Rye Neck Union Free School District
Other Post-Employment Benefits

GASB 75 DISCLOSURE
Fiscal Year: July 1, 2023 to June 30, 2024



Issued July 10, 2024

Table of Contents

Certification	1
Overview of GASB 75	3
Glossary	4
Executive Summary	5
Total OPEB Liability	6
Changes in Total OPEB Liability	7
Schedule of Changes in Total OPEB Liability and Related Ratios	8
OPEB Expense	9
Schedule of Deferred Inflows and Outflows of Resources	10
Summary Chart	11

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

Actuarial computations presented in this report under Statement No. 75 of the Governmental Accounting Standards Board are for purposes of assisting the District in fulfilling its financial accounting requirements. This report is for fiscal year July 1, 2023 to June 30, 2024. The reporting date for determining plan assets and obligations is June 30, 2024. 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.

In preparing this report, we relied, without audit, on information as of July 1, 2022 and June 30, 2024 furnished by the District. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please see Questar's valuation report dated February 24, 2023 for more information on the plan participants as of July 1, 2022 as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions.

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.

Actuarial assumptions, including mortality tables, and others identified in this report, are adopted by the District. In compliance with GASB 75, the discount rate reflects an index rate for 20-year, tax-exempt general obligation municipal bonds with average rating of AA or higher and the individual entry age actuarial cost method is used. All costs, liabilities, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation 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; 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 future measurements.

The valuation results were developed using models employing standard actuarial techniques. The intent of the models was to estimate retiree claim costs and trend used in this analysis. 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 (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

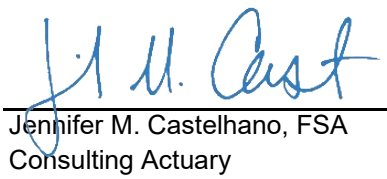
Milliman's work is prepared solely for the internal use and benefit of the Rye Neck Union Free School District. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. 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 District; 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 consultant who worked on this assignment is an actuary. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and has been prepared in accordance with generally recognized 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. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. 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.



Jennifer M. Castelhano, FSA
Consulting Actuary

Overview of GASB 75

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Glossary

Deferred Inflows/Outflows of Resources

Portion of changes in net OPEB liability that is not immediately recognized in 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:

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 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 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 OPEB Liability

Total OPEB Liability minus the Plan's Fiduciary Net Position (unfunded accrued liability).

Projected Benefit Payments

All benefits estimated to be payable through the 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 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.

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Executive Summary

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is July 1, 2022. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2024. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2024. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation and measurement dates.

Participant Data as of July 1, 2022

Actives	240
Retirees	116
Spouses of Retirees	55
Beneficiaries	7
Total	418

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Total OPEB Liability

Fiscal Year Ending	June 30, 2023	June 30, 2024
Total OPEB liability	$80,068,631	$80,730,645
Covered payroll	21,903,312	21,903,312
Total OPEB liability as a % of covered payroll	365.55%	368.58%

The total OPEB 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. Any significant changes during this period have been reflected as prescribed by GASB 75.

Discount Rate

Discount rate	3.65%	3.93%
20 Year Tax-Exempt Municipal Bond Yield	3.65%	3.93%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

Valuation date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2023	June 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Salary increases including inflation	2.40%	2.40%

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2023	$80,068,631
Changes for the year:	
Service cost	3,372,297
Interest on total OPEB liability	3,009,290
Effect of plan changes	0
Effect of demographic gains or losses	0
Effect of assumptions changes or inputs	(3,712,339)
Benefit payments	(2,007,234)
Balance as of June 30, 2024	80,730,645

Sensitivity Analysis

The following presents the total OPEB liability of the District, calculated using the discount rate of 3.93%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$95,184,502	$80,730,645	$69,242,070

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District'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	Trend Rate	1% Increase
Total OPEB liability	$66,227,890	$80,730,645	$99,849,703

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Schedule of Changes in Total OPEB Liability and Related Ratios

