

**LOS RIOS COMMUNITY
COLLEGE DISTRICT
RETIREE HEALTH
BENEFITS TRUST**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2023**

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS TRUST**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in the District’s Net OPEB Liability (Asset) and Related Ratios	14
Schedule of Investment Returns	15
Schedule of District Contributions	16



Independent Auditor's Report

Board of Trustees
Los Rios Community College District
Retiree Health Benefits Trust
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Los Rios Community College District Retiree Health Benefits Trust (the Trust), which comprise the statement of fiduciary net position, as of and for the year ended June 30, 2023, and the related statement of changes in fiduciary net position for the year ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Los Rios Community College District Retiree Health Benefits Trust (the Trust), as of June 30, 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Eide Sully LLP

Rancho Cucamonga, California
December 3, 2024

LOS RIOS COMMUNITY COLLEGE DISTRICT RETIREE HEALTH BENEFITS TRUST

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2023

The Los Rios Community College District (District) administers the Los Rios Community College District Retiree Health Benefit Plan (Plan), a single-employer defined benefit healthcare plan. The District's Board of Trustees (Board) established the Los Rios Community College District Retiree Health Benefits Trust (OPEB Trust). The Board appointed the members of the Los Rios Community College District Retiree Health Benefits Trust Oversight Committee (Committee) to manage, direct and control the OPEB Trust. The Board appointed Principal Asset Management to serve as the trustee and investment manager of the OPEB Trust. The OPEB Trust is used for the purposes of investment and disbursement of funds irrevocably designated by the District to fund future other post-employment benefits (OPEB).

This section provides an overview and analysis of the financial activities of OPEB Trust for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants (AICPA). The OPEB Trust reports as an other employee benefit trust fund, which reports resources required to be held in a fiduciary capacity for the members of the Plan.

The following discussion and analysis are intended to serve as an introduction to the OPEB Trust's financial statements, which comprises these components:

1. Statement of Fiduciary Net Position
2. Statement of Changes in Fiduciary Net Position
3. Notes to the Financial Statements

The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments and any current liabilities that are owed at this time.

The Statement of Changes in Fiduciary Net Position, on the other hand, provides a view of current year additions to and deductions from the OPEB Trust.

These statements use the full accrual basis of accounting, which is similar to the accounting used by most private sector companies.

The statements report the OPEB Trust's net position held in an irrevocable trust account for retirees' medical benefits. Net position, the difference between assets and liabilities, is one way to measure the OPEB Trust's financial position. Over time, increases and decreases in net position is one indicator of whether the OPEB Trust's financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the OPEB Trust's overall health.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

LOS RIOS COMMUNITY COLLEGE DISTRICT RETIREE HEALTH BENEFITS TRUST

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2023

FINANCIAL HIGHLIGHTS

The net position of the OPEB Trust on June 30, 2023, was \$150,732,159. Net position is restricted for OPEB.

The OPEB Trust investment allocation on June 30, 2023, consisted of 69.69% fixed income, 30.11% equities and .20% cash and cash equivalents. For the year ended June 30, 2023, the annual money-weighted rate of return on investments was 4.68%.

The District provides benefits on a pay-as-you-go basis and contributes to the OPEB Trust. The District continues to prefund its total OPEB liability by contributing 100% or more of the actuarially determined contribution each year. The District contributions in conjunction with investment income and changes of assumptions have resulted in a net OPEB asset of \$10,057,602 at June 30, 2023.

During the year ended June 30, 2023, the District contributed \$3,964,233 to the OPEB Trust. The District's benefit payments on a pay-as-you-go basis during the year ended June 30, 2023 were \$3,818,314, which were reimbursed by the OPEB Trust. The employer contributions and benefit payments, reflected in the Statement of Changes in Fiduciary Net Position, include an additional \$263,327 of actuarially determined indirect contributions and indirect payments to retirees, respectively. The indirect contributions/benefit payments to retirees are accounted for because retiree premiums are expected to be subsidized by active employee premiums.

