000	28,439,000	0	246,682,206	11.53%
2017	26,617,000	26,617,000	0	245,488,525	10.84%
2016	27,078,000	21,633,000	5,445,000	239,430,000	9.04%
2015	28,238,000	19,026,000	9,212,000	234,472,000	8.11%
2014	27,723,000	20,844,000	6,879,000	233,590,000	8.92%
2013	30,272,000	19,335,000	10,937,000	242,852,000	7.96%
2012	28,543,000	20,053,000	8,490,000	235,779,000	8.50%
2011	25,420,000	18,797,000	6,623,000	225,626,000	8.33%

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the July 1, 2019 funding valuation. Please see the valuation report dated May 11, 2020 for further details.

Valuation Timing	Actuarial valuations for funding purposes are performed annually as of July 1. The most recent valuation was performed as of July 1, 2019.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Open
Amortization period at July 1, 2019	20 years
Amortization growth rate	2.00%
Asset Valuation Method	Market Value
Smoothing period	N/A
Recognition method	N/A
Corridor	N/A
Inflation	2.60%
Salary Increases	2.60%
Discount Rate	7.05%
Healthcare Trend Rates	Pre-65: 5.50% - 4.20% over 54 years Post-65: 4.60% - 4.20% over 66 years Rate of Increase for Part B Reimbursements: 2.60%

Money-Weighted Rate of Return

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2020	6.55%
2019	4.84%
2018	8.51%
2017	13.43%

Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - July 1, 2019	\$139,486,805	12.00	1.00	\$148,616,859
Monthly net external cash flows:				
July	780,777	12.00	1.00	831,882
August	31,844,704	11.00	0.92	33,757,430
September	276,272	10.00	0.83	291,200
October	587,866	9.00	0.75	616,495
November	567,245	8.00	0.67	591,860
December	(11,539,225)	7.00	0.58	(11,971,454)
January	884,400	6.00	0.50	912,885
February	8,119	5.00	0.42	8,338
March	188,819	4.00	0.33	192,811
April	(14,041,443)	3.00	0.25	(14,265,779)
May	297,585	2.00	0.17	300,810
June	7,750,107	1.00	0.08	7,789,516
Ending Value - June 30, 2020	167,672,853			167,672,853
Money-Weighted Rate of Return	6.55%			

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2019.

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Barclays Aggregate	18.70%	2.28%	2.18%
US High Yield Bonds	BAML High Yield	3.50%	4.34%	3.86%
Global Bonds	Citi WGBI	5.50%	0.97%	0.69%
US Large Caps	S&P 500	32.60%	4.46%	3.33%
US Small Caps	Russell 2000	5.20%	5.79%	3.91%
Foreign Developed Equity	MSCI EAFE NR	27.50%	6.09%	4.55%
Emerging Markets Equity	MSCI EM NR	7.00%	8.28%	5.43%
Assumed Inflation - Mean			2.60%	2.60%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			4.64%	3.91%
Portfolio Nominal Mean Return			7.25%	6.60%
Portfolio Standard Deviation				12.00%
Long-Term Expected Rate of Return				7.05%

* As outlined in the Plan's investment policy dated June 30, 2020

Depletion Date Projection

GASB 74 and 75 generally require that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond yield or index rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 74 and 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 74 and 75 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City of Stamford:

- The City has contributed, on average over the last five years, about 96% of the Actuarially Determined Contribution, and is trending towards making the full Actuarially Determined Contribution going forward.
- The Actuarially Determined Contribution is based on an open 20 year amortization period, which means that payment of 96% or more of the Actuarially Determined Contribution each year is not likely to cause the funded ratio to decline.
- GASB 74 and 75 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our professional opinion that the detailed depletion date projections outlined in GASB 74 and 75 will show that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Net OPEB Liability

Net OPEB Liability	June 30, 2020	June 30, 2019
Total OPEB liability	\$454,092,998	\$425,579,474
Fiduciary net position	167,672,853	139,486,805
Net OPEB liability	286,420,145	286,092,669
Fiduciary net position as a % of total OPEB liability	36.92%	32.78%
Covered payroll	247,042,302	252,314,595
Net OPEB liability as a % of covered payroll	115.94%	113.39%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 74 and 75.

