

Town of North Attleborough Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2023

As of the Measurement Date:
June 30, 2024

For the Reporting Date:
June 30, 2024

Delivered November 4, 2024



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November 4, 2024

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, 2024 with a Measurement Date of June 30, 2024 and a Valuation Date of July 1, 2023. 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").

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,



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

November 4, 2024

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, 2023 with a Measurement Date of June 30, 2024 for the Reporting Date & Fiscal Year Ending June 30, 2024 in accordance with Governmental Accounting 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 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.



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

EXECUTIVE SUMMARY

How did plan liabilities change from FY 23 to FY 24?

Plan Experience

For the year ending on the Measurement Date of June 30, 2024, the Plan saw an experience gain of \$19,215,505 or 12.30% of the beginning Total OPEB Liability ("TOL"). This was mainly due to the average Medicare Supplement premium for non-Teachers decreasing slightly vs the expected 15% increase over the 2-year period as well as higher than expected turnover among both the Active & Retiree populations.

Assumption Changes

Two key assumptions have changed since the prior valuation. The total impact of these assumption changes decreased disclosed liabilities by approximately \$13 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.92% to 6.59% decreasing the disclosed liability by approximately \$10.0 million.
- ✓ Based on recommendations by PERAC, the mortality table has been updated decreasing the disclosed liability by approximately \$2.8 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 investments earned approximately \$440 thousand more than expected.

Changes in Benefit 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 5.98 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.

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare supplement) plans – represent 73.22% 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 according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 5.00% increase in fiscal year 2024 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.59%) – 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
- ✓ Investment Policy – The Town is expected to earn 6.83% per year on assets based on its investment policy.

EXECUTIVE SUMMARY

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.21% as of June 30, 2024.
- ✓ Current Asset Level – The Town had \$8,506,883 of OPEB assets as of June 30, 2024.
- ✓ Future Funding Policy – The Town contributed \$974,851 beyond pay-as-you-go costs in Fiscal 2024. This amount will increase according to the Town's funding policy statement until their pension system is fully funded at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB.

Low Default Risk Obligation Measure (LDRM)

For purposes of this LDRM, we have used a discount rate of 4.21% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDRM Total OPEB Liability is \$176.5 million vs. the \$130.0 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$47 million. Please note that the ultimate cost of the plan is the actual benefits paid plus expenses and any changes in assumptions, including discount rate, do not impact the actual cost of the plan.

EXECUTIVE SUMMARY

Medicare Buy-In

The Town currently has 31 retirees or covered spouses who are over the age of 65 and are enrolled in Active medical plans rather than Medicare Supplement (Senior) plans. Under Actuarial Standards of Practice for OPEB, we are required to reflect the projected higher healthcare costs that occur as retirees age.

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. 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. If you are in this situation, we encourage you to talk to your healthcare consultant to see if this might be viable.

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.

Representative Plan Statistics		
Valuation Date	July 1, 2023	July 1, 2021
Measurement Date & Period Ending	June 30, 2024	June 30, 2023
Reporting Date/Fiscal Year End	June 30, 2024	June 30, 2023
Total OPEB Liability	130,041,732	156,188,003
Per Eligible Active Plan Participant	65,998	81,264
Per Retiree/Spouse Plan Participant	91,175	106,779
Total Annual Service Cost (Annual Benefit Accrual)	3,132,057	3,183,441
Per Eligible Active Plan Participant	3,685	3,618
Expected Employer Share of Retiree Costs	6,532,276	6,034,108
Per Retiree/Spouse Plan Participant	8,055	7,609
Net OPEB Liability as a % of Covered Payroll	189.66%	246.99%

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, 2024	811	130,041,732	130,041,732	6,532,276	6,532,276
June 30, 2029	865	149,411,160	128,883,379	7,827,561	6,752,123
June 30, 2034	872	168,919,957	125,692,312	9,536,698	7,096,199
June 30, 2039	850	190,090,235	122,011,688	10,731,686	6,888,261
June 30, 2044	807	214,479,781	118,752,255	11,977,771	6,631,801
June 30, 2049	773	244,307,802	116,682,767	13,527,802	6,460,954
June 30, 2054	757	280,212,721	115,443,931	15,433,412	6,358,361

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, 2025	(Projected)	6,517,437
June 30, 2024		6,532,276
June 30, 2023		6,034,108
June 30, 2022		6,103,903
June 30, 2021		5,671,413
June 30, 2020		5,214,055

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2024 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$121,534,849 assuming a discount rate of 6.59%. The Town has established an OPEB Trust and plans to fund this liability. The Town contributed \$974,851 beyond pay-as-you-go costs in Fiscal 2024. This amount will increase according to the Town's funding policy statement until their pension system is fully funded at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB. The balance of this fund as of June 30, 2024 was \$8,506,883. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of North Attleborough Assuming Funding - 6.59% discount rate Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2023	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2024	June 30, 2023
For the Reporting Period & Fiscal Year ending on:	June 30, 2024	June 30, 2023
I. Total OPEB Liability		
A. Actives	56,098,407	71,512,609
B. Retirees/Disabled	<u>73,943,325</u>	<u>84,675,394</u>
C. Total	130,041,732	156,188,003
II. Fiduciary Net Position [Plan Assets]	8,506,883	6,650,215
III. Net OPEB Liability (Asset) [I. - II.]	121,534,849	149,537,788
IV. Funded Ratio [III. / I.]	6.54%	4.26%
V. Number of Eligible Participants		
A. Actives	850	880
B. Retirees/Disabled & Dependents	<u>811</u>	<u>793</u>
C. Total	1,661	1,673
VI. Service Cost	3,132,057	3,183,441
VII. Financial Statement Expense/(Income)	7,531,701	15,414,658
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(974,851)	(884,284)
IX. Deferred Inflow of Resources	(41,793,147)	(20,185,929)
X. Deferred Outflow of Resources	9,494,357	15,914,652
XI. Money Weighted Rate of Return	12.96%	8.68%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.21%	4.13%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.83%	6.23%
XIV. Crossover Year	2078	Immediate
XV. Discount Rate	6.59%	5.92%

PRINCIPAL RESULTS OF THE VALUATION

Town of North Attleborough Plan Liabilities as of the June 30, 2024 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	3,858,087	25,921,794	13,958,167	4,822,322	5,589,665	349,391	669,298	929,683	56,098,407
B. Retirees/Disabled	<u>4,928,073</u>	<u>42,097,724</u>	<u>10,417,581</u>	<u>6,747,202</u>	<u>7,495,452</u>	<u>112,384</u>	<u>913,188</u>	<u>1,231,721</u>	<u>73,943,325</u>
C. Total	8,786,160	68,019,518	24,375,748	11,569,524	13,085,117	461,775	1,582,486	2,161,404	130,041,732
II. Fiduciary Net Position [Plan Assets]	279,802	2,166,137	776,266	368,441	416,706	607,164	2,136,381	1,755,986	8,506,883
III. Net OPEB Liability (Asset) [I. - II.]	8,506,358	65,853,381	23,599,482	11,201,083	12,668,411	(145,389)	(553,895)	405,418	121,534,849
For the Reporting Date and Fiscal Year Ending June 30, 2024									
IV. Service Cost	300,266	1,232,946	915,861	276,575	287,428	23,641	51,133	44,207	3,132,057
V. Financial Statement Expense/(Income)	615,444	3,603,832	1,811,460	693,728	753,689	12,019	5,326	36,203	7,531,701
VI. Employer Share of Costs	(718,062)	(3,590,768)	(1,309,594)	(351,357)	(454,108)	(28,288)	(4,397)	(75,702)	(6,532,276)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(40,496)	(313,514)	(112,352)	(53,326)	(60,312)	(50,726)	(180,735)	(163,390)	(974,851)
VIII. Total Employer Contribution [VI. + VII.]	(758,558)	(3,904,282)	(1,421,946)	(404,683)	(514,420)	(79,014)	(185,132)	(239,092)	(7,507,127)

