

# Scio Township Retiree Health Care Plan

GASB Statement Nos. 74 and 75, Accounting and  
Financial Reporting for Postemployment Benefit  
Plans Other Than Pension Plans

March 31, 2024





May 15, 2024

Board of Trustees  
Scio Township Retiree Health Care Plan  
827 North Zeeb Road  
Ann Arbor, Michigan 48103

Dear Board Members:

This report provides information on behalf of the Scio Township Retiree Health Care Plan in connection with the Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. GASB Statement Nos. 74 and 75 are the accounting standards which apply to Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements. Page 30 of this report also details the calculations under the uniform assumptions as required by Michigan Public Act 202 of 2017.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement Nos. 74 and 75. The calculation of the Plan's liability for this report is not applicable for funding purposes of the Plan. A calculation of the Plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 74 and 75 may produce significantly different results. This report may be provided to parties other than Scio Township only in its entirety and only with the permission of the Township. GRS is not responsible for unauthorized use of this report.

This report is based upon information furnished to us by Scio Township concerning other postemployment benefits, active members, retirees, and financial data. This information was checked for internal consistency, but was not audited by GRS.

This information is intended to assist in preparation of the financial statements of the Scio Township Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Based on the available data, the information contained in this report is accurate and fairly represents the actuarial position of the Scio Township Retiree Health Care Plan as of the reporting date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as the Actuarial Standards of Practice. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

The data, actuarial assumptions, and benefit provisions used in this report were used to calculate liabilities associated with GASB report disclosures as of March 31, 2024. Please see the March 31, 2023 biennial actuarial valuation dated May 24, 2023 for additional discussion regarding the data, assumptions, benefit provisions, and the nature of actuarial calculations. In addition, please see the Data comment on page 5 regarding one additional member added after the valuation date.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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; and changes in plan provisions or applicable law.

The signing actuaries are independent of the plan sponsor.

Heidi G. Barry and Kevin T. Noelke are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Heidi G. Barry, ASA, FCA, MAAA



Kevin T. Noelke, ASA, FCA, MAAA

HGB/KTN:dj

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# SECTION A

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## EXECUTIVE SUMMARY

# Executive Summary as of March 31, 2024

Actuarial Valuation Date	March 31, 2023
Measurement Date of the Net OPEB Liability	March 31, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	March 31, 2024

## Membership

Number of	
- Retirees and Beneficiaries	11
- Inactive, Nonretired Members	0
- Active Members	0
- Total	11
Covered Payroll	N/A

## Net OPEB Liability

Total OPEB Liability	\$	348,582
Plan Fiduciary Net Position		221,825
Net OPEB Liability	\$	126,757
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		63.64 %
Net OPEB Liability as a Percentage of Covered Payroll		N/A

## Development of the Single Discount Rate

Single Discount Rate - End of Year	6.00 %
Single Discount Rate - Beginning of Year	3.78 %
Long-Term Expected Rate of Investment Return	6.00 %
Long-Term Municipal Bond Rate*	3.96 %
Last year ending March 31 in the 2025 to 2124 projection period for which projected benefit payments are fully funded	N/A

<b>Total OPEB Expense</b>	\$	(22,886)
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## Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future OPEB Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 145,674	\$ 16,669
Changes in assumptions	111,596	158,204
Net difference between projected and actual earnings on OPEB plan investments	-	14,025
Total	\$ 257,270	\$ 188,898

\* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of March 31, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.



# Discussion

## Accounting Standard

For Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” replaces the requirements of GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” Similarly, GASB Statement No. 75 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose Net OPEB Liability, OPEB expense, and other information associated with providing OPEB to their employees (and former employees) on their financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

## Financial Statements

GASB Statement No. 75 requires state and local government employers to recognize the Net OPEB Liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The Net OPEB Liability is the difference between the Total OPEB Liability and the plan’s fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

GASB Statement No. 75 states the employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer’s reporting period should be reported as a deferred outflow of resources. The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of March 31, 2024.

The OPEB expense recognized each fiscal year is equal to the change in the Net OPEB Liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan’s reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

# Discussion

## Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to OPEB.

GASB Statement Nos. 74 and 75 require the notes of the financial statements for employers and OPEB plans to include certain additional information. The list of disclosure items should include:

- The name of the OPEB plan, the administrator of the OPEB plan; and the identification of whether the OPEB plan is a single-employer, agent, or cost-sharing OPEB plan;
- A description of the benefits provided by the plan;
- A brief description of changes in benefit terms or assumptions that affected the measurement of the Total OPEB Liability since the prior measurement date;
- The number of plan members by category and if the plan is closed;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The OPEB plan's investment policies;
- The OPEB plan's fiduciary net position and the net pension liability;
- The Net OPEB Liability using +/- 1% on the discount rate;
- The Net OPEB Liability using +/- 1% on the healthcare trend rate;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

OPEB plans that are administered through trusts or equivalent arrangements are required to disclose additional information in accordance with GASB Statement No. 74. This information includes:

- The composition of the OPEB plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.



