
City of Detroit General Retiree Health Care Trust

**Financial Report
with Supplemental Information
December 31, 2019**

City of Detroit General Retiree Health Care Trust

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Independent Auditor's Report

To the Board of Trustees
City of Detroit General Retiree Health Care Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Detroit General Retiree Health Care Trust (the "Trust") as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Detroit General Retiree Health Care Trust as of December 31, 2019 and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 4, the COVID-19 pandemic has significantly impacted the financial markets, which in turn has caused the the Trust's investment portfolio to significantly decline subsequent to year end. Our opinion is not modified with respect to this matter.

To the Board of Trustees
City of Detroit General Retiree Health Care Trust

Other Matter

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net OPEB liability and related ratios, and schedule of OPEB investment returns be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Plante & Moran, PLLC

May 5, 2020

City of Detroit General Retiree Health Care Trust

Management's Discussion and Analysis

Using This Annual Report

This annual report consists of three parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplemental information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Overall Fund Structure and Objectives

The City of Detroit General Retiree Health Care Trust (the "Trust") was established on December 10, 2014 (the "Effective Date") under the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment") in the matter titled, *In re: City of Detroit, Michigan, Debtor, Chapter 9, Case No. 13-53846*, in the United States Bankruptcy Court for the Eastern District of Michigan. The Trust is newly created as a result of the settlement of certain legal claims made pertinent to that litigation and is established to provide health benefits to existing City of Detroit, Michigan retirees and certain dependents. The plan and trust is established as a governmental Voluntary Employees Beneficiary Association (VEBA) pursuant to Section 501(c)(9) of the Internal Revenue Code.

The City of Detroit General Retiree Health Care Trust is responsible for providing benefits for the welfare of certain general retirees of the City of Detroit, Michigan (the "City"), along with their eligible spouses and dependents, with an effective date of retirement on or before December 31, 2014 and who were eligible to receive retiree healthcare benefits from the City at the time of retirement. Benefits under the Trust will be provided to retirees through the purchase of insurance coverage, or by reimbursement of eligible expenses, in accordance with the Trust and applicable state and federal laws.

Condensed Financial Information

The table below compares key financial information in a condensed format:

	2019	2018
Total assets	\$ 204,208,639	\$ 196,327,585
Total liabilities	1,227,861	443,562
 Fiduciary net position	 <u>\$ 202,980,778</u>	 <u>\$ 195,884,023</u>
 Net investment income	 \$ 16,479,800	 \$ 14,157,650
Contributions - Foundation for Detroit's Future	43,750	43,750
Contributions - Rate Stabilization Fund	-	1,242,646
Retiree health benefits paid - Net of retiree contributions	(8,694,906)	(8,996,591)
General and administrative expenses	(731,889)	(907,699)
 Net increase in fiduciary net position	 <u>\$ 7,096,755</u>	 <u>\$ 5,539,756</u>

Trust Contributions

Contributions to the Trust are established in the Plan of Adjustment and other grant agreements established out of the City's bankruptcy. The Plan of Adjustment required the City to distribute \$238,780,159 million of the City's Financial Recovery Bonds, Series 2014B(1) and 2014B(2) on the Effective Date. This contribution represents a complete discharge of the City's OPEB obligation with respect to the Trust's membership, and no additional contributions from the City are required under the Plan of Adjustment. The Trust also received \$1,816,429 from the Foundation for Detroit's Future pursuant to two separate grant agreements during the period ended December 31, 2015. The Trust also received \$4,025,000 from the City of Detroit Employee Benefits Plan during the period ended December 31, 2015, of which \$500,000 was a loan that was forgiven during the year ended December 31, 2016. In addition, in 2018, the Trust received \$1,242,646 from the City of Detroit Employee Benefits Plan Rate Stabilization Fund. The only contributions the Trust anticipates in the future is \$43,750 to be made annually until 2034 under a grant agreement with the Foundation for Detroit's Future (the "Foundation"). Member contributions to the Trust are required based on the medical plan selected and serve to offset a portion of the monthly insurance premium paid by the Trust on a member's behalf.

