SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
RETIREE SURVIVOR BENEFITS PROGRAM TRUST
(A FIDUCIARY COMPONENT UNIT OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT)

FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
RETIREE SURVIVOR BENEFITS PROGRAM TRUST

FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Francisco Bay Area Rapid Transit District
Retiree Survivor Benefits Program Trust
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the San Francisco Bay Area Rapid Transit District Retiree Survivor Benefits Program Trust ("Trust"), a fiduciary component unit of the San Francisco Bay Area Rapid Transit District ("District"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2021, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net OPEB liability and related ratios, the schedule of employer contributions, and the schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Crowe LLP

San Francisco, California
<>, 2021

The following discussion and analysis of the financial performance of the Retiree Survivor Benefits Program Trust (the "Trust") of the San Francisco Bay Area Rapid Transit District (the "District") provides an overview of its financial activities for the year ended June 30, 2021. Please read it in conjunction with the Trust's financial statements, which begin on page 6. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests solely with management of the Trust. To the best of our knowledge and belief, the financial statements, as presented, are accurate in all material respects.

Financial Highlights

Net position held in trust for survivor benefits totaled $10,451,000 as of June 30, 2021.

Financial Statements

The financial report for the Trust includes management's discussion and analysis, statement of fiduciary net position, statement of changes in fiduciary net position, and notes to the financial statements. These financial statements are prepared on the accrual basis of accounting. The Trust is administered by one or more trustees appointed by the District's Board of Directors (the "Board"). Currently, the Board has appointed the District's Controller-Treasurer as the Trustee. The Trust's assets are held in trust by US Bank.

Condensed Statements of Changes in Fiduciary Net Position

The following table indicates the changes in fiduciary net position for the years ended June 30, 2021 and 2020 (dollar amounts in thousands):

	2021	2020
Employee & retiree contributions	$ 9,456	$ 434
Net investment income	1,309	-
Total additions	10,765	434
Benefit payments	296	434
Other expenses	18	-
Total deductions	314	434
Change in fiduciary net position	10,451	-
Net position, beginning of year	-	-
Net position, end of year	$ 10,451	$ -

(Continued)

Employee Contributions

Per the Collective Bargaining Agreement (CBA), subject to the restrictions, limitations and eligibility requirements of the applicable health plans, employees may elect a survivor benefit which would pay a portion of premiums or provide reimbursement for the enrollment of their previously eligible covered survivor(s) in the medical, dental, and vision care plans upon the death of the employee. The employee, retiree or survivor contribution for this program is fifteen dollars ($15) per month. After the employee's death, the survivor must continue to contribute fifteen dollars ($15) per month to receive the medical, dental, and vision coverage.
Employee and retiree contributions in fiscal year 2021 increased by $9,022,000 primarily from recognizing $8,673,000, as revenue in the Trust, the net accumulated employee and retiree contributions since the inception of the Survivors Benefit Plan through June 30, 2020, that were contributed to the Trust in October 2020.

Net Investment Income

In fiscal year 2021, net investment income amounted to $1,309,000 or an 18.9% return on total investments. There were no investments or investment income in fiscal year 2020.

Benefit Payments

The CBA established that the Plan will pay for portion of premiums or provide reimbursement for the enrollment of their previously eligible covered survivor(s) in the medical, dental, and vision care plans upon the death of the employee.

Condensed Statements of Fiduciary Net Position

A comparison of the Trust's statements of fiduciary net position as of June 30, 2021 and 2020 is as follows (dollar amounts in thousands):

	2021	2020
Assets	$ 10,469	$ -
Liabilities	18	-
Net position	$ 10,451	$ -

Fiduciary net position in fiscal year 2021 increased by $10,451,000 primarily from employee and retiree contributions recognized during the fiscal year which exceeded benefit payments and other administrative expenses.

There were no assets, liabilities and net position in fiscal year 2020.

