

# Marinwood Community Services District, CA

GASB 75 Financial Disclosures For Fiscal Year Ending June 30, 2024

**Valuation Date: June 30, 2023**

**Measurement Date: June 30, 2023**

**Fiscal Year End: June 30, 2024**

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# Actuarial Certification

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

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The calculations presented herein have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the actuarial results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Governmental Accounting Standards Board Statement No. 75 (GASB 75) including any guidance or interpretations provided by the District and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the District's auditors.

The results presented in the report were developed based on employee census and financial information as of the valuation date provided to us by the District. We have performed a limited review of the information for reasonableness and consistency and have found them to be reasonably consistent and comparable with data previously provided used for similar purposes. We have not audited the information at the source, and therefore, do not accept responsibility for the accuracy or completeness of the data on which the information is based. Assumptions made related to missing data have been identified in this report. We are satisfied that the information provided is suitable and sufficient for the purpose of the measurement.

The valuation results were prepared using actuarial models applying standard actuarial techniques in accordance with applicable actuarial standards of practice. Determination of the expected long-term rate of return on the expected healthcare costs trends used in this analysis were based on models developed by GovInvest. We have reviewed these models, including their inputs, calculations and outputs for consistency, reasonableness and appropriateness to the intended purpose in compliance with generally accepted actuarial practice. These models, however, may not be used for other intended purposes.

For determination of the plan liabilities as of the measurement date, a valuation model was used. The valuation model relies on a leased actuarial modeling software. The vendor is responsible for the development, maintenance, and improvement of these models. The models include comprehensive technical documentations that outline how the calculations are performed along with sample life outputs that allow the users to confirm with high degree of accuracy how the programmed benefit is applied to an individual with the proposed decrements and other assumptions. Experts within GovInvest selected this software and determined it is appropriate for performing valuations. The GovInvest actuarial team coded and reviewed the software for provisions, assumptions, methods and plan data. We are not aware of any material limitations in the model nor any material inconsistencies in the assumptions used within the model.

Future actuarial measurements may differ significantly from current measurements due to factors such as actual plan experience that differs from that anticipated by the economic and demographic assumptions as well as changes in future assumptions, substantive plan provisions, and/or applicable law. We have not analyzed the potential range of such differences due to the limited scope of our engagement. To our knowledge, there are no significant events prior to the current year's valuation or as of the date of this report that may materially affect the results presented herein.

The discount rate, other economic, and demographic assumptions have been selected by the District with our recommendations and concurrence. We believe each assumption is reasonable based on its own merits and in combination represent reasonable expected experience of the Plan. All calculations have been completed in accordance with generally accepted actuarial principles and practices.

The undersigned meet the General Qualification Standards of the American Academy of Actuaries for the purpose of issuing Statement of Actuarial Opinion in the United States. Neither GovInvest nor any of its employees have any relationship with the Plan Sponsor that could impair or appear to impair the objectivity of this report.



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Nadine Pileggi  
January 17, 2025

# Executive Summary

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## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### Relationship Between Valuation Date, Measurement Date and Reporting Date

The Valuation Date is June 30, 2023; the date the participant data is considered.

The Measurement Date is June 30, 2023; the plan assets and liabilities are valued on this date.

The Reporting Date is June 30, 2024.

The results presented in this report are based on the June 30, 2023 valuation with liabilities and assets measured as of June 30, 2023, for use in the District's accrual-based financial statement for the fiscal year ending June 30, 2024. The District 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 June 30, 2023 valuation uses census data of (a) active employees who will be eligible to receive benefits in the future and (b) existing retirees who are currently receiving these benefits as of June 30, 2023.

### Changes Since the Prior Valuation

#### Plan Changes

There were no plan changes reflected in this valuation.

#### Changes in Actuarial Methods and Assumptions

The Single Equivalent Discount Rate (SEDR) has been increased from 4.65% to 4.75% which caused a decrease in the liability. This is based on the updated cross-over test where the Trust is expected to be depleted by the year ending 2054. The cross-over test assumes that the long-term expected rate of return of the Trust is 5.50% and the District will pay for retiree health benefit expenses from the District's general assets and make an additional \$100,000 pre-funding contributions in perpetuity.

The healthcare trend rates were updated from the 2021 Getzen model to 2023 Getzen model. The model is published annually by the Society of Actuaries.