# Discussion

## Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history of:

- Sources of changes in the Net OPEB Liability (NOL);
- Information about the components of the NOL and related ratios, including the OPEB plan's fiduciary net position as a percentage of the Total OPEB Liability (TOL), and the NOL as a percent of covered-employee payroll;
- Comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy; and
- For plans with an actuarially determined contribution, the schedule covering each of the 10 most recent fiscal years of the actuarially determined contribution, contributions to the OPEB plan and related ratios.

## Frequency and Timing of the Actuarial Valuation

An actuarial valuation to determine the TOL is required to be performed at least every two years. For the employer's financial reporting purposes, the NOL and OPEB expense should be measured as of the employer's "measurement date," which may not be earlier than the employer's prior fiscal year end date. If the actuarial valuation used to determine the TOL is not calculated as of the measurement date, the TOL is required to be rolled-forward from the actuarial valuation date to the measurement date. The TOL shown in this report is based on an actuarial valuation performed as of March 31, 2023 and a measurement date of March 31, 2024.

## Roll-Forward Methodology

The March 31, 2024 TOL was calculated by rolling-forward the March 31, 2023 TOL by applying one year of Service Cost (increases TOL), actual benefit payments and refunds reported by the Township during the year (reduces TOL), and an interest rate adjustment assuming the beginning of year Single Discount Rate of 3.78%. A full year of interest was applied to the beginning of year TOL and one-half year of interest was applied to the Service Cost and benefit payments. Changes in assumptions and methods (i.e., Discount Rate) were recognized at the end of the measurement period.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 3.96% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.00%.



# Discussion

## Benefits Valued

The benefit provisions that were valued are described in the Summary of Benefits in the March 31, 2023 biennial actuarial valuation. The summary of major plan provisions is designed to outline principal plan benefits. If the plan summary is not in accordance with the actual provisions, please alert the actuaries immediately, so they can both be sure the proper provisions are valued.

## Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in detail in the March 31, 2023 biennial actuarial valuation. Assumptions were developed from the valuation assumptions used for the most recent pension and OPEB funding valuations of the Municipal Employees Retirement System (MERS) of Michigan.

The change in Single Discount Rate from 3.78% to 6.00% was reflected as an assumption change for purposes of this report, which decreased liabilities by about \$70 thousand.

## Future Uncertainty or Risk

Future results may differ from those anticipated in this valuation. Reasons include, but are not limited to:

- Actual trends differing from expected;
- Changes in the healthcare plan designs offered to active and retired members; and
- Participant behavior differing from expected; e.g.,
  - Elections at retirement;
  - Utilization of benefits; and
  - Time of retirement or termination.

## Implicit Rate Subsidy

No implicit rate subsidy is valued herein, since the Plan does not currently provide insurance coverage access. Rather, plan participants must secure their own coverage and may submit the premiums as reimbursable expenses, subject to the annual maximum.

## SECTION B

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### FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Scio Township Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

# Statement of OPEB Expense under GASB Statement No. 75

## Fiscal Year Ended March 31, 2024

### A. Expense

1. Service Cost	\$	-
2. Interest on the Total OPEB Liability		15,621
3. Current-Period Benefit Changes		-
4. Employee Contributions (made negative for addition here)		-
5. Projected Earnings on Plan Investments (made negative for addition here)		(3,790)
6. OPEB Plan Administrative Expense		-
7. Other Changes in Plan Fiduciary Net Position		-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		(31,211)
9. Recognition of Outflow (Inflow) of Resources due to Assets		(3,506)
<b>10. Total OPEB Expense</b>	<b>\$</b>	<b>(22,886)</b>

# Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended March 31, 2024

## A. Outflows (Inflows) of Resources Due to Liabilities

1. Difference between expected and actual experience of the Total OPEB Liability (gains) or losses	\$ -
2. Assumption Changes (gains) or losses	(70,191)
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	1.0
4. Outflow (Inflow) of Resources to be recognized in the current OPEB expense for the difference between expected and actual experience of the Total OPEB Liability	-
5. Outflow (Inflow) of Resources to be recognized in the current OPEB expense for assumption changes	(70,191)
6. Outflow (Inflow) of Resources to be recognized in the current OPEB expense due to Liabilities	\$ (70,191)
7. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses for the difference between expected and actual experience of the Total OPEB Liability	-
8. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses for assumption changes	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses due to Liabilities	\$ -

## B. Outflows (Inflows) of Resources Due to Assets

1. Net difference between projected and actual earnings on OPEB plan investments (gains) or losses	\$ (17,531)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current OPEB expense due to Assets	(3,506)
4. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses due to Assets	\$ (14,025)

# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended March 31, 2024

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current OPEB Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 79,305	\$ 110,516	\$ (31,211)
2. Due to Assets	-	3,506	(3,506)
<b>3. Total</b>	<b>\$ 79,305</b>	<b>\$ 114,022</b>	<b>\$ (34,717)</b>

## B. Outflows and Inflows of Resources by Source to be Recognized in Current OPEB Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 33,451	\$ 5,556	\$ 27,895
2. Assumption Changes	45,854	104,960	(59,106)
3. Net Difference between projected and actual earnings on OPEB plan investments	-	3,506	(3,506)
<b>4. Total</b>	<b>\$ 79,305</b>	<b>\$ 114,022</b>	<b>\$ (34,717)</b>

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 145,674	\$ 16,669	\$ 129,005
2. Assumption Changes	111,596	158,204	(46,608)
3. Net Difference between projected and actual earnings on OPEB plan investments	-	14,025	(14,025)
<b>4. Total</b>	<b>\$ 257,270</b>	<b>\$ 188,898</b>	<b>\$ 68,372</b>

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses

Year Ending March 31	Net Deferred Outflows of Resources
2025	\$ 35,473
2026	26,934
2027	7,678
2028	(10,014)
2029	8,301
Thereafter	-
<b>Total</b>	<b>\$ 68,372</b>

Employer contributions subsequent to the measurement date of the net OPEB liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to OPEB. The information contained in this report does not incorporate any contributions made subsequent to the measurement date.