Request for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Controller-Treasurer, 2150 Webster Street, 10th Floor, P.O. Box 12688, Oakland, California 94612.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
RETIREE SURVIVOR BENEFITS PROGRAM TRUST
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021
(dollar amounts in thousands)

ASSETS		
Cash and cash equivalents	$	601
Receivable from BART		459
Investments:		
Mutual funds - equity		6,115
Mutual funds - fixed income securities		3,294
Total investments		9,409
Total assets		10,469
LIABILITIES		
Accounts payable		18
Net position restricted for survivor medical benefits	$	10,451

See accompanying notes to the financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
RETIREE SURVIVOR BENEFITS PROGRAM TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSTION
For the year ended June 30, 2021
(dollar amounts in thousands)

Additions	
Employee contributions	$ 9,216
Retiree contributions	240
	9,456
Investment income (expense):	
Interest income	152
Realized and unrealized gains on investments	1,157
Investment expense	-
Net investment income	1,309
Total additions	10,765
Deductions	
Benefit payments	296
Administrative fees	18
Total deductions	314
Change in fiduciary net position	10,451
Net position restricted for survivor medical benefits	
Beginning of year	-
End of year	$ 10,451

See accompanying notes to the financial statements.

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the San Francisco Bay Area Rapid Transit District Retiree Survivor Benefits Program Trust (the "Trust"), a fiduciary component unit of the San Francisco Bay Area Rapid Transit District (the "District" or "BART"), provides only general information. Participants should refer to the Agreement and Declaration of Trust of the San Francisco Bay Area Rapid Transit District Retiree Survivor Benefits Program Trust (the "Trust Agreement"), effective May 18, 2020 for a more complete description of the Trust's provisions.

General: On May 18, 2020, the District created the Trust to account for certain benefits of the District's single-employer defined benefit other postemployment benefit plan (the "Plan"). The purpose of establishing the Trust is to facilitate the provision of survivor health and welfare benefits to survivors of eligible BART retirees; to provide the means for financing the costs and expenses of operating and administering such benefits; to hold Trust assets for the sole and exclusive purpose of providing such benefits; and to defray the reasonable expenses of administering the Trust and designated plans. Assets placed into the Trust cannot be used for any other purposes and are not available to satisfy general creditors of the District. Under California state law, the restrictions on the use of any proceeds from liquidation of the Trust are significant enough to render the Trust effectively irrevocable. The Trust Agreement states that the Trust shall be administered by one or more Trustees appointed by the District's Board of Directors (the "Board"). As of June 30, 2021, the Board has appointed the District's Controller-Treasurer as the Trustee.

The Trust is considered to be a part of the District's financial reporting entity and is included in the District's financial statements as a fiduciary fund. The financial statements of the Trust are intended to present only the fiduciary net position and changes in fiduciary net position of the Trust. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2021, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

As of June 30, 2021, the Trust includes the funding of survivors dental and vision benefits, and the difference between the required medical contribution from the beneficiary and required contribution from survivors enrolled in the Plan. The Trust does not include funding for the retiree and survivor health medical benefits. Those are funded through the Retiree Health Benefit Trust.

The Survivor Benefits Plan enables eligible surviving dependents of participating employees to continue their BART-provided group health, dental or vision insurance on a financially favorable basis following the death of the participating employee. Subject to the following "benefits cap," the eligible surviving dependents will have their BART-provided group health insurance provided by BART or paid for by BART. BART's obligation to pay for or provide such medical insurance benefits is limited to the greater of the premium cost of (a) the greater Bay Area Blue Shield Access + (currently $3,042 for family); or (b) the Bay Area Kaiser basic premium (currently $2,115 for family) ("Premium Cap"), or the actual premium cost if less, less the $15.00 per month participation fee. Special rules, premiums, and coverages apply to participants who are Medicare eligible.

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NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Survivor Benefits is available to the “eligible dependents” of all full-time employees of BART, provided that certain requirements are met;

- All full-time employees are given a single opportunity to elect participation in the program. The election period lasts ninety (90) days from the date of full-time hire. The election must be in writing on a form provided by BART’s HR department and must be accepted by the HR department within that time period.
- Because there is only one enrollment opportunity, all full-time employees must elect to participate within this time period even if they do not yet have a spouse or dependents. Failure to enroll and satisfy the other participation requirements will prevent any future dependents from receiving benefits (except as noted below).
- All participating employees and their benefitting survivors must pay a $15.00 per month participation fee on a continuous basis. The $15.00 fee applies to each family group regardless of size. Participating employees will have the fee deducted from their second paycheck of each month on a post-tax basis. Failure to pay the required fifteen dollars ($15) per month assessment by the due date established by the District shall permanently and irrevocably terminate eligibility for the Survivor Benefits Program.

