San Leandro Unified School District
Post-Retirement Medical Plan

GASB 45 Actuarial Valuation
Annual Required Contribution for Year Beginning 07/01/2015
Required Disclosure for Year Ending 06/30/2016

Alternative Measurement Method

Performed by ALI Actuarial & Retirement Plan Services
August, 2016

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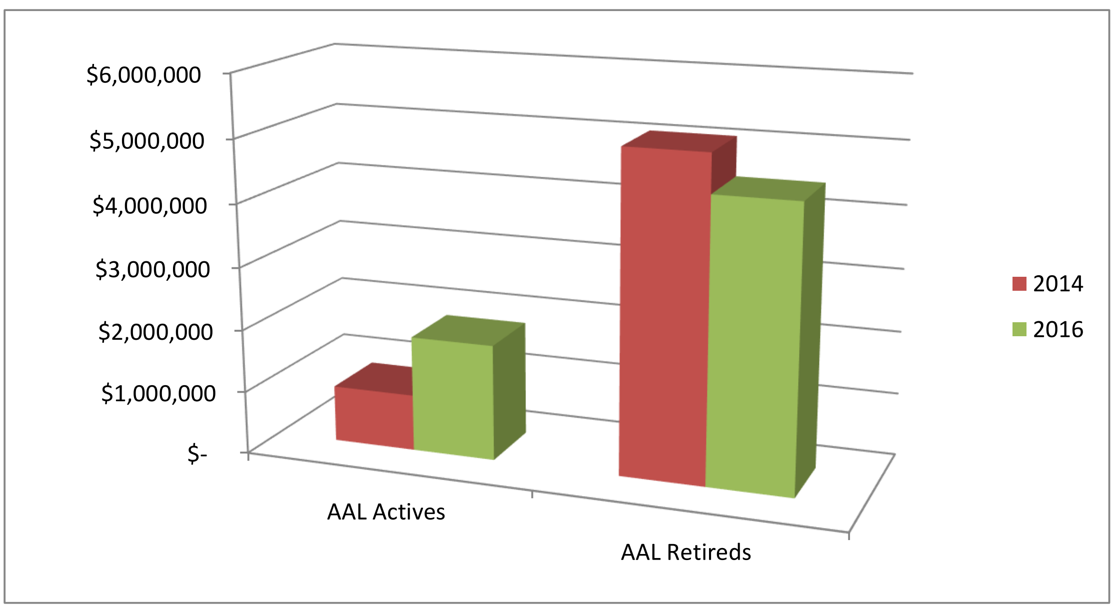
EXECUTIVE SUMMARY

	Fiscal Year Ending 6/30/2016	Fiscal Year Ending 6/30/2014
Actuarial Accrued Liability (AAL)		
Actives	$ 1,847,790	$ 897,006
Retirees and Dependents	4,472,510	5,084,786
Total AAL	$ 6,320,300	$ 5,981,792
Annual Required Contribution (ARC)	$ 646,349	$ 599,996
Annual OPEB Cost	$ 679,979	$ 627,922
Net OPEB Obligation (end of year)	$ 837,673	$ 672,607

Refer to the "GASB Terminology" section of this report for definitions of GASB terms.

The calculation of the Actuarial Accrued Liability has been done in accordance with the Alternative Measurement Method, as outlined in GASB 45.

Comparison of AAL



NOTES TO FINANCIAL STATEMENTS

Annual OPEB Cost and Net OPEB Obligation		
a. Annual Required Contribution	$	646,349
b. Interest on Net OPEB Obligation		33,630
c. Adjustment to Annual Required Contribution		-
d. Annual OPEB Cost (a + b + c)	$	679,979
e. Less Contributions Made (premiums paid)		(514,913)
f. Change in Net OPEB Obligation (d + e)	$	165,066
g. Net OPEB Obligation at beginning of year		672,607
h. Net OPEB Obligation at end of year (f + g)	$	837,673
i. Annual OPEB Cost (charge to Income Statement)		679,979
j. Percentage of Annual OPEB Cost Contributed (e / d)		75.72%
k. Net OPEB Obligation at end of year (Balance Sheet Asset / Liability)	$	837,673

Funded Status		
l. Actuarial Accrued Liability (AAL)	$	6,320,300
m. Actuarial Value of Assets		-
n. Unfunded Actuarial Accrued Liability (UAAL) (l - m)	$	6,320,300
o. Funded Ratio (Assets as a percentage of AAL) (m / l)		0.00%

