



GASB 74/75 INTERIM ACTUARIAL VALUATION

Fiscal Year Ending December 31, 2024

CHARTER TOWNSHIP OF YPSILANTI FIRE OPEB PLAN

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May 2, 2025

Javonna Neal

Charter Township of Ypsilanti Fire OPEB Plan

7200 S Huron River Drive

Ypsilanti, MI 48197

This report summarizes the interim GASB actuarial valuation for the Charter Township of Ypsilanti Fire OPEB Plan 2024 fiscal year . To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No . 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). This report may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above . Failure to do so may result in misrepresentation or misinterpretation of this report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor . Asset information has been provided to us by the Plan Sponsor . We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based . When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement . We are not aware of any significant issues with and have relied on the data provided .

The discount rate, expected return on assets, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice . Note that the evaluation of the reasonability of the expected asset return assumption was considered outside the scope of our assignment .

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 (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement .

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Should you have any questions please do not hesitate to contact us.



John Lee, FSA, MAAA
Actuary



Nisha Sundi, FSA, MAAA
Actuary

Executive Summary

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending December 31, 2024 compared to the prior fiscal year as shown in the Township's Notes to Financial Statement.

	As of December 31, 2023	As of December 31, 2024
Total OPEB Liability	\$ 10,102,661	\$ 11,034,403
Actuarial Value of Assets	\$ (8,593,863)	\$ (9,407,127)
Net OPEB Liability	\$ 1,508,798	\$ 1,627,276
Funded Ratio	85.1%	85.3%

	FY 2023	FY 2024
OPEB Expense	\$ (1,000,585)	\$ (415,761)
Annual Employer Contributions	\$ 428,598	\$ 341,768
Actuarially Determined Contribution	\$ 337,099	\$ 175,820

	As of December 31, 2023	As of December 31, 2024
Discount Rate	6.50%	6.26%
Expected Return on Assets	6.50%	6.26%

	As of December 31, 2024
Total Active Participants	27
Total Retiree Participants	34

The active participants' number above may include active employees who currently have no health care coverage .

* The December 31, 2024 headcounts are as provided by the Township and as of December 31, 2024. They are not used as the basis of the OPEB liability.

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
Total OPEB Liability										
Total OPEB Liability - beginning of year	\$	10,102,661	\$	10,403,169	\$	11,061,385	\$	12,624,186	\$	13,926,904
Service cost		89,744		96,492		97,135		141,708		150,240
Interest		641,496		658,414		703,896		809,050		892,682
Change of benefit terms		0		0		0		0		0
Changes in assumptions		272,637		264,383		0		127,970		0
Differences between expected and actual experience		584,669		(567,520)		(790,005)		(1,993,411)		(1,647,513)
Benefit payments		(656,804)		(752,277)		(669,242)		(648,118)		(698,127)
Net change in total OPEB liability	\$	931,742	\$	(300,508)	\$	(658,216)	\$	(1,562,801)	\$	(1,302,718)
Total OPEB Liability - end of year	\$	11,034,403	\$	10,102,661	\$	10,403,169	\$	11,061,385	\$	12,624,186
Plan Fiduciary Net Position										
Plan fiduciary net position - beginning of year	\$	8,593,863	\$	7,101,379	\$	9,412,021	\$	8,544,128	\$	6,948,607
Contributions - employer		341,768		428,598		642,476		700,000		753,617
Contributions - active employees		44,686		48,733		53,115		49,275		43,841
Net investment income		1,112,082		1,795,076		(2,307,307)		786,722		1,520,190
Benefit payments		(656,804)		(752,277)		(669,242)		(648,118)		(698,127)
Trust administrative expenses		(28,468)		(27,646)		(29,684)		(19,986)		(24,000)
Net change in plan fiduciary net position	\$	813,264	\$	1,492,484	\$	(2,310,642)	\$	867,892	\$	1,595,521
Plan fiduciary net position - end of year	\$	9,407,127	\$	8,593,863	\$	7,101,379	\$	9,412,021	\$	8,544,128
Net OPEB Liability - end of year	\$	1,627,276	\$	1,508,798	\$	3,301,790	\$	1,649,365	\$	4,080,058
Plan fiduciary net position as % of total OPEB liability		85.3%		85.1%		68.3%		85.1%		67.7%
Covered employee payroll	\$	1,180,216	\$	2,145,567	\$	2,047,093	\$	2,084,653	\$	2,255,552
Net OPEB liability as % of covered payroll		137.9%		70.3%		161.3%		79.1%		180.9%

* FY 2024 benefit payments include \$53,223 of estimated implicit subsidy benefit payments. The difference between expected and actual benefit payments is captured as an actuarial experience gain/loss.