If a participating employee or a benefitting survivor (group) discontinues participation, or stops payment of the monthly fee, they will lose eligibility for Survivor Benefits and will not be able to re-enroll in the program.

Part-time employees (less than 40 hours per week) and employees who are ineligible for District health plan coverage, including, without limitation, limited term intermittent employees, are ineligible for the Survivor Benefits Program. In order for the survivor of an employee or retiree who dies after the effective date of this Survivor Benefits Program to be eligible for survivor benefits, the employee/retiree and survivor must have been covered by District medical benefits and enrolled in the Survivor Benefits Program at the time of death.

The earliest start date of the Plan is November 17, 1988, when the Board of Directors adopted Resolution 4209 that created the program for directors. There were later start dates for various bargaining groups.

Membership in the Plan, as of June 30, 2021, consisted of the following:

Survivors receiving benefits	239
Retired plan members	1,230
Active plan members	2,899
Total plan participants	4,368

Employee, Retiree and Survivor Contributions: Active and retired employees and survivors contribute $15 per month to the Plan. Since inception of the Survivor Benefit Program back in 1988, all plan contributions and payments for benefits were tracked in a dedicated liability account in the District’s financials. In October 2020, the balance in the account as of June 30, 2020, which amounted to $8,673,000, was transferred to the Trust and is reflected as employee contribution to the Trust in fiscal year 2021. In addition, the Trust recorded total contributions in the amount of $783,000 from active employees, retirees, and survivors in fiscal year 2021.

(Continued)

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Trust Termination: The Trust Agreement provides that the District's Board of Directors has the right to discontinue or to terminate the Trust in whole or in part, subject to any duty to bargain in good faith with the District's unions over any such termination. The Trust Agreement further provides that, in the event of termination of the Trust, the assets then remaining shall be used for the purpose of providing for the expenses of the Trust and for the payment of benefits under any plan that is a health and welfare benefit program to be funded in whole or in part by the Trust and which comprises health benefits offered to District retirees, as designated at the discretion of the Board of Directors, until exhausted.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting. Contributions are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Plan member contributions refer to the required $15 monthly contributions from active employees, retirees, and survivors, who participate in the plan

Cash Equivalents: The Trust considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents.

Investments: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. The Trust measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities and mutual funds traded on a national or international exchange are valued at the last reported sales price on the last business day of the fiscal year at current exchange rates. Purchases and sales of securities are reflected on the trade date. Investment income is recognized as earned.

Net Appreciation (Decline) in Fair Value of Investments: Net appreciation (decline) in fair value of investments is comprised of unrealized and realized gains and losses. Unrealized gains and/or losses adjust investment carrying amounts to reflect current fair value.

Administrative Costs: The costs of administering the Trust are paid by the District, except costs that are directly related to the Trust's activities, such as investment manager fees, insurance premium, legal fees, and audit costs.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(Continued)

NOTE 3 – INVESTMENTS

Investment Policy – The investment objective of the Trust is to achieve consistent long-term growth for the Trust and to maximize income consistent with the preservation of capital for the sole and exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Trust. The District's Board establishes the general investment policy and guidelines for the Trust. Prior to adoption of a formal investment policy, the Trust has adopted the investment policy of the District's Retiree Health Benefit Trust, as its interim guidelines. Allowable investments under the Trust's interim guidelines include:

- Cash equivalents such as U.S. Treasury bills, money market mutual funds, short-term investment fund (STIF) trusts, commercial paper rated A1/P1, banker's acceptances, certificates of deposits, and repurchase agreements;
- Fixed income securities, which include U.S. agency and corporation bonds (including Yankees), preferred stock and Rule 144A issues, and mortgage or asset-backed securities; and
- Equity securities, including U.S. traded common, preferred stocks, and convertible stocks and bonds, including American Depository Receipts.