City of Detroit General Retiree Health Care Trust

Management's Discussion and Analysis (Continued)

Retiree Health Benefits and Employee Contributions

As of January 1, 2015, the City has no further responsibility to provide retiree health care or any other retiree welfare benefits to the retirees participating in this Trust; such responsibility falls wholly upon the VEBA plan and trust. The board of trustees of the Trust (the "Board") is responsible for designing, adopting, maintaining, and administering retiree healthcare benefits for eligible retirees and beneficiaries. The Board will be under no obligation to design the retiree healthcare plan to ensure that the assets of the Trust are sufficient to provide benefits to all potential participants of the plan.

The participant population of the Trust is composed of approximately 8,300 retirees and beneficiaries in receipt of one of the Medicare Advantage plans or covered by an health reimbursement arrangement (HRA) benefit. Optional dental and vision benefits were also offered to all eligible retirees and beneficiaries at full cost to the participant. Member contributions to the Trust in the 2019 plan year were required as follows:

Medicare Advantage Plan	Monthly Retiree Contribution Single Coverage	Monthly Retiree Contribution Two-person Coverage
BCBSM PPO	\$5.00	\$10.00
Humana PPO	\$0	\$0
BCN HMO	\$19.23	\$38.46
HAP HMO	\$44.71	\$89.42
Priority Health HMO	\$23.12	\$46.24

Retiree contributions for 2019 dental and vision coverage options were as follows:

Plan	Monthly Retiree Contribution Single Coverage	Monthly Retiree Contribution Two-person Coverage	Monthly Retiree Contribution Family Coverage
Delta Dental HP	\$34.23	\$66.72	\$118.67
Delta Dental LP	\$28.32	\$54.78	\$96.06
Dencap Dental (DHMO)	\$20.90	\$37.40	\$55.90
Golden Dental (DHMO)	\$21.73	\$36.83	\$55.17
BCBS Dental PPO	\$24.98	\$59.98	\$74.98
VSP Vision	\$5.98	\$11.94	\$19.24
Heritage Standard Vision	\$6.80	\$6.80	\$6.80
Heritage National Vision	\$6.95	\$13.88	\$19.24

The City's Financial Recovery Bonds

The B notes owned by the Trust are general unsecured obligations of the City of Detroit, Michigan, with a 30-year maturity date, paying interest at a rate of 4 percent for the first 20 years and 6 percent for years 21 through 30. Interest payments are made twice annually on April 1 and October 1. Amortization of the B notes is interest only for 10 years, with amortization in 20 annual installments beginning on the interest payment date nearest to the 11th anniversary from issuance. During fiscal year 2017, the Trust sold 40 million units of the B notes, receiving proceeds of \$32,230,000. During fiscal year 2018, the Trust sold an additional \$135,365,910 units of the B notes, receiving proceeds of \$114,141,023.50. No B notes were sold by the Trust in 2019. Due to the City's recent exit from bankruptcy, its lack of an established credit rating, and other economic factors outside the Board's control, the new B notes owned by the Trust have a market value of approximately 89 percent of face value (\$56,495,754) at December 31, 2019.

City of Detroit General Retiree Health Care Trust

Management's Discussion and Analysis (Continued)

Economic Factors

The Trust will provide future benefits only to the extent that plan assets are available to pay them. Plan assets available to pay future benefits are highly dependent on performance of the Trust's investment portfolio. Subsequent to December 31, 2019, the Trust's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets due to the COVID-19 pandemic. Like many investors, the Trust's investments fluctuate due to market volatility and market downturns. The Trust will continue to invest through a prudent, long-term perspective to elongate future benefits provided by the Trust.

Contacting the Trust's Management

This financial report is intended to provide a general overview of the Trust's finances and investment results in relation to actuarial projections. It shows the Trust's accountability for the money it receives from employer and employee contributions. If you have questions about this report or need additional information, we welcome you to contact the Trust's office at 700 Tower Drive, Troy, MI 48098.

