

April 20, 2022

PERSONAL & CONFIDENTIAL

Shauna Anderson
Plymouth District Library
223 South Main Street
Plymouth, MI 48170-1687

RE: Plymouth District Library Voluntary Employees Beneficiary Association

Dear Shauna:

Transmitted via email, this is a copy of your OPEB accounting report for the fiscal year ending December 31, 2021. This information is intended to assist you in complying with Governmental Accounting Standards Board Statement No. 74 (GASB 74) Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and Statement No. 75 (GASB 75) Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

The State of Michigan under Public Act (PA) 202 requires that Other Post-Employment Benefit (OPEB) Plans covering 100 or more members have a peer review or change of actuaries once every 8 years. In addition, the Act requires an actuarial study be performed once every 5 years. Watkins Ross satisfies those requirements by virtue of having three credentialed OPEB actuaries on staff providing peer review for each other and, when necessary, rotating certification of our OPEB actuarial valuations. Additionally, Watkins Ross completes full actuarial valuations for all of our OPEB Plan clients once every two years including an analysis of the sources of actuarial gains and losses (actuarial experience study) and evaluates whether or not changes in assumptions are warranted (see Comments section of this report for more detail).

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

Plymouth District Library Voluntary Employees Beneficiary Association

Accounting Report

for the Period Ending December 31, 2021
under GASB Statement 74 & 75



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

Report presented by:



April 2022

CONTENTS

INTRODUCTION AND CERTIFICATION1

COMMENTS2

PLAN DESCRIPTION3

ASSUMPTIONS AND METHODS4

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY5

 Changes in the Net OPEB Liability 5

 Net OPEB Liability – Discount and Trend Rate Sensitivities 5

 OPEB Expense 6

 OPEB Plan Fiduciary Net Position 6

 Deferred Inflows and Outflows of Resources Related to OPEB Plan 6

 Reconciliation of Net OPEB Liability 7

 Total OPEB Liability by Participant Status 7

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION.....8

 Description of Actuarially Determined Contributions..... 8

 State of Michigan Public Acts 530 and 202 Information 9

 Changes in Net OPEB Liability and Related Ratios 10

 Assumptions and Methods for Calculation of Actuarially Determined Contribution 11

 Assumptions used for PA 202 Reporting 12

 Schedule of Difference between Actual and Expected Experience 13

 Schedule of Changes in Assumptions 13

 Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments..... 13

 Total Deferred Outflow/(Inflow) of Resources..... 13

TRUSTEE AND FORM 5720 INFORMATION14

SUMMARY OF PLAN PROVISIONS15

GLOSSARY.....16

INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared in order 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 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 on the basis of 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:

Prepared & Certified by:



Glen W. Bradley
Senior Pension Analyst



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 – N/A; the plan has fewer than 100 participants

Gain/Loss analysis

There was an actuarial gain (decrease in liability) of \$140,832, primarily due to demographic changes and pre/post-Medicare medical premiums being 12.4%/15.5% lower than expected. The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated a decrease in liability of \$27,209.

Peer Review and rotation of Certifying Actuary

Current year Certifying Actuary: Joey Shackelford

Peer reviewed/change in Actuary: 12/31/2021

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 Plymouth District Library Voluntary Employees Beneficiary Association and additions to/deductions from the Employer's fiduciary net position have been determined on the same basis as they are reported by the Plymouth District Library. 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

Plymouth District Library Voluntary Employees Beneficiary Association is a single employer plan established and administered by **Plymouth District Library** 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, 2021, Retirement Plan membership consisted of the following:

Active members	15
Inactive members	1
Retirees and beneficiaries	8
Total members	24

Contributions

The Plymouth District Library Voluntary Employees Beneficiary Association was established and is being funded under the authority of the Employer. The plan's funding policy is that the employer will contribute any required amounts as determined by an annual actuarial valuation as a reference but not as a definitive requirement. Currently, benefit payments are made from the plan trust. There are no long-term contracts for contributions to the plan.

ASSUMPTIONS AND METHODS

The Plymouth District Library's OPEB liability was measured as of December 31, 2021.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021. The following actuarial assumptions were used in the measurement:

Inflation	Included in the Investment Rate of Return
Salary increases	3.00% (for purpose of allocating liability)
Investment rate of return	7.04% (including inflation)
20-year Aa Municipal bond rate	2.25% (S&P Municipal Bond 20-Year High Grade Rate Index)
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted
Improvement 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 rates of return (expected returns, net of retirement plan investment expense, but including 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 rates of return by the target asset allocation percentage. Best estimates of arithmetic 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 Rate of Return
US Large Cap	44.0%	6.00%
US Small Cap	11.0%	6.40%
Foreign Equity	12.0%	7.00%
Taxable Fixed Income	28.0%	1.80%
Money Market	5.0%	1.00%

The sum of each target allocation times its long-term expected rate, including inflation, is 7.04%.