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

Funding - 6.59% 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 with an expected 6.83% return		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.]
			Measurement Date	6.83% return									
2024	June 30, 2024	130,041,732	8,506,883	121,534,849	6.54%	3,132,057	6,532,276	974,851	7,507,127	6,532,276	0	974,851	
2025	June 30, 2025	134,363,385	10,163,329	124,200,056	7.56%	2,327,295	6,517,437	1,040,480	7,557,917	6,517,437	0	1,040,480	
2026	June 30, 2026	138,067,009	12,010,051	126,056,958	8.70%	2,390,052	6,955,346	1,115,114	8,070,460	6,955,346	0	1,115,114	
2027	June 30, 2027	141,817,733	14,060,362	127,757,371	9.91%	2,467,920	7,243,177	1,190,055	8,433,232	7,243,177	0	1,190,055	
2028	June 30, 2028	145,557,775	16,270,053	129,287,722	11.18%	2,547,416	7,614,330	1,208,771	8,823,101	7,614,330	0	1,208,771	
2029	June 30, 2029	149,411,160	18,695,076	130,716,084	12.51%	2,632,171	7,827,561	1,271,088	9,098,649	7,827,561	0	1,271,088	
2030	June 30, 2030	153,267,816	21,353,459	131,914,357	13.93%	2,722,538	8,208,081	1,336,618	9,544,699	8,208,081	0	1,336,618	
2031	June 30, 2031	157,016,454	24,264,632	132,751,822	15.45%	2,805,392	8,717,182	1,405,526	10,122,708	8,717,182	0	1,405,526	
2032	June 30, 2032	160,931,966	27,449,532	133,482,434	17.06%	2,889,879	8,851,841	1,477,986	10,329,827	8,851,841	0	1,477,986	
2033	June 30, 2033	164,917,987	30,930,717	133,987,270	18.76%	2,983,702	9,159,522	1,554,183	10,713,705	9,159,522	0	1,554,183	
2034	June 30, 2034	168,919,957	34,732,482	134,187,475	20.56%	3,080,785	9,536,698	1,634,307	11,171,005	9,536,698	0	1,634,307	
2035	June 30, 2035	173,057,814	38,880,992	134,176,822	22.47%	3,173,308	9,691,325	1,718,562	11,409,887	9,691,325	0	1,718,562	
2036	June 30, 2036	177,211,260	43,404,420	133,806,840	24.49%	3,280,921	9,934,529	1,807,161	11,741,690	9,934,529	0	1,807,161	
2037	June 30, 2037	181,250,545	48,333,093	132,917,452	26.67%	3,380,939	10,319,746	1,900,327	12,220,073	10,319,746	0	1,900,327	
2038	June 30, 2038	185,710,901	53,699,655	132,011,246	28.92%	3,494,116	10,583,269	1,998,297	12,581,566	10,583,269	0	1,998,297	
2039	June 30, 2039	190,090,235	59,539,233	130,551,002	31.32%	3,608,609	10,731,686	2,101,317	12,833,003	10,731,686	0	2,101,317	
2040	June 30, 2040	194,828,385	68,346,744	126,481,641	35.08%	3,718,735	10,985,273	4,586,925	15,572,198	10,985,273	0	4,586,925	
2041	June 30, 2041	199,681,432	77,821,417	121,860,015	38.97%	3,845,315	11,313,241	4,650,402	15,963,643	11,313,241	0	4,650,402	
2042	June 30, 2042	204,377,249	88,008,819	116,368,430	43.06%	3,964,830	11,499,032	4,713,879	16,212,911	11,499,032	0	4,713,879	
2043	June 30, 2043	209,216,267	98,957,630	110,258,637	47.30%	4,092,108	11,724,492	4,777,356	16,501,848	11,724,492	0	4,777,356	
2044	June 30, 2044	214,479,781	110,703,623	103,776,158	51.61%	4,220,777	11,977,771	4,825,130	16,802,901	11,977,771	0	4,825,130	
2045	June 30, 2045	219,954,715	123,301,739	96,652,976	56.06%	4,358,871	12,189,213	4,873,381	17,062,594	12,189,213	0	4,873,381	
2046	June 30, 2046	225,882,131	136,810,677	89,071,454	60.57%	4,503,518	12,448,277	4,922,115	17,370,392	12,448,277	0	4,922,115	
2047	June 30, 2047	231,974,663	151,293,149	80,681,514	65.22%	4,651,493	12,884,764	4,971,336	17,856,100	12,884,764	0	4,971,336	
2048	June 30, 2048	237,813,042	166,816,157	70,996,885	70.15%	4,809,202	13,344,962	5,021,049	18,366,011	13,344,962	0	5,021,049	
2049	June 30, 2049	244,307,802	183,451,284	60,856,518	75.09%	4,972,829	13,527,802	5,071,260	18,599,062	13,527,802	0	5,071,260	
2050	June 30, 2050	250,969,044	201,275,005	49,694,039	80.20%	5,140,358	14,025,684	5,121,972	19,147,656	14,025,684	0	5,121,972	
2051	June 30, 2051	258,003,320	220,369,027	37,634,293	85.41%	5,321,026	14,349,889	5,173,192	19,523,081	14,349,889	0	5,173,192	
2052	June 30, 2052	265,310,046	240,820,640	24,489,406	90.77%	5,508,435	14,620,737	5,224,924	19,845,661	14,620,737	0	5,224,924	
2053	June 30, 2053	272,329,943	262,723,102	9,606,841	96.47%	5,705,767	15,080,569	5,277,173	20,357,742	15,080,569	0	5,277,173	
2054	June 30, 2054	280,212,721	286,176,046	(5,963,325)	102.13%	5,902,923	15,433,412	5,329,945	20,763,357	15,433,412	0	5,329,945	

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 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

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2024	
Description	Amount
I. Service Cost	3,132,057
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	9,241,172
III. Deferred (Inflows)/Outflows from Plan Experience*	(7,635,475)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	3,072,947
V. Projected Earnings on OPEB Plan Investments	(444,447)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	165,447
VII. OPEB Plan Administrative Expense	0
VIII. Other Changes in Fiduciary Net Position	0
IX. Financial Statement Expense/(Income) Prior to Plan Design Changes [I. + II.+ ... + VII. + VIII.]	7,531,701
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	7,531,701

* Amortized over 5.98 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 Measurement Date)

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability				
		Increase (Decrease)		
		Total OPEB	Plan Fiduciary	Net OPEB
		Liability	Net Position	Liability
I.	Balances for the June 30, 2023 Reporting Date	156,188,003	6,650,215	149,537,788
II.	Prior Period Adjustment	0	0	0
III.	Balances for the June 30, 2023 Reporting Date with Adjustment [I. + II.]	156,188,003	6,650,215	149,537,788
Changes for the year:				
IV.	Service Cost	3,132,057	0	3,132,057
V.	Interest on Total OPEB Liability, Service Cost, and Benefit Payments	9,241,172	0	9,241,172
VI.	Changes in Benefit Terms *	0	0	0
VII.	Change in Assumptions **	(12,771,719)	0	(12,771,719)
VIII.	Differences Between Actual and Expected Experience **	(19,215,505)	0	(19,215,505)
IX.	Net Investment Income	0	881,817	(881,817)
X.	Employer Contributions to Trust	0	7,507,127	(7,507,127)
XI.	Benefit Payments Withdrawn from Trust	0	(6,532,276)	6,532,276
XII.	Benefit Payments Excluding Implicit Cost	(4,876,939)	0	(4,876,939)
XIII.	Implicit Cost Amount	(1,655,337)	0	(1,655,337)
XIV.	Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(6,532,276)	0	(6,532,276)
XV.	Administrative Expense	0	0	0
XVI.	Other Charges	0	0	0
XVII.	Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	(26,146,271)	1,856,668	(28,002,939)
XVIII.	Balances for the June 30, 2024 Reporting Date [III.+XVII.]	130,041,732	8,506,883	121,534,849