City of Detroit General Retiree Health Care Trust

Statement of Fiduciary Net Position

December 31, 2019

Assets

Cash and cash equivalents	\$ 3,206,802
Investments: (Note 2)	
U.S. Treasury notes	6,814,057
Fixed income	28,596,733
Mutual funds	65,205,774
Pooled funds	28,157,839
Limited partnerships	14,401,656
City of Detroit Financial Recovery Bonds, Series 2014B	56,495,754
Receivables:	
Investment income	923,132
Due from City of Detroit Police and Fire Retiree Health Care Trust	322,133
Prepaid expenses	<u>84,759</u>
Total assets	204,208,639

Liabilities

Accounts payable	506,750
Due to brokers for securities purchased	<u>721,111</u>
Total liabilities	1,227,861

Net Position - Restricted for retiree health care

\$ 202,980,778

City of Detroit General Retiree Health Care Trust

Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2019

Additions

Investment income:	
Interest and dividends	\$ 6,037,245
Net increase in fair value of investments	10,676,558
Investment related expenses	<u>(234,003)</u>
Net investment income	16,479,800
Contributions - Foundation for Detroit's Future	<u>43,750</u>
Total additions	16,523,550

Deductions

Premium payments - Net of retiree contributions (Note 1)	7,767,060
Health reimbursement account reimbursements (Note 1)	927,846
Administrative expenses	<u>731,889</u>
Total deductions	9,426,795
Net Increase in Fiduciary Net Position	7,096,755
Net Position - Beginning of year	<u>195,884,023</u>
Net Position - End of year	\$ 202,980,778

City of Detroit General Retiree Health Care Trust

Notes to Financial Statements

December 31, 2019

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The City of Detroit General Retiree Health Care Trust (the "Trust") follows accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

The following is a summary of the significant accounting policies used by the Trust:

Reporting Entity

The City of Detroit General Retiree Health Care Trust is governed by a seven-member board of trustees. The Trust was established under the Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment") related to the City of Detroit, Michigan's (the "City") Chapter 9 bankruptcy on December 10, 2014. The Plan of Adjustment provides for the establishment of the Trust as a governmental Voluntary Employees Beneficiary Association (VEBA) pursuant to Section 501(c)(9) of the Internal Revenue Code of 1986, as amended.

The Trust is responsible for providing benefits for the welfare of certain general retirees of the City of Detroit, Michigan, along with their eligible spouses and dependents, with an effective date of retirement on or before December 31, 2014 and who were eligible to receive retiree healthcare benefits from the City at the time of retirement. Benefits under the Trust will be provided to retirees through the purchase of insurance coverage, or by reimbursement of eligible expenses, in accordance with the Trust and applicable state and federal laws. Benefit expense for the year ended December 31, 2019 was \$7,767,060, which is net of \$3,847,415 in retiree contributions toward premiums.

The Trust was established on December 10, 2014 under the Plan of Adjustment, at which point the Trust was distributed approximately \$238.8 million of the City's Financial Recovery Bonds, Series 2014B(1) and 2014B(2) (the "bonds"). During fiscal year 2017, the Trust sold a portion of these bonds with a face value of \$40,000,000. During fiscal year 2018, the Trust sold an additional portion of these bonds with a face value of \$135,365,910. As of December 31, 2019, the remaining bonds held by the Trust had a market value of \$56,495,754. These bonds represent the entire funding responsibility of the City.

The Trust will provide future benefits only to the extent that plan assets are available to pay them. The Trust is under no obligation to design the retiree healthcare benefits plan to ensure that the assets of the Trust are sufficient to provide benefits to all potential participants in the plan for any particular period.

The Trust sponsors a health reimbursement arrangement (HRA) benefit for non-Medicare-eligible retirees and spouses. This benefit is offered to Medicare-eligible retirees electing to opt out of coverage under the Trust's Medicare program. Upon enrollment, eligible retirees receive a monthly HRA benefit.

Basis of Accounting

The Trust's financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Contributions are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Trust.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

December 31, 2019

Note 1 - Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value or estimated fair value. Investments that do not have an established market value are reported at estimated fair value as determined by the Trust's management.

As of December 31, 2019, the Trust holds City of Detroit Financial Recovery Bonds Series 2014B(1) with a face value of \$63,414,249 and an estimated market value of \$56,495,754. The bonds do not have a readily determinable market value given the illiquid and limited trading of these bonds. Management's estimates of these values are based on information provided by investment custodians and other pricing services. Because they are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the values that would have been used had a ready market for these securities existed. The City of Detroit, Michigan's financial position has a significant effect on the value of the B notes as any concerns with meeting debt service obligations will decrease the value of these notes.

The bonds mature in 2044 and carry an interest rate of 4.0 percent for the first 20 years and a 6.0 percent interest rate thereafter. For the first 10 years, semiannual interest-only payments will be made on the bonds. Beginning on the 11th anniversary of the issuance, 20 installments will be made annually.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Federal Income Taxes

The Trust is tax exempt under Section 501(c)(9) of the Internal Revenue Code.

