

Emmet County Road Commission

Required Supplementary Information Employee Retirement and Benefit System Schedule of Funding Progress For the Year Ended December 31, 2017

	2015	2016	2017
Total pension liability			
Service cost	\$ 86,656	\$ 77,029	\$ 70,691
Interest	1,070,460	1,090,310	1,128,844
Difference in actual and expected experience	-	(29,666)	(561,974)
Changes in assumptions	-	698,065	-
Other adjustments	14,183	(9,644)	(33,736)
Benefit payments, including refund of member contributions	(907,964)	(943,781)	(912,722)
Net change in total pension liability	263,335	882,313	(308,897)
Total pension liability - beginning	13,385,922	13,649,257	14,531,570
Total pension liability - ending	<u>\$ 13,649,257</u>	<u>\$ 14,531,570</u>	<u>\$ 14,222,673</u>
Plan fiduciary net position			
Contributions - employer	\$ 925,752	\$ 568,932	\$ 645,673
Contributions - employee	14,460	12,619	12,329
Net investment income (loss)	(130,421)	941,856	1,175,824
Benefit payments, including refunds of member contributions	(907,964)	(943,781)	(912,722)
Administrative expense	(18,790)	(18,600)	(18,627)
Net change in plan fiduciary net position	(116,963)	561,026	902,477
Plan fiduciary net position - beginning	8,527,675	8,410,712	8,971,738
Plan fiduciary net position - ending	<u>\$ 8,410,712</u>	<u>\$ 8,971,738</u>	<u>\$ 9,874,215</u>
Net pension liability - ending	<u>\$ 5,238,545</u>	<u>\$ 5,559,832</u>	<u>\$ 4,348,458</u>
Plan fiduciary net position as a percentage of the total pension liability	62%	62%	69%
Covered - employee payroll	\$ 733,633	\$ 655,521	\$ 597,089
Net pension liability as a percentage of covered-employee payroll	714%	848%	728%

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	2015	2016	2017
Actuarially determined contribution	\$ 925,752	\$ 568,932	\$ 645,673
Contributions in relation to the actuarially determined contribution	(925,752)	(568,932)	(645,673)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 721,914	\$ 733,633	\$ 655,521
Contributions as a percentage of covered-employee payroll	128%	78%	98%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31st, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	10-years smoothed market
Inflation	2.50%
Salary increases	3.75%, average, including inflation
Investment rate of return	7.75%
Retirement age	In the 2016 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	Assumptions were based on the RP-2014 Mortality Table - Blended 50% Male / 50% Female