

March 19, 2025

PERSONAL & CONFIDENTIAL

Lynn Mulder
Missaukee County Road Commission
1199 N Morey Road
Lake City, MI 49651

RE: Missaukee County Road Commission Other Post-Employment Benefit Plan

Dear Lynn:

Transmitted via email, this is a Revised copy of your OPEB accounting report for the fiscal year ending December 31, 2024. This revision incorporates the impact of trust disbursements reimbursing general operating funds for retiree healthcare benefit payments made during the measurement period. The adjustments reflect the proper allocation of benefit payments between trust assets and general operating funds, ensuring compliance with Governmental Accounting Standards Board (GASB) Statements No. 74 and 75.

If you have any questions about this report, please call me at (616) 742-9244.

Sincerely,



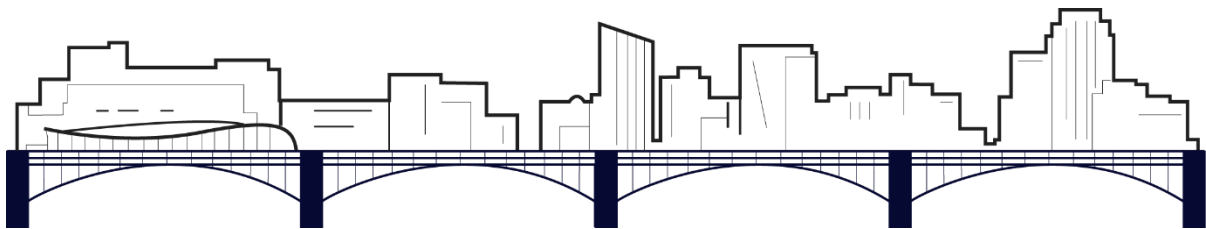
Christian R. Veenstra, FCA, ASA, MAAA
President / Enrolled Actuary

Enclosure

Missaukee County Road Commission Other Post-Employment Benefit Plan

Accounting Report

for the Period Ending December 31, 2024
under GASB Statement 74 & 75



WATKINS ROSS | 200 OTTAWA AVE N.W. | SUITE 600 | GRAND RAPIDS, MI 49503 | 616.456.9696

Report presented by:



March 2025

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INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared to provide the information necessary to comply with Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. This information may, at the discretion of the management of the plan sponsor and its auditor, be used for the preparation of its financial statements. The calculations herein have been made based on our understanding of GASB 74 and 75 and may be inappropriate for other purposes.

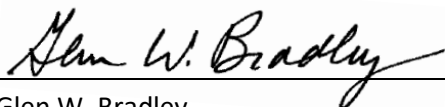
The calculations summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate, and their use would produce different results.

This report contains additional information and details related to plan provisions and recommended contribution calculations.

This report was prepared based on participant data and asset values as reported to us by the plan sponsor. Watkins Ross relied upon the data as submitted and has no reason to believe that any information which would have a material effect on the results of this valuation, was not considered in the preparation of the report.

The actuary certifying this report represents himself as meeting the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained in the report.

Reviewed by:



Glen W. Bradley
Senior Pension Analyst

Prepared & Certified by:



Joseph Shackelford, ASA, MAAA
Actuary

COMMENTS

Purpose of Governmental Accounting Standards Board (GASB) Reporting

The objective of GASB is to provide guidelines and requirements for accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources and methods and assumptions that are required to be used to project benefit payments and discount those payments to their actuarial present value.

State of Michigan Public Act 202

Public Act 202 (PA 202) was drafted to address the underfunded status of pension and retiree healthcare plans of local governments in Michigan. Accordingly, PA 202 included transparency and funding requirements. In addition, in order that the plans' funded status be reported on a consistent basis, Uniform Assumptions were published. While all of the Uniform Assumptions have a sound and reasonable basis, some might not be appropriate for each plan and therefore may be different than what is used for funding. Additionally, some of the assumptions may differ from what is required for reporting under GASB.

PA 202 further requires that plans covering 100 or more Plan Members – active and inactive:

1. **At least every 5 years, the local unit of government (city, village, township, county, county road commission or other districts, authorities created by the state or 1 or more these entities) shall have an actuarial experience study conducted by the plan actuary for each retirement system of the local unit of government and**
2. **At least every 8 years, the local unit of government shall do at least 1 of the following:**
 - a. **Have a peer actuarial audit conducted by an actuary that is not the plan actuary**
 - b. **Replace the plan actuary**

Actuarial Experience Study – Not applicable because the Plan has fewer than 100 members

Changes in Actuarial Assumptions, Plan Changes and Expected Actuarial Experience

There was an actuarial loss (increase in liability) of \$6,248, due to demographics. The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated an increase in liability of \$26,543. There was also an increase in liability of \$149,204, due to a change in the benefit terms, future retirees will now receive a monthly Health Stipend of \$1,200 for a maximum of three years.

