

**Town of Sudbury
Other Postemployment Benefits Plan**

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2021

As of the Measurement Date:
June 30, 2022

For the Reporting Date:
June 30, 2022

Delivered October 5, 2022



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East Coast
11 Hayward Ave, Building 4
Colchester, CT 06415
(860) 537-9080

West Coast
1350 E. Flamigo Road, Suite 254
Las Vegas, NV 89119
(702) 979-2880

October 5, 2022

Personal and Confidential

Mr. Dennis Keohane
Finance Director & Treasurer/Tax Collector
Town of Sudbury
278 Old Sudbury Road
Sudbury, MA 01776

Dear Mr. Keohane:

We have performed an actuarial valuation of the Town of Sudbury Other Postemployment Benefits Plan for the Reporting Date & Fiscal Year Ending June 30, 2022 with a Measurement Date of June 30, 2022 and a Valuation Date of July 1, 2021. The figures presented in this report reflect the adoption, by the Town of Sudbury, 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,

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

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



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ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Sudbury other postemployment benefit programs with a Valuation Date of July 1, 2021 with a Measurement Date of June 30, 2022 for the Reporting Date & Fiscal Year Ending June 30, 2022 in accordance with Government Account Standards Board Statement No. 74 & 75 and Actuarial Standards of Practice as issued by the American Academy of Actuaries. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

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

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

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

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

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

EXECUTIVE SUMMARY

How did plan liabilities change from FY 21 to FY 22?

Plan Experience

For the year ending on the Measurement Date of June 30, 2022, experience was largely in line with expectation, with an experience gain of \$1,218,427 or 1.24% of the beginning Total OPEB Liability ("TOL"). This was mainly due to GIC premiums increasing by less than expected over the two-year period.

Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes decreased disclosed liabilities by approximately \$39 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 2.26% to 5.43% decreasing the disclosed liability by approximately \$41 million.
- ✓ Based on ongoing actuarial research, we have modified our assumption for future increases in healthcare costs using the Getzen model to reflect higher costs in the near-term increasing the disclosed liability by approximately \$2.1 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 \$360 thousand less 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 6.35 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 77.17% 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 9.00% increase in fiscal year 2022 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (5.43%) – 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

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.09% as of June 30, 2022.
- ✓ Current Asset Level – The Town had \$11,915,181 of OPEB assets as of June 30, 2022.
- ✓ Future Funding Policy – The Town is expected to contribute \$650,000-\$700,000 per year until 2038, where the Town will increase funding to \$1,500,000.
- ✓ Investment Policy – The Town is expected to earn 5.60% per year on assets based on its investment policy.

EXECUTIVE SUMMARY

Low Default Risk Obligation Measure (LDRM)

For purposes of this LDRM, we have used a discount rate of 4.09% 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 \$74 million vs. the \$60 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$14 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.

Medicare Buy-In

The Town currently has 9 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, 2021	July 1, 2019
Measurement Date & Period Ending	June 30, 2022	June 30, 2021
Reporting Date/Fiscal Year End	June 30, 2022	June 30, 2021
Total OPEB Liability	60,104,544	98,080,378
Per Eligible Active Plan Participant	51,208	98,317
Per Retiree/Spouse Plan Participant	61,551	87,579
Total Annual Service Cost (Annual Benefit Accrual)	1,580,708	4,551,328
Per Eligible Active Plan Participant	2,591	8,098
Expected Employer Share of Retiree Costs	1,902,479	1,757,266
Per Retiree/Spouse Plan Participant	4,056	3,594
Net OPEB Liability as a % of Covered Payroll	104.83%	206.76%

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, 2022	469	60,104,544	60,104,544	1,902,479	1,902,479
June 30, 2027	533	75,451,208	65,084,875	2,697,248	2,326,670
June 30, 2032	566	90,762,226	67,535,620	3,961,010	2,947,363
June 30, 2037	569	107,098,350	68,742,355	4,593,592	2,948,452
June 30, 2042	549	126,108,502	69,823,220	5,353,807	2,964,273
June 30, 2047	531	149,527,977	71,415,395	6,369,110	3,041,922
June 30, 2052	527	177,217,217	73,011,147	7,566,274	3,117,205

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, 2023 (Projected)	1,902,479
June 30, 2022	1,902,479
June 30, 2021	1,757,266
June 30, 2020	1,675,382
June 30, 2019	1,509,308
June 30, 2018	1,411,650

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2022 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$48,189,363 assuming a discount rate of 5.43%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$650,000-\$700,000 per year until 2038, where the Town will increase funding to \$1,500,000. The balance of this fund as of June 30, 2022 was \$11,915,181. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Sudbury
Assuming Funding - 5.43% discount rate
Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2021	July 1, 2019
For the Measurement Period ending on the Measurement Date of:	June 30, 2022	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2022	June 30, 2021
I. Total OPEB Liability		
A. Actives	31,236,965	55,254,208
B. Retirees/Disabled	<u>28,867,579</u>	<u>42,826,170</u>
C. Total	60,104,544	98,080,378
II. Fiduciary Net Position [Plan Assets]	11,915,181	10,941,453
III. Net OPEB Liability (Asset) [I. - II.]	48,189,363	87,138,925
IV. Funded Ratio [II. / I.]	19.82%	11.16%
V. Number of Eligible Participants		
A. Actives	610	562
B. Retirees/Disabled & Dependents	<u>469</u>	<u>489</u>
C. Total	1,079	1,051
VI. Service Cost	1,580,708	4,551,328
VII. Financial Statement Expense/(Income)	2,384,330	11,631,069
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(620,365)	(687,520)
IX. Deferred Inflow of Resources	(36,299,988)	(4,549,103)
X. Deferred Outflow of Resources	17,651,397	24,711,560
XI. Money Weighted Rate of Return	2.92%	17.35%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.09%	2.18%
XIII. Expected Long Term Rate of Return (Net of Expense)	5.60%	6.36%
XIV. Crossover Year	2076	Immediate
XV. Discount Rate	5.43%	2.26%

PRINCIPAL RESULTS OF THE VALUATION

**Town of Sudbury
Plan Liabilities as of the June 30, 2022 Measurement Date**

	Town Employees and Retirees	School Employees and Retirees	Pool Employees and Retirees	Transfer Station Employees and Retirees	Field Maintenance Employees and Retirees	Total
I. Total OPEB Liability						
A. Actives	9,110,445	21,900,097	120,117	106,306	0	31,236,965
B. Retirees/Disabled	<u>10,361,125</u>	<u>18,468,516</u>	<u>0</u>	<u>0</u>	<u>37,938</u>	<u>28,867,579</u>
C. Total	19,471,570	40,368,613	120,117	106,306	37,938	60,104,544
II. Fiduciary Net Position [Plan Assets]	3,860,062	8,002,712	23,812	21,074	7,521	11,915,181
III. Net OPEB Liability (Asset) [I. - II.]	15,611,508	32,365,901	96,305	85,232	30,417	48,189,363
For the Reporting Date and Fiscal Year Ending June 30, 2022						
IV. Service Cost	432,752	1,137,591	7,774	2,591	0	1,580,708
V. Financial Statement Expense/(Income)	688,873	1,681,342	9,635	4,063	417	2,384,330
VI. Employer Share of Costs	(673,373)	(1,225,050)	0	0	(4,056)	(1,902,479)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(200,974)	(416,662)	(1,240)	(1,097)	(392)	(620,365)
VIII. Total Employer Contribution [VI. + VII.]	(874,347)	(1,641,712)	(1,240)	(1,097)	(4,448)	(2,522,844)

