



**City of Vancouver
Firefighters' Pension Fund, Retiree Medical and
Long-Term Care Benefits for LEOFF 1 Fire Employees**

GASB 67, 68, and 75 Disclosures

Fiscal Year: January 1, 2021 to December 31, 2021

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Certification

Actuarial computations presented in this report under Statements No. 67, 68, and 75 of the Governmental Accounting Standards Board are for purposes of assisting the City in fulfilling its financial accounting requirements. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year January 1, 2021 to December 31, 2021. The reporting date for determining plan assets and obligations is December 31, 2021. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate retiree medical, Medicare Part B, and long-term care annual trends and costs by age and gender. The valuation results were developed using models employing standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

In preparing this report, we relied, without audit, on information as of January 1, 2021 and December 31, 2021 furnished by the City. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please see Milliman's actuarial valuation report dated July 27, 2021 for plan membership and other information on the plan's participant group as of January 1, 2021 as well as summaries of the plan provisions and summaries of the actuarial methods and assumptions used for the January 1, 2021 valuation.

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

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

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

Milliman's work is prepared solely for the internal use and benefit of the City of Vancouver. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Fund; and
- (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

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

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

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

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The report uses the expertise of Milliman healthcare and retirement actuaries. Assumptions related to the claims costs and healthcare trend (cost inflation) rates for the retiree healthcare program discussed in this report were determined by Milliman actuaries qualified in such matters. Daniel Wade is responsible for the projection of the current pension costs into future years using retirement benefit valuation assumptions and methodology, and for calculating the financial reporting requirements under GASB 67 and 68. Daniel Wade and Jessica Gardner are responsible for including the projection of the current retiree medical costs into future years using the retiree medical valuation assumptions and methodology, applying Milliman's model for long-term care, and for calculating the financial reporting requirements under GASB 75.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries.



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Executive Summary

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is January 1, 2021. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2021. This is the date as of which the Net Pension Liability under GASB 67, 68 and Total OPEB Liability under GASB 75 are determined. The Reporting Date is December 31, 2021. This is the Plan's and/or employer's fiscal year ending date.

Actuarially Determined Contribution

A schedule of actuarially determined contributions is not provided for this report. Such a contribution is not calculated.

Changes of Net Pension Liability and Total OPEB Liability

GASB Statement 67 requires a schedule of changes in Net Pension Liability from year to year. Similarly, GASB 75 requires a schedule of changes in the Total OPEB Liability. For this report, the December 31, 2020 amounts are based on the January 1, 2019 actuarial valuation; the December 31, 2021 amounts are based on the January 1, 2021 actuarial valuation. The discount rate used for both the December 31, 2020 and December 31, 2021 financial reporting was 2.00%.

GASB Statements No. 67, 68, and 75 Calculation of the Discount Rate

GASB 67 and 68 generally require the use of a blended discount rate to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

GASB 75 requires the discount rate used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method) to be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

We believe that the assumption of 2.00% as of December 31, 2021 is an appropriate long-term expected rate of return on investments such as those in the City's trust. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years is 2.06% as of December 31, 2021. Rounding this to the nearest 1/4% results in a discount rate of 2.00%. Using 2.00% for both the long-term expected rate of return and the bond index will mean that 2.00% could be used as the single discount rate.

This will need to be re-evaluated as of later measurement dates.

Impact of COVID-19 on Net Pension Liability and Total OPEB Liability

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of our projections, we have chosen not to make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

Firefighters' Pension Fund

GASB Statement No. 67 Money-Weighted Rate of Return

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2012	N/A
2013	N/A
2014	0.46%
2015	0.42%
2016	0.70%
2017	0.73%
2018	1.79%
2019	2.54%
2020	1.06%
2021	0.34%

Calculation of Money-Weighted Rate of Return

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

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2021	\$14,581,192	12.00	1.00	\$14,630,217
Monthly net external cash flows:				
January	(102,751)	12.00	1.00	(103,096)
February	(105,311)	11.00	0.92	(105,637)
March	274,703	10.00	0.83	275,470
April	24,344	9.00	0.75	24,406
May	201,936	8.00	0.67	202,391
June	67,584	7.00	0.58	67,715
July	23,382	6.00	0.50	23,422
August	25,291	5.00	0.42	25,327
September	25,172	4.00	0.33	25,200
October	25,392	3.00	0.25	25,413
November	2,004	2.00	0.17	2,005
December	25,309	1.00	0.08	25,316
Ending Value - December 31, 2021	15,118,149			15,118,149
Money-Weighted Rate of Return	0.34%			

Firefighters' Pension Fund

GASB Statement No. 67 Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2021.

