



SALT LAKE COUNTY OPEB TRUST

Annual Report for Year-Ended December 31, 2019



Table of Contents

Annual Report.....	3
Exhibit 1: Declaration of Trust.....	10
Exhibit 2: Nyhart Actuarial Valuation.....	29
Exhibit 3: Revenue and Expense on a Management Basis.....	68
Exhibit 4: Official Audited Financial Statements.....	69
Exhibit 5: Moreton Investment Statement.....	71

Salt Lake County OPEB Trust
Annual Report
December 31, 2019

This is the Annual Report by the Trustees of the Salt Lake County OPEB Trust (“Trust”) for the period ending December 31, 2019. The Annual Report highlights the administration of the Trust and provides unaudited financial disclosures.

I. Trustees

The following served as Trustees during 2019:

Darrin Casper, Deputy Mayor- Finance and Administration/CFO, Salt Lake County
K. Wayne Cushing, Salt Lake County Treasurer
David Delquadro, Council Fiscal Manager, Salt Lake County
Lori Okino, Mayor’s Office Appointee, Salt Lake County

Collectively (the “Board”)

II. Background

A. Salt Lake County Irrevocable Trust

On April 21, 2015, the Salt Lake County Council adopted a resolution authorizing the creation of an irrevocable Trust for the purpose of funding OPEB liabilities, in line with its intent set during the budget deliberations.

On September 22, 2015, the County Council created the irrevocable Trust. The Trust is attached as Exhibit 1.

The Trust was funded with an initial deposit of \$3.8 million, with funds previously collected and set aside for this purpose. Additional contributions have been funded in each subsequent year.

B. Other Post-Employment Benefits (OPEB) Overview

Salt Lake County (the “County”) offers many employee benefits designed to attract and retain quality employees. Some of these are deferred benefits, such as the state of Utah Retirement System pension plan benefits.

In addition to pension plan benefits, Salt Lake County government offers certain “other post-employment benefits” including life insurance and health insurance benefits to eligible employees who retire from the County and qualify to retire from the systems. These benefits are generically called OPEB-type benefits.

In 2015, accounting regulations required governments to quantify the liability the benefits create to the government entities. The requirements are dictated by the Governmental Accounting Standards Board (“GASB”) statements 74 and 75. In short, GASB implemented a requirement to increase the transparency in reporting of the liability, facilitate consistency with the current reporting requirements for pensions, and provide more useful information about the liability and costs of benefits.

The implementation of the GASB requirements was effective in 2017 for the County. A quantitative analysis and calculation is required to be performed by an actuarial firm every two years. Generally, the most pertinent statistics include the estimated total liability to the County called Total OPEB Liability (“TOL”), Plan Fiduciary Net Position, Deferred Outflows and Inflows of Resources, OPEB Expense, and the Actuarially Determined Contribution (“ADC”). The ADC is the projected annual payment needed to fund the plan benefits over time.

The statistics are used by financial customers of the government, as well as by its policy makers. The OPEB statistics are routinely reviewed by ratings agencies when assigning a credit rating to a government in the event debt is issued. Policy makers use the statistics to understand future possible financial risks or liabilities and to make decisions regarding the nature and form of employee benefits.

On December 31, 2012, the County discontinued OPEB benefits for future employees. Anyone hired after January 1, 2013, would not be eligible for OPEB benefits. The irrevocable Trust finances the OPEB liability for employees hired prior to 2013.

C. Salt Lake County OPEB

Employees hired prior to January 1, 2013 are eligible for lifetime retiree health benefits once they meet the Utah Retirement Systems Public Employees and Public Safety Retirement Systems eligibility requirements for pension benefits. These benefits include the following:

- (Pre 65) Retiree medical insurance at 102% or 140% of employee premiums until Medicare eligible (County contribution based on years of service)
- \$1,000 life insurance policy
- Post 65 Medicare Supplement

To the extent permitted by law, these benefits are subject to change by the County.

III. County OPEB Financial Obligations

For 2019, the County contracted with an actuarial firm, Nyhart, to prepare the OPEB statistics required by GASB. The final report was issued on June 11, 2020. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

Nyhart's full report is attached as Exhibit 2. The main statistics developed by Nyhart are published in the 2019 CAFR and summarized below:

- Actuarially Determined Contribution (ADC) \$7.26M
- Total OPEB Expense \$5.92M

- **Total OPEB Liability (TOL) 2019**

TOL at December 31, 2018	\$106.3 M
Service Cost	2.6 M
Interest	5.4 M
Difference between expected and actual experience	(7.0 M)
Changes in assumptions or other inputs	4.0 M
Benefit payments	(3.5 M)
Net Changes	<u>1.5 M</u>
TOL at December 31, 2019	<u>\$107.8 M</u>

- **Plan Fiduciary Net Position 2019**

Plan Fiduciary Net Position at December 31, 2018	\$ 6.5 M
Employer Contributions	6.0 M
Benefit Payments	(3.5 M)
Net investment income	0.8 M
Trust administrative expenses	(0.3 M)
Net Changes	<u>3.0 M</u>
Plan Fiduciary Net Position at December 31, 2019	<u>\$ 9.5 M</u>

- Net OPEB Liability (Total OPEB Liability with Plan Fiduciary Net Position) in the year ending December 31, 2019, dropped \$1.5M; from \$99.8M to \$98.3M.

Although GASB requires disclosure of the above statistics, it does not require a solution. As such, Salt Lake County along with many government entities, previously made the decision to pay for the liabilities as they come due. Typically, this underfunds the liability at least when compared to the ADC. For the County, the contributions made were \$5.96 million in 2019 (which exceeded the pay-as-you-go amount of \$3.70 million) compared with the ADC of \$7.26 million. The goal of the board of trustees of the fund is to continue increasing contributions to the irrevocable trust year over year until such time when the total annual contributions to OPEB equal the ADC.

IV. Summary of Current Year Administration

A. Investment Strategy

The investment returns realized by the Trust fund assets play a major role in determining the amount of contributions necessary to finance future expenditures. Higher realized investment return rates will reduce the amount of the Actuarial Determined Contributions – and vice versa. Historically, in order to achieve higher rates of returns, pension funds adopted diversified investment strategies that include equity investments. The Trustees intend to follow a similar approach, which includes using a private investment firm for portfolio management and recordkeeping.

Salt Lake County Treasurer K. Wayne Cushing analyzed multiple management firms and ultimately recommended contracting with Moreton Asset Management to manage the funds of the Trust. The Trustees approved the selection and agreed that the Treasurer would communicate the Board's strategy to Moreton and control the Trust's investments (timing and size) on behalf of the Board. On July 5, 2017, the Trustees approved an investment strategy that includes equity investments as permitted by the Utah Money Management Act, Utah Code Ann. § 51-7-12.2. The portfolio objective was to reach a balance of 50% investment in equities. This objective was met as of September 30th, 2019. For future years, the board increased the portion of the portfolio that may be invested in equities, inclusive of both common and preferred stocks, from 50% up to 75%.

B. Management of Assets

Salt Lake County Mayor's Finance has established a fiduciary trust fund under the supervision of the Board called the OPEB Trust Fund 995. The financial assets, liabilities, contributions, distributions, and net position of the Trust's financial assets are recorded in this fund.

The OPEB Trust Fund 995 consists primarily of two accounts controlled by the Salt Lake County Treasurer; one cash account held in the Public Treasurer's Investment Fund (PTIF), and one account held with Moreton Asset Management (investment account).

The balance in the PTIF is used to handle the day to day operations of the OPEB revenues and expenditures which are managed through Salt Lake County Mayor's Finance and follow county policy and protocol for disbursement. The second account holds the majority of the fund's assets and is intended to be invested to facilitate growth following the strategy outlined above. Additionally, the Board of Trustees has authorized a strategy to review the net effect of revenues and expenditures to the PTIF account each year, and if a surplus develops beyond an agreed minimum reserve of \$250,000, the excess will be transferred to the investment account. In the event a deficit occurs reducing the PTIF below the minimum reserve, the Board will make an adjustment recommendation to the County Mayor and Council to correct the structural budget deficit. In general, that correction will necessitate increasing revenues (contributions) from county organizations.

Contributions (revenues) to the OPEB Trust Fund 995 are made up of collections of health insurance premiums from eligible retirees and receipts of an OPEB charge made to applicable County organizations. Distributions, or expenses of the fund are paid when incurred and invoiced to the County and consist only of costs related to providing the benefits to employees. During the annual county budget process, estimates for both revenues and expenditures are made, and appropriations are requested.

V. Current Year Audited Financial Results

The revenues and expenditures on a management basis of the Trust are reported in Exhibit 3. The official financial statement for the Trust is included in Exhibit 4.

The market value of the investment account as of 12/31/2019 invested by the Treasurer with Moreton Asset Management, was \$7,344,068. The Board will continue to review the assets of the Trust and make recommendations in line with its long-term goal of asset accumulation. See Exhibit 5 for a complete breakdown of current investments and the market value of the Trust's investments as of 12/31/2019.

In 2019, additions to the trust exceeded deductions by \$3,029,087. For the official financial statements, any payments made by plan participants are excluded from contributions and payments. Retiree contributions collected by the trust for 2019 were \$918,063.

During its May 2020 meeting, the Board recommended the transfer of \$623,178 to the Treasurer for investment in the investment account. This contribution represented a contribution from the Greater Salt Lake Municipal Services District (MSD) for OPEB benefits associated with the planning and development employees transferred to the MSD from the County in 2019.

During its Aug 2020 meeting, the Board approved a transfer to Moreton of \$1,800,000 because of the 2019 operations of the fund. This contribution represents an increase from the contribution of \$1,300,000 made in 2019 because of the 2018 operations of the fund. Accordingly, and in line with the board of trustees' goals for the fund, a recommendation was made to the County policy makers- Mayor and Council, to increase the OPEB charge to County organizations during the June budget re-opening in 2019.

The policy makers agreed with this recommendation and on June 18, 2019, the County Council appropriated increased 2019 revenues to the fund in the amount of \$485,736 per year. This increase along with an overall positive year for claims resulted in the increased transfer. In response to the COVID-19 pandemic, the policymakers in the June 2020 budget discussion agreed to decrease the OPEB contribution by \$970,776.

The expenses of the Trust are those paid to the investment advisor in the form of commissions and the expenditures identified in the OPEB Fund 995 summary. The Trustees are Salt Lake County employees and receive no compensation from the Trust. Salt Lake County overhead costs, apart from Trustee time, are charged to fund 995 using the same allocation method used for all County funds. Overhead costs for 2019 totaled \$84,341.

VI. Summary

In November 2014, Salt Lake County took the first step in moving away from a purely pay-as-you-go method of paying for OPEB expenditures. Its goal is to begin reducing the unfunded liability associated with the benefits. To this end, a specific irrevocable OPEB trust fund and related investment account has been established by the County for the purpose of accumulating cash to fund the liability.

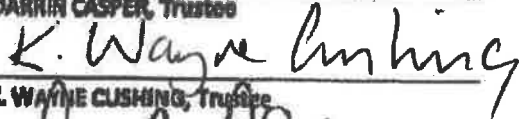
As previously mentioned, the irrevocable trust was established with an initial contribution of \$3.8 million. The first five years of operation resulted in additional contributions from Salt Lake County to the Trust in excess of \$5.0 million.

The Board, which generally meets quarterly, will continue to monitor the operations and finances of the fund, with the goal of capital accumulation in the Trust and the reduction of the Unfunded Actuarial Accrued Liability for OPEB.

Dated this 27th day of October, 2020



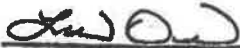
DARRIN CASPER, Trustee



K. WAYNE CUSHING, Trustee



DAVID DELQUADRO, Trustee



LORI OKINO, Trustee

DECLARATION OF TRUST
FOR THE SALT LAKE COUNTY OPEB TRUST

DATED SEPTEMBER 22, 2015

**DECLARATION OF TRUST
FOR THE SALT LAKE COUNTY OPEB TRUST**

This **Declaration of Trust for the Salt Lake County OPEB Trust** (the “Trust”), **effective date**, September 22, 2015, is entered into by and between SALT LAKE COUNTY, as the **Settlor** and DARRIN CASPER, K. WAYNE CUSHING, DAVID DELQUADRO and SARAH BRENNAs as **Trustees**.

RECITALS

A. Pursuant to Salt Lake County Council Resolution, dated April 21, 2015, the Salt Lake County Council authorized the creation of an irrevocable trust for the purpose of funding future liabilities of the Settlor arising from OPEB Obligations, as the term is defined below in Article I.

B. It is the Settlor’s intent that the Trust be exempt from federal income tax pursuant to 26 U.S.C. § 115 or the Doctrine of Intergovernmental Tax Immunity. In this regard, the Trust is an integral instrumentality of the Settlor and performs an essential governmental purpose. To the extent relevant to the above intentions, the Trust is a “Grantor Trust” under 26 U.S.C. § 671.

C. It is the Settlor’s intent that the Trust qualify as an irrevocable trust for purposes of GASB Statements 43 and 45 and applicable successor Statements that may be enacted.

Now therefore, the parties do hereby establish this Trust and agree that the Trust be comprised, held, and disposed of as follows:

AGREEMENT

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. The following definitions apply:

(a) Available Trust Property. The term “Available Trust Property” means property of the Trust after allowances for all debts, expenses, and taxes.

(b) Board of Trustees. The term “Board of Trustees” refers to the Trustees appointed pursuant to Article IV.

(c) Chief Financial Officer. The term “Chief Financial Officer” means the individual appointed to that position by the Salt Lake County Mayor.

