

# Town of Sudbury Other Postemployment Benefits Plan

## GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2023

As of the Measurement Date:  
June 30, 2024

For the Reporting Date:  
June 30, 2024

Delivered August 28, 2024



## TABLE OF CONTENTS

	<u>PAGE</u>
<u>EXECUTIVE SUMMARY</u>	I
<u>PRINCIPAL RESULTS OF THE VALUATION</u>	1
<u>EXHIBITS</u>	
A    FINANCIAL STATEMENT DISCLOSURES	4
B    REQUIRED SUPPLEMENTARY INFORMATION	16
<u>APPENDIX</u>	
I    LIABILITIES, ASSETS, & CASH FLOWS	25
II   PLAN PROVISIONS	31
III  ACTUARIAL METHODS & ASSUMPTIONS	33
IV  PLAN DEMOGRAPHICS	41
V   OVERVIEW OF GASB 74 & 75	44
VI  ASOP 41 DISCLOSURES	46
<u>GLOSSARY</u>	49

August 28, 2024

*Personal and Confidential*

Ms. Laurie Dell'Olio  
Town Accountant  
Town of Sudbury  
278 Old Sudbury Road  
Sudbury, MA 01776

Dear Ms. Dell'Olio:

We have performed an actuarial valuation of the Town of Sudbury Other Postemployment Benefits Plan for the Reporting Date & Fiscal Year Ending June 30, 2024 with a Measurement Date of June 30, 2024 and a Valuation Date of July 1, 2023. The figures presented in this report reflect the adoption, by the Town of 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,



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

August 28, 2024

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



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

## EXECUTIVE SUMMARY

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

#### Plan Experience

For the year ending on the Measurement Date of June 30, 2024, the Plan saw an experience gain of \$6,647,131 or 10.34% of the beginning Total OPEB Liability ("TOL"). This was mainly due to the average Medicare Supplement premium increasing 6% vs the expected 15% increase over the 2-year period as well as higher turnover than expected including a modest reduction in the number of retirees & spouses with healthcare coverage.

#### Assumption Changes

One key assumption has changed since the prior valuation. The impact of this assumption change decreased disclosed liabilities by approximately \$7.7 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.30% to 6.37% decreasing the disclosed liability by approximately \$7.7 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 \$550 thousand more than expected.

#### Changes in Benefit Terms

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

## EXECUTIVE SUMMARY

### Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 6.36 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 76.77% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 5.00% increase in fiscal year 2024 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.37%) – 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 4.21% as of June 30, 2024.
- ✓ Current Asset Level – The Town had \$15,867,999 of OPEB assets as of June 30, 2024.
- ✓ Future Funding Policy – The Town is expected to contribute \$650k annually beyond pay-as-you-go costs until FY 2038, when the Town will increase funding to \$1.5M.
- ✓ Investment Policy – The Town is expected to earn 6.38% 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 4.21% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDRM Total OPEB Liability is \$72.3 million vs. the \$53.2 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$19 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 7 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.

<b>Representative Plan Statistics</b>		
<b>Valuation Date</b>	<b>July 1, 2023</b>	<b>July 1, 2021</b>
<b>Measurement Date &amp; Period Ending</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
<b>Reporting Date/Fiscal Year End</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Total OPEB Liability	53,194,041	64,292,392
Per Eligible Active Plan Participant	46,561	52,848
Per Retiree/Spouse Plan Participant	54,215	68,348
Total Annual Service Cost (Annual Benefit Accrual)	1,879,460	1,761,252
Per Eligible Active Plan Participant	3,091	2,887
Expected Employer Share of Retiree Costs	2,086,655	1,902,479
Per Retiree/Spouse Plan Participant	4,546	4,056
Net OPEB Liability as a % of Covered Payroll	74.85%	106.61%



EXECUTIVE SUMMARY

Liabilities & Benefit Payments in Today’s Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2024	459	53,194,041	53,194,041	2,086,655	2,086,655
June 30, 2029	535	66,239,774	57,139,011	2,850,360	2,458,746
June 30, 2034	557	79,127,299	58,878,142	3,987,322	2,966,942
June 30, 2039	554	93,642,235	60,105,387	4,489,805	2,881,835
June 30, 2044	533	110,690,401	61,286,591	5,228,419	2,894,849
June 30, 2049	520	131,696,993	62,899,217	6,280,696	2,999,695
June 30, 2054	521	156,693,929	64,555,824	7,358,831	3,031,741