The financial statements of the OPEB Trust include the Plan's fiduciary net position because the resources of the Plan are held in a fiduciary capacity for the members of the Plan. The District's net OPEB liability will be included in the District's June 30, 2024 financial statements.

The components of the net OPEB liability of the District at the measurement date (June 30, 2023), were as follows:

Total OPEB liability	\$ 140,674,557
Plan fiduciary net position	<u>150,732,159</u>
District net OPEB liability (asset)	<u>\$ (10,057,602)</u>

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS TRUST**

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS

As previously noted, net position may serve over time as a useful indication of the OPEB Trust's financial position. The assets of the OPEB Trust exceeded its liabilities on June 30, 2023 as follows:

ASSETS

Cash and cash equivalents	\$ 300,660
Contributions receivable	764,233
Investments	<u>149,715,266</u>
Total assets	150,780,159

LIABILITIES

Payables:	
Investment management fees	<u>48,000</u>

Net position restricted for postemployment benefits other than pensions \$ 150,732,159

The changes to OPEB Trust's net position for the fiscal year ended June 30, 2023, is as follows:

ADDITIONS

Employer contributions	\$ 4,227,560
Investment income, net	<u>7,054,838</u>
Total additions	11,282,398

DEDUCTIONS

Benefit payments	<u>4,081,641</u>
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NET INCREASE IN NET POSITION 7,200,757

**NET POSITION RESTRICTED FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

NET POSITION, Beginning of Year 143,531,402

NET POSITION, End of Year \$ 150,732,159

Contacting the OPEB Trust's Financial Management

If you have any questions about this report or need any additional financial information, contact the District at: Los Rios Community College District, 1919 Spanos Court, Sacramento, CA 95825.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFIT TRUST**

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

ASSETS

Cash and cash equivalents	\$ 300,660
Contributions receivable	764,233
Investments:	
Open-ended mutual funds:	
Fixed income	34,464,721
Equity	4,337,046
Collective investment funds:	
Fixed income	70,087,975
Equity	<u>40,825,524</u>
Total investments	<u>149,715,266</u>
Total assets	150,780,159

LIABILITIES

Payables:	
Investment management fees	<u>48,000</u>

Net position restricted for postemployment benefits other than pensions \$ 150,732,159

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFIT TRUST**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

ADDITIONS

Employer contributions	<u>\$ 4,227,560</u>
Investment income:	
Net increase in fair value of investments	7,130,623
Interest and dividends	107,366
Investment expense	<u>(183,151)</u>
Total investment income	<u>7,054,838</u>
Total additions	11,282,398

DEDUCTIONS

Benefit payments	<u>4,081,641</u>
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NET INCREASE IN NET POSITION 7,200,757

**NET POSITION RESTRICTED FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

NET POSITION, Beginning of Year 143,531,402

NET POSITION, End of Year \$ 150,732,159

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. PLAN DESCRIPTION

Plan Administration

The Los Rios Community College District (District) administers the Los Rios Community College District Retiree Health Benefit Plan (Plan), a single-employer defined benefit healthcare plan. The District's Board of Trustees (Board) established the Los Rios Community College District Retiree Health Benefits Trust (OPEB Trust). The Board appointed the members of the Los Rios Community College District Retiree Health Benefits Trust Oversight Committee (Committee) to manage, direct and control the OPEB Trust. The Committee members consist of the Executive Vice Chancellor, the Director of Accounting Services, the Confidential Senior Financial Analyst and two members of the District's Insurance Review Committee. The Board appointed Principal Asset Management to serve as the trustee and investment manager of the OPEB Trust. The OPEB Trust is used for the purposes of investment and disbursement of funds irrevocably designated by the District to fund other post-employment benefits (OPEB).

Plan Membership

At the June 30, 2023 valuation date, the Plan membership consisted of the following:

Retired employees receiving benefits	1,114
Retired employees entitled to but not receiving benefits	69
Participating active employees	<u>2,204</u>
Total	<u>3,387</u>

Contributions

The District provides contributions on a pay-as-you-go basis and contributes to the OPEB Trust. The contribution requirements of the District are established and may be amended by the Board and by contractual agreement with employee groups. The District's Plan members are not required to contribute to the Plan.