(d) Council Fiscal Manager. The term “Council Fiscal Manager” means the individual appointed to that position by the Salt Lake County Council.

(e) Director of Administrative Services. The term “Director of Administrative Services” means the individual appointed by the Salt Lake County Mayor to be the Director of the Administrative Services Division Salt Lake County.

(f) GASB Statements. The term “GASB Statements” refers to Statements issued by the Governmental Accounting Standards Board.

(g) OPEB. The term “OPEB(s)” means “other post-employment benefits, other than pension benefits” as the term is used in GASB Statements, and which are provided to retired employees of the Settlor and contained in the Settlor’s written policies, which may be amended from time to time as allowed by law.

(h) OPEB Beneficiary. The term “OPEB Beneficiary(ies)” refers to a retired employee of the Settlor and the employee’s spouse and dependents who are entitled to receive an OPEB.

(i) OPEB Obligations. The term “OPEB Obligation” means the Settlor’s financial obligation to cover the cost for OPEBs and it includes direct and indirect administrative costs of the Settlor in administering the OPEBs.

(j) Salt Lake County Treasurer. The term “Salt Lake County Treasurer” means the individual holding the elected office of Treasurer for Salt Lake County as provided in Title 17, Chapter 24 of the Utah Code.

(k) Section 51-7-12.2. The term “Section 51-7-12.2” refers to Utah Code § 51-7-12.2, effective as of January 1, 2015, and amendments thereto unless the Settlor specifies otherwise.

(l) Settlor. The term “Settlor” refers to Salt Lake County.

ARTICLE II
TRANSFER IN TRUST

Section 2.1 General. The property held by the Trust and any property subsequently transferred shall be administered upon the terms, conditions, and purposes set forth herein.

Section 2.2 Property. The property of the Trust consists of the amounts appropriated by the Salt Lake County Council as reflected by Schedule A and such future amounts appropriated by the Salt Lake County Council at its discretion, including the income earned thereon. The Trust should not be construed to require the Settlor to make any other contribution.

Section 2.3 Segregation of Property. Trust property must be segregated from other property of the Settlor.

Section 2.4 Irrevocable. Except as provided in Article V, this Trust and transfers of property to this Trust are irrevocable and no creditor of the Settlor, Trustees, or OPEB Beneficiary has recourse to the Trust and its property.

Section 2.5 No pledge. The full faith and credit and taxing power of the Settlor are not pledged for the OPEB Obligations or distributions from this Trust.

ARTICLE III
PURPOSE

Section 3.1 Purpose. The purpose of this Trust is to provide funding for the Settlor's OPEB Obligations subject to Available Trust Property. This Trust may not be interpreted to vest or create a right to an OPEB beyond or different than those rights vested or created pursuant to law independent of the terms of this Trust. OPEB Beneficiaries have no claim to Trust property, except for payment of OPEB Obligations as provided herein. Participation in the Trust and continuation of the Settlor's policies that provide an OPEB are not assumed as a contractual obligation of the Settlor and the Settlor retains the right to amend or repeal an OPEB as allowed by law.

Section 3.2 Distributions. The Board of Trustees shall distribute any portion of the income or invade the principal from Available Trust Property necessary to satisfy the balance of current OPEB Obligations after consideration of all other funding provided by

the Settlor, OPEB beneficiaries, and investment returns. The Board of Trustees can use Available Trust Property to reimburse the Settlor for payments of current OPEB Obligations on the Trust's behalf.

ARTICLE IV
BOARD OF TRUSTEES

Section 4.1 Composition. The initial Board of Trustees consists of four Trustees: the Salt Lake County Treasurer, the Chief Financial Officer, the Council Fiscal Manager, and the Director of Administrative Services. The Settlor retains the right to alter the composition of the Trustees, remove Trustees, and add Trustees.

Section 4.2 Replacement Trustees.

(a) A Trustee is removed from his appointment effective upon the date the Trustee no longer serves in the office or position stated in Section 4.1.

(b) Upon removal, a Trustee shall deliver all Trust property and records in his possession to his successor Trustee or, in the absence of a successor Trustee, the Board of Trustees, and make available to his successor and the Board of Trustees a complete inventory of the Trust property.

(c) Replacement Trustees serve upon appointment to their respective office or position.

(d) If a Trustee resigns or fails to accept the appointment, the Settlor shall appoint a replacement Trustee.

Section 4.3 Meetings, Quorums and Voting. All actions of the Trust must be made by a majority vote of the Board of Trustees where a quorum is present. A quorum consists of a majority of the members of the Board of Trustees. [For example, under the initial composition of the Board of Trustees reflected in Section 4.1, three Trustees must be present for a quorum to exist, but all three Trustees present must vote in favor of the action to satisfy the majority vote requirement]. If serving as a Trustee, the Chief Financial Officer shall serve as chairman of the Board of Trustees and call all meetings necessary to conduct the business of the Trust; otherwise, the Board of Trustees shall elect a chairman to perform such duties. The Board of Trustees may establish policies to conduct meetings by electronic conference or proxy and, in lieu of a meeting, by written consent.

Section 4.4 Duties and Powers of the Board of Trustees.

(a) Unless otherwise restricted by this Declaration, Section 57-1-12.2, or other applicable law, the Board of Trustees has all powers authorized by Utah Code Ann. § 75-7-813 and the following specific powers to:

(i) collect Trust property and accept to the Trust property from the Settlor or any other person;

(ii) acquire or sell property, for cash or on credit, at public or private sale;

(iii) exchange, partition, or otherwise change the character of Trust property;

(iv) deposit Trust money in an account in a regulated financial service institution;

(v) borrow money, with or without security from any financial institution;

(vi) with respect to an interest in a proprietorship, partnership, limited liability company, business trust, corporation, or other form of business or enterprise, continue the business or other enterprise and take any action that may be taken by shareholders, members, or property owners, including merging, dissolving, or otherwise changing the form of business organization or contributing additional capital;

(vii) with respect to stocks or other securities, exercise the rights of an absolute owner, including the right to:

(1) vote, or give proxies to vote, with or without power of substitution, or enter into or continue a voting trust agreement;

(2) hold a security in the name of a nominee or in other form without disclosure of the Trust so that title may pass by delivery;

(3) pay calls, assessments, and other sums chargeable or accruing against the securities, and sell or exercise stock subscription or conversion rights; and

(4) deposit the securities with a depository or other regulated financial service institution;

(viii) grant an option involving a sale, lease, or other disposition of Trust property or acquire an option for the acquisition of property, including an option exercisable beyond the duration of the Trust, and exercise an option so acquired;

(ix) insure the property of the Trust against damage or loss and insure the Board of Trustees, its agents, and beneficiaries against liability arising from the administration of the Trust;

(x) abandon or decline to administer property of no value or of insufficient value to justify its collection or continued administration;

(xi) pay or contest any claim, settle a claim by or against the Trust, and release, in whole or in part, a claim belonging to the Trust;

(xii) pay taxes, assessments, compensation of the agents of the Trust, and other expenses incurred in the administration of the Trust;

(xiii) exercise elections with respect to federal, state, and local taxes;

(xiv) appoint a Trustee to act in another jurisdiction with respect to Trust property located in the other jurisdiction, confer upon the appointed Trustee all of the powers and duties of the appointing Trustee, require that the appointed Trustee furnish security, and remove any Trustee so appointed;

(xv) resolve a dispute concerning the interpretation of the Trust or its administration by mediation, arbitration, or other procedure for alternative dispute resolution;

(xvi) prosecute or defend an action, claim, or judicial proceeding in any jurisdiction to protect Trust property and a Trustee in the performance of a Trustee's duties;

(xvii) sign and deliver contracts and other instruments that are useful to achieve or facilitate the exercise of the Board of Trustee's powers; and

(xviii) on termination of the Trust, exercise the powers appropriate to finalize the administration of the Trust and distribute the Trust property to the persons or entities entitled to it; and

(xix) the Board of Trustees may delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances.

(1) The Board of Trustees shall exercise reasonable care, skill, and caution in:

(A) selecting the agent;

(B) establishing the scope and terms of the delegation consistent with the purposes of the Trust; and

(C) periodically reviewing the agent's actions to monitor the agent's performance and compliance with the terms of the delegation.

(2) This authority to delegate includes the delegation to employees of the Settlor to manage, collect, and make payments for OPEB Obligations on behalf of the Board of Trustees.

(b) The Board of Trustees has the following duties to:

(i) administer the Trust in accordance with its purpose stated in Article III;

(ii) only incur costs that are reasonable in relation to the Trust property, purposes of the Trust, and skills of the Trustees;

(iii) maintain adequate records of the administration of the Trust;

(iv) separate Trust property from property of Trustees or the Settlor;

(v) take reasonable steps to take control and protect Trust property;

(vi) take reasonable steps to enforce and defend claims against the Trust;

Declaration of Trust for the Salt Lake County OPEB Trust

Page 7 of 12

(vii) take reasonable steps to ensure the duties delegated in Section 4.5 to individual Trustees are performed and, if such duties are not performed, fulfill such duties;

(viii) commission and obtain actuarial studies of the Settlor's OPEB Obligations if requested by the Settlor;

(ix) establish the amount of contributions to the Trust necessary to fund the Settlor's OPEB Obligations and the administrative expenses of the Trust if requested by the Settlor;

(x) take all steps necessary to ensure the tax exempt status of the Trust;

(xi) approve and hire all Trust professional asset managers, advisors, consultants, and custodians; and

(xii) develop and approve an investment plan with the primary goal of providing for the stability, income, and growth of the principal, but such plan is subject to the investment restraints of Section 51-7-12.2

Section 4.5 Individual Duties of the Trustees. Unless modified by the Board of Trustees, the individual Trustees have the following independent duties and powers:

(a) the Salt Lake County Treasurer:

(i) shall serve as custodian of Trust property and invest Trust property in accordance with the investment plan approved by the Board of Trustees compliant with Section 51-7-12.2 and Section 4.9.

(ii) may deduct any administrative costs incurred in managing the property of the Trust prior to distribution;

(iii) may select and recommend to the Board of Trustees professional asset managers or advisors to assist in the investment of Trust property; and

(vi) distribute property for the purposes stated in Article III.

(b) the Chief Financial Officer shall:

(i) prepare annual accountings of the Trust and reports of administration for approval by the Board of Trustees and present approved accountings and reports to the Salt Lake County Council; and

(ii) prepare quarterly accountings of the Trust for the Board of Trustees.

Section 4.6 Accounting and Notice to OPEB Beneficiaries. The Board of Trustees is not required to provide an accounting, report, or notice of its activities to OPEB Beneficiaries.

Section 4.7 Compensation of the Board of Trustees or advisors to the Trust. The Board of Trustees and advisors who are employed by the Settlor are not entitled to compensation for their services to the Trust, but may receive payment for expenses in accordance with the Settlor's Countywide Policies. All other advisors may receive reasonable compensation for their services. All costs and compensation must be paid first from income of the Trust.

Section 4.8 Trustee Bonds. No Trustee, wherever acting, is required to give bond or surety.

Section 4.9 Investment Standards.

(a) The Board of Trustees or individual Trustees as the case may be shall invest and manage the Trust property compliant with Section 51-7-12.2 and as a prudent investor would by:

(i) considering the purpose, terms, distribution requirements, and other circumstances of the Trust; and

(ii) using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

(b) No specific investment outcome is required.

(c) In determining whether a Trustee has met the standard of care of a prudent investor, the judge or finder of fact shall:

(i) consider the Trustee's actions in light of the facts and circumstances existing at the time of the investment decision or action, and not by hindsight; and

(ii) evaluate the Trustee's investment and management decisions respecting individual assets (1) not in isolation, but in the context of the Trust's portfolio as a whole; and (2) as part of an overall investment strategy that has risk and return objectives reasonably suited to the Trust.

Section 4.10 Indemnification. The Settlor shall indemnify and hold harmless the Trustees in the same manner as if they were employees of Settlor for liabilities, actions and claims arising against them in their capacity as Trustees or performance as Trustees.

ARTICLE V **AMENDMENT AND TERMINATION**

Section 5.1 Amendment. The Trust may be amended upon approval of the Board of Trustees or the Salt Lake County Council provided that such amendments do not alter the stated purpose of the Trust and the irrevocable status of the contributions made to the Trust.

Section 5.2 Termination. The Salt Lake County Council may terminate the Trust and upon termination, the Board of Trustees, after applying all Trust property to the liabilities of the Trust, including the OPEB Obligations as required by Section 2.1, shall distribute the balance to the Settlor.

ARTICLE VI **MISCELLANEOUS**

Section 6.1 Counterparts. This Trust may be signed in counterparts.

Section 6.2 Descriptive Titles. The descriptive titles of the Articles, Sections, and Paragraphs as used in this declaration are for convenience only and any construction of this declaration will be made without reference to such titles.

Section 6.3 Governing Law. The construction and interpretation of this Trust and all questions concerning its administration shall be governed by the laws of the State of Utah.

Section 6.4 Interpretation. Whenever necessary in this declaration, and where the context requires, the singular term and the related pronoun shall include the plural, and the masculine feminine and neuter terms and pronouns shall be fully interchangeable.

Section 6.5 Separability of Provisions. In the event that any provision of this Declaration violates any rule or law, only such invalid provision and not the entire instrument will be considered void and all of the other provisions hereof will remain in full force and effect.

Section 6.6 Statutory Reference. Unless the context provides otherwise, reference or incorporation of a specific statute means the statutory language existing on the effective date of the Trust.