EXECUTIVE SUMMARY

Continuing OPEB Disclosures

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

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

<u>Fiscal Year Ending</u>		<u>Cost</u>
June 30, 2025	(Projected)	2,112,576
June 30, 2024		2,086,655
June 30, 2023		1,902,479
June 30, 2022		1,902,479
June 30, 2021		1,757,266
June 30, 2020		1,675,382

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2024 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$37,326,042 assuming a discount rate of 6.37%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$650k annually beyond pay-as-you-go costs until FY 2038, when the Town will increase funding to \$1.5M. The balance of this fund as of June 30, 2024 was \$15,867,999. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

**Town of Sudbury**  
**Assuming Funding - 6.37% discount rate**  
**Comparison of Plan Liabilities to Prior Valuation**

Valuation Date	July 1, 2023	July 1, 2021
For the Measurement Period ending on the Measurement Date of:	June 30, 2024	June 30, 2023
For the Reporting Period & Fiscal Year ending on:	June 30, 2024	June 30, 2023
I. Total OPEB Liability		
A. Actives	28,309,131	32,237,236
B. Retirees/Disabled	<u>24,884,910</u>	<u>32,055,156</u>
C. Total	53,194,041	64,292,392
II. Fiduciary Net Position [Plan Assets]	15,867,999	13,816,622
III. Net OPEB Liability (Asset) [I. - II.]	37,326,042	50,475,770
IV. Funded Ratio [III. / I.]	29.83%	21.49%
V. Number of Eligible Participants		
A. Actives	608	610
B. Retirees/Disabled & Dependents	<u>459</u>	<u>469</u>
C. Total	1,067	1,079
VI. Service Cost	1,879,460	1,761,252
VII. Financial Statement Expense/(Income)	985,552	3,633,583
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(725,435)	(714,453)
IX. Deferred Inflow of Resources	(34,445,222)	(28,830,056)
X. Deferred Outflow of Resources	5,743,197	11,451,221
XI. Money Weighted Rate of Return	8.78%	9.00%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.21%	4.13%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.38%	5.45%
XIV. Crossover Year	2096	2076
XV. Discount Rate	6.37%	5.30%

PRINCIPAL RESULTS OF THE VALUATION

**Town of Sudbury  
Plan Liabilities as of the June 30, 2024 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	8,149,742	20,038,303	106,563	14,523	0	28,309,131
B. Retirees/Disabled	<u>8,506,113</u>	<u>16,347,828</u>	<u>0</u>	<u>0</u>	<u>30,969</u>	<u>24,884,910</u>
C. Total	16,655,855	36,386,131	106,563	14,523	30,969	53,194,041
II. Fiduciary Net Position [Plan Assets]	4,968,510	10,854,131	31,788	4,332	9,238	15,867,999
III. Net OPEB Liability (Asset) [I. - II.]	11,687,345	25,532,000	74,775	10,191	21,731	37,326,042
<b>For the Reporting Date and Fiscal Year Ending June 30, 2024</b>						
IV. Service Cost	544,343	1,324,596	8,224	2,297	0	1,879,460
V. Financial Statement Expense/(Income)	259,615	717,690	6,748	2,159	(660)	985,552
VI. Employer Share of Costs	(683,610)	(1,398,585)	(5)	(426)	(4,029)	(2,086,655)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(227,145)	(496,217)	(1,453)	(198)	(422)	(725,435)
VIII. Total Employer Contribution [VI. + VII.]	(910,755)	(1,894,802)	(1,458)	(624)	(4,451)	(2,812,090)