Benefits Provided

The benefits provided to retirees by the District are based on Government Code sections collectively known as Public Employees' Medical & Hospital Care Act (PHMHCA), which vary among different collective bargaining agreements. The following is a description of the current retiree benefit plan.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	LRCEA	LRSA	LRCFT	SEIU	Management and Confidential
Benefit types provided	Medical only	Medical only	Medical only	Medical only	Medical only
Duration of benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required years of service					
Prior to 2/1/89	3				
Prior to 6/30/84					3
Prior to 6/30/90		10	10	7	
7/1/84-6/30/90					7
2/1/89-6/30/90	7				
7/1/90-8/31/93	12				
7/1/90-12/31/12					10
7/1/90-current		15	15	15	
9/1/93-current	15				
1/1/13-current					15
Minimum age	55	55	55	55	55
Current District monthly contribution	\$334	\$334	\$334	\$334	\$334

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units*, issued by the American Institute of Certified Public Accountants (AICPA). The OPEB Trust is an other employee benefit trust fund, which reports resources required to be held in a fiduciary capacity for the members of the Plan.

Basis of Accounting – The accompanying financial statements have been presented using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when an obligation has been incurred.

Investments – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income is reported in the statement of changes in fiduciary net position and consists of interest and dividend income, realized and unrealized gains and losses.

Estimates Used in Financial Reporting – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

LOS RIOS COMMUNITY COLLEGE DISTRICT RETIREE HEALTH BENEFITS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3. INVESTMENTS

Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs rather than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs. Open-ended mutual funds are classified as Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets for identical assets. Collective investment funds are classified as Level 2 of the fair value hierarchy because they are valued using a matrix pricing model.

Rate of Return

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on investments was 4.679% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Investments Authorized by the Investment Policy

The Board adopted the OPEB Trust's investment policy in order to assist the District in meeting applicable funding requirements for the payment of future retiree health and welfare obligations and OPEB.

The specific objectives for the investment of the OPEB Trust's assets are as follows:

Safety in principal – The preservation and safeguarding of principal is the primary investment objective.

Liquidity – The investment portfolio should remain sufficiently flexible to meet cash requirements that may be reasonably anticipated.

Public Trust – District officials should avoid any transactions that might impair public confidence in the District. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

Rate of Return – The investment portfolio should be designed to attain a rate of return at the market average or better through budgetary and economic cycles, consistent with the risk limitations, asset allocation, prudent investment principles, and cash characteristics identified in the investment policy.

LOS RIOS COMMUNITY COLLEGE DISTRICT RETIREE HEALTH BENEFITS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The table below provides the maximum asset allocation for each type of investment instrument. The asset mix may vary within the maximum limits based on market condition and the recommendations of the investment manager. At times, the asset allocation may exceed the maximum due to changes in the market values. In those cases, the investment manager will re-balance the portfolio within fifteen calendar days.

Asset Category	Maximum Percentage
Equities (domestic and international)	Up to 35% (international can comprise up to 10% of total assets)
Fixed income	Up to 85%
Cash and cash equivalents	Up to 100%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The OPEB Trust's investment securities are not exposed to custodial credit risk because all securities are held by OPEB Trust's custodian bank in the District's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The OPEB Trust's investments do not have a rating provided by a nationally recognized statistical rating organization.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. The average effective maturity of the fixed income investments at June 30, 2023 is as follows:

Investment Type	Fair Value	Maturity (in Years)		
		< 1	1-5	6-10
Open-ended mutual funds – fixed income	\$ 34,464,721	\$ -	\$ -	\$ 34,464,721
Collective investment funds – fixed income	<u>70,087,975</u>	<u>35,019,246</u>	<u>-</u>	<u>35,068,729</u>
	<u>\$ 104,552,696</u>	<u>\$ 35,019,246</u>	<u>\$ -</u>	<u>\$ 69,533,450</u>

