July 10, 2018

Ms. Barbara Johnson
Chief Business Official
Kentfield School District
750 College Avenue
Kentfield, CA 94904

Re: Kentfield School District ("District") GASB 75 Valuation

Dear Ms. Johnson:

This report sets forth the results of our GASB 75 actuarial valuation of the District's retiree health insurance program as of July 1, 2017.

In June 2004, the Governmental Accounting Standards Board (GASB) issued its accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. In June 2015, GASB released new accounting standards for postretirement benefit programs, GASB 74 and GASB 75, which replace GASB 43 and GASB 45, respectively.

The District selected Demsey, Filliger and Associates (DFA) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2017. This report may be compared with the valuation performed by DFA as of July 1, 2015, to see how the liabilities have changed since the last valuation.

Financial Results

We have determined that the amount of actuarial liability for District-paid retiree benefits is $2,663,444 as of July 1, 2017. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 4.00% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This valuation includes benefits for 8 retirees as well as 99 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

When we apportion the $2,663,444 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is $1,555,784 as of July 1, 2017. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay. The $1,555,784 is comprised of liabilities of $1,244,744 for active employees and $311,040 for retirees.

The District has not adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of June 30, 2017, the trust balance or Plan Fiduciary's Net Position (GASB 75) is $0.

The Net OPEB Liability, Total OPEB Liability over the Plan Fiduciary's Net Position, is $1,555,784.

Discount Rate under GASB 75

For financial reporting purposes, GASB 75 requires a discount rate that reflects the following:

a. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return)

b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

The amount of the plan's projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments.

Based on these requirements and the following information, we have determined a discount rate of 3.13% for GASB 75 reporting purposes:

Expected Return on Assets	4.00%
S&P Municipal Bond 20-Year High Grade Rate Index at June 30, 2017	3.13%
GASB 75 Discount Rate	3.13%

Net OPEB Expense

We have determined the following components of the District's Net OPEB Expense for fiscal year 2017-18: Service Cost, Interest Cost, and Expected Return on Assets. The Service Cost represents the present value of benefits accruing in the current year. Interest Cost represents the interest on the Total OPEB Obligation. Expected Return on Assets is the expected return based on a 4.00% investment rate of return. Other components (Deferred Outflows and Inflows) will be determined based on the Net OPEB Obligation as of June 30, 2018.

We summarize the valuation results in the table on the next page. We provide results at three discount rates (the expected return on assets, the S&P Municipal Bond rate index, and the blended GASB 75 rate, discussed above). All amounts are net of expected future retiree contributions, if any.

When the District begins preparation of the June 30, 2018 government-wide financial statements, DFA will be available to assist the District and its auditors in preparing the footnotes and required supplemental information for compliance with GASB 75 (and GASB 74, if applicable).

In the meantime, we are available to answer any questions the District may have concerning the report.

Kentfield School District

Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard

	July 1, 2017		
	Actuarial Liability	**S&P Municipal Bond Rate Index**	**GASB 75 Blended Rate**
Discount Rate	4.00%	3.13%	3.13%
Present Value of Future Benefits			
Active	$2,352,404	$2,645,184	$2,645,184
Retired	311,040	317,331	317,331
Total	$2,663,444	$2,962,515	$2,962,515
Total OPEB Liability (Actuarial Liability)			
Active	$1,244,744	$1,328,654	$1,328,654
Retired	311,040	317,331	317,331
Total	$1,555,784	$1,645,985	$1,645,985
Plan Fiduciary Net Position (Plan Assets)	$0	$0	$0
Net OPEB Liability (Unfunded Actuarial Liability)	$1,555,784	$1,645,985	$1,645,985
Components of Net OPEB Expense for fiscal year 2018			
Service Cost at Year-End	$145,493	$160,085	$160,085
Interest Cost	60,001	49,771	49,771
Subtotal	$205,494	$209,856	$209,856
Change in Deferred Outflows[1]			
Change in Deferred Inflows[2]			

1. To be determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as of June 30, 2018.
2. To be determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as of June 30, 2018.