Section 6.7 Governmental Immunity. For purposes of the Utah Governmental Immunity Act, this Trust is a body corporate and politic of the State of Utah and the Trust and its Trustees are only liable within the parameters of the Governmental Immunity Act. Nothing in this Declaration should be construed to modify the limits or basis of liability as established in the Governmental Immunity Act.

Section 6.8 Third Party Claims. The Trust is established for the sole benefit of OPEB Obligations. No employee, former employee, or retired employee of the Settlor shall have any claim to the property of the Trust.

DATED this 25th day of September, 2015.

SALT LAKE COUNTY, SETTLOR

By: _____


Ben McAdams, Mayor

Declaration of Trust for the Salt Lake County OPEB Trust
Page 11 of 12

DATED this 25 day of September, 2015



DARRIN CASPER,
Chief Financial Officer and Trustee

DATED this 29th day of September, 2015



K. WAYNE CUSHING,
Salt Lake County Treasurer, Trustee

DATED this 29th day of September, 2015



SARAH BRENNNA,
Director of Administrative Services, Trustee

DATED this 29th day of September, 2015



DAVID DELQUADRO,
Council Fiscal Manager, Trustee

**FIRST AMENDMENT TO DECLARATION OF TRUST
FOR THE SALT LAKE COUNTY OPEB TRUST**

This **First Amendment to the Declaration of Trust for the Salt Lake County OPEB Trust** (the "Trust") is made this 16 day of May, 2017, by and between SALT LAKE COUNTY ("Settlor") and DARRIN CASPER, K. WAYNE CUSHING, and DAVID DELQUADRO as Trustees.

RECITALS

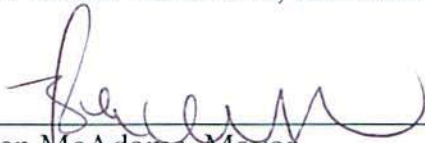
- A. The Trust was created on September 22, 2015.
- B. The Trust required one of the Trustees to be the individual holding the position of "Director of Administrative Services."
- C. The Salt Lake County Mayor has reorganized his office and the position of Director of Administrative Services has been dissolved and the duties assigned to other appointees.
- D. As a result of the Mayor's reorganization, the Trust is amended to include a new trustee.

AMENDMENT


- 1. Section 1.1 Definitions, subparagraph (e) defining "Director of Administrative Services" is replaced entirely by the following definition:
 - (e) Human Resource Appointee. The term "Human Resource Appointee" refers to an individual employed in the Salt Lake County Human Resource Division or individual with direct supervisory authority over the Salt Lake County Human Resource Division, and appointed by the Salt Lake County Mayor to be a Trustee.
- 2. Section 4.1 Composition, is amended to replace the term "Director of Administrative Services" with "Human Resource Appointee."
- 3. Except as amended above, the Declaration of Trust remains the same.

DATED this 16th day of May, 2017.


SALT LAKE COUNTY, SETTLOR

By: 
Ben McAdams, Mayor


DATED this 16 day of May, 2017


DARRIN CASPER,
Chief Financial Officer and Trustee

DATED this 16 day of May, 2017


K. WAYNE CUSHING,
Salt Lake County Treasurer, Trustee


DATED this 16 day of May, 2017


DAVID DELQUADRO,
Council Fiscal Manager, Trustee

APPOINTMENT OF NEW TRUSTEE

Michael Ongkiko, Division Director of Human Resources, is appointed Trustee of the Trust in place of Sarah Brenna. Michael Ongkiko fills the Human Resource Appointee required by the First Amendment to the Trust.

Dated this 16 day of May, 2017




BEN MCADAMS, Mayor

TRUSTEE ACCEPTANCE

I, Michael Ongkiko, accept the appointment as Trustee of the Trust.

Dated this 16 day of May, 2017



MICHAEL ONGKIKO,
Division Director of Human Resources, Trustee

**SECOND AMENDMENT TO DECLARATION OF TRUST
FOR THE SALT LAKE COUNTY OPEB TRUST**

This **Second Amendment to the Declaration of Trust for the Salt Lake County OPEB Trust** (the "Trust") is made this 15th day of December, 2019, by and between SALT LAKE COUNTY ("Settlor") and DARRIN CASPER, K. WAYNE CUSHING, and DAVID DELQUADRO as Trustees.

RECITALS

- A. The Trust was created on September 22, 2015.
- B. The First Amendment was executed on May 16, 2017 (the "First Amendment").
- C. The First Amendment required one of the Trustees to be an individual employed in the Salt Lake County Human Resource Division or individual with direct supervisory authority over the Salt Lake County Human Resource Division, as appointed by the Mayor.
- D. The Trustees desire to replace the above requirement with an at large trustee appointed by the Salt Lake County Mayor who is an employee or elected official of Salt Lake County and also satisfies specified criteria.

AMENDMENT

1. As contained in the First Amendment, Section 1.1 Definitions, subparagraph (e) defining "Human Resource Appointee" is replaced entirely by the following definition:

(e) At Large Appointee. The term "At Large Appointee" refers to an employee or elected official of Salt Lake County appointed by the Salt Lake County Mayor to be a trustee, who also satisfies the following criteria:

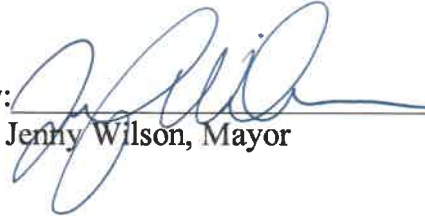
- (i) does not report to and is not supervised by the other Trustees; and
- (ii) does not supervise any of the other Trustees.

2. As contained in the First Amendment, Section 4.1 Composition, is amended to replace the term "Human Resource Appointee" with "At Large Appointee."


3. Except as amended above, the Declaration of Trust remains the same.

DATED this 15th day of December, 2019.


SALT LAKE COUNTY, SETTLOR

By: 
Jenny Wilson, Mayor


DATED this 15th day of December, 2019


DARRIN CASPER,
Deputy Mayor, Chief Financial Officer and
Trustee

DATED this 15th day of December, 2019


K. WAYNE CUSHING,
Salt Lake County Treasurer, Trustee

DATED this 18 day of December, 2019


DAVID DELQUADRO,
Council Fiscal Manager, Trustee

APPOINTMENT OF NEW TRUSTEE

Lori Okino is appointed Trustee of the Trust as an At Large Appointee, effective upon the approval of this Second Amendment to the Declaration of Trust by the Trustees.

Dated this 17 day of December, 2019



JENNY WILSON, Mayor

TRUSTEE ACCEPTANCE

I Lori Okino, accept the appointment as Trustee of the Trust, effective upon the approval of this Second Amendment to the Declaration of Trust by the Trustees.

Dated this 18th day of December, 2019



Lori Okino



GASB 74/75 ACTUARIAL VALUATION

Fiscal Year Ending December 31, 2019

SALT LAKE COUNTY

CONTACT

Suraj M. Datta, ASA, MAAA
suraj.datta@nyhart.com

ADDRESS

Nyhart
8415 Allison Pointe Blvd. Suite 300
Indianapolis, IN 46250

PHONE

General (317) 845-3500
Toll-Free (800) 428-7106
Fax (317) 845-3654

Table of Contents

	Page
Certification	1
Executive Summary	3
GASB Disclosures	
Schedule of Changes in Net OPEB Liability and Related Ratios	5
Schedule of Employer Contributions	6
OPEB Expense	7
Deferred Outflows / (Inflows) of Resources	8
Sensitivity Results	10
Asset Information	11
Actuarially Determined Contributions	13
Projection of GASB Disclosures	14
Cash Flow Projections	15
Discussion of Discount Rates	16
Summary of Plan Participants	17
Substantive Plan Provisions	20
Actuarial Methods and Assumptions	23
Appendix	29
Comparison of Participant Demographic Information	30
Detailed Actuary's Notes	31
Glossary	32
Decrements Exhibit	33
Retirement Rates Exhibit	34
Definitions	35

June 11, 2020

Brett Carlson
Salt Lake County
2001 South State Street
Salt Lake City, UT 84114

This report summarizes the GASB actuarial valuation for the Salt Lake County 2019 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as 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); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read "S. Datta".

Suraj M. Datta, ASA, MAAA
Valuation Actuary

Executive Summary

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending December 31, 2019 compared to the prior fiscal year as shown in the County's Notes to Financial Statement.

	As of December 31, 2018	As of December 31, 2019
Total OPEB Liability	\$ 106,326,832	\$ 107,805,801
Actuarial Value of Assets	\$ (6,512,255)	\$ (9,541,342)
Net OPEB Liability	\$ 99,814,577	\$ 98,264,459
Funded Ratio	6.1%	8.9%

	FY 2018	FY 2019
OPEB Expense	\$ 6,541,340	\$ 5,918,015
Annual Employer Contributions	\$ 4,857,214	\$ 5,966,130
Actuarially Determined Contribution	\$ 7,278,974	\$ 7,256,498

	As of December 31, 2018	As of December 31, 2019
Discount Rate	5.00%	5.00%
Expected Return on Assets	5.00%	5.00%

	As of December 31, 2019
Total Active Participants	1,861
Total Retiree Participants	1,168

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

Executive Summary

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Summary of Results

Below is a breakdown of total GASB 75 liabilities allocated to past and current service compared to the prior year. The table below also provides a breakdown of the Total OPEB Liability allocated to pre- and post- Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

Present Value of Future Benefits	As of December 31, 2018	As of December 31, 2019
Active Employees	\$ 90,176,366	\$ 80,450,117
Retired Employees	40,989,024	46,878,515
Total Present Value of Future Benefits	\$ 131,165,390	\$ 127,328,632

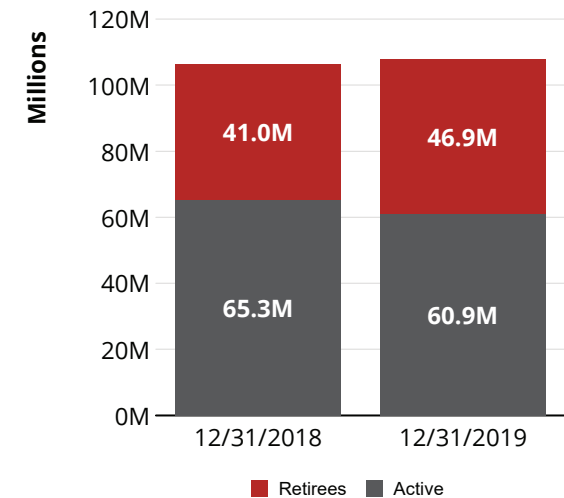
Total OPEB Liability	As of December 31, 2018	As of December 31, 2019
Active Pre-Medicare	\$ 27,162,619	\$ 23,109,300
Active Post-Medicare	38,175,189	37,817,986
Active Liability	\$ 65,337,808	\$ 60,927,286

Retiree Pre-Medicare	\$ 4,848,475	\$ 7,345,626
Retiree Post-Medicare	36,140,549	39,532,889
Retiree Liability	\$ 40,989,024	\$ 46,878,515

Total OPEB Liability	\$ 106,326,832	\$ 107,805,801
-----------------------------	-----------------------	-----------------------

	As of December 31, 2018	As of December 31, 2019
Discount Rate	5.00%	5.00%

Changes In Total OPEB Liability



Present Value of Future Benefits (PVFB) is the amount needed as of December 31, 2019 and December 31, 2018, to fully fund the County's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Total OPEB Liability is the portion of PVFB considered to be accrued or earned as of December 31, 2019 and December 31, 2018. This amount is a required disclosure in the Required Supplementary Information

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2019	FY 2018	FY 2017
Total OPEB Liability			
Total OPEB Liability - beginning of year	\$ 106,326,832	\$ 106,520,525	\$ 105,692,624
Service cost	2,603,102	2,565,355	3,686,540
Interest	5,361,285	5,368,659	5,199,280
Change of benefit terms	0	0	0
Changes in assumptions	4,012,229	0	3,579,764
Differences between expected and actual experience	(7,047,075)	(4,660,027)	(8,181,459)
Benefit payments	(3,450,572)	(3,467,680)	(3,456,223)
Net change in total OPEB liability	\$ 1,478,969	\$ (193,693)	\$ 827,901
Total OPEB Liability - end of year	\$ 107,805,801	\$ 106,326,832	\$ 106,520,525
Plan Fiduciary Net Position			
Plan fiduciary net position - beginning of year	\$ 6,512,255	\$ 5,437,723	\$ 5,206,393
Contributions - employer	5,966,130	4,857,214	3,532,512
Contributions - active employees	0	0	0
Net investment income	766,640	(72,309)	140,241
Benefit payments	(3,450,572)	(3,467,680)	(3,456,223)
Trust administrative expenses	(253,111)	(242,693)	0
Net change in plan fiduciary net position	\$ 3,029,087	\$ 1,074,532	\$ 216,530
Plan fiduciary net position - end of year	\$ 9,541,342	\$ 6,512,255	\$ 5,422,923
Net OPEB Liability - end of year	\$ 98,264,459	\$ 99,814,577	\$ 101,097,602
Plan fiduciary net position as % of total OPEB liability	8.9%	6.1%	5.1%
Covered employee payroll	\$ 112,856,714	\$ 118,859,880	\$ 123,802,045
Net OPEB liability as % of covered payroll	87.1%	84.0%	81.7%

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Schedule of Employer Contributions

The Actuarially Determined Contributions (ADC) shown below are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the County's financial statements.