Note 2 - Deposits and Investments

The Trust is not limited in the types of investments held by any legal or contractual provisions. The Trust has designated two banks for the deposit of its funds. Under the Plan of Adjustment, the City was required to distribute the bonds to provide initial funding for the Trust. Initially, these bonds were the primary investment held by the Trust, but since then, the Trust has sold a majority of the bonds to diversify its portfolio. At December 31, 2019, approximately a quarter of the Trust's portfolio is represented by these City of Detroit B notes.

The Trust's cash and investments are subject to several types of risk, which are examined in more detail below:

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.

City of Detroit General Retiree Health Care Trust

Notes to Financial Statements

December 31, 2019

Note 2 - Deposits and Investments (Continued)

At year end, the Trust had the following investments and maturities:

Fiduciary Funds	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Treasury notes	\$ 6,814,057	\$ 1,660,220	\$ 570,912	\$ 3,056,583	\$ 1,526,342
Fixed income	28,596,733	16,402,345	9,765,952	2,428,436	-
City of Detroit Financial Recovery bonds	56,495,754	-	-	-	56,495,754
Total	\$ 91,906,544	\$ 18,062,565	\$ 10,336,864	\$ 5,485,019	\$ 58,022,096

Credit Risk

As of year end, the credit quality ratings of debt securities per Standard & Poor's (other than the U.S. government) are as follows:

Investment	AAA	AA+	A	A-	BBB+	BBB and below	Not Rated
Fixed income	\$ 500,255	\$ 1,885,868	\$ 2,841,513	\$ 6,415,161	\$ 5,745,476	\$ 11,208,460	\$ -
City of Detroit Financial Recovery bonds	-	-	-	-	-	-	56,495,754

Concentration of Credit Risk

The Trust places no limit on the amount it may invest in any one issuer. More than 5 percent of the Trust's investments are in the City of Detroit Financial Recovery Bonds, Series 2014B(1); this investment is 28 percent of the Trust's total investments. In addition, 7 percent of the Trust's investments are in Arena Short Duration High Yield fund. See Note 4 regarding events subsequent to December 31, 2019 related to global economy decline due to COVID-19 pandemic.

Fair Value Measurements

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of December 31, 2019, the Trust has the following recurring fair value measurements:

- Mutual funds of \$65,205,774 are valued using quoted marketed prices (Level 1 inputs).
- U.S. Treasury notes and bonds of \$91,906,544 are valued using a matrix pricing model (Level 2 inputs).

The Trust did not have any investments valued with Level 3 inputs at December 31, 2019.

In addition, the Trust has investments reported at amortized cost in accordance with GASB Statement No. 79. This investment is not subject to any limitations or restrictions on withdrawals.

City of Detroit General Retiree Health Care Trust

Notes to Financial Statements

December 31, 2019

Note 2 - Deposits and Investments (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Trust holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

As of December 31, 2019, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Pooled funds	\$ 28,157,839	\$ -	Immediate	N/A
Limited partnerships	14,401,656	-	Immediate	N/A

The pooled fund class includes investments in funds that invest predominantly in equity instruments in U.S., developed, and emerging market countries. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The limited partnership fund class is an investment in a fund that invest predominantly in short-duration investments consisting primarily of high-yield convertible bonds, corporate loans, preferred equities, stressed and distressed securities, and "special situation" investments. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

Note 3 - Other Postemployment Benefits

Plan Description

The Trust provides healthcare benefits to retirees, and their eligible spouses and dependents, with an effective date of retirement on or before December 31, 2014 and who were eligible to receive retiree healthcare benefits from the City of Detroit, Michigan at the time of retirement. This is a single-employer benefit plan administered by the Trust. As of December 31, 2019, there were 8,309 participants in the plan.

Management of the Trust is vested with the board of trustees, which consists of seven members.

Benefits Provided

The Trust provides healthcare and vision benefits for certain general retirees of the City of Detroit, Michigan, along with their eligible spouses and dependents, with an effective date of retirement on or before December 31, 2014 and who were eligible to receive retiree healthcare benefits from the City at the time of retirement. Benefits are provided through third-party insurers, or by reimbursement of eligible expenses, in accordance with the Trust and applicable state and federal laws.

