

# Town of North Attleborough Other Postemployment Benefits Plan

## GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2019

As of the Measurement Date:  
June 30, 2021

For the Reporting Date:  
June 30, 2021

Delivered August 17, 2021



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August 17, 2021

*Personal and Confidential*

Ms. Linda Catanzariti  
Town Accountant  
Town of North Attleborough  
43 S. Washington Street  
North Attleboro, MA 02760

Dear Ms. Catanzariti:

We have performed an actuarial valuation of the Town of North Attleborough Other Postemployment Benefits Plan for the Reporting Date & fiscal year ending June 30, 2021 with a Measurement Date of June 30, 2021 and a Valuation Date of July 1, 2019. The figures presented in this report reflect the adoption, by the Town of North Attleborough, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75") effective for the fiscal years ending June 30, 2017 and June 30, 2017 respectively.

The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, reflecting the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Elmore', written over a light blue circular background element.

Parker E. Elmore, ASA, EA, FCA, MAAA  
President, CEO & Actuary



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### ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of North Attleborough other postemployment benefit programs with a Valuation Date of July 1, 2019 with a Measurement Date of June 30, 2021 for the Reporting Date & fiscal year ending June 30, 2021 in accordance with Government Account Standards Board Statement No. 74 & 75 and Actuarial Standards of Practice as issued by the American Academy of Actuaries. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

The actuarial data is based on the plan of benefits verified by the Town and on participant claims or premium data provided by the Town and/or vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may yield results significantly different than those reported here. As such, additional determinations may be needed for other purposes including determining the benefit security at termination and/or adequacy of the funding of an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 74 and 75 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.

A handwritten signature in black ink, appearing to read 'P. Elmore', written over a horizontal line.

Parker E. Elmore, ASA, EA, FCA, MAAA  
President, CEO & Actuary

## EXECUTIVE SUMMARY

### How did plan liabilities change from FY 20 to FY 21?

#### Plan Experience

For the year ending on the Measurement Date of June 30, 2021, there was no plan experience because this was an interim valuation.

#### Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by \$16.0 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.50% to 4.75% increasing the disclosed liability by \$16.0 million.

It is important to remember that actuarial assumptions or changes in such do not impact the actual cost of the Plan. Rather, they impact the timing of the recognition of such costs.

#### Investment Experience

- ✓ During the period there was an investment gain of \$690,845 due to asset performance above the expected rate of return.

#### Changes in Benefits Terms

- ✓ To the best of our knowledge there have been no material changes in benefit terms that would impact the figures shown in this report.

## EXECUTIVE SUMMARY

### Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 5.83 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

### Events Subsequent to the Measurement Date

To the best of our knowledge there were no material events subsequent to the Measurement Date that would impact the figures shown in this report.

### Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 2.18% as of June 30, 2021.
- ✓ Current Asset Level – The Town had \$5,256,775 of OPEB assets as of June 30, 2021.
- ✓ Funding Policy - The Town contributed \$763,370 for Fiscal 2021, this amount will increase according to the Town's funding policy statement until their pension system is fully funded at which point \$3,000,000 of pension amortization payments are expected to be reallocated towards OPEB. For the purposes of this valuation, we expect these amortization payments to be reallocated towards OPEB beginning in Fiscal 2035.
- ✓ Investment Policy - The Town is expected to earn 6.65% on assets based on its investment policy.

## EXECUTIVE SUMMARY

### Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare supplement) plans - represent 71.97% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate - We currently assume medical costs increase at 4.50% per year for Active plans and 4.50% per year for Medicare supplement plans.
- ✓ Discount Rate (4.75%) – Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing - Under Massachusetts law you may charge retirees up to 50% of premiums for health insurance

### Medicare Buy-In

Recently, some of our clients have seen substantial cost savings by “buying into” Medicare for retirees who would otherwise be ineligible. To buy into Medicare the Town would need to pay the Medicare Part A premium and the Medicare Part A and B penalties. While the cost to buy into Medicare is significant, it is likely still far less than the cost of the claims that the associated retirees are expected to incur. Under Actuarial Standards of Practice for OPEB, we are required to reflect the projected higher healthcare costs that occur as retirees age. The Town currently has 37 retirees or covered spouses who are over the age of 65 and are enrolled in Active medical plans rather than Medicare Supplement (Senior) plans. You may wish to review their Medicare eligibility to see if they are already eligible for Medicare or if a “buy-in” is appropriate as this could yield a reduction in your OPEB annual costs and disclosed liabilities.

## EXECUTIVE SUMMARY

### Key Plan Metrics

While an actuarial valuation under GASB 74/75 can be very complex with many variables, we find it helpful to look at several key metrics (shown below) to better allow you to manage your plan.

<b>Representative Plan Statistics</b>		
<b>Valuation Date</b>	<b>July 1, 2019</b>	<b>July 1, 2019</b>
<b>Measurement Date &amp; Period Ending</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Reporting Date/Fiscal Year End</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Total OPEB Liability	166,842,521	145,096,220
Per Eligible Active Plan Participant	89,471	79,321
Per Retiree/Spouse Plan Participant	116,677	99,558
Total Annual Service Cost (Annual Benefit Accrual)	3,472,561	3,297,628
Per Eligible Active Plan Participant	3,783	3,592
Expected Employer Share of Retiree Costs	5,671,413	5,214,055
Per Retiree/Spouse Plan Participant	7,812	7,182
Net OPEB Liability as a % of Covered Payroll	259.30%	234.00%

## EXECUTIVE SUMMARY

### Liabilities & Benefit Payments in Today's Dollars

With the growth of medical care costs over time, the nominal accrued liabilities ("TOL") and benefit payments can appear daunting. However, it is important to remember that a dollar paid in the future is worth less than a dollar paid today.

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2021	726	166,842,521	166,842,521	5,671,413	5,671,413
June 30, 2026	934	198,082,192	170,867,439	7,666,678	6,613,344
June 30, 2031	1,003	230,264,139	171,338,145	10,009,815	7,448,242
June 30, 2036	1,017	264,082,687	169,504,628	11,717,581	7,521,069
June 30, 2041	992	304,576,242	168,636,480	13,158,132	7,285,339
June 30, 2046	964	354,843,025	169,475,005	15,004,303	7,166,139
June 30, 2051	940	421,496,365	173,650,922	16,992,587	7,000,721

## EXECUTIVE SUMMARY

### Continuing OPEB Disclosures

In addition to pension benefits, municipal entities may provide retired employees with healthcare and life insurance benefits. The portion of the cost of such benefit paid by these entities is generally provided on a pay-as-you-go basis.

The pay-as-you-go costs to the Town for such benefits for the most recent years is as follows:

<u>Fiscal Year Ending</u>		<u>Cost</u>
June 30, 2022	(budgeted)	6,103,903
June 30, 2021	Actual	5,671,413
June 30, 2020	Actual	5,214,055
June 30, 2019	Actual	4,192,259
June 30, 2018	Actual	3,868,209
June 30, 2017	Actual	3,947,826

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2021 Measurement Date, the Net OPEB Liability ("NOL") was determined to be \$161,585,746 assuming a discount rate of 4.75%. The Town has established an OPEB Trust and plans to fund this liability. The Town contributed \$763,370 for Fiscal 2021, this amount will increase according to the Town's funding policy statement until their pension system is fully funded at which point \$3,000,000 of pension amortization payments are expected to be reallocated towards OPEB. For the purposes of this valuation, we expect these amortization payments to be reallocated towards OPEB beginning in Fiscal 2035. The balance of this fund as of June 30, 2021 was \$5,256,775. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

**Town of North Attleborough**  
**Assuming Funding - 4.75% discount rate**  
**Comparison of Plan Liabilities to Prior Valuation**

Valuation Date	July 1, 2019	July 1, 2019
For the Measurement Period ending on the Measurement Date of:	June 30, 2021	June 30, 2020
For the Reporting Period & Fiscal Year ending on:	June 30, 2021	June 30, 2020
I. Total OPEB Liability		
A. Actives	82,134,790	72,816,961
B. Retirees/Disabled	<u>84,707,731</u>	<u>72,279,259</u>
C. Total	166,842,521	145,096,220
II. Fiduciary Net Position [Plan Assets]	5,256,775	3,542,041
III. Net OPEB Liability (Asset) [I. - II.]	161,585,746	141,554,179
IV. Funded Ratio [II. / I.]	3.15%	2.44%
V. Number of Eligible Participants		
A. Actives	918	918
B. Retirees/Disabled & Dependents	<u>726</u>	<u>726</u>
C. Total	1,644	1,644
VI. Service Cost	3,472,561	3,297,628
VII. Financial Statement Expense	19,294,226	15,226,805
VIII. Employer Contribution to the OPEB Trust	(763,370)	(754,249)
IX. Deferred Inflow of Resources	(959,625)	(543,053)
X. Deferred Outflow of Resources	26,754,217	19,165,521
XI. Money Weighted Rate of Return	26.86%	1.91%
XII. 20-year Municipal Bond Rate (SAPIHG)	2.18%	2.66%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.65%	7.00%
XIV. Crossover Year	Immediate	Immediate
XV. Discount Rate	4.75%	5.50%

## PRINCIPAL RESULTS OF THE VALUATION

### Town of North Attleborough Plan Liabilities as of the June 30, 2021 Measurement Date

	General Government Employees and Retirees	Teacher Employees and Retirees	School Non-Teacher Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability									
A. Actives	7,254,562	38,388,735	18,683,183	7,654,500	7,174,349	384,697	814,553	1,780,211	82,134,790
B. Retirees/Disabled	<u>13,832,836</u>	<u>48,338,414</u>	<u>12,489,570</u>	<u>2,319,085</u>	<u>6,339,370</u>	<u>239,424</u>	<u>1,149,032</u>	<u>0</u>	<u>84,707,731</u>
C. Total	21,087,398	86,727,149	31,172,753	9,973,585	13,513,719	624,121	1,963,585	1,780,211	166,842,521
II. Fiduciary Net Position [Plan Assets]	276,587	1,137,529	408,868	130,815	177,248	425,703	1,489,564	1,210,461	5,256,775
III. Net OPEB Liability (Asset) [I. - II.]	20,810,811	85,589,620	30,763,885	9,842,770	13,336,471	198,418	474,021	569,750	161,585,746
IV. Number of Eligible Participants									
A. Actives	115	325	315	66	58	8	14	17	918
B. Retirees/Disabled	<u>167</u>	<u>332</u>	<u>162</u>	<u>27</u>	<u>36</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>726</u>
C. Total	282	657	477	93	94	9	15	17	1,644
<b>For the Reporting Date and Fiscal Year Ending June 30, 2021</b>									
V. Service Cost	312,267	1,452,674	937,348	340,341	301,148	26,283	53,492	49,008	3,472,561
VI. Financial Statement Expense	2,012,257	9,896,978	4,008,929	1,329,357	1,627,612	68,729	179,846	170,518	19,294,226
VII. Employer Share of Costs	(913,960)	(3,209,023)	(968,302)	(187,432)	(309,117)	(34,792)	(35,041)	(13,746)	(5,671,413)
VIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(79,509)	(285,312)	(105,332)	(34,337)	(45,510)	(46,761)	(166,609)	(0)	(763,370)
IX. Total Employer Contribution [VII. + VIII.]	(993,469)	(3,494,335)	(1,073,634)	(221,769)	(354,627)	(81,553)	(201,650)	(13,746)	(6,434,783)