The updated expected healthcare costs were updated based on CalPERS health plan premium rates effective on June 30, 2023.

These changes caused the Net OPEB Liability to decrease by about \$230,000.

# Summary of Results

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

	Fiscal Year Ending	
	6/30/2024	6/30/2023
<b>Plan Participants</b>		
Active Employees	17	17
Inactives receiving benefits	14	17
Inactives not currently receiving benefits	0	0
Total Count	31	34
Covered Payroll	\$ 1,452,915	\$ 1,322,934
<b>Present Value of Future Benefits (PVFB):</b>		
Active Employees	\$ 4,726,741	\$ 4,673,581
Retired Employees	2,821,479	3,173,900
Total PVFB	\$ 7,548,220	\$ 7,847,481
<b>Plan Fiduciary Net Position (Plan Assets)</b>	\$ 598,684	\$ 477,902
<b>Total OPEB Liability (TOL):</b>		
Active Employees	\$ 2,823,513	\$ 2,576,000
Retired Employees	\$ 2,821,479	\$ 3,173,900
Total TOL	\$ 5,644,992	\$ 5,749,900
<b>Net OPEB Liability/(Asset)</b>	\$ 5,046,308	\$ 5,271,998
<b>Funded Ratio</b>	10.6%	8.3%
<b>Net OPEB Expense/(Income)</b>	\$ (90,496)	\$ (35,850)
<b>Balance of Unamortized Deferred Inflows</b>	\$ (1,811,638)	\$ (2,198,990)
<b>Balance of Unamortized Deferred Outflows</b>	\$ 1,066,224	\$ 1,314,431
<b>Actuarially Determined Contribution, following Fiscal Year</b>	\$ 545,407	\$ 556,097
<b>Discount Rate</b>	4.75%	4.65%

# GASB Disclosures

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### OPEB Liability

	Fiscal Year Ending				
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Change in Total OPEB Liability:					
Service cost	\$ 169,824	\$ 186,939	\$ 101,946	\$ 97,092	\$ 104,223
Interest	270,122	260,828	302,846	291,210	292,697
Changes in benefit terms	0	0	0	0	0
Changes in experience	(264,852)	(158,272)	(76,706)	13,169	154,672
Changes in assumptions	(56,145)	(233,541)	1,157,284	0	(353,132)
Benefit payments	(223,857)	(227,906)	(237,726)	(217,213)	(211,322)
<b>Total change in TOL</b>	<b>\$ (104,908)</b>	<b>\$ (171,952)</b>	<b>\$ 1,247,644</b>	<b>\$ 184,258</b>	<b>\$ (12,862)</b>
<b>TOL, beginning of year</b>	<b>\$ 5,749,900</b>	<b>\$ 5,921,852</b>	<b>\$ 4,674,208</b>	<b>\$ 4,489,950</b>	<b>\$ 4,502,812</b>
<b>TOL, end of year</b>	<b>\$ 5,644,992</b>	<b>\$ 5,749,900</b>	<b>\$ 5,921,852</b>	<b>\$ 4,674,208</b>	<b>\$ 4,489,950</b>
Change in fiduciary net position:					
Employer contributions	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Net investment income	20,932	(67,121)	63,251	10,969	10,363
Benefit payments	0	0	0	0	0
Administrative expenses	(150)	(124)	(118)	(105)	(23)
<b>Total change in FNP</b>	<b>\$ 120,782</b>	<b>\$ 32,755</b>	<b>\$ 163,133</b>	<b>\$ 110,864</b>	<b>\$ 110,340</b>
<b>FNP, beginning of year</b>	<b>\$ 477,902</b>	<b>\$ 445,147</b>	<b>\$ 282,014</b>	<b>\$ 171,150</b>	<b>\$ 60,810</b>
<b>FNP, end of year</b>	<b>\$ 598,684</b>	<b>\$ 477,902</b>	<b>\$ 445,147</b>	<b>\$ 282,014</b>	<b>\$ 171,150</b>
<b>Net OPEB Liability, end of year</b>	<b>\$ 5,046,308</b>	<b>\$ 5,271,998</b>	<b>\$ 5,476,705</b>	<b>\$ 4,392,194</b>	<b>\$ 4,318,800</b>
<b>FNP as a % of TOL</b>	<b>11%</b>	<b>8%</b>	<b>8%</b>	<b>6%</b>	<b>4%</b>
<b>Covered payroll</b>	<b>\$ 1,452,915</b>	<b>\$ 1,322,934</b>	<b>\$ 1,377,552</b>	<b>\$ 1,296,259</b>	<b>N/A</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>347%</b>	<b>399%</b>	<b>398%</b>	<b>339%</b>	<b>N/A</b>