Discount Rate

Discount rate	7.05%	7.10%
Long-term expected rate of return, net of investment expense	7.05%	7.10%
Municipal bond rate	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

Valuation date	July 1, 2019	July 1, 2018
Measurement date	June 30, 2020	June 30, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.60%	2.60%
Salary increases including inflation	2.60%	2.60%
Medical Trend Rate	Pre-65: 5.50% - 4.20% over 54 years Post-65: 4.60% - 4.20% over 66 years	Pre-65: 5.90% - 4.20% over 55 years Post-65: 4.40% - 4.20% over 67 years

Please see Milliman's funding valuation report dated May 11, 2020 for more detail.

Changes in Net OPEB Liability

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2019	\$425,579,474	\$139,486,805	\$286,092,669
Changes for the year:			
Service cost	10,150,656		10,150,656
Interest on total OPEB liability	30,443,220		30,443,220
Effect of plan changes	2,153,693		2,153,693
Effect of economic/demographic gains or losses	(13,647,669)		(13,647,669)
Effect of assumptions changes or inputs	13,561,000		13,561,000
Benefit payments	(14,147,376)	(14,147,376)	0
Employer contributions		31,620,000	(31,620,000)
Member contributions		182,924	(182,924)
Net investment income		10,580,822	(10,580,822)
Administrative expenses		(50,322)	50,322
Balances as of June 30, 2020	454,092,998	167,672,853	286,420,145

Sensitivity Analysis

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.05%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.05%) or 1 percentage point higher (8.05%) than the current rate.

	Current		
	1% Decrease 6.05%	Discount Rate 7.05%	1% Increase 8.05%
Total OPEB liability	\$521,130,677	\$454,092,998	\$399,916,339
Fiduciary net position	167,672,853	167,672,853	167,672,853
Net OPEB liability	353,457,824	286,420,145	232,243,486

The following presents the net OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	Current		
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$392,176,074	\$454,092,998	\$531,957,899
Fiduciary net position	167,672,853	167,672,853	167,672,853
Net OPEB liability	224,503,221	286,420,145	364,285,046

Schedule of Changes in Net OPEB Liability and Related Ratios

	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	\$10,150,656	\$8,509,945	\$7,326,986	\$7,475,304	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	30,443,220	26,430,413	26,642,009	25,271,089	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	2,153,693	27,035,922	0	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(13,647,669)	(17,844,234)	(33,018,133)	(2,079,421)	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	13,561,000	28,643,561	22,335,760	0	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(14,147,376)	(11,353,209)	(13,809,070)	(12,731,664)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	28,513,524	61,422,398	9,477,552	17,935,308	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	425,579,474	364,157,076	354,679,524	336,744,216	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	454,092,998	425,579,474	364,157,076	354,679,524	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$31,620,000	\$27,665,000	\$28,439,000	\$26,617,000	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	182,924	188,609	195,665	367,049	N/A	N/A	N/A	N/A	N/A	N/A
Net Investment income	10,580,822	6,693,568	9,342,282	10,887,847	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(14,147,376)	(11,353,209)	(13,809,070)	(12,731,664)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(50,322)	(23,950)	(18,102)	(12,621)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	28,186,048	23,170,018	24,149,775	25,127,611	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	139,486,805	116,316,787	92,167,012	67,039,401	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	167,672,853	139,486,805	116,316,787	92,167,012	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability, ending = (a) - (b)	\$286,420,145	\$286,092,669	\$247,840,289	\$262,512,512	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total OPEB liability	36.92%	32.78%	31.94%	25.99%	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$247,042,302	\$252,314,595	\$246,682,206	\$245,488,525	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a % of covered payroll	115.94%	113.39%	100.47%	106.93%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

OPEB Expense

OPEB Expense	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019
Service cost	\$10,150,656	\$8,509,945
Interest on total OPEB liability	30,443,220	26,430,413
Effect of plan changes	2,153,693	27,035,922
Administrative expenses	50,322	23,950
Member contributions	(182,924)	(188,609)
Expected investment return net of investment expenses	(10,517,832)	(8,957,652)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	(7,592,708)	(5,748,428)
Recognition of assumption changes or inputs	7,930,868	6,098,300
Recognition of investment gains or losses	63,316	75,914
OPEB Expense	32,498,611	53,279,755

As of June 30, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	(\$47,799,703)	\$0
Changes of assumptions	0	48,231,994
Net difference between projected and actual earnings	0	554,253
Contributions made subsequent to measurement date	0	0
Total	(47,799,703)	48,786,247

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$401,476
2022	401,477
2023	778,378
2024	325,562
2025	338,160
Thereafter*	(1,258,509)

