

November 4, 2024

Personal and Confidential

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

Re: GASB 74/75 – Summary of Results

Dear Ms. Catanzariti:

The purpose of this letter is to summarize our actuarial valuation of the Town of North Attleborough Other Postemployment Benefits Plan (the "Plan") for the Reporting Date and Fiscal Year ending June 30, 2024 with a Valuation Date of July 1, 2023 and a Measurement Date of June 30, 2024 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

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

The Total OPEB Liability ("TOL") went from \$156,188,003 for the June 30, 2023 Reporting Date to \$130,041,732 for the June 30, 2024 Reporting Date for a decrease of \$26,146,271. Below is an exhibit detailing the change.

Change in Total OPEB Liability	
I. TOL Balance for the June 30, 2023 Reporting Date	156,188,003
II. Passage of Time (Service Cost, Interest and Payments)	5,840,953
III. Plan Benefit Changes	0
IV. Assumption Changes	(12,771,719)
V. Prior Period Adjustment	0
VI. Expected TOL Balance for June 30, 2024 [I.+II.+III.+IV.+V.]	149,257,237
VII. Plan Experience	(19,215,505)
VIII. TOL Balance for the June 30, 2024 Reporting Date [VI.+VII.]	130,041,732

As seen above, various factors cause the liabilities to change over the year. The main factors are:

- ✓ **Plan Experience** – Decreased plan liabilities by \$19,215,505. 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** - Decreased plan liabilities by \$12,771,719. For details, please see the attached report.
- ✓ **Plan Benefit Changes** - To the best of our knowledge there were no plan benefit changes

Under MGL, you are required to provide a copy of this report to PERAC no later than 90 days from receipt. We've provided this to you in PDF format to facilitate its transmission.

If you or your auditors have questions on this report, feel free to give us a call.

Sincerely,



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

Town of North Attleborough OPEB Plan - Summary Exhibit

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	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 [II. / I.]	6.54%	4.26%
V. Employer OPEB Trust (Contribution)/Withdrawal	(974,851)	(884,284)
VI. Pay-as-you-go Cost	6,532,276	6,034,108
VII. Money Weighted Rate of Return	12.96%	8.68%
VIII. Discount Rate	6.59%	5.92%
IX. Crossover Date	2078	Immediate
X. Actuarially Determined Contribution (ADC)	9,505,862	10,445,021

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.

The Town is projected to be fully funded in the year 2054.

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.

Average Premiums:	Non-GIC	GIC:
Active Health Plan (Single coverage):	912.63	1,300.22
Medicare-Supplement Plan (Single coverage):	371.49	442.46

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.

Contributions in relation to past liabilities:	6,532,276
Contributions in relation to current liabilities:	974,851
Total Contributions:	7,507,127