See paragraph 44 of GASB Statement No. 75 for single and agent employers with trusted plans.

Also, Question 4.32 of Implementation Guide No. 2017-1 provides additional guidance for trusted plans.



# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended March 31, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
<b>Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities</b>					
2019	\$ 36,304	7.0	\$ 5,186	\$ 5,188	1.0
2020	-	7.0	-	-	2.0
2021	(38,893)	7.0	(5,556)	(16,669)	3.0
2022	5,843	7.0	835	3,338	4.0
2023	192,008	7.0	27,430	137,148	5.0
2024	-	1.0	-	-	0.0
<b>Total</b>			<b>\$ 27,895</b>	<b>\$ 129,005</b>	

### Deferred Outflow (Inflow) Due to Assumption Changes

2019	\$ 23,461	7.0	\$ 3,352	\$ 3,349	1.0
2020	134,783	7.0	19,255	38,508	2.0
2021	162,727	7.0	23,247	69,739	3.0
2022	(109,481)	7.0	(15,640)	(62,561)	4.0
2023	(133,901)	7.0	(19,129)	(95,643)	5.0
2024	(70,191)	1.0	(70,191)	-	0.0
<b>Total</b>			<b>\$ (59,106)</b>	<b>\$ (46,608)</b>	

### Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments

2021	\$ -	5.0	\$ -	\$ -	1.0
2022	-	5.0	-	-	2.0
2023	-	5.0	-	-	3.0
2024	(17,531)	5.0	(3,506)	(14,025)	4.0
<b>Total</b>			<b>\$ (3,506)</b>	<b>\$ (14,025)</b>	

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was 0 years. Additionally, the total plan membership (active employees and inactive employees) was 11. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 1 year.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

## Statement of Fiduciary Net Position as of March 31, 2024

### Assets

Cash and Deposits	\$ -
Receivables	\$ -
Investments	
Investments - OPEB	\$ 221,825
Total Investments	221,825
<b>Total Assets</b>	<b>\$ 221,825</b>

### Liabilities

Payables	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<b>-</b>

<b>Net Position Restricted for OPEB</b>	<b>\$ 221,825</b>
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# Statement of Changes in Fiduciary Net Position for Year Ended March 31, 2024

## Additions

### Contributions

Employer*	\$ 220,724
Employee	-
<b>Total Contributions</b>	<u>\$ 220,724</u>

### Investment Income

Net Appreciation in Fair Value of Investments	\$ 21,729
Less Investment Expense	(408)
<b>Net Investment Income</b>	<u>\$ 21,321</u>

Other	-
<b>Total Additions</b>	<u>\$ 242,045</u>

## Deductions

Benefit Payments Less Retiree Contributions*	\$ 20,220
OPEB Plan Administrative Expense	-
<b>Total Deductions</b>	<u>\$ 20,220</u>

**Net Increase in Net Position** 221,825

## Net Position Restricted for OPEB

Beginning of Year	-
End of Year	<u><u>\$ 221,825</u></u>

\* Includes benefits paid outside of the Plan.

## Reported History of Benefit Payments

<u>Fiscal Year</u>	<u>Maximum</u> <u>Reimbursement</u>	<u>Benefit</u> <u>Payments</u>
2014-15	\$ 3,535	\$ 10,764
2015-16	3,588	10,938
2016-17	3,646	10,563
2017-18	3,521	10,659
2018-19	3,553	14,512
2019-20	3,628	11,947
2020-21	3,715	13,905
2021-22	3,735	18,040
2022-23	3,875	18,427
2023-24	4,157	20,220

## SECTION C

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### **REQUIRED SUPPLEMENTARY INFORMATION**

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Scio Township Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

# Schedule of Changes in Net OPEB Liability and Related Ratios

## Current Reporting Period

### Fiscal Year Ended March 31, 2024

<b>A. Total OPEB liability</b>	
1. Service cost	\$ -
2. Interest on the total OPEB liability	15,621
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the total OPEB liability	-
5. Changes of assumptions	(70,191)
6. Benefit payments, including refunds of employee contributions	(20,220)
<b>7. Net change in total OPEB liability</b>	<b>(74,790)</b>
<b>8. Total OPEB liability – beginning</b>	<b>423,372</b>
<b>9. Total OPEB liability – ending</b>	<b>\$ 348,582</b>
<b>B. Plan fiduciary net position</b>	
1. Contributions – employer	\$ 220,724
2. Contributions – nonemployer contributing entities	-
3. Contributions – employee	-
4. Net investment income	21,321
5. Benefit payments, including refunds of employee contributions	(20,220)
6. OPEB plan administrative expense	-
7. Other	-
<b>8. Net change in plan fiduciary net position</b>	<b>221,825</b>
<b>9. Plan fiduciary net position – beginning</b>	<b>-</b>
<b>10. Plan fiduciary net position – ending</b>	<b>\$ 221,825</b>
<b>C. Net OPEB liability</b>	<b>\$ 126,757</b>
<b>D. Plan fiduciary net position as a percentage of the total OPEB liability</b>	
	63.64 %
<b>E. Covered-employee payroll</b>	N/A
<b>F. Net OPEB liability as a percentage of covered-employee payroll</b>	
	N/A