Interest Rate Risk: The Trust's interim guidelines mitigates exposure to changes in interest rates by requiring that the assets of the Trust be invested in accordance with the following asset allocation guidelines:

Asset Class	Minimum	Maximum	Preferred
Equity securities	45%	70%	60%
Fixed income securities	25%	45%	35%
Cash equivalents	3%	10%	5%

Fixed income securities have the following maturity restrictions: 1) maximum maturity for any single security is 40 years and 2) the weighted average portfolio maturity may not exceed 25 years.

A summary of investments by type of investments and by segmented time distribution as of June 30, 2021 is as follows (dollar amounts in thousands):

		Investment maturities (in years)				
	Total	Less than 1	1 to 5	6 to 10	More than 10	NA
Mutual funds - fixed income securities	$ 3,294	$ -	$ -	$ -	$ -	$ 3,294
Investment subject to interest rate risk	3,294					
Mutual funds - equity	6,115					
Money market mutual funds	601					
Total Investments	$ 10,010					

(Continued)

NOTE 3 – INVESTMENTS (Continued)

Credit Risk**:** The Trust's interim credit risk policy is defined in the Retiree Health Benefit Trust's Statement of Investment Policy approved by the District's Board of Directors. The policy states that the Board recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Trust's objectives and that the Trust's investment managers are expected to make reasonable efforts to control risk. The investment policy requires that all of the Trust's assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Trust, with minimal impact on market prices. The investment policy also requires that no single investment shall exceed five percent of the total Trust assets, at fair value, except obligations of the U.S. Government, short-term money market mutual funds, index funds, and other diversified commingled accounts; and for actively managed equity accounts, where, for issues that comprise more than 4.0% of the account's stated benchmark, the limit shall be 125.0% of the weight of the common stock benchmark.

The following is a summary of the credit quality distribution for securities with credit exposure as rated by Standard & Poor's Financial Services and/or Moody's Investor Services as of June 30, 2021 (dollar amounts in thousands):

		Credit ratings						
	Total	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Not rated**
Money market mutual funds	$ 601	$ 601	$ -	$ -	$ -	$ -	$ -	$ -
Mutual funds - fixed income securities	3,294	-	-	-	-	-	-	3,294
Investments subject to credit risk	3,895	$ 601	$ -	$ -	$ -	$ -	$ -	$ 3,294
Mutual funds - equity	6,115							
Total Investments	$ 10,010							

Fair Value Hierarchy: The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The custodian bank relies on the pricing by nationally known vendors. In the event that a particular category is not priced by the primary pricing vendor, the custodian bank engages a secondary vendor or other sources.

The following is a summary of the fair value hierarchy of the fair value of investments of the Trust as of June 30, 2021 (dollar amounts in thousands):

	Fair Value Hierarchy		
	Total	**Level 1**	**Level 2**
Mutual funds - equity	$ 6,115	$ 6,115	$ -
Mutual funds - fixed income securities	3,294	3,294	-
Total investments at fair value	9,409	$ 9,409	$ -
Money market mutual funds	601		
Total Investments	$ 10,010		

In fiscal year 2021, all Investments are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

(Continued)

NOTE 3 – INVESTMENTS (Continued)

Concentration of Credit Risk: The Trust's interim investment policy mitigates exposure to concentration of credit risk by diversifying the portfolio and limiting investments in any one issuer to no more than 5.0% of the total portfolio. As of June 30, 2021, there were no investments in individual issuers that exceeded 5.0% of the Trust's total investments and 5.0% of the Trust's fiduciary net position.

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the Trust's deposits may not be returned. California Government Code Section 53652 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110.0% of the Trust's deposits. California law also allows financial institutions to secure governmental deposits by pledging first trust deed mortgage notes having a value of 150% of the Trust's total deposits. Such collateral is considered to be held in the Trust's name.

Custodial Credit Risk – Investments: For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Trust may not be able to recover the value of its investments. The exposure to the Trust is limited as the Trust's investments are in the custody of a third-party custodian that is separate from the counterparty.