* Recognized Immediately

** Amortized over 5.98 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 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			2024	2025	2026	2027	2028	2029
	Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	(223,646)	5.20	0						
2019	0	5.20	0	0					
2020	(540,236)	5.83	(76,916)	(92,664)	(76,916)				
2021	0	5.83	0	0	0	0			
2022	(25,674,031)	5.93	(12,685,483)	(4,329,516)	(4,329,516)	(4,329,516)	(4,026,451)		
2023	0	5.93	0	0	0	0	0	0	
2024	(19,215,505)	5.98	(16,002,210)	(3,213,295)	(3,213,295)	(3,213,295)	(3,213,295)	(3,213,295)	(3,149,030)
2025									
2026									
Total Remaining Balance			(28,764,609)						
Net increase (decrease) in OPEB Expense				(7,635,475)	(7,619,727)	(7,542,811)	(7,239,746)	(3,213,295)	(3,149,030)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in			2024	2025	2026	2027	2028	2029
	Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	5,539,349	5.20	0						
2019	16,198,648	5.20	0	623,028					
2020	8,100,976	5.83	1,153,316	1,389,532	1,153,316				
2021	15,927,746	5.83	4,999,622	2,732,031	2,732,031	2,267,591			
2022	6,362,225	5.93	3,143,564	1,072,887	1,072,887	1,072,887	997,790		
2023	(3,610,143)	5.93	(2,392,557)	(608,793)	(608,793)	(608,793)	(608,793)	(566,178)	
2024	(12,771,719)	5.98	(10,635,981)	(2,135,738)	(2,135,738)	(2,135,738)	(2,135,738)	(2,135,738)	(2,093,029)
2025									
2026									
Total Remaining Balance			(3,732,036)						
Net increase (decrease) in OPEB Expense				3,072,947	2,213,703	595,947	(1,746,741)	(2,701,916)	(2,093,029)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 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			2024	2025	2026	2027	2028	2029
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017									
2018	(2,155)	5.00	0						
2019	31,562	5.00	0						
2020	153,959	5.00	0	30,791					
2021	(690,845)	5.00	(138,169)	(138,169)	(138,169)				
2022	1,974,886	5.00	789,955	394,977	394,977	394,978			
2023	(173,391)	5.00	(104,035)	(34,678)	(34,678)	(34,678)	(34,679)		
2024	(437,370)	5.00	(349,896)	(87,474)	(87,474)	(87,474)	(87,474)	(87,474)	
2025									
2026									
Total Remaining Balance			197,855						
Net increase (decrease) in OPEB Expense				165,447	134,656	272,826	(122,153)	(87,474)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2024 to be Reported for the Fiscal Year Ending June 30, 2024			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions Made Subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	0	(28,764,609)	(28,764,609)
III. Changes of Assumptions	9,296,502	(13,028,538)	(3,732,036)
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	197,855	0	197,855
VI. Total [I. + II. + III. + IV.]	9,494,357	(41,793,147)	(32,298,790)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows		
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2024 will be recognized in future years as shown below.		
	Year ending June 30:	
	2025	(5,271,368)
	2026	(6,674,038)
	2027	(9,108,640)
	2028	(6,002,685)
	2029	(5,242,059)
	Thereafter	0

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.59% as of June 30, 2024 and 5.92% as of June 30, 2023. 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 until Fiscal Year 2078 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 4.21% as of June 30, 2024. 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, 2024 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, 2024 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$6,532,276. The Town also contributed \$974,851 to an OPEB Trust for a total contribution during the measurement period of \$7,507,127 to be reported on the financial statement for the fiscal year ending June 30, 2024.

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	32.25%	Domestic Equity - Large Cap	4.91%
Domestic Equity - Small/Mid Cap	10.25%	Domestic Equity - Small/Mid Cap	5.29%
International Equity - Developed Market	13.00%	International Equity - Developed Market	5.32%
International Equity - Emerging Market	6.75%	International Equity - Emerging Market	6.13%
Dom Fixed	21.50%	Dom Fixed	2.30%
International Fixed Income	3.25%	International Fixed Income	2.02%
Alternatives	9.75%	Alternatives	6.35%
Real Estate	2.75%	Real Estate	6.25%
Cash	0.50%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	4.58%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	7.08%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	<u>6.83%</u>

* Mean Geometric Returns based on 2023 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 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, 2024	9,505,862	(7,507,127)	1,998,735	64,080,562	11.72%
June 30, 2023	10,445,021	(6,918,392)	3,526,629	60,543,237	11.43%
June 30, 2022	11,453,921	(7,662,131)	3,791,790	58,779,842	13.04%
June 30, 2021	10,276,616	(6,434,783)	3,841,833	62,315,670	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%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate on NOL as of the June 30, 2024 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	106,306,367	121,534,849	140,253,410

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate on NOL as of the June 30, 2024 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	138,365,922	6.59% 121,534,849	107,682,694

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2023	6,650,215	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	974,851	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	0	0.0000
II. Total net external cash flow	974,851		
III. Earnings and increase in fair value	881,817		
IV. Ending value - June 30, 2024 [I.+II.+III.]	8,506,883		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2024 [IV.+V.]	8,506,883		
Money Weighted Rate of Return	12.96%		

EXHIBIT A
FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2024								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, 2024	8,786,160	68,019,518	24,375,748	11,569,524	13,085,117	461,775	1,582,486	2,161,404	130,041,732
II. Fiduciary Net Position as of June 30, 2024	279,802	2,166,137	776,266	368,441	416,706	607,164	2,136,381	1,755,986	8,506,883
III. Net OPEB Liability (Asset) as of June 30, 2024 [I. - II.]	8,506,358	65,853,381	23,599,482	11,201,083	12,668,411	(145,389)	(553,895)	405,418	121,534,849
IV. Service Cost	300,266	1,232,946	915,861	276,575	287,428	23,641	51,133	44,207	3,132,057
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	627,770	4,790,606	1,762,898	828,777	931,789	34,008	113,296	152,028	9,241,172
VI. Projected Earnings on OPEB Plan Investments	(15,506)	(119,787)	(43,086)	(20,425)	(23,083)	(30,016)	(105,595)	(86,949)	(444,447)
VII. Net Recognition of Deferred (Inflows)/Outflows	(297,086)	(2,299,933)	(824,213)	(391,199)	(442,445)	(15,614)	(53,508)	(73,083)	(4,397,081)
VIII. OPEB Plan Administrative Expense	0	0	0	0	0	0	0	0	0
IX. Expense Related to Change in Benefit Terms	0	0	0	0	0	0	0	0	0
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	615,444	3,603,832	1,811,460	693,728	753,689	12,019	5,326	36,203	7,531,701
XI. Employer Share of Costs	(718,062)	(3,590,768)	(1,309,594)	(351,357)	(454,108)	(28,288)	(4,397)	(75,702)	(6,532,276)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(40,496)	(313,514)	(112,352)	(53,326)	(60,312)	(50,726)	(180,735)	(163,390)	(974,851)
XIII. Total Employer Contribution [XI. + XII.]	(758,558)	(3,904,282)	(1,421,946)	(404,683)	(514,420)	(79,014)	(185,132)	(239,092)	(7,507,127)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(143,114)	(300,450)	389,514	289,045	239,269	(66,995)	(179,806)	(202,889)	24,574

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2024 Measurement Date)

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

Valuation Date	July 1, 2023
For the Measurement Period ending on the Measurement Date of:	June 30, 2024
For the Reporting Period & Fiscal Year ending on:	June 30, 2024

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(28,764,609)
II. Deferred (Inflow)/Outflow from Investment Experience	197,855
III. Deferred (Inflow)/Outflow from Changes in Assumptions	(3,732,036)

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	16,329,703
II. Deferred Outflow created during the period	0
III. Deferred Outflow recognized during the period	6,243,246
IV. Change in Deferred Outflow (II. - III.)	(6,243,246)
V. Deferred Outflow at end of the period (I. + IV.)	10,086,457
VI. Deferred Inflow at the beginning of the period	(20,600,980)
VII. Deferred Inflow created during the period	(32,424,594)
VIII. Deferred Inflow recognized during the period	(10,640,327)
IX. Change in Deferred Inflow (VII. - VIII.)	(21,784,267)
X. Deferred Inflow at end of the period (VI. + IX.)	(42,385,247)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	149,537,788
II. Service Cost	3,132,057
III. Interest on Total OPEB Liability, Service Cost, and Payments	9,241,172
IV. Projected Investment Income	(444,447)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(7,507,127)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	4,421,655
IX. Deferred Outflow created during the period	0
X. Deferred Inflow created during the period	(32,424,594)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	121,534,849

Net OPEB Expense	
I. Service Cost	3,132,057
II. Interest on Total OPEB Liability, Service Cost, and Payments	9,241,172
III. Projected Investment Income	(444,447)
IV. Recognition of Deferred (Inflow)/Outflow	(4,397,081)
V. OPEB Plan Administrative Expense	0
VI. Expense Related to Change in Benefit Terms	0
VII. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V. + VI.)	7,531,701
VIII. Benefit Payments	(6,532,276)
IX. Contributions to Trust	(974,851)
X. Total Employer Payments (VIII. + IX.)	(7,507,127)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	24,574

