GASB 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. Statement 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at http://www.mersofmich.com/.

Actuarial Valuation Date: 12/31/2018
Measurement Date of the Total Pension Liability (TPL): 12/31/2018

At 12/31/2018, the following employees were covered by the benefit terms:
- Inactive employees or beneficiaries currently receiving benefits: 3
- Inactive employees entitled to but not yet receiving benefits (including refunds): 1
- Active employees: 10

Total Pension Liability as of 12/31/2017 measurement date: $835,151
Total Pension Liability as of 12/31/2018 measurement date: $880,522
Service Cost for the year ending on the 12/31/2018 measurement date: $17,696

Change in the Total Pension Liability due to:
- Benefit changes¹: $0
- Differences between expected and actual experience²: $12,617
- Changes in assumptions²: $0

¹ A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.
² Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Average expected remaining service lives of all employees (active and inactive): 7
Covered employee payroll: (Needed for Required Supplementary Information) $205,528

Sensitivity of the Net Pension Liability to changes in the discount rate:

<table>
<thead>
<tr>
<th>Percentage Change</th>
<th>Current Discount Rate (8.00%)</th>
<th>1% Decrease (7.00%)</th>
<th>1% Increase (9.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Pension Liability as of 12/31/2018:</td>
<td>$110,347</td>
<td>$110,347</td>
<td>$92,591</td>
</tr>
</tbody>
</table>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.