# Schedules of Required Supplementary Information

## Schedule of Changes in Net OPEB Liability and Related Ratios

Ultimately 10 Fiscal Years Will Be Shown

Fiscal year ending March 31,	2024	2023	2022	2021	2020	2019
<b>Total OPEB liability</b>						
Service cost	\$ -	\$ 42,698	\$ 45,721	\$ 39,760	\$ 30,227	\$ 26,065
Interest on the total OPEB liability	15,621	33,290	27,833	26,028	29,519	27,472
Changes of benefit terms	-	(856,468)	-	-	-	-
Difference between expected and actual experience	-	192,008	5,843	(38,893)	-	36,304
Changes of assumptions	(70,191)	(133,901)	(109,481)	162,727	134,783	23,461
Benefit payments, including refunds of employee contributions	(20,220)	(18,427)	(18,040)	(13,905)	(11,947)	(14,512)
<b>Net change in total OPEB liability</b>	<b>(74,790)</b>	<b>(740,800)</b>	<b>(48,124)</b>	<b>175,717</b>	<b>182,582</b>	<b>98,790</b>
<b>Total OPEB liability - beginning</b>	<b>423,372</b>	<b>1,164,172</b>	<b>1,212,296</b>	<b>1,036,579</b>	<b>853,997</b>	<b>755,207</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 348,582</b>	<b>\$ 423,372</b>	<b>\$ 1,164,172</b>	<b>\$ 1,212,296</b>	<b>\$ 1,036,579</b>	<b>\$ 853,997</b>
<b>Plan fiduciary net position</b>						
Employer contributions	\$ 220,724	\$ 18,427	\$ 18,040	\$ 13,905	\$ 11,947	\$ 14,512
Nonemployer contributing entities contributions	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-
OPEB plan net investment income	21,321	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(20,220)	(18,427)	(18,040)	(13,905)	(11,947)	(14,512)
OPEB plan administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 221,825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 221,825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 126,757</b>	<b>\$ 423,372</b>	<b>\$ 1,164,172</b>	<b>\$ 1,212,296</b>	<b>\$ 1,036,579</b>	<b>\$ 853,997</b>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	<b>63.64 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>
<b>Covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Notes to Schedule:</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>



# Schedules of Required Supplementary Information

## Schedule of the Net OPEB Liability

Ultimately 10 Fiscal Years Will Be Shown

<b>FY Ending March 31,</b>	<b>Total OPEB Liability</b>	<b>Plan Net Position</b>	<b>Net OPEB Liability</b>	<b>Plan Net Position as a % of Total OPEB Liability</b>	<b>Covered Payroll</b>	<b>Net OPEB Liability as a % of Covered Payroll</b>
2019	\$ 853,997	\$ -	\$ 853,997	0.00 %	N/A	N/A
2020	1,036,579	-	1,036,579	0.00 %	N/A	N/A
2021	1,212,296	-	1,212,296	0.00 %	N/A	N/A
2022	1,164,172	-	1,164,172	0.00 %	N/A	N/A
2023	423,372	-	423,372	0.00 %	N/A	N/A
2024	348,582	221,825	126,757	63.64 %	N/A	N/A

## Schedule of Contributions

Ultimately 10 Fiscal Years Will Be Shown

<u>FY Ending March 31,</u>	<u>Actuarially Determined Contribution #</u>	<u>Actual Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2019	N/A	\$ 14,512	N/A	N/A	N/A
2020	N/A	11,947	N/A	N/A	N/A
2021	N/A	13,905	N/A	N/A	N/A
2022	\$ 101,955	18,040	\$ 83,915	N/A	N/A
2023	103,046	18,427	84,619	N/A	N/A
2024	45,984	220,724	(174,740)	N/A	N/A

*\* Actual benefit payments were treated as contributions in the above chart.*

*# The Actuarial Determined Contribution was not calculated prior to the FY Ending March 31, 2022.*

# Notes to Schedule of Contributions

**Valuation Date:** March 31, 2023

Notes Actuarially determined contributions are calculated as of March 31 of odd numbered years, which is 1 day prior to the beginning of the fiscal year biennium in which contributions are reported.

## Methods and Assumptions Used to Determine the Contribution for the Fiscal Year Beginning April 1, 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed, level dollar
Remaining Amortization Period	10 years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.00% per annum as of March 31, 2023.
Retirement Age	N/A
Mortality	<b>Healthy Post-Retirement Mortality:</b> Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106%. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. <b>Disability Retirement Mortality:</b> Sex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. <b>Healthy Pre-Retirement Mortality:</b> Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. Ninety percent (90%) of active member deaths are assumed to be non-duty deaths and ten percent (10%) of the deaths are assumed to be duty related.
Health Care Trend Rates	2.50% for all years
Aging Factors	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.