# GASB Disclosures

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## OPEB Liability

	Fiscal Year Ending	
	6/30/2019	6/30/2018
Change in Total OPEB Liability:		
Service cost	\$ 209,502	\$ 309,038
Interest	235,360	246,845
Changes in benefit terms	0	0
Changes in experience	3,936	86,138
Changes in assumptions	(2,212,829)	(2,465,364)
Benefit payments	(194,225)	(134,602)
<b>Total change in TOL</b>	<b>\$ (1,958,256)</b>	<b>\$ (1,957,945)</b>
<b>TOL, beginning of year</b>	<b>\$ 6,461,068</b>	<b>\$ 8,419,013</b>
<b>TOL, end of year</b>	<b>\$ 4,502,812</b>	<b>\$ 6,461,068</b>
Change in fiduciary net position:		
Employer contributions	\$ 60,000	\$ 0
Net investment income	826	0
Benefit payments	0	0
Administrative expenses	(16)	0
<b>Total change in FNP</b>	<b>\$ 60,810</b>	<b>\$ 0</b>
<b>FNP, beginning of year</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>FNP, end of year</b>	<b>\$ 60,810</b>	<b>\$ 0</b>
<b>Net OPEB Liability, end of year</b>	<b>\$ 4,442,002</b>	<b>\$ 6,461,068</b>
<b>FNP as a % of TOL</b>	<b>1%</b>	<b>0%</b>
<b>Covered payroll</b>	<b>N/A</b>	<b>N/A</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>N/A</b>	<b>N/A</b>

# GASB Disclosures

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### Schedule of Employer Contributions and Related Ratios

	Fiscal Year Ending				
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarially Determined Contribution (ADC)	\$ 556,097	\$ 539,791	\$ 448,081	\$ 418,799	\$ 414,936
Contributions in relation to the ADC:					
Employer contributions to trust	100,000	100,000	100,000	100,000	100,000
Employer-paid retiree premiums	190,463	223,857	227,906	217,213	211,322
Employer-paid expenses	0	0	0	0	0
<b>Total contributions</b>	<b>\$ 290,463</b>	<b>\$ 323,857</b>	<b>\$ 327,906</b>	<b>\$ 317,213</b>	<b>\$ 311,322</b>
Contribution deficiency / (excess)	\$ 265,634	\$ 215,934	\$ 120,175	\$ 101,586	\$ 103,614
Covered employee payroll	\$ 1,452,915	\$ 1,322,934	\$ 1,377,552	\$ 1,296,259	N/A
Contribution as a percentage of covered payroll	19.99%	24.48%	23.80%	24.47%	N/A

	Fiscal Year Ending	
	6/30/2019	6/30/2018
Actuarially Determined Contribution (ADC)	\$ 531,502	N/A
Contributions in relation to the ADC:		
Employer contributions to trust	100,000	N/A
Employer-paid retiree premiums	154,225	N/A
Employer-paid expenses	0	N/A
<b>Total contributions</b>	<b>\$ 254,225</b>	<b>N/A</b>
Contribution deficiency / (excess)	\$ 277,277	N/A
Covered employee payroll	N/A	N/A
Contribution as a percentage of covered payroll	N/A	N/A

# GASB Disclosures

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## OPEB Expense

	FYE 06/30/2024	FYE 06/30/2023
<b>Discount Rate</b>		
Beginning of year	4.65%	4.35%
End of year	4.75%	4.65%
Service cost	\$ 169,824	\$ 186,939
Interest	270,122	260,828
Expected Return on Investments	(28,994)	(29,661)
Change in benefit terms	0	0
OPEB Plan administrative expenses net of all revenues	150	124
Current period recognition of deferred outflows / (inflows) of resources:		
Difference between expected and actual experience	(39,404)	(1,568)
Changes in assumptions or inputs	(471,619)	(463,598)
Net difference between projected and actual earnings on OPEB Plan investments	9,425	11,086
<b>Total OPEB Expense</b>	<b>\$ (90,496)</b>	<b>\$ (35,850)</b>

# GASB Disclosures

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Deferred Outflows / (Inflows) of Resources

