

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

|  |                              |  |
|--|------------------------------|--|
| Enter Local Government Name                    | City Of Flat Rock            | Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .  |
| Enter Six-Digit Municode                       | 822070                       |  |
| Unit Type                                      | City                         |  |
| Fiscal Year End Month                          | June                         |  |
| Fiscal Year (four-digit year only, e.g., 2019) | 2022                         | Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.   |
| Contact Name (Chief Administrative Officer)    | Mark Hammond                 |  |
| Title if not CAO                               | Mayor                        |  |
| CAO (or designee) Email Address                | mhammond@flatrockmi.org      |  |
| Contact Telephone Number                       |                              |  |
| OPEB System Name (not division) 1              | Alliance Health & Life (HAP) | If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form. |
| OPEB System Name (not division) 2              |                              |  |
| OPEB System Name (not division) 3              |                              |  |
| OPEB System Name (not division) 4              |                              |  |
| OPEB System Name (not division) 5              |                              |  |

| Line                             | Descriptive Information  | Source of Data   | System 1                     | System 2 | System 3 | System 4 | System 5 |
|----------------------------------|--|--|------------------------------|----------|----------|----------|----------|
| 1                                | Is this unit a primary government (County, Township, City, Village)?   | Calculated   | YES                          | YES      | YES      | YES      | YES      |
| 2                                | Provide the name of your retirement health care system   | Calculated from above  | Alliance Health & Life (HAP) |          |          |          |          |
| <b>3 Financial Information</b>   |  |  |                              |          |          |          |          |
| 4                                | Enter retirement health care system's assets (system fiduciary net position ending)                              | Most Recent Audit Report   | 331,364                      |          |          |          |          |
| 5                                | Enter retirement health care system's liabilities (total OPEB liability)   | Most Recent Audit Report   | 13,742,304                   |          |          |          |          |
| 6                                | Funded ratio   | Calculated   | 2.4%                         |          |          |          |          |
| 7                                | Actuarially determined contribution (ADC)  | Most Recent Audit Report   | 2,691,712                    |          |          |          |          |
| 7a                               | Do the financial statements include an ADC calculated in compliance with <a href="#">Numbered Letter 2018-3?</a> | Most Recent Audit Report   | YES                          |          |          |          |          |
| 8                                | Governmental Fund Revenues   | Most Recent Audit Report   | 1,961,324                    |          |          |          |          |
| 9                                | All systems combined ADC/Governmental fund revenues  | Calculated   | 137.2%                       |          |          |          |          |
| <b>10 Membership</b>             |  |  |                              |          |          |          |          |
| 11                               | Indicate number of active members  | Actuarial Funding Valuation used in Most Recent Audit Report   | 10                           |          |          |          |          |
| 12                               | Indicate number of inactive members  | Actuarial Funding Valuation used in Most Recent Audit Report   | -                            |          |          |          |          |
| 13                               | Indicate number of retirees and beneficiaries  | Actuarial Funding Valuation used in Most Recent Audit Report   | 47                           |          |          |          |          |
| 14                               | Provide the amount of premiums paid on behalf of the retirants   | Most Recent Audit Report or Accounting Records   | 771,379                      |          |          |          |          |
| <b>15 Investment Performance</b> |  |  |                              |          |          |          |          |
| 16                               | Enter actual rate of return - prior 1-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 14.09%                       |          |          |          |          |
| 17                               | Enter actual rate of return - prior 5-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 9.87%                        |          |          |          |          |
| 18                               | Enter actual rate of return - prior 10-year period   | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 8.96%                        |          |          |          |          |
| <b>19 Actuarial Assumptions</b>  |  |  |                              |          |          |          |          |
| 20                               | Assumed Rate of Investment Return  | Actuarial Funding Valuation used in Most Recent Audit Report   | 7.00%                        |          |          |          |          |
| 21                               | Enter discount rate  | Actuarial Funding Valuation used in Most Recent Audit Report   | 5.72%                        |          |          |          |          |
| 22                               | Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any               | Actuarial Funding Valuation used in Most Recent Audit Report   | Level Dollar                 |          |          |          |          |
| 23                               | Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any               | Actuarial Funding Valuation used in Most Recent Audit Report   | 9                            |          |          |          |          |
| 24                               | Is each division within the system closed to new employees?  | Actuarial Funding Valuation used in Most Recent Audit Report   | Yes                          |          |          |          |          |
| 25                               | Health care inflation assumption for the next year   | Actuarial Funding Valuation used in Most Recent Audit Report   | 7.25%                        |          |          |          |          |
| 26                               | Health care inflation assumption - Long-Term Trend Rate  | Actuarial Funding Valuation used in Most Recent Audit Report   | 4.50%                        |          |          |          |          |
| <b>27 Uniform Assumptions</b>    |  |  |                              |          |          |          |          |
| 28                               | Enter retirement health care system's actuarial value of assets using uniform assumptions                        | Actuarial Funding Valuation used in Most Recent Audit Report   | 331,364                      |          |          |          |          |
| 29                               | Enter retirement health care system's actuarial accrued liabilities using uniform assumptions                    | Actuarial Funding Valuation used in Most Recent Audit Report   | 16,228,873                   |          |          |          |          |
| 30                               | Funded ratio using uniform assumptions   | Calculated   | 2.0%                         |          |          |          |          |
| 31                               | Actuarially Determined Contribution (ADC) using uniform assumptions  | Actuarial Funding Valuation used in Most Recent Audit Report   | 2,761,509                    |          |          |          |          |
| 32                               | All systems combined ADC/Governmental fund revenues  | Calculated   | 140.8%                       |          |          |          |          |
| <b>33 Summary Report</b>         |  |  |                              |          |          |          |          |
| 34                               | Did the local government pay the retiree insurance premiums for the year?  | Accounting Records   | YES                          |          |          |          |          |
| 35                               | Did the local government pay the normal cost for employees hired after June 30, 2018?                            | Accounting Records   | YES                          |          |          |          |          |
| 36                               | Does this system trigger "underfunded status" as defined by PA 202 of 2017?                                      | Primary government triggers: Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. Non-Primary government triggers: Less than 40% funded | YES                          | NO       | NO       | NO       | NO       |

**Requirements (For your information, the following are requirements of P.A. 202 of 2017)**  
 Local governments must post the current year report on their website or in a public place  
 The local government must electronically submit the form to its governing body.  
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years  
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.