PRINCIPAL RESULTS OF THE VALUATION

**Town of North Attleborough**  
**Assuming Funding - 4.75% discount rate**  
**For the Period Ending on the June 30, 2021 Measurement Date**

	Actives			Retirees/Disabled			Grand Total
	Under Age 65	Age 65+	Actives Total	Under Age 65	Age 65 +	Retirees Total	
<b>Present Value of Future Benefits</b>							
A. Participants	31,421,200	42,400,394	73,821,594	7,758,481	57,177,993	64,936,474	138,758,068
B. Spouses	<u>19,828,267</u>	<u>29,206,167</u>	<u>49,034,434</u>	<u>4,686,070</u>	<u>15,085,187</u>	<u>19,771,257</u>	<u>68,805,691</u>
C. Total	51,249,467	71,606,561	122,856,028	12,444,551	72,263,180	84,707,731	207,563,759
<b>Total OPEB Liability</b>							
A. Participants	20,985,485	28,288,971	49,274,456	7,758,481	57,177,993	64,936,474	114,210,930
B. Spouses	<u>13,341,841</u>	<u>19,518,493</u>	<u>32,860,334</u>	<u>4,686,070</u>	<u>15,085,187</u>	<u>19,771,257</u>	<u>52,631,591</u>
C. Total	34,327,326	47,807,464	82,134,790	12,444,551	72,263,180	84,707,731	166,842,521
<b>Service Cost</b>							
A. Participants	825,931	1,271,002	2,096,933	0	0	0	2,096,933
B. Spouses	<u>508,345</u>	<u>867,283</u>	<u>1,375,628</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,375,628</u>
C. Total	1,334,276	2,138,285	3,472,561	0	0	0	3,472,561

**PRINCIPAL RESULTS OF THE VALUATION**  
**CURRENT FUNDING POLICY (OPEN GROUP)**

**Funding - 4.75% discount rate**

For the Fiscal Year	Period Ending on the Measurement Date of:	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
			with an expected 6.65% return	with an expected 6.65% return									
2021	June 30, 2021	166,842,521	5,256,775	161,585,746	3.15%	3,472,561	5,671,413	763,370	6,434,783	5,671,413	0	763,370	
2022	June 30, 2022	172,832,500	6,451,461	166,381,039	3.73%	4,391,128	6,103,903	818,339	6,922,242	6,103,903	0	818,339	
2023	June 30, 2023	179,049,459	7,801,768	171,247,691	4.36%	4,541,855	6,436,401	892,100	7,328,501	6,436,401	0	892,100	
2024	June 30, 2024	185,375,009	9,318,337	176,056,672	5.03%	4,722,783	6,787,631	966,144	7,753,775	6,787,631	0	966,144	
2025	June 30, 2025	191,721,792	11,012,526	180,709,266	5.74%	4,900,911	7,224,698	1,040,480	8,265,178	7,224,698	0	1,040,480	
2026	June 30, 2026	198,082,192	12,896,454	185,185,738	6.51%	5,078,888	7,666,678	1,115,114	8,781,792	7,666,678	0	1,115,114	
2027	June 30, 2027	204,557,055	14,983,056	189,573,999	7.32%	5,277,615	8,025,712	1,190,055	9,215,767	8,025,712	0	1,190,055	
2028	June 30, 2028	211,051,551	17,227,745	193,823,806	8.16%	5,480,293	8,502,416	1,208,771	9,711,187	8,502,416	0	1,208,771	
2029	June 30, 2029	217,436,188	19,698,154	197,738,034	9.06%	5,681,120	8,991,352	1,282,797	10,274,149	8,991,352	0	1,282,797	
2030	June 30, 2030	223,948,427	22,409,591	201,538,836	10.01%	5,893,370	9,420,646	1,357,112	10,777,758	9,420,646	0	1,357,112	
2031	June 30, 2031	230,264,139	25,378,392	204,885,747	11.02%	6,094,832	10,009,815	1,431,725	11,441,540	10,009,815	0	1,431,725	
2032	June 30, 2032	236,672,800	28,621,989	208,050,811	12.09%	6,329,256	10,313,690	1,506,644	11,820,334	10,313,690	0	1,506,644	
2033	June 30, 2033	243,360,323	32,158,981	211,201,342	13.21%	6,570,377	10,700,655	1,581,879	12,282,534	10,700,655	0	1,581,879	
2034	June 30, 2034	250,118,443	36,009,212	214,109,231	14.40%	6,823,461	11,125,758	1,657,436	12,783,194	11,125,758	0	1,657,436	
2035	June 30, 2035	257,107,024	43,292,001	213,815,023	16.84%	7,074,331	11,369,681	4,733,326	16,103,007	11,369,681	0	4,733,326	
2036	June 30, 2036	264,082,687	51,137,819	212,944,868	19.36%	7,342,579	11,717,581	4,809,556	16,527,137	11,717,581	0	4,809,556	
2037	June 30, 2037	271,271,152	59,318,897	211,952,255	21.87%	7,610,798	12,030,555	4,628,977	16,659,532	12,030,555	0	4,628,977	
2038	June 30, 2038	279,043,209	68,116,173	210,927,036	24.41%	7,913,050	12,339,729	4,698,847	17,038,576	12,339,729	0	4,698,847	
2039	June 30, 2039	287,127,407	77,570,805	209,556,602	27.02%	8,223,972	12,473,563	4,768,893	17,242,456	12,473,563	0	4,768,893	
2040	June 30, 2040	295,805,808	87,466,249	208,339,559	29.57%	8,535,766	12,795,126	4,586,925	17,382,051	12,795,126	0	4,586,925	
2041	June 30, 2041	304,576,242	98,085,294	206,490,948	32.20%	8,868,758	13,158,132	4,650,402	17,808,534	13,158,132	0	4,650,402	
2042	June 30, 2042	313,728,963	109,476,059	204,252,904	34.90%	9,207,663	13,364,782	4,713,879	18,078,661	13,364,782	0	4,713,879	
2043	June 30, 2043	322,788,181	121,689,863	201,098,318	37.70%	9,579,903	13,862,193	4,777,356	18,639,549	13,862,193	0	4,777,356	
2044	June 30, 2044	332,880,316	134,765,222	198,115,094	40.48%	9,958,579	14,285,454	4,825,130	19,110,584	14,285,454	0	4,825,130	
2045	June 30, 2045	343,473,454	148,759,922	194,713,532	43.31%	10,387,623	14,619,769	4,873,381	19,493,150	14,619,769	0	4,873,381	
2046	June 30, 2046	354,843,025	163,735,598	191,107,427	46.14%	10,820,739	15,004,303	4,922,115	19,926,418	15,004,303	0	4,922,115	
2047	June 30, 2047	366,845,463	179,757,988	187,087,475	49.00%	11,275,607	15,467,587	4,971,336	20,438,923	15,467,587	0	4,971,336	
2048	June 30, 2048	378,888,925	196,897,206	181,991,719	51.97%	11,762,540	15,880,446	5,021,049	20,901,495	15,880,446	0	5,021,049	
2049	June 30, 2049	392,133,307	215,228,035	176,905,272	54.89%	12,261,318	16,080,983	5,071,259	21,152,242	16,080,983	0	5,071,259	
2050	June 30, 2050	406,406,385	234,830,236	171,576,149	57.78%	12,787,780	16,526,509	5,121,972	21,648,481	16,526,509	0	5,121,972	
2051	June 30, 2051	421,496,365	255,788,879	165,707,486	60.69%	13,339,304	16,992,587	5,173,192	22,165,779	16,992,587	0	5,173,192	
2052	June 30, 2052	437,192,961	278,194,696	158,998,265	63.63%	13,939,059	17,381,759	5,224,924	22,606,683	17,381,759	0	5,224,924	

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements:

1. OPEB Expense Development

<b>Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2021</b>	
<b>Description</b>	<b>Amount</b>
I. Service Cost	3,472,561
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	8,017,407
III. Deferred (Inflows)/Outflows from Plan Experience*	(135,673)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	8,301,946
V. Projected Earnings on OPEB Plan Investments	(260,519)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(101,496)
VII. Financial Statement Expense Prior to Plan Design Changes [I. + II.+ III. + IV. + V. + VI.]	19,294,226
VIII. Expense Related to Change in Benefit Terms***	0
IX. Financial Statement Expense [VII. + VIII.]	19,294,226

\* Amortized over 5.83 years

\*\* Amortized over 5.00 years

\*\*\* Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES  
(As of the June 30, 2021 Measurement Date)

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>I. Balances for the June 30, 2020 Reporting Date</b>	145,096,220	3,542,041	141,554,179
<b>II. Prior Period Adjustment</b>	0	0	0
<b>III. Balances for the June 30, 2020 Reporting Date with Adjustment [I. + II.]</b>	145,096,220	3,542,041	141,554,179
<b>Changes for the year:</b>			
IV. Service Cost	3,472,561	0	3,472,561
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	8,017,407	0	8,017,407
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	15,927,746	0	15,927,746
VIII. Differences Between Actual and Expected Experience **	0	0	0
IX. Net Investment Income	0	951,364	(951,364)
X. Employer Contributions to Trust	0	6,434,783	(6,434,783)
XI. Benefit Payments Withdrawn from Trust	0	(5,671,413)	5,671,413
XII. Benefit Payments Excluding Implicit Cost	(4,363,041)	0	(4,363,041)
XIII. Implicit Cost Amount	(1,308,372)	0	(1,308,372)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(5,671,413)	0	(5,671,413)
XV. Administrative Expense	0	0	0
XVI. Other Charges	0	0	0
<b>XVII. Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]</b>	<b>21,746,301</b>	<b>1,714,734</b>	<b>20,031,567</b>
<b>XVIII. Balances for the June 30, 2021 Reporting Date [III.+XVII.]</b>	<b>166,842,521</b>	<b>5,256,775</b>	<b>161,585,746</b>