Fiscal Year Ending June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	$3,372,297	$2,880,538	$4,091,701	$3,608,668	$2,870,569	$3,304,823	$2,511,763	N/A	N/A	N/A
Interest on total OPEB liability	3,009,290	2,550,629	1,905,634	1,786,864	2,239,477	1,966,441	1,853,282	N/A	N/A	N/A
Effect of plan changes	0	0	0	0	0	852,857	0	N/A	N/A	N/A
Effect of demographic gains or losses	0	476,550	0	(4,767,965)	0	2,224,593	334,185	N/A	N/A	N/A
Effect of assumption changes or inputs	(3,712,339)	5,914,464	(19,188,067)	7,919,896	12,667,227	(7,825,979)	0	N/A	N/A	N/A
Benefit payments	(2,007,234)	(1,833,368)	(1,713,908)	(1,606,998)	(1,681,084)	(1,624,306)	(1,814,896)	N/A	N/A	N/A
Net change in total OPEB liability	662,014	9,988,813	(14,904,640)	6,940,465	16,096,189	(1,101,571)	2,884,334	N/A	N/A	N/A
Total OPEB liability, beginning	80,068,631	70,079,818	84,984,458	78,043,993	61,947,804	63,049,375	60,165,041	N/A	N/A	N/A
Total OPEB liability, ending	80,730,645	80,068,631	70,079,818	84,984,458	78,043,993	61,947,804	63,049,375	N/A	N/A	N/A
Covered payroll	21,903,312	21,903,312	21,126,727	21,126,727	20,094,681	20,094,681	18,384,278	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	368.58%	365.55%	331.71%	402.26%	388.38%	308.28%	342.95%	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.

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

OPEB Expense

Fiscal Year	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024
Service cost	$2,880,538	$3,372,297
Interest on total OPEB liability	2,550,629	3,009,290
Effect of plan changes	0	0
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of demographic gains or losses	(172,860)	(172,860)
Recognition of assumption changes or inputs	(40,799)	(510,715)
OPEB Expense	5,217,508	5,698,012

As of June 30, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	($2,648,869)	$1,075,712
Changes of assumptions	(17,796,806)	13,486,164
Total	(20,445,675)	14,561,876

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	($683,575)
2026	(707,446)
2027	(718,668)
2028	(1,688,376)
2029	(1,688,371)
Thereafter*	(397,363)

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

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Estab.	Original Rec. Period*	Amount Recognized in Expense for FYE 06/30/2024	Balance of Deferred Inflows 06/30/2024	Balance of Deferred Outflows 06/30/2024
Demographic gains or losses	$0	6/30/2024	0.0	$0	$0	$0
	476,550	6/30/2023	8.6	55,413	0	365,724
	0	6/30/2022	0.0	0	0	0
	(4,767,965)	6/30/2021	9.0	(529,774)	(2,648,869)	0
	0	6/30/2020	0.0	0	0	0
	2,224,593	6/30/2019	8.5	261,717	0	654,291
	334,185	6/30/2018	8.4	39,784	0	55,697
		Total		(172,860)	(2,648,869)	1,075,712
Assumption changes or inputs	(3,712,339)	6/30/2024	7.9	(469,916)	(3,242,423)	0
	5,914,464	6/30/2023	8.6	687,728	0	4,539,008
	(19,188,067)	6/30/2022	8.3	(2,311,815)	(12,252,622)	0
	7,919,896	6/30/2021	9.0	879,988	0	4,399,944
	12,667,227	6/30/2020	7.8	1,624,003	0	4,547,212
	(7,825,979)	6/30/2019	8.5	(920,703)	(2,301,761)	0
	0	6/30/2018	0.0	0	0	0
		Total		(510,715)	(17,796,806)	13,486,164
Total deferred (inflows)/outflows					(20,445,675)	14,561,876
Total net deferrals					(5,883,799)	

* Economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Summary Chart

	Total OPEB Liability	Deferred Inflows	Deferred Outflows	Net Deferrals	Total OPEB Liability plus Net Deferrals	Annual Expense
Balances as of June 30, 2023	($80,068,631)	($20,965,544)	$18,110,509	($2,855,035)	($82,923,666)	
Service cost	(3,372,297)					$3,372,297
Interest on total OPEB liability	(3,009,290)					3,009,290
Effect of plan changes	0					0
Effect of liability gains or losses	0			0		
Effect of assumption changes or inputs	3,712,339	(3,712,339)		(3,712,339)		
Benefit payments	2,007,234				2,007,234	
Recognition of liability gains or losses		529,774	(356,914)	172,860		(172,860)
Recognition of assumption changes or inputs		3,702,434	(3,191,719)	510,715		(510,715)
Annual expense					(5,698,012)	5,698,012
Balances as of June 30, 2024	(80,730,645)	(20,445,675)	14,561,876	(5,883,799)	(86,614,444)	

This work product was prepared solely for the District for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.