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2015 by DFA. The AL (Accrued Liability) as of that date was $1,340,399, compared to $1,555,784 as of July 1, 2017. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2015. The AL increases as employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

1. There was a gain (a decrease in the AL) of $38,406 due to increases in healthcare premiums less than expected.
2. We changed our valuation software to be able to track experience more precisely over time. This change increased the AL by $88,150.
3. We changed the actuarial cost method from Projected Unit Credit to Entry Age, Level Percent of Pay, as required by GASB 75. This change increased the AL by $14,085.
4. There was a net census loss (an increase in the AL) of $20,394.

The estimated changes to the AL from July 1, 2015 to July 1, 2017 are as follows:

Changes to AL	**AL**
AL as of July 1, 2015	**$1,340,399**
Passage of time	131,162
Change in system	88,150
Change in census	20,394
Change in premium rates	(38,406)
Change in cost method	14,085
AL as of July 1, 2017[1]	**$1,555,784**

1. Based on a discount rate of 4.00%.

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 75 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 4.00% per annum on its investments, a starting trust value of $0 as of July 1, 2017, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percent of the Unfunded Accrued Liability.
3. A constant percentage (3%) increase for the next 20 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

Treatment of Implicit Subsidy

We exclude the implicit subsidy from these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason, among others, we believe that pre-funding of the full GASB liability would be redundant.

Kentfield School District

Sample Funding Schedules (Closed Group)

Starting Trust Value of $0 as of July 1, 2017

Fiscal Year Beginning	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	Constant Percentage Increase
2017	$76,372	$125,494	$171,519	$97,061
2018	81,719	125,494	156,536	99,973
2019	82,999	125,494	143,786	102,972
2020	93,461	125,494	132,680	106,062
2021	93,628	125,494	123,601	109,244
2022	94,373	125,494	115,575	112,521
2023	103,397	125,494	108,496	115,896
2024	100,799	125,494	102,750	119,373
2025	82,228	125,494	97,417	122,955
2026	97,255	125,494	91,496	126,643
2027	108,674	125,494	87,098	130,442
2028	123,670	125,494	83,756	134,356
2029	140,769	125,494	81,482	138,386
2030	136,660	125,494	80,191	142,538
2031	144,141	125,494	78,552	146,814
2032	158,722	125,494	77,225	151,219
2033	144,236	125,494	76,495	155,755
2034	138,189	125,494	74,784	160,428
2035	109,755	125,494	72,679	165,241
2036	87,751	125,494	69,203	170,198
2037	75,333	0	64,934	0
2038	64,741	0	60,482	0
2039	52,772	0	55,996	0
2040	39,730	0	51,461	0
2041	49,740	0	46,885	0
2042	45,515	0	43,222	0
2043	48,798	0	39,776	0
2044	59,740	0	36,806	0
2045	63,554	0	34,503	0
2046	46,625	0	46,625	0
2047	44,150	0	44,150	0
2048	44,475	0	44,475	0
2049	44,002	0	44,002	0
2050	35,770	0	35,770	0
2055	0	0	0	0
2060	0	0	0	0
2065	0	0	0	0
2070	0	0	0	0

Note to auditor: when calculating the employer OPEB contribution for the year ending on the statement date, we recommend multiplying the actual District-paid premiums on behalf of retirees by a factor of 1.5282 to adjust for the implicit subsidy.

Actuarial Assumptions

To perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. Retirement rates are based on recent District retirement patterns.