\* Recognized Immediately

\*\* Amortized over 5.83 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences Between			2021	2022	2023	2024	2025	2026
	Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	(223,646)	5.20	(51,610)	(43,009)	(43,009)	(8,601)			
2019	0	5.20	0	0	0	0	0		
2020	(540,236)	5.83	(354,908)	(92,664)	(92,664)	(92,664)	(92,664)	(76,916)	
2021	0	5.83	0	0	0	0	0	0	0
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(406,518)						
Net increase (decrease) in OPEB Expense				(135,673)	(135,673)	(101,265)	(92,664)	(76,916)	0

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from			2021	2022	2023	2024	2025	2026
	Changes in Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	5,539,349	5.20	1,278,313	1,065,259	1,065,259	213,054			
2019	16,198,648	5.20	6,853,276	3,115,124	3,115,124	3,115,124	623,028		
2020	8,100,976	5.83	5,321,912	1,389,532	1,389,532	1,389,532	1,389,532	1,153,316	
2021	15,927,746	5.83	13,195,715	2,732,031	2,732,031	2,732,031	2,732,031	2,732,031	2,267,591
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			26,649,216						
Net increase (decrease) in OPEB Expense				8,301,946	8,301,946	7,449,741	4,744,591	3,885,347	2,267,591

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES  
(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences Between			2021	2022	2023	2024	2025	2026
	Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017									
2018	(2,155)	5.00	(431)	(431)	(431)				
2019	31,562	5.00	12,626	6,312	6,312	6,314			
2020	153,959	5.00	92,375	30,792	30,792	30,792	30,791		
2021	(690,845)	5.00	(552,676)	(138,169)	(138,169)	(138,169)	(138,169)	(138,169)	
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(448,106)						
Net increase (decrease) in OPEB Expense				(101,496)	(101,496)	(101,063)	(107,378)	(138,169)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES  
(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

<b>Statement of Outflows &amp; Inflows Arising from Current &amp; Prior Reporting Periods for the Measurement Period Ending on June 30, 2021 to be Reported for the Fiscal Year Ending June 30, 2021</b>			
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Total</b>
I. Contributions made subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	0	(406,518)	(406,518)
III. Changes of Assumptions	26,649,216	0	26,649,216
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>105,001</u>	<u>(553,107)</u>	<u>(448,106)</u>
V. Total [I.+II.+III.+IV.]	26,754,217	(959,625)	25,794,592

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

**Annual Amortization of Deferred (Inflows)/Outflows**

The balance of deferred (inflows)/outflows as of June 30, 2021 will be recognized in future years as shown below.

Year ending June 30:	
2022	8,064,777
2023	7,247,413
2024	4,544,549
2025	3,670,262
2026	2,267,591
Thereafter	0

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 4.75% as of June 30, 2021 and 5.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 - Year High Grade Index ("SAPIHG"), which was 2.18% as of June 30, 2021. The S&P Municipal Bond 20 - Year High Grade Index is the index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/ Aa or higher.

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2021 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$5,671,413. The Town also contributed \$763,370 to an OPEB Trust for a total contribution during the measurement period of \$6,434,783 to be reported on the financial statement for the fiscal year ending June 30, 2021.

6. Investment Policy

The chart below shows how the long-term rate of return on assets is developed based on the Town's Investment Policy.

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	24.50%	Domestic Equity - Large Cap	4.90%
Domestic Equity - Small/Mid Cap	19.50%	Domestic Equity - Small/Mid Cap	5.40%
International Equity - Developed Market	11.75%	International Equity - Developed Market	5.32%
International Equity-Emerging Market	6.25%	International Equity-Emerging Market	6.26%
Domestic Fixed Income	21.00%	Domestic Fixed Income	1.40%
International Fixed Income	4.00%	International Fixed Income	1.30%
Alternatives	9.50%	Alternatives	6.32%
Real Estate	3.00%	Real Estate	6.25%
Cash & Cash Equivalents	0.50%	Cash & Cash Equivalents	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return**	4.40%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.90%
		IV. Investment Expense	0.25%
		V. Net Investment Return [III.-IV.]	<u>6.65%</u>

\* Mean Geometric Returns based on 2020 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2021	10,276,616	(6,434,783)	3,841,833	N/A	10.33%
June 30, 2020	12,529,562	(5,968,304)	6,561,258	60,500,650	9.86%
June 30, 2019	11,623,416	(4,790,933)	6,832,483	60,500,650	7.92%
June 30, 2018	10,051,332	(4,394,179)	5,657,153	58,738,497	7.48%
June 30, 2017	9,832,225	(4,381,467)	5,450,758	53,773,100	8.15%

**FINANCIAL STATEMENT DISCLOSURES**  
(As of the June 30, 2021 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<b><u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2021 Measurement Date</u></b>			
	<b><u>1% Decrease</u></b>	<b><u>Current Trend Rate</u></b>	<b><u>1% Increase</u></b>
<b>I. Total OPEB Liability</b>	143,525,786	166,842,521	196,462,501
<b>II. Fiduciary Net Position</b>	<u>5,256,775</u>	<u>5,256,775</u>	<u>5,256,775</u>
<b>III. Net OPEB Liability (Asset) [I.-II.]</b>	138,269,011	161,585,746	191,205,726
<b>IV. Service Cost</b>	2,680,986	3,472,561	4,581,317

9. Effect of 1% Change in Discount Rates

<b><u>Impact of a 1% Change in the Discount Rate as of the June 30, 2021 Measurement Date</u></b>			
	<b><u>1% Decrease</u></b>	<b><u>Current Discount Rate</u></b>	<b><u>1% Increase</u></b>
<b>I. Total OPEB Liability</b>	193,062,307	166,842,521	145,775,576
<b>II. Fiduciary Net Position</b>	<u>5,256,775</u>	<u>5,256,775</u>	<u>5,256,775</u>
<b>III. Net OPEB Liability (Asset) [I.-II.]</b>	187,805,532	161,585,746	140,518,801
<b>IV. Service Cost</b>	4,575,542	3,472,561	2,664,521

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES  
(As of the June 30, 2021 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - July 1, 2020	3,542,041	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>763,370</u>	0	0.0000
II. Total net external cash flow	763,370		
III. Earnings and increase in fair value	951,364		
IV. Ending value - June 30, 2021 [I.+II.+III.]	5,256,775		
Money Weighted Rate of Return	26.86%		
Asset Value - June 30, 2021	5,256,775		

**EXHIBIT A**  
**FINANCIAL STATEMENT DISCLOSURES**  
(As of the June 30, 2021 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2021								Total
	General Government Employees and Retirees	Teacher Employees and Retirees	School Non-Teacher Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Water Enterprise Employees and Retirees	
I. Total OPEB Liability as of June 30, 2021	21,087,398	86,727,149	31,172,753	9,973,585	13,513,719	624,121	1,963,585	1,780,211	166,842,521
II. Fiduciary Net Position as of June 30, 2021	276,587	1,137,529	408,868	130,815	177,248	425,703	1,489,564	1,210,461	5,256,775
III. Net OPEB Liability (Asset) as of June 30, 2021 [I. - II.]	20,810,811	85,589,620	30,763,885	9,842,770	13,336,471	198,418	474,021	569,750	161,585,746
IV. Service Cost	312,267	1,452,674	937,348	340,341	301,148	26,283	53,492	49,008	3,472,561
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	695,583	4,314,095	1,587,134	514,095	682,935	31,944	100,234	91,387	8,017,407
VI. Projected Earnings on OPEB Plan Investments	(14,908)	(61,978)	(22,371)	(7,179)	(9,693)	(19,667)	(68,795)	(55,928)	(260,519)
VII. Net Recognition of Deferred (Inflows)/Outflows	1,019,315	4,192,187	1,506,818	482,100	653,222	30,169	94,915	86,051	8,064,777
VIII. Expense Related to Change in Benefit Terms	0	0	0	0	0	0	0	0	0
IX. Financial Statement Expense [IV. + V. + VII. + VIII.]	2,012,257	9,896,978	4,008,929	1,329,357	1,627,612	68,729	179,846	170,518	19,294,226
X. Employer Share of Costs	(913,960)	(3,209,023)	(968,302)	(187,432)	(309,117)	(34,792)	(35,041)	(13,746)	(5,671,413)
XI. Employer (Payments) Withdrawals to/from OPEB Trust	(79,509)	(285,312)	(105,332)	(34,337)	(45,510)	(46,761)	(166,609)	(0)	(763,370)
XII. Total Employer Contribution [X. + XI.]	(993,469)	(3,494,335)	(1,073,634)	(221,769)	(354,627)	(81,553)	(201,650)	(13,746)	(6,434,783)
XIII. Net OPEB Expense [IX. + XII.]	1,018,788	6,402,643	2,935,295	1,107,588	1,272,985	(12,824)	(21,804)	156,772	12,859,443

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES  
(As of the June 30, 2021 Measurement Date)

12. OPEB Liability, OPEB Expense and Deferred Inflow/Outflow

Valuation Date	July 1, 2019
For the Measurement Period ending on the Measurement Date of:	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2021
<b>Source of Deferred Inflow/Outflow</b>	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(406,518)
II. Deferred (Inflow)/Outflow from Investment Experience	(448,106)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	26,649,216
<b>Change in Deferred Inflow/Outflow</b>	
I. Deferred Outflow at the beginning of the period	19,165,521
II. Deferred Outflow created during the period	15,927,746
III. Deferred Outflow recognized during the period	8,339,050
IV. Change in Deferred Outflow (II. - III. )	7,588,696
V. Deferred Outflow at end of the period (I. + IV. )	26,754,217
VI. Deferred Inflow at the beginning of the period	(543,053)
VII. Deferred Inflow created during the period	(690,845)
VIII. Deferred Inflow recognized during the period	(274,273)
IX. Change in Deferred Inflow (VII. - VIII. )	(416,572)
X. Deferred Inflow at end of the period (VI. + IX. )	(959,625)
<b>Net OPEB Liability</b>	
I. Net OPEB Liability at beginning of period	141,554,179
II. Service Cost	3,472,561
III. Interest on Total OPEB Liability, Service Cost, and Payments	8,017,407
IV. Projected Investment Income	(260,519)
V. Total Employer Contributions	(6,434,783)
VI. Expense Related to Change in Benefit Terms	0
VII. Net OPEB Expense - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + IV. + V. + VI. )	4,794,666
VIII. Deferred Outflow created during the period	15,927,746
IX. Deferred Inflow created during the period	(690,845)
X. Net OPEB Liability at end of period (I. + VII. + VIII. + IX. )	161,585,746
<b>Net OPEB Expense</b>	
I. Service Cost	3,472,561
II. Interest on Total OPEB Liability, Service Cost, and Payments	8,017,407
III. Projected Investment Income	(260,519)
IV. Recognition of Deferred (Inflow)/Outflow	8,064,777
V. Expense Related to Change in Benefit Terms	0
VI. Financial Statement Expense (I. + II. + III. + IV. + V. )	19,294,226
VII. Benefit Payments	(5,671,413)
VIII. Contributions to Trust	(763,370)
IX. Total Employer Payments (VII. + VIII. )	(6,434,783)
X. Total Net OPEB Expense under GASB 75 (VI. + IX. )	12,859,443