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

**Funding - 6.37% discount rate**

For the Fiscal Year	Period Ending on the Measurement Date of:	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with an expected 6.38% return		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
			Measurement Date	with an expected 6.38% return									
2024	June 30, 2024	53,194,041	15,867,999	37,326,042	29.83%	1,879,460	2,086,655	725,435	2,812,090	2,086,655	0	725,435	
2025	June 30, 2025	55,858,147	17,576,577	38,281,570	31.47%	1,367,367	2,112,576	675,000	2,787,576	2,112,576	0	675,000	
2026	June 30, 2026	58,419,390	19,394,162	39,025,228	33.20%	1,412,552	2,212,165	675,000	2,887,165	2,212,165	0	675,000	
2027	June 30, 2027	61,000,781	21,327,709	39,673,072	34.96%	1,462,027	2,407,935	675,000	3,082,935	2,407,935	0	675,000	
2028	June 30, 2028	63,641,895	23,384,616	40,257,279	36.74%	1,510,442	2,562,456	675,000	3,237,456	2,562,456	0	675,000	
2029	June 30, 2029	66,239,774	25,572,754	40,667,020	38.61%	1,561,890	2,850,360	675,000	3,525,360	2,850,360	0	675,000	
2030	June 30, 2030	68,843,575	27,900,495	40,943,080	40.53%	1,614,212	3,072,530	675,000	3,747,530	3,072,530	0	675,000	
2031	June 30, 2031	71,405,262	30,376,746	41,028,516	42.54%	1,670,498	3,346,761	675,000	4,021,761	3,346,761	0	675,000	
2032	June 30, 2032	73,941,381	33,010,982	40,930,399	44.64%	1,728,354	3,649,283	675,000	4,324,283	3,649,283	0	675,000	
2033	June 30, 2033	76,504,837	35,813,282	40,691,555	46.81%	1,784,596	3,828,120	675,000	4,503,120	3,828,120	0	675,000	
2034	June 30, 2034	79,127,299	38,794,369	40,332,930	49.03%	1,840,834	3,987,322	675,000	4,662,322	3,987,322	0	675,000	
2035	June 30, 2035	81,895,083	41,965,649	39,929,434	51.24%	1,899,526	4,061,680	675,000	4,736,680	4,061,680	0	675,000	
2036	June 30, 2036	84,793,709	45,339,257	39,454,452	53.47%	1,963,202	4,101,999	675,000	4,776,999	4,101,999	0	675,000	
2037	June 30, 2037	87,704,348	48,928,101	38,776,247	55.79%	2,028,597	4,154,482	675,000	4,829,482	4,154,482	0	675,000	
2038	June 30, 2038	90,690,708	53,596,824	37,093,884	59.10%	2,092,880	4,351,029	1,500,000	5,851,029	4,351,029	0	1,500,000	
2039	June 30, 2039	93,642,235	58,563,412	35,078,823	62.54%	2,166,355	4,489,805	1,500,000	5,989,805	4,489,805	0	1,500,000	
2040	June 30, 2040	96,818,684	63,846,868	32,971,816	65.94%	2,237,561	4,555,718	1,500,000	6,055,718	4,555,718	0	1,500,000	
2041	June 30, 2041	99,946,210	69,467,408	30,478,802	69.50%	2,315,700	4,799,324	1,500,000	6,299,324	4,799,324	0	1,500,000	
2042	June 30, 2042	103,417,583	75,446,539	27,971,044	72.95%	2,394,727	4,966,856	1,500,000	6,466,856	4,966,856	0	1,500,000	
2043	June 30, 2043	107,017,586	81,807,138	25,210,448	76.44%	2,481,152	5,094,536	1,500,000	6,594,536	5,094,536	0	1,500,000	
2044	June 30, 2044	110,690,401	88,573,544	22,116,857	80.02%	2,566,697	5,228,419	1,500,000	6,728,419	5,228,419	0	1,500,000	
2045	June 30, 2045	114,627,566	95,771,646	18,855,920	83.55%	2,648,722	5,422,427	1,500,000	6,922,427	5,422,427	0	1,500,000	
2046	June 30, 2046	118,671,012	103,428,987	15,242,025	87.16%	2,744,277	5,617,327	1,500,000	7,117,327	5,617,327	0	1,500,000	
2047	June 30, 2047	122,966,214	111,574,867	11,391,347	90.74%	2,838,715	5,762,840	1,500,000	7,262,840	5,762,840	0	1,500,000	
2048	June 30, 2048	127,268,655	120,240,454	7,028,201	94.48%	2,939,506	6,001,964	1,500,000	7,501,964	6,001,964	0	1,500,000	
2049	June 30, 2049	131,696,993	129,458,905	2,238,088	98.30%	3,043,941	6,280,696	1,500,000	7,780,696	6,280,696	0	1,500,000	
2050	June 30, 2050	136,407,209	139,265,493	(2,858,284)	102.10%	3,156,721	6,466,448	1,500,000	7,966,448	6,466,448	0	1,500,000	
2051	June 30, 2051	141,109,801	144,592,947	(3,483,146)	102.47%	3,272,959	6,722,310	(3,449,351)	3,272,959	6,722,310	0	(3,449,351)	
2052	June 30, 2052	146,061,176	150,084,281	(4,023,105)	102.75%	3,393,715	7,013,718	(3,620,003)	3,393,715	7,013,718	0	(3,620,003)	
2053	June 30, 2053	151,360,764	155,921,779	(4,561,015)	103.01%	3,521,567	7,145,626	(3,624,059)	3,521,567	7,145,626	0	(3,624,059)	
2054	June 30, 2054	156,693,929	162,051,036	(5,357,107)	103.42%	3,656,555	7,358,831	(3,702,276)	3,656,555	7,358,831	0	(3,702,276)	