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarially Determined Contribution (ADC)	\$ 7,256,498	\$ 7,278,974	\$ 7,848,147	\$ 7,970,611	\$ 7,764,324
Contributions in relation to the ADC	5,966,130	4,857,214	3,532,512	3,908,992	6,528,631
Contribution deficiency/(excess)	\$ 1,290,368	\$ 2,421,760	\$ 4,315,635	\$ 4,061,619	\$ 1,235,693
Covered employee payroll	\$ 112,856,714	\$ 118,859,880	\$ 123,802,045	\$ 145,267,334	\$ 145,267,334
Contribution as a % of covered payroll	5.3%	4.1%	2.9%	2.7%	4.5%

	FY 2014	FY 2013	FY 2012
Actuarially Determined Contribution (ADC)	\$ 7,952,175	\$ 7,952,175	\$ 7,844,729
Contributions in relation to the ADC	2,784,832	3,301,283	2,523,969
Contribution deficiency/(excess)	\$ 5,167,343	\$ 4,650,892	\$ 5,320,760
Covered employee payroll	\$ 159,244,634	\$ 159,244,634	\$ 145,764,229
Contribution as a % of covered payroll	1.7%	2.1%	1.7%

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

OPEB Expense

OPEB Expense	FY 2019	FY 2018
Discount Rate		
Beginning of year	5.00%	5.00%
End of year	5.00%	5.00%
Service cost	\$ 2,603,102	\$ 2,565,355
Interest	5,361,285	5,368,659
Change of benefit terms	0	0
Projected earnings on OPEB plan investments	(381,484)	(300,207)
Reduction for contributions from active employees	0	0
OPEB plan administrative expenses	253,111	242,693
Current period recognition of deferred outflows / (inflows) of resources		
Differences between expected and actual experience	\$ (3,119,964)	\$ (1,945,451)
Changes in assumptions	1,180,100	511,395
Net difference between projected and actual earnings on OPEB plan investments	21,865	98,896
Total current period recognition	\$ (1,917,999)	\$ (1,335,160)
Total OPEB expense	\$ 5,918,015	\$ 6,541,340

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2019
December 31, 2017	\$ (8,181,459)	7	\$ (1,168,780)	\$ (4,675,119)
December 31, 2018	\$ (4,660,027)	6	\$ (776,671)	\$ (3,106,685)
December 31, 2019	\$ (7,047,075)	6	\$ (1,174,513)	\$ (5,872,562)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2019
December 31, 2017	\$ 3,579,764	7	\$ 511,395	\$ 2,045,579
December 31, 2018	\$ 0	N/A	\$ 0	\$ 0
December 31, 2019	\$ 4,012,229	6	\$ 668,705	\$ 3,343,524

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2019
December 31, 2017	\$ 121,963	5	\$ 24,393	\$ 48,784
December 31, 2018	\$ 372,516	5	\$ 74,503	\$ 223,510
December 31, 2019	\$ (385,156)	5	\$ (77,031)	\$ (308,125)

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending December 31, 2019	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 0	\$ (13,654,366)
Changes in assumptions	5,389,103	0
Net difference between projected and actual earnings in OPEB plan investments	272,294	(308,125)
Total	\$ 5,661,397	\$ (13,962,491)

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of December 31, 2019 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2020	\$ (1,917,999)
2021	\$ (1,918,001)
2022	\$ (1,942,391)
2023	\$ (2,016,897)
2024	\$ (505,806)
Thereafter	\$ 0

GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Sensitivity Results

The following presents the Net OPEB Liability as of December 31, 2019, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 5.00%.
- The 1% decrease in discount rate would be 4.00%.
- The 1% increase in discount rate would be 6.00%.

As of December 31, 2019	Net OPEB Liability	
1% Decrease	\$	115,108,364
Current Discount Rate	\$	98,264,459
1% Increase	\$	84,697,737

The following presents the Net OPEB Liability as of December 31, 2019, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

As of December 31, 2019	Net OPEB Liability	
1% Decrease	\$	83,591,060
Current Trend Rates	\$	98,264,459
1% Increase	\$	116,801,335

Asset Information

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Asset Information

Asset Breakdown	FY 2018	FY 2019
Assets		
Cash and cash equivalents*	\$ 1,343,594	\$ 2,427,579
Securities lending cash collateral	0	0
Total cash	\$ 1,343,594	\$ 2,443,696
Receivables		
Contributions	\$ 0	\$ 0
Accrued interest	0	0
Total receivables	\$ 0	\$ 0
Investments		
Fixed income	\$ 3,013,211	\$ 3,283,764
Equities	2,155,450	3,829,999
Mutual Funds	0	0
Total investments	\$ 5,168,661	\$ 7,113,763
Total assets	\$ 6,512,255	\$ 9,557,459
Liabilities		
Payables		
Investment management fees	\$ 0	\$ 0
Securities lending expense	0	0
Total liabilities	\$ 0	\$ 0
Net position restricted to OPEB	\$ 6,512,255	\$ 9,541,342

* Assets provided by Morton do not match those provided by the County. The net difference was included in the "Cash and cash equivalents" category

Asset Information

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Asset Information (Continued)

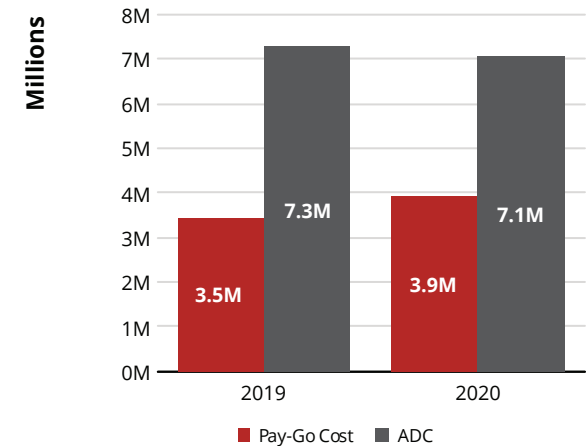
	FY 2018		FY 2019	
Additions				
Contributions received				
Employer	\$	4,857,214	\$	5,966,130
Employee		0		0
Total contributions	\$	4,857,214	\$	5,966,130
Investment income				
Net increase in fair value of investments	\$	(230,363)	\$	575,542
Interests and dividends		158,054		191,098
Investment expense, other than from securities lending				0
Securities lending income				0
Securities lending expense				0
Net investment income	\$	(72,309)	\$	766,640
Total additions	\$	4,784,905	\$	6,732,770
Deductions				
Benefit payments	\$	3,467,680	\$	3,450,572
Administrative expenses		242,693		253,111
Other		0		0
Total deductions	\$	3,710,373	\$	3,703,683
Net increase in net position	\$	1,074,532	\$	3,029,086
Net position restricted to OPEB				
Beginning of year	\$	5,437,723	\$	6,512,255
End of year	\$	6,512,255	\$	9,541,342

Actuarially Determined Contributions

Salt Lake County GASB 74/75 Valuation For Fiscal Year Ending December 31, 2019

	FY 2019	FY 2020
Discount rate (Funding)	5.00%	5.00%
Payroll growth factor used for amortization	3.25%	3.25%
Actuarial cost method	Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary
Amortization type	Level % of Salary	Level % of Salary
Amortization period (years)	28	27
Actuarial Accrued Liability (AAL) - beginning of year	\$ 106,326,832	\$ 107,805,801
Actuarial Value of Assets (AVA) - beginning of year	(6,512,255)	(9,541,342)
Unfunded AAL - beginning of year	\$ 99,814,577	\$ 98,264,459
Normal Cost	\$ 2,479,145	\$ 2,237,112
Amortization of Unfunded AAL	4,431,805	4,489,603
Total normal cost plus amortization	\$ 6,910,950	\$ 6,726,715
Interest to end of year	345,548	336,336
Actuarially Determined Contribution - Preliminary	\$ 7,256,498	\$ 7,063,051
Expected Benefit Payments	3,450,572	3,934,474
Actuarially Determined Contribution - Final	\$ 7,256,498	\$ 7,063,051

Cash Vs Accrual Accounting



Actuarially Determined Contribution (ADC) is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. This is typically higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

Projection of GASB Disclosures

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual premium rates increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2019	FY 2020
TOL as of beginning of year	\$ 106,326,832	\$ 107,805,801
Normal cost as of beginning of year	2,603,102	2,237,112
Exp. benefit payments during the year	(3,450,572)	(3,934,474)
Interest adjustment to end of year	5,361,285	5,404,984
Exp. TOL as of end of year	\$ 110,840,647	\$ 111,513,423
Actuarial Loss / (Gain)	(3,034,846)	TBD
Actual TOL as of end of year	\$ 107,805,801	\$ TBD

Discount rate as of beginning of year	5.00%	5.00%
Discount rate as of end of year	5.00%	TBD

Projection of Actuarial Value of Assets (AVA)	FY 2019	FY 2020
AVA as of beginning of year	\$ 6,512,255	\$ 9,541,342
Exp. employer contributions during the year	5,966,130	5,334,474
Exp. benefit payments during the year	(3,450,572)	(3,934,474)
Expected investment income	381,484	503,824
Exp. Trust administrative expenses	(253,111)	(316,500)
Exp. AVA as of end of year	\$ 9,156,186	\$ 11,128,666
Differences between expected and actual experience	385,156	TBD
AVA as of end of year	\$ 9,541,342	\$ TBD

Expected asset return as of beginning of year	5.00%	5.00%
Expected asset return as of end of year	5.00%	TBD

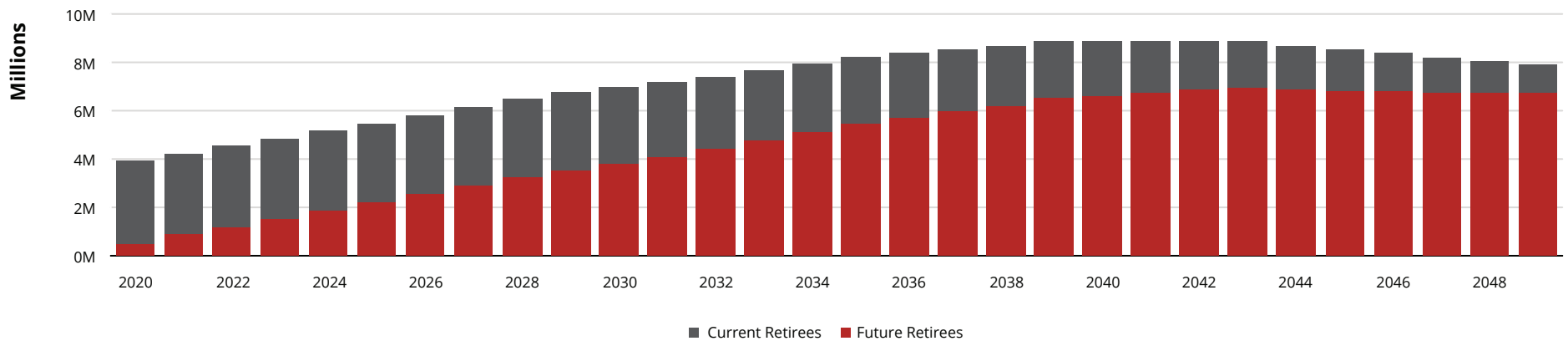
Cash Flow Projections

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next thirty years. Results are shown separately for a closed group of current/future retirees. These projections include explicit and implicit subsidies.

FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total
2020	\$ 3,478,477	\$ 455,997	\$ 3,934,474	2030	\$ 3,153,577	\$ 3,779,091	\$ 6,932,668	2040	\$ 2,275,341	\$ 6,650,347	\$ 8,925,688
2021	\$ 3,344,261	\$ 872,984	\$ 4,217,245	2031	\$ 3,076,281	\$ 4,069,584	\$ 7,145,865	2041	\$ 2,171,727	\$ 6,755,527	\$ 8,927,254
2022	\$ 3,366,510	\$ 1,179,731	\$ 4,546,241	2032	\$ 3,005,673	\$ 4,405,549	\$ 7,411,222	2042	\$ 2,026,091	\$ 6,886,268	\$ 8,912,359
2023	\$ 3,301,825	\$ 1,528,236	\$ 4,830,061	2033	\$ 2,921,641	\$ 4,764,860	\$ 7,686,501	2043	\$ 1,910,431	\$ 6,957,146	\$ 8,867,577
2024	\$ 3,327,943	\$ 1,864,493	\$ 5,192,436	2034	\$ 2,837,645	\$ 5,128,049	\$ 7,965,694	2044	\$ 1,791,769	\$ 6,927,809	\$ 8,719,578
2025	\$ 3,301,739	\$ 2,178,388	\$ 5,480,127	2035	\$ 2,731,044	\$ 5,471,194	\$ 8,202,238	2045	\$ 1,672,085	\$ 6,847,049	\$ 8,519,134
2026	\$ 3,266,417	\$ 2,551,175	\$ 5,817,592	2036	\$ 2,656,753	\$ 5,749,774	\$ 8,406,527	2046	\$ 1,552,159	\$ 6,832,130	\$ 8,384,289
2027	\$ 3,268,664	\$ 2,898,430	\$ 6,167,094	2037	\$ 2,584,741	\$ 5,977,021	\$ 8,561,762	2047	\$ 1,433,139	\$ 6,766,852	\$ 8,199,991
2028	\$ 3,241,534	\$ 3,215,139	\$ 6,456,673	2038	\$ 2,476,929	\$ 6,199,503	\$ 8,676,432	2048	\$ 1,316,687	\$ 6,769,219	\$ 8,085,906
2029	\$ 3,222,152	\$ 3,508,052	\$ 6,730,204	2039	\$ 2,388,238	\$ 6,521,294	\$ 8,909,532	2049	\$ 1,203,774	\$ 6,735,107	\$ 7,938,881

Projected Employer Pay-go Cost



* Projections for future retirees do not take into account future new hires.