Actuarial Methods and Assumptions	
Measurement Date	7/1/2015
Investment Rate of Return	
Expected Return on Plan Assets	N/A
Expected Return on Employer's Assets	5.00%
Rate of Compensation Increase	N/A
Inflation Rate	N/A

Assumed Health Care Trend Rate	
Initial Health Care Trend Rate	7.00%
Ultimate Health Care Trend Rate	3.00%
Year the Ultimate Rate is Reached	2025

Additional Information	
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Amortization Period (Years)	15
Method Used to Determine Actuarial Value of Assets	N/A

STATEMENT OF ACTUARIAL OPINION

This report documents the results of the actuarial valuation of the San Leandro Unified School District Postretirement Medical Plan, using the Alternative Measurement Method, as described in Government Accounting Standards Board Statement No. 45 (GASB 45). Determinations for purposes other than meeting the Employer's financial accounting requirements may be significantly different from the results herein.

The results in this report are based on information and data submitted by the San Leandro Unified School District. An audit of the information was not performed, but in general the information supplied seems reasonable for the size and scope of the Employer and its working and retired population. The accuracy of these results depends upon the accuracy and completeness of the underlying information.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The San Leandro Unified School District selected certain assumptions, while others were the result of GASB 45 guidance and judgment. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations have been performed in accordance with the Alternative Measurement Method as described in GASB 45, requirements of applicable financial accounting standards. The procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The actuarial credentials of the undersigned consultant of ALI Actuarial & Retirement Plan Services meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between ALI Actuarial and the San Leandro Unified School District that impairs our objectivity.

Bruce A. Marotta, EA
President, *ALI Actuarial & Retirement Plan Services*

ANNUAL REQUIRED CONTRIBUTION (ARC) DEVELOPMENT

Calculation of Normal Cost Component		
a. Normal Cost	$	35,654
b. Interest on Normal Cost		1,783
c. Normal Cost Component (a + b)	$	37,437
Calculation of Amortization Component		
d. Actuarial Accrued Liability (AAL)	$	6,320,300
e. Actuarial Value of Assets		-
f. Unfunded Actuarial Accrued Liability (UAAL) (d - e)	$	6,320,300
g. Amortization Period (Years)		15
h. Employer's Investment Rate of Return		5.00%
i. Amortization Factor		10.898641
j. Annual Amortization (f / i)	$	579,916
k. Interest on Amortization Payment (h * j)		28,996
l. Amortization Component (j + k)	$	608,912
Calculation of ARC		
m. Normal Cost Component (c)	$	37,437
n. Amortization Component (l)		608,912
o. Annual Required Contribution (m + n.)	$	646,349

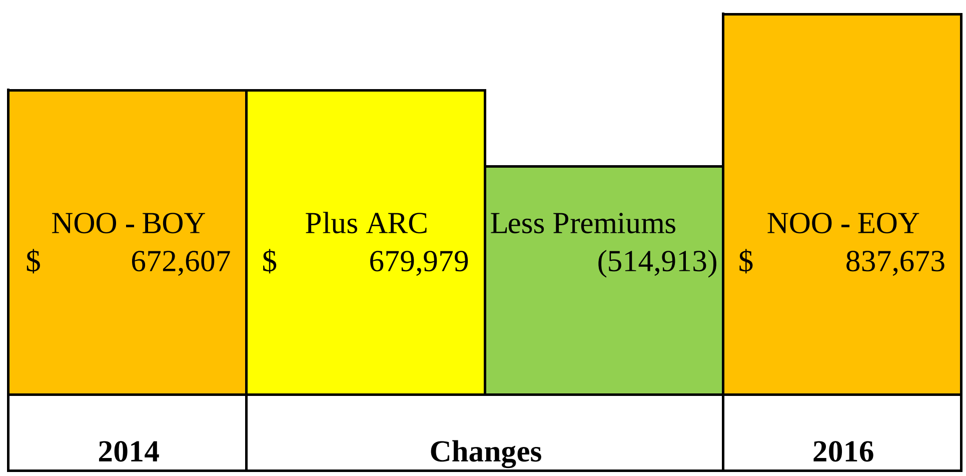
Graphical Representation of ARC Components

AAL	$	6,320,300	
Amortiz. of AAL	$	579,916	(15 year amortization of AAL)
Interest	$	28,996	
Normal Cost	$	35,654	
Interest	$	1,783	
Total ARC	$	646,349	

