

Leoni Township
Retiree Health Care Benefits Plan
Actuarial Information for GASB Statements 74/75
June 30, 2018





December 3, 2018

Leoni Township
913 Fifth Street
Michigan Center, MI 49254

Attention: Michele Manke, Township Clerk

This document contains actuarial information required for Plan reporting purposes for the Leoni Township Retiree Health Care Benefits Plan pursuant to Governmental Accounting Standards Board Statements No. 74/75 effective for the Fiscal Year ended June 30, 2018.

Respectfully submitted,

A handwritten signature in black ink that reads 'Denise M. Jones'.

Denise M. Jones
Senior Consultant

A handwritten signature in black ink that reads 'Sandra W. Rodwan'.

Sandra W. Rodwan
Member, American Academy of Actuaries

Net OPEB Liability

The components of the net pension liability at June 30, 2018 were as follows:

Total OPEB liability	\$711,084
Plan fiduciary net position	0
Plan's net OPEB liability	711,084
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Actuarial assumptions. The total OPEB liability was determined based on the annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018. The following actuarial assumptions were applied to compute the total OPEB liability:

Actuarial cost method	Entry Age
Pre-retirement Medical Inflation	6% for the year of valuation, graded down to 5% in 0.1% increments
Inflation	2.5%
Mortality	RP 2014 Mortality Table

Discount rate. The discount rate used to measure the total OPEB liability was 4.00%, based on the assumption that actuarially determined contributions will not be made.

Sensitivity of discount rate

	1% Decrease 3.00%	GASB 74 Discount Rate 4.00%	1% Increase 5.00%
Plan's net OPEB liability	\$834,125	\$711,084	\$611,734

**SCHEDULE OF PLAN CONTRIBUTIONS
LAST 10 FISCAL YEARS
Year Ended June 30**

	<u>2018</u>
Actuarially determined contribution	\$37,429
Plan Contributions	\$0
Contribution excess (deficiency)	\$(37,429)
Covered employee payroll	N/A
Actual Contributions as a percentage of covered payroll	0.00%

Notes to Schedule

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Market
Pre-retirement Medical Inflation	6% for the year of valuation, graded down to 5% in 0.1% increments
Investment rate of return	7.5%, net of plan investment expense
Mortality Table	RP 2014 Mortality Table