Contributions

Contributions are established in the Plan of Adjustment and other grant agreements. The Plan of Adjustment required the City to distribute \$238,780,159 of the City's Financial Recovery Bonds, Series 2014B(1) and 2014B(2) on the effective date. The City of Detroit, Michigan no longer has any responsibility to provide retiree healthcare or any other retiree welfare benefits for the group of retirees covered under the Trust. The only future contributions anticipated are contributions of \$43,750 annually through 2034 under a grant agreement with the Foundation for Detroit's Future (the "Foundation"). Plan members are required to contribute based on the cost-sharing provisions of the medical plan selected.

City of Detroit General Retiree Health Care Trust

Notes to Financial Statements

December 31, 2019

Note 3 - Other Postemployment Benefits (Continued)

Total OPEB Liability

The Trust will provide future benefits only to the extent that plan assets are available to pay them. After the contribution of the bonds, no further employer contributions will be made to the Trust. As such, the total OPEB liability as of December 31, 2019 is equal to the plan net position of \$202,980,778.

Investment Policy

The Trust's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Trust's adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation
Short duration core bonds	12.50 %
Core bonds	12.50
Absolute return	25.00
Short duration high yield	10.00
Global asset allocation	20.00
Equity	20.00
Total	100.00 %

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 4 - Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the large-scale pandemic has significantly impacted the global economy. As a result, the Trust's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

A substantial portion of the Trust's investment portfolio (28 percent) is composed of the City of Detroit Financial Recovery Bonds (B Notes). The City of Detroit, Michigan's financial position has a significant effect on the value of the B Notes and, therefore, the ability of the City to make the required debt service payments to the Trust. Subsequent to year end, while not downgrading its credit rating, S&P changed the City of Detroit, Michigan's bond outlook from stable to negative.

Required Supplemental Information

City of Detroit General Retiree Health Care Trust

Required Supplemental Information

Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Four Fiscal Years			
	2019	2018	2017	2016
Total OPEB Liability -				
Increase (decrease) in total OPEB liability due to availability of assets	\$ 7,096,755	\$ 5,539,756	\$ 97,339,363	\$ (17,629,233)
Total OPEB Liability - Beginning of year	<u>195,884,023</u>	<u>190,344,267</u>	<u>93,004,904</u>	<u>110,634,137</u>
Total OPEB Liability - End of year	<u>\$ 202,980,778</u>	<u>\$ 195,884,023</u>	<u>\$ 190,344,267</u>	<u>\$ 93,004,904</u>
Plan Fiduciary Net Position				
Contributions	\$ 43,750	\$ 1,286,396	\$ 43,750	\$ -
Net investment income (loss)	16,479,800	14,157,650	109,422,006	(6,013,251)
Benefit payments - Net of employee contributions	(8,694,906)	(8,996,591)	(10,725,101)	(10,654,061)
Administrative expenses	(731,889)	(907,699)	(1,401,292)	(1,461,921)
Other income	-	-	-	500,000
Net Change in Plan Fiduciary Net Position	7,096,755	5,539,756	97,339,363	(17,629,233)
Plan Fiduciary Net Position - Beginning of year	<u>195,884,023</u>	<u>190,344,267</u>	<u>93,004,904</u>	<u>110,634,137</u>
Plan Fiduciary Net Position - End of year	<u>\$ 202,980,778</u>	<u>\$ 195,884,023</u>	<u>\$ 190,344,267</u>	<u>\$ 93,004,904</u>
Net OPEB Liability - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	100.0 %	100.0 %	100.0 %	100.0 %

As the Trust will provide future benefits only to the extent that plan assets are available to pay them, the total OPEB liability is either the present value of future benefits based on current benefit levels or the Trust's ending net position plus the present value of future assets, whichever is lower. For December 31, 2019, the Trust's total OPEB liability is the ending net position, as this is currently lower than the present value of future benefits.

There is no applicable payroll; therefore, no covered payroll is presented.

City of Detroit General Retiree Health Care Trust

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Two Fiscal Years	
	Years Ended December 31	
	2019	2018
Annual money-weighted rate of return, net of investment expense	9.40 %	(0.34)%

*GASB Statement No. 74 was implemented in fiscal year 2017. Data will be added each of the succeeding years until 10 years of such information is available. For the year ended December 31, 2017, the annual money-weighted rate of return was not calculated.