The discount rate of 4.00% is based on our best estimate of expected long-term plan experience for unfunded plans such as the District's. As discussed above, for financial reporting purposes under GASB 75, a discount rate of 3.13% reflects the required blend between discount and municipal bond rates. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

Projected Annual Pay-as-you go Costs

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. Projected pay-as-you-go costs for selected years are as follows:

FYB	Pay-as-you-go
2017	$76,372
2018	81,719
2019	82,999
2020	93,461
2021	93,628
2022	94,373
2023	103,397
2024	100,799
2025	82,228
2026	97,255
2030	136,660
2035	109,755
2040	39,730
2045	63,554
2050	35,770
2055	0
2060	0
2065	0
2070	0

Implicit Subsidy and ASOP 6

When premiums charged for retiree healthcare are lower than expected claims, an implicit subsidy is realized. This occurs, for example, when pre-Medicare retirees are afforded medical coverage at the same rates as active employees.

Actuarial Standard of Practice No. 6 (ASOP 6), revised in May 2014, provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary must include the value of this implicit subsidy in the GASB 45/75 liabilities.

This valuation reflects the value of the implicit subsidy equal to $537,728.

Breakdown by Employee/Retiree Group

Exhibit I, attached at the end of the report, shows a breakdown of the GASB 75 components by bargaining unit (or non-represented group) and separately by active employees (future retirees) and current retirees.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section.

We have enjoyed working with the District on this project and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DEMSEY, FILLIGER AND ASSOCIATES

Carlos Diaz, MAAA, ASA, EA 17-5725
Consulting Actuary

Benefit Plan Provisions

This report analyzes the health and welfare benefit plans of the District including medical, prescription drug, dental and vision benefits. Active employees and retirees are offered a choice of five medical/prescription drug options from Kaiser Permanente and Blue Shield of California, with prescription drug carved out and provided through Navitus for the two Blue Shield options. These coverages are self-insured on a pooled basis by the Self-Insured Schools of California (SISC III), effective October 1, 2017. In addition, all groups are offered dental and vision benefits through Delta Dental and VSP Vision, respectively.

Certificated and Classified employees (including management) who attain age 55 and have completed at least 5 years of continuous service are eligible to retire with District-paid medical, prescription drug, dental and vision coverages, to a maximum of the Kaiser Traditional single rate for active employees (currently $647.00/month), plus retiree-only dental and vision premiums (currently $57.63/month and $16.15/month, respectively) for a total of $720.78/month, pro-rated for part-time service if applicable. Retirees may cover dependents at their own expense. District-paid benefits end at age 65.

This report does not cover cash payments made to retirees, which are properly expensed under either GASB 47 or GASB 68 depending on the exact nature of the payments.

The following table shows monthly rates for retirees, which in all cases are the same as those that apply to active employees in the same tier. The retiree is responsible for paying the excess, if any, of these rates over the District caps described above. The rates shown below went into effect as of October 1, 2017:

Plan	Retiree	Retiree + 1	Retiree + Family
Kaiser Traditional	$647.00	$1,293.00	$1,830.00
Kaiser DHMO $500	601.00	1,203.00	1,702.00
Kaiser HSA	499.00	997.00	1,411.00
Blue Shield 100-A $20, Rx 5-20	960.00	1,919.00	2,720.00
Blue Shield 80-E $20, Rx 7-25	820.00	1,636.00	2,317.00
Delta Dental	57.63	115.27	167.14
VSP Vision	16.15	16.15	16.15

Valuation Data

Active and Retiree Census

Age distribution of retirees included in the valuation

Age	Total
55-59	1
60-64	7
All Ages	8
Average Age	61.9

Age/Years of service distribution of active employees included in the valuation

Years→	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age									
<25	0	0	0	0	0	0	0	0	0
25-29	5	0	0	0	0	0	0	0	5
30-34	4	3	1	0	0	0	0	0	8
35-39	4	2	1	0	0	0	0	0	7
40-44	4	2	4	3	0	0	0	0	13
45-49	8	3	5	3	5	0	0	0	24
50-54	0	2	11	2	1	0	0	0	16
55-59	6	3	2	1	3	1	3	0	19
60-64	0	1	3	2	1	0	0	0	7
65+	0	0	0	0	0	0	0	0	0
All Ages	30	16	27	11	11	1	3	0	99