Differences between expected and actual experience for FYE	Initial Balance	Amortization Period	Annual Recognition	Unamortized Balance at Beginning of Year	Unamortized Balance at End of Year
June 30, 2018	\$ 86,138	8.50	\$ 10,139	\$ 25,304	\$ 15,165
June 30, 2019	\$ 3,936	8.50	\$ 463	\$ 1,621	\$ 1,158
June 30, 2020	\$ 154,672	7.84	\$ 19,719	\$ 75,796	\$ 56,077
June 30, 2021	\$ 13,169	7.84	\$ 1,679	\$ 8,132	\$ 6,453
June 30, 2022	\$ (76,706)	7.00	\$ (10,958)	\$ (54,790)	\$ (43,832)
June 30, 2023	\$ (158,272)	7.00	\$ (22,610)	\$ (135,662)	\$ (113,052)
June 30, 2024	\$ (264,852)	7.00	\$ (37,836)	\$ (264,852)	\$ (227,016)

Changes in assumptions for FYE	Initial Balance	Amortization Period	Annual Recognition	Unamortized Balance at Beginning of Year	Unamortized Balance at End of Year
June 30, 2018	\$ (2,465,364)	8.50	\$ (290,179)	\$ (724,290)	\$ (434,111)
June 30, 2019	\$ (2,212,829)	8.50	\$ (260,363)	\$ (911,014)	\$ (650,651)
June 30, 2020	\$ (353,132)	7.84	\$ (45,019)	\$ (173,056)	\$ (128,037)
June 30, 2021	\$ 0	7.84	\$ 0	\$ 0	\$ 0
June 30, 2022	\$ 1,157,284	7.00	\$ 165,326	\$ 826,632	\$ 661,306
June 30, 2023	\$ (233,541)	7.00	\$ (33,363)	\$ (200,178)	\$ (166,815)
June 30, 2024	\$ (56,145)	7.00	\$ (8,021)	\$ (56,145)	\$ (48,124)

# GASB Disclosures

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Deferred Outflows/Inflows of Resources Continued

Asset Gain/Loss	Initial Balance	Amortization Period	Annual Recognition	Unamortized Balance at Beginning of Year	Unamortized Balance at End of Year
June 30, 2018	\$ 0	5.00	\$ 0	\$ 0	\$ 0
June 30, 2019	\$ 239	5.00	\$ 0	\$ 0	\$ 0
June 30, 2020	\$ (3,212)	5.00	\$ (644)	\$ (644)	\$ 0
June 30, 2021	\$ 3,352	5.00	\$ 670	\$ 1,342	\$ 672
June 30, 2022	\$ (41,725)	5.00	\$ (8,345)	\$ (25,035)	\$ (16,690)
June 30, 2023	\$ 96,782	5.00	\$ 19,356	\$ 77,426	\$ 58,070
June 30, 2024	\$ (8,062)	5.00	\$ (1,612)	\$ (8,062)	\$ (6,450)

# GASB Disclosures

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Deferred Outflows / (Inflows) of Resources (Continued)

As of June 30, 2024	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	78,853	(383,900)
Changes in assumptions	661,306	(1,427,738)
Net differences between projected and actual earnings on OPEB investments	35,602	0
Employer contribution subsequent to the Measurement Date	290,463	0
<b>Total</b>	<b>\$ 1,066,224</b>	<b>\$ (1,811,638)</b>

## Amortization of Deferred Outflows / (Inflows)

The schedule of future amortization of Deferred Outflows and Inflows that will be recognized in future OPEB expenses is as shown below:

Fiscal Year Ending	Amount
June 30, 2025	\$ (500,952)
June 30, 2026	\$ (360,490)
June 30, 2027	\$ (79,090)
June 30, 2028	\$ 52,342
June 30, 2029	\$ (101,832)
Total all years thereafter	\$ (45,855)
<b>Total</b>	<b>\$ (1,035,877)</b>

# GASB Disclosures

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### Sensitivity Analysis

The following presents the effect on the OPEB liability of a 1% increase and decrease in the discount rate and trend rates:

Total OPEB Liability as of June 30, 2024	1% Decrease	Current Rates	1% Increase
Discount rate change	\$ 6,483,351	\$ 5,644,992	\$ 4,959,414
Trend change	\$ 4,868,360	\$ 5,644,992	\$ 6,620,236