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

Funding - 5.43% 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 5.60% return		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [III. / 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.]
2022	June 30, 2022	60,104,544	11,915,181	48,189,363	19.82%	1,580,708	1,902,479	620,365	2,522,844	1,902,479	0	620,365	
2023	June 30, 2023	63,271,660	13,276,074	49,995,586	20.98%	1,761,252	1,902,479	675,000	2,577,479	1,902,479	0	675,000	
2024	June 30, 2024	66,293,841	14,713,177	51,580,664	22.19%	1,818,130	2,086,655	675,000	2,761,655	2,086,655	0	675,000	
2025	June 30, 2025	69,286,845	16,230,757	53,056,088	23.43%	1,878,773	2,354,415	675,000	3,029,415	2,354,415	0	675,000	
2026	June 30, 2026	72,353,348	17,833,322	54,520,026	24.65%	1,940,469	2,499,650	675,000	3,174,650	2,499,650	0	675,000	
2027	June 30, 2027	75,451,208	19,525,631	55,925,577	25.88%	2,006,173	2,697,248	675,000	3,372,248	2,697,248	0	675,000	
2028	June 30, 2028	78,543,750	21,312,709	57,231,041	27.13%	2,074,201	2,958,783	675,000	3,633,783	2,958,783	0	675,000	
2029	June 30, 2029	81,602,180	23,199,863	58,402,317	28.43%	2,142,444	3,228,355	675,000	3,903,355	3,228,355	0	675,000	
2030	June 30, 2030	84,660,927	25,192,698	59,468,229	29.76%	2,209,196	3,458,018	675,000	4,133,018	3,458,018	0	675,000	
2031	June 30, 2031	87,718,567	27,297,132	60,421,435	31.12%	2,283,665	3,694,818	675,000	4,369,818	3,694,818	0	675,000	
2032	June 30, 2032	90,762,226	29,519,414	61,242,812	32.52%	2,357,924	3,961,010	675,000	4,636,010	3,961,010	0	675,000	
2033	June 30, 2033	93,835,988	31,866,144	61,969,844	33.96%	2,431,480	4,112,420	675,000	4,787,420	4,112,420	0	675,000	
2034	June 30, 2034	96,926,968	34,344,291	62,582,677	35.43%	2,508,676	4,294,616	675,000	4,969,616	4,294,616	0	675,000	
2035	June 30, 2035	100,248,195	36,961,214	63,286,981	36.87%	2,591,304	4,404,105	675,000	5,079,105	4,404,105	0	675,000	
2036	June 30, 2036	103,664,837	39,724,685	63,940,152	38.32%	2,681,700	4,523,504	675,000	5,198,504	4,523,504	0	675,000	
2037	June 30, 2037	107,098,350	42,642,910	64,455,440	39.82%	2,769,705	4,593,592	675,000	5,268,592	4,593,592	0	675,000	
2038	June 30, 2038	110,660,945	46,572,341	64,088,604	42.09%	2,858,809	4,737,123	1,500,000	6,237,123	4,737,123	0	1,500,000	
2039	June 30, 2039	114,167,729	50,721,820	63,445,909	44.43%	2,956,730	4,883,903	1,500,000	6,383,903	4,883,903	0	1,500,000	
2040	June 30, 2040	118,000,886	55,103,670	62,897,216	46.70%	3,052,886	4,944,408	1,500,000	6,444,408	4,944,408	0	1,500,000	
2041	June 30, 2041	121,848,541	59,730,903	62,117,638	49.02%	3,161,498	5,156,780	1,500,000	6,656,780	5,156,780	0	1,500,000	
2042	June 30, 2042	126,108,502	64,617,261	61,491,241	51.24%	3,268,577	5,353,807	1,500,000	6,853,807	5,353,807	0	1,500,000	
2043	June 30, 2043	130,478,991	69,777,256	60,701,735	53.48%	3,381,785	5,491,298	1,500,000	6,991,298	5,491,298	0	1,500,000	
2044	June 30, 2044	134,950,895	75,226,210	59,724,685	55.74%	3,497,509	5,682,268	1,500,000	7,182,268	5,682,268	0	1,500,000	
2045	June 30, 2045	139,697,413	80,980,306	58,717,107	57.97%	3,616,516	5,933,069	1,500,000	7,433,069	5,933,069	0	1,500,000	
2046	June 30, 2046	144,481,149	87,056,631	57,424,518	60.25%	3,748,834	6,228,764	1,500,000	7,728,764	6,228,764	0	1,500,000	
2047	June 30, 2047	149,527,977	93,473,230	56,054,747	62.51%	3,879,934	6,369,110	1,500,000	7,869,110	6,369,110	0	1,500,000	
2048	June 30, 2048	154,605,196	100,249,159	54,356,037	64.84%	4,018,144	6,627,767	1,500,000	8,127,767	6,627,767	0	1,500,000	
2049	June 30, 2049	159,868,201	107,404,540	52,463,661	67.18%	4,162,557	6,923,542	1,500,000	8,423,542	6,923,542	0	1,500,000	
2050	June 30, 2050	165,508,584	114,960,622	50,547,962	69.46%	4,318,866	7,095,341	1,500,000	8,595,341	7,095,341	0	1,500,000	
2051	June 30, 2051	171,203,035	122,939,845	48,263,190	71.81%	4,478,242	7,305,968	1,500,000	8,805,968	7,305,968	0	1,500,000	
2052	June 30, 2052	177,217,217	131,365,904	45,851,313	74.13%	4,641,078	7,566,274	1,500,000	9,066,274	7,566,274	0	1,500,000	

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 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, 2022	
Description	Amount
I. Service Cost	1,580,708
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	2,230,963
III. Deferred (Inflows)/Outflows from Plan Experience*	(1,700,190)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	970,935
V. Projected Earnings on OPEB Plan Investments	(715,225)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	17,139
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.]	2,384,330
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	2,384,330

* Amortized over 6.35 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 Measurement Date)

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability				
		Increase (Decrease)		
		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I.	Balances for the June 30, 2021 Reporting Date	98,080,378	10,941,453	87,138,925
II.	Prior Period Adjustment	0	0	0
III.	Balances for the June 30, 2021 Reporting Date with Adjustment [I. + II.]	98,080,378	10,941,453	87,138,925
Changes for the year:				
IV.	Service Cost	1,580,708	0	1,580,708
V.	Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,230,963	0	2,230,963
VI.	Changes in Benefit Terms *	0	0	0
VII.	Change in Assumptions **	(38,666,599)	0	(38,666,599)
VIII.	Differences Between Actual and Expected Experience **	(1,218,427)	0	(1,218,427)
IX.	Net Investment Income	0	353,363	(353,363)
X.	Employer Contributions to Trust	0	2,522,844	(2,522,844)
XI.	Benefit Payments Withdrawn from Trust	0	(1,902,479)	1,902,479
XII.	Benefit Payments Excluding Implicit Cost	(1,483,537)	0	(1,483,537)
XIII.	Implicit Cost Amount	(418,942)	0	(418,942)
XIV.	Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(1,902,479)	0	(1,902,479)
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.]	(37,975,834)	973,728	(38,949,562)
XVIII.	Balances for the June 30, 2022 Reporting Date [III.+XVII.]	60,104,544	11,915,181	48,189,363