Peer Review and rotation of Certifying Actuary

Current year Certifying Actuary: Joseph Shackelford

Peer reviewed/change in Actuary: 12/31/2019

PLAN DESCRIPTION

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Missaukee County Road Commission Other Post-Employment Benefit Plan and additions to/deductions from the Road Commission's fiduciary net position have been determined on the same basis as they are reported by the Missaukee County Road Commission. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Missaukee County Road Commission Other Post-Employment Benefit Plan is a single employer plan established and administered by **Missaukee County Road Commission** and can be amended at its discretion.

Benefits Provided

A summary of the benefits provided is available in the Plan Provisions section of the report.

Summary of Plan Participants

As of December 31, 2024, Retirement Plan membership consisted of the following:

	2022	2024
Active members	18	24
Inactive members		0
Retirees and beneficiaries	17	17
Total members	35	41

Contributions

The Missaukee County Road Commission Other Post-Employment Benefit Plan was established and is being funded under the authority of the Road Commission and under agreements with unions representing various classes of employees. The plan's funding policy is to make contributions as needed to maintain their 100% funded status. Benefit payments may now be made from the trust. There are no long-term contracts for contributions to the plan.

ASSUMPTIONS AND METHODS

The Missaukee County Road Commission's OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	2.50%
Salary increases	2.0% (for purpose of allocating liability)
Investment rate of return	7.00% (including inflation)
20-year Aa Municipal bond rate	4.28%
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	64.0%	7.10%
Global Fixed Income	26.0%	4.20%
Private Assets	5.9%	8.00%
Diversifying Strategies	5.0%	4.90%

The sum of each target allocation times its long-term expected real rate, plus inflation, is 6.35%.

Discount Rate

The discount rate used to measure the total OPEB liability was **6.35%**. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make contributions as needed to maintain their 100% funded status. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023 the discount rate used to value OPEB liabilities was 6.90%.

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	\$652,899	\$814,772	\$(161,873)
Changes during the Year			
Service Cost	11,014		11,014
Interest	44,746		44,746
Experience (Gains)/Losses	6,248		6,248
Change in plan terms	149,204		149,204
Change in actuarial assumptions	26,543		26,543
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds ¹		0	0
Employee Contributions		0	0
Net Investment Income		119,400	(119,400)
Benefit Payments; Including Refunds of Employee Contributions	(30,836)	(30,836)	0
Administrative Expenses		(3,659)	3,659
Other Changes		0	0
Total Changes	206,919	84,905	122,014
Balance at December 31, 2024	\$859,818	\$899,677²	\$(39,859)

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the Road Commission, calculated using discount rates 1% higher and lower than base assumptions. Medical trend does not affect the benefits.

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$903,772	\$859,818	\$820,183
Plan Fiduciary Net Position	899,677	899,677	899,677
Net OPEB Liability	\$4,095	\$(39,859)	\$(79,494)

¹ This amount reflects the negative difference between benefit payments made from general operating funds in 2024 and the amount reimbursed by the trust in 2025 to the general operating funds for benefits paid 2024.

² This OPEB Trust Balance reflects a disbursement of \$30,836 paid out to reimburse The Road Commission's General Fund.

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2024
Service Cost	\$11,014
Interest on Total OPEB Liability	44,746
Experience (Gains)/Losses	(31,704)
Changes in Plan Terms	149,204
Changes in Assumptions	(997)
Employee Contributions	0
Projected Earnings on OPEB Plan Investments	(55,029)
Investment Earnings (Gains)/Losses	(10,941)
Administrative Expenses	3,659
Other Changes in Fiduciary Net Position	0
Total OPEB Expense	\$109,952

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2024 is \$930,513.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	16,523	20,783
Changes of Assumptions	47,102	23,633
Investment Earnings (Gains)/Losses	0	47,824
Total	\$63,625	\$92,240

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

Year Ended December 31,	Amount Recognized
2025	\$(12,471)
2026	4,462
2027	(20,498)
2028	(7,869)
2029	5,006
Thereafter	2,755

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2023	\$(161,873)
Total OPEB expense	109,952
Contributions	0
Change in deferred outflows of resources	(9,833)
Change in deferred inflows of resources	21,895
Net OPEB Liability December 31, 2024	\$(39,859)

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	\$513,741
Inactive participants	0
Retirees and beneficiaries	346,077
Total OPEB Liability	\$859,818

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Description of Actuarially Determined Contributions

Although not required as part of GASB reporting, we have included an Actuarially Determined Contribution in order to provide information for funding. This recommended contribution is designed to eventually fund your plan enough that you can pay retiree benefits directly from the trust instead of general operating funds. The amortization period is based on average future working years for active employees.