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2024 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
For the Reporting Period & Fiscal Year Ending on:	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB Liability	130,041,732	156,188,003	153,808,252	166,842,521	145,096,220
I. Service Cost	3,132,057	3,183,441	4,391,128	3,472,561	3,297,628
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	9,241,172	8,840,561	7,990,312	8,017,407	6,674,967
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(19,215,505)	0	(25,674,031)	0	(540,236)
V. Changes of Assumptions	(12,771,719)	(3,610,143)	6,362,225	15,927,746	8,100,976
VI. Benefit Payments Excluding Implicit Cost	(4,876,939)	(4,612,960)	(4,672,732)	(4,363,041)	(4,032,184)
VII. Implicit Cost Amount	(1,655,337)	(1,421,148)	(1,431,171)	(1,308,372)	(1,181,871)
VIII. Total Benefit Payments	(6,532,276)	(6,034,108)	(6,103,903)	(5,671,413)	(5,214,055)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(26,146,271)	2,379,751	(13,034,269)	21,746,301	12,319,280
XI. Total OPEB Liability - Beginning of Period	156,188,003	153,808,252	166,842,521	145,096,220	132,776,940
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	156,188,003	153,808,252	166,842,521	145,096,220	132,776,940
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	130,041,732	156,188,003	153,808,252	166,842,521	145,096,220
Plan Fiduciary Net Position	8,506,883	6,650,215	5,240,906	5,256,775	3,542,041
XV. Earnings from Plan Investments	881,817	525,025	(1,574,097)	951,364	62,746
XVI. Employer Contribution to Trust	7,507,127	6,918,392	7,662,131	6,434,783	5,968,304
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(6,532,276)	(6,034,108)	(6,103,903)	(5,671,413)	(5,214,055)
XVIII. Administrative Expense	0	0	0	0	0
XIX. Other	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	1,856,668	1,409,309	(15,869)	1,714,734	816,995
XXI. Plan Fiduciary Net Position - Beginning of Period	6,650,215	5,240,906	5,256,775	3,542,041	2,725,046
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	6,650,215	5,240,906	5,256,775	3,542,041	2,725,046
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	8,506,883	6,650,215	5,240,906	5,256,775	3,542,041
XXV. Net OPEB Liability [XIV.-XXIV.]	121,534,849	149,537,788	148,567,346	161,585,746	141,554,179
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	6.54%	4.26%	3.41%	3.15%	2.44%
XXVII. Covered Employee Payroll	64,080,562	60,543,237	58,779,842	62,315,670	60,500,650
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	189.66%	246.99%	252.75%	259.30%	233.97%
Single Discount Rate to Calculate Plan Liabilities	6.59%	5.92%	5.74%	4.75%	5.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios			
Valuation Date	July 1, 2017	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	132,776,940	110,485,189	102,734,329
I. Service Cost	3,566,214	2,614,496	2,886,392
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	6,719,148	6,206,574	6,392,540
III. Changes in Benefit Terms	0	(2,517,704)	0
IV. Difference Between Expected & Actual Plan Experience	0	5,539,349	0
V. Changes of Assumptions	16,198,648	(223,646)	0
VI. Benefit Payments Excluding Implicit Cost	(4,025,843)	(3,729,487)	N/A
VII. Implicit Cost Amount	(166,416)	(138,722)	N/A
VIII. Total Benefit Payments	(4,192,259)	(3,868,209)	(3,947,826)
IX. Other	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	22,291,751	7,750,860	5,331,106
XI. Total OPEB Liability - Beginning of Period	110,485,189	102,734,329	97,403,223
XII. Prior Period Adjustment	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	110,485,189	102,734,329	97,403,223
XIV. Total OPEB Liability - End of Period [XIII.+XIV.]	132,776,940	110,485,189	102,734,329
Plan Fiduciary Net Position	2,725,046	1,976,392	1,335,864
XV. Earnings from Plan Investments	149,980	114,558	98,101
XVI. Employer Contribution to Trust	4,790,933	4,394,179	4,381,467
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(4,192,259)	(3,868,209)	(3,947,826)
XVIII. Administrative Expense	0	0	0
XIX. Other	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	748,654	640,528	531,742
XXI. Plan Fiduciary Net Position - Beginning of Period	1,976,392	1,335,864	804,122
XXII. Prior Period Adjustment	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	1,976,392	1,335,864	804,122
XXIV. Plan Fiduciary Net Position - End of Period [XXIII.+XXIV.]	2,725,046	1,976,392	1,335,864
XXV. Net OPEB Liability [XIV.-XXIV.]	130,051,894	108,508,797	101,398,465
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	2.05%	1.79%	1.30%
XXVII. Covered Employee Payroll	60,500,650	58,738,497	53,773,100
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	214.96%	184.73%	188.57%
Single Discount Rate to Calculate Plan Liabilities	5.00%	6.00%	6.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 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 2024 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)					
For the Fiscal Year Ending:	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
I. Service Cost	3,132,057	3,183,441	4,391,128	3,472,561	3,297,628
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>6,373,805</u>	<u>7,261,580</u>	<u>7,062,793</u>	<u>6,804,055</u>	<u>9,231,934</u>
III. Actuarial Determined Contribution [I. + II.]	9,505,862	10,445,021	11,453,921	10,276,616	12,529,562
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(7,507,127)</u>	<u>(6,918,392)</u>	<u>(7,662,131)</u>	<u>(6,434,783)</u>	<u>(5,968,304)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>1,998,735</u>	<u>3,526,629</u>	<u>3,791,790</u>	<u>3,841,833</u>	<u>6,561,258</u>
Covered Employee Payroll	64,080,562	60,543,237	58,779,842	62,315,670	60,500,650
Contributions as a % of Covered Employee Payroll	11.72%	11.43%	13.04%	10.33%	9.86%
Discount Rate	6.59%	5.92%	5.74%	4.75%	5.50%
Money Weighted Rate of Return	12.96%	8.68%	<u>(23.50%)</u>	26.86%	1.91%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Actuarially Determined Contribution - Deficiency / (Excess) (Continued)			
<u>For the Fiscal Year Ending:</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	3,566,214	2,614,496	2,886,392
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>8,057,202</u>	<u>7,436,836</u>	<u>6,945,833</u>
III. Actuarial Determined Contribution [I. + II.]	11,623,416	10,051,332	9,832,225
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(4,790,933)</u>	<u>(4,394,179)</u>	<u>(4,381,467)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>6,832,483</u>	<u>5,657,153</u>	<u>5,450,758</u>
Covered Employee Payroll	60,500,650	58,738,497	53,773,100
Contributions as a % of Covered Employee Payroll	7.92%	7.48%	8.15%
Discount Rate	5.00%	6.00%	6.50%
Money Weighted Rate of Return	5.94%	7.19%	8.45%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Actuarially Determined Contribution – by Function:

	Fiscal Year Ending June 30, 2024									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. Service Cost	300,266	1,232,946	915,861	276,575	287,428	23,641	51,133	44,207		3,132,057
II. 30 Year Amortization of NOL Increasing by 3.00% per year	446,110	3,453,632	1,237,657	587,433	664,385	(7,625)	(29,049)	21,262		6,373,805
III. Actuarial Determined Contribution [I. + II.]	746,376	4,686,578	2,153,518	864,008	951,813	16,016	22,084	65,469		9,505,862
IV. Employer Share of Costs (Including Implicit Cost)	(718,062)	(3,590,768)	(1,309,594)	(351,357)	(454,108)	(28,288)	(4,397)	(75,702)		(6,532,276)
V. Employer OPEB Trust (Contribution)/Withdrawal	(40,496)	(313,514)	(112,352)	(53,326)	(60,312)	(50,726)	(180,735)	(163,390)		(974,851)
VI. Total Employer Contribution [IV. + V.]	(758,558)	(3,904,282)	(1,421,946)	(404,683)	(514,420)	(79,014)	(185,132)	(239,092)		(7,507,127)
VII. Contribution Deficiency / (Excess) [III. + VI.]	(12,182)	782,296	731,572	459,325	437,393	(62,998)	(163,048)	(173,623)		1,998,735

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2023.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2024.

Actuarial Assumptions:

Investment Rate of Return: 6.83%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate 4.21% as of June 30, 2024 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Single Equivalent Discount Rate: 6.59%, net of OPEB plan investment expense, including inflation

Inflation: 2.50% as of June 30, 2024 and for future periods

Salary Increases: 3.00% annually as of June 30, 2024 and for future periods

Cost of Living Adjustment: Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Pre-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Plan Membership

At July 1, 2023, OPEB plan membership consisted of the following:

Retirees & Beneficiaries:	811
Actives:	<u>850</u>
Total:	1,661

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, 2023 to June 30, 2024

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.92% to 6.59%.
- ✓ Based on recommendations by PERAC, the mortality table has been updated.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$974,851 beyond the pay-as-you-go cost for the period ending on the June 30, 2024 Measurement Date. For the year ending on the June 30, 2024 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$6,532,276. \$1,655,337 of the \$6,532,276 represents implicit cost.