* Recognized Immediately

** Amortized over 6.35 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 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			2022	2023	2024	2025	2026	2027
	Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	(6,260,543)	6.01	(1,052,103)	(1,041,688)	(1,041,688)	(10,415)			
2019	0	6.01	0	0	0	0	0		
2020	(2,832,407)	6.07	(1,432,535)	(466,624)	(466,624)	(466,624)	(466,624)	(32,663)	
2021	0	6.07	0	0	0	0	0	0	0
2022	(1,218,427)	6.35	(1,026,549)	(191,878)	(191,878)	(191,878)	(191,878)	(191,878)	(191,878)
2023									
2024									
2025									
2026									
Total Remaining Balance			(3,511,187)						
Net increase (decrease) in OPEB Expense				(1,700,190)	(1,700,190)	(668,917)	(658,502)	(224,541)	(191,878)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in			2022	2023	2024	2025	2026	2027
	Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	9,184,285	6.01	1,543,450	1,528,167	1,528,167	15,283			
2019	6,217,539	6.01	2,079,411	1,034,532	1,034,532	1,034,532	10,347		
2020	25,956,202	6.07	13,127,767	4,276,145	4,276,145	4,276,145	4,276,145	299,332	
2021	1,343,407	6.07	900,769	221,319	221,319	221,319	221,319	221,319	15,493
2022	(38,666,599)	6.35	(32,577,371)	(6,089,228)	(6,089,228)	(6,089,228)	(6,089,228)	(6,089,228)	(6,089,228)
2023									
2024									
2025									
2026									
Total Remaining Balance			(14,925,974)						
Net increase (decrease) in OPEB Expense				970,935	970,935	(541,949)	(1,581,417)	(5,568,577)	(6,073,735)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 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			2022	2023	2024	2025	2026	2027
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017			0	97,956					
2018	489,780	5.00	0	97,956					
2019	(113,832)	5.00	(22,767)	(22,767)	(22,767)				
2020	434,418	5.00	173,766	86,884	86,883	86,883			
2021	(1,086,531)	5.00	(651,919)	(217,306)	(217,306)	(217,306)	(217,307)		
2022	361,862	5.00	289,490	72,372	72,372	72,372	72,372	72,374	
2023									
2024									
2025									
2026									
Total Remaining Balance			(211,430)						
Net increase (decrease) in OPEB Expense				17,139	(80,818)	(58,051)	(144,935)	72,374	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 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, 2022 to be Reported for the Fiscal Year Ending June 30, 2022			
	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	(3,511,187)	(3,511,187)
III. Changes of Assumptions	17,651,397	(32,577,371)	(14,925,974)
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(211,430)	(211,430)
VI. Total [I. + II. + III. + IV.]	17,651,397	(36,299,988)	(18,648,591)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 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, 2022 will be recognized in future years as shown below.	
Year ending June 30:	
2023	(810,073)
2024	(1,268,917)
2025	(2,384,854)
2026	(5,720,744)
2027	(6,265,613)
Thereafter	(2,198,390)

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 5.43% as of June 30, 2022 and 2.26% as of June 30, 2021. 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 2076 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 4.09% as of June 30, 2022. 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, 2022 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, 2022 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$1,902,479. The Town also contributed \$620,365 to an OPEB Trust for a total contribution during the measurement period of \$2,522,844 to be reported on the financial statement for the fiscal year ending June 30, 2022.

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	65.50%	Domestic Equity - Large Cap	4.42%
Domestic Equity - Small/Mid Cap	0.00%	Domestic Equity - Small/Mid Cap	4.81%
International Equity - Developed Market	3.50%	International Equity - Developed Market	4.91%
International Equity - Emerging Market	0.00%	International Equity - Emerging Market	5.58%
Domestic Fixed Income	28.00%	Domestic Fixed Income	1.00%
International Fixed Income	0.00%	International Fixed Income	1.04%
Alternatives	0.00%	Alternatives	5.98%
Real Estate	0.00%	Real Estate	6.25%
Cash	3.00%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	3.35%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	5.85%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	<u>5.60%</u>

* Mean Geometric Returns based on 2021 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 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, 2022	3,788,009	(2,522,844)	1,265,165	45,967,663	5.49%
June 30, 2021	7,039,257	(2,444,786)	4,594,471	42,145,772	5.80%
June 30, 2020	4,806,807	(2,272,124)	2,534,683	41,146,333	5.52%
June 30, 2019	4,185,097	(2,239,747)	1,945,350	39,495,099	5.67%
June 30, 2018	3,999,612	(1,987,757)	2,011,855	35,461,031	5.61%
June 30, 2017	4,244,275	(1,860,697)	2,383,578	38,721,911	4.81%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	39,650,166	48,189,363	59,028,434

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	57,984,514	5.43%	40,397,472

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2021	10,941,453	12	1.0000
Monthly net external cash flows:			
July	1,847,373	11	0.9167
August	(116,800)	10	0.8333
September	(113,669)	9	0.7500
October	(114,401)	8	0.6667
November	(113,188)	7	0.5833
December	(112,296)	6	0.5000
January	(111,332)	5	0.4167
February	(109,634)	4	0.3333
March	(108,759)	3	0.2500
April	(107,876)	2	0.1667
May	(109,367)	1	0.0833
<u>June</u>	<u>(109,684)</u>	0	0.0000
II. Total net external cash flow	620,365		
III. Earnings and increase in fair value	353,363		
IV. Ending value - June 30, 2022 [I.+II.+III.]	11,915,181		
Money Weighted Rate of Return	2.92%		
Asset Value - June 30, 2022	11,915,181		

EXHIBIT A
FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2022 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2022						Total
	Town	School	Pool Employees and Retirees	Transfer Station	Field	Total	
	Employees and Retirees	Employees and Retirees		Employees and Retirees	Maintenance Employees and Retirees		
I. Total OPEB Liability as of June 30, 2022	19,471,570	40,368,613	120,117	106,306	37,938	60,104,544	
II. Fiduciary Net Position as of June 30, 2022	3,860,062	8,002,712	23,812	21,074	7,521	11,915,181	
III. Net OPEB Liability (Asset) as of June 30, 2022 [I. - II.]	15,611,508	32,365,901	96,305	85,232	30,417	48,189,363	
IV. Service Cost	432,752	1,137,591	7,774	2,591	0	1,580,708	
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	718,479	1,502,454	4,716	3,998	1,316	2,230,963	
VI. Projected Earnings on OPEB Plan Investments	(231,660)	(480,417)	(1,432)	(1,266)	(450)	(715,225)	
VII. Net Recognition of Deferred (Inflows)/Outflows	(230,698)	(478,286)	(1,423)	(1,260)	(449)	(712,116)	
VIII. OPEB Plan Administrative Expense	0	0	0	0	0	0	
IX. Expense Related to Change in Benefit Terms	0	0	0	0	0	0	
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	688,873	1,681,342	9,635	4,063	417	2,384,330	
XI. Employer Share of Costs	(673,373)	(1,225,050)	0	0	(4,056)	(1,902,479)	
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(200,974)	(416,662)	(1,240)	(1,097)	(392)	(620,365)	
XIII. Total Employer Contribution [XI. + XII.]	(874,347)	(1,641,712)	(1,240)	(1,097)	(4,448)	(2,522,844)	
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(185,474)	39,630	8,395	2,966	(4,031)	(138,514)	

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2022 Measurement Date)

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

Valuation Date	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2022
For the Reporting Period & Fiscal Year ending on:	June 30, 2022

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(3,511,187)
II. Deferred (Inflow)/Outflow from Investment Experience	(211,430)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	(14,925,974)