** Payroll before FY 2024 might have included employees not covered by the OPEB plan. FY 2024 payroll only includes all employees covered by the OPEB plan.

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)

OPEB Liability	FY 2019	FY 2018	FY 2017
Total OPEB Liability			
Total OPEB Liability - beginning of year	\$ 14,972,552	\$ 14,535,293	\$ 12,288,750
Service cost	142,749	137,922	138,294
Interest	959,584	931,661	842,858
Change of benefit terms	0	0	0
Changes in assumptions	720,691	0	1,730,520
Differences between expected and actual experience	(2,152,449)	58,494	169,008
Benefit payments	(716,223)	(690,818)	(634,137)
Net change in total OPEB liability	\$ (1,045,648)	\$ 437,259	\$ 2,246,543
Total OPEB Liability - end of year	\$ 13,926,904	\$ 14,972,552	\$ 14,535,293
Plan Fiduciary Net Position			
Plan fiduciary net position - beginning of year	\$ 5,569,548	\$ 5,994,833	\$ 5,231,243
Contributions - employer	767,327	625,958	629,226
Contributions - active employees	48,742	50,783	52,989
Net investment income	1,300,333	(363,106)	715,512
Benefit payments	(716,223)	(690,818)	(634,137)
Trust administrative expenses	(21,120)	(48,102)	0
Net change in plan fiduciary net position	\$ 1,379,059	\$ (425,285)	\$ 763,590
Plan fiduciary net position - end of year	\$ 6,948,607	\$ 5,569,548	\$ 5,994,833
Net OPEB Liability - end of year	\$ 6,978,297	\$ 9,403,004	\$ 8,540,460
Plan fiduciary net position as % of total OPEB liability	49.9%	37.2%	41.2%
Covered employee payroll	\$ 2,163,061	\$ 1,476,413	\$ 1,433,411
Net OPEB liability as % of covered payroll	322.6%	636.9%	595.8%

* Payroll before FY 2024 might have included employees not covered by the OPEB plan. FY 2024 payroll only includes all employees covered by the OPEB plan.

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Schedule of Employer Contributions

The Actuarially Determined Contributions (ADC) shown below are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the Township's financial statements.

	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
Actuarially Determined Contribution (ADC)	\$	175,820	\$	337,099	\$	669,242	\$	648,118	\$	698,127
Contributions in relation to the ADC		341,768		428,598		642,476		700,000		753,617
Contribution deficiency/(excess)	\$	(165,948)	\$	(91,499)	\$	26,766	\$	(51,882)	\$	(55,490)
Covered employee payroll	\$	1,180,216	\$	2,145,567	\$	2,047,093	\$	2,084,653	\$	2,255,552
Contribution as a % of covered payroll		29.0%		20.0%		31.4%		33.6%		33.4%
	FY 2019		FY 2018		FY 2017		FY 2016		FY 2015	
Actuarially Determined Contribution (ADC)	\$	910,801	\$	826,049	\$	629,226	\$	587,148	\$	590,744
Contributions in relation to the ADC		767,327		826,049		629,226		587,148		590,744
Contribution deficiency/(excess)	\$	143,474	\$	0	\$	0	\$	0	\$	0
Covered employee payroll	\$	2,163,061	\$	1,476,413	\$	1,433,411		N/A		N/A
Contribution as a % of covered payroll		35.5%		55.9%		43.9%		N/A		N/A

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

OPEB Expense

OPEB Expense	FY 2024		FY 2023	
Discount Rate				
Beginning of year		6.50%		6.50%
End of year		6.26%		6.50%
Service cost	\$	89,744	\$	96,492
Interest		641,496		658,414
Change of benefit terms		0		0
Projected earnings on OPEB plan investments		(549,042)		(451,910)
Reduction for contributions from active employees		(44,686)		(48,733)
OPEB plan administrative expenses		28,468		27,646
Current period recognition of deferred outflows / (inflows) of resources				
Differences between expected and actual experience	\$	(691,566)	\$	(1,249,613)
Changes in assumptions		166,246		98,089
Net difference between projected and actual earnings on OPEB plan investments		(56,421)		(130,970)
Total current period recognition	\$	(581,741)	\$	(1,282,494)
Total OPEB expense	\$	(415,761)	\$	(1,000,585)