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 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, 2023 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, 2024	64,080,562	0	64,080,562	0	6,532,276	0	6,532,276
June 30, 2025	60,121,329	5,881,650	66,002,979	0	6,517,437	0	6,517,437
June 30, 2026	56,687,328	11,295,740	67,983,068	0	6,955,346	0	6,955,346
June 30, 2027	53,821,760	16,200,800	70,022,560	0	7,243,177	0	7,243,177
June 30, 2028	51,262,561	20,860,676	72,123,237	0	7,614,330	0	7,614,330
June 30, 2029	49,118,784	25,168,150	74,286,934	0	7,827,561	0	7,827,561
June 30, 2030	47,233,839	29,281,703	76,515,542	0	8,208,081	0	8,208,081
June 30, 2031	45,182,895	33,628,113	78,811,008	0	8,717,182	0	8,717,182
June 30, 2032	43,208,340	37,966,998	81,175,338	0	8,851,841	0	8,851,841
June 30, 2033	41,300,891	42,309,707	83,610,598	0	9,159,522	0	9,159,522
June 30, 2034	39,442,161	46,676,755	86,118,916	0	9,536,698	0	9,536,698
June 30, 2035	37,555,919	51,146,564	88,702,483	0	9,660,045	31,280	9,691,325
June 30, 2036	35,915,274	55,448,283	91,363,557	0	9,856,331	78,198	9,934,529
June 30, 2037	34,183,016	59,921,448	94,104,464	0	10,175,579	144,167	10,319,746
June 30, 2038	32,697,205	64,230,393	96,927,598	0	10,346,144	237,125	10,583,269
June 30, 2039	31,347,207	68,488,219	99,835,426	0	10,377,981	353,705	10,731,686
June 30, 2040	29,871,150	72,959,339	102,830,489	0	10,554,174	431,099	10,985,273
June 30, 2041	28,643,462	77,271,942	105,915,404	0	10,787,426	525,815	11,313,241
June 30, 2042	27,323,818	81,769,048	109,092,866	0	10,863,374	635,658	11,499,032
June 30, 2043	26,078,401	86,287,251	112,365,652	0	11,006,760	717,732	11,724,492
June 30, 2044	24,788,852	90,947,770	115,736,622	0	11,166,595	811,176	11,977,771
June 30, 2045	23,724,024	95,484,697	119,208,721	0	11,226,852	962,361	12,189,213
June 30, 2046	22,699,555	100,085,428	122,784,983	0	11,287,658	1,160,619	12,448,277
June 30, 2047	21,561,175	104,907,357	126,468,532	0	11,482,643	1,402,121	12,884,764
June 30, 2048	20,454,584	109,808,004	130,262,588	0	11,636,597	1,708,365	13,344,962
June 30, 2049	19,434,666	114,735,800	134,170,466	0	11,459,658	2,068,144	13,527,802
June 30, 2050	18,263,666	119,931,914	138,195,580	0	11,671,455	2,354,229	14,025,684
June 30, 2051	17,149,396	125,192,051	142,341,447	0	11,671,004	2,678,885	14,349,889
June 30, 2052	16,027,990	130,583,700	146,611,690	0	11,579,495	3,041,242	14,620,737
June 30, 2053	14,901,458	136,108,583	151,010,041	0	11,733,847	3,346,722	15,080,569
June 30, 2054	13,569,322	141,971,020	155,540,342	0	11,756,522	3,676,890	15,433,412
June 30, 2055	12,477,862	147,728,690	160,206,552	0	11,577,814	4,089,336	15,667,150
June 30, 2056	11,299,909	153,712,840	165,012,749	0	11,494,272	4,544,590	16,038,862
June 30, 2057	10,126,663	159,836,468	169,963,131	0	11,609,726	5,043,223	16,652,949
June 30, 2058	9,012,904	166,049,121	175,062,025	0	11,563,686	5,602,007	17,165,693
June 30, 2059	7,912,298	172,401,588	180,313,886	0	11,503,428	6,206,632	17,710,060
June 30, 2060	6,658,035	179,065,268	185,723,303	0	11,340,407	6,780,596	18,121,003
June 30, 2061	5,529,454	185,765,548	191,295,002	0	11,225,228	7,382,366	18,607,594
June 30, 2062	4,551,463	192,482,389	197,033,852	0	10,778,126	8,023,306	18,801,432
June 30, 2063	3,637,026	199,307,842	202,944,868	0	10,365,859	8,662,173	19,028,032

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS
CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2023 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, 2064	2,863,017	206,170,197	209,033,214	0	10,052,613	9,329,143	19,381,756
June 30, 2065	2,115,330	213,188,880	215,304,210	0	9,617,875	10,086,939	19,704,814
June 30, 2066	1,618,759	220,144,577	221,763,336	0	9,339,378	10,886,779	20,226,157
June 30, 2067	1,066,075	227,350,161	228,416,236	0	9,067,836	11,749,951	20,817,787
June 30, 2068	678,617	234,590,106	235,268,723	0	8,789,934	12,682,057	21,471,991
June 30, 2069	382,832	241,943,953	242,326,785	0	8,603,173	13,667,182	22,270,355
June 30, 2070	176,710	249,419,879	249,596,589	0	8,423,443	14,660,945	23,084,388
June 30, 2071	80,993	257,003,494	257,084,487	0	8,251,983	15,697,848	23,949,831
June 30, 2072	15,372	264,781,650	264,797,022	0	8,092,379	16,785,804	24,878,183
June 30, 2073	12,599	272,728,334	272,740,933	0	7,892,040	17,863,509	25,755,549
June 30, 2074	0	280,923,161	280,923,161	0	7,686,515	18,980,189	26,666,704
June 30, 2075	0	289,350,856	289,350,856	0	7,496,061	20,162,483	27,658,544
June 30, 2076	0	298,031,382	298,031,382	0	7,260,313	21,373,478	28,633,791
June 30, 2077	0	306,972,323	306,972,323	0	7,022,988	22,630,597	29,653,585
June 30, 2078	0	316,181,493	316,181,493	0	6,766,594	23,934,284	30,700,878
June 30, 2079	0	325,666,938	325,666,938	0	6,493,966	25,273,248	31,767,214
June 30, 2080	0	335,436,946	335,436,946	0	6,216,131	26,675,107	32,891,238
June 30, 2081	0	345,500,054	345,500,054	0	5,898,757	28,112,052	34,010,809
June 30, 2082	0	355,865,056	355,865,056	0	5,599,205	29,594,060	35,193,265
June 30, 2083	0	366,541,008	366,541,008	0	5,277,729	31,122,865	36,400,594
June 30, 2084	0	377,537,238	377,537,238	0	4,942,029	32,690,443	37,632,472
June 30, 2085	0	388,863,355	388,863,355	0	4,605,074	34,314,183	38,919,257
June 30, 2086	0	400,529,256	400,529,256	0	4,250,547	35,976,643	40,227,190
June 30, 2087	0	412,545,134	412,545,134	0	3,897,956	37,694,279	41,592,235
June 30, 2088	0	424,921,488	424,921,488	0	3,545,028	39,471,570	43,016,598
June 30, 2089	0	437,669,133	437,669,133	0	3,195,548	41,299,247	44,494,795
June 30, 2090	0	450,799,207	450,799,207	0	2,854,188	43,200,311	46,054,499
June 30, 2091	0	464,323,183	464,323,183	0	2,524,117	45,158,147	47,682,264
June 30, 2092	0	478,252,878	478,252,878	0	2,210,881	47,179,649	49,390,530
June 30, 2093	0	492,600,464	492,600,464	0	1,916,784	49,271,319	51,188,103
June 30, 2094	0	507,378,478	507,378,478	0	1,643,924	51,425,454	53,069,378
June 30, 2095	0	522,599,832	522,599,832	0	1,393,981	53,650,232	55,044,213
June 30, 2096	0	538,277,827	538,277,827	0	1,168,019	55,945,312	57,113,331
June 30, 2097	0	554,426,162	554,426,162	0	966,542	58,316,469	59,283,011
June 30, 2098	0	571,058,947	571,058,947	0	789,400	60,770,227	61,559,627