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	25,070,166
II. Deferred Outflow created during the period	361,862
III. Deferred Outflow recognized during the period	7,317,375
IV. Change in Deferred Outflow (II. - III.)	(6,955,513)
V. Deferred Outflow at end of the period (I. + IV.)	18,114,653
VI. Deferred Inflow at the beginning of the period	(4,907,709)
VII. Deferred Inflow created during the period	(39,885,026)
VIII. Deferred Inflow recognized during the period	(8,029,491)
IX. Change in Deferred Inflow (VII. - VIII.)	(31,855,535)
X. Deferred inflow at end of the period (VI. + IX.)	(36,763,244)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	87,138,925
II. Service Cost	1,580,708
III. Interest on Total OPEB Liability, Service Cost, and Payments	2,230,963
IV. Projected Investment Income	(715,225)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(2,522,844)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	573,602
IX. Deferred Outflow created during the period	361,862
X. Deferred Inflow created during the period	(39,885,026)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	48,189,363

Net OPEB Expense	
I. Service Cost	1,580,708
II. Interest on Total OPEB Liability, Service Cost, and Payments	2,230,963
III. Projected Investment Income	(715,225)
IV. Recognition of Deferred (Inflow)/Outflow	(712,116)
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.)	2,384,330
VIII. Benefit Payments	(1,902,479)
IX. Contributions to Trust	(620,365)
X. Total Employer Payments (VIII. + IX.)	(2,522,844)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	(138,514)

EXHIBIT A
REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2022 Measurement Date)

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios						
Valuation Date	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	60,104,544	98,080,378	91,748,227	66,064,843	56,715,686	50,682,122
I. Service Cost	1,580,708	4,551,328	2,625,560	2,142,474	2,050,213	2,554,435
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,230,963	2,194,682	2,537,689	2,498,452	2,471,259	2,248,478
III. Changes in Benefit Terms	0	0	(928,278)	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(1,218,427)	0	(2,832,407)	0	(6,260,543)	0
V. Changes of Assumptions	(38,666,599)	1,343,407	25,956,202	6,217,539	9,184,285	(6,789,769)
VI. Benefit Payments Excluding Implicit Cost	(1,483,537)	N/A	N/A	N/A	N/A	N/A
VII. Implicit Cost Amount	(418,942)	N/A	N/A	N/A	N/A	N/A
VIII. Total Benefit Payments	(1,902,479)	(1,757,266)	(1,675,382)	(1,509,308)	(1,411,650)	(1,417,777)
IX. Other	0	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(37,975,834)	6,332,151	25,683,384	9,349,157	6,033,564	(3,404,633)
XI. Total OPEB Liability - Beginning of Period	98,080,378	91,748,227	66,064,843	56,715,686	50,682,122	54,086,755
XII. Change Due to Proportional Share	0	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	98,080,378	91,748,227	66,064,843	56,715,686	50,682,122	54,086,755
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	60,104,544	98,080,378	91,748,227	66,064,843	56,715,686	50,682,122
Plan Fiduciary Net Position	11,915,181	10,941,453	8,555,842	7,794,009	6,429,146	5,880,200
XV. Earnings from Plan Investments	353,363	1,698,091	165,091	634,424	(27,161)	198,566
XVI. Employer Contribution to Trust	2,522,844	2,444,786	2,272,124	2,239,747	1,987,757	1,860,697
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,902,479)	(1,757,266)	(1,675,382)	(1,509,308)	(1,411,650)	(1,417,777)
XVIII. Administrative Expense	0	0	0	0	0	0
XIX. Other	0	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	973,728	2,385,611	761,833	1,364,863	548,946	641,486
XXI. Plan Fiduciary Net Position - Beginning of Period	10,941,453	8,555,842	7,794,009	6,429,146	5,880,200	5,238,714
XXII. Prior Period Adjustment	0	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	10,941,453	8,555,842	7,794,009	6,429,146	5,880,200	5,238,714
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	11,915,181	10,941,453	8,555,842	7,794,009	6,429,146	5,880,200
XXV. Net OPEB Liability [XIV.-XXIV.]	48,189,363	87,138,925	83,192,385	58,270,834	50,286,540	44,801,922
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	19.82%	11.16%	9.33%	11.80%	11.34%	11.60%
XXVII. Covered Employee Payroll	45,967,663	42,145,772	41,146,333	39,495,099	35,461,031	38,721,911
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	104.83%	206.76%	202.19%	147.54%	141.81%	115.70%
Single Discount Rate to Calculate Plan Liabilities	5.43%	2.26%	2.30%	N/A	N/A	N/A

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 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 2022 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:

<u>Actuarially Determined Contribution - Deficiency / (Excess)</u>						
For the Fiscal Year Ending:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	1,580,708	4,551,328	2,625,560	2,142,474	2,050,213	2,554,435
II. 30 Year Level Dollar Amortization of NOL	<u>2,207,301</u>	<u>2,487,929</u>	<u>2,181,247</u>	<u>2,042,623</u>	<u>1,949,399</u>	<u>1,689,840</u>
III. Actuarial Determined Contribution [I. + II.]	3,788,009	7,039,257	4,806,807	4,185,097	3,999,612	4,244,275
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(2,522,844)</u>	<u>(2,444,786)</u>	<u>(2,272,124)</u>	<u>(2,239,747)</u>	<u>(1,987,757)</u>	<u>(1,860,697)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>1,265,165</u>	<u>4,594,471</u>	<u>2,534,683</u>	<u>1,945,350</u>	<u>2,011,855</u>	<u>2,383,578</u>
Covered Employee Payroll	45,967,663	42,145,772	41,146,333	39,495,099	35,461,031	38,721,911
Contributions as a % of Covered Employee Payroll	5.49%	5.80%	5.52%	5.67%	5.61%	4.81%
Discount Rate	5.43%	2.30%	4.75%	4.75%	0.00%	0.00%
Money Weighted Rate of Return	2.92%	17.35%	1.86%	8.35%	(0.39%)	3.26%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2021.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2022.

Actuarial Assumptions:

Investment Rate of Return:	5.60%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	5.43%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2022 and for future periods
Salary Increases:	3.00% annually as of June 30, 2022 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

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

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Plan Membership

At July 1, 2021, OPEB plan membership consisted of the following:

Retirees & Beneficiaries:	469
Actives:	<u>610</u>
Total:	1,079

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, 2021 to June 30, 2022

- ✓ Due to the GASB 75 standards the discount rate has been changed from 2.26% to 5.43%.
- ✓ Based on ongoing actuarial research, we have modified our assumption for future increases in healthcare costs using the Getzen model to reflect higher costs in the near-term.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$620,365 beyond the pay-as-you-go cost for the period ending on the June 30, 2022 Measurement Date. For the year ending on the June 30, 2022 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$1,902,479. \$418,942 of the \$1,902,479 represents implicit cost.