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. NET OPEB LIABILITY (ASSET) OF THE DISTRICT

The components of the net OPEB liability (asset) of the District at June 30, 2023 (measurement date), were as follows:

Total OPEB liability	\$ 140,674,557
Plan fiduciary net position	<u>150,732,159</u>
District net OPEB liability (asset)	<u>\$(10,057,602)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	107.15%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Funding method	Entry-age normal cost, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate ⁽³⁾	5.75%
General inflation rate	2.50%
Salary increases ⁽¹⁾	3.00%
Long-term return on assets ⁽²⁾	5.00%
Mortality	CalPERS 2021 Study; CalSTRS 2024 Study
Mortality Improvement	MacLeod Watts Scale 2022
Health care cost trend rates	6.5% in 2025, decreasing to 3.9% by 2075

⁽¹⁾ Since benefits do not depend on salary, this is only used to allocate the costs of benefits between service years.

⁽²⁾ Net of Plan investment expense; includes inflation

⁽³⁾ Discount rate used was 5.75% as of June 30, 2023 and 5.0% as of June 30, 2022.

LOS RIOS COMMUNITY COLLEGE DISTRICT RETIREE HEALTH BENEFITS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of the Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and added expected inflation. The target allocation and best estimates of geometric real rates of return as of June 30, 2023 are summarized in the following tables:

<u>Asset Class</u>	<u>Asset Class Allocation</u>
Core Fixed Income	67.50%
High Yield Fixed Income	2.50%
U.S. Large Capitalization Equity	19.00%
U.S. Small Capitalization Equity	4.50%
International Developed Market (DM) Equity	5.20%
International Emerging Market (EM) Equity	1.30%

<u>Portfolio Mix</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>	<u>20-Year</u>
Expected Return	5.97%	5.82%	5.79%	5.77%	5.76%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District continues to make regular, sufficient contributions to the OPEB Trust in order to prefund the total OPEB liability. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) 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:

	<u>Discount Rate -1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate +1%</u>
Net OPEB liability (asset)	\$ 11,556,976	\$ (10,057,602)	\$ (27,672,269)

Sensitivity of the District's Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate:

	<u>Healthcare Trend -1%</u>	<u>Current Healthcare Trend</u>	<u>Healthcare Trend +1%</u>
Net OPEB liability (asset)	\$ (29,580,831)	\$ (10,057,602)	\$ 14,457,854