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 2023 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	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2024	6,650,215	6,532,276	974,851	7,507,127	0	6,532,276	6,532,276	881,817	8,506,883
June 30, 2025	8,506,883	6,517,437	947,761	7,465,198	0	6,517,437	6,517,437	561,076	10,015,720
June 30, 2026	10,015,720	6,955,346	929,832	7,885,178	0	6,955,346	6,955,346	715,303	11,660,855
June 30, 2027	11,660,855	7,243,177	914,717	8,157,894	0	7,243,177	7,243,177	827,158	13,402,730
June 30, 2028	13,402,730	7,614,330	859,150	8,473,480	0	7,614,330	7,614,330	944,262	15,206,142
June 30, 2029	15,206,142	7,827,561	840,448	8,668,009	0	7,827,561	7,827,561	1,066,807	17,113,397
June 30, 2030	17,113,397	8,208,081	825,108	9,033,189	0	8,208,081	8,208,081	1,196,557	19,135,062
June 30, 2031	19,135,062	8,717,182	805,798	9,522,980	0	8,717,182	8,717,182	1,333,988	21,274,848
June 30, 2032	21,274,848	8,851,841	786,709	9,638,550	0	8,851,841	8,851,841	1,479,495	23,541,052
June 30, 2033	23,541,052	9,159,522	767,715	9,927,237	0	9,159,522	9,159,522	1,633,638	25,942,405
June 30, 2034	25,942,405	9,536,698	748,507	10,285,205	0	9,536,698	9,536,698	1,797,006	28,487,918
June 30, 2035	28,487,918	9,660,045	727,625	10,387,670	0	9,691,325	9,691,325	1,970,163	31,154,426
June 30, 2036	31,154,426	9,856,331	710,400	10,566,731	0	9,934,529	9,934,529	2,151,707	33,938,335
June 30, 2037	33,938,335	10,175,579	690,285	10,865,864	0	10,319,746	10,319,746	2,341,172	36,825,625
June 30, 2038	36,825,625	10,346,144	674,098	11,020,242	0	10,583,269	10,583,269	2,537,830	39,800,428
June 30, 2039	39,800,428	10,377,981	659,790	11,037,771	0	10,731,686	10,731,686	2,740,529	42,847,042
June 30, 2040	42,847,042	10,554,174	1,332,452	11,886,626	0	10,985,273	10,985,273	2,971,205	46,719,600
June 30, 2041	46,719,600	10,787,426	1,257,642	12,045,068	0	11,313,241	11,313,241	3,233,188	50,684,615
June 30, 2042	50,684,615	10,863,374	1,180,656	12,044,030	0	11,499,032	11,499,032	3,501,413	54,731,026
June 30, 2043	54,731,026	11,006,760	1,108,753	12,115,513	0	11,724,492	11,724,492	3,775,368	58,897,415
June 30, 2044	58,897,415	11,166,595	1,033,462	12,200,057	0	11,977,771	11,977,771	4,057,403	63,177,104
June 30, 2045	63,177,104	11,226,852	969,864	12,196,716	0	12,189,213	12,189,213	4,347,570	67,532,177
June 30, 2046	67,532,177	11,287,658	909,963	12,197,621	0	12,448,277	12,448,277	4,643,010	71,924,531
June 30, 2047	71,924,531	11,482,643	847,546	12,330,189	0	12,884,764	12,884,764	4,940,911	76,310,867
June 30, 2048	76,310,867	11,636,597	788,434	12,425,031	0	13,344,962	13,344,962	5,238,513	80,629,449
June 30, 2049	80,629,449	11,459,658	734,575	12,194,233	0	13,527,802	13,527,802	5,531,663	84,827,543
June 30, 2050	84,827,543	11,671,455	676,910	12,348,365	0	14,025,684	14,025,684	5,816,456	88,966,680
June 30, 2051	88,966,680	11,671,004	623,270	12,294,274	0	14,349,889	14,349,889	6,097,357	93,008,422
June 30, 2052	93,008,422	11,579,495	571,203	12,150,698	0	14,620,737	14,620,737	6,371,660	96,910,043
June 30, 2053	96,910,043	11,733,847	520,744	12,254,591	0	15,080,569	15,080,569	6,636,446	100,720,511
June 30, 2054	100,720,511	11,756,522	464,984	12,221,506	0	15,433,412	15,433,412	6,894,828	104,403,433
June 30, 2055	104,403,433	11,577,814	419,280	11,997,094	0	15,667,150	15,667,150	7,144,836	107,878,213
June 30, 2056	107,878,213	11,494,272	372,326	11,866,598	0	16,038,862	16,038,862	7,380,587	111,086,536
June 30, 2057	111,086,536	11,609,726	327,189	11,936,915	0	16,652,949	16,652,949	7,598,199	113,968,701
June 30, 2058	113,968,701	11,563,686	285,549	11,849,235	0	17,165,693	17,165,693	7,793,653	116,445,896
June 30, 2059	116,445,896	11,503,428	245,812	11,749,240	0	17,710,060	17,710,060	7,961,511	118,446,587
June 30, 2060	118,446,587	11,340,407	202,829	11,543,236	0	18,121,003	18,121,003	8,096,714	119,965,534
June 30, 2061	119,965,534	11,225,228	165,178	11,390,406	0	18,607,594	18,607,594	8,199,194	120,947,540
June 30, 2062	120,947,540	10,778,126	133,323	10,911,449	0	18,801,432	18,801,432	8,265,195	121,322,752
June 30, 2063	121,322,752	10,365,859	104,468	10,470,327	0	19,028,032	19,028,032	8,289,853	121,054,900