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 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, 2021 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, 2022	45,967,663	0	45,967,663	0	1,902,479	0	1,902,479
June 30, 2023	42,861,135	4,485,558	47,346,693	0	1,902,479	0	1,902,479
June 30, 2024	40,276,745	8,490,349	48,767,094	0	2,086,655	0	2,086,655
June 30, 2025	38,189,321	12,040,786	50,230,107	0	2,354,415	0	2,354,415
June 30, 2026	36,339,672	15,397,338	51,737,010	0	2,499,650	0	2,499,650
June 30, 2027	34,600,466	18,688,654	53,289,120	0	2,697,248	0	2,697,248
June 30, 2028	33,030,735	21,857,059	54,887,794	0	2,958,783	0	2,958,783
June 30, 2029	31,481,625	25,052,803	56,534,428	0	3,228,355	0	3,228,355
June 30, 2030	29,914,642	28,315,819	58,230,461	0	3,458,018	0	3,458,018
June 30, 2031	28,384,760	31,592,615	59,977,375	0	3,694,818	0	3,694,818
June 30, 2032	26,924,207	34,852,489	61,776,696	0	3,961,010	0	3,961,010
June 30, 2033	25,486,699	38,143,298	63,629,997	0	4,097,439	14,981	4,112,420
June 30, 2034	24,063,905	41,474,992	65,538,897	0	4,255,595	39,021	4,294,616
June 30, 2035	22,715,228	44,789,836	67,505,064	0	4,330,757	73,348	4,404,105
June 30, 2036	21,567,399	47,962,817	69,530,216	0	4,400,926	122,578	4,523,504
June 30, 2037	20,445,069	51,171,053	71,616,122	0	4,409,075	184,517	4,593,592
June 30, 2038	19,311,697	54,452,909	73,764,606	0	4,510,704	226,419	4,737,123
June 30, 2039	18,305,384	57,672,160	75,977,544	0	4,608,157	275,746	4,883,903
June 30, 2040	17,212,573	61,044,297	78,256,870	0	4,610,356	334,052	4,944,408
June 30, 2041	16,253,333	64,351,243	80,604,576	0	4,780,268	376,512	5,156,780
June 30, 2042	15,308,898	67,713,815	83,022,713	0	4,929,976	423,831	5,353,807
June 30, 2043	14,580,148	70,933,246	85,513,394	0	4,989,050	502,248	5,491,298
June 30, 2044	13,859,046	74,219,750	88,078,796	0	5,076,094	606,174	5,682,268
June 30, 2045	13,057,543	77,663,617	90,721,160	0	5,197,305	735,764	5,933,069
June 30, 2046	12,420,099	81,022,696	93,442,795	0	5,327,884	900,880	6,228,764
June 30, 2047	11,742,262	84,503,817	96,246,079	0	5,274,115	1,094,995	6,369,110
June 30, 2048	11,039,532	88,093,929	99,133,461	0	5,374,810	1,252,957	6,627,767
June 30, 2049	10,297,423	91,810,042	102,107,465	0	5,495,853	1,427,689	6,923,542
June 30, 2050	9,673,103	95,497,586	105,170,689	0	5,471,054	1,624,287	7,095,341
June 30, 2051	9,012,388	99,313,422	108,325,810	0	5,514,930	1,791,038	7,305,968
June 30, 2052	8,252,899	103,322,685	111,575,584	0	5,595,478	1,970,796	7,566,274
June 30, 2053	7,524,429	107,398,423	114,922,852	0	5,556,980	2,196,986	7,753,966
June 30, 2054	6,833,832	111,536,706	118,370,538	0	5,510,876	2,448,417	7,959,293
June 30, 2055	6,041,325	115,880,329	121,921,654	0	5,577,363	2,728,127	8,305,490
June 30, 2056	5,324,214	120,255,090	125,579,304	0	5,520,253	3,041,382	8,561,635
June 30, 2057	4,619,402	124,727,281	129,346,683	0	5,529,511	3,379,953	8,909,464
June 30, 2058	3,913,787	129,313,296	133,227,083	0	5,478,163	3,709,927	9,188,090
June 30, 2059	3,226,460	133,997,435	137,223,895	0	5,379,183	4,053,537	9,432,720
June 30, 2060	2,637,446	138,703,166	141,340,612	0	5,277,898	4,419,743	9,697,641
June 30, 2061	2,101,002	143,479,828	145,580,830	0	5,191,849	4,786,524	9,978,373

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2021 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, 2062	1,650,762	148,297,493	149,948,255	0	5,095,886	5,167,226	10,263,112
June 30, 2063	1,251,381	153,195,322	154,446,703	0	4,963,295	5,599,416	10,562,711
June 30, 2064	902,549	158,177,555	159,080,104	0	4,821,747	6,057,156	10,878,903
June 30, 2065	572,627	163,279,880	163,852,507	0	4,734,239	6,553,249	11,287,488
June 30, 2066	394,095	168,373,987	168,768,082	0	4,617,032	7,089,403	11,706,435
June 30, 2067	239,047	173,592,077	173,831,124	0	4,547,782	7,654,954	12,202,736
June 30, 2068	130,194	178,915,864	179,046,058	0	4,467,731	8,235,830	12,703,561
June 30, 2069	57,675	184,359,765	184,417,440	0	4,362,420	8,839,067	13,201,487
June 30, 2070	18,819	189,931,144	189,949,963	0	4,292,570	9,473,027	13,765,597
June 30, 2071	0	195,648,462	195,648,462	0	4,196,296	10,104,425	14,300,721
June 30, 2072	0	201,517,916	201,517,916	0	4,080,931	10,758,178	14,839,109
June 30, 2073	0	207,563,453	207,563,453	0	3,981,710	11,451,618	15,433,328
June 30, 2074	0	213,790,357	213,790,357	0	3,876,792	12,163,117	16,039,909
June 30, 2075	0	220,204,068	220,204,068	0	3,755,798	12,904,005	16,659,803
June 30, 2076	0	226,810,190	226,810,190	0	3,626,186	13,673,430	17,299,616
June 30, 2077	0	233,614,496	233,614,496	0	3,482,978	14,463,773	17,946,751
June 30, 2078	0	240,622,931	240,622,931	0	3,341,912	15,297,446	18,639,358
June 30, 2079	0	247,841,619	247,841,619	0	3,201,142	16,152,104	19,353,246
June 30, 2080	0	255,276,868	255,276,868	0	3,053,006	17,033,823	20,086,829
June 30, 2081	0	262,935,174	262,935,174	0	2,889,985	17,944,560	20,834,545
June 30, 2082	0	270,823,229	270,823,229	0	2,722,004	18,879,013	21,601,017
June 30, 2083	0	278,947,926	278,947,926	0	2,556,980	19,848,280	22,405,260
June 30, 2084	0	287,316,364	287,316,364	0	2,391,833	20,841,477	23,233,310
June 30, 2085	0	295,935,855	295,935,855	0	2,218,056	21,866,557	24,084,613
June 30, 2086	0	304,813,931	304,813,931	0	2,045,344	22,928,999	24,974,343
June 30, 2087	0	313,958,349	313,958,349	0	1,870,590	24,021,870	25,892,460
June 30, 2088	0	323,377,099	323,377,099	0	1,700,443	25,160,407	26,860,850
June 30, 2089	0	333,078,412	333,078,412	0	1,536,529	26,332,276	27,868,805
June 30, 2090	0	343,070,764	343,070,764	0	1,376,306	27,542,271	28,918,577
June 30, 2091	0	353,362,887	353,362,887	0	1,223,522	28,795,857	30,019,379
June 30, 2092	0	363,963,774	363,963,774	0	1,078,974	30,088,185	31,167,159
June 30, 2093	0	374,882,687	374,882,687	0	943,384	31,422,651	32,366,035
June 30, 2094	0	386,129,168	386,129,168	0	817,323	32,800,301	33,617,624
June 30, 2095	0	397,713,043	397,713,043	0	701,295	34,224,604	34,925,899
June 30, 2096	0	409,644,434	409,644,434	0	595,538	35,700,536	36,296,074