Net OPEB Liability as of June 30, 2024	1% Decrease	Current Rates	1% Increase
Discount rate change	\$ 5,884,667	\$ 5,046,308	\$ 4,360,730
Trend change	\$ 4,269,676	\$ 5,046,308	\$ 6,021,552

# Assets

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Asset Reconciliation

Asset Reconciliation	FYE 06/30/2024	FYE 06/30/2023
<b>Additions</b>		
Employer contributions received	\$ 100,000	\$ 100,000
Employee contributions received	0	0
Investment income	20,932	(67,121)
<b>Total additions</b>	<b>\$ 120,932</b>	<b>\$ 32,879</b>
<b>Deductions</b>		
Benefit payments	\$ 0	\$ 0
Expenses paid	150	124
<b>Total deductions</b>	<b>\$ 150</b>	<b>\$ 124</b>
Net increase/(decrease) in fiduciary net position	\$ 120,782	\$ 32,755
Net position restricted to OPEB		
Beginning of year	\$ 477,902	\$ 445,147
End of year	\$ 598,684	\$ 477,902

# Assets

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Asset Allocation

Valuation Date	June 30, 2023
Cash and cash equivalents	\$ 0
Receivables	0
Investments	
Equity	203,553
Fixed Income	245,460
Treasury Inflation-Protected Securities (TIPS)	29,934
Real Estate Investment Trusts (REITs)	101,776
Commodities	17,961
Total Investments	\$ 598,684
<b>Total assets</b>	<b>\$ 598,684</b>

# Actuarially Determined Contributions

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

Actuarially Determined Contribution	FYE 06/30/2024	FYE 06/30/2025
Discount Rate, beginning of year	5.50%	5.50%
Payroll growth	2.80%	2.80%
Amortization period (years)	15	14
Actuarial Accrued Liability, beginning of year	\$ 5,346,308	\$ 5,350,189
Actuarial Value of Assets, beginning of year	(606,654)	(734,171)
Unfunded Actuarial Accrued Liability, beginning of year	\$ 4,739,654	\$ 4,616,018
Entry Age Normal Cost, with interest to end of year	\$ 158,600	\$ 135,583
Trust Expense	303	367
Amortization of Unfunded Actuarial Accrued Liability, with interest to end of year	397,194	409,457
<b>Actuarially Determined Contribution</b>	<b>\$ 556,097</b>	<b>\$ 545,407</b>

# Projected Benefit Payments

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

The below table shows the projected benefit payments for the next 30 years for a closed group of participants (both active employees and existing retirees) who are included in the census data as of the valuation date. This exhibit is for informational purposes only and is not a required disclosure under GASB 75.

Projected benefit payments below include both explicit (if any) and implicit subsidies (as applicable).

FYE June 30	Future Retirees	Current Retirees	Total	FYE June 30	Future Retirees	Current Retirees	Total
2024	\$ 5,062	\$ 185,401	\$ 190,463	2039	\$ 335,622	\$ 143,809	\$ 479,431
2025	10,137	195,883	206,020	2040	391,203	146,476	537,679
2026	17,575	196,495	214,070	2041	415,561	147,823	563,385
2027	26,434	211,642	238,076	2042	423,683	148,851	572,534
2028	37,243	226,376	263,618	2043	483,467	121,827	605,294
2029	57,892	210,238	268,129	2044	442,014	120,822	562,836
2030	80,686	206,033	286,719	2045	471,642	119,419	591,060
2031	109,220	202,233	311,453	2046	501,563	117,595	619,157
2032	145,213	174,572	319,786	2047	471,941	115,379	587,320
2033	180,925	181,503	362,429	2048	485,166	112,829	597,995
2034	220,679	148,629	369,308	2049	414,235	109,973	524,207
2035	267,350	131,306	398,656	2050	423,217	106,797	530,014
2036	283,447	134,752	418,199	2051	396,223	103,298	499,521
2037	318,606	137,979	456,584	2052	343,337	99,484	442,821
2038	368,759	140,969	509,728	2053	367,967	95,374	463,342

# Projected Benefit Payments

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

The following table splits the projected benefit payments for the next 30 years between the explicit and implicit subsidies for a closed group of participants (both active employees and existing retirees) who are included in the census data as of the valuation date.