Discussion of Discount Rates

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Under GASB 74, the discount rate used in valuing OPEB liabilities for funded plans as of the Measurement Date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

For the current valuation:

- The long-term expected rate of return on OPEB plan investment is assumed to be 5.00% for January 1, 2019 and December 31, 2019. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.50%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of December 31, 2019 are summarized in the following table.
- | Asset Class | Target Allocation | L/T Expected Real ROR ¹ |
|-----------------------------|-------------------|------------------------------------|
| VTSMX | 47.66% | 5.83% |
| VGTSX | 4.49% | 2.79% |
| Corporate Bonds | 30.80% | 0.01% |
| Government Bonds | 7.80% | -0.65% |
| CD's | 6.05% | -0.22% |
| U.S. Agency Mortgage Backed | 3.20% | 0.34% |
| Total | 100.00% | 2.85% |
- The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.
- | Yield as of | January 1, 2019 | December 31, 2019 |
|--|-----------------|-------------------|
| Bond Buyer Go 20-Bond Municipal Bond Index | 4.11% | 2.74% |
| S&P Municipal Bond 20-Year High Grade Rate Index | 3.64% | 3.26% |
| Fidelity 20-Year Go Municipal Bond Index | 3.83% | 2.75% |
| Bond Index Range | 3.64% - 4.11% | 2.74% - 3.26% |
- The final equivalent single discount rate used for accounting disclosure purposes is 5.00% as of January 1, 2019 and December 31, 2019 based on the assumption that the County will contribute \$1,150,000 in 2019 increasing by \$250,000 per year until the ADC is reached. If the contribution policy changes, Nyhart will need to re-evaluate the discount rate used for accounting disclosure purposes. Based on our projections, the Trust is never expected to be depleted. A discount rate of 5.00% is used for funding purposes (in determining the Actuarially Determined Contribution).

¹ Nyhart estimated the real rates of return by reducing the reported rates of return by 2.50% inflation.

Summary of Plan Participants

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Active Employees

Actives with medical coverage eligible for retiree health benefits ²	Single	Non-Single ³	Total	Avg. Age	Avg. Svc	Salary
PEHP HDHP	123	325	448	50.9	17.2	\$ 29,154,997
PEHP PPO	81	115	196	55.5	18.6	\$ 10,705,518
Select Health HDHP	211	525	736	48.5	16.8	\$ 46,688,592
Select Health PPO	115	229	344	53.3	18.5	\$ 19,263,607
Total actives with coverage	530	1,194	1,724	51.0	17.3	\$ 105,812,714
Actives without medical coverage eligible for retiree benefits⁴			137	52.5	15.8	\$ 7,044,000
Actives not eligible for retiree health benefits ⁵			Total	Avg. Age	Avg. Svc	Salary
With medical coverage			1,607	40.1	3.0	\$ 82,765,019
Without medical coverage			218	42.4	2.3	\$ 8,481,938

² Includes active employees who were hired prior to January 1, 2013.

³ Non-single enrollment includes participants who elected EE+1, and EE+2 coverage

⁴ Out of 137 eligible active employees without medical coverage, 67 have dental benefits

⁵ This enrollment includes active employees who are not eligible for retiree health benefits because they were hired on/after January 1, 2013

Summary of Plan Participants

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Active Age-Service Distribution⁶

Age	Years of Service										Total	
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25			2									2
25 to 29			17									17
30 to 34			51	33	1							85
35 to 39			75	110	19	10						214
40 to 44			41	104	85	44	3					277
45 to 49			40	81	77	61	25					284
50 to 54			27	58	65	68	43	11	1			273
55 to 59			28	57	70	65	37	31	7	1		296
60 to 64			22	56	54	65	22	27	12	2		260
65 to 69			9	22	24	20	14	9	3	7		108
70 & up			7	7	6	14	4	2	4	1		45
Total	0	0	319	528	401	347	148	80	27	11		1,861

⁶ Includes active employees who were hired prior to January 1, 2013.

Summary of Plan Participants

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Retirees

Retirees with coverage	Single	Non-Single	Total	Avg. Age
PEHP HDHP	38	6	44	58.4
PEHP PPO	34	2	36	60.9
Select Health HDHP	50	7	57	59.2
Select Health PPO	46	7	53	61.3
Medicare Supplement 100	638	243	881	75.5
Medicare Supplement 75	7	3	10	73.2
Medicare Supplement 50	8	4	12	69.8
Total retirees with coverage	821	272	1,093	72.7
Retirees without medical coverage⁷				
			75	59.8

Retiree Age Distribution

Age	Retirees
< 45	5
45 to 49	9
50 to 54	40
55 to 59	54
60 to 64	149
65 to 69	214
70 to 74	281
75 to 79	182
80 to 84	147
85 to 89	64
90 & up	23
Total	1,168

⁷ Out of the 75 retirees without medical coverage, 6 have Rx coverage only and 68 have dental coverage only.

Substantive Plan Provisions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Eligibility

Employees hired prior to January 1, 2013 are eligible for lifetime retiree health benefits once they meet the Utah Retirement Systems Public Employees and Public Safety Retirement Systems eligibility requirements for pension benefits as outlined below:

1. Tier I General Employees (hired prior to 7/1/2011) – earlier of:
 - a. Age 65 with 4 years of service
 - b. Age 62 with 10 years of service
 - c. Age 60 with 20 years of service
 - d. Any age with 25 years of service (with full actuarial age reduction)
 - e. Any age with 30 years of service
2. Tier II General Employees (hired on/after 7/1/2011) – earlier of:
 - a. Age 65 with 4 years of service
 - b. Age 62 with 10 years of service
 - c. Age 60 with 20 years of service
 - d. Any age with 35 years of service
3. Tier I Public Safety Employees (hired prior to 7/1/2011) – earlier of:
 - a. Age 65 with 4 years of service
 - b. Age 60 with 10 years of service
 - c. Any age with 20 years of service
4. Tier II Public Safety Employees (hired on/after to 7/1/2011) – earlier of:
 - a. Age 65 with 4 years of service
 - b. Age 62 with 10 years of service
 - c. Age 60 with 20 years of service
 - d. Any age with 25 years of service

Retiree Cost Sharing

Retirees contribute the portion of premium rates not covered by the County's explicit subsidy. Pre-Medicare retirees premium rates are 102% of active premium rates during COBRA period (18 months), increasing to 140% of active premium rates at the end of COBRA period.

If retirees elect spousal coverage, they are required to pay the full incremental cost of spousal coverage.

Spouse Benefit

Surviving spouses can continue coverage after the death of the retiree until Medicare eligibility as long as they pay the full cost of coverage.

Life Insurance

Retirees are eligible for a \$1,000 life insurance benefit that is fully paid by the County.

Substantive Plan Provisions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Medical Benefit

Same benefit options are offered to retirees as active employees. All pre-Medicare health plans are self-insured while the Medicare plans are all fully-insured. The monthly active and pre-Medicare retiree premiums by plan effective on January 1, 2020 are as shown below.

Pre-Medicare Plans	Active Premiums		Retiree Premiums during COBRA period		Retiree Premiums after COBRA period	
	Retiree	Ret + 1	Retiree	Ret + 1	Retiree	Ret + 1
PPO*	\$ 650.00	\$ 1,429.00	\$ 663.00	\$ 1,457.58	\$ 910.00	\$ 2,000.60
HDHP*	\$ 416.00	\$ 1,195.00	\$ 424.32	\$ 1,218.90	\$ 582.40	\$ 1,673.00

* Applicable to both Select Health and PEHP plans.

The monthly Medicare retiree premiums by plan effective on January 1, 2020 are as shown below:

Medicare Medical Plans				Medicare Rx Plans	Rate
Age	Medicare 100%	Medicare 75%	Medicare 50%		
65	\$ 123.41	\$ 95.05	\$ 70.03	Basic	\$ 44.00
66	\$ 127.42	\$ 98.14	\$ 72.32	Basic Plus	\$ 66.10
67	\$ 131.44	\$ 101.24	\$ 74.60	Enhanced	\$ 178.00
68	\$ 135.45	\$ 104.33	\$ 76.88		
69	\$ 139.47	\$ 107.43	\$ 79.16		
70	\$ 143.49	\$ 110.53	\$ 81.44		
71	\$ 147.50	\$ 113.62	\$ 83.72		
72	\$ 151.52	\$ 116.72	\$ 86.01		
73	\$ 155.54	\$ 119.82	\$ 88.29		
74	\$ 159.56	\$ 122.91	\$ 90.57		

Substantive Plan Provisions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Dental Benefit

Same benefit options are available to retirees as active employees. Monthly dental premiums by plan effective on January 1, 2020 are as shown below.

	Active Premiums		Retiree Premiums during COBRA period		Retiree Premiums after COBRA period	
	Retiree	Ret + 1	Retiree	Ret + 1	Retiree	Ret + 1
Dental	\$ 57.00	\$ 73.00	\$ 58.14	\$ 74.46	\$ 79.80	\$ 102.20

County Subsidy

The County subsidizes retiree health benefits for the retiree only according to the following table:

SLC YOS @ Ret	Pre-65 Retirees		SLC YOS @ Ret	65+ Retirees County Subsidy (as % of Premium)
	PPO	HDHP		
20+	\$ 531.00	\$ 416.00	20+	80%
18 - 19	\$ 464.62	\$ 364.00	18 - 19	70%
16 - 17	\$ 398.25	\$ 312.00	16 - 17	60%
14 - 15	\$ 331.87	\$ 260.00	14 - 15	50%
12 - 13	\$ 265.50	\$ 208.00	12 - 13	40%
10 - 11	\$ 199.12	\$ 156.00	10 - 11	30%
7 - 9	\$ 132.75	\$ 104.00	7 - 9	20%
4 - 6	\$ 66.37	\$ 52.00	4 - 6	10%
<4	\$ 0.00	\$ 0.00	<4	0%

Below is an example of how the subsidy works for a retiree with 20 years at retirement enrolled in the Select Health PPO plan pre-Medicare and Medicare Supplement 100% with Basic Rx post-Medicare.

	Pre-65		Post-65
A. Active rate	\$ 650.00	A. Premium rate (age 65)	\$ 123.41
B. COBRA rate (102% x (A))	\$ 663.00	B. County subsidy (80% x (A))	\$ 98.73
C. Retiree rate (140% x (A))	\$ 910.00	C. Retiree contribution	\$ 24.68
D. County subsidy (from table above)	\$ 531.00		
E. Retiree contributions			
During COBRA (18 months) (B) - (D)	\$ 132.00		
After COBRA period (C) - (D)	\$ 379.00		

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There are changes to the actuarial methods and assumptions since the last GASB valuation, which was for the fiscal year ending December 31, 2017. Refer to Actuary's Notes section for complete information on these changes. For the current year GASB valuation, we have also updated the per capita costs. We expect to update discount rate, health care trend rates, mortality table, and per capita costs again in the next full GASB valuation, which will be for the fiscal year ending December 31, 2021.

Measurement Date

For fiscal year ending December 31, 2019, a December 31, 2019 measurement date was used.

Actuarial Valuation Date

December 31, 2019 with no adjustments to get to the December 31, 2019 measurement date. Liabilities as of January 1, 2019 are based on an actuarial valuation date of December 31, 2017 projected to January 1, 2019 on a "no loss / no gain" basis.

Discount Rate

5.00% as of January 1, 2019 and 5.00% as of December 31, 2019 for accounting disclosure purposes
5.00% for funding disclosure purposes (in calculating the Actuarially Determined Contribution)
Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.

Payroll Growth

General wage inflation for the County is 3.25%. Merit/productivity increases for the Salt Lake County is as shown below which is based on the Utah Retirement System's actuarial valuation as of January 1, 2019.

	Service	General	Public Safety
	5	2.0%	2.5%
	10	1.0%	1.8%
	15	0.8%	1.0%
	20	0.3%	0.8%
	25+	0.0%	0.0%

Inflation Rate

3.25% per year

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Cost Method

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Census Data

Census information was provided by the District and it was provided in December 2019. We have reviewed it for reasonableness and no material modifications were made to the census data.

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the County to complete an actuarial assumption review (also referred to as an experience study) prior to the next full valuation (for the fiscal year ending December 31, 2021). The actuarial assumptions are currently based on the most recent actuarial valuation for the Utah Retirement System as of January 1, 2019.

Health Care Coverage Election Rate

60% of active General and 50% of active Public Safety with current medical/rx coverage are assumed to elect medical/rx coverage at retirement.

40% of active General and 60% of active Public Safety employees with current dental coverage are assumed to elect dental coverage at retirement

0% of active employees without current coverage (either medical/rx or dental) are assumed to elect coverage at retirement

100% of retirees with current medical/rx or dental coverage are assumed to continue coverage in the future.

10% of retirees with current dental coverage are assumed to elect medical/rx coverage in the future if they retired in the past 5 years, otherwise they are assumed never to elect medical/rx coverage in the future.

0% of retirees without current coverage are assumed to elect coverage in the future.

Spousal Coverage

50% of male and 25% of female employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives. Actual spousal coverage and age is used for retirees.

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Mortality

General	SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
Public Safety	SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
Surviving Spouses	SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019

Disability

None

Turnover Rate

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Sample annual rates shown below are based on the Utah Retirement System (URS) actuarial valuation as of January 1, 2019.