EXHIBIT A  
REQUIRED SUPPLEMENTARY INFORMATION  
(As of the June 30, 2021 Measurement Date)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY 2021 and future years we have used a 30 year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

	Actuarially Determined Contribution - Deficiency / (Excess)				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	For the Fiscal Year Ending:	
				<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	3,472,561	3,297,628	3,566,214	2,614,496	2,886,392
II. Amortization of NOL	<u>6,804,055</u>	<u>9,231,934</u>	<u>8,057,202</u>	<u>7,436,836</u>	<u>6,945,833</u>
III. Actuarial Determined Contribution [I. + II.]	10,276,616	12,529,562	11,623,416	10,051,332	9,832,225
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(6,434,783)</u>	<u>(5,968,304)</u>	<u>(4,790,933)</u>	<u>(4,394,179)</u>	<u>(4,381,467)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>3,841,833</u>	<u>6,561,258</u>	<u>6,832,483</u>	<u>5,657,153</u>	<u>5,450,758</u>
Covered Employee Payroll	62,315,670	60,500,650	60,500,650	58,738,497	53,773,100
Contributions as a % of Covered Employee Payroll	10.33%	9.86%	7.92%	7.48%	8.15%
Discount Rate	4.75%	5.50%	5.00%	6.00%	6.50%
Money Weighted Rate of Return	26.86%	1.91%	5.94%	7.19%	8.45%

**EXHIBIT B**

**REQUIRED SUPPLEMENTARY INFORMATION**  
(As of the June 30, 2021 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2017
GASB 75 Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>	166,842,521	145,096,220	132,776,940	110,485,189	102,734,329
I. Service Cost	3,472,561	3,297,628	3,566,214	2,614,496	2,886,392
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	8,017,407	6,674,967	6,719,148	6,206,574	6,392,540
III. Changes in Benefit Terms	0	0	0	(2,517,704)	0
IV. Difference Between Expected & Actual Plan Experience	0	(540,236)	0	5,539,349	0
V. Changes of Assumptions	15,927,746	8,100,976	16,198,648	(223,646)	0
VI. Benefit Payments Excluding Implicit Cost	(4,363,041)	(4,032,184)	(4,025,843)	(3,729,487)	N/A
VII. Implicit Cost Amount	(1,308,372)	(1,181,871)	(166,416)	(138,722)	N/A
VIII. Total Benefit Payments Including Implicit Cost [VI.+VII.]	(5,671,413)	(5,214,055)	(4,192,259)	(3,868,209)	(3,947,826)
IX. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.]	21,746,301	12,319,280	22,291,751	7,750,860	5,331,106
X. Total OPEB Liability - Beginning of Period	145,096,220	132,776,940	110,485,189	102,734,329	97,403,223
XI. Prior Period Adjustment	0	0	0	0	0
XII. Total OPEB Liability - Beginning of Period with Adjustment	145,096,220	132,776,940	110,485,189	102,734,329	97,403,223
XIII. Total OPEB Liability - End of Period [IX.+XII.]	166,842,521	145,096,220	132,776,940	110,485,189	102,734,329
<b>Plan Fiduciary Net Position</b>	5,256,775	3,542,041	2,725,046	1,976,392	1,335,864
XIV. Earning from Plan Investments	951,364	62,746	149,980	114,558	98,101
XV. Employer Contribution to Trust	6,434,783	5,968,304	4,790,933	4,394,179	4,381,467
XVI. Benefit Payments from Trust, Including Refunds of Member Contributions	(5,671,413)	(5,214,055)	(4,192,259)	(3,868,209)	(3,947,826)
XVII. Administrative Expense	0	0	0	0	0
XVIII. Other	0	0	0	0	0
XIX. Net Change in Plan Fiduciary Net Position [XIV.+XV.+XVI.+XVII.+XVIII.]	1,714,734	816,995	748,654	640,528	531,742
XX. Plan Fiduciary Net Position - Beginning of Period	3,542,041	2,725,046	1,976,392	1,335,864	804,122
XXI. Prior Period Adjustment	0	0	0	0	0
XXII. Plan Fiduciary Net Position - Beginning of Period with Adjustment	3,542,041	2,725,046	1,976,392	1,335,864	804,122
XXIII. Plan Fiduciary Net Position - End of Period [XIX.+XXII.]	5,256,775	3,542,041	2,725,046	1,976,392	1,335,864
XXIV. Net OPEB Liability [XIII.-XXIII.]	161,585,746	141,554,179	130,051,894	108,508,797	101,398,465
XXV. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIII. / XIII.]	3.15%	2.44%	2.05%	1.79%	1.30%
XXVI. Covered Employee Payroll	62,315,670	60,500,650	60,500,650	58,738,497	53,773,100
XXVII. Plan NOL as % of Covered Employee Payroll [XXIV. / XXVI.]	259.30%	233.97%	214.96%	184.73%	188.57%
Single Discount Rate to calculate Plan Liabilities	4.75%	5.50%	5.00%	6.00%	6.50%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2019.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2021.

Actuarial Assumptions:

Investment Rate of Return:	6.65%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	4.75%, net of OPEB plan investment expense, including inflation.
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.00% annually as of June 30, 2021 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Pre-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

## EXHIBIT B

### REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

#### Plan Membership

At July 1, 2019, OPEB plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits:	726
Active Employees:	<u>918</u>
Total:	1,644

#### Events Subsequent to the Measurement Date

To the best of our knowledge there were no material events subsequent to the Measurement Date that would impact the figures shown in this report.

#### Changes in Assumptions: From June 30, 2020 to June 30, 2021

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.50% to 4.75%

#### Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$763,370 beyond the pay-as-you-go cost for the period ending on the June 30, 2021 Measurement Date. For the year ending on the June 30, 2021 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$5,671,413. \$1,308,372 of the \$5,671,413 represents implicit cost.

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex:	Male participants had female spouses and vice versa.
Spouse Age:	Male spouses were three years older than female spouses and same sex spouses were the same age.
Hire Age:	Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.
Retiree Age:	Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Supplement plans were assumed to be age seventy-two. Those not enrolled in a medical plan were assumed to be sixty-seven.
School Demographics:	Two thirds of school participants were teachers.
Other Material Changes:	No other data changes were deemed to be material.

## APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

### CONTRIBUTION PROJECTION DISCLOSURES

**Table 1: Projection of Contributions using a July 1, 2019 Valuation Date**

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2021	62,315,670	0	62,315,670	0	5,671,413	0	5,671,413
June 30, 2022	58,446,200	5,738,940	64,185,140	0	6,103,903	0	6,103,903
June 30, 2023	55,353,845	10,756,849	66,110,694	0	6,436,401	0	6,436,401
June 30, 2024	52,445,859	15,648,156	68,094,015	0	6,787,631	0	6,787,631
June 30, 2025	49,881,392	20,255,443	70,136,835	0	7,224,698	0	7,224,698
June 30, 2026	47,551,514	24,689,426	72,240,940	0	7,666,678	0	7,666,678
June 30, 2027	45,209,609	29,198,559	74,408,168	0	8,025,712	0	8,025,712
June 30, 2028	43,064,682	33,575,731	76,640,413	0	8,502,416	0	8,502,416
June 30, 2029	41,039,124	37,900,501	78,939,625	0	8,991,352	0	8,991,352
June 30, 2030	39,080,478	42,227,336	81,307,814	0	9,420,646	0	9,420,646
June 30, 2031	37,200,264	46,546,784	83,747,048	0	9,971,486	38,329	10,009,815
June 30, 2032	35,304,231	50,955,228	86,259,459	0	10,219,814	93,876	10,313,690
June 30, 2033	33,551,255	55,295,988	88,847,243	0	10,531,743	168,912	10,700,655
June 30, 2034	31,939,116	59,573,544	91,512,660	0	10,851,839	273,919	11,125,758
June 30, 2035	30,494,051	63,763,989	94,258,040	0	10,965,448	404,233	11,369,681
June 30, 2036	28,985,450	68,100,331	97,085,781	0	11,217,868	499,713	11,717,581
June 30, 2037	27,514,419	72,483,935	99,998,354	0	11,411,407	619,148	12,030,555
June 30, 2038	25,928,233	77,070,072	102,998,305	0	11,583,293	756,436	12,339,729
June 30, 2039	24,542,718	81,545,536	106,088,254	0	11,605,903	867,660	12,473,563
June 30, 2040	23,288,287	85,982,615	109,270,902	0	11,799,711	995,415	12,795,126
June 30, 2041	21,958,329	90,590,700	112,549,029	0	11,975,616	1,182,516	13,158,132
June 30, 2042	20,834,110	95,091,390	115,925,500	0	11,947,963	1,416,819	13,364,782
June 30, 2043	19,610,838	99,792,427	119,403,265	0	12,163,494	1,698,699	13,862,193
June 30, 2044	18,476,603	104,508,760	122,985,363	0	12,236,192	2,049,262	14,285,454
June 30, 2045	17,282,623	109,392,301	126,674,924	0	12,161,711	2,458,058	14,619,769
June 30, 2046	16,357,717	114,117,455	130,475,172	0	12,204,523	2,799,780	15,004,303
June 30, 2047	15,463,588	118,925,839	134,389,427	0	12,271,154	3,196,433	15,467,587
June 30, 2048	14,506,006	123,915,104	138,421,110	0	12,242,435	3,638,011	15,880,446
June 30, 2049	13,637,566	128,936,177	142,573,743	0	12,051,226	4,029,757	16,080,983
June 30, 2050	12,747,415	134,103,540	146,850,955	0	12,065,051	4,461,458	16,526,509
June 30, 2051	11,798,560	139,457,924	151,256,484	0	12,018,804	4,973,783	16,992,587
June 30, 2052	10,956,585	144,837,594	155,794,179	0	11,845,898	5,535,861	17,381,759
June 30, 2053	10,113,216	150,354,788	160,468,004	0	11,876,072	6,148,951	18,025,023
June 30, 2054	9,161,235	156,120,809	165,282,044	0	11,732,949	6,833,229	18,566,178
June 30, 2055	8,149,628	162,090,877	170,240,505	0	11,405,278	7,581,314	18,986,592
June 30, 2056	7,231,092	168,116,628	175,347,720	0	11,160,450	8,296,617	19,457,067
June 30, 2057	6,363,158	174,244,994	180,608,152	0	10,990,178	9,073,846	20,064,024
June 30, 2058	5,443,804	180,582,593	186,026,397	0	10,732,153	9,906,382	20,638,535
June 30, 2059	4,665,697	186,941,492	191,607,189	0	10,552,517	10,747,757	21,300,274
June 30, 2060	3,893,301	193,462,104	197,355,405	0	10,247,016	11,639,263	21,886,279