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 2023 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	III. Contributions to	IV. Gross	V. Administrative	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. +VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
		II. Employer Share of Benefit Payments for Current Plan Members	Trust for Current Plan Members beyond Pay-as-you-go	Contributions to Trust for Current Plan Members [II. + III.]				
June 30, 2064	121,054,900	10,052,613	80,639	10,133,252	0	19,381,756	8,270,758	120,077,154
June 30, 2065	120,077,154	9,617,875	58,423	9,676,298	0	19,704,814	8,203,232	118,251,870
June 30, 2066	118,251,870	9,339,378	43,840	9,383,218	0	20,226,157	8,078,075	115,487,006
June 30, 2067	115,487,006	9,067,836	28,311	9,096,147	0	20,817,787	7,888,713	111,654,079
June 30, 2068	111,654,079	8,789,934	17,672	8,807,606	0	21,471,991	7,626,567	106,616,261
June 30, 2069	106,616,261	8,603,173	9,776	8,612,949	0	22,270,355	7,282,219	100,241,074
June 30, 2070	100,241,074	8,423,443	4,425	8,427,868	0	23,084,388	6,846,614	92,431,168
June 30, 2071	92,431,168	8,251,983	1,989	8,253,972	0	23,949,831	6,313,116	83,048,425
June 30, 2072	83,048,425	8,092,379	370	8,092,749	0	24,878,183	5,672,220	71,935,211
June 30, 2073	71,935,211	7,892,040	297	7,892,337	0	25,755,549	4,913,185	58,985,184
June 30, 2074	58,985,184	7,686,515	0	7,686,515	0	26,666,704	4,028,688	44,033,683
June 30, 2075	44,033,683	7,496,061	0	7,496,061	0	27,658,544	3,007,501	26,878,701
June 30, 2076	26,878,701	7,260,313	0	7,260,313	0	28,633,791	1,835,815	7,341,038
June 30, 2077	7,341,038	7,022,988	0	7,022,988	0	29,653,585	501,393	0
June 30, 2078	0	6,766,594	0	6,766,594	0	30,700,878	0	0
June 30, 2079	0	6,493,966	0	6,493,966	0	31,767,214	0	0
June 30, 2080	0	6,216,131	0	6,216,131	0	32,891,238	0	0
June 30, 2081	0	5,898,757	0	5,898,757	0	34,010,809	0	0
June 30, 2082	0	5,599,205	0	5,599,205	0	35,193,265	0	0
June 30, 2083	0	5,277,729	0	5,277,729	0	36,400,594	0	0
June 30, 2084	0	4,942,029	0	4,942,029	0	37,632,472	0	0
June 30, 2085	0	4,605,074	0	4,605,074	0	38,919,257	0	0
June 30, 2086	0	4,250,547	0	4,250,547	0	40,227,190	0	0
June 30, 2087	0	3,897,956	0	3,897,956	0	41,592,235	0	0
June 30, 2088	0	3,545,028	0	3,545,028	0	43,016,598	0	0
June 30, 2089	0	3,195,548	0	3,195,548	0	44,494,795	0	0
June 30, 2090	0	2,854,188	0	2,854,188	0	46,054,499	0	0
June 30, 2091	0	2,524,117	0	2,524,117	0	47,682,264	0	0
June 30, 2092	0	2,210,881	0	2,210,881	0	49,390,530	0	0
June 30, 2093	0	1,916,784	0	1,916,784	0	51,188,103	0	0
June 30, 2094	0	1,643,924	0	1,643,924	0	53,069,378	0	0
June 30, 2095	0	1,393,981	0	1,393,981	0	55,044,213	0	0
June 30, 2096	0	1,168,019	0	1,168,019	0	57,113,331	0	0
June 30, 2097	0	966,542	0	966,542	0	59,283,011	0	0
June 30, 2098	0	789,400	0	789,400	0	61,559,627	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, 2023 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 [6.83%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.21%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.59%]	
June 30, 2024	6,650,215	6,532,276	6,532,276	0	6,532,276	0	6,532,276	Sum of Column V.
June 30, 2025	8,506,883	6,517,437	6,517,437	0	6,100,755	0	6,114,700	138,142,538
June 30, 2026	10,015,720	6,955,346	6,955,346	0	6,094,419	0	6,122,310	
June 30, 2027	11,660,855	7,243,177	7,243,177	0	5,940,861	0	5,981,691	Sum of Column VI.
June 30, 2028	13,402,730	7,614,330	7,614,330	0	5,846,000	0	5,899,632	6,431,550
June 30, 2029	15,206,142	7,827,561	7,827,561	0	5,625,490	0	5,690,075	
June 30, 2030	17,113,397	8,208,081	8,208,081	0	5,521,820	0	5,597,981	Sum of Column VII.
June 30, 2031	19,135,062	8,717,182	8,717,182	0	5,489,383	0	5,577,816	[V. + VI.]
June 30, 2032	21,274,848	8,851,841	8,851,841	0	5,217,804	0	5,313,981	144,574,088
June 30, 2033	23,541,052	9,159,522	9,159,522	0	5,053,983	0	5,158,905	
June 30, 2034	25,942,405	9,536,698	9,536,698	0	4,925,675	0	5,039,426	
June 30, 2035	28,487,918	9,660,045	9,660,045	0	4,670,395	0	4,789,172	
June 30, 2036	31,154,426	9,856,331	9,856,331	0	4,460,633	0	4,584,531	
June 30, 2037	33,938,335	10,175,579	10,175,579	0	4,310,694	0	4,440,553	
June 30, 2038	36,825,625	10,346,144	10,346,144	0	4,102,734	0	4,235,988	
June 30, 2039	39,800,428	10,377,981	10,377,981	0	3,852,250	0	3,986,460	
June 30, 2040	42,847,042	10,554,174	10,554,174	0	3,667,183	0	3,803,620	
June 30, 2041	46,719,600	10,787,426	10,787,426	0	3,508,593	0	3,647,447	
June 30, 2042	50,684,615	10,863,374	10,863,374	0	3,307,399	0	3,446,150	
June 30, 2043	54,731,026	11,006,760	11,006,760	0	3,136,810	0	3,275,874	
June 30, 2044	58,897,415	11,166,595	11,166,595	0	2,978,902	0	3,118,077	
June 30, 2045	63,177,104	11,226,852	11,226,852	0	2,803,498	0	2,941,185	
June 30, 2046	67,532,177	11,287,658	11,287,658	0	2,638,474	0	2,774,383	
June 30, 2047	71,924,531	11,482,643	11,482,643	0	2,512,451	0	2,647,907	
June 30, 2048	76,310,867	11,636,597	11,636,597	0	2,383,354	0	2,517,591	
June 30, 2049	80,629,449	11,459,658	11,459,658	0	2,197,055	0	2,326,104	
June 30, 2050	84,827,543	11,671,455	11,671,455	0	2,094,600	0	2,222,700	
June 30, 2051	88,966,680	11,671,004	11,671,004	0	1,960,609	0	2,085,270	
June 30, 2052	93,008,422	11,579,495	11,579,495	0	1,820,871	0	1,941,074	
June 30, 2053	96,910,043	11,733,847	11,733,847	0	1,727,177	0	1,845,403	
June 30, 2054	100,720,511	11,756,522	11,756,522	0	1,619,877	0	1,734,714	
June 30, 2055	104,403,433	11,577,814	11,577,814	0	1,493,264	0	1,602,780	
June 30, 2056	107,878,213	11,494,272	11,494,272	0	1,387,708	0	1,492,888	
June 30, 2057	111,086,536	11,609,726	11,609,726	0	1,312,035	0	1,414,705	
June 30, 2058	113,968,701	11,563,686	11,563,686	0	1,223,282	0	1,322,022	
June 30, 2059	116,445,896	11,503,428	11,503,428	0	1,139,106	0	1,233,866	
June 30, 2060	118,446,587	11,340,407	11,340,407	0	1,051,169	0	1,141,215	
June 30, 2061	119,965,534	11,225,228	11,225,228	0	973,970	0	1,059,821	
June 30, 2062	120,947,540	10,778,126	10,778,126	0	875,388	0	954,726	
June 30, 2063	121,322,752	10,365,859	10,365,859	0	788,078	0	861,468	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2023 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 [6.83%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.21%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.59%]
June 30, 2064	121,054,900	10,052,613	10,052,613	0	715,401	0	783,810
June 30, 2065	120,077,154	9,617,875	9,617,875	0	640,703	0	703,574
June 30, 2066	118,251,870	9,339,378	9,339,378	0	582,375	0	640,983
June 30, 2067	115,487,006	9,067,836	9,067,836	0	529,291	0	583,889
June 30, 2068	111,654,079	8,789,934	8,789,934	0	480,268	0	531,020
June 30, 2069	106,616,261	8,603,173	8,603,173	0	440,011	0	487,621
June 30, 2070	100,241,074	8,423,443	8,423,443	0	403,275	0	447,931
June 30, 2071	92,431,168	8,251,983	8,251,983	0	369,808	0	411,698
June 30, 2072	83,048,425	8,092,379	8,092,379	0	339,470	0	378,787
June 30, 2073	71,935,211	7,892,040	7,892,040	0	309,900	0	346,582
June 30, 2074	58,985,184	7,686,515	7,686,515	0	282,532	0	316,697
June 30, 2075	44,033,683	7,496,061	7,496,061	0	257,916	0	289,765
June 30, 2076	26,878,701	7,260,313	7,260,313	0	233,834	0	263,310
June 30, 2077	7,341,038	7,022,988	7,022,988	0	211,729	0	238,964
June 30, 2078	0	6,766,594	0	6,766,594	0	730,136	216,012
June 30, 2079	0	6,493,966	0	6,493,966	0	672,414	194,499
June 30, 2080	0	6,216,131	0	6,216,131	0	617,646	174,673
June 30, 2081	0	5,898,757	0	5,898,757	0	562,436	155,512
June 30, 2082	0	5,599,205	0	5,599,205	0	512,310	138,493
June 30, 2083	0	5,277,729	0	5,277,729	0	463,390	122,475
June 30, 2084	0	4,942,029	0	4,942,029	0	416,388	107,598
June 30, 2085	0	4,605,074	0	4,605,074	0	372,325	94,066
June 30, 2086	0	4,250,547	0	4,250,547	0	329,780	81,459
June 30, 2087	0	3,897,956	0	3,897,956	0	290,208	70,086
June 30, 2088	0	3,545,028	0	3,545,028	0	253,271	59,801
June 30, 2089	0	3,195,548	0	3,195,548	0	219,081	50,575
June 30, 2090	0	2,854,188	0	2,854,188	0	187,774	42,381
June 30, 2091	0	2,524,117	0	2,524,117	0	159,351	35,164
June 30, 2092	0	2,210,881	0	2,210,881	0	133,938	28,897
June 30, 2093	0	1,916,784	0	1,916,784	0	111,431	23,505
June 30, 2094	0	1,643,924	0	1,643,924	0	91,708	18,913
June 30, 2095	0	1,393,981	0	1,393,981	0	74,623	15,047
June 30, 2096	0	1,168,019	0	1,168,019	0	60,001	11,828
June 30, 2097	0	966,542	0	966,542	0	47,646	9,183
June 30, 2098	0	789,400	0	789,400	0	37,342	7,037

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	<u>Non-GIC:</u> Medicare Supplement Plans: effective January 1, 2024 Active Plans: effective July 1, 2024 Dental Plans: N/A <u>GIC:</u> Medicare Supplement Plans: effective July 1, 2024 Active Plans: effective July 1, 2024 Dental Plans: 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"> • Age 55 with 10 years of creditable service • 20 years of service regardless of age
On or after April 2, 2012	<ul style="list-style-type: none"> • Age 60 with 10 years of creditable service

Participant Contributions

Group	Individual	Two-Person / Family
Medical	<ul style="list-style-type: none"> • Town retirees pay 25% of premiums • Retired Teachers pay 10%-15% of premiums based on retirement date 	<ul style="list-style-type: none"> • Town retirees pay 25% of premiums • Retired Teachers pay 10%-15% of premiums based on retirement date
Dental	N/A	N/A
Life	<ul style="list-style-type: none"> • Town retirees pay 25% of premiums • Retired Teachers pay 40% of premiums 	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