Asset Class		Index	Long-Term Expected Real Rate of Return
Cash		BAML 90-Day T-Bills	-0.26%
Short-Term Bonds		Bloomberg US Govt 1-3 Yr TR USD	0.25%
Long-Term Bonds		Bloomberg US Government Long TR USD	1.14%
Assumed Inflation - Mean			2.25%
Long-Term Expected Rate of Return			2.00%

Firefighters' Pension Fund

GASB Statement No. 67 Net Pension Liability

	December 31, 2020	December 31, 2021
Total Pension Liability	\$7,122,914	\$6,584,811
Fiduciary Net Position	14,581,192	15,118,149
Net Pension Liability	(7,458,278)	(8,533,338)
Fiduciary Net Position as a % of Total Pension Liability	204.71%	229.59%
Covered payroll	0	0
Net Pension Liability as a % of covered payroll	N/A	N/A

The Total Pension Liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There were no significant changes during this period. Any significant changes would need to be reflected as prescribed by GASB 67.

Discount Rate

Discount rate	2.00%	2.00%
Long-term expected rate of return	2.00%	2.00%
Municipal bond rate	2.00%	2.00%

Other Key Actuarial Assumptions

Valuation date	January 1, 2019	January 1, 2021
Measurement date	December 31, 2020	December 31, 2021
Inflation	2.25%	2.25%
Salary increases including inflation	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.
Actuarial cost method	Entry Age Normal	Entry Age Normal

Firefighters' Pension Fund

GASB Statement No. 67 Changes in Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances as of December 31, 2020	\$7,122,914	\$14,581,192	(\$7,458,278)
Changes for the year:			
Service cost	0		0
Interest on Total Pension Liability	137,787		137,787
Effect of plan changes	0		0
Effect of economic/demographic (gains) or losses	(414,312)		(414,312)
Effect of assumptions changes or inputs	207,838		207,838
Benefit payments	(469,416)	(469,416)	0
Medical payments from fund		(706,050)	706,050
Employer contributions		1,500,000	(1,500,000)
Contributions from state fire insurance premium tax		219,261	(219,261)
Net investment income		49,901	(49,901)
Administrative expenses		(56,739)	56,739
Balances as of December 31, 2021	6,584,811	15,118,149	(8,533,338)

Sensitivity Analysis

The following presents the Net Pension Liability of the City, calculated using the discount rate of 2.00%, as well as what the City's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1%	Current	1%
	Decrease	Discount Rate	Increase
	1.00%	2.00%	3.00%
Total Pension Liability	\$7,198,878	\$6,584,811	\$6,052,198
Fiduciary Net Position	15,118,149	15,118,149	15,118,149
Net Pension Liability	(7,919,271)	(8,533,338)	(9,065,951)

Firefighters' Pension Fund

GASB Statement No. 67 Schedule of Changes in Net Pension Liability and Related Ratios

\$ Thousands

	Fiscal Year Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	N/A
Interest on Total Pension Liability	138	186	231	224	248	255	265	272	N/A	N/A
Effect of plan changes	0	0	0	0	0	0	0	0	N/A	N/A
Effect of economic/demographic (gains) or losses	(414)	0	598	0	0	(185)	0	0	N/A	N/A
Effect of assumption changes or inputs	208	432	684	(264)	145	(156)	0	0	N/A	N/A
Benefit payments	(469)	(498)	(538)	(655)	(586)	(562)	(526)	(477)	N/A	N/A
Net change in Total Pension Liability	(538)	120	974	(695)	(192)	(648)	(261)	(206)	N/A	N/A
Total Pension Liability, beginning	7,123	7,003	6,029	6,724	6,917	7,565	7,826	8,031	N/A	N/A
Total Pension Liability, ending (a)	6,585	7,123	7,003	6,029	6,724	6,917	7,565	7,826	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$1,500	\$2,792	\$2,792	\$1,800	\$1,800	\$1,756	\$1,756	\$1,756	N/A	N/A
Contributions from state fire insurance premium tax	219	208	202	200	187	183	172	185	N/A	N/A
Investment income net of investment expenses	50	139	291	181	84	61	35	35	N/A	N/A
Prior period adjustment	0	0	17	0	(15)	0	0	17	N/A	N/A
Benefit payments	(469)	(498)	(538)	(655)	(586)	(562)	(526)	(477)	N/A	N/A
Medical payments from fund	(706)	(652)	(583)	(720)	(689)	(815)	(836)	(924)	N/A	N/A
Administrative expenses	(57)	(35)	(54)	(58)	(76)	(69)	(56)	(29)	N/A	N/A
Net change in plan Fiduciary Net Position	537	1,953	2,126	749	706	554	545	562	N/A	N/A
Fiduciary Net Position, beginning	14,581	12,628	10,502	9,754	9,048	8,494	7,949	7,386	N/A	N/A
Fiduciary Net Position, ending (b)	15,118	14,581	12,628	10,502	9,754	9,048	8,494	7,949	N/A	N/A
Net Pension Liability, ending = (a) - (b)	(\$8,533)	(\$7,458)	(\$5,625)	(\$4,473)	(\$3,030)	(\$2,131)	(\$929)	(\$123)	N/A	N/A
Fiduciary Net Position as a % of Total Pension Liability	229.59%	204.71%	180.32%	174.20%	145.06%	130.81%	112.28%	101.58%	N/A	N/A
Covered payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	N/A
Net Pension Liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Firefighters' Pension Fund