## Other Information:

Notes The benefit utilization assumption is 75%.



## SECTION D

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### NOTES TO FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Scio Township Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

# Single Discount Rate

A Single Discount Rate of 6.00% was used to measure the total OPEB liability for the Retiree Health Care Plan. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this Single Discount Rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate.

Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Summary of Population Statistics as of the Actuarial Valuation Date

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	-
Total Plan Members	<hr/> 11

## Sensitivity of the Net OPEB Liability

Regarding the sensitivity of the Net OPEB Liability to changes in the Single Discount Rate, the following presents the plan's Net OPEB Liability, calculated using a Single Discount Rate of 6.00% for the Retiree Health Care Plan if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

### Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.00%	6.00%	7.00%
\$ 155,505	\$ 126,757	\$ 101,839

Regarding the sensitivity of the Net OPEB Liability to changes in the health care cost trend rates, the following presents the plan's Net OPEB Liability, calculated using the assumed trend rates as well as what the plan's Net OPEB Liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

### Sensitivity of Net OPEB Liability to the Health Care Cost Trend Rate Assumption

Current Health Care Cost		
1% Decrease	Trend Rate Assumption	1% Increase
1.50%	2.50%	3.50%
\$ 96,074	\$ 126,757	\$ 161,792

## SECTION E

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### CALCULATION OF THE SINGLE DISCOUNT RATE

## Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 3.96%; and the resulting SDR is 6.00%.

The tables in this section provide background for the development of the SDR.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities). For purposes of this projection, it was assumed that the employer would continue to pay contributions equal to benefit payments. Therefore, the current assets are expected to continue to grow with investment income. At some point in the future, the policy may change and Trust assets may be used to pay benefits. This potential policy change is not modeled in the projections.

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the SDR. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

The projections in this report are strictly for the purpose of determining the GASB Single Discount Rate and are different from a funding projection for the ongoing plan. Contribution amounts shown are strictly for the purpose of testing for a GASB depletion date and may differ from those determined by a funding valuation.

# Single Discount Rate Development – Retiree Health Care Plan

## Projection of Contributions

### Ending March 31 for 2025 to 2074

Year	Projected Payroll for Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
1	\$ -	\$ -	\$ -	45,984	\$ 45,984
2	-	-	-	13,611	13,611
3	-	-	-	13,611	13,611
4	-	-	-	13,611	13,611
5	-	-	-	13,611	13,611
6	-	-	-	13,611	13,611
7	-	-	-	13,611	13,611
8	-	-	-	13,611	13,611
9	-	-	-	13,611	13,611
10	-	-	-	-	-
11	-	-	-	-	-
12	-	-	-	-	-
13	-	-	-	-	-
14	-	-	-	-	-
15	-	-	-	-	-
16	-	-	-	-	-
17	-	-	-	-	-
18	-	-	-	-	-
19	-	-	-	-	-
20	-	-	-	-	-
21	-	-	-	-	-
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26	-	-	-	-	-
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41	-	-	-	-	-
42	-	-	-	-	-
43	-	-	-	-	-
44	-	-	-	-	-
45	-	-	-	-	-
46	-	-	-	-	-
47	-	-	-	-	-
48	-	-	-	-	-
49	-	-	-	-	-
50	-	-	-	-	-

# Single Discount Rate Development – Retiree Health Care Plan

## Projection of Plan Fiduciary Net Position

### Ending March 31 for 2025 to 2074

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 221,825	\$ 45,984	\$ 32,863	\$ -	\$ 13,697	\$ 248,643
2	248,643	13,611	32,349	-	14,365	244,270
3	244,270	13,611	31,774	-	14,119	240,225
4	240,225	13,611	31,147	-	13,895	236,585
5	236,585	13,611	30,473	-	13,697	233,419
6	233,419	13,611	29,763	-	13,528	230,794
7	230,794	13,611	29,021	-	13,392	228,776
8	228,776	13,611	28,254	-	13,294	227,426
9	227,426	13,611	27,462	-	13,236	226,811
10	226,811	-	26,645	-	12,821	212,987
11	212,987	-	25,798	-	12,017	199,206
12	199,206	-	24,918	-	11,216	185,504
13	185,504	-	24,000	-	10,421	171,924
14	171,924	-	23,040	-	9,634	158,519
15	158,519	-	22,032	-	8,860	145,346
16	145,346	-	20,977	-	8,101	132,470
17	132,470	-	19,874	-	7,361	119,956
18	119,956	-	18,726	-	6,644	107,874
19	107,874	-	17,537	-	5,954	96,291
20	96,291	-	16,314	-	5,295	85,271
21	85,271	-	15,064	-	4,671	74,878
22	74,878	-	13,797	-	4,085	65,166
23	65,166	-	12,526	-	3,540	56,180
24	56,180	-	11,265	-	3,038	47,953
25	47,953	-	10,031	-	2,581	40,503
26	40,503	-	8,840	-	2,169	33,832
27	33,832	-	7,706	-	1,802	27,928
28	27,928	-	6,640	-	1,479	22,768
29	22,768	-	5,653	-	1,199	18,314
30	18,314	-	4,750	-	958	14,522
31	14,522	-	3,936	-	755	11,342
32	11,342	-	3,213	-	586	8,714
33	8,714	-	2,582	-	447	6,579
34	6,579	-	2,039	-	334	4,874
35	4,874	-	1,581	-	246	3,539
36	3,539	-	1,200	-	177	2,515
37	2,515	-	892	-	125	1,748
38	1,748	-	648	-	86	1,186
39	1,186	-	459	-	58	785
40	785	-	317	-	38	506
41	506	-	213	-	24	317
42	317	-	139	-	15	193
43	193	-	88	-	9	114
44	114	-	54	-	5	66
45	66	-	32	-	3	37
46	37	-	18	-	2	20
47	20	-	10	-	1	10
48	10	-	6	-	0	5
49	5	-	3	-	0	3
50	3	-	2	-	0	1