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 2021 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 [III. + 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, 2022	10,941,453	1,902,479	620,365	2,522,844	0	1,902,479	1,902,479	353,363	11,915,181
June 30, 2023	11,915,181	1,902,479	611,051	2,513,530	0	1,902,479	1,902,479	620,912	13,147,144
June 30, 2024	13,147,144	2,086,655	557,483	2,644,138	0	2,086,655	2,086,655	751,637	14,456,264
June 30, 2025	14,456,264	2,354,415	513,194	2,867,609	0	2,354,415	2,354,415	823,724	15,793,182
June 30, 2026	15,793,182	2,499,650	474,115	2,973,765	0	2,499,650	2,499,650	897,513	17,164,810
June 30, 2027	17,164,810	2,697,248	438,275	3,135,523	0	2,697,248	2,697,248	973,334	18,576,419
June 30, 2028	18,576,419	2,958,783	406,206	3,364,989	0	2,958,783	2,958,783	1,051,498	20,034,123
June 30, 2029	20,034,123	3,228,355	375,879	3,604,234	0	3,228,355	3,228,355	1,132,292	21,542,294
June 30, 2030	21,542,294	3,458,018	346,767	3,804,785	0	3,458,018	3,458,018	1,215,946	23,105,007
June 30, 2031	23,105,007	3,694,818	319,449	4,014,267	0	3,694,818	3,694,818	1,302,703	24,727,159
June 30, 2032	24,727,159	3,961,010	294,186	4,255,196	0	3,961,010	3,961,010	1,392,846	26,414,191
June 30, 2033	26,414,191	4,097,439	270,368	4,367,807	0	4,112,420	4,112,420	1,486,662	28,156,240
June 30, 2034	28,156,240	4,255,595	247,840	4,503,435	0	4,294,616	4,294,616	1,583,594	29,948,653
June 30, 2035	29,948,653	4,330,757	227,135	4,557,892	0	4,404,105	4,404,105	1,683,398	31,785,838
June 30, 2036	31,785,838	4,400,926	209,377	4,610,303	0	4,523,504	4,523,504	1,785,790	33,658,427
June 30, 2037	33,658,427	4,409,075	192,700	4,601,775	0	4,593,592	4,593,592	1,890,194	35,556,804
June 30, 2038	35,556,804	4,510,704	392,703	4,903,407	0	4,737,123	4,737,123	2,002,027	37,725,115
June 30, 2039	37,725,115	4,608,157	361,397	4,969,554	0	4,883,903	4,883,903	2,122,588	39,933,354
June 30, 2040	39,933,354	4,610,356	329,925	4,940,281	0	4,944,408	4,944,408	2,245,380	42,174,607
June 30, 2041	42,174,607	4,780,268	302,464	5,082,732	0	5,156,780	5,156,780	2,370,132	44,470,691
June 30, 2042	44,470,691	4,929,976	276,591	5,206,567	0	5,353,807	5,353,807	2,497,998	46,821,449
June 30, 2043	46,821,449	4,989,050	255,752	5,244,802	0	5,491,298	5,491,298	2,629,065	49,204,018
June 30, 2044	49,204,018	5,076,094	236,022	5,312,116	0	5,682,268	5,682,268	2,761,944	51,595,810
June 30, 2045	51,595,810	5,197,305	215,896	5,413,201	0	5,933,069	5,933,069	2,895,328	53,971,270
June 30, 2046	53,971,270	5,327,884	199,375	5,527,259	0	6,228,764	6,228,764	3,027,898	56,297,663
June 30, 2047	56,297,663	5,274,115	183,004	5,457,119	0	6,369,110	6,369,110	3,157,723	58,543,395
June 30, 2048	58,543,395	5,374,810	167,040	5,541,850	0	6,627,767	6,627,767	3,283,044	60,740,522
June 30, 2049	60,740,522	5,495,853	151,273	5,647,126	0	6,923,542	6,923,542	3,405,647	62,869,753
June 30, 2050	62,869,753	5,471,054	137,963	5,609,017	0	7,095,341	7,095,341	3,524,517	64,907,946
June 30, 2051	64,907,946	5,514,930	124,796	5,639,726	0	7,305,968	7,305,968	3,638,292	66,879,996
June 30, 2052	66,879,996	5,595,478	110,950	5,706,428	0	7,566,274	7,566,274	3,748,344	68,768,494
June 30, 2053	68,768,494	5,556,980	98,211	5,655,191	0	7,753,966	7,753,966	3,853,748	70,523,467
June 30, 2054	70,523,467	5,510,876	86,599	5,597,475	0	7,959,293	7,959,293	3,951,706	72,113,355
June 30, 2055	72,113,355	5,577,363	74,326	5,651,689	0	8,305,490	8,305,490	4,040,401	73,499,955
June 30, 2056	73,499,955	5,520,253	63,596	5,583,849	0	8,561,635	8,561,635	4,117,754	74,639,923
June 30, 2057	74,639,923	5,529,511	53,570	5,583,081	0	8,909,464	8,909,464	4,181,315	75,494,855
June 30, 2058	75,494,855	5,478,163	44,065	5,522,228	0	9,188,090	9,188,090	4,228,929	76,057,922
June 30, 2059	76,057,922	5,379,183	35,269	5,414,452	0	9,432,720	9,432,720	4,260,218	76,299,872
June 30, 2060	76,299,872	5,277,898	27,990	5,305,888	0	9,697,641	9,697,641	4,273,566	76,181,685
June 30, 2061	76,181,685	5,191,849	21,648	5,213,497	0	9,978,373	9,978,373	4,266,772	75,683,581