EXHIBIT A

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

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

1. OPEB Expense Development

<b>Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2024</b>	
<b>Description</b>	<b>Amount</b>
I. Service Cost	1,879,460
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	3,452,526
III. Deferred (Inflows)/Outflows from Plan Experience*	(1,714,063)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	(1,591,353)
V. Projected Earnings on OPEB Plan Investments	(772,129)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(268,889)
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.]	985,552
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	985,552

\* Amortized over 6.36 years

\*\* Amortized over 5.00 years

\*\*\* Recognized Immediately

EXHIBIT A

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

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability				
		Increase (Decrease)		
		Total OPEB	Plan Fiduciary	Net OPEB
		Liability	Net Position	Liability
I.	Balances for the June 30, 2023 Reporting Date	64,292,392	13,816,622	50,475,770
II.	Prior Period Adjustment	0	0	0
III.	Balances for the June 30, 2023 Reporting Date with Adjustment [I. + II.]	64,292,392	13,816,622	50,475,770
<b>Changes for the year:</b>				
IV.	Service Cost	1,879,460	0	1,879,460
V.	Interest on Total OPEB Liability, Service Cost, and Benefit Payments	3,452,526	0	3,452,526
VI.	Changes in Benefit Terms *	0	0	0
VII.	Change in Assumptions **	(7,696,551)	0	(7,696,551)
VIII.	Differences Between Actual and Expected Experience **	(6,647,131)	0	(6,647,131)
IX.	Net Investment Income	0	1,325,942	(1,325,942)
X.	Employer Contributions to Trust	0	2,812,090	(2,812,090)
XI.	Benefit Payments Withdrawn from Trust	0	(2,086,655)	2,086,655
XII.	Benefit Payments Excluding Implicit Cost	(1,602,042)	0	(1,602,042)
XIII.	Implicit Cost Amount	(484,613)	0	(484,613)
XIV.	Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(2,086,655)	0	(2,086,655)
XV.	Administrative Expense	0	0	0
XVI.	Other Charges	0	0	0
<b>XVII.</b>	<b>Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]</b>	<b>(11,098,351)</b>	<b>2,051,377</b>	<b>(13,149,728)</b>
<b>XVIII.</b>	<b>Balances for the June 30, 2024 Reporting Date [III.+XVII.]</b>	<b>53,194,041</b>	<b>15,867,999</b>	<b>37,326,042</b>