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense :

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years . All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2024
December 31, 2017	\$ 169,008	4	\$ 0	\$ 0
December 31, 2018	\$ 58,494	4	\$ 0	\$ 0
December 31, 2019	\$ (2,152,449)	4	\$ 0	\$ 0
December 31, 2020	\$ (1,647,513)	4	\$ 0	\$ 0
December 31, 2021	\$ (1,993,411)	4	\$ (498,352)	\$ 0
December 31, 2022	\$ (790,005)	4	\$ (197,501)	\$ (197,502)
December 31, 2023	\$ (567,520)	4	\$ (141,880)	\$ (283,760)
December 31, 2024	\$ 584,669	4	\$ 146,167	\$ 438,502

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Deferred Outflows / (Inflows) of Resources (Continued)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2024
December 31, 2017	\$ 1,730,520	4	\$ 0	\$ 0
December 31, 2018	\$ 0	N/A	\$ 0	\$ 0
December 31, 2019	\$ 720,691	4	\$ 0	\$ 0
December 31, 2020	\$ 0	N/A	\$ 0	\$ 0
December 31, 2021	\$ 127,970	4	\$ 31,991	\$ 0
December 31, 2022	\$ 0	N/A	\$ 0	\$ 0
December 31, 2023	\$ 264,383	4	\$ 66,096	\$ 132,191
December 31, 2024	\$ 272,637	4	\$ 68,159	\$ 204,478

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of December 31, 2024
December 31, 2020	\$ (1,066,121)	5	\$ (213,225)	\$ 0
December 31, 2021	\$ (228,757)	5	\$ (45,751)	\$ (45,753)
December 31, 2022	\$ 2,918,982	5	\$ 583,796	\$ 1,167,594
December 31, 2023	\$ (1,343,166)	5	\$ (268,633)	\$ (805,900)
December 31, 2024	\$ (563,040)	5	\$ (112,608)	\$ (450,432)

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending December 31, 2024	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 438,502	\$ (481,262)
Changes in assumptions	336,669	0
Net difference between projected and actual earnings in OPEB plan investments	0	(134,491)
Total	\$ 775,171	\$ (615,753)

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of December 31, 2024 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2025	\$ 97,842
2026	\$ 341,098
2027	\$ (166,914)
2028	\$ (112,608)
2029	\$ 0
Thereafter	\$ 0

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Sensitivity Results

The following presents the Net OPEB Liability as of December 31, 2024, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 6.26%.
- The 1% decrease in discount rate would be 5.26%.
- The 1% increase in discount rate would be 7.26%.

As of December 31, 2024	Net OPEB Liability
1% Decrease	\$ 2,907,140
Current Discount Rate	\$ 1,627,276
1% Increase	\$ 565,971

The following presents the Net OPEB Liability as of December 31, 2024, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 7.50%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.50%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.50%, decreasing to an ultimate rate of 5.50%.

As of December 31, 2024	Net OPEB Liability
1% Decrease	\$ 477,217
Current Trend Rates	\$ 1,627,276
1% Increase	\$ 3,006,581

* Current Post-65 health care trend rates are set to 6.25% decreasing by 0.25% annually to an ultimate rate of 4.50%. Current Medicare Part B trend rates are set to 5.25% decreasing by 0.25% annually to an ultimate rate of 4.50%. Dental and vision annual trend rates are 4.00% and 3.00%, respectively. The sensitivity results above account for 1% increases/decreases in these rates as well.

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

Asset Information

Asset Breakdown	FY 2023		FY 2024	
Assets				
Cash and deposits	\$	535,273	\$	234,506
Securities lending cash collateral		0		0
Total cash	\$	535,273	\$	234,506
Receivables				
Contributions	\$	0	\$	0
Accrued interest		16,500		17,269
Total receivables	\$	16,500	\$	17,269
Investments				
Fixed income	\$	2,666,790	\$	4,050,333
Equities		6,088,958		5,715,311
Mutual Funds		0		0
Total investments	\$	8,755,748	\$	9,765,643
Total Assets	\$	9,307,521	\$	10,017,418
Liabilities				
Payables				
Investment management fees	\$	713,658	\$	610,291
Securities lending expense		0		0
Total liabilities	\$	713,658	\$	610,291
Net Position Restricted to OPEB	\$	8,593,863	\$	9,407,127

GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

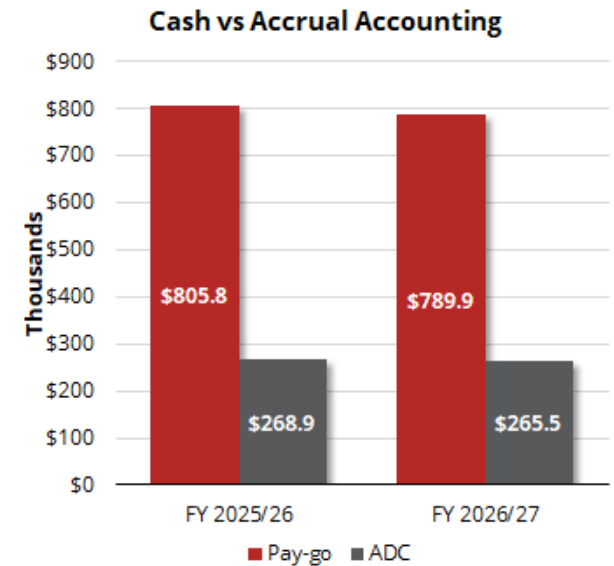
Asset Information (Continued)

Asset Reconciliation	FY 2023		FY 2024	
Additions				
Contributions Received				
Employer	\$	428,598	\$	341,768
Active employees		48,733		44,686
Total contributions	\$	477,331	\$	386,454
Investment Income				
Net increase in fair value of investments	\$	1,541,213	\$	705,963
Interest and dividends		253,863		406,119
Investment expense, other than from securities lending		0		0
Securities lending income		0		0
Securities lending expense		0		0
Net investment income	\$	1,795,076	\$	1,112,082
Total additions	\$	2,272,407	\$	1,498,536
Deductions				
Benefit payments	\$	752,277	\$	656,804
Administrative expenses		27,646		28,468
Other		0		0
Total deductions	\$	779,923	\$	685,272
Net increase in net position	\$	1,492,484	\$	813,264
Net position restricted to OPEB				
Beginning of year	\$	7,101,379	\$	8,593,863
End of year	\$	8,593,863	\$	9,407,127

Actuarially Determined Contributions

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation For Fiscal Year Ending December 31, 2024

		FY 2026	FY 2027
Discount rate (Funding)		6.26%	6.26%
Payroll growth factor used for amortization		N/A	N/A
Actuarial cost method	Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary
Amortization type	Level Dollar	Level Dollar	Level Dollar
Amortization period (years)		19	18
Actuarial Accrued Liability (AAL) - beginning of year	\$	11,015,377	\$ 10,988,381
Actuarial Value of Assets (AVA) - beginning of year		(9,322,503)	(9,416,740)
Unfunded AAL - beginning of year	\$	1,692,874	\$ 1,571,641
Normal Cost	\$	39,549	\$ 40,735
Amortization of Unfunded AAL		145,695	139,279
Total normal cost plus amortization	\$	253,037	\$ 249,842
Interest to end of year		15,840	15,640
Actuarially Determined Contribution	\$	268,877	\$ 265,482
Expected Benefit Payments		656,804	795,983
Member contributions		47,407	48,830



Actuarially Determined Contribution (ADC) is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. This is typically higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

* The normal cost has been reduced for projected member contributions.

** Member contributions for FY 2026 and 2027 are estimated based on FY 2024 member contributions increased by 3.0% wage inflation.

Projection of GASB Disclosures

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual health care costs increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2024	FY 2025
TOL as of beginning of year	\$ 10,102,661	\$ 11,034,403
Normal cost as of beginning of year	89,744	104,216
Exp. benefit payments during the year	(656,804)	(795,983)
Interest adjustment to end of year	641,496	672,741
Exp. TOL as of end of year	\$ 10,177,097	\$ 11,015,377
Actuarial Loss / (Gain)	857,306	TBD
Actual TOL as of end of year	\$ 11,034,403	\$ TBD

Discount rate as of beginning of year	6.50%	6.26%
Discount rate as of end of year	6.26%	TBD