Discount Rate

The discount rate used to measure the total OPEB liability was **7.04%**. The projection of cash flows used to determine the discount rate assumed that the Employer will make no further contributions to the trust. 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. Therefore, the single equivalent discount rate was calculated to be equivalent to the investment rate of return. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2019 the discount rate used to value OPEB liabilities was 7.00%.

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, 2020	\$1,464,818	\$2,587,807	\$(1,122,989)
Changes during the Year			
Service Cost	53,832		53,832
Interest	102,602		102,602
Experience (Gains)/Losses	(140,832)		(140,832)
Change in plan terms	0		0
Change in actuarial assumptions	(27,209)		(27,209)
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds		58,153	(58,153)
Employee Contributions		0	0
Net Investment Income		413,689	(413,689)
Benefit Payments; Including Refunds of Employee Contributions	(80,457)	(80,457)	0
Administrative Expenses		(15,575)	15,575
Other Changes		0	0
Total Changes	(92,064)	375,810	(467,874)
Balance at December 31, 2021	\$1,372,754	\$2,963,617	\$(1,590,863)

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the Employer, calculated using trend and discount rates 1% higher and lower than base assumptions:

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$1,558,137	\$1,372,754	\$1,220,215
Plan Fiduciary Net Position	2,963,617	2,963,617	2,963,617
Net OPEB Liability	\$(1,405,480)	\$(1,590,863)	\$(1,743,402)
Trend	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$1,203,657	\$1,372,754	\$1,582,225
Plan Fiduciary Net Position	2,963,617	2,963,617	2,963,617
Net OPEB Liability	\$(1,759,960)	\$(1,590,863)	\$(1,381,392)

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2021
Service Cost	\$53,832
Interest on Total OPEB Liability	102,602
Experience (Gains)/Losses	(63,779)
Changes in Plan Terms	0
Changes in Assumptions	(112,893)
Employee Contributions	0
Projected Earnings on OPEB Plan Investments	(178,280)
Investment Earnings (Gains)/Losses	(138,032)
Administrative Expenses	15,575
Other Changes in Fiduciary Net Position	0
Total OPEB Expense	\$(320,975)

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2021 is \$2,963,617.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	20,735	237,392
Changes of Assumptions	27,036	171,278
Investment Earnings (Gains)/Losses	0	367,482
Total	\$47,771	\$776,152

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
2022	\$(248,830)
2023	(232,377)
2024	(125,020)
2025	(70,323)
2026	(23,242)
Thereafter	(28,589)

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2020	\$(1,122,989)
Total OPEB expense	(320,975)
Contributions	(58,153)
Change in deferred outflows of resources	(30,343)
Change in deferred inflows of resources	(58,403)
Net OPEB Liability December 31, 2021	\$(1,590,863)

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	\$605,577
Inactive participants	0
Retirees and beneficiaries	767,177
Total OPEB Liability	\$1,372,754

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,	
	2022	2021
Discount rate	7.04%	6.94%
Amortization period	11 years	9 years
Amortization method	Level % of pay	Level % of pay
Normal cost	72,848	53,832
Amortization of Net OPEB Liability	(174,010)	(141,705)
Interest to end of year	(7,122)	(6,098)
Total ADC	\$0	\$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. The 2021 normal cost for these new hires is \$46,166, and the 2022 normal cost for these new hires is \$46,019.

Accordingly, to the extent past contributions have been sufficient to cover the past service liability and normal cost for those hired after June 30, 2018, this contribution requirement has been met.

Plan funds are sufficient to make benefit payments from the OPEB trust.