YOS	General		Public Safety
	Male	Female	
0	17.00%	22.00%	12.00%
5	7.00%	10.00%	4.50%
10	4.50%	6.00%	3.00%
15	2.75%	4.00%	1.50%
20	2.00%	2.50%	1.00%
25	1.00%	1.00%	1.00%

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Retirement Rate

Annual retirement rates are based on URS actuarial valuation as of January 1, 2019.

General			Public Safety		
Age	Male	Female	Age	Tier I	Tier II
50 - 54	15%	20%	45 - 58	15%	15%
55 - 59	15%	25%	59	20%	20%
60 - 61	20%	30%	60	20%	20%
62 - 64	23%	30%	61	20%	20%
65	23%	25%	62 - 64	35%	35%
66	30%	25%	65	35%	35%
67 - 69	22%	25%	66 - 69	50%	50%
70	22%	20%	70+	100%	100%
71 - 74	18%	15%			
75+	100%	100%			

Health Care Trend Rates

FYE	Pre-65	Post-65	Dental
2020	8.0%	7.0%	3.00%
2021	7.5%	6.5%	3.00%
2022	7.0%	6.0%	3.00%
2023	6.5%	5.5%	3.00%
2024	6.0%	5.0%	3.00%
2025	5.5%	4.5%	3.00%
2026	5.0%	4.5%	3.00%
2027+	4.5%	4.5%	3.00%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Per Capita Costs⁸

Annual per capita costs were calculated based on the 2020 premium rates by plan actuarially increased using health index factors and current enrollment. The costs are assumed to increase with health care trend rates. Sample annual per capita costs are as shown below:

Age	PPO ⁹		HDHP ⁹	
	Male	Female	Male	Female
45	\$ 5,652	\$ 7,400	\$ 3,618	\$ 4,736
50	\$ 7,647	\$ 8,665	\$ 4,894	\$ 5,546
55	\$ 9,995	\$ 10,274	\$ 6,397	\$ 6,576
60	\$ 12,556	\$ 12,070	\$ 8,036	\$ 7,725
64	\$ 14,615	\$ 13,547	\$ 9,353	\$ 8,670

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Post-65 plans are assumed to be community rated and the per capita costs are equal to the premium rates. For retirees who are currently under 65, their assumed post-65 plan election is as follows:

- For medical benefit, 100% of them are assumed to elect Medicare 100% plan.
- For prescription drug benefit, 50% of them are assumed to elect the Basic plan with the remaining 50% electing the Enhanced plan.

Explicit Subsidy

The difference between (a) the retiree rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a future under 65 retiree enrolled in the Select Health PPO plan with 20 years of service at retirement who has been retired for less than 18 months.

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A - B
Retiree	\$ 663.00	\$ 132.00	\$ 531.00
Spouse	\$ 794.58	\$ 794.58	\$ 0.00

⁸ Nyhart uses the County's 2020 premium equivalent rates without adjustment in our calculations. The rates were provided by the County and were assumed to represent the expected cost of claims and administrative expenses under the self-insured plan. To the extent the rates do not reflect the full cost of coverage, our actuarial results will need to be revised. Common reasons for rates not reflecting the full cost are (1) use of asset reserves to pay a portion of the expected costs which leads to lower rates than required based on claims experience and (2) use of maximum claim exposure under the plan's aggregate stop-loss policy to set rates which overstate the expected costs for GASB 75 purposes.

⁹ Applicable to both Select Health and PEHP plans.

Actuarial Methods and Assumptions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Implicit Subsidy

The difference between (a) the per capita cost and (b) the premium rate. Below is an example of the monthly implicit subsidies for a retiree age 60 with spouse of the same age enrolled in the PPO plan.

	Per Capita Cost	Premium Rate	Implicit Subsidy
	A	B	C = A - B
Retiree	\$ 1,217.92	\$ 663.00	\$ 554.92
Spouse	\$ 1,128.92	\$ 794.58	\$ 334.34

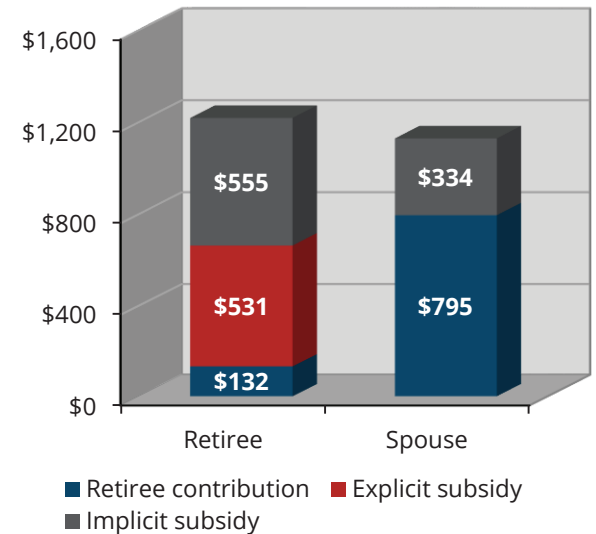
All employers that utilize premium rates based on blended active/retiree claims experience will have an implicit subsidy. There is an exception for Medicare plans using a true community-rated premium rate.

GASB Subsidy Breakdown

Below is a breakdown of the GASB 75 monthly total cost for a retiree age 60 with spouse of the same age enrolled in the PPO plan.

	Retiree	Spouse
Retiree contribution	\$ 132.00	\$ 794.58
Explicit subsidy	\$ 531.00	\$ 0.00
Implicit subsidy	\$ 554.92	\$ 334.34
Total monthly cost	\$ 1,217.92	\$ 1,217.92

GASB Subsidy Breakdown



APPENDIX

Appendix

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of December 31, 2017	As of December 31, 2019
Active Participants ¹⁰	2,288	1,861
Retired Participants	1,118 ¹¹	1,168 ¹²
Averages for Active		
Age	49.9	51.1
Service	15.6	17.2
Averages for Inactive		
Age	71.8	71.9

¹⁰ Figures shown above include active employees who currently have no health coverage but exclude those who are not eligible for retiree health benefits

¹¹ The retired participant's enrollment figures include 81 retirees that have dental benefits only (no medical or Rx coverage) and 7 retirees that have Rx coverage only (no medical or dental coverage)

¹² The retired participant's enrollment figures include 68 retirees that have dental benefits only (no medical or Rx coverage) and 6 retirees that have Rx coverage only (no medical or dental coverage)

Appendix

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending December 31, 2017.

The following assumptions have been updated:

1. Mortality table has been updated from SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 as follows, causing a slight increase to liabilities:
 - a. General Employees and retirees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - b. Public Safety Employees and retirees: SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - c. Surviving Spouses: SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019
2. Termination rates have been updated to follow the actuarial assumptions from the Utah Retirement System actuarial valuation as of January 1, 2019. The impact of this change was a slight decrease in liabilities.
3. Retirement rate tables have been updated to follow the actuarial assumptions from the Utah Retirement System actuarial valuation as of January 1, 2019. The impact of this change was a slight increase in liabilities.
4. Health care trend rates have been reset to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-65 rates and 7.0% down to 4.5% for post-65 rates. This change caused a slight increase in liabilities.

GLOSSARY

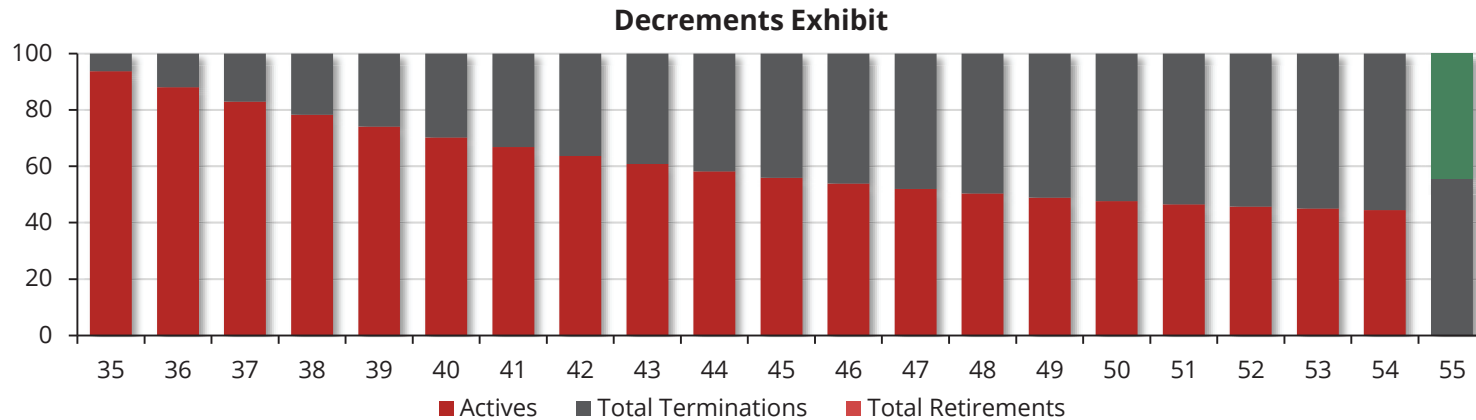
Glossary – Decrements Exhibit

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.43 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year ¹³	# of Retirements per Year	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year	# of Retirements per Year	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430



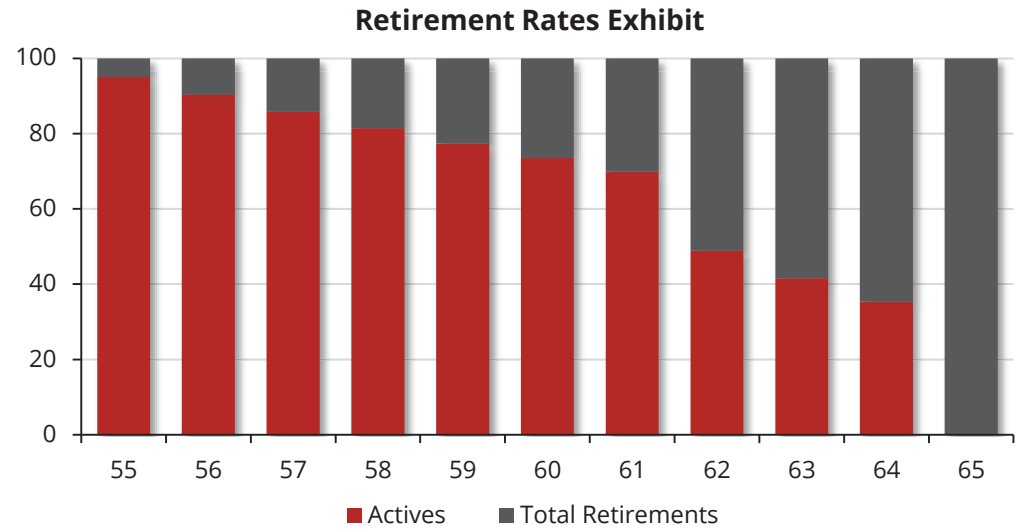
¹³ The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Retirement Rates Exhibit

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees BOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100.000	5.0%	5.000	95.000
56	95.000	5.0%	4.750	90.250
57	90.250	5.0%	4.513	85.738
58	85.738	5.0%	4.287	81.451
59	81.451	5.0%	4.073	77.378
60	77.378	5.0%	3.869	73.509
61	73.509	5.0%	3.675	69.834
62	69.834	30.0%	20.950	48.884
63	48.884	15.0%	7.333	41.551
64	41.551	15.0%	6.233	35.318
65	35.318	100.0%	35.318	0.000



* The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Definitions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.
3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
 - a. Differences between expected and actual experience of the OPEB plan
 - b. Changes in assumptions
 - c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)
6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

Glossary – Definitions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.
12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

Glossary – Definitions

Salt Lake County GASB 74/75 Valuation for Fiscal Year Ending December 31, 2019

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that are attributed to a valuation year by the Actuarial Cost Method.
18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.
19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is attributed to past periods of employee service (or not provided for by the future Service Costs).