Projection of Actuarial Value of Assets (AVA)	FY 2024	FY 2025
AVA as of beginning of year	\$ 8,593,863	\$ 9,407,127
Exp. employer contributions during the year	386,454	175,538
Exp. benefit payments during the year	(656,804)	(795,983)
Expected investment income	549,042	568,747
Exp. Trust administrative expenses	(28,468)	(32,925)
Exp. AVA as of end of year	\$ 8,844,087	\$ 9,322,504
Differences between expected and actual experience	563,040	TBD

AVA as of end of year	\$ 9,407,127	\$ TBD
Expected asset return as of beginning of year	6.50%	6.26%
Expected asset return as of end of year	6.26%	TBD

Discussion of Discount Rates

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 75 Valuation for Fiscal Year Ending December 31, 2024

Under GASB 74, the discount rate used in valuing OPEB liabilities for funded plans as of the Measurement Date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

For the current valuation:

- 1. The long-term expected rate of return on OPEB plan investments is targeted to be 6.26%. This was determined based on a target asset allocation of 25% Domestic Large Cap Equity, 10% Domestic Small/Mid Cap Equity, 12% International Equity, 4% Emerging Markets Equity, 32% Domestic Bonds, 5.00% High Yield Bonds, 9.00% Real Estate, and 3% Cash.
- 2. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

Yield as of	December 31, 2023	December 31, 2024
Bond Buyer Go 20-Bond Municipal Bond Index	3.26%	4.08%
S&P Municipal Bond 20-Year High Grade Rate Index	4.00%	4.28%
Fidelity 20-Year Go Municipal Bond Index	3.77%	4.20%
Bond Index Range	3.26% - 4.00%	4.08% - 4.28%

- 3. The final equivalent discount rate used for this year's valuation is 6.26% as of December 31, 2024 and 6.50% as of December 31, 2023, which is based on the expectation that the Township will continue to fully fund the Actuarially Determined Contribution (ADC).

Summary of Key Actuarial Assumptions

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 75 Valuation for Fiscal Year Ending December 31, 2024

For a complete summary of actuarial methods and assumptions, refer to the GASB 75 actuarial valuation report for the fiscal year ending December 31, 2023.

Measurement Date	For fiscal year ending December 31, 2024, December 31, 2024 measurement date was used.
Actuarial Valuation Date	January 1, 2024 Liabilities as of December 31, 2024 are based on an actuarial valuation date of January 1, 2024 projected to December 31, 2024, reflecting actual premiums and contributions. Liabilities as of December 31, 2023 are based on an actuarial valuation date of January 1, 2024 with no adjustments to get to the December 31, 2023 measurement date.
Discount Rate	6.26% as of December 31, 2024 and 6.50% as of December 31, 2023 for accounting disclosure purposes. 6.26% for funding disclosure purposes (in calculating the Actuarially Determined Contribution) Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.
Payroll Growth	3.00% wage inflation plus merit and productivity increases are based on the 2023 Pension Experience Study. Sample rates are as shown below:

Service	Base Rate	Merit Rate
1	3.00%	7.00%
2	3.00%	7.00%
3	3.00%	6.00%
4	3.00%	6.00%
5	3.00%	6.00%
6+	3.00%	1.50%

Summary of Key Actuarial Assumptions

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 75 Valuation for Fiscal Year Ending December 31, 2024

Cost Method

- Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:
- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and
 - Annual Service Cost is a constant percentage of the participant’s salary that is assumed to increase according to the Payroll Growth.

Health Care Trend Rates

FYE	Pre-65 Med / Rx	Post-65 Med / Rx	Part B
2024	Actual*	Actual*	Actual*
2025	7.50%	6.25%	5.25%
2026	7.00%	6.00%	5.00%
2027	6.50%	5.75%	4.75%
2028	6.00%	5.50%	4.50%
2029	5.50%	5.25%	4.50%
2030	5.00%	5.00%	4.50%
2031	4.50%	4.75%	4.50%
2032+	4.50%	4.50%	4.50%

* FYE 2024 Health Care Trend Rates were provided by the District and are based on actual premium rate changes from rates effective January 1, 2024 to those effective January 1, 2025.

The initial trend rate was based on experience data, national trend surveys, and professional judgment. The ultimate trend rate was selected based on historical medical CPI information.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Summary of Key Actuarial Assumptions

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 75 Valuation for Fiscal Year Ending December 31, 2024

Models

ProVal	Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.
HealthMAPS	Manual Rating manual developed by WTW. Aging factors are used to develop per capita costs by age for plans with limited credible exposure to develop plan-specific factors. We are not aware of any weakness or limitations in the factors and have determined they are appropriate for performing this valuation.