\* Recognized Immediately

\*\* Amortized over 6.36 years

EXHIBIT A

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

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences			2024	2025	2026	2027	2028	2029
	Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	(6,260,543)	6.01	0	(10,415)					
2019	0	6.01	0	0	0				
2020	(2,832,407)	6.07	(499,287)	(466,624)	(466,624)	(32,663)			
2021	0	6.07	0	0	0	0	0		
2022	(1,218,427)	6.35	(642,793)	(191,878)	(191,878)	(191,878)	(191,878)	(67,159)	
2023	0	6.35	0	0	0	0	0	0	0
2024	(6,647,131)	6.36	(5,601,985)	(1,045,146)	(1,045,146)	(1,045,146)	(1,045,146)	(1,045,146)	(1,045,146)
2025									
2026									
Total Remaining Balance			(6,744,065)						
Net increase (decrease) in OPEB Expense				(1,714,063)	(1,703,648)	(1,269,687)	(1,237,024)	(1,112,305)	(1,045,146)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in			2024	2025	2026	2027	2028	2029
	Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	9,184,285	6.01	0	15,283					
2019	6,217,539	6.01	10,347	1,034,532	10,347				
2020	25,956,202	6.07	4,575,477	4,276,145	4,276,145	299,332			
2021	1,343,407	6.07	458,131	221,319	221,319	221,319	15,493		
2022	(38,666,599)	6.35	(20,398,915)	(6,089,228)	(6,089,228)	(6,089,228)	(6,089,228)	(2,131,231)	
2023	1,020,732	6.35	699,242	160,745	160,745	160,745	160,745	160,745	56,262
2024	(7,696,551)	6.36	(6,486,402)	(1,210,149)	(1,210,149)	(1,210,149)	(1,210,149)	(1,210,149)	(1,210,149)
2025									
2026									
Total Remaining Balance			(21,142,120)						
Net increase (decrease) in OPEB Expense				(1,591,353)	(2,630,821)	(6,617,981)	(7,123,139)	(3,180,635)	(1,153,887)



EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences			2024	2025	2026	2027	2028	2029
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017									
2018	489,780	5.00	0						
2019	(113,832)	5.00	0						
2020	434,418	5.00	0	86,883					
2021	(1,086,531)	5.00	(217,307)	(217,306)	(217,307)				
2022	361,862	5.00	144,746	72,372	72,372	72,374			
2023	(500,380)	5.00	(300,228)	(100,076)	(100,076)	(100,076)	(100,076)		
2024	(553,813)	5.00	(443,051)	(110,762)	(110,762)	(110,762)	(110,762)	(110,765)	
2025									
2026									
Total Remaining Balance			(815,840)						
Net increase (decrease) in OPEB Expense				(268,889)	(355,773)	(138,464)	(210,838)	(110,765)	0

EXHIBIT A

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

3. Changes in Net OPEB Expense (Continued)

<b>Statement of (Inflows) &amp; Outflows Arising from Current &amp; Prior Reporting Periods for the Measurement Period Ending on June 30, 2024 to be Reported for the Fiscal Year Ending June 30, 2024</b>			
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Total</b>
I. Contributions Made Subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	0	(6,744,065)	(6,744,065)
III. Changes of Assumptions	5,743,197	(26,885,317)	(21,142,120)
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(815,840)	(815,840)
VI. Total [I. + II. + III. + IV.]	5,743,197	(34,445,222)	(28,702,025)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

<b>Annual Amortization of Deferred (Inflows) &amp; Outflows</b>	
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2024 will be recognized in future years as shown below.	
<b>Year ending June 30:</b>	
2025	(4,690,242)
2026	(8,026,132)
2027	(8,571,001)
2028	(4,403,705)
2029	(2,199,033)
Thereafter	(811,912)

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.37% as of June 30, 2024 and 5.30% 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 2096 and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 4.21% as of June 30, 2024. The S&P Municipal Bond 20 - Year High Grade Index is the index rate for 20 – Year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2024 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$2,086,655. The Town also contributed \$725,435 to an OPEB Trust for a total contribution during the measurement period of \$2,812,090 to be reported on the financial statement for the fiscal year ending June 30, 2024.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	66.50%	Domestic Equity - Large Cap	4.91%
Domestic Equity - Small/Mid Cap	0.00%	Domestic Equity - Small/Mid Cap	5.29%
International Equity - Developed Market	3.25%	International Equity - Developed Market	5.32%
International Equity - Emerging Market	0.00%	International Equity - Emerging Market	6.13%
Domestic Fixed Income	30.00%	Domestic Fixed Income	2.30%
International Fixed Income	0.00%	International Fixed Income	2.02%
Alternatives	0.00%	Alternatives	6.35%
Real Estate	0.00%	Real Estate	6.25%
Cash	0.25%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	4.13%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.63%
		IV. Investment Expense	0.25%
		V. Net Investment Return* [III.-IV.]	<u>6.38%</u>

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

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2024	3,788,858	(2,812,090)	976,768	49,866,028	5.64%
June 30, 2023	4,037,020	(2,616,932)	1,420,088	47,346,693	5.53%
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, 2024 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate on NOL as of the June 30, 2024 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	30,424,024	37,326,042	45,931,106

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate on NOL as of the June 30, 2024 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	45,046,199	6.37% 37,326,042	31,077,184