Salt Lake County
OPEB Trust Fund (Fund 995 Department 5308000000) Comparison of Revenues and Expenditures
As of December 31, 2019 (query run date: 12/17/2019)

Revenues				
Fund	Dept	Account	Descr	Total
995	5308000000	421005	Departmental Fees	(75,778.89)
		429005	Interest - Time Deposits	(20,081.87)
		429015	Interest-Miscellaneous	(127,388.10)
		431160	Interfund Revenue	(4,821,926.78)
		437090	Ret Ins - SelectHlth Ret	(309,730.30)
		437095	Ret Ins - SelectHlth HDHP Ret	(105,913.17)
		437111	Ret ins-Cigna Dental Retiree	(119,623.21)
		437200	Ret Ins Medicare Sup Retiree	(989.80)
		437215	Ret Ins-Pehp Sumt Retiree	(170,947.04)
		437225	Ret Ins - Pehp HDHP Sum	(126,756.64)
		Receivables:		
		429005	Interest - Time Deposits (Nov, Dec)	(4,754.00)
		421005, 431160	Interfund Revenue (Dec)	(445,245.97)
		429015	Interest-Miscellaneous (Nov, Dec)	(13,958.54)
		437090 - 437225	Retiree Premiums from URS (Dec)	(73,055.00)
Grand Total				(6,416,149.31)

Expenditures				
Fund	Dept	Account	Descr	Total
995	5308000000	639025	Other Professional Fees	4,150.00
		655036	Ret Ins - Life Insurance	30,271.42
		655045	Ret Ins - Pehp Medicare Supp	1,888,522.66
		655055	Emp Ins-Insurance Refunds	5,100.54
		655080	Ret Ins- PEHP Summit Clms	417,458.11
		655081	Ret Ins- PEHP Summit Adm	18,706.51
		655082	Ret Ins- PEHP Summit Rein	5,273.97
		655115	Ret Ins-PEHP Sum HDHP Clms	237,366.42
		655116	Ret Ins-PEHP Sum HDHP Adm	15,736.61
		655117	Ret Ins-PEHP Sum HDHP Rein	6,259.15
		655225	Ret Ins - Select HDHP Claims	418,018.02
		655230	Ret Ins - Select HDHP Admin	49,491.14
		655235	Ret Ins - Select HDHP Reinsur	6,057.10
		655255	Ret Ins - Select Claims	979,772.57
		655260	Ret Ins - Select Admin	43,167.82
		655265	Ret Ins - Select Reinsurance	8,760.88
		655281	Ret Ins-Cigna Dental Claims	133,564.41
		655282	Ret Ins-Cigna Dental Admin	6,410.80
		663010	Council Overhead Cost	19,267.00
		663015	Mayor Overhead Cost	18,808.00
		663025	Auditor Overhead Cost	12,778.00
		663040	Info Services Overhead Cost	15,862.00
		663045	Purchasing Overhead Cost	-
		663070	Mayor Finance Overhead Cost	17,626.00
		Payables:		
		639025	Other Professional Fees	15,500.00
		655036	Ret Ins - Life Insurance	30,271.00
		655045	Ret Ins - Pehp Medicare Supp	172,472.76
		655080, 655115	PEHP Claims (Dec)	62,505.97
		655081, 655116	PEHP Admin (Nov, Dec)	6,556.90
		655082, 655117	PEHP Reins (Dec)	1,984.00
		655225, 655255	Select Claims (Dec)	139,780.06
		655265, 655235	Select Reins (Dec)	1,408.08
		655281	Cigna Dental Clms (Dec)	12,142.22
		655080, 655115	PEHP RX Rebates (3Q, 4Q)	(17,635.86)
		655255, 655225	Select RX Rebates (3Q, 4Q)	(38,213.68)
Grand Total				4,745,200.58

Revenues (Over) / Under Expenditures **(1,670,948.73)**

SALT LAKE COUNTY
Statement of Fiduciary Net Position
December 31, 2019

	OPEB Trust Fund	Custodial Funds
Assets:		
Pooled cash and investments	\$ 2,305,708	\$ 103,697,273
Investments, at fair value:		
Corporate bonds	2,261,937	—
U.S. agency issues	577,235	—
Certificates of deposit	444,593	—
Equity mutual funds	3,830,000	—
Total investments	7,113,765	—
Reinsurance receivable	184,008	—
Total assets	9,603,481	103,697,273
Liabilities:		
Benefits payable	62,139	—
Due to other governments and others	—	65,586,053
Total liabilities	62,139	65,586,053
Net position:		
Restricted for:		
Other postemployment benefits	9,541,342	—
Individuals, organizations, and other governments	—	38,111,220
Total net position	\$ 9,541,342	\$ 38,111,220

The notes to the financial statements are an integral part of this statement.

SALT LAKE COUNTY
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2019

	OPEB Trust Fund	Custodial Funds
Additions:		
Employer contributions	\$ 5,966,130	\$ —
Investment income:		
Net increase in fair value of investments	575,541	—
Interest	191,099	—
Net investment income (loss)	<u>766,640</u>	<u>—</u>
Tax collections for other governments	—	1,258,337,081
Deposits from other governments	—	49,741,678
Deposits from inmates and others	—	6,228,253
Miscellaneous	—	754,914
Total additions	<u>6,732,770</u>	<u>1,315,061,926</u>
Deductions:		
Benefit payments	3,450,572	—
Administrative expense	253,111	—
Payments of taxes to other governments	—	1,258,337,081
Other payments to other governments	—	67,210,296
Payments to inmates and others	—	6,257,977
Total deductions	<u>3,703,683</u>	<u>1,331,805,354</u>
Net increase in net position	3,029,087	(16,743,428)
Net position - beginning	<u>6,512,255</u>	<u>54,854,648</u>
Net position - ending	<u>\$ 9,541,342</u>	<u>\$ 38,111,220</u>

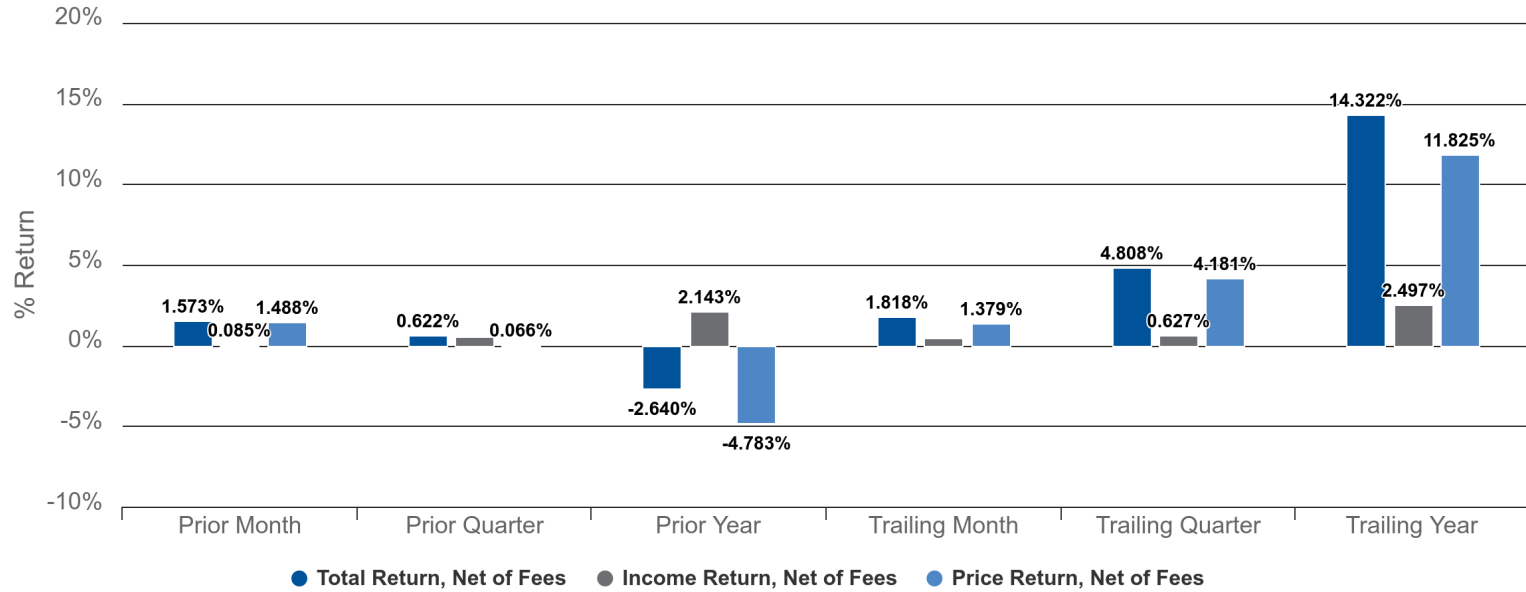
The notes to the financial statements are an integral part of this statement.

Summary

As of 12/31/2019

Moreton-Salt Lake County OPEB (55806)

Dated: 01/02/2020



Period	Period Begin	Period End	Total Return, Net of Fees	Income Return, Net of Fees	Price Return, Net of Fees
Prior Month	11/01/2019	11/30/2019	1.573%	0.085%	1.488%
Prior Quarter	07/01/2019	09/30/2019	0.622%	0.556%	0.066%
Prior Year	01/01/2018	12/31/2018	-2.640%	2.143%	-4.783%
Trailing Month	12/01/2019	12/31/2019	1.818%	0.439%	1.379%
Trailing Quarter	10/01/2019	12/31/2019	4.808%	0.627%	4.181%
Trailing Year	01/01/2019	12/31/2019	14.322%	2.497%	11.825%

Account	Index	Index Start Date	Index End Date
Moreton-Salt Lake County OPEB	50% S&P 500; 50% Barclays 1-3 yr.	11/24/2014	---

Net of Fees (includes management and trading).

Returns are actual and have not been annualized.

No Tax Adjustment.

Note that data will not exist prior to the performance inception date of: 10/01/2015.

This report of your portfolio holdings with Moreton Asset Management, LLC, (Moreton) should not be relied upon for auditing or tax purposes. Although the information provided has been obtained from sources believed to be reliable, its accuracy is not guaranteed. You should receive annual tax information from the custodian of record. Such information should be used for your tax return.

Securities prices may differ from actual liquidation value. Prices listed herein should be used only as a general guide to the portfolio's actual value. Prices are received from various pricing sources. Moreton is not responsible for any clerical or computational errors that may result from using pricing or other data from outside sources. In some cases, the report may reflect positions held in custody outside of the custodian of record for your accounts. Moreton uses settle-date accounting.

Management fees used to calculate the rates of return for the statement period include all administrative, management, and trading services rendered during the statement period, and are reflected in the Summary Performance calculations. These fees are accrued during the statement period and are charged to client accounts at the beginning of the following month. The returns shown are actual and are not annualized.

The custodian of record is required by law to provide separate account statements on at least a quarterly basis. Market values reflected in the custodian's statement and those cited in this report may differ due to the use of different pricing and reporting methods. If any discrepancies are found between the custody statement and this report, the custody statement will serve as the statement of record.

Performance returns include cash and cash equivalents and reflect the reinvestment of dividends, interest and other earnings based on the elections of the underlying client accounts. Performance is presented both before (gross) and after (net) the deduction of Moreton's fees and any applicable transaction costs. Performance is calculated on a settlement date basis and annual rates of return are calculated by linking monthly returns.

Benchmarks are provided for informational purposes only. Indexes are unmanaged and individuals cannot invest directly in the indexes referenced here.

Past performance is not indicative of future results. Different asset classes and types of investments include varying degrees of risk and therefore, no assurances are given that any specific investment will be profitable for the portfolio. Performance results for individual client portfolios will vary due to factors such as the timing of investments, contributions/withdrawals of funds, diversification, length of relationship, and size of positions. If you have any questions about your Moreton portfolio, please contact your portfolio manager. They can be reached at 801-869-4200 or at Team@MoretonAdvisors.com