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Estab.	Original Rec. Period*	Amount Recognized in Expense for FYE 06/30/2020	Amount Recognized in Expense through 06/30/2020	Balance of Deferred Inflows 06/30/2020	Balance of Deferred Outflows 06/30/2020
Economic/ demographic (gains)/losses	(\$13,647,669)	6/30/2020	7.4	(\$1,844,280)	(\$1,844,280)	(\$11,803,389)	\$0
	(17,844,234)	6/30/2019	7.5	(2,379,231)	(4,758,462)	(13,085,772)	0
	(33,018,133)	6/30/2018	9.8	(3,369,197)	(10,107,591)	(22,910,542)	0
		Total		(7,592,708)	(16,710,333)	(47,799,703)	0
Assumption changes or inputs	13,561,000	6/30/2020	7.4	1,832,568	1,832,568	0	11,728,432
	28,643,561	6/30/2019	7.5	3,819,141	7,638,282	0	21,005,279
	22,335,760	6/30/2018	9.8	2,279,159	6,837,477	0	15,498,283
		Total		7,930,868	16,308,327	0	48,231,994
Investment (gains)/losses	(62,990)	6/30/2020	5.0	(12,598)	(12,598)	(50,392)	0
	2,264,084	6/30/2019	5.0	452,817	905,634	0	1,358,450
	(1,884,514)	6/30/2018	5.0	(376,903)	(1,130,709)	(753,805)	0
		Total		63,316	(237,673)	(804,197)	1,358,450
Total for economic/demographic gains or losses and assumption changes or inputs						(47,799,703)	48,231,994
Net deferred (inflows)/outflows for investment gains or losses						0	554,253
Total deferred (inflows)/outflows						(47,799,703)	48,786,247
Total net deferrals							986,544

* Investment (gains)/losses are recognized in OPEB expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

Milliman Financial Reporting Valuation

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Deferred Inflows	Deferred Outflows	Net Investment (Inflows)/ Outflows	Net Deferrals	Net OPEB Liability plus Net Deferrals	Annual Expense
Balances as of June 30, 2019	(\$425,579,474)	\$139,486,805	(\$286,092,669)	(\$41,744,742)	\$42,601,862	\$680,559	\$1,537,679	(\$284,554,990)	
Service cost	(10,150,656)		(10,150,656)						10,150,656
Interest on total OPEB liability	(30,443,220)		(30,443,220)						30,443,220
Effect of plan changes	(2,153,693)		(2,153,693)						2,153,693
Effect of liability gains or losses	13,647,669		13,647,669	(13,647,669)			(13,647,669)		
Effect of assumption changes or inputs	(13,561,000)		(13,561,000)		13,561,000		13,561,000		
Benefit payments	14,147,376	(14,147,376)	0						
Administrative expenses		(50,322)	(50,322)						50,322
Member contributions		182,924	182,924						(182,924)
Expected net investment income		10,517,832	10,517,832						(10,517,832)
Investment gains or losses		62,990	62,990			(62,990)	(62,990)		
Employer contributions		31,620,000	31,620,000					31,620,000	
Recognition of liability gains or losses				7,592,708			7,592,708		(7,592,708)
Recognition of assumption changes or inputs					(7,930,868)		(7,930,868)		7,930,868
Recognition of investment gains or losses						(63,316)	(63,316)		63,316
Annual expense								(32,498,611)	32,498,611
Balances as of June 30, 2020	(454,092,998)	167,672,853	(286,420,145)	(47,799,703)	48,231,994	554,253	986,544	(285,433,601)	

Glossary

Actuarially Determined Contribution	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.
Deferred Inflows/Outflows of Resources	Portion of changes in net OPEB liability that is not immediately recognized in OPEB Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.
Discount Rate	Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of: <ol style="list-style-type: none">1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.
Fiduciary Net Position	Equal to market value of assets.
Long-Term Expected Rate of Return	Long-term expected rate of return on plan investments expected to be used to finance the payment of benefits, net of investment expenses.
Money-Weighted Rate of Return	The internal rate of return on plan investments, net of investment expenses.
Municipal Bond Rate	Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
Net OPEB Liability	Total OPEB Liability minus the Plan's Fiduciary Net Position.
Projected Benefit Payments	All benefits estimated to be payable through the OPEB plan to current active and inactive employees as a result of their past service and expected future service.
Service Cost	The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total OPEB Liability	The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 74 and 75.