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

**Table 1: Projection of Contributions using a July 1, 2019 Valuation Date**

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2061	3,058,708	200,217,359	203,276,067	0	9,921,427	12,620,117	22,541,544
June 30, 2062	2,275,229	207,099,120	209,374,349	0	9,642,051	13,671,214	23,313,265
June 30, 2063	1,751,368	213,904,211	215,655,579	0	9,327,689	14,794,384	24,122,073
June 30, 2064	1,275,482	220,849,764	222,125,246	0	9,038,876	16,012,935	25,051,811
June 30, 2065	935,137	227,853,866	228,789,003	0	8,830,794	17,319,756	26,150,550
June 30, 2066	584,728	235,067,945	235,652,673	0	8,645,828	18,629,555	27,275,383
June 30, 2067	332,207	242,390,046	242,722,253	0	8,466,826	20,026,193	28,493,019
June 30, 2068	156,302	249,847,619	250,003,921	0	8,274,750	21,504,245	29,778,995
June 30, 2069	28,586	257,475,453	257,504,039	0	8,064,554	22,990,332	31,054,886
June 30, 2070	23,422	265,205,738	265,229,160	0	7,846,378	24,550,748	32,397,126
June 30, 2071	9,178	273,176,857	273,186,035	0	7,618,201	26,202,018	33,820,219
June 30, 2072	0	281,381,616	281,381,616	0	7,381,780	27,923,478	35,305,258
June 30, 2073	0	289,823,064	289,823,064	0	7,137,685	29,716,051	36,853,736
June 30, 2074	0	298,517,756	298,517,756	0	6,886,425	31,598,089	38,484,514
June 30, 2075	0	307,473,289	307,473,289	0	6,628,607	33,565,260	40,193,867
June 30, 2076	0	316,697,488	316,697,488	0	6,364,520	35,616,461	41,980,981
June 30, 2077	0	326,198,413	326,198,413	0	6,094,486	37,754,039	43,848,525
June 30, 2078	0	335,984,365	335,984,365	0	5,818,853	39,987,329	45,806,182
June 30, 2079	0	346,063,896	346,063,896	0	5,538,036	42,313,079	47,851,115
June 30, 2080	0	356,445,813	356,445,813	0	5,252,482	44,727,445	49,979,927
June 30, 2081	0	367,139,187	367,139,187	0	4,962,771	47,246,022	52,208,793
June 30, 2082	0	378,153,363	378,153,363	0	4,669,750	49,872,531	54,542,281
June 30, 2083	0	389,497,964	389,497,964	0	4,374,058	52,604,644	56,978,702
June 30, 2084	0	401,182,903	401,182,903	0	4,076,867	55,459,373	59,536,240
June 30, 2085	0	413,218,390	413,218,390	0	3,779,467	58,441,686	62,221,153
June 30, 2086	0	425,614,942	425,614,942	0	3,483,238	61,547,137	65,030,375
June 30, 2087	0	438,383,390	438,383,390	0	3,189,733	64,782,733	67,972,466
June 30, 2088	0	451,534,892	451,534,892	0	2,900,873	68,166,143	71,067,016
June 30, 2089	0	465,080,939	465,080,939	0	2,618,468	71,692,010	74,310,478
June 30, 2090	0	479,033,367	479,033,367	0	2,344,518	75,363,628	77,708,146
June 30, 2091	0	493,404,368	493,404,368	0	2,081,170	79,199,073	81,280,243
June 30, 2092	0	508,206,499	508,206,499	0	1,830,198	83,205,636	85,035,834
June 30, 2093	0	523,452,694	523,452,694	0	1,593,387	87,386,616	88,980,003
June 30, 2094	0	539,156,275	539,156,275	0	1,372,201	91,758,267	93,130,468
June 30, 2095	0	555,330,963	555,330,963	0	1,167,894	96,331,274	97,499,168

## APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

### FIDUCIARY NET POSITION PROJECTION DISCLOSURES

**Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1, 2019 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust for Current Plan Members	VII. Trust Current Plan Members [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2021	3,542,041	5,671,413	763,370	6,434,783	0	5,671,413	5,671,413	951,364	5,256,775
June 30, 2022	5,256,775	6,103,903	745,169	6,849,072	0	6,103,903	6,103,903	342,697	6,344,641
June 30, 2023	6,344,641	6,436,401	746,947	7,183,348	0	6,436,401	6,436,401	446,355	7,537,943
June 30, 2024	7,537,943	6,787,631	744,122	7,531,753	0	6,787,631	6,787,631	525,617	8,807,682
June 30, 2025	8,807,682	7,224,698	739,990	7,964,688	0	7,224,698	7,224,698	609,920	10,157,592
June 30, 2026	10,157,592	7,666,678	734,007	8,400,685	0	7,666,678	7,666,678	699,493	11,591,092
June 30, 2027	11,591,092	8,025,712	723,065	8,748,777	0	8,025,712	8,025,712	794,463	13,108,620
June 30, 2028	13,108,620	8,502,416	679,215	9,181,631	0	8,502,416	8,502,416	893,944	14,681,779
June 30, 2029	14,681,779	8,991,352	666,900	9,658,252	0	8,991,352	8,991,352	998,156	16,346,835
June 30, 2030	16,346,835	9,420,646	652,294	10,072,940	0	9,420,646	9,420,646	1,108,404	18,107,533
June 30, 2031	18,107,533	9,971,486	635,969	10,607,455	0	9,971,486	9,971,486	1,224,957	19,930,130
June 30, 2032	19,930,130	10,219,814	616,639	10,836,453	0	10,219,814	10,219,814	1,345,527	21,798,420
June 30, 2033	21,798,420	10,531,743	597,363	11,129,106	0	10,531,743	10,531,743	1,469,138	23,696,009
June 30, 2034	23,696,009	10,851,839	578,467	11,430,306	0	10,851,839	10,851,839	1,595,709	25,595,266
June 30, 2035	25,595,266	10,965,448	1,531,310	12,496,758	0	10,965,448	10,965,448	1,752,182	28,474,525
June 30, 2036	28,474,525	11,217,868	1,435,917	12,653,785	0	11,217,868	11,217,868	1,940,532	31,351,261
June 30, 2037	31,351,261	11,411,407	1,273,657	12,685,064	0	11,411,407	11,411,407	2,126,526	34,132,296
June 30, 2038	34,132,296	11,583,293	1,182,862	12,766,155	0	11,583,293	11,583,293	2,308,495	36,867,217
June 30, 2039	36,867,217	11,605,903	1,103,247	12,709,150	0	11,605,903	11,605,903	2,487,763	39,590,567
June 30, 2040	39,590,567	11,799,711	977,585	12,777,296	0	11,799,711	11,799,711	2,664,754	42,237,491
June 30, 2041	42,237,491	11,975,616	907,294	12,882,910	0	11,975,616	11,975,616	2,838,475	44,800,744
June 30, 2042	44,800,744	11,947,963	847,177	12,795,140	0	11,947,963	11,947,963	3,006,965	47,238,067
June 30, 2043	47,238,067	12,163,494	784,635	12,948,129	0	12,163,494	12,163,494	3,167,001	49,491,004
June 30, 2044	49,491,004	12,236,192	724,899	12,961,091	0	12,236,192	12,236,192	3,314,867	51,481,508
June 30, 2045	51,481,508	12,161,711	664,889	12,826,600	0	12,161,711	12,161,711	3,445,272	53,133,611
June 30, 2046	53,133,611	12,204,523	617,087	12,821,610	0	12,204,523	12,204,523	3,553,573	54,504,491
June 30, 2047	54,504,491	12,271,154	572,029	12,843,183	0	12,271,154	12,271,154	3,643,263	55,523,350
June 30, 2048	55,523,350	12,242,435	526,187	12,768,622	0	12,242,435	12,242,435	3,709,517	56,121,043
June 30, 2049	56,121,043	12,051,226	485,080	12,536,306	0	12,051,226	12,051,226	3,747,919	56,324,285
June 30, 2050	56,324,285	12,065,051	444,613	12,509,664	0	12,065,051	12,065,051	3,760,110	56,067,550
June 30, 2051	56,067,550	12,018,804	403,528	12,422,332	0	12,018,804	12,018,804	3,741,693	55,238,988
June 30, 2052	55,238,988	11,845,898	367,455	12,213,353	0	11,845,898	11,845,898	3,685,414	53,755,996
June 30, 2053	53,755,996	11,876,072	332,585	12,208,657	0	11,876,072	11,876,072	3,585,654	51,525,284
June 30, 2054	51,525,284	11,732,949	295,428	12,028,377	0	11,732,949	11,732,949	3,436,096	48,423,579
June 30, 2055	48,423,579	11,405,278	257,703	11,662,981	0	11,405,278	11,405,278	3,228,599	44,328,567
June 30, 2056	44,328,567	11,160,450	224,217	11,384,667	0	11,160,450	11,160,450	2,955,185	39,211,352
June 30, 2057	39,211,352	10,990,178	193,474	11,183,652	0	10,990,178	10,990,178	2,613,884	32,944,864
June 30, 2058	32,944,864	10,732,153	162,307	10,894,460	0	10,732,153	10,732,153	2,196,143	25,396,932
June 30, 2059	25,396,932	10,552,517	136,406	10,688,923	0	10,552,517	10,552,517	1,693,358	16,478,939
June 30, 2060	16,478,939	10,247,016	111,614	10,358,630	0	10,247,016	10,247,016	1,099,501	6,050,791