Actuarially Determined Contribution (ADC) ¹	Fiscal Year Ending December 31,	
	2025	2024
Discount rate	6.35%	6.90%
Amortization period	11 years	7 years
Amortization method	Level \$	Level \$
Service cost	16,750	11,014
Amortization of Net OPEB Liability	(4,838)	(27,999)
Interest to end of year	757	(1,172)
Total ADC	\$12,669	\$0

PA 202 was issued by the State of Michigan and requires the calculation of other “contribution” amounts. These are

1. The Actuarially Determined Contribution (ADC) using Assumptions for financial reporting and
2. The minimum required amount to be deposited into an OPEB trust

The first of these contributions as shown above, \$0 is an amount required to be reported to the State of Michigan and may be used to determine whether a Corrective Action Plan (CAP) must be adopted if one hasn’t yet been implemented. *It is not a required contribution.*

The second of these numbers is the actual minimum amount the State of Michigan requires you to deposit into a trust and it is based on the normal cost (actuarially calculated) for those covered by your plan and hired after June 30, 2018. Because past contributions have been sufficient to cover the past service liability and normal costs for those hired after June 30, 2018, this contribution requirement has been met.

¹ ADC for 2024 and 2025 is based on actuarial assumptions consistent with reporting as of December 31, 2023, and December 31, 2024, respectively.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

State of Michigan Public Acts 530 and 202 Information

Financial information	2024
Assets (Fiduciary net position)	899,677
Liabilities (Total OPEB Liability)	859,818
Funded ratio for the Plan Year	104.64%
Actuarially Determined Contribution	\$0
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

Membership	2024
Number of active members	24
Number of inactive members	0
Number of retirees and beneficiaries	17
Premiums paid on behalf of the retirants	\$30,836

Investment Performance
This information is available from the Investment Manager

Actuarial Assumptions	2024
Actuarially assumed rate of investment return	6.35%
Discount rate	6.35%
Amortization method used for funding unfunded liability	Level \$
Amortization period used for funding unfunded liability	7 years
Is each division closed to new employees	No
Healthcare inflation assumption next year	7.25%
Healthcare inflation assumption - long term	4.50%

Uniform Assumptions	2024
Actuarial value of assets using uniform assumptions	899,677
Actuarial accrued liability using uniform assumptions	849,649
Funded ratio using uniform assumptions	105.89%
Actuarially Determined Contribution (ADC) using uniform assumptions	\$0