GASB Statement No. 68 Pension Expense

Pension Expense	January 1, 2020 to December 31, 2020	January 1, 2021 to December 31, 2021
Service cost	\$0	\$0
Interest on Total Pension Liability	185,787	137,787
Effect of plan changes	0	0
Administrative expenses	35,295	56,739
Medical payments from fund	652,145	706,050
Contributions from state fire insurance premium tax	(208,254)	(219,261)
Expected investment return net of investment expenses	(372,052)	(296,470)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic (gains) or losses	0	(414,312)
Recognition of assumption changes or inputs	432,070	207,838
Recognition of investment (gains) or losses	219,025	219,393
Pension Expense	944,016	397,764

Paragraph 33d of GASB Statement 68 states that contributions to the pension plan from nonemployer contributing entities that are not in a special funding situation should be recognized as revenue. Accordingly, we have treated the contributions from the state fire insurance premium tax as revenue.

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings	0	437,387
Contributions made subsequent to measurement date	0	0
Total	0	437,387

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$163,033
2023	129,084
2024	95,957
2025	49,313
2026	0
Thereafter*	0

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

Firefighters' Pension Fund

GASB Statement No. 68 Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Measurement Period in which Experience Arose	Original Recognition Period*	Amount Recognized in 12/31/2021 Expense	Balance of Deferred Inflows 12/31/2021	Balance of Deferred Outflows 12/31/2021
Investment (gains) or losses	\$246,569	1/1 - 12/31/2021	5.0	\$49,314	\$0	\$197,255
	233,219	1/1 - 12/31/2020	5.0	46,644	0	139,931
	165,634	1/1 - 12/31/2019	5.0	33,127	0	66,253
	169,744	1/1 - 12/31/2018	5.0	33,949	0	33,948
	281,795	1/1 - 12/31/2017	5.0	<u>56,359</u>	<u>0</u>	<u>0</u>
		Total		219,393	0	437,387
Economic/demographic (gains) or losses	(\$414,312)	1/1 - 12/31/2021	1.0	<u>(\$414,312)</u>	<u>\$0</u>	<u>\$0</u>
		Total		(414,312)	0	0
Assumption changes or inputs	\$207,838	1/1 - 12/31/2021	1.0	<u>\$207,838</u>	<u>\$0</u>	<u>\$0</u>
		Total		207,838	0	0

* Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members; immediate recognition is used when the average remaining service life is less than one.

Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees

GASB Statement No. 75 Total OPEB Liability

Total OPEB Liability	December 31, 2020	December 31, 2021
Total OPEB Liability	\$30,013,119	\$28,677,795
Covered employee payroll	0	0
Total OPEB Liability as a % of covered employee payroll	N/A	N/A

The Total OPEB Liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rates below, and was then projected to the measurement dates. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.

Valuation date	January 1, 2019	January 1, 2021
Measurement date	December 31, 2020	December 31, 2021

Discount Rate

Discount rate	2.00%	2.00%
20-Year Tax-Exempt Municipal Bond Yield	2.00%	2.00%

GASB 75 requires the discount rate used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method) to be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Other Key Actuarial Assumptions

Please see Appendix A of the January 1, 2021 actuarial valuation report dated July 27, 2021.

Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees

GASB Statement No. 75 Changes in Total OPEB Liability

Changes in Total OPEB Liability	Increase (Decrease)
	Total OPEB Liability
Balance as of December 31, 2020	\$30,013,119
Changes for the year:	
Service cost	0
Interest on Total OPEB Liability	591,312
Effect of plan changes	0
Effect of economic/demographic (gains) or losses	73,997
Effect of assumptions changes or inputs	(1,101,157)
Expected benefit payments	(899,476)
Balance as of December 31, 2021	28,677,795

Sensitivity Analysis

The following presents the Total OPEB Liability of the City, calculated using the discount rate of 2.00%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1% Decrease 1.00%	Discount Rate 2.00%	1% Increase 3.00%
Total December 31, 2021 OPEB Liability	\$32,956,346	\$28,677,795	\$25,167,579

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

	1% Decrease	Current Trend Rates	1% Increase
Total December 31, 2021 OPEB Liability	\$25,349,731	\$28,677,795	\$32,603,237

Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees

GASB Statement No. 75 Schedule of Changes in Total OPEB Liability and Related Ratios

\$ Thousands

	Fiscal Year Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$0	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	591	736	1,062	995	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	74	0	(1,297)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(1,101)	2,957	1,325	(1,952)	N/A	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	(899)	(912)	(828)	(979)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in Total OPEB Liability	(1,335)	2,782	263	(1,936)	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, beginning	30,013	27,232	26,969	28,905	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, ending	28,678	30,013	27,232	26,969	N/A	N/A	N/A	N/A	N/A	N/A
Covered employee payroll	\$0	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees

GASB Statement No. 75 OPEB Expense

Measurement Period	January 1, 2020 to December 31, 2020	January 1, 2021 to December 31, 2021
Service cost	\$0	\$0
Interest on Total OPEB Liability	736,413	591,312
Effect of plan changes	0	0
Recognition of Deferred (Inflows)/Outflows of Resources		
Recognition of economic/demographic (gains) or losses	0	73,997
Recognition of assumption changes or inputs	2,957,077	(1,101,157)
OPEB Expense	3,693,490	(435,848)

As of the December 31, 2021 Measurement Date, the deferred (inflows) and outflows of resources follow.

Deferred (Inflows) / Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$0
Changes of assumptions	0	0
Contributions made subsequent to measurement date	0	0
Total	0	0

Amounts currently reported as deferred outflows of resources and deferred (inflows) of resources related to other postemployment benefits will be recognized in OPEB expense below. Note that additional future deferred (inflows) and outflows of resources may impact these numbers.

Measurement Period Ending December 31:

2022	\$0
2023	0
2024	0
2025	0
2026	0
Thereafter	0

Retiree Medical and Long-Term Care Benefits for LEOFF 1 Fire Employees

GASB Statement No. 75 Schedule of Deferred (Inflows) and Outflows of Resources

	Original Amount	Measurement Period in which Experience Arose	Original Recognition Period*	Amount Recognized in 12/31/2021 Measurement Period Expense	Balance of Deferred (Inflows) as of 12/31/2021 Measurement Date	Balance of Deferred Outflows as of 12/31/2021 Measurement Date
Economic or demographic (gains) or losses	\$73,997	1/1-12/31/2021 Total	1.0	<u>\$73,997</u> 73,997	<u>\$0</u> 0	<u>\$0</u> 0
Assumption changes or inputs	(\$1,101,157)	1/1-12/31/2021 Total	1.0	<u>(\$1,101,157)</u> (1,101,157)	<u>\$0</u> 0	<u>\$0</u> 0

* Economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members; immediate recognition is used when the average remaining service life is less than one.

Glossary

Actuarially Determined Contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.
Deferred Inflows/Outflows of Resources	Portion of changes in net pension liability that is not immediately recognized in Pension or OPEB Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.
Discount Rate	Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of: <ol style="list-style-type: none"> 1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return. 2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.
Fiduciary Net Position	Equal to market value of assets.
Long-Term Expected Rate of Return	Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses.
Money-Weighted Rate of Return	The internal rate of return on pension plan investments, net of investment expenses.
Municipal Bond Rate	Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
Net Pension Liability	Total Pension Liability minus the Plan's Fiduciary Net Position.
Projected Benefit Payments	All benefits estimated to be payable through the pension or OPEB plan to current active and inactive employees as a result of their past service and expected future service.
Service Cost	The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total Pension 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 67 and 68.
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 75.