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1, 2019 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust for Current Plan Members	VII. Trust Withdrawals for Current Plan Members [V. +VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2061	6,050,791	9,921,427	85,985	10,007,412	0	9,921,427	9,921,427	405,191	491,176
June 30, 2062	491,176	9,642,051	62,718	9,704,769	0	9,642,051	9,642,051	34,715	97,433
June 30, 2063	97,433	9,327,689	47,340	9,375,029	0	9,327,689	9,327,689	8,028	55,368
June 30, 2064	55,368	9,038,876	33,807	9,072,683	0	9,038,876	9,038,876	4,788	38,595
June 30, 2065	38,595	8,830,794	24,305	8,855,099	0	8,830,794	8,830,794	3,362	27,667
June 30, 2066	27,667	8,645,828	14,903	8,660,731	0	8,645,828	8,645,828	2,327	17,230
June 30, 2067	17,230	8,466,826	8,302	8,475,128	0	8,466,826	8,466,826	1,417	9,719
June 30, 2068	9,719	8,274,750	3,830	8,278,580	0	8,274,750	8,274,750	772	4,602
June 30, 2069	4,602	8,064,554	687	8,065,241	0	8,064,554	8,064,554	329	1,016
June 30, 2070	1,016	7,846,378	552	7,846,930	0	7,846,378	7,846,378	86	638
June 30, 2071	638	7,618,201	212	7,618,413	0	7,618,201	7,618,201	49	261
June 30, 2072	261	7,381,780	0	7,381,780	0	7,381,780	7,381,780	17	17
June 30, 2073	17	7,137,685	0	7,137,685	0	7,137,685	7,137,685	1	1
June 30, 2074	1	6,886,425	0	6,886,425	0	6,886,425	6,886,425	0	0
June 30, 2075	0	6,628,607	0	6,628,607	0	6,628,607	6,628,607	0	0
June 30, 2076	0	6,364,520	0	6,364,520	0	6,364,520	6,364,520	0	0
June 30, 2077	0	6,094,486	0	6,094,486	0	6,094,486	6,094,486	0	0
June 30, 2078	0	5,818,853	0	5,818,853	0	5,818,853	5,818,853	0	0
June 30, 2079	0	5,538,036	0	5,538,036	0	5,538,036	5,538,036	0	0
June 30, 2080	0	5,252,482	0	5,252,482	0	5,252,482	5,252,482	0	0
June 30, 2081	0	4,962,771	0	4,962,771	0	4,962,771	4,962,771	0	0
June 30, 2082	0	4,669,750	0	4,669,750	0	4,669,750	4,669,750	0	0
June 30, 2083	0	4,374,058	0	4,374,058	0	4,374,058	4,374,058	0	0
June 30, 2084	0	4,076,867	0	4,076,867	0	4,076,867	4,076,867	0	0
June 30, 2085	0	3,779,467	0	3,779,467	0	3,779,467	3,779,467	0	0
June 30, 2086	0	3,483,238	0	3,483,238	0	3,483,238	3,483,238	0	0
June 30, 2087	0	3,189,733	0	3,189,733	0	3,189,733	3,189,733	0	0
June 30, 2088	0	2,900,873	0	2,900,873	0	2,900,873	2,900,873	0	0
June 30, 2089	0	2,618,468	0	2,618,468	0	2,618,468	2,618,468	0	0
June 30, 2090	0	2,344,518	0	2,344,518	0	2,344,518	2,344,518	0	0
June 30, 2091	0	2,081,170	0	2,081,170	0	2,081,170	2,081,170	0	0
June 30, 2092	0	1,830,198	0	1,830,198	0	1,830,198	1,830,198	0	0
June 30, 2093	0	1,593,387	0	1,593,387	0	1,593,387	1,593,387	0	0
June 30, 2094	0	1,372,201	0	1,372,201	0	1,372,201	1,372,201	0	0
June 30, 2095	0	1,167,894	0	1,167,894	0	1,167,894	1,167,894	0	0

## APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

### BENEFIT PAYMENT PROJECTION DISCLOSURES

**Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2019 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.65%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [4.72%]	
June 30, 2021	3,542,041	5,671,413	3,542,041	2,129,372	3,542,041	2,129,372	5,671,413	<b>Sum of Column V.</b>
June 30, 2022	5,256,775	6,103,903	5,256,775	847,128	4,928,997	829,070	5,828,549	134,506,692
June 30, 2023	6,344,641	6,436,401	6,344,641	91,760	5,578,088	87,890	5,868,793	
June 30, 2024	7,537,943	6,787,631	6,787,631	0	5,595,458	0	5,909,854	<b>Sum of Column VI.</b>
June 30, 2025	8,807,682	7,224,698	7,224,698	0	5,584,397	0	6,006,633	65,640,629
June 30, 2026	10,157,592	7,666,678	7,666,678	0	5,556,521	0	6,086,554	
June 30, 2027	11,591,092	8,025,712	8,025,712	0	5,454,041	0	6,084,161	<b>Sum of Column VII.</b>
June 30, 2028	13,108,620	8,502,416	8,502,416	0	5,417,717	0	6,154,777	[V. + VI.]
June 30, 2029	14,681,779	8,991,352	8,991,352	0	5,372,026	0	6,215,096	200,147,321
June 30, 2030	16,346,835	9,420,646	9,420,646	0	5,277,557	0	6,218,081	
June 30, 2031	18,107,533	9,971,486	9,971,486	0	5,237,829	0	6,284,756	
June 30, 2032	19,930,130	10,219,814	10,219,814	0	5,033,540	0	6,150,697	
June 30, 2033	21,798,420	10,531,743	10,531,743	0	4,863,735	0	6,052,496	
June 30, 2034	23,696,009	10,851,839	10,851,839	0	4,699,073	0	5,955,119	
June 30, 2035	25,595,266	10,965,448	10,965,448	0	4,452,197	0	5,746,009	
June 30, 2036	28,474,525	11,217,868	11,217,868	0	4,270,684	0	5,613,104	
June 30, 2037	31,351,261	11,411,407	11,411,407	0	4,073,479	0	5,452,364	
June 30, 2038	34,132,296	11,583,293	11,583,293	0	3,877,015	0	5,284,824	
June 30, 2039	36,867,217	11,605,903	11,605,903	0	3,642,365	0	5,056,270	
June 30, 2040	39,590,567	11,799,711	11,799,711	0	3,472,282	0	4,908,802	
June 30, 2041	42,237,491	11,975,616	11,975,616	0	3,304,309	0	4,757,238	
June 30, 2042	44,800,744	11,947,963	11,947,963	0	3,091,120	0	4,532,145	
June 30, 2043	47,238,067	12,163,494	12,163,494	0	2,950,662	0	4,405,763	
June 30, 2044	49,491,004	12,236,192	12,236,192	0	2,783,213	0	4,232,158	
June 30, 2045	51,481,508	12,161,711	12,161,711	0	2,593,785	0	4,016,642	
June 30, 2046	53,133,611	12,204,523	12,204,523	0	2,440,615	0	3,848,949	
June 30, 2047	54,504,491	12,271,154	12,271,154	0	2,300,928	0	3,695,384	
June 30, 2048	55,523,350	12,242,435	12,242,435	0	2,152,408	0	3,520,423	
June 30, 2049	56,121,043	12,051,226	12,051,226	0	1,986,677	0	3,309,109	
June 30, 2050	56,324,285	12,065,051	12,065,051	0	1,864,937	0	3,163,457	
June 30, 2051	56,067,550	12,018,804	12,018,804	0	1,741,949	0	3,009,171	
June 30, 2052	55,238,988	11,845,898	11,845,898	0	1,609,835	0	2,832,086	
June 30, 2053	53,755,996	11,876,072	11,876,072	0	1,513,301	0	2,711,216	
June 30, 2054	51,525,284	11,732,949	11,732,949	0	1,401,841	0	2,557,710	
June 30, 2055	48,423,579	11,405,278	11,405,278	0	1,277,723	0	2,374,121	
June 30, 2056	44,328,567	11,160,450	11,160,450	0	1,172,335	0	2,218,357	
June 30, 2057	39,211,352	10,990,178	10,990,178	0	1,082,465	0	2,085,967	
June 30, 2058	32,944,864	10,732,153	10,732,153	0	991,140	0	1,945,102	
June 30, 2059	25,396,932	10,552,517	10,552,517	0	913,784	0	1,826,268	
June 30, 2060	16,478,939	10,247,016	10,247,016	0	832,001	0	1,693,396	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

**Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2019 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.65%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [4.72%]
June 30, 2061	6,050,791	9,921,427	6,050,791	3,870,636	460,657	1,634,777	1,565,627
June 30, 2062	491,176	9,642,051	491,176	9,150,875	35,062	3,782,516	1,452,902
June 30, 2063	97,433	9,327,689	97,433	9,230,256	6,522	3,733,996	1,342,128
June 30, 2064	55,368	9,038,876	55,368	8,983,508	3,475	3,556,706	1,241,901
June 30, 2065	38,595	8,830,794	38,595	8,792,199	2,271	3,406,759	1,158,578
June 30, 2066	27,667	8,645,828	285,967	8,359,861	15,779	3,170,187	1,083,141
June 30, 2067	17,230	8,466,826	248,812	8,218,014	12,873	3,049,963	1,012,866
June 30, 2068	9,719	8,274,750	219,700	8,055,050	10,658	2,925,754	945,233
June 30, 2069	4,602	8,064,554	174,832	7,889,722	7,952	2,804,615	879,665
June 30, 2070	1,016	7,846,378	139,106	7,707,272	5,933	2,681,354	817,258
June 30, 2071	638	7,618,201	113,246	7,504,955	4,529	2,555,309	757,696
June 30, 2072	261	7,381,780	84,996	7,296,784	3,187	2,431,469	701,062
June 30, 2073	17	7,137,685	58,223	7,079,462	2,047	2,308,763	647,300
June 30, 2074	1	6,886,425	35,908	6,850,517	1,184	2,186,475	596,341
June 30, 2075	0	6,628,607	15,963	6,612,644	493	2,065,562	548,121
June 30, 2076	0	6,364,520	0	6,364,520	0	1,945,676	502,542
June 30, 2077	0	6,094,486	0	6,094,486	0	1,823,408	459,512
June 30, 2078	0	5,818,853	0	5,818,853	0	1,703,829	418,938
June 30, 2079	0	5,538,036	0	5,538,036	0	1,587,035	380,734
June 30, 2080	0	5,252,482	0	5,252,482	0	1,473,117	344,812
June 30, 2081	0	4,962,771	0	4,962,771	0	1,362,193	311,097
June 30, 2082	0	4,669,750	0	4,669,750	0	1,254,440	279,523
June 30, 2083	0	4,374,058	0	4,374,058	0	1,149,960	250,012
June 30, 2084	0	4,076,867	0	4,076,867	0	1,048,979	222,513
June 30, 2085	0	3,779,467	0	3,779,467	0	951,728	196,976
June 30, 2086	0	3,483,238	0	3,483,238	0	858,434	173,348
June 30, 2087	0	3,189,733	0	3,189,733	0	769,343	151,580
June 30, 2088	0	2,900,873	0	2,900,873	0	684,757	131,635
June 30, 2089	0	2,618,468	0	2,618,468	0	604,919	113,460
June 30, 2090	0	2,344,518	0	2,344,518	0	530,085	97,006
June 30, 2091	0	2,081,170	0	2,081,170	0	460,512	82,226
June 30, 2092	0	1,830,198	0	1,830,198	0	396,345	69,048
June 30, 2093	0	1,593,387	0	1,593,387	0	337,706	57,402
June 30, 2094	0	1,372,201	0	1,372,201	0	284,628	47,204
June 30, 2095	0	1,167,894	0	1,167,894	0	237,085	38,363

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	<b>Medicare Supplement Plans:</b> Non-GIC plans are effective January 1, 2020 GIC plans are effective July 1, 2020 <b>Non-Medicare Plans:</b> effective July 1, 2020 <b>Dental Plans:</b> N/A
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical and \$5,000 of Group Term Life Insurance.
<u>Medicare Part A</u>	To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.
<u>Medicare Part B</u>	Medicare Part B Premium reimbursements by the Town were not reflected in this valuation. Medicare Part B Penalty reimbursements have been reflected.
<u>Surviving Spouse Coverage</u>	Spousal benefits do not change after the death of a plan participant.