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total OPEB Liability					
Service Cost	\$11,014	\$12,835	\$19,192	\$14,836	\$13,303
Interest	44,746	45,747	35,973	39,682	121,443
Changes of Benefit Terms	149,204	0	0	0	(1,038,612)
Difference between Expected and Actual Experience	6,248	(12,624)	45,606	(9,552)	(206,950)
Change of Assumptions	26,543	24,508	(92,829)	68,959	(12,166)
Benefit Payments (Including Refunds of Employee Contributions)	(30,836)	(37,599)	(36,106)	(35,546)	(47,719)
Net Change in Total OPEB Liability	206,919	32,867	(28,164)	78,379	(1,170,701)
Total OPEB Liability – Beginning	652,899	620,032	648,196	569,817	1,740,518
Total OPEB Liability – Ending (a)	\$859,818	\$652,899	\$620,032	\$648,196	\$569,817
Plan Fiduciary Net Position					
Contributions to OPEB trust	\$0	\$145,000	\$145,000	\$145,000	\$145,000
Contributions/benefit payments made from general operating funds	30,836	0	36,106	35,546	47,719
Net Investment Income	119,400	115,466	(80,482)	51,282	37,124
Benefit Payments (Including Refunds of Employee Contributions)	(30,836)	(37,599)	(36,106)	(35,546)	(47,719)
Administrative Expenses	(3,659)	(3,160)	(1,818)	(2,062)	(880)
Other	0	0	0	0	0
Net Change in Fiduciary Net Position	84,905	219,707	62,700	194,220	181,244
Plan Fiduciary Net Position – Beginning	814,772	595,065	532,365	338,145	156,901
Plan Fiduciary Net Position – Ending (b)	899,677	814,772	595,065	532,365	338,145
Net OPEB Liability – Ending (a)-(b)	\$(39,859)	\$(161,873)	\$24,967	\$115,831	\$231,672
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability					
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	104.64%	124.79%	95.97%	82.13%	59.34%
Covered Employee Payroll	\$1,324,195	\$1,229,370	\$1,196,061	\$1,147,931	\$1,061,458
Net OPEB Liability as Percentage of Payroll	(3.0)%	(13.2)%	2.1%	10.1%	21.8%
Actuarially Determined Contribution					
Actuarially Determined Contribution	\$0	\$18,045	\$40,666	\$51,433	\$239,916
Employer Contribution/benefit payments	0	(145,000)	(181,106)	(180,546)	(192,719)
Contribution Deficiency/(Excess)	\$0	\$(126,955)	\$(140,440)	\$(129,113)	\$47,197
ADC as a Percentage of Covered Payroll	0.0%	1.5%	3.4%	4.5%	22.6%
Employer Contribution as a Percentage of Covered Payroll	0.0%	11.8%	15.1%	15.7%	18.2%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2019	12/31/2018
Total OPEB Liability		
Service Cost	\$28,497	\$27,496
Interest	79,004	79,515
Changes of Benefit Terms	0	0
Difference between Expected and Actual Experience	(6,761)	0
Change of Assumptions	(444,401)	0
Benefit Payments (Including Refunds of Employee Contributions)	(115,545)	(128,513)
Net Change in Total OPEB Liability	(459,206)	(21,502)
Total OPEB Liability – Beginning	2,199,724	2,221,226
Total OPEB Liability – Ending (a)	\$1,740,518	\$2,199,724
Plan Fiduciary Net Position		
Contributions to OPEB trust	\$145,000	\$0
Contributions/benefit payments made from general operating funds	115,545	0
Net Investment Income	12,204	0
Benefit Payments (Including Refunds of Employee Contributions)	(115,545)	0
Administrative Expenses	(303)	0
Other	0	0
Net Change in Fiduciary Net Position	156,901	0
Plan Fiduciary Net Position – Beginning	0	0
Plan Fiduciary Net Position – Ending (b)	156,901	0
Net OPEB Liability – Ending (a)-(b)	\$1,583,617	\$2,199,724
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9.0%	0.0%
Covered Employee Payroll	\$1,011,826	\$976,588
Net OPEB Liability as Percentage of Payroll	156.5%	225.3%
Actuarially Determined Contribution	\$320,548	\$297,469
Employer Contribution/benefit payments	(260,545)	(128,513)
Contribution Deficiency/(Excess)	\$60,003	\$168,956
ADC as a Percentage of Covered Payroll	31.7%	30.5%
Employer Contribution as a Percentage of Covered Payroll	25.7%	13.2%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date December 31, 2024

Measurement date December 31, 2024

Reporting date December 31, 2024

Actuarial Methods

Cost method Entry Age Normal (level percentage of compensation)

Asset valuation method Market value

Actuarial Assumptions

Discount Rate – 6.90% for 2024 contribution; 6.35% for 2024 Liability and 2025 contribution

Rationale – Blended rate based on long term expected return and the 20-year Aa Municipal Bond rate

20-year Aa Municipal Bond Rate – 4.28%

Rationale – S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024

Salary Scale – 2.00% (for purpose of allocating liability)

Rationale – Per employer experience and expectations

Return on Plan Assets – 7.00% (including inflation)

Rationale – Provided by investment manager

Mortality Rates – 2010 Public General Employees and Healthy Retirees, Headcount weighted, IRS 2024 Adjusted Scale MP-2021

Rationale – Most current mortality rates available for municipalities

Utilization – 100% of future retirees will elect coverage at retirement; actual coverage used for non-active

Rationale – Historical

Termination Rates – None

Rationale – Small group

Disability Rates – None

Rationale – Small group

Retirement Rates – 100% at first retirement eligibility age

Rationale – Based on this plan's historical experience

Premium/Benefit Cost

Hired prior to 7/1/1984

Medicare Advantage Premium Rate – \$0/month

Deductible/co-pay Reimbursement – \$1,700/year

Hired after 7/1/1984 – Stipends as outlined in the plan provisions

Rationale – Actual Medicare Advantage premium as of the valuation date; deductible/copay reimbursement based on plan experience