FYE June 30	Implicit	Explicit	Total
2024	\$ 36,742	\$ 153,721	\$ 190,463
2025	44,600	161,420	206,020
2026	45,013	169,058	214,070
2027	53,830	184,247	238,076
2028	63,541	200,077	263,618
2029	56,795	211,335	268,129
2030	59,636	227,082	286,719
2031	64,883	246,570	311,453
2032	58,484	261,301	319,786
2033	73,345	289,083	362,429
2034	67,085	302,224	369,308
2035	72,346	326,311	398,656
2036	81,813	336,386	418,199
2037	94,443	362,141	456,584
2038	114,859	394,869	509,728

FYE June 30	Implicit	Explicit	Total
2039	\$ 87,496	\$ 391,935	\$ 479,431
2040	109,712	427,968	537,679
2041	130,803	432,582	563,385
2042	130,361	442,173	572,534
2043	142,250	463,044	605,294
2044	117,301	445,535	562,836
2045	125,549	465,511	591,060
2046	152,890	466,267	619,157
2047	131,107	456,213	587,320
2048	143,416	454,579	597,995
2049	95,393	428,814	524,207
2050	96,184	433,830	530,014
2051	74,204	425,317	499,521
2052	44,085	398,736	442,821
2053	52,916	410,425	463,342

# Substantive Plan Provisions

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## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

**Eligibility** Employees are eligible for lifetime retiree health benefits once they retire within 120 days from date of separation, and the retiree must be receiving benefits from California Public Employees Retirement System (CalPERS).

**Service Retirement Eligibility** Active Employees:  
Age 50 with 5 years of service for Miscellaneous members entering before 1/1/2013 and all Safety members; Age 52 with 5 years of service for Miscellaneous members entering on or after 1/1/2013. Note that service includes service across all CalPERS employers and with other retirement systems with which CalPERS has reciprocity agreements.

Disabled Participants:  
CalPERS eligibility requirements for disability benefits are as follows:

- Ordinary Disability: five years of service
- Line of Duty Disability: no age or service requirement

**Spouse Benefits** Employees are allowed to elect spousal and dependent children coverage at retirement. Dependent children must be enrolled at the date of retirement to be eligible for plan benefits. Retiree medical coverage continues to surviving spouses and enrolled dependent children upon death of retirees as long as the required contributions are made and the retiree chooses the option for their surviving spouse to continue receiving a retirement benefit.

A surviving spouse of an active employee who has met the minimum age and service eligibility requirements may participate in the plan if they have not remarried.

**Ancillary Benefits** There is no District-subsidized dental, vision, Medicare Part B reimbursement, or life insurance benefit at retirement.

**Employer Medical Subsidy** The District contributes up to 90% of the CalPERS Region 1 “pre-age 65” Kaiser premium rates for the applicable family status, and 80% for fire employees. Retirees that waive coverage will not be eligible to re-enroll into the plan at any time in the future.

**Retiree Contributions** Retirees are required to contribute the portion of premium rates not covered by the Employer Subsidy.

# Actuarial Methods and Assumptions

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## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

<b>Fiscal Year</b>	Fiscal year ending June 30, 2024
<b>Valuation Date</b>	June 30, 2023
<b>Measurement Date</b>	June 30, 2023
<b>Actuarial Cost Method</b>	Individual Entry Age Normal
<b>Amortization Method</b>	Level dollar
<b>Amortization Period</b>	Average remaining service life of actives and retirees
<b>Inflation</b>	2.5% annually
<b>Wage Increases</b>	2.80% wage inflation plus seniority, merit, and promotion salary increases based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Police members.
<b>Prior Discount Rate</b>	4.65%
<b>Long-term Rate of Return</b>	5.50%
<b>Municipal Bond Index Rate</b>	3.65%
<b>Single Equivalent Discount Rate</b>	4.75%
<b>Healthy Mortality</b>	Based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Police members.
<b>Disabled Mortality</b>	Based on assumptions for Public Agency Miscellaneous and Police members published in the 2021 CalPERS Experience Study. Police rates are combined Non-Industrial and Industrial rates.
<b>Termination Rates</b>	Based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Police members. Rates are the sum of the Termination with Refund and Termination with Vested Benefits rates.



# Actuarial Methods and Assumptions

## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### Healthcare Trend

Short-term healthcare trends are based on recent plan experience. Long-term healthcare trends are based on a Society of Actuaries report performed by a committee of actuaries and economists. The report recommends use of the "Getzen Model." These trend rates assume that deductibles and out-of-pocket maximums will be increased periodically as trends increase over time.