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 2021 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 [III. + 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, 2062	75,683,581	5,095,886	16,513	5,112,399	0	10,263,112	10,263,112	4,238,737	74,771,605
June 30, 2063	74,771,605	4,963,295	12,154	4,975,449	0	10,562,711	10,562,711	4,187,546	73,371,889
June 30, 2064	73,371,889	4,821,747	8,510	4,830,257	0	10,878,903	10,878,903	4,109,061	71,432,304
June 30, 2065	71,432,304	4,734,239	5,242	4,739,481	0	11,287,488	11,287,488	4,000,354	68,884,651
June 30, 2066	68,884,651	4,617,032	3,503	4,620,535	0	11,706,435	11,706,435	3,857,637	65,656,388
June 30, 2067	65,656,388	4,547,782	2,063	4,549,845	0	12,202,736	12,202,736	3,676,815	61,680,312
June 30, 2068	61,680,312	4,467,731	1,091	4,468,822	0	12,703,561	12,703,561	3,454,128	56,899,701
June 30, 2069	56,899,701	4,362,420	469	4,362,889	0	13,201,487	13,201,487	3,186,396	51,247,499
June 30, 2070	51,247,499	4,292,570	149	4,292,719	0	13,765,597	13,765,597	2,869,864	44,644,485
June 30, 2071	44,644,485	4,196,296	0	4,196,296	0	14,300,721	14,300,721	2,500,091	37,040,151
June 30, 2072	37,040,151	4,080,931	0	4,080,931	0	14,839,109	14,839,109	2,074,248	28,356,221
June 30, 2073	28,356,221	3,981,710	0	3,981,710	0	15,433,328	15,433,328	1,587,948	18,492,551
June 30, 2074	18,492,551	3,876,792	0	3,876,792	0	16,039,909	16,039,909	1,035,583	7,365,017
June 30, 2075	7,365,017	3,755,798	0	3,755,798	0	16,659,803	16,659,803	412,441	0
June 30, 2076	0	3,626,186	0	3,626,186	0	17,299,616	17,299,616	0	0
June 30, 2077	0	3,482,978	0	3,482,978	0	17,946,751	17,946,751	0	0
June 30, 2078	0	3,341,912	0	3,341,912	0	18,639,358	18,639,358	0	0
June 30, 2079	0	3,201,142	0	3,201,142	0	19,353,246	19,353,246	0	0
June 30, 2080	0	3,053,006	0	3,053,006	0	20,086,829	20,086,829	0	0
June 30, 2081	0	2,889,985	0	2,889,985	0	20,834,545	20,834,545	0	0
June 30, 2082	0	2,722,004	0	2,722,004	0	21,601,017	21,601,017	0	0
June 30, 2083	0	2,556,980	0	2,556,980	0	22,405,260	22,405,260	0	0
June 30, 2084	0	2,391,833	0	2,391,833	0	23,233,310	23,233,310	0	0
June 30, 2085	0	2,218,056	0	2,218,056	0	24,084,613	24,084,613	0	0
June 30, 2086	0	2,045,344	0	2,045,344	0	24,974,343	24,974,343	0	0
June 30, 2087	0	1,870,590	0	1,870,590	0	25,892,460	25,892,460	0	0
June 30, 2088	0	1,700,443	0	1,700,443	0	26,860,850	26,860,850	0	0
June 30, 2089	0	1,536,529	0	1,536,529	0	27,868,805	27,868,805	0	0
June 30, 2090	0	1,376,306	0	1,376,306	0	28,918,577	28,918,577	0	0
June 30, 2091	0	1,223,522	0	1,223,522	0	30,019,379	30,019,379	0	0
June 30, 2092	0	1,078,974	0	1,078,974	0	31,167,159	31,167,159	0	0
June 30, 2093	0	943,384	0	943,384	0	32,366,035	32,366,035	0	0
June 30, 2094	0	817,323	0	817,323	0	33,617,624	33,617,624	0	0
June 30, 2095	0	701,295	0	701,295	0	34,925,899	34,925,899	0	0
June 30, 2096	0	595,538	0	595,538	0	36,296,074	36,296,074	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, 2021 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 [III. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [5.60%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [5.43%]	
June 30, 2022	10,941,453	1,902,479	1,902,479	0	1,902,479	0	1,902,479	Sum of Column V.
June 30, 2023	11,915,181	1,902,479	1,902,479	0	1,801,590	0	1,804,569	68,036,230
June 30, 2024	13,147,144	2,086,655	2,086,655	0	1,871,211	0	1,877,404	
June 30, 2025	14,456,264	2,354,415	2,354,415	0	1,999,361	0	2,009,295	Sum of Column VI.
June 30, 2026	15,793,182	2,499,650	2,499,650	0	2,010,127	0	2,023,455	3,898,645
June 30, 2027	17,164,810	2,697,248	2,697,248	0	2,054,004	0	2,071,041	
June 30, 2028	18,576,419	2,958,783	2,958,783	0	2,133,682	0	2,154,937	Sum of Column VII.
June 30, 2029	20,034,123	3,228,355	3,228,355	0	2,204,621	0	2,230,264	[V. + VI.]
June 30, 2030	21,542,294	3,458,018	3,458,018	0	2,236,227	0	2,265,979	71,934,875
June 30, 2031	23,105,007	3,694,818	3,694,818	0	2,262,652	0	2,296,546	
June 30, 2032	24,727,159	3,961,010	3,961,010	0	2,297,030	0	2,335,295	
June 30, 2033	26,414,191	4,097,439	4,097,439	0	2,250,139	0	2,291,405	
June 30, 2034	28,156,240	4,255,595	4,255,595	0	2,213,060	0	2,257,372	
June 30, 2035	29,948,653	4,330,757	4,330,757	0	2,132,715	0	2,179,015	
June 30, 2036	31,785,838	4,400,926	4,400,926	0	2,052,340	0	2,100,362	
June 30, 2037	33,658,427	4,409,075	4,409,075	0	1,947,102	0	1,995,957	
June 30, 2038	35,556,804	4,510,704	4,510,704	0	1,886,347	0	1,936,875	
June 30, 2039	37,725,115	4,608,157	4,608,157	0	1,824,907	0	1,876,887	
June 30, 2040	39,933,354	4,610,356	4,610,356	0	1,728,956	0	1,781,143	
June 30, 2041	42,174,607	4,780,268	4,780,268	0	1,697,610	0	1,751,742	
June 30, 2042	44,470,691	4,929,976	4,929,976	0	1,657,931	0	1,713,627	
June 30, 2043	46,821,449	4,989,050	4,989,050	0	1,588,823	0	1,644,913	
June 30, 2044	49,204,018	5,076,094	5,076,094	0	1,530,818	0	1,587,480	
June 30, 2045	51,595,810	5,197,305	5,197,305	0	1,484,254	0	1,541,738	
June 30, 2046	53,971,270	5,327,884	5,327,884	0	1,440,856	0	1,499,134	
June 30, 2047	56,297,663	5,274,115	5,274,115	0	1,350,677	0	1,407,632	
June 30, 2048	58,543,395	5,374,810	5,374,810	0	1,303,471	0	1,360,680	
June 30, 2049	60,740,522	5,495,853	5,495,853	0	1,262,145	0	1,319,720	
June 30, 2050	62,869,753	5,471,054	5,471,054	0	1,189,820	0	1,246,152	
June 30, 2051	64,907,946	5,514,930	5,514,930	0	1,135,759	0	1,191,499	
June 30, 2052	66,879,996	5,595,478	5,595,478	0	1,091,238	0	1,146,686	
June 30, 2053	68,768,494	5,556,980	5,556,980	0	1,026,260	0	1,080,189	
June 30, 2054	70,523,467	5,510,876	5,510,876	0	963,774	0	1,016,097	
June 30, 2055	72,113,355	5,577,363	5,577,363	0	923,676	0	975,432	
June 30, 2056	73,499,955	5,520,253	5,520,253	0	865,737	0	915,758	
June 30, 2057	74,639,923	5,529,511	5,529,511	0	821,201	0	870,085	
June 30, 2058	75,494,855	5,478,163	5,478,163	0	770,431	0	817,643	
June 30, 2059	76,057,922	5,379,183	5,379,183	0	716,393	0	761,550	
June 30, 2060	76,299,872	5,277,898	5,277,898	0	665,629	0	708,756	
June 30, 2061	76,181,685	5,191,849	5,191,849	0	620,054	0	661,320	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2021 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 [5.60%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [5.43%]
June 30, 2062	75,683,581	5,095,886	5,095,886	0	576,319	0	615,691
June 30, 2063	74,771,605	4,963,295	4,963,295	0	531,557	0	568,809
June 30, 2064	73,371,889	4,821,747	4,821,747	0	489,012	0	524,149
June 30, 2065	71,432,304	4,734,239	4,734,239	0	454,676	0	488,151
June 30, 2066	68,884,651	4,617,032	4,617,032	0	419,904	0	451,565
June 30, 2067	65,656,388	4,547,782	4,547,782	0	391,673	0	421,901
June 30, 2068	61,680,312	4,467,731	4,467,731	0	364,373	0	393,144
June 30, 2069	56,899,701	4,362,420	4,362,420	0	336,917	0	364,121
June 30, 2070	51,247,499	4,292,570	4,292,570	0	313,942	0	339,851
June 30, 2071	44,644,485	4,196,296	4,196,296	0	290,626	0	315,131
June 30, 2072	37,040,151	4,080,931	4,080,931	0	267,648	0	290,695
June 30, 2073	28,356,221	3,981,710	3,981,710	0	247,292	0	269,031
June 30, 2074	18,492,551	3,876,792	3,876,792	0	228,007	0	248,461
June 30, 2075	7,365,017	3,755,798	3,755,798	0	209,177	0	228,319
June 30, 2076	0	3,626,186	0	3,626,186	0	416,368	209,095
June 30, 2077	0	3,482,978	0	3,482,978	0	384,212	190,501
June 30, 2078	0	3,341,912	0	3,341,912	0	354,167	173,378
June 30, 2079	0	3,201,142	0	3,201,142	0	325,920	157,528
June 30, 2080	0	3,053,006	0	3,053,006	0	298,626	142,507
June 30, 2081	0	2,889,985	0	2,889,985	0	271,574	127,955
June 30, 2082	0	2,722,004	0	2,722,004	0	245,739	114,315
June 30, 2083	0	2,556,980	0	2,556,980	0	221,772	101,858
June 30, 2084	0	2,391,833	0	2,391,833	0	199,298	90,376
June 30, 2085	0	2,218,056	0	2,218,056	0	177,557	79,496
June 30, 2086	0	2,045,344	0	2,045,344	0	157,299	69,534
June 30, 2087	0	1,870,590	0	1,870,590	0	138,207	60,320
June 30, 2088	0	1,700,443	0	1,700,443	0	120,700	52,011
June 30, 2089	0	1,536,529	0	1,536,529	0	104,780	44,579
June 30, 2090	0	1,376,306	0	1,376,306	0	90,167	37,875
June 30, 2091	0	1,223,522	0	1,223,522	0	77,008	31,938
June 30, 2092	0	1,078,974	0	1,078,974	0	65,242	26,715
June 30, 2093	0	943,384	0	943,384	0	54,802	22,156
June 30, 2094	0	817,323	0	817,323	0	45,614	18,208
June 30, 2095	0	701,295	0	701,295	0	37,601	14,819
June 30, 2096	0	595,538	0	595,538	0	30,676	11,936