Life Insurance – Face amount valued

Rationale – Per plan provisions

Marital Assumption – Actual spouse data used for retirees

Rationale – Consistent with experience

Implicit Subsidy – Not applicable; there is no implicit subsidy from active coverage

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Medical Trend – Not applicable

Rationale – No longer any benefits paid to which trend rates are applicable; we have assumed that the Medicare Advantage premium will remain \$0/month

Data Collection

Date and form of data - All personnel and asset data were prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross

Assumption changes since prior valuation

- Discount rate changed from 6.90% to 6.35%
- Mortality Improvement Scale updated from MP-2021 to the 2024 IRS Adjusted Scale MP-2021
- Initial trend rate kept at same level as prior year instead of decreasing by 0.25% as initially scheduled (this change had no effect on current benefits)
- Salary Scale changed to from 3.25% to 2.00%

Assumptions used for PA 202 Reporting

Salary Scale – 3.75%

All other assumptions are the same as used for GASB

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Difference between Actual and Expected Experience

Year	Difference between expected and actual Experience	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2024	2025	2026	2027	2028	2029	2030+		
2019	(6,761)	5.00								-	-
2020	(206,950)	5.34	(38,755)	(13,175)						-	(13,175)
2021	(9,552)	4.97	(1,922)	(1,864)						-	(1,864)
2022	45,606	3.98	11,459	11,229						11,229	-
2023	(12,624)	3.67	(3,440)	(3,440)	(2,304)			-	-	-	(5,744)
2024	6,248	6.55	954	954	954	954	954	954	524	5,294	-
Net recognized in OPEB expense			<u>\$ (31,704)</u>	<u>\$ (6,296)</u>	<u>\$ (1,350)</u>	<u>\$ 954</u>	<u>\$ 954</u>	<u>\$ 954</u>	<u>\$ 524</u>	<u>\$ 16,523</u>	<u>\$ (20,783)</u>

Schedule of Changes in Assumptions

Year	Changes in Assumptions	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2024	2025	2026	2027	2028	2029	2030+		
2019	(444,401)	5.00								-	-
2020	(12,166)	5.34	(2,278)	(776)						-	(776)
2021	68,959	4.97	13,875	13,459						13,459	-
2022	(92,829)	3.98	(23,324)	(22,857)						-	(22,857)
2023	24,508	3.67	6,678	6,678	4,474		-	-	-	11,152	-
2024	26,543	6.55	4,052	4,052	4,052	4,052	4,052	4,052	2,231	22,491	-
Net recognized in OPEB expense			<u>\$ (997)</u>	<u>\$ 556</u>	<u>\$ 8,526</u>	<u>\$ 4,052</u>	<u>\$ 4,052</u>	<u>\$ 4,052</u>	<u>\$ 2,231</u>	<u>\$ 47,102</u>	<u>\$ (23,633)</u>

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

Year	Difference between expected and actual earnings on OPEB assets	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2024	2025	2026	2027	2028	2029	2030+		
2020	(21,051)	5.00	(4,211)							-	-
2021	(20,071)	5.00	(4,014)	(4,015)						-	(4,015)
2022	113,942	5.00	22,788	22,788	22,790					45,578	-
2023	(63,150)	5.00	(12,630)	(12,630)	(12,630)	(12,630)				-	(37,890)
2024	(64,371)	5.00	(12,874)	(12,874)	(12,874)	(12,874)	(12,875)			-	(51,497)
Net recognized in OPEB expense			<u>\$ (10,941)</u>	<u>\$ (6,731)</u>	<u>\$ (2,714)</u>	<u>\$ (25,504)</u>	<u>\$ (12,875)</u>			<u>\$ 45,578</u>	<u>\$ (93,402)</u>

Total Deferred Outflow/(Inflow) of Resources

	Amount Recognized in Year Ended December 31,					
	2025	2026	2027	2028	2029	2030+
Total Deferred Outflow/(Inflow) of Resources	(12,471)	4,462	(20,498)	(7,869)	5,006	2,755

TRUSTEE INFORMATION

Projected benefit payments

A graphic illustration of 20 years of projected benefit payments for the current group of covered lives is shown below. Plans open to new participants could see higher than expected payments if new members are hired and are eligible to retire during the projection period.

The chart below reflects expected cash flows to pay benefits for current plan participants.