BALANCE SHEET ITEM & EXPENSE DEVELOPMENT

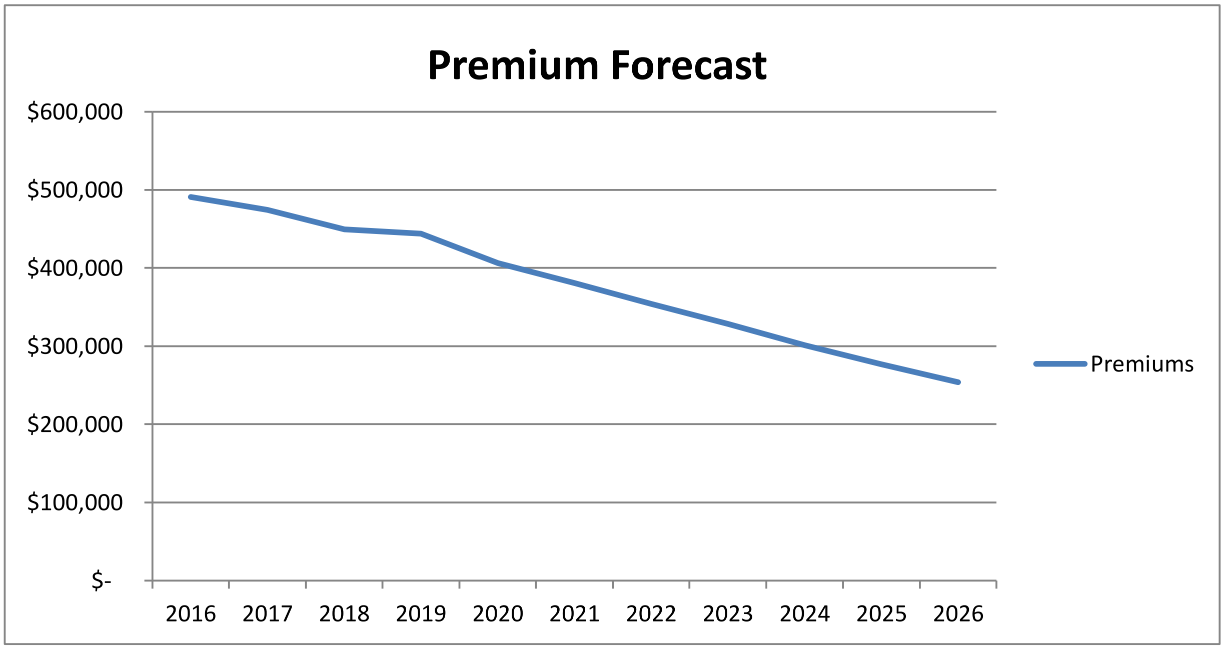
Calculation of Interest on Net OPEB Obligation	**6/30/2016**	**6/30/2014**
Net OPEB Obligation at end of prior year	$ 672,607	$ 558,528
Employer's Investment Rate of Return	5.00%	5.00%
Interest on Net OPEB Obligation	$ 33,630	$ 27,926
Calculation of Annual OPEB Cost		
Annual Required Contribution (ARC)	$ 646,349	$ 599,996
Interest on Net OPEB Obligation	33,630	27,926
Adjustment to Annual Required Contribution	-	-
Annual OPEB Cost	$ 679,979	$ 627,922
Calculation of Net OPEB Obligation		
Net OPEB Obligation from prior year	$ 672,607	$ 558,528
Annual OPEB Cost	679,979	627,922
Less Actual Employer Contributions (premiums paid)	(514,913)	(513,843)
Net OPEB Obligation at end of year	$ 837,673	$ 672,607

Update of Net OPEB Obligation



EXPECTED CASH FLOWS

Fiscal Year	Expected Benefit Payments
2016	$ 490,952
2017	$ 474,213
2018	$ 449,498
2019	$ 444,035
2020	$ 406,555
2021	$ 380,865
2022	$ 354,304
2023	$ 328,484
2024	$ 301,434
2025	$ 276,657
2026	$ 253,912



ACTUARIAL METHODS AND ASSUMPTIONS

Measurement Date	July 1, 2015
Participant Data	Supplied by Employer
Fiscal Year	July 1, 2015 to June 30, 2016
Actuarial Cost Method	Projected Unit Credit Method
Valuation Method	Alternative Measurement Method
Asset Valuation Method	Not Applicable.
Nature of Actuarial Calculations	The results documented in this report involve estimates and assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore are not valued. Assumptions may be made about demographic data or other factors. Reasonable efforts were made in this valuation to ensure that significant items of actuarial liabilities are treated appropriately. Future experience will likely differ from the assumptions used in these calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect experience. A range of results different from those presented here could also be considered reasonable. The numbers are rounded to the nearest whole dollar for convenience.