REQUIRED SUPPLEMENTARY INFORMATION

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFIT TRUST**
**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)
AND RELATED RATIOS
LAST 10 YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY							
Service cost	\$ 4,982,166	\$ 4,837,054	\$ 4,419,126	\$ 4,280,025	\$ 4,043,603	\$ 3,977,329	\$ 3,852,135
Interest	7,700,475	7,286,908	6,503,415	6,158,278	5,986,421	5,471,925	5,163,916
Differences between expected and actual experience	(5,677,832)		1,613,779		914,153	3,910,439	
Changes of assumptions	(13,316,760)		6,586,273		(4,443,284)		
Benefit payments	<u>(4,081,641)</u>	<u>(3,913,850)</u>	<u>(3,827,446)</u>	<u>(3,521,891)</u>	<u>(3,078,482)</u>	<u>(3,193,580)</u>	<u>(2,768,581)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(10,393,592)	8,210,112	15,295,147	6,916,412	3,422,411	10,166,113	6,247,470
TOTAL OPEB LIABILITY, Beginning	<u>151,068,149</u>	<u>142,858,037</u>	<u>127,562,890</u>	<u>120,646,478</u>	<u>117,224,067</u>	<u>107,057,954</u>	<u>100,810,484</u>
TOTAL OPEB LIABILITY, Ending (a)	<u>140,674,557</u>	<u>151,068,149</u>	<u>142,858,037</u>	<u>127,562,890</u>	<u>120,646,478</u>	<u>117,224,067</u>	<u>107,057,954</u>
PLAN FIDUCIARY NET POSITION							
Contributions—employer	4,227,560	4,326,584	4,189,977	4,054,415	5,553,625	3,377,713	3,351,026
Net investment income (loss)	7,054,838	(19,133,750)	18,388,456	9,957,190	8,961,515	4,723,266	7,044,472
Benefit payments	<u>(4,081,641)</u>	<u>(3,913,850)</u>	<u>(3,827,446)</u>	<u>(3,521,891)</u>	<u>(3,078,482)</u>	<u>(3,193,580)</u>	<u>(2,768,581)</u>
NET CHANGE IN FIDUCIARY NET POSITION	7,200,757	(18,721,016)	18,750,987	10,489,714	11,436,658	4,907,399	7,626,917
PLAN FIDUCIARY NET POSITION, Beginning	<u>143,531,402</u>	<u>162,252,418</u>	<u>143,501,431</u>	<u>133,011,717</u>	<u>121,575,059</u>	<u>116,667,660</u>	<u>109,040,743</u>
PLAN FIDUCIARY NET POSITION, Ending (b)	<u>150,732,159</u>	<u>143,531,402</u>	<u>162,252,418</u>	<u>143,501,431</u>	<u>133,011,717</u>	<u>121,575,059</u>	<u>116,667,660</u>
DISTRICT'S NET OPEB LIABILITY (ASSET), Ending (a) - (b)	<u>\$ (10,057,602)</u>	<u>\$ 7,536,747</u>	<u>\$ (19,394,381)</u>	<u>\$ (15,938,541)</u>	<u>\$ (12,365,239)</u>	<u>\$ (4,350,992)</u>	<u>\$ (9,609,706)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	107.15%	95.01%	113.58%	112.49%	110.25%	103.71%	108.98%
Covered-employee payroll	\$ 230,966,535	\$ 221,736,535	\$ 215,277,976	\$ 232,823,656	\$ 214,374,721	\$ 218,057,096	\$ 206,563,055
District's net OPEB (liability)/asset as a percentage of covered-employee payroll	4.35%	-3.40%	9.01%	6.85%	5.77%	2.00%	4.65%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2018

Notes to Schedule:

- There were no significant changes to benefit terms during the years ended June 30, 2017 through 2023.
- There were no significant changes to assumptions for the years ended June 30, 2017, 2018, 2020, and 2022.
- Significant changes to the assumptions for the year ended June 30, 2019, account for the 2019 repeal of the excise tax liability under the Affordable Care Act.
- Significant changes to the assumptions for the year ended June 30, 2021, include an adjustment to the general inflation rate, which was updated to 2.50%, and a revision of salary increases to 3.0%.
- Significant change to the assumptions for the year ended June 30, 2023, is the adjustment of the discount rate to 5.75%.

* Fiscal year 2017 was the 1st year of implementation, therefore only seven years are shown.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFIT TRUST**

**SCHEDULE OF INVESTMENT RETURNS
LAST 10 YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.679%	-13.326%	11.329%	6.936%	6.735%	3.883%	6.035%

Notes to Schedule:

* Fiscal year 2017 was the 1st year of implementation, therefore only seven years are shown.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFIT TRUST**

**SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST 10 YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,955,501	\$ 4,185,941	\$ 4,011,487	\$ 3,955,463	\$ 1,011,340	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>4,227,560</u>	<u>4,326,584</u>	<u>4,189,977</u>	<u>4,054,415</u>	<u>5,553,625</u>	<u>3,377,713</u>	<u>3,351,026</u>
Contribution deficiency (excess)	<u>\$ (272,059)</u>	<u>\$ (140,643)</u>	<u>\$ (178,490)</u>	<u>\$ (98,952)</u>	<u>\$ (4,542,285)</u>	<u>\$ (3,377,713)</u>	<u>\$ (3,351,026)</u>

Notes to Schedule:

* Fiscal year 2017 was the 1st year of implementation, therefore only seven years are shown.