## APPENDIX II – PLAN PROVISIONS

### Eligibility

Hire Date	Eligibility
Before April 2, 2012	<ul style="list-style-type: none"> <li>• Age 55 with 10 years of creditable service</li> <li>• 20 years of service regardless of age</li> </ul>
On or after April 2, 2012	<ul style="list-style-type: none"> <li>• Age 60 with 10 years of creditable service</li> </ul>

### Participant Contributions

Group	Individual	Two-Person / Family
<b>Medical</b>	<ul style="list-style-type: none"> <li>• Several grandfathered retirees pay 17%-18%</li> <li>• All other Town retirees pay 25% of premiums</li> <li>• Retired Teachers pay 10%-15% of premiums based on retirement date</li> </ul>	<ul style="list-style-type: none"> <li>• Several grandfathered retirees pay 17%-18%</li> <li>• All other Town retirees pay 25% of premiums</li> <li>• Retired Teachers pay 10%-15% of premiums based on retirement date</li> </ul>
<b>Dental</b>	N/A	N/A
<b>Life</b>	<ul style="list-style-type: none"> <li>• Town retirees pay 25% for of premiums</li> <li>• Retired Teachers pay 35% of premiums</li> </ul>	N/A

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Pre-Retirement Mortality

General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females  
Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females

### Post-Retirement Mortality

General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females  
Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

### Disabled Mortality

General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year  
Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

### Assumption Experience Study

The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

### Discount Rate

4.75% per annum (previously 5.50%)

### Net Long Term Rate of Return

6.65% (based on investment policy)

### Municipal Bond Rate

2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

### Actuarial Cost Method

Individual Entry Age Normal

### Asset-Valuation Method

Market Value of Assets as of the Measurement Date, June 30, 2021

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

**Non-Public Safety Employees**

Service	Male	Female
0	15.00%	15.00%
5	7.60%	7.60%
10	5.40%	5.40%
15	3.30%	3.30%
20	2.00%	2.00%

**Public Safety Employees**

Service	Male	Female
0	9.00%	9.00%
5	6.00%	6.00%
10	3.50%	3.50%
15	2.00%	2.00%
20	1.50%	1.50%
25	1.50%	1.50%
30	1.50%	1.50%

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Retirement Rates for Eligible Employees

Age	Standard Male	Standard Female	Male Teachers	Female Teachers	Public Safety
45 - 49	0.00%	0.00%	0.00%	0.00%	6.00%
50 - 51	3.00%	3.00%	2.00%	1.50%	6.00%
52	3.00%	3.00%	2.00%	1.50%	6.00%
53	3.00%	3.00%	2.00%	1.50%	7.50%
54	3.00%	3.50%	2.00%	2.00%	15.00%
55	3.50%	5.00%	6.00%	5.00%	25.00%
56	3.50%	5.00%	20.00%	15.00%	15.00%
57	4.00%	5.50%	40.00%	35.00%	15.00%
58	5.00%	6.00%	50.00%	35.00%	15.00%
59	6.00%	6.50%	50.00%	35.00%	15.00%
60	9.00%	7.50%	40.00%	35.00%	20.00%
61	11.00%	10.00%	40.00%	35.00%	20.00%
62	15.00%	15.00%	35.00%	35.00%	20.00%
63	15.00%	15.00%	35.00%	35.00%	20.00%
64	16.00%	15.00%	35.00%	35.00%	30.00%
65	20.00%	20.00%	35.00%	35.00%	50.00%
66	20.00%	20.00%	40.00%	35.00%	25.00%
67	20.00%	20.00%	40.00%	30.00%	25.00%
68	20.00%	20.00%	40.00%	30.00%	25.00%
69	20.00%	20.00%	40.00%	30.00%	25.00%
70	100.00%	100.00%	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%	100.00%	100.00%

### Permanent Disability Rates

Age	Standard	Teachers	Public Safety
20	0.01%	0.05%	0.20%
30	0.01%	0.07%	0.21%
40	0.07%	0.21%	0.71%
50	0.13%	0.42%	1.10%
60	0.12%	0.50%	0.80%

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Trend Rate

**Medicare Part A & B Premiums & Penalties:** Assumed to rise at the same rates as our Medical Plan trend assumption.

**Medical Plans:** Initial Trend of 4.50% for 2021 grading down 0.00% per year for an ultimate trend rate of 4.50%.

### Participation Rate

It was assumed that 90% of employees eligible to receive retirement benefits would enroll in the retiree medical plans upon retirement. For life insurance plans, it was assumed that 85% of eligible employees would elect coverage upon retirement.

### Spouse Participation Rate

It was assumed that 80% of male employees and 70% of female employees who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement.

### Medicare Eligibility

It was assumed that retirees who were over age 66 on the valuation date and were enrolled in an Active plan were ineligible for Medicare and all other participants would be eligible for Medicare at age 65, absent any information to the contrary.

### Compensation Increases

3.00% per year.

### Inflation Rate

2.50% per year.

### COVID-19

We recognize that COVID-19 may impact plan experience. We have reviewed the assumptions used in this report. Based on the data that is currently available, we have not made any adjustments to these assumptions to reflect the impact of COVID-19. We will continue to monitor the impact of COVID-19 to determine if adjustments to valuation assumptions are warranted.

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Implicit Subsidy

The implicit subsidy arises because retirees who are not eligible for Medicare are charged the same premium as active employees, even though their actual medical costs are higher on average. Consequently, a portion of the premiums being paid for active employees are being used to “subsidize” the premiums of retirees. Actuarial Standards of Practice and GASB standards require the liability associated with this implicit subsidy to be valued. The chart below shows a breakdown of how implicit cost impacts reported cash flows and liabilities. Actuarial Standard of Practice No. 6 (“ASOP 6”) requires us to recognize this implicit subsidy while the plan sponsor may only pay the premiums billed by an insurance provider.

<b>Impact of Implicit Subsidy</b>		
	<b>As of the Measurement Date</b>	
<b>Impact on Liability</b>	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>
I. Total OPEB Liability	166,842,521	145,096,220
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>137,576,558</u>	<u>120,368,504</u>
III. Liability from Implicit Subsidy [I. - II.]	29,265,963	24,727,716

	<b>For the Measurement Period Ending</b>	
<b>Impact on Payments</b>	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>
IV. Employer Payments (Including Implicit Subsidy)	5,671,413	5,214,055
V. Actual Employer Payments	<u>4,363,041</u>	<u>4,032,184</u>
VI. Implicit Subsidy [IV. - V.]	1,308,372	1,181,871

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Pre-65 and post-65 per capita costs were developed using fully insured premium rates.

**ANNUAL PER CAPITA CLAIMS\* (Non-GIC)**

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,355	2,745	44 & Under	8,946	5,862	65 to 69	4,404	4,404
25 to 29	6,426	2,857	45 to 49	9,826	7,401	70 to 74	4,404	4,404
30 to 34	8,120	3,586	50 to 54	11,559	9,748	75 to 79	4,404	4,404
35 to 39	8,365	4,502	55 to 59	13,363	12,673	80 to 84	4,404	4,404
40 to 44	8,561	5,610	60 to 64	15,902	16,262	85 to 89	4,404	4,404
45 to 49	9,403	7,082	65 to 69	19,062	20,285	90 & Over	4,404	4,404
50 to 54	11,061	9,328	70 to 74	22,479	24,309			
55 to 59	12,788	12,127	75 to 79	26,106	28,710			
60 to 64	15,217	15,562	80 to 84	29,932	33,001			
65 to 69	18,241	19,411	85 to 89	34,167	37,774			
70 & Over	21,511	23,262	90 & Over	34,167	37,774			

\*Based on SOA 'Health Care Costs--From Birth to Death' study published in 2013

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Pre-65 and post-65 per capita costs were developed using fully insured premium rates.

**ANNUAL PER CAPITA CLAIMS\* (GIC)**

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	5,255	3,313	44 & Under	10,794	7,073	65 to 69	4,564	4,564
25 to 29	7,753	3,447	45 to 49	11,856	8,930	70 to 74	4,564	4,564
30 to 34	9,796	4,326	50 to 54	13,947	11,761	75 to 79	4,564	4,564
35 to 39	10,092	5,433	55 to 59	16,123	15,290	80 to 84	4,564	4,564
40 to 44	10,329	6,768	60 to 64	19,186	19,621	85 to 89	4,564	4,564
45 to 49	11,345	8,545	65 to 69	22,999	24,474	90 & Over	4,564	4,564
50 to 54	13,346	11,255	70 to 74	27,122	29,329			
55 to 59	15,429	14,632	75 to 79	31,497	34,640			
60 to 64	18,360	18,776	80 to 84	36,114	39,816			
65 to 69	22,009	23,420	85 to 89	41,223	45,575			
70 & Over	25,954	28,066	90 & Over	41,223	45,575			

\*Based on SOA 'Health Care Costs--From Birth to Death' study published in 2013

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Open Group Forecast

For the projection of plan liabilities in future years, it was assumed that the number of active employees will remain constant and those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics		
Age	Male	Female
20	8.0%	5.0%
30	7.0%	14.0%
40	20.0%	19.0%
50	10.0%	10.0%
60	<u>3.0%</u>	<u>4.0%</u>
Total	48.0%	52.0%

### Additional Comments

The liabilities being reported as of the Measurement Date of June 30, 2021 reflect a closed group and do not reflect any new entrants after the valuation date.

To the best of our knowledge all employees who are eligible on the valuation date are included in the actuarial valuation.