# Single Discount Rate Development – Retiree Health Care Plan

## Present Values of Projected Benefits

### Ending March 31 for 2025 to 2124

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v <sup>a</sup> ((a)-.5)	(g)=(e)*vf <sup>a</sup> ((a)-.5)	(h)=(c)/(1+SDR) <sup>a</sup> ((a)-.5)
1	\$ 221,825	\$ 32,863	\$ 32,863	\$ -	\$ 31,919	\$ -	\$ 31,919
2	248,643	32,349	32,349	-	29,642	-	29,642
3	244,270	31,774	31,774	-	27,467	-	27,467
4	240,225	31,147	31,147	-	25,400	-	25,400
5	236,585	30,473	30,473	-	23,445	-	23,445
6	233,419	29,763	29,763	-	21,602	-	21,602
7	230,794	29,021	29,021	-	19,872	-	19,872
8	228,776	28,254	28,254	-	18,251	-	18,251
9	227,426	27,462	27,462	-	16,735	-	16,735
10	226,811	26,645	26,645	-	15,318	-	15,318
11	212,987	25,798	25,798	-	13,992	-	13,992
12	199,206	24,918	24,918	-	12,750	-	12,750
13	185,504	24,000	24,000	-	11,585	-	11,585
14	171,924	23,040	23,040	-	10,492	-	10,492
15	158,519	22,032	22,032	-	9,465	-	9,465
16	145,346	20,977	20,977	-	8,502	-	8,502
17	132,470	19,874	19,874	-	7,599	-	7,599
18	119,956	18,726	18,726	-	6,754	-	6,754
19	107,874	17,537	17,537	-	5,968	-	5,968
20	96,291	16,314	16,314	-	5,237	-	5,237
21	85,271	15,064	15,064	-	4,562	-	4,562
22	74,878	13,797	13,797	-	3,942	-	3,942
23	65,166	12,526	12,526	-	3,376	-	3,376
24	56,180	11,265	11,265	-	2,864	-	2,864
25	47,953	10,031	10,031	-	2,406	-	2,406
26	40,503	8,840	8,840	-	2,000	-	2,000
27	33,832	7,706	7,706	-	1,645	-	1,645
28	27,928	6,640	6,640	-	1,337	-	1,337
29	22,768	5,653	5,653	-	1,074	-	1,074
30	18,314	4,750	4,750	-	851	-	851
31	14,522	3,936	3,936	-	666	-	666
32	11,342	3,213	3,213	-	513	-	513
33	8,714	2,582	2,582	-	389	-	389
34	6,579	2,039	2,039	-	290	-	290
35	4,874	1,581	1,581	-	212	-	212
36	3,539	1,200	1,200	-	152	-	152
37	2,515	892	892	-	106	-	106
38	1,748	648	648	-	73	-	73
39	1,186	459	459	-	49	-	49
40	785	317	317	-	32	-	32
41	506	213	213	-	20	-	20
42	317	139	139	-	12	-	12
43	193	88	88	-	7	-	7
44	114	54	54	-	4	-	4
45	66	32	32	-	2	-	2
46	37	18	18	-	1	-	1
47	20	10	10	-	1	-	1
48	10	6	6	-	0	-	0
49	5	3	3	-	0	-	0
50	3	2	2	-	0	-	0