Identifer	Description	Original Units	Current Units	Fiscal Maturity	Effective Maturity	Book Yield	Duration	Cashable	Common Type	Next Call Date	Security Type	Original Cost	Book Value	Interest Dividend Due	Accrued Balance	Net Unrealized Gain/Loss	Market Price	Market Value	Market Value - Accrued
BBK000HDV75	VANGUARD DEV MKT ADM	54,561.53	54,561.53	---	---	---	---	N	Fixed	---	Open-End Fund	721,970.27	721,970.27	0.00	0.00	46,701.72	14.4400	568,671.99	568,671.99
BBK000HV79	VANGUARD S-C ID ADM	3,500.45	3,500.45	---	---	---	---	N	Fixed	---	Open-End Fund	259,129.64	259,129.64	0.00	0.00	18,700.00	79.7000	277,830.64	277,830.64
BBK000HVYV4	VANGUARD GROW ID ADM	13,149.06	13,149.06	---	---	---	---	N	Fixed	---	Open-End Fund	1,059,857.26	1,059,857.26	0.00	0.00	174,009.06	93.8400	1,233,867.32	1,233,867.32
BBK000RZ817	VANGUARD EM ST 1 ADM	8,930.46	8,930.46	---	---	---	---	N	Fixed	---	Open-End Fund	316,811.50	316,811.50	0.00	0.00	13,169.00	36.9500	329,980.50	329,980.50
VBVAX	VANGUARD VAL IDN ADM	26,078.73	26,078.73	---	---	---	---	N	Fixed	---	Open-End Fund	1,115,558.91	1,115,558.91	0.00	0.00	108,049.45	46.7000	1,219,608.76	1,219,608.76
CVYUSD	Cash	(0.22)	(0.22)	12/31/2019	12/31/2019	0.000	0.000	N	Fixed	---	CASH	(0.22)	(0.22)	0.00	0.00	1,000.00	1.0000	1,000.00	1,000.00
CVYUSD	Bioactive	2,361.42	2,361.42	12/31/2019	12/31/2019	0.000	0.000	N	Fixed	---	CASH	2,361.42	2,361.42	0.00	0.00	1,000.00	2,361.42	2,361.42	2,361.42
BBK000N2Q1	GOLDMAN F5 PREM INST	184,340.33	184,340.33	12/31/2019	12/31/2019	1.800	0.000	N	Fixed	---	MMFUND	184,412.72	184,412.72	278.17	0.00	(0.22)	1.0005	184,412.50	184,412.50
PRXX	WELLS FARGO TES- MM1	43,511.20	43,511.20	12/31/2019	12/31/2019	1.490	0.000	N	Fixed	---	MMFUND	43,511.20	43,511.20	91.10	0.00	1,000.00	1.0000	43,511.20	43,511.20
BBK000HMKP1	MORGAN STANLEY BRAN WITTER & CO	400,000.00	400,000.00	02/18/2020	02/18/2020	2.763	0.131	N	Floating	---	CORP	411,772.00	405,535.09	0.00	1,837.53	(4,515.09)	99.0000	396,000.00	397,837.53
BBK000CHL02	BARCLAYS BANK PLC	100,000.00	100,000.00	04/09/2020	04/09/2020	2.757	0.025	N	Floating	---	CORP	100,650.00	100,059.93	0.00	686.07	124.07	100.1300	100,183.00	100,869.07
BBK000RZ1C3	FEDERAL HOME LOAN BANKS	100,000.00	100,000.00	11/25/2020	11/25/2020	1.799	0.888	N	Fixed	---	AGCY BOND	100,100.00	100,019.62	181.00	186.38	100.2500	100.2500	100,250.00	100,366.00
BBK000Y1449	GOLDMAN SACHS GROUP INC	100,000.00	100,000.00	02/25/2021	02/25/2021	2.438	0.157	N	Floating	---	CORP	101,603.00	101,474.11	0.00	204.89	101.4700	101.4700	101,479.00	102,077.17
BBK000WLN14	JPMORGAN CHASE & CO	70,000.00	70,000.00	03/09/2021	03/09/2021	2.441	0.191	Y	Floating	05/09/2020	CORP	69,769.00	69,879.49	0.00	108.90	130.31	100.0340	70,009.80	70,139.79
BBK000Y2XN1	GOLDMAN SACHS GROUP INC	35,000.00	35,000.00	03/15/2021	03/15/2021	2.745	0.210	Y	Floating	---	CORP	35,201.25	35,081.19	0.00	45.01	5.36	100.2500	35,088.55	35,133.56
BBK000YQF39	HSBC HOLDINGS PLC	250,000.00	250,000.00	05/18/2021	05/18/2021	2.462	0.136	Y	Floating	05/18/2020	CORP	250,537.50	250,101.47	0.00	765.15	153.33	100.0200	250,255.00	251,030.15
BBK000P3E24	PROTETIVE LIFE GLOBAL FUNDING	300,000.00	300,000.00	08/20/2021	08/20/2021	2.516	0.250	N	Floating	---	CORP	299,538.50	299,798.04	1,998.15	41.34	1,987.96	100.4500	301,774.00	301,453.54
BBK000P3RZ2	Abi Bank	200,000.00	200,000.00	08/09/2021	08/09/2021	2.100	1.565	N	Fixed	---	CD	200,000.00	200,000.00	0.00	1,680.00	1,282.00	100.6400	201,292.00	202,972.00
BBK000LPH18	FEDERAL NATIONAL MORTGAGE ASSOCIATION	275,000.00	275,000.00	08/24/2021	08/24/2021	1.680	0.619	Y	Fixed	02/24/2020	AGCY BOND	275,000.00	275,000.00	0.00	1,552.22	(57.50)	99.8700	274,462.50	276,194.22
BBK000K4F042	FEDERAL HOME LOAN MORTGAGE CORP	200,000.00	200,000.00	08/25/2021	08/25/2021	1.680	0.762	Y	Fixed	02/25/2020	AGCY BOND	200,000.00	200,000.00	0.00	1,176.00	(442.00)	99.7700	199,558.00	200,734.00
BBK000YD9W2	WELLS FARGO & CO	250,000.00	250,000.00	02/11/2022	02/11/2021	2.539	0.117	Y	Floating	02/11/2021	CORP	251,678.68	250,952.33	0.00	962.86	757.67	100.6400	251,710.00	252,692.86
BBK0009E9W1	BARCLAYS BANK PLC	400,000.00	400,000.00	06/20/2022	06/20/2022	2.556	0.220	Y	Floating	05/20/2020	CORP	400,000.00	400,000.00	0.00	312.64	(1,428.00)	99.4800	398,272.00	398,884.64
BBK000Z9K14	GOLDMAN SACHS GROUP INC	100,000.00	100,000.00	10/31/2022	10/31/2021	2.324	0.087	Y	Floating	10/31/2021	CORP	100,737.00	100,735.90	0.00	466.23	(46.90)	100.8800	100,889.00	101,155.23
BBK000Z1CQ1	US BANK N.A	250,000.00	250,000.00	11/09/2022	11/09/2022	2.337	0.191	Y	Floating	11/09/2022	CORP	250,202.50	250,199.33	0.00	364.97	208.17	100.6300	250,877.50	251,274.27
BBK000NKK187	Cibank, N.A.	240,000.00	240,000.00	11/04/2024	11/04/2024	2.111	4.481	N	Fixed	---	CD	239,280.00	239,280.81	0.00	792.67	1,547.19	100.1450	240,828.00	241,620.67
---	---	3,686,238.95	3,686,238.95	09/19/2021	07/08/2021	2.292	0.624	---	---	---	---	6,987,686.13	6,972,737.02	2,361.42	11,356.75	359,980.43	7.44552	7,332,517.48	7,344,848.21

* Weighted by Market Value * Accrued, except Book Yield by Base Book Value * Accrued
 * Holdings Displayed by Position

Net Unrealized Gain as of 12/31/2019	359,980.43	7,133,765	Invest on FS
Net Unrealized Gain as of 12/31/2018	(215,460.26)	220,300.90	Included in cash in FS
Change in Fair Value to be booked as of 12/31/2019	575,441.42	7,344,066.90	



Report: Portfolio Holdings
 Account: Macquarie Lake County OFEB (55886)
 As of: 12/31/2018

Identif	Description	Original Unit	Current Unit	Fund Month	Effective Month	Book Value	Duration	Collat	Coupon Type	Next Call Date	Security Type	Original Cost	Book Value	Book Value + Accrued	Interest/Dividend Due	Accrued Balance	Net Unrealized Gain/Loss	Market Price	Market Value	Market Value + Accrued
BB00001864	VANGUARD TIRE BOND ADM	24,314.86	24,314.86	---	---	---	---	N	Fixed	---	Open-Fund Fund	1,576,344.24	1,576,344.24	1,576,344.24	0.00	0.00	(17,770.32)	62.8900	1,498,573.91	1,498,573.91
BB00001826	VANGUARD TOT 15% ADM	25,931.99	25,931.99	---	---	---	---	N	Fixed	---	Open-Fund Fund	78,737.13	78,737.13	78,737.13	0.00	0.00	(618,377.70)	21.7000	636,879.80	636,879.80
CV000	Convolve	25.17	25.17	12/31/2018	12/31/2018	6.000	0.000	N	Fixed	---	CASH	25.17	25.17	25.17	0.00	0.00	1.0000	25.17	25.17	25.17
BB00001822	INDIA WFB INSTITUTIONAL BANK DEPOSIT	17,400.42	17,400.42	12/31/2018	12/31/2018	0.750	0.000	N	Fixed	---	MMF/IND	17,400.42	17,400.42	17,400.42	25.17	0.00	0.00	1.0000	17,400.42	17,400.42
BB00001820	FEDERAL NATIONAL MORTGAGE ASSOCIATION	200,000.00	200,000.00	01/29/2019	01/29/2019	1.200	0.075	N	Fixed	---	AGCY BOND	200,000.00	200,000.00	200,000.00	0.00	0.00	(1,061.80)	99.9700	199,938.00	200,827.31
BB00001823	MORGAN STANLEY	100,000.00	100,000.00	02/14/2020	02/14/2020	1.229	0.125	N	Floating	02/14/2019	COOP	100,401.00	100,825.31	100,484.33	0.00	455.22	(26.31)	100.0000	100,000.00	100,458.22
BB00001811	CITIBANK INC	200,000.00	200,000.00	04/08/2019	04/08/2019	1.190	0.022	N	Floating	---	COOP	199,954.00	199,999.64	200,446.39	0.00	1,109.75	(174.36)	100.0000	200,170.00	201,679.75
BB00001821	MORGAN STANLEY DEAN WITTER & CO	400,000.00	400,000.00	02/18/2020	02/18/2020	1.494	0.125	N	Floating	---	COOP	411,772.00	404,648.01	406,724.48	0.00	2,118.67	(3,604.01)	100.2000	401,000.00	405,118.67
BB00001822	BARCLAYS BANK PLC	100,000.00	100,000.00	04/09/2020	04/09/2020	1.185	0.025	N	Floating	---	COOP	100,650.00	100,278.19	101,482.47	0.00	776.28	(621.79)	99.8500	99,650.00	100,431.78
BB00001819	BARCLAYS BANK PLC	400,000.00	400,000.00	06/16/2020	06/16/2020	1.444	1.025	N	Step-Up	06/16/2019	AGCY BOND	399,706.00	399,851.12	400,412.82	0.00	564.70	(1,039.22)	99.9700	399,120.00	400,079.70
BB00001823	FEDERAL HOME LOAN BANKS	100,000.00	100,000.00	11/25/2020	11/25/2020	1.789	1.140	N	Fixed	---	AGCY BOND	100,100.00	100,039.00	100,220.00	0.00	181.00	(1,405.00)	98.4300	98,824.00	99,915.00
BB00001820	GOLDMANS SACHS GROUP INC	100,000.00	100,000.00	02/25/2021	02/25/2021	1.199	0.125	N	Floating	---	COOP	101,061.00	102,782.11	103,399.07	0.00	445.93	(1,206.31)	101.5400	101,999.01	103,099.01
BB00001824	JPMORGAN CHASE & CO	70,000.00	70,000.00	03/09/2021	03/09/2021	1.514	0.104	N	Floating	03/09/2020	COOP	69,760.00	69,777.91	69,919.81	0.00	141.90	(1,141.01)	99.5000	69,660.30	69,802.20
BB00001824	GOLDMANS SACHS GROUP INC	35,000.00	35,000.00	03/15/2021	03/15/2021	1.434	0.200	N	Floating	---	COOP	35,280.121	35,125.26	35,267.60	0.00	35.24	(1,127.11)	99.9900	34,999.00	35,034.24
BB00001820	HSBC HOLDINGS PLC	250,000.00	250,000.00	05/18/2021	05/18/2021	1.169	0.117	N	Floating	05/18/2020	COOP	228,537.50	228,369.85	231,237.35	0.00	967.50	(4,079.85)	95.5500	246,200.00	247,257.50
BB00001820	FEDERAL NATIONAL MORTGAGE ASSOCIATION	150,000.00	150,000.00	06/14/2021	06/14/2021	1.800	2.100	N	Fixed	01/14/2019	AGCY BOND	150,000.00	150,000.00	150,297.50	0.00	297.50	(7,002.50)	97.5400	147,197.50	148,400.00
BB00001820	FEDERAL NATIONAL MORTGAGE ASSOCIATION	275,000.00	275,000.00	08/24/2021	08/24/2021	1.600	2.342	N	Fixed	02/24/2019	AGCY BOND	273,000.00	273,000.00	276,512.22	0.00	1,512.22	(7,628.22)	97.1370	267,871.75	269,623.97
BB00001820	FEDERAL HOME LOAN MORTGAGE CORP	200,000.00	200,000.00	08/25/2021	08/25/2021	1.600	2.200	N	Fixed	01/25/2019	AGCY BOND	200,000.00	200,000.00	201,716.00	0.00	1,176.00	(4,436.00)	97.5700	195,514.00	196,690.00
BB00001820	FEDERAL HOME LOAN MORTGAGE CORP	250,000.00	250,000.00	06/29/2022	06/29/2022	2.150	2.200	N	Fixed	01/29/2019	AGCY BOND	250,000.00	250,000.00	250,629.86	0.00	29.86	(4,045.00)	98.3200	245,951.00	246,984.86
---	---	3,097,653.84	3,097,653.84	10/29/2020	10/13/2020	2.996	1.827	---	---	---	---	5,390,414.12	5,390,571.90	5,401,848.00	25.17	11,276.10	(215,506.70)	78.5210	5,176,311.12	5,186,287.22

* Weighted by Market Value + Accrued, except Book Yield by Book Value + Accrued
 * Holdings Displayed by Position

This report of your portfolio holdings with Moreton Asset Management, LLC, (Moreton) should not be relied upon for auditing or tax purposes. Although the information provided has been obtained from sources believed to be reliable, its accuracy is not guaranteed. You should receive annual tax information from the custodian of record. Such information should be used for your tax return.

Securities prices may differ from actual liquidation value. Prices listed herein should be used only as a general guide to the portfolio's actual value. Prices are received from various pricing sources. Moreton is not responsible for any clerical or computational errors that may result from using pricing or other data from outside sources. In some cases, the report may reflect positions held in custody outside of the custodian of record for your accounts. Moreton uses settle-date accounting.

Management fees used to calculate the rates of return for the statement period include all administrative, management, and trading services rendered during the statement period, and are reflected in the Summary Performance calculations. These fees are accrued during the statement period and are charged to client accounts at the beginning of the following month. The returns shown are actual and are not annualized.

The custodian of record is required by law to provide separate account statements on at least a quarterly basis. Market values reflected in the custodian's statement and those cited in this report may differ due to the use of different pricing and reporting methods. If any discrepancies are found between the custody statement and this report, the custody statement will serve as the statement of record.

Performance returns include cash and cash equivalents and reflect the reinvestment of dividends, interest and other earnings based on the elections of the underlying client accounts. Performance is presented both before (gross) and after (net) the deduction of Moreton's fees and any applicable transaction costs. Performance is calculated on a settlement date basis and annual rates of return are calculated by linking monthly returns.

Benchmarks are provided for informational purposes only. Indexes are unmanaged and individuals cannot invest directly in the indexes referenced here.

Past performance is not indicative of future results. Different asset classes and types of investments include varying degrees of risk and therefore, no assurances are given that any specific investment will be profitable for the portfolio. Performance results for individual client portfolios will vary due to factors such as the timing of investments, contributions/withdrawals of funds, diversification, length of relationship, and size of positions. If you have any questions about your Moreton portfolio, please contact your portfolio manager. They can be reached at 801-869-4200 or at Team@MoretonAdvisors.com