¹ ADC for 2021 and 2022 is based on actuarial assumptions consistent with reporting as of December 31, 2021 and December 31, 2022, respectively.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

State of Michigan Public Acts 530 and 202 Information

Financial information	2021
Assets (Fiduciary net position)	2,963,617
Liabilities (Total OPEB Liability)	1,372,754
Funded ratio for the Plan Year	215.89%
Actuarially Determined Contribution	\$0
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

Membership	2021
Number of active members	15
Number of inactive members	1
Number of retirees and beneficiaries	8
Premiums paid on behalf of the retirants	\$58,153

Investment Performance
This information is available from the Investment Manager

Actuarial Assumptions	2021
Actuarially assumed rate of investment return	7.04%
Discount rate	7.04%
Amortization method used for funding unfunded liability	Level % of Pay
Amortization period used for funding unfunded liability	9 years
Is each division closed to new employees	No
Healthcare inflation assumption next year	7.50%
Healthcare inflation assumption - long term	4.50%

Uniform Assumptions	2021
Actuarial value of assets using uniform assumptions	2,963,617
Actuarial accrued liability using uniform assumptions	1,392,246
Funded ratio using uniform assumptions	212.87%
Actuarially Determined Contribution (ADC) using uniform assumptions	\$0

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability					
Service Cost	\$53,832	\$52,819	\$75,405	\$94,042	\$97,344
Interest	102,602	95,954	103,600	92,131	85,860
Changes of Benefit Terms	0	0	0	0	(148,180)
Difference between Expected and Actual Experience	(140,832)	43,964	(257,855)	(11,433)	(13,595)
Change of Assumptions	(27,209)	0	(194,336)	(438,433)	133,476
Benefit Payments (Including Refunds of Employee Contributions)	(80,457)	(91,210)	(40,593)	(24,539)	(19,003)
Net Change in Total OPEB Liability	(92,064)	101,257	(313,779)	(288,232)	135,902
Total OPEB Liability – Beginning	1,464,818	1,363,561	1,677,340	1,965,572	1,829,670
Total OPEB Liability – Ending (a)	\$1,372,754	\$1,464,818	\$1,363,561	\$1,677,340	\$1,965,572
Plan Fiduciary Net Position					
Contributions to OPEB trust	\$0	\$62,723	\$117,100	\$118,216	\$38,000
Contributions/benefit payments made from general operating funds	58,153	47,391	0	0	0
Net Investment Income	413,689	321,137	400,655	(91,637)	245,450
Benefit Payments (Including Refunds of Employee Contributions)	(80,457)	(91,210)	(40,593)	(24,539)	(19,003)
Administrative Expenses	(15,575)	(13,545)	(12,814)	(11,321)	(11,207)
Other	0	0	0	0	0
Net Change in Fiduciary Net Position	375,810	326,496	464,348	(9,281)	253,240
Plan Fiduciary Net Position – Beginning	2,587,807	2,261,311	1,796,963	1,806,244	1,553,004
Plan Fiduciary Net Position – Ending (b)	2,963,617	2,587,807	2,261,311	1,796,963	1,806,244
Net OPEB Liability – Ending (a)-(b)	\$(1,590,863)	\$(1,122,989)	\$(897,750)	\$(119,623)	\$159,328
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	215.89%	176.66%	165.84%	107.13%	91.89%
Covered Employee Payroll	Not available	\$1,680,051	\$924,565	Not available	Not available
Net OPEB Liability as Percentage of Payroll	Not available	(66.6)%	(97.1)%	Not available	Not available
Actuarially Determined Contribution	\$0	\$0	\$62,723	\$118,615	\$131,652
Employer Contribution/benefit payments	(58,153)	(62,723)	(117,100)	(118,216)	(38,000)
Contribution Deficiency/(Excess)	\$(58,153)	\$(62,723)	\$(54,377)	\$399	\$93,652
ADC as a Percentage of Covered Payroll	Not available	(3.2)%	6.8%	Not available	Not available
Employer Contribution as a Percentage of Covered Payroll	Not available	6.6%	12.7%	Not available	Not available

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date	December 31, 2021
Measurement date	December 31, 2021
Reporting date	December 31, 2021
Actuarial Methods	
Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Market value

Actuarial Assumptions

Discount Rate – 7.0% for 2021 contribution, 7.04% for 2021 liability and 2022 contribution
 Rationale – Blended rate based on long term expected return and the 20-year Aa Municipal Bond rate

20-year Aa Municipal Bond Rate – 2.25%
 Rationale – 20-year bond rate (based on information published by Bartel Associates, LLC as of December 31, 2021)

Salary Scale – 3.0%
 Rationale – Per employer experience and expectations

Return on Plan Assets – 7.04%
 Rationale – Consistent with plan investment experience

Mortality Rates – Public General 2010 Healthy Employee and Retiree, headcount weighted, 2021 improvement
 Rationale – 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 – Crocker-Sarason-Straight T-5, sample rates below:

Age	Rates	Age	Rates
25	7.72%	45	3.98%
30	7.22	50	2.56
35	6.28	55	0.94
40	5.15	60	0.09