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, is 18.9% The money-weighted rate of return expresses investment performance (net of investment expense) adjusted for the changing amounts invested monthly.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

The components of the net OPEB liability as of June 30, 2021 are presented below (dollar amounts in thousands):

Total OPEB liability (TOL)	$ 47,064
Fiduciary net position (FNP)	(10,451)
Net OPEB liability	$ 36,613
Plan fiduciary net position as a percentage of the total OPEB liability	22%

(Continued)

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The total OPEB liability as of June 30, 2021 was determined by actuarial valuations using the following actuarial assumptions:

Valuation Date	June 30, 2020
Actuarial cost method	Entry are normal cost
Actuarial assumptions:	
Discount rate	2.46% as June 30, 2021 based on crossover test
Long-term investment rate of return	6.0% at June 30, 2021
Municipal bond rate	2.16% as of June 30, 2021; Bond Buyer 20-Bond GO Index
General inflation	2.75% per annum
Mortality, disability, termination, retirement	CALPERS 1997-2015 Experience Study
Morality improvement	Mortality project fully generational with Scale MP-2020
Salary increases	Aggregate – 3.0% annually Merit- CalPERS 1997-2015 Experience Study
Crossover Test	Administrative expenses = 0.21% of assets Continued future participant contributions No future employer contributions Crossover in 2040
Medical Trend	Non-Medicare – 7.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) – 6.1% for 2022, decreasing to an ultimate rate of 4.0% for 2076 Medicare (Kaiser) – 5.0% for 2022, decreasing to an ultimate rate of 4.0% for 2076
PEMHCA Minimum Increases	4.25% annually
Participation	Current covered employees and retirees will continue paying premium for coverage. Future survivors will elect to be covered by District retiree healthcare benefits
Changes of Assumptions	Plan funding through a trust began in 2021 Discount rate increased from 2.21% Decreased medical trend rate for Kaiser Senior Advantage plans Mortality improvement scale was updated from Scale MP-2019

Discount Rate: The discount rate used to measure the total OPEB liability is 2.46% as of fiscal year 2021 based on the blending of the long-term expected return on assets of the plan and the municipal bond rate. Based on the assumptions listed above, the OPEB plan's fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees through 2040.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Long- Term Expected Rate of Return on Investments: The long-term expected rate of return on investments used is 6.0%, net of investment expenses for fiscal year 2021. The table below reflects the long-term expected real rate of return by asset class. The geometric return method was used to calculate the rate of return. The target allocation for the June 30, 2021 measurement date was as follows:

Asset class	Strategic Allocation	10 Year Return
U.S Equity	55.00%	6.00%
Fixed Income	38.00%	6.00%
Cash Equivalents	7.00%	6.00%
Total	100.00%	

Sensitivity of the Net OPEB Liability to Changes in Assumptions: The following presents the net OPEB liability of the Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 2.46%, and healthcare trend rate of 7% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1.0% point lower or 1.0% point higher than the current rate (dollar amounts in thousands):

Discount rate	1.0% decrease (1.46%)	Current rate (2.46%)	1.0% increase (3.46%)
Net OPEB liability	$ 47,874	$ 36,613	$ 28,170

Health care cost trend rate	1.0% decrease	Current rate	1.0% increase
Net OPEB liability	$ 27,110	$ 36,613	$ 49,650

The District's Survivor Benefit Plan Expense for Fiscal Year: For the fiscal year ended June 30, 2021, the District recognized OPEB income of $7,571,000.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability: The following table shows the changes in the net OPEB liability for the year ended June 30, 2021 (dollar amounts in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020*	$ 49,452	$ -	$ 49,452
Service cost	3,527	-	3,527
Interest	1,168	-	1,168
Changes of benefit terms	142	-	142
Difference between expected and actual experience	(2,797)	-	(2,797)
Change of assumptions	(4,132)	-	(4,132)
Contributions from the employee	-	9,456	(9,456)
Net investment income	-	1,309	(1,309)
Benefit payments, including refunds	(296)	(296)	-
Administrative expense	-	(18)	18
Net change	(2,388)	10,451	(12,839)
Balance at June 30, 2021**	$ 47,064	$ 10,451	$ 36,613

* Previous measurement date June 30, 2020
** Measurement date June 30, 2021

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Schedule of Changes in Net OPEB Liability and Related Ratios (Last 10 years *)

The following tables show the changes in net OPEB liability and related ratios for measurement period ending June 30 (dollar amounts in thousands):