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: effective July 1, 2022 Active Plans: effective July 1, 2022 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 Insurance and \$1,000 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 by the Town were not reflected in this valuation.
<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	50%	50%
Dental	100%	100%
Life	50%	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Pre-Retirement Mortality

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

Post-Retirement Mortality

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

Disabled Mortality

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

Assumption Experience Study

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

Discount Rate

5.43% per annum (previously 2.26%)

Net Long Term Rate of Return

5.60% (based on investment policy)

Municipal Bond Rate

4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Actuarial Cost Method

Individual Entry Age Normal

Asset-Valuation Method

Market Value of Assets as of the Measurement Date, June 30, 2022

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:

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%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Retirement Rates for Eligible Employees

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

Permanent Disability Rates

Age	Standard	Teachers
20	0.01%	0.05%
30	0.01%	0.07%
40	0.07%	0.21%
50	0.13%	0.42%
60	0.12%	0.50%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

Medicare Part A & B Premiums & Penalties: N/A

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, 2022</u>	<u>June 30, 2021</u>
I. Total OPEB Liability	60,104,544	98,080,378
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>43,000,327</u>	<u>N/A</u>
III. Liability from Implicit Subsidy [I. - II.]	17,104,217	N/A

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2022</u>	<u>June 30, 2021</u>
IV. Employer Payments (Including Implicit Subsidy)	1,902,479	1,757,266
V. Actual Employer Payments	<u>1,483,537</u>	<u>N/A</u>
VI. Implicit Subsidy [IV. - V.]	418,942	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS*

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,164	2,625	44 & Under	8,184	5,363	65 to 69	3,313	3,402
25 to 29	6,143	2,731	45 to 49	8,990	6,772	70 to 74	3,908	4,077
30 to 34	7,763	3,428	50 to 54	10,576	8,918	75 to 79	4,535	4,815
35 to 39	7,997	4,305	55 to 59	12,226	11,594	80 to 84	5,201	5,534
40 to 44	8,184	5,363	60 to 64	14,549	14,878	85 to 89	5,814	6,164
45 to 49	8,990	6,772	65 to 69	17,440	18,559	90 & Over	5,814	6,164
50 to 54	10,576	8,918	70 to 74	20,566	22,240			
55 to 59	12,226	11,594	75 to 79	23,884	26,267			
60 to 64	14,549	14,878	80 to 84	27,384	30,193			
65 to 69	17,440	18,559	85 to 89	31,260	34,560			
70 & Over	20,566	22,240	90 & Over	31,260	34,560			

*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, 2022 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, 2021	July 1, 2019
A. Average Age at Hire	36.02	N/A
B. Average Service	<u>9.05</u>	<u>N/A</u>
C. Average Current Age	45.07	N/A

Retired Employees & Spouses

Valuation Date	July 1, 2021	July 1, 2019
A. Under Age 65	65	N/A
B. Age 65 & Over	<u>404</u>	<u>N/A</u>
C. Total	469	N/A

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	19									19
25-29	58	3								61
30-34	48	24	2							74
35-39	30	18	15	1						64
40-44	27	19	10	14	2					72
45-49	24	14	11	14	10	2				75
50-54	28	18	10	14	22	11	2	1		106
55-59	27	12	8	12	5	6	4	1		75
60-64	9	11	8	7	10	1	1	2		49
65-69	1	1	3	3	2	1			1	12
70+				1		2				3
Total	271	120	67	66	51	23	7	4	1	610

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Harvard Pilgrim	6		12	18
Harvard Primary Choice	57		82	139
Health New England	7		6	13
Allways Health Partners	30		63	93
Tufts Navigator	31		54	85
Tufts Spirit	17		6	23
Unicare Basic w/ CIC	5		5	10
Unicare Comm Choice	4		9	13
Unicare Plus	10		17	27
Unicare OME w/ CIC	202			202
Tufts Medicare Complement	43	1		44
Tufts Medicare Preferred	59			59
HNE MedPlus HMO	97			97
Total	568	1	254	823

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Harvard Pilgrim	1,036.02		2,534.62
Harvard Primary Choice	746.72		1,909.58
Health New England	669.70		1,602.12
Allways Health Partners	844.46		2,211.64
Tufts Navigator	891.16		2,183.14
Tufts Spirit	675.72		1,634.54
Unicare Basic w/ CIC	1,239.08		2,752.64
Unicare Comm Choice	623.82		1,553.40
Unicare Plus	811.38		1,938.74
Unicare OME w/ CIC	413.36	826.72	
Tufts Medicare Complement	406.02	812.04	
Tufts Medicare Preferred	345.42	690.84	
HNE MedPlus HMO	430.28	860.56	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Harvard Pilgrim	6		12	30	439,578.72	372,967.20
Harvard Primary Choice	57		82	221	2,389,783.20	1,980,301.44
Health New England	7		6	19	171,607.44	152,691.60
Allways Health Partners	30		63	156	1,976,005.44	1,580,829.12
Tufts Navigator	31		54	139	1,746,186.24	1,486,454.88
Tufts Spirit	17		6	29	255,533.76	235,150.56
Unicare Basic w/ CIC	5		5	15	239,503.20	223,034.40
Unicare Comm Choice	4		9	22	197,710.56	164,688.48
Unicare Plus	10		17	44	492,868.56	428,408.64
Total	167	0	254	675	7,908,777.12	6,624,526.32
Blended Average Monthly Rate:						\$ 817.84

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Unicare OME w/ CIC	202			202	1,001,984.64	1,001,984.64
Tufts Medicare Complement	43	1		45	219,250.80	219,250.80
Tufts Medicare Preferred	59			59	244,557.36	244,557.36
HNE MedPlus HMO	97			97	500,845.92	500,845.92
Total	401	1	0	403	1,966,638.72	1,966,638.72
Blended Average Monthly Rate:						\$ 406.67

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 October 5, 2022 and its subject is the Town of Sudbury's GASB 75 OPEB liabilities.

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

² These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001

APPENDIX VI – ASOP 41 DISCLOSURES

Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town's appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of Sudbury 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, 2022.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

APPENDIX VI – ASOP 41 DISCLOSURES

Events Subsequent to the Measurement Date

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

Actuarial Findings

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

Methods, Procedures, Assumptions, and Data

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

Assumptions or Methods Prescribed by Law

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

Responsibility for Assumptions and Methods

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

Deviation from the Guidance of an ASOP

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

Rounding

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

GLOSSARY

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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