Rationale – Based on past employer experience

Retirement Rates – see rates below

Age	Rates	Age	Rates
55	10.84%	63	35.44%
56	11.83	64	39.18
57	11.92	65	51.80
58	13.51	66	52.37
59	15.83	67	45.90
60	19.07	68	45.84
61	25.10	69	46.67
62	33.25	70	100.00

Rationale – These rates were chosen based on this plan’s historical experience

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Marital Assumption – 70% of participants will have a covered spouse at retirement with males 3 years older than females; actual marital status used for retirees

Rationale – Consistent with experience

Claims Costs – see rates (monthly) below:

Age	Rates	Age	Rates
55	\$650.36	61	\$819.51
56	680.40	62	837.88
57	710.73	63	860.92
58	743.10	64	874.92
59	759.14	65+	526.19
60	791.51		

Rationale – Actual age-graded premiums

Implicit Subsidy – Not applicable; premiums are age-graded

Medical Trend – Pre-Medicare 7.50% graded down to 4.5% by 0.25% per year; Post-Medicare, 5.75% graded down to 4.5% by 0.25% per year

Rationale – Based on State of Michigan trend survey

Data Collection

Date and form of data - All personnel and asset data was 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

- Mortality Improvement Scale updated from 2019 to 2021
- Trend rates updated to those prescribed by PA 202 for year 2021
- Salary scale updated from 3.5% to 3.0%
- Discount rate updated from 7.00% to 7.04%

Assumptions used for PA 202 Reporting

Mortality Improvement Scale – MP-2019 improvement scale

Discount rate – 7.00%

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
			2021	2022	2023	2024	2025	2026	2027+		
2017	(13,595)	6.27	(2,168)	(2,168)	(587)	-	-	-	-	(2,755)	
2018	(11,433)	4.68	(2,443)	(1,661)	-	-	-	-	-	(1,661)	
2019	(257,855)	5.29	(48,744)	(48,744)	(48,744)	(14,135)	-	-	-	(111,623)	
2020	38,845	4.29	9,055	9,055	9,055	2,625	-	-	20,735	-	
2021	(140,832)	7.23	(19,479)	(19,479)	(19,479)	(19,479)	(19,479)	(19,479)	(23,958)	(121,353)	
Net recognized in OPEB expense			<u>\$ (63,779)</u>	<u>\$ (62,997)</u>	<u>\$ (59,755)</u>	<u>\$ (30,989)</u>	<u>\$ (19,479)</u>	<u>\$ (19,479)</u>	<u>\$ (23,958)</u>	<u>\$ 20,735</u>	<u>\$ (237,392)</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
			2021	2022	2023	2024	2025	2026	2027+		
2017	133,476	6.27	21,288	21,288	5,748	-	-	-	-	27,036	-
2018	(438,433)	4.68	(93,682)	(63,704)	-	-	-	-	-	-	(63,704)
2019	(194,336)	5.29	(36,736)	(36,736)	(36,736)	(10,656)	-	-	-	-	(84,128)
2020	-	4.29	-	-	-	-	-	-	-	-	-
2021	(27,209)	7.23	(3,763)	(3,763)	(3,763)	(3,763)	(3,763)	(3,763)	(4,631)	-	(23,446)
Net recognized in OPEB expense			<u>\$ (112,893)</u>	<u>\$ (82,915)</u>	<u>\$ (34,751)</u>	<u>\$ (14,419)</u>	<u>\$ (3,763)</u>	<u>\$ (3,763)</u>	<u>\$ (4,631)</u>	<u>\$ 27,036</u>	<u>\$ (171,278)</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
			2021	2022	2023	2024	2025	2026	2027+		
2017	(175,565)	5.00	(35,113)	-	-	-	-	-	-	-	-
2018	174,771	5.00	34,954	34,955	-	-	-	-	-	34,955	-
2019	(291,293)	5.00	(58,259)	(58,259)	(58,257)	-	-	-	-	-	(116,516)
2020	(162,658)	5.00	(32,532)	(32,532)	(32,532)	(32,530)	-	-	-	-	(97,594)
2021	(235,409)	5.00	(47,082)	(47,082)	(47,082)	(47,082)	(47,081)	-	-	-	(188,327)
Net recognized in OPEB expense			<u>\$ (138,032)</u>	<u>\$ (102,918)</u>	<u>\$ (137,871)</u>	<u>\$ (79,612)</u>	<u>\$ (47,081)</u>	-	-	<u>\$ 34,955</u>	<u>\$ (402,437)</u>