Year	Pre-Medicare	Medicare
2023-2024	7.00%	6.00%
2025-2026	6.50%	5.75%
2027-2028	6.20%	5.50%
2029-2030	5.60%	5.40%
2031-2074	...	...
2075+	3.94%	3.94%

### Spousal Coverage

#### Current Retirees

For existing retirees, spousal coverage and age is based on actual data.

#### Future Retirees

For future retirees, 65% of male and 50% of female active employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.

### Dependent Election

Future retirees who currently elect dependent coverage is assumed to elect dependent coverage at retirement. Actual age for the youngest dependent is used for existing retirees. For future retirees, the youngest dependent is assumed to be 36 years younger than the retiree. Dependent coverage ends at age 26.

### Health Plan Election

#### Current Retirees

Employees are assumed to elect the same health plan option they are currently enrolled in at retirement prior to Medicare eligibility. Upon Medicare eligibility, it is assumed that retirees remain in the corresponding Medicare plan.

# Actuarial Methods and Assumptions

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## Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

### **Future Retirees**

Employees are assumed to elect the same health plan option they are currently enrolled in at retirement prior to Medicare eligibility.

### **Medicare Eligibility**

All future and existing retirees (including disabled retirees) are assumed to be eligible for Medicare at age 65.

# Summary of Participant Data

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Active Age and Service Distribution

Age	Years of Service										Total
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25											0
25 to 29											0
30 to 34		2		1							3
35 to 39			2	1							3
40 to 44			1		1	2	1				5
45 to 49			1			1					2
50 to 54		1			1	1		1			4
55 to 59											0
60 to 64											0
65 to 69											0
70 & up											0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>17</b>

# Summary of Participant Data

Marinwood Community Services District, CA Valuation for Fiscal Year Ending June 30, 2024

## Inactive Age Distribution

Age	Retirees	Spouses*	Total
Under 40			0
40 to 44			0
45 to 49	1	1	2
50 to 54	1		1
55 to 59	3	1	4
60 to 64	3	2	5
65 to 69	4		4
70 to 74	1		1
75 to 79	1		1
80 to 84			0
85 & Up			0
<b>Total</b>	<b>14</b>	<b>4</b>	<b>18</b>

\*There is one spouse without an available date of birth, not included above.

## Appendix - Glossary

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<b>Active Employees</b>	Individuals employed at the end of the reporting or measurement period, as applicable.
<b>Actuarial Accrued Liability</b>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service as of the valuation date as determined by the Actuarial Cost Method.
<b>Actuarial Cost Method</b>	This is a method for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost.
<b>Actuarial Present Value of Benefits</b>	This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.
<b>Actuarial Value of Assets</b>	This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.
<b>Fiduciary Net Position</b>	Equal to the market value of assets.
<b>Deferred Inflows</b>	Gains in the Total OPEB Liability and Fiduciary Net Position (for funded plan only) due to be recognized in the future.
<b>Deferred Outflows</b>	Losses in the Total OPEB Liability and Fiduciary Net Position (for funded plan only) due to be recognized in the future.
<b>Inactive Employees</b>	Individuals no longer employed by an employer in the OEPB plan or the beneficiaries of those individuals. Inactive employees also include individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments and individuals currently receiving benefits.
<b>Net OPEB Liability</b>	Total OPEB Liability minus the Plan's Fiduciary Net Position.
<b>Normal Cost</b>	The portion of actuarial present value of projected benefit payments that are attributed to a 12-month period after a valuation date as determined by the Actuarial Cost Method.

**Other Postemployment Benefits (OPEB)**

Benefits such as death benefits, life insurance, disability, and long-term care, as well as healthcare benefits (medical, prescription drug, dental, vision, and other health-related benefits), that are paid in the period after employment and that are provided separately from a pension plan regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

**Plan Members**

Individuals covered by the terms of the OPEB plan, which would typically include employees in active service, terminated employees who have terminated service but are not yet receiving benefit payments, and retired employees who are currently receiving benefits.

**Service Cost**

The portion of actuarial present value of projected benefit payments that are attributed to a 12-month period after a valuation date as determined by the Actuarial Cost Method.

**Single Effective 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:

- 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
- The actuarial present value of projected benefit payments not included in above, calculated using the Municipal Bond Rate.

**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.