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2024 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2023	13,816,622	12	1.0000
Monthly net external cash flows:			
July	1,988,783	11	0.9167
August	(117,911)	10	0.8333
September	(117,617)	9	0.7500
October	(117,487)	8	0.6667
November	(115,986)	7	0.5833
December	(115,985)	6	0.5000
January	(114,675)	5	0.4167
February	(112,113)	4	0.3333
March	(113,471)	3	0.2500
April	(111,586)	2	0.1667
May	(112,962)	1	0.0833
<u>June</u>	<u>(113,555)</u>	0	0.0000
II. Total net external cash flow	725,435		
III. Earnings and increase in fair value	1,325,942		
IV. Ending value - June 30, 2024 [I.+II.+III.]	15,867,999		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2024 [IV.+V.]	15,867,999		
Money Weighted Rate of Return	8.78%		

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

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2024					Total
	Town Employees and Retirees	School Employees and Retirees	Pool Employees and Retirees	Transfer Station Employees and Retirees	Field Maintenance Employees and Retirees	
I. Total OPEB Liability as of June 30, 2024	16,655,855	36,386,131	106,563	14,523	30,969	53,194,041
II. Fiduciary Net Position as of June 30, 2024	4,968,510	10,854,131	31,788	4,332	9,238	15,867,999
III. Net OPEB Liability (Asset) as of June 30, 2024 [I. - II.]	11,687,345	25,532,000	74,775	10,191	21,731	37,326,042
IV. Service Cost	544,343	1,324,596	8,224	2,297	0	1,879,460
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	1,076,170	2,366,205	7,233	1,049	1,869	3,452,526
VI. Projected Earnings on OPEB Plan Investments	(241,729)	(528,192)	(1,549)	(211)	(448)	(772,129)
VII. Net Recognition of Deferred (Inflows)/Outflows	(1,119,169)	(2,444,919)	(7,160)	(976)	(2,081)	(3,574,305)
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.]	259,615	717,690	6,748	2,159	(660)	985,552
XI. Employer Share of Costs	(683,610)	(1,398,585)	(5)	(426)	(4,029)	(2,086,655)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(227,145)	(496,217)	(1,453)	(198)	(422)	(725,435)
XIII. Total Employer Contribution [XI. + XII.]	(910,755)	(1,894,802)	(1,458)	(624)	(4,451)	(2,812,090)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(651,140)	(1,177,112)	5,290	1,535	(5,111)	(1,826,538)



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

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

<b>Valuation Date</b>	July 1, 2023
<b>For the Measurement Period ending on the Measurement Date of:</b>	June 30, 2024
<b>For the Reporting Period &amp; Fiscal Year ending on:</b>	June 30, 2024

<b>Source of Deferred Inflow/Outflow</b>	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(6,744,065)
II. Deferred (Inflow)/Outflow from Investment Experience	(815,840)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	(21,142,120)

<b>Change in Deferred Inflow/Outflow</b>	
I. Deferred Outflow at the beginning of the period	11,755,222
II. Deferred Outflow created during the period	0
III. Deferred Outflow recognized during the period	5,867,279
IV. Change in Deferred Outflow (II. - III. )	(5,867,279)
V. Deferred Outflow at end of the period (I. + IV. )	5,887,943
VI. Deferred Inflow at the beginning of the period	(29,134,057)
VII. Deferred Inflow created during the period	(14,897,495)
VIII. Deferred Inflow recognized during the period	(9,441,584)
IX. Change in Deferred Inflow (VII. - VIII. )	(5,455,911)
X. Deferred Inflow at end of the period (VI. + IX. )	(34,589,968)

<b>Net OPEB Liability</b>	
I. Net OPEB Liability at beginning of period	50,475,770
II. Service Cost	1,879,460
III. Interest on Total OPEB Liability, Service Cost, and Payments	3,452,526
IV. Projected Investment Income	(772,129)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(2,812,090)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	1,747,767
IX. Deferred Outflow created during the period	0
X. Deferred Inflow created during the period	(14,897,495)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X. )	37,326,042