Total Deferred Outflow/(Inflow) of Resources

	Amount Recognized in Year Ended December 31,					
	2022	2023	2024	2025	2026	2027+
Total Deferred Outflow/(Inflow) of Resources	(248,830)	(232,377)	(125,020)	(70,323)	(23,242)	(28,589)

TRUSTEE AND FORM 5720 INFORMATION

Projected benefit payments and contributions

Form 5720 (the Form) – Corrective Action Plan Monitoring: Application for Certification of Compliance, Section 4 asks for supporting documentation that shows projected benefit payments and contributions as a percentage of projected governmental fund revenues over the next five years. A link to a spreadsheet is provided with the Form, and within the spreadsheet, there is a link to instructions on how to complete the spreadsheet.

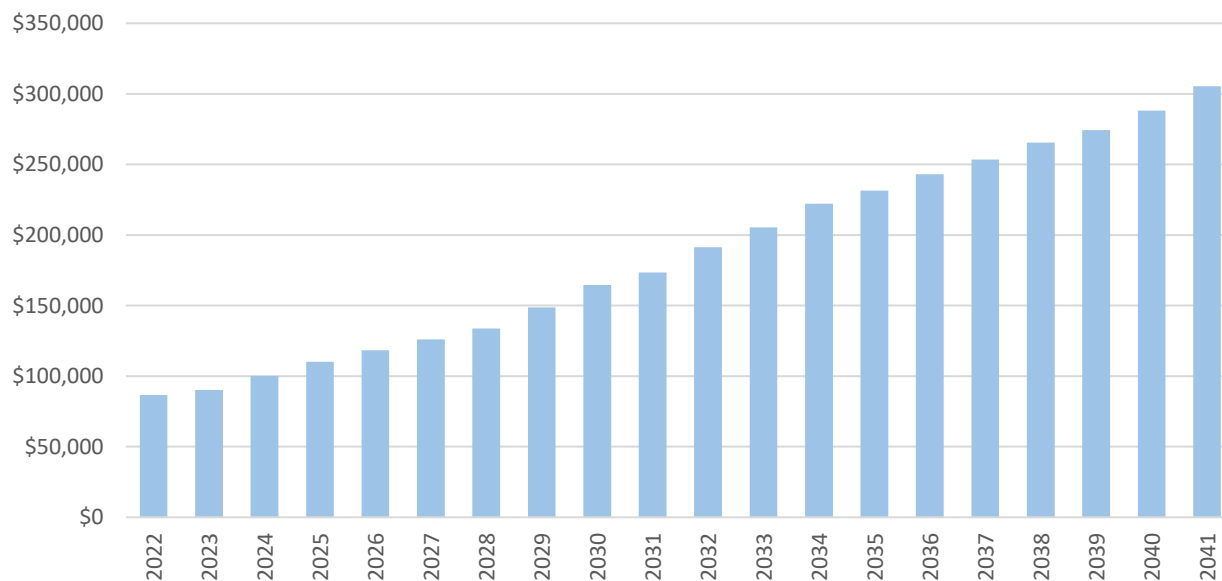
To assist in completing that section of the Form, below is a table of benefit payments as shown for the current fiscal year and projected for the next four. In addition, if a Corrective Action Plan (CAP) has been adopted that includes scheduled contributions to an OPEB trust, those are shown for the same period as either reported to us or developed with assistance from Watkins Ross:

Fiscal Year	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)
2021	\$58,153	
2022	86,621	
2023	90,121	
2024	100,260	
2025	110,070	

In addition to the benefit payments shown above, 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.

20-Year Expected Payouts



SUMMARY OF PLAN PROVISIONS

Plan name	Plymouth District Library Voluntary Employees Beneficiary Association
Benefit eligibility	Retirement with a pension under the Municipal Employees' Retirement System of Michigan on or after age 60 with 10 years of service, or age 55 with 25 years of service
Employer benefits	The Plymouth District Library will contribute towards the cost of medical benefits for eligible retirees and their dependents based on the service earned at the time of retirement and the portion of costs currently paid by the Library for active employees; based on the current provisions, the Library will contribute 90% of the retiree premium for retirees who have earned 20 years of service; for retirees with at least 10 but less than 20 years of service, the Library will contribute 50% of the retiree premium; payment towards premiums continues conditional on enrollment for the life of the retiree and the life of the spouse.
Retiree contribution	The retiree is required to pay the balance between the actual premiums and the Library's contribution
Changes since prior valuation	None

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.