Average Age:	47.6
Average Service:	10.8

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2017

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

Accrued Liability 4.00% per annum

GASB 75 3.13% per annum

Salary Increases: 3.00% per annum

Pre-retirement Turnover: According to Crocker-Sarason Table T-5 less mortality, without adjustment. Sample rates are as follows:

Age	Turnover (%)
25	7.7%
30	7.2
35	6.3
40	5.2
45	4.0
50	2.6
55	0.9

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.48	0.17
35	0.52	0.29
45	0.97	0.66
55	2.79	1.67

Post-retirement Mortality: RP-2014 Healthy Annuitant Mortality, without projection. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
55	5.74	3.62
60	7.78	5.19
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50
90	135.91	107.13

Actuarial Assumptions (Continued)

Claim Cost per Retiree or Spouse:

Age	Medical/Rx	Dental/Vision
50	$8,505	$885
55	9,859	885
60	11,430	885
64	12,864	885
65	4,439	885
70	4,674	885

Retirement Rates:

Age	Percent Retiring*
55	10.0%
56	12.0
57	15.0
58	18.0
59	20.0
60	25.0
61	30.0
62	35.0
63	40.0
64	45.0
65	100.0

*Of those having met the eligibility for District-paid benefits. The percentage refers to the probability that an active employee reaching the stated age will retire within the following year.

Trend Rate: Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/Rx	Dental/Vision
2017	6.0%	4.0%
2018+	5.0	4.0

Percent Waiving Coverage: 50% (applies to future retirees only)

Percent of Retirees with Spouses: Future Retirees: 25% of future retirees were assumed to have spouses. Female spouses assumed three years younger than male spouses. Current Retirees: Based on actual spousal data.

Future District Cap: The District caps on retiree healthcare premiums were assumed to increase at the full healthcare trend rates for all future years.

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Kentfield School District ("District") as of July 1, 2017.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

Carlos Diaz, MAAA, ASA, EA 17-5725
Consulting Actuary

Kentfield School District
GASB 75 Valuation Results By Employee Group

	7/1/2017 Certificated	7/1/2017 Classified	7/1/2017 Total All Groups
District-paid Present Value of Benefits			
Actives	$ 2,043,051	$ 602,133	$ 2,645,184
Retirees	303,792	13,539	317,331
Total District-Paid PVFB:	$ 2,346,843	$ 615,672	$ 2,962,515
District-paid Total OPEB Liability			
Actives	$ 1,055,484	$ 273,170	$ 1,328,654
Retirees	303,792	13,539	317,331
Total District-Paid TOL:	$ 1,359,276	$ 286,709	$ 1,645,985
Assets[1]	-	-	-
District-paid Net OPEB Liability	**$ 1,359,276**	**$ 286,709**	**$ 1,645,985**
Components of Net OPEB Expense			
Service Cost at Year-end	$ 114,187	$ 45,898	$ 160,085
Interest Cost	41,077	8,694	49,771
Expected Return on Assets	-	-	-
Total[2]	**$ 155,264**	**$ 54,592**	**$ 209,856**

1. Assets, if any, allocated in proportion to AL for illustration purposes only; GASB 75 does not provide authority for this calculation.
2. Does not include Deferred Inflows/Outflows components that may apply at fiscal year-end.

Kentfield School District

GASB 75 Disclosure Information
for the Year Ended June 30, 2018

General Information

Employees covered by benefit terms. At July 1, 2017 (the valuation date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees eligible for future benefits	99

Total OPEB Liability

The District's total OPEB liability of $1,714,710 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	3.00 percent
Discount rate	3.13 percent
Medical/Rx trend rate	6.00 percent for 2017 and 5.00 percent for 2018 and later years
Dental/vision trend rate	4.00 percent

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

The discount rate reflects a blend between the following rates:

- The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return)
- A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

Because the plan is unfunded, the yield for a 20-year, tax-exempt general obligation municipal bond was used as of June 30, 2017 for the July 1, 2017 valuation. The yield for a 20-year, tax-exempt general obligation municipal bond as of June 30, 2018 was used to determine the June 30, 2018 liability.