ACTUARIAL ASSUMPTIONS

Discount Rate	5.00%
Mortality	1984 Unisex Mortality Table.
Disability Rate	None Assumed.
Turnover Rate	None Assumed.
Retirement Age	For active employees, age 60 with 20 years of service.
Health Care Trend Rate ***(applies to retirees only)***	7.00% is rate of increase next year. 3.00% is ultimate rate of increase. 2025 is the year ultimate rate is reached.
Retiree Contribution Trend Rate	Same as Health Care Trend Rate.
Participation Assumption	All participants are assumed to elect coverage at retirement.
Retiree Lapse Rate	None.

SUMMARY OF ELIGIBILITY AND COVERAGE

It is not possible to describe every retiree medical plan option in this report. The following summarizes the major provisions and options.

Medical benefits are available to retired employees of the San Leandro Unified School District. The District pays a portion of the monthly health insurance premium. Different reimbursement rates apply to different employment backgrounds, including:

CSEA employees hired before July 1, 1996 ($1,200 annual benefit);
Teamsters hired before January 1, 1997 ($1,000 annual benefit);
SLTA employees hired before June 15, 1985 (retiree-only single premium); and
Management employees hired before June 15, 1985 (retiree-only single premium).

Retiree medical benefits are also provided to some active employees who were grandfathered in to their plan at the time. This includes some members of CSEA, SLTA, and Teamsters. Retirees are eligible to have their health premiums paid when they retire. They may retire at the later of age 55 with 10 years of participation, or after age 55 if total age + service points equals 75. Other employment backgrounds have similar retirement provisions.

Depending on the guarantee made to each employee group, the health premiums reimbursed at age 65, once the retiree is eligible for Medicare, may drop to the amount of the Medicare supplemental premium.

DISCLOSURES AND LIMITATIONS

The results in this report are based on information and data submitted by the San Leandro Unified School District. An audit of the information was not performed by ALI Actuarial & Retirement Plan Services. The results depend on the accuracy and completeness of the underlying information, including: demographic information on the covered work force and current retirees; eligibility provisions; health care premiums; and actuarial assumptions.

The results in this report are estimates based on assumptions about future events. Assumptions may be made about participant data or other factors and are so noted. Inclusion or exclusion of insignificant items affecting actuarial liabilities is based on information provided by the Employer. ALI Actuarial is not liable for any errors in the data provided.

Future experience will likely differ from the assumptions used in these calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect the true experience.

All assumptions used in the valuation were either: chosen by the Employer, as noted; chosen by ALI Actuarial, as needed; or otherwise follow standard guidance provided by GASB 45 with respect to such assumptions.

GASB 45 TERMINOLOGY

Actuarial Accrued Liability (AAL)
The actuarial present value of future benefits, based on employees' service rendered to the measurement date, using the Projected Unit Credit actuarial cost method. Cost under this method is prorated by service to date as a percentage of total expected service for each individual.

Normal Cost
The present value of future benefits earned by employees during the current fiscal year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to the current fiscal year by the Projected Unit Credit actuarial cost method.

Unfunded Actuarial Accrued Liability (UAAL)
The excess of the AAL over the value of plan assets. In an unfunded plan (like this one), the plan assets are zero, so the AAL is always equal to the UAAL.

The UAAL may be amortized over a maximum of 30 years.

Annual Required Contribution (ARC)
The amount of cash contributions "required" by GASB 45 to soundly fund the plan over the working lifetime of the eligible employees. If funded, the ARC's paid over all years, and the investment income derived from their accumulated asset value, would be sufficient to pay all future benefits and expenses of the plan.

The ARC is equal to the Normal Cost + amortization of the UAAL, plus an interest adjustment to year-end. The amortization period is base don the expected future lifetimes of the covered participants.

Net OPEB Obligation (NOO)
The cumulative difference between past amounts expensed over contributions (premiums) paid. If expense exceeds contributions, this is a liability - otherwise it is an asset. This item is represented as a balance sheet liability or asset in the Statement of Net Assets.

Annual OPEB Cost
An accrual basis measure of the periodic cost of a participant in a defined benefit OPEB plan, also referred to as the "expense". It is an annual charge to the income Statement.