SUMMARY OF PLAN PROVISIONS

Plan Name	Missaukee County Road Commission Other Post-Employment Benefit Plan								
Eligibility Requirements	Retirement with the Road Commission								
Administration	Age 62								
Union	Age 60								
Summary of Benefits									
Medical Coverage									
Hired Prior to 7/1/1984 ¹	The Road Commission provides Medicare Advantage coverage as well as reimbursement of co-pays and deductibles for the retiree and spouse for the retiree's lifetime								
Hired After 7/1/1984 Union – Old Provision	The Road Commission provides a monthly stipend towards the cost of medical coverage according to the following schedule: <table><tr><td><u>Age</u></td><td><u>Monthly Stipend</u></td></tr><tr><td>60-61</td><td>\$125</td></tr><tr><td>62-64</td><td>\$175</td></tr><tr><td>65+</td><td>\$150</td></tr></table>	<u>Age</u>	<u>Monthly Stipend</u>	60-61	\$125	62-64	\$175	65+	\$150
<u>Age</u>	<u>Monthly Stipend</u>								
60-61	\$125								
62-64	\$175								
65+	\$150								
Hired After 7/1/1984 Union – New Provision	Employees who retire from the RC with at least 15 years of service and who are at least 60 years old, receive a \$1200 per month health subsidy for a maximum of 3 years after retirement.								
Administration	The Road Commission provides a monthly stipend of \$750 for ten years								
Life Insurance	Union – \$3,500 Administration – \$5,000								
Changes Since Prior Report	Union employees hired after 7/1/1984 who retire from the RC with at least 15 years of service and who are at least 60 years old, receive a \$1200 per month health subsidy for a maximum of 3 years after retirement.								

¹ One retiree receives an alternate benefit of \$750/month.

GLOSSARY

A number of special terms and concepts are used in connection with OPEB plans and the OPEB accounting report. The following list reviews a number of these terms and provides a brief discussion of their meaning.

Actuarially Determined Contribution (ADC) – A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Cost Method – This is a mathematical formula which is used to allocate the present value of projected benefits to past and future plan years.

Amortization – The difference between actual and expected investment returns, the difference between actual and expected experience, and the impact of any plan or assumption changes will be amortized and paid over future years.

Depletion Date (Cross-over Point) – The projected date (if any) where plan assets, including future contributions, are no longer sufficient to pay Projected Benefit Payments to current members.

Long-term expected rate of return – The rate of return based on the nature and mix of current and expected plan investments and over the time period from when an employee is hired to when all benefits to the employee have been paid.

Market Value of Assets – The market value of all assets in the fund including any accrued contribution for the previous plan year, which was not paid by the end of the year.

Measurement Date – The date the Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability are determined.

Net OPEB Liability (NOL) – The Total OPEB Liability less the Plan Fiduciary Net Position.

Normal Cost – For GASB 74/75 purposes, normal cost is the equivalent of service cost (see definition of service cost).

Other Post-Employment Benefits (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.

OPEB Expense (OE) – The change in the Net OPEB Liability (NOL) recognized in the current measurement period. Changes to the NOL not fully recognized in a given year's OPEB expense will be maintained as deferred inflows and deferred outflows. These will be recognized incrementally in the OPEB expense over time.

GLOSSARY

Plan assets – Stocks, bonds and other investments that have been segregated and restricted (usually in a trust) to provide for post-retirement benefits. Assets not segregated in a trust, or otherwise effectively restricted so that they cannot be used by the employer for other purposes, are not plan assets, even though it may be intended that those assets be used to provide post-retirement benefits.

Plan Fiduciary Net Position – The market value of plan assets as of the measurement date.

Present Value – The present value of a future payment or a series of payments is the amount of each payment, discounted to recognize the time value of money, and further reduced for the probability that the payment might not be made because of death, disability or termination of employment.

Projected Benefit Payments – All benefits projected to be payable to current active and inactive participants as a result of their past service and their expected future service.

Real Rate of Return – The rate of return on an investment after the adjustment to eliminate inflation.

Reporting Date – The date that represents the fiscal year end for the plan or employer.

Service Cost – The value of portion of Total OPEB Liability earned during the current year computed in accordance with GAAP accounting rules.

Single Equivalent Discount Rate – The single rate that gives the same total present value as discounting the Projected Benefit Payments with the long-term expected rate of return until the Depletion Date and discounting any remaining Projected Benefit Payments with the yield on a 20-year AA/Aa tax-exempt municipal bond index.

Total OPEB Liability (TOL) – The actuarial present value of the accrued benefit determined under the Entry Age actuarial cost method calculated using the blended Single Equivalent Discount Rate.

Valuation Date – The date as of which an actuarial valuation is performed.