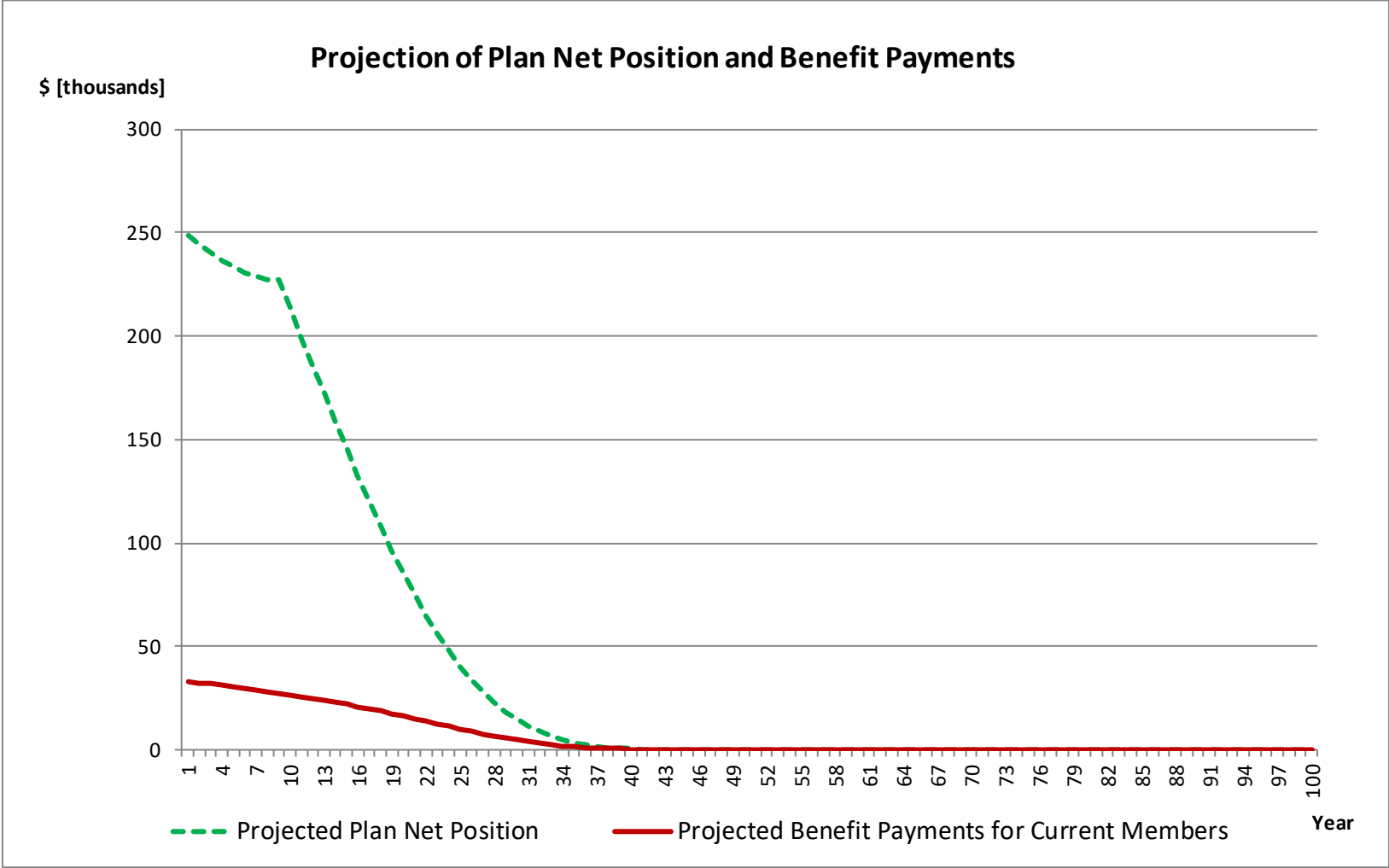
# Single Discount Rate Development – Retiree Health Care Plan

## Present Values of Projected Benefits

### Ending March 31 for 2025 to 2124 (Concluded)

	Projected			Funded Portion of	Unfunded Portion of	Present Value of	Present Value of	Present Value of
	Beginning			Projected	Projected	Funded Benefit	Unfunded Benefit	All Benefit
	Plan Net Position	Projected		Benefit Payments	Benefit Payments	Payments using	Payments using	Payments using
Year		Benefit Payments		Benefit Payments	Benefit Payments	Expected Return Rate	Municipal Bond Rate	Single Discount Rate
						(v)	(vf)	(SDR)
(a)	(b)	(c)	(d)	(e)		(f)=(d)*v^((a)-.5)	(g)=(e)*vf ^((a)-.5)	(h)=(c)/(1+SDR)^(a-.5)
51	\$	1	\$	1	\$	-	\$	\$
52		1		0		-	0	-
53		0		0		-	0	-
54		0		0		-	0	-
55		0		0		-	0	-
56		0		0		-	0	-
57		0		0		-	0	-
58		0		-	-	-	-	-
59		0		-	-	-	-	-
60		0		-	-	-	-	-
61		0		-	-	-	-	-
62		0		-	-	-	-	-
63		0		-	-	-	-	-
64		0		-	-	-	-	-
65		0		-	-	-	-	-
66		0		-	-	-	-	-
67		0		-	-	-	-	-
68		0		-	-	-	-	-
69		0		-	-	-	-	-
70		0		-	-	-	-	-
71		0		-	-	-	-	-
72		0		-	-	-	-	-
73		0		-	-	-	-	-
74		0		-	-	-	-	-
75		0		-	-	-	-	-
76		0		-	-	-	-	-
77		0		-	-	-	-	-
78		0		-	-	-	-	-
79		0		-	-	-	-	-
80		0		-	-	-	-	-
81		0		-	-	-	-	-
82		0		-	-	-	-	-
83		0		-	-	-	-	-
84		0		-	-	-	-	-
85		0		-	-	-	-	-
86		0		-	-	-	-	-
87		0		-	-	-	-	-
88		0		-	-	-	-	-
89		0		-	-	-	-	-
90		0		-	-	-	-	-
91		0		-	-	-	-	-
92		0		-	-	-	-	-
93		0		-	-	-	-	-
94		0		-	-	-	-	-
95		0		-	-	-	-	-
96		0		-	-	-	-	-
97		0		-	-	-	-	-
98		0		-	-	-	-	-
99		0		-	-	-	-	-
100		0		-	-	-	-	-
Totals						\$ 348,582	\$ -	\$ 348,582