Actuary's Notes

Charter Township of Ypsilanti Fire OPEB Plan Interim GASB 75 Valuation for Fiscal Year Ending December 31, 2024

Interim year valuation results have been projected from the prior year's valuation with adjustments for actual premium increases from rates effective January 1, 2024 to those effective January 1, 2025. Making this change resulted in an increase in liabilities.

The discount rate as of the Measurement Date has been updated based on the long term expected rate of return of the plan's asset. The discount rate is 6.50% as of December 31, 2023 and 6.26% as of December 31, 2024. Refer to the Discussion of Discount Rates section for more information on selection of the discount rate. The impact of this change is an increase in liabilities.

Premium Rates

Same benefit options are available to retirees as active employees. All health plans are fully-inured and experience rated through Blue Cross Blue Shield. The monthly premiums effective January 1, 2024 and January 1, 2025 are shown below:

Health Plan - effective January 1, 2024	1 Person	2 Person
Flex Blue PPO	\$ 692.40	\$ 1,661.74
Medicare Advantage Plan	\$ 328.10	\$ 656.20
Dental	1 Person	2 Person
Delta Dental	\$ 31.72	\$ 63.27
Vision	1 Person	2 Person
VSP	\$ 8.48	\$ 15.60
Health Plan - effective January 1, 2025	1 Person	2 Person
Flex Blue PPO	\$ 798.13	\$ 1,915.51
Medicare Advantage Plan	\$ 388.57	\$ 777.14
Dental	1 Person	2 Person
Delta Dental	\$ 33.52	\$ 66.86
Vision	1 Person	2 Person
VSP	\$ 8.48	\$ 15.60

Appendix

Charter Township of Ypsilanti Fire OPEB Plan GASB 74/75 Valuation for Fiscal Year Ending December 31, 2024

PA 202 Uniform Assumption Disclosures

The information presented below is for the purposes of filing Form No. 5572 under PA 202 uniform assumption requirements. Per regulation, Form No. 5572 must be filed no later than six months after the end of the fiscal year. Governmental fund revenues are not shown below and should be determined by the Township. Refer to the Michigan Department of Treasury website for additional information.

Form 5572 Line	Description	Township
Line 28	Actuarial Value of Assets	\$ 9,407,127
Line 29	Actuarial Accrued Liability	\$ 10,914,268
Line 31	Actuarially Determined Contribution for FY 2024	\$ 206,184

Line 31 (Actuarially Determined Contribution) was calculated using level dollar amortization with a 6.26% discount rate. The amortization period is a closed, 21-year period in FY 2024.

Under PA 202 requirements, uniform assumption setting is mandated in reporting of liabilities, assets, and ADC. The following is a description of the PA 202 uniform assumption guidance and final assumption used for the Township for purposes of calculating the figures above.

Assumption	Uniform Assumption Guidance	Township Assumption
Investment Rate of Return	Maximum of 6.90%	6.26% (for funding/ADC purposes)
Discount Rate	Blended discount rate calculated per GASB 74/75: <ul style="list-style-type: none">Maximum of 6.90% where plan assets are sufficient to make projected benefit paymentsMaximum of 3.65% for periods where assets are insufficient to make projected benefit payments	6.26% (for calculation of the OPEB liability)
Salary Increase	Minimum of 3.25% or based on actuarial experience study within the past 5 years	Same as the GASB 74/75 valuation
Mortality Table	A version of the Pub-2010 mortality tables with future mortality improvement projected generationally using Scale MP-2021 or based on actuarial experience study within the past 5 years	Same as PA 202 uniform assumption
Amortization Period	Maximum closed period of 25 years for Retiree Health Systems	For FY 2024, 21 years on a closed period basis
Asset Valuation	Market Value as reported on Financial Statements	Same as the GASB 74/75 valuation
Healthcare Inflation	Non-Medicare: 7.25% decreasing 0.25% per year to a 4.50% long-term rate Medicare: 5.50% decreasing 0.25% per year to a 4.50% long-term rate	Non-Medicare: 7.50% decreasing 0.50% per year to a 4.50% long-term rate Medicare: 6.25% decreasing 0.25% per year to a 4.50% long-term rate