Kentfield School District

GASB 75 Disclosure Information
for the Year Ended June 30, 2018

Changes in the District's Net OPEB Liability from July 1, 2017 to June 30, 2018

Total OPEB liability	
Service cost	$ 160,085
Interest	50,158
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	(53,892)
Benefit payments, including refunds of member contributions	(87,626)[1]
Net change in total OPEB liability	68,725
Total OPEB liability - beginning (a)	1,645,985
Total OPEB liability - ending (b)	$ 1,714,710
Plan fiduciary net position	
Contributions - employer	87,626
Contributions - member	0
Net investment income	0
Benefit payments, including refunds of member contributions	(87,626)
Trustee fees	0
Administrative expense	0
Net change in plan fiduciary net position	0
Plan fiduciary net position - beginning (c)	0
Plan fiduciary net position - ending (d)	0
Net OPEB liability - beginning (a) - (c)	1,645,985
Net OPEB liability (asset) - ending (b)-(d)	$ 1,714,710

[1]Includes implicit subsidy factor of 1.47436

Changes of benefit terms. None since July 1, 2017.

Changes of assumptions. The discount rate was set equal to the Fidelity GO AA 20-year, tax-exempt general obligation municipal bond index (3.62%) as of June 30, 2018.

Kentfield School District

GASB 75 Disclosure Information
for the Year Ended June 30, 2018

Sensitivity of the Net OPEB liability to changes in the discount rate and healthcare trend

The following presents the net OPEB liability of the District as of June 30, 2018, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Net OPEB liability (asset)	1,826,585	1,714,710	1,610,277

The following presents the net OPEB liability of the District as of June 30, 2018, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (5.0% decreasing to 4.0%)	Discount Rate (6.0% decreasing To 5.0%)	1% Increase (7.0% decreasing to 6.0%)
Net OPEB liability (asset)	1,557,127	1,714,710	1,894,997

Actuarial Determined Contribution

The following shows the actuarial determined contribution for fiscal year ending 2018:

Service Cost	$160,085
Net OPEB Liability Amortization Payment (30-year amortization)	57,624
Total	217,709

Kentfield School District

GASB 75 Disclosure Information
for the Year Ended June 30, 2018

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience[1]	$0	$0
Changes in assumptions or other inputs[2]	0	47,060
Differences between projected and actual return investments[3]	0	0
Total	0	47,060

(1) There was no difference between expected and actual experience during fiscal year end June 30, 2018 because standard actuarial update procedures were used to roll forward to the measurement date amounts from the previous year;
(2) There was a change in discount rate during fiscal year end June 30, 2018. The yield for the Fidelity GO AA 20-year, tax-exempt general obligation municipal bond as of June 30, 2018 (3.62%) was used. This change resulted in a gain of $53,892, which will be recognized over 7.89 years;
(3) There were no differences between projected and actual return of investments.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	$0	($6,832)
2020	0	(6,832)
2021	0	(6,832)
2022	0	(6,832)
2023	0	(6,832)
Thereafter	0	(12,898)

Kentfield School District

GASB 75 Disclosure Information
for the Year Ended June 30, 2018

Net OPEB Expense

For the year ended June 30, 2018, the District recognized Net OPEB expense of $203,411.

Net OPEB Liability as of July 1, 2017 (a)	$1,645,985
Net OPEB Liability as of June 30, 2018 (b)	1,714,710
Change in Net OPEB Liability [(b)-(a)]	68,725
Change in Deferred Outflows	0
Change in Deferred Inflows	47,060
Employer Contributions	87,626
Net OPEB Expense	$203,411

Service Cost	$160,085
Interest Cost	50,158
Expected Return on Assets	0
Recognition of Deferred Outflows and Inflows	0
Differences between expected and actual experience	0
Changes of assumptions	(6,832)
Differences between projected and actual investments	0
Total	(6,832)
Net OPEB Expense	$203,411