<u>Pre-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021
<u>Post-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Disabled Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Assumption Experience Study</u>	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.
<u>Discount Rate</u>	6.59% per annum (previously 5.92%)
<u>Net Long Term Rate of Return</u>	6.83% (based on investment policy)
<u>Municipal Bond Rate</u>	4.21% as of June 30, 2024 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
<u>Actuarial Cost Method</u>	Individual Entry Age Normal
<u>Asset-Valuation Method</u>	Market Value of Assets as of the Measurement Date, June 30, 2024

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: Rates were developed using the SOA Getzen Model of Long-Run Medical Cost Trends with the following model input variables:

Inflation (CPI):	2.50%
Real GDP (per capita):	1.10%
Excess Medical Cost Growth:	1.10%
Expected Health Share of GDP in 2030:	21%
Health Share of GDP Resistance Point:	22.5%
Year for Limiting Cost Growth to GDP Growth:	2060

See below for a table of trend rates for select years:

Year	Rate
2021	9.00%
2022	8.00%
2023	6.50%
2024	5.00%
2025	4.96%
2026	4.92%
2027	4.88%
2028	4.84%
2029	4.81%
2030 - 2037	4.77%
2050	4.38%
2060+	3.63%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

It was assumed that 80% of employees eligible to receive retirement benefits would enroll in the retiree medical plans upon retirement. For life insurance plans, it was assumed that 80% 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.

Impact of Implicit Subsidy		
	As of the Measurement Date	
Impact on Liability	<u>June 30, 2024</u>	<u>June 30, 2023</u>
I. Total OPEB Liability	130,041,732	156,188,003
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>97,971,523</u>	<u>118,946,763</u>
III. Liability from Implicit Subsidy [I. - II.]	32,070,209	37,241,240

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2024</u>	<u>June 30, 2023</u>
IV. Employer Payments (Including Implicit Subsidy)	6,532,276	6,034,108
V. Actual Employer Payments	<u>4,876,939</u>	<u>4,612,960</u>
VI. Implicit Subsidy [IV. - V.]	1,655,337	1,421,148

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	4,748	2,993	44 & Under	9,333	6,115	65 to 69	3,197	3,282
25 to 29	7,006	3,115	45 to 49	10,252	7,722	70 to 74	3,770	3,933
30 to 34	8,853	3,910	50 to 54	12,060	10,170	75 to 79	4,375	4,644
35 to 39	9,119	4,909	55 to 59	13,942	13,222	80 to 84	5,017	5,339
40 to 44	9,333	6,115	60 to 64	16,590	16,966	85 to 89	5,609	5,948
45 to 49	10,252	7,722	65 to 69	19,887	21,162	90 & Over	5,609	5,948
50 to 54	12,060	10,170	70 to 74	23,452	25,361			
55 to 59	13,942	13,222	75 to 79	27,236	29,953			
60 to 64	16,590	16,966	80 to 84	31,227	34,429			
65 to 69	19,887	21,162	85 to 89	35,645	39,408			
70 & Over	23,452	25,361	90 & Over	35,645	39,408			

*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	6,717	4,235	44 & Under	13,203	8,652	65 to 69	3,689	3,789
25 to 29	9,910	4,407	45 to 49	14,502	10,924	70 to 74	4,352	4,540
30 to 34	12,523	5,531	50 to 54	17,060	14,387	75 to 79	5,050	5,361
35 to 39	12,900	6,944	55 to 59	19,723	18,703	80 to 84	5,792	6,162
40 to 44	13,203	8,652	60 to 64	23,469	24,001	85 to 89	6,474	6,865
45 to 49	14,502	10,924	65 to 69	28,133	29,938	90 & Over	6,474	6,865
50 to 54	17,060	14,387	70 to 74	33,177	35,877			
55 to 59	19,723	18,703	75 to 79	38,529	42,373			
60 to 64	23,469	24,001	80 to 84	44,176	48,705			
65 to 69	28,133	29,938	85 to 89	50,426	55,749			
70 & Over	33,177	35,877	90 & Over	50,426	55,749			

*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, 2024 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, 2023	July 1, 2021
A. Average Age at Hire	34.24	34.37
B. Average Service	<u>10.21</u>	<u>10.59</u>
C. Average Current Age	44.45	44.96

Retired Employees & Spouses

Valuation Date	July 1, 2023	July 1, 2021
A. Under Age 65	170	188
B. Age 65 & Over	<u>641</u>	<u>605</u>
C. Total	811	793

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	35	1								36
25-29	74	11	5							90
30-34	55	24	14	9						102
35-39	44	26	22	8	4					104
40-44	49	11	16	20	14					110
45-49	33	11	11	14	21	10				100
50-54	26	12	22	19	12	26	6			123
55-59	22	6	15	22	16	9	4	1		95
60-64	19	3	5	6	14	6	1			54
65-69	3	3	3	6	2	6		1		24
70+		2	4	3		2	1			12
Total	360	110	117	107	83	59	12	2		850

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - Non-GIC

Number of Contracts

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Blue Care Elect	33		20	53
Network Blue	251		375	626
Medex LIS	4	1		5
Medex	127	78		205
Managed Blue LIS	1			1
Managed Blue	5	3		8
Total	421	82	395	898

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Blue Care Elect	1,552.00		3,864.00
Network Blue	866.00		2,270.00
Medex LIS	371.96	743.92	
Medex	371.96	743.92	
Managed Blue LIS	360.09	720.18	
Managed Blue	360.09	720.18	
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>
Harvard Pilgrim Access America	2		2	4
Harvard Pilgrim Explorer	1		1	2
Harvard Pilgrim Quality	2			2
Mass General Brigham Health Plan Complete	1		1	2
Wellpoint Total Choice	17		11	28
Wellpoint PLUS	4		4	8
Wellpoint Community Choice	1			1
Wellpoint Medicare Extension	110	108		218
Harvard Pilgrim Medicare Enhance	5	7		12
Tufts Medicare Preferred		1		1
Total	143	116	19	278

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Harvard Pilgrim Access America	1,255.60		2,800.90
Harvard Pilgrim Explorer	1,064.70		2,638.00
Harvard Pilgrim Quality	785.70		1,999.80
Mass General Brigham Health Plan Complete	974.70		2,577.70
Wellpoint Total Choice	1,496.90		3,321.80
Wellpoint PLUS	955.80		2,277.20
Wellpoint Community Choice	742.70		1,843.60
Wellpoint Medicare Extension	443.40	886.80	
Harvard Pilgrim Medicare Enhance	434.80	869.60	
Tufts Medicare Preferred	362.80	725.60	
Dental Plan	N/A		N/A

*These rates represent the unsubsidized Indemnity premium rates

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Blue Care Elect	33		20	73	1,541,952.00	1,359,552.00
Network Blue	251		375	1,001	12,823,392.00	10,402,392.00
Total	284	0	395	1,074	14,365,344.00	11,761,944.00
Blended Average Monthly Rate:						\$ 912.63

	Medicare Supplement Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Medex LIS	4	1		6	26,781.12	26,781.12
Medex	127	78		283	1,263,176.16	1,263,176.16
Managed Blue LIS	1			1	4,321.08	4,321.08
Managed Blue	5	3		11	47,531.88	47,531.88
Total	137	82	0	301	1,341,810.24	1,341,810.24
Blended Average Monthly Rate:						\$ 371.49

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Harvard Pilgrim Access America	2		2	6	97,356.00	90,403.20
Harvard Pilgrim Explorer	1		1	3	44,432.40	38,329.20
Harvard Pilgrim Quality	2			2	18,856.80	18,856.80
Mass General Brigham Health Plan Complete	1		1	3	42,628.80	35,089.20
Wellpoint Total Choice	17		11	39	743,845.20	700,549.20
Wellpoint PLUS	4		4	12	155,184.00	137,635.20
Wellpoint Community Choice	1			1	8,912.40	8,912.40
Total	28	0	19	66	1,111,215.60	1,029,775.20
Blended Average Monthly Rate:						\$ 1,300.22

	Medicare Supplement Plan Average Premium Calculation (GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Wellpoint Medicare Extension	110	108		326	1,734,580.80	1,734,580.80
Harvard Pilgrim Medicare Enhance	5	7		19	99,134.40	99,134.40
Tufts Medicare Preferred		1		2	8,707.20	8,707.20
Total	115	116	0	347	1,842,422.40	1,842,422.40
Blended Average Monthly Rate:						\$ 442.46

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 organizations¹, 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 Conduct², 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 November 4, 2024 and its subject is the Town of North Attleborough's GASB 75 OPEB liabilities.

¹The 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.

²These 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, 2024.
- ✓ 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

Governmental 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 earning 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.