



Lauterbach & Amen

# City of Rochester Hills, Michigan

## **GASB 74/75 Reporting**

For the Contribution Year Ending December 31, 2026 for Funding Purposes  
For the Fiscal Year Ending December 31, 2025 for Financial Statement Reporting

Presented by:

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Actuarial Services

Audit Services

Client Accounting  
& Advisory Services

Pension Services

Tax Services

# Net OPEB Liability

## Page 18 in Report

	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances Beginning at 1/1/2025	\$1,880,626	\$2,151,651	(\$271,025)
Service Cost	\$4,133	\$0	\$4,133
Interest	\$88,830	\$0	\$88,830
Actuarial Experience	(\$17,718)	\$0	(\$17,718)
Assumptions Changes	\$0	\$0	\$0
Plan Changes	\$0	\$0	\$0
Contributions - Employer	\$0	\$7,800	(\$7,800)
Contributions - Employee	\$0	\$0	\$0
Contributions - Other	\$0	\$0	\$0
Net Investment Income	\$0	\$287,967	(\$287,967)
Benefit Payments from the Plan	(\$190,317)	(\$190,317)	\$0
Administrative Expenses	\$0	(\$18,121)	\$18,121
Balances Ending at 12/31/2025	\$1,765,554	\$2,238,980	(\$473,426)



# Changes to Total OPEB Liability

Page 7 in Report

- Expected Decrease - \$97,000
- Decrease due to Difference between Expected & Actual - \$18,000
  - Expected Benefit Payments - \$208,035
  - Actual Benefit Payments - \$190,317

# Expected Benefit Payments

Page 16 in Report

Fiscal Year End	Expected Benefit Payment
12/31/2026	\$210,984
12/31/2027	\$202,660
12/31/2028	\$199,982
12/31/2029	\$194,000
12/31/2030	\$183,198



# Total OPEB Expense

Page 21 in Report

	12/31/2025
Service Cost	\$4,133
Interest	\$88,830
Plan Changes	\$0
Contributions - Employee	\$0
Contributions - Other	\$0
Expected Investment Income	(\$107,583)
Administrative Expense	\$18,121
Recognition of Outflow/(Inflow) of Resources due to Liabilities	(\$17,718)
Recognition of Outflow/(Inflow) of Resources due to Assets	(\$5,006)
Total OPEB Expense	(\$19,223)



# Deferred Outflows & Inflows of Resources

Page 20 in Report

OPEB Expense Source	Date Established	Initial Period	Initial Balance	Remaining Period	12/31/2025 Expense Recognized	12/31/2025 Deferred Balance
Asset Gain	12/31/2025	5.00	(\$180,384)	5.00	(\$36,077)	(\$144,307)
Actuarial Gain	12/31/2025	1.00	(\$17,718)	1.00	(\$17,718)	\$0
Asset Gain	12/31/2024	5.00	(\$88,190)	4.00	(\$17,638)	(\$52,914)
Asset Gain	12/31/2023	5.00	(\$169,215)	3.00	(\$33,843)	(\$67,686)
Asset Loss	12/31/2022	5.00	\$498,289	2.00	\$99,658	\$99,657
Asset Gain	12/31/2021	5.00	(\$85,530)	1.00	(\$17,106)	\$0
<b>Total</b>			<b>(\$42,748)</b>		<b>(\$22,724)</b>	<b>(\$165,250)</b>



# Five-Year Employer Contribution History

Page 36 in Report

Fiscal Year End	Employer Contribution	Actuarially Determined Contribution (ADC)	% of ADC
12/31/2025	\$7,800	\$0	N/A
12/31/2024	\$47,520	\$0	N/A
12/31/2023	\$75,110	\$47,520	158.06%
12/31/2022	\$75,110	\$42,332	177.43%
12/31/2021	\$218,130	\$55,124	395.71%
<b>5 - Year Average</b>			<b>243.73%</b>



# Contribution Recommendation

## Page 3 in Funding Report

	Prior Valuation	Current Valuation
Total OPEB Liability	\$1,880,626	\$1,765,554
Market Value of Assets	\$2,151,651	\$2,238,980
Actuarial Value of Assets	\$2,184,493	\$2,097,381
Unfunded OPEB Liability	(\$303,867)	(\$331,827)
Percent Funded (Actuarial Value of Assets)	116.16%	118.79%
Normal Cost Component (Includes Interest)	\$4,133	\$4,339
Amortization Component (Includes Interest)	(\$21,560)	(\$23,544)
Actuarially Determined Contribution	\$0	\$0

# Schedule of Amortization

## Page 7 in Funding Report

Unfunded Liability Base	Date Established	Initial Period	Initial Balance	Remaining Period	Current Balance	Current Payment
Initial Unfunded Liability	12/31/2025	25	(\$331,827)	25	(\$331,827)	(\$23,544)
<b>Total</b>			(\$331,827)		(\$331,827)	(\$23,544)

# Actuarial Certification

- The valuation results summarized in this presentation are from the January 1, 2025 GASB 74/75 and OPEB Funding Actuarial Valuation Reports dated February 12, 2026 which have been reviewed and signed by Actuarial Consultants that meet the Qualification Standards of the American Academy of Actuaries.
- The GASB 74/75 report is not intended for purposes other than to assist in the preparation of the Annual Financial Report.
- The OPEB Funding report is not intended for purposes other than the determination of the recommended funding contribution and to comply with the Public Act 202 of 2017.
- This report contains the full description of the data, assumptions, methods, and provisions used to produce these actuarial results.