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2019
A. Average Age at Hire	34.60
B. Average Service	<u>11.53</u>
C. Average Current Age	46.13

Retired Employees & Spouses

Valuation Date	July 1, 2019
A. Under Age 65	136
B. Age 65 & Over	<u>590</u>
C. Total	726

Average Service Age

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
0-24	46	5	1							52
25-29	65	10	13							88
30-34	37	29	12	2						80
35-39	27	23	18	18	1					87
40-44	35	9	20	17	9					90
45-49	30	17	24	23	35	8	1			138
50-54	26	15	30	30	11	11	6			129
55-59	19	13	17	24	17	9	11			110
60-64	13	8	13	28	21	7	4	1		95
65-69	3	2	3	13	4	3	4			32
70+		2	5	4	2	1	2		1	17
<b>Total</b>	301	133	156	159	100	39	28	1	1	918

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - Non-GIC

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HMO	268		377	645
PPO	23		28	51
Managed Blue for Seniors	29			29
Medex	211			211
Total	531	0	405	936

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HMO	805.29		2,110.51
PPO	1,444.14		3,593.87
Managed Blue for Seniors	343.20	686.40	
Medex	379.63	759.26	
Dental Plan	N/A		N/A

## APPENDIX IV – PLAN DEMOGRAPHICS

### Plan Offerings - GIC

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Fallon Select			1	1
Allways Health Partners			1	1
Tufts Navigator	1			1
Unicare Basic w/ CIC	29		13	42
Unicare Comm Choice	1		1	2
Unicare Plus	1		2	3
Unicare OME w/ CIC	98	101		199
Tufts Medicare Complement	3	3		6
Harvard Senior	2	2		4
Total	135	106	18	259

### Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Fallon Select	836.19		2,033.04
Allways Health Partners	687.87		1,789.45
Tufts Navigator	799.04		1,951.46
Unicare Basic w/ CIC	1,163.76		2,582.71
Unicare Basic w/o CIC	1,107.42		2,454.41
Unicare Comm Choice	552.57		1,368.05
Unicare Plus	723.74		1,722.50
Unicare OME w/ CIC	399.86	799.72	
Unicare OME w/o CIC	388.80	777.60	
Tufts Medicare Complement	383.88	767.76	
Harvard Senior	404.04	808.08	
Fallon Senior	341.50	683.00	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS (Non-GIC)

	Active Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
HMO	268		377	1,022	12,137,759.88	9,876,076.56
PPO	23		28	79	1,606,122.96	1,369,044.72
Total	291	0	405	1,101	13,743,882.84	11,245,121.28
Blended Average Monthly Rate:						\$ 851.13

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Managed Blue for Seniors	29			29	119,433.60	119,433.60
Medex	211			211	961,223.16	961,223.16
Total	240	0	0	240	1,080,656.76	1,080,656.76
Blended Average Monthly Rate:						\$ 375.25

APPENDIX IV – PLAN DEMOGRAPHICS (GIC)

Active Plan Average Premium Calculation						
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Fallon Select			1	2	24,396.48	20,068.56
Tufts Navigator	1			1	9,588.48	9,588.48
Unicare Basic w/ CIC	29		13	55	768,270.12	730,897.20
Unicare Comm Choice	1		1	3	23,047.44	19,892.52
Unicare Plus	1		2	5	50,024.88	43,424.40
<b>Total</b>	<b>32</b>	<b>0</b>	<b>18</b>	<b>68</b>	<b>896,800.80</b>	<b>840,380.04</b>
<b>Blended Average Monthly Rate:</b>						<b>\$ 1,029.88</b>

Medicare Supplement Plan Average Premium Calculation						
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Unicare OME w/ CIC	98	101		300	1,399,680.00	1,399,680.00
Tufts Medicare Complement	3	3		9	41,459.04	41,459.04
Harvard Senior	2	2		6	29,090.88	29,090.88
<b>Total</b>	<b>103</b>	<b>106</b>	<b>0</b>	<b>315</b>	<b>1,470,229.92</b>	<b>1,470,229.92</b>
<b>Blended Average Monthly Rate:</b>						<b>\$ 388.92</b>

## APPENDIX V – OVERVIEW OF GASB 74 & 75

Before Statements 74 and 75, GASB statement 45 established the reporting standards for Other Postemployment Benefit (“OPEB”) plans. It was designed to recognize the Other Postemployment Benefits earned by employees throughout their working career vs. when they are paid in retirement – accrual accounting vs. “pay-as-you-go” accounting. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Service Cost”. These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

In 2012 GASB issued GASB Statements 67 and 68 to update and standardize the financial reporting of pension liabilities. This increased the transparency of pension liabilities by moving them to the balance sheet and made financial statement disclosures of pension liabilities more comparable between municipal entities. GASB Statements 74 and 75 are designed to have the same effect on OPEB plans.

GASB 74 and 75 require retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 74 only applies in situations where a separate trust is established to prefund these benefits. GASB 75 requires employers to perform periodic actuarial valuations to determine annual accounting costs and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 74 and 75 apply to those benefits provided after retirement, except for pension benefits, such as medical, dental and life insurance. The philosophy behind the accounting standard is that these postemployment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 74 and 75 extend this practice to all other postemployment benefits.

## APPENDIX V – OVERVIEW OF GASB 74 & 75

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates – How likely is it that an employee will qualify for postemployment benefits and when will they start?

Medical inflation and claims cost assumptions – When an employee starts receiving postemployment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption – How long is a retiree likely to receive benefits?

Discount rate assumption – What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Total OPEB Liability" or "Past Service Liability"), the part that is being earned this year (the "Service Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Service Cost have been calculated, the next step is to determine an actuarially determined contribution. This is an amount that if paid annually would fully prefund the benefits for current active and retired employees. This consists of two pieces:

- ✓ Service Cost – because the benefits earned by active employees each year should be paid for each year
- ✓ Past Service Cost – a catch-up payment to fund the Accrued Liability over a period of time determined by an actuary

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements as the Net OPEB Liability (NOL). If you decide to fully fund the NOL this will appear in the financial statement as a Net OPEB Asset. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

## APPENDIX VI – ASOP 41 DISCLOSURES

The Actuarial Standards Board (the “ASB”), vested by the U.S.-based actuarial organizations<sup>1</sup>, promulgates actuarial standards of practice (“ASOPs”) for use by actuaries when providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct<sup>2</sup>, to observe the ASOPs of the ASB when practicing in the United States.

The ASOPs are not narrowly prescriptive and neither dictate a single approach nor mandate a particular outcome. ASOPs are intended to provide actuaries with a framework for performing professional assignments and to offer guidance on relevant issues, recommended practices, documentation, and disclosure. Each ASOP articulates a process of analysis, documentation, and disclosure that, in the ASB’s judgment, constitutes appropriate practice within the scope and purpose of the ASOP.

ASOP 41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained in this Appendix.

### Identification of the Responsible Actuary

The responsible actuary is Parker Elmore, ASA, EA, FCA, MAAA of Odyssey Advisors. This actuary is available to provide supplementary information and explanation.

### Identification of Actuarial Documents

The date of this document is August 17, 2021 and its subject is the Town of North Attleborough’s GASB 75 OPEB liabilities.

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<sup>1</sup>The American Academy of Actuaries (the “Academy”), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

<sup>2</sup> These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001

## APPENDIX VI – ASOP 41 DISCLOSURES

### Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town's appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of North Attleborough has agreed to pay Odyssey Advisors a fee for preparing this report. Other than with regard to that contract, we are financially and organizationally independent from the Town and any entity or individual related to the Town. There is nothing in our relationship with the Town that would impair or seem to impair the objectivity of our work.
- ✓ The Town provided the employee/retiree data, premium rates and other information used to prepare our report. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results may be accordingly affected.
- ✓ The date through which data or other information has been considered in developing the findings included in this report is June 30, 2021.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

## APPENDIX VI – ASOP 41 DISCLOSURES

### Events Subsequent to the Measurement Date

To the best of our knowledge there were no material events subsequent to the Measurement Date that would impact the figures shown in this report.

### Actuarial Findings

The actuarial findings of the report can be found in the report to which these disclosures are attached.

### Methods, Procedures, Assumptions, and Data

The methods, procedures, assumptions and data used by the actuary can be found in the report to which these disclosures are attached.

### Assumptions or Methods Prescribed by Law

While not legally binding, our determinations were made in accordance with our understanding of Statement No. 75 of the Governmental Accounting Standards Board. Actuarial computations under GASB 75 are for purposes of fulfilling employer accounting requirements. Determinations for purposes other than meeting such requirements may be significantly different from these results. Accordingly, additional determinations may be needed for other purposes.

### Responsibility for Assumptions and Methods

The actuary does not disclaim responsibility for any material assumption(s) or method(s).

### Deviation from the Guidance of an ASOP

The actuary has not deviated materially from the guidance set forth in an applicable ASOP.

### Rounding

Results in this report are shown to the nearest dollar. Due to the predictive nature of these results, no implication is made as to the degree of precision in these unrounded figures. Clients should work with their auditors to decide if it would be prudent to round these results when applying them to the financial statements.

## GLOSSARY

Accrual Accounting – A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarially Determined Contribution – Amount of funding required annually to fully fund plan benefits. Determined by the actuary using a consistent methodology.

Amortization – Allows the recognition of liability over a fixed period of time.

Cash Basis Accounting – A system of accounting in which revenues are recorded when received and outlays are recorded when payment is made.

Deferred Inflows/Outflows of Resources – Amounts arising from experience gains and losses that have not been recognized into the OPEB Expense but will be recognized in the future.

Discount Rate – The interest rate used to calculate the present value of future cash flows. Under GASB 75, the rate should be the expected long-term rate of return on investments for a plan that is being fully funded, the 20-year municipal bond index for a pay-as-you-go plan, and a blend of the two rates for a plan that is being partially funded.

Entry Age Normal – Under this method, the annual service cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement. The annual service cost for each active member is a level percent of payroll. The total OPEB liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Fiduciary Net Position – The value of cash, investments, other assets and property belonging to an OPEB trust.

## GLOSSARY

Government Accounting Standards Board (GASB) – “The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities.”

Implicit Subsidy – The liability that arises because retirees who are not eligible for Medicare are charged the same premium as active employees even though their actual medical costs are higher on average.

Irrevocable Contribution – The transfer of assets to a qualified trust in which assets may only be withdrawn for the purpose of providing retiree other postemployment benefits.

Net OPEB Liability (NOL) – Total OPEB Liability less the Fiduciary Net Position.

Other Postemployment Benefits (OPEB) – Benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee.

OPEB Trust – An entity which holds assets for the sole purpose of funding OPEB. All contributions and earnings within this entity must be irrevocable and protected from creditors.

Pay-as-you-go funding – Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

Service Cost – The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Service cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

Total OPEB Liability (TOL) – That portion, as determined by the Individual Entry Age Normal Actuarial Cost Method, of the Actuarial Present Value of benefits and expenses which are not provided for by future Service Costs.