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 3,527	$ 2,011	$ 1,901	$ 2,071	$ 2,559
Interest	1,168	1,260	1,428	1,588	1,396
Changes of benefit terms *	142	-	22	-	-
Difference between expected and actual experience	(2,797)	(971)	(5,946)	(1,017)	-
Change of assumptions**	(4,132)	13,366	1,935	(9,676)	(7,743)
Benefit payments, including refunds	(296)	(434)	(213)	(329)	(346)
Net change in total OPEB liability	(2,388)	15,232	(873)	(7,363)	(4,134)
Total OPEB liability - beginning	49,452	34,220	35,093	42,456	46,590
Total OPEB liability- ending	$ 47,064	$ 49,452	$ 34,220	$ 35,093	$ 42,456
Fiduciary net position					
Contributions from participants	$ 9,456	$ 434	$ 213	$ 329	$ 346
Net investment income	1,309	-	-	-	-
Benefit payments, including refunds	(296)	(434)	(213)	(329)	(346)
Administrative expense	(18)	-	-	-	-
Net change in total fiduciary net position	10,451	-	-	-	-
Total fiduciary net position - beginning	-	-	-	-	-
Total fiduciary net position - ending	$ 10,451	$ -	$ -	$ -	$ -
Net OPEB liability	$ 36,613	$ 49,452	$ 34,220	$ 35,093	$ 42,456
Plan fiduciary net position as a percentage of the total OPEB liability	22.21%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 504,541	$ 508,509	$ 463,124	$ 418,573	$ 372,887
Net OPEB liability as a percentage of covered-employee payroll	7.26%	9.72%	7.39%	8.38%	11.39%

* Changes of benefit terms
- 2021- $37/month retiree contributions reimbursed by Plan to survivors extended to 2024
- 2019- the additional $44 monthly BPOA & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)

** Changes of Assumptions
- 2017- Discount rate changed from 2.85% in 2016 to 3.58% in 2017
- 2018- Discount rate changed from 3.58% in 2017 to 3.87% in 2018
  - General Inflation changed from 3.0% in 2017 to 2.75% in 2018
- 2019- Demographic assumptions were updated to CalPERS 1997-2015 experience Study
- 2020- Discount rate was udpated based on municipal bond rate as of measurement date
  - Mortality improvement scale was updated to Scale MP-2019
- 2021- Plan funding through a trust began
  - Discount rate based on crossover test
  - Decreased medical trend rate for Kaiser Senior Advantage plans
  - Mortality improvement scale was updated to Scale MP-2020

This schedule is intended to show information for the past ten years. Additional years will be presented as they become available.

Schedule of Employer Contributions (Last 10 years *)

The following tables show the employer contributions for the fiscal years ending June 30 (dollar amounts in thousands):

	2021	2020	2019	2018	2017
Actuarially determined contribution (ADC)	$ 1,277	$ 3,019	$ 2,911	$ 2,672	$ 3,138
Contribution in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency / (excess)	$ 1,277	$ 3,019	$ 2,911	$ 2,672	$ 3,138
Covered-employee payroll **	$ 504,541	$ 508,509	$ 463,124	$ 418,573	$ 372,887
Contribution as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

* This schedule is intended to show information for the past ten years. Additional years will be presented as they become available.
** Based on actual payroll.

Notes to Schedule of Employer Contributions

Methods and assumptions for actuarially determined contribution for the 2020/2021 fiscal year follows:

Valuation date	June 30, 2020
Actuary	Bartel Associates LLC
Actuarial cost method	Entry age, level percentage of payroll
Amortization method	Level percent of payroll
Amortization period	20-year fixed period for 2020/21
Asset valuation method	Fair value of assets
Discount rate	6.50%
General inflation	2.75%
Medical trend	Non- Medicare - 7% for 2022, decreasing to an ultimate rate rate of 4% in 2076 Medicare (non- Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2020

Schedule of Investment Returns

Year *	Annual money-weighted rate of return, net of investment expense
2021	18.1%
2020	0.0%
2019	0.0%
2018	0.0%
2017	0.0%

* Historical information is required only for measurement periods for which GASB Statement No. 74 is applicable.

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