# Scio Township Retiree Health Care Plan



## SECTION F

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### GLOSSARY OF TERMS

## Glossary of Terms

<b><i>Accrued Service</i></b>	Service credited under the system that was rendered before the date of the actuarial valuation.
<b><i>Actuarial Accrued Liability (AAL)</i></b>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<b><i>Actuarial Assumptions</i></b>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<b><i>Actuarial Cost Method</i></b>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the OPEB trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<b><i>Actuarial Equivalent</i></b>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<b><i>Actuarial Gain (Loss)</i></b>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<b><i>Actuarial Present Value (APV)</i></b>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<b><i>Actuarial Valuation</i></b>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, Total OPEB Liability, and related actuarial present value of projected benefit payments for OPEB.
<b><i>Actuarial Valuation Date</i></b>	The date as of which an actuarial valuation is performed.

## Glossary of Terms

***Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)***

A calculated contribution into an OPEB plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

***Amortization Method***

The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).

***Amortization Payment***

The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.

***Cost-of-Living Adjustments***

Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

***Cost-Sharing Multiple-Employer Defined Benefit OPEB Plan (cost-sharing OPEB plan)***

A multiple-employer defined benefit OPEB plan in which the OPEB obligations to the employees of more than one employer are pooled and OPEB plan assets can be used to pay the benefits of the employees of any employer that provides benefits through the OPEB plan.

***Covered-Employee Payroll***

The payroll of employees that are provided with benefits through the OPEB plan.

***Deferred Inflows and Outflows***

The deferred inflows and outflows of OPEB resources are amounts used under GASB Statement No. 75 in developing the annual OPEB expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in the OPEB expense should be included in the deferred inflows or outflows of resources.

***Discount Rate***

For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically:

1. The benefit payments to be made while the OPEB plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and
2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

## Glossary of Terms

### ***Entry Age Actuarial Cost Method (EAN)***

The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.

### ***Fiduciary Net Position***

The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.

### ***GASB***

The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.

### ***Long-Term Expected Rate of Return***

The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.

### ***Money-Weighted Rate of Return***

The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 74, the money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense.

### ***Multiple-Employer Defined Benefit OPEB Plan***

A multiple-employer plan is a defined benefit OPEB plan that is used to provide OPEB payments to the employees of more than one employer.

### ***Municipal Bond Rate***

The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.

### ***Net OPEB Liability (NOL)***

The NOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan.

### ***Non-Employer Contributing Entities***

Non-employer contributing entities are entities that make contributions to an OPEB plan that is used to provide OPEB payments to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.

## Glossary of Terms

<b><i>Normal Cost</i></b>	The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.
<b><i>Other Postemployment Benefits (OPEB)</i></b>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<b><i>Real Rate of Return</i></b>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<b><i>Service Cost</i></b>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<b><i>Total OPEB Expense</i></b>	<p>The total OPEB expense is the sum of the following items that are recognized at the end of the employer's fiscal year:</p> <ol style="list-style-type: none"><li>1. Service Cost</li><li>2. Interest on the Total OPEB Liability</li><li>3. Current-Period Benefit Changes</li><li>4. Employee Contributions (made negative for addition here)</li><li>5. Projected Earnings on Plan Investments (made negative for addition here)</li><li>6. OPEB Plan Administrative Expense</li><li>7. Other Changes in Plan Fiduciary Net Position</li><li>8. Recognition of Outflow (Inflow) of Resources due to Liabilities</li><li>9. Recognition of Outflow (Inflow) of Resources due to Assets</li></ol>
<b><i>Total OPEB Liability (TOL)</i></b>	The TOL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<b><i>Unfunded Actuarial Accrued Liability (UAAL)</i></b>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<b><i>Valuation Assets</i></b>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 74 and 75, the valuation assets are equal to the market value of assets.

## SECTION G

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### **PUBLIC ACT 202 OF 2017 DISCLOSURE**



## Public Act 202 of 2017 Disclosure

The following table shows necessary disclosures for Public Act 202 of 2017 under the Uniform Actuarial Assumptions for Fiscal Year 2024. These results use the following assumptions:

- Sex distinct Pub-2010 General Employees, Healthy Retiree and Disabled tables (scaled by a factor of 106% for Healthy Retirees). The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries;
- 2.50% long-term annual assumed rate of price inflation;
- 6.00% investment return assumption;
- A closed, 10-year amortization period for unfunded liabilities using level-dollar amortization; and
- A utilization percentage assumption of 75%.

Total Normal Cost	\$ -
Member Contributions	-
Employer Normal Cost	\$ -
Active Actuarial Accrued Liability	\$ -
Retired Actuarial Accrued Liability	348,582
<b>Total Accrued Liability</b>	<b>\$ 348,582</b>
<b>Valuation Assets</b>	<b>\$ 221,825</b>
<b>Funded Status</b>	<b>63.64%</b>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 126,757
UAAL Payment (Closed, 10-year period)	45,984
<b>Level Dollar Contribution Requirement</b>	<b>\$ 45,984</b>