<b>Net OPEB Expense</b>	
I. Service Cost	1,879,460
II. Interest on Total OPEB Liability, Service Cost, and Payments	3,452,526
III. Projected Investment Income	(772,129)
IV. Recognition of Deferred (Inflow)/Outflow	(3,574,305)
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.)	985,552
VIII. Benefit Payments	(2,086,655)
IX. Contributions to Trust	(725,435)
X. Total Employer Payments (VIII. + IX.)	(2,812,090)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	(1,826,538)

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

<b>Schedule of Changes in the Town's Net OPEB Liability and Related Ratios</b>					
Valuation Date	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
For the Reporting Period & Fiscal Year Ending on:	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>Total OPEB Liability</b>	53,194,041	64,292,392	60,104,544	98,080,378	91,748,227
I. Service Cost	1,879,460	1,761,252	1,580,708	4,551,328	2,625,560
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	3,452,526	3,308,343	2,230,963	2,194,682	2,537,689
III. Changes in Benefit Terms	0	0	0	0	(928,278)
IV. Difference Between Expected & Actual Plan Experience	(6,647,131)	0	(1,218,427)	0	(2,832,407)
V. Changes of Assumptions	(7,696,551)	1,020,732	(38,666,599)	1,343,407	25,956,202
VI. Benefit Payments Excluding Implicit Cost	(1,602,042)	(1,483,537)	(1,483,537)	N/A	N/A
VII. Implicit Cost Amount	(484,613)	(418,942)	(418,942)	N/A	N/A
VIII. Total Benefit Payments	(2,086,655)	(1,902,479)	(1,902,479)	(1,757,266)	(1,675,382)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	(11,098,351)	4,187,848	(37,975,834)	6,332,151	25,683,384
XI. Total OPEB Liability - Beginning of Period	64,292,392	60,104,544	98,080,378	91,748,227	66,064,843
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	64,292,392	60,104,544	98,080,378	91,748,227	66,064,843
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	53,194,041	64,292,392	60,104,544	98,080,378	91,748,227
<b>Plan Fiduciary Net Position</b>	15,867,999	13,816,622	11,915,181	10,941,453	8,555,842
XV. Earnings from Plan Investments	1,325,942	1,186,988	353,363	1,698,091	165,091
XVI. Employer Contribution to Trust	2,812,090	2,616,932	2,522,844	2,444,786	2,272,124
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(2,086,655)	(1,902,479)	(1,902,479)	(1,757,266)	(1,675,382)
XVIII. Administrative Expense	0	0	0	0	0
XIX. Other	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	2,051,377	1,901,441	973,728	2,385,611	761,833
XXI. Plan Fiduciary Net Position - Beginning of Period	13,816,622	11,915,181	10,941,453	8,555,842	7,794,009
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	13,816,622	11,915,181	10,941,453	8,555,842	7,794,009
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	15,867,999	13,816,622	11,915,181	10,941,453	8,555,842
XXV. Net OPEB Liability [XIV.-XXIV.]	37,326,042	50,475,770	48,189,363	87,138,925	83,192,385
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	29.83%	21.49%	19.82%	11.16%	9.33%
XXVII. Covered Employee Payroll	49,866,028	47,346,693	45,967,663	42,145,772	41,146,333
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	74.85%	106.61%	104.83%	206.76%	202.19%
Single Discount Rate to Calculate Plan Liabilities	6.37%	5.30%	5.43%	2.26%	2.30%

## EXHIBIT B

### REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

<b>Schedule of Changes in the Town's Net OPEB Liability and Related Ratios</b>			
Valuation Date	July 1, 2017	July 1, 2017	July 1, 2015
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>	66,064,843	56,715,686	50,682,122
I. Service Cost	2,142,474	2,050,213	2,554,435
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,498,452	2,471,259	2,248,478
III. Changes in Benefit Terms	0	0	0
IV. Difference Between Expected & Actual Plan Experience	0	(6,260,543)	0
V. Changes of Assumptions	6,217,539	9,184,285	(6,789,769)
VI. Benefit Payments Excluding Implicit Cost	N/A	N/A	N/A
VII. Implicit Cost Amount	N/A	N/A	N/A
VIII. Total Benefit Payments	(1,509,308)	(1,411,650)	(1,417,777)
IX. Other	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	9,349,157	6,033,564	(3,404,633)
XI. Total OPEB Liability - Beginning of Period	56,715,686	50,682,122	54,086,755
XII. Prior Period Adjustment	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	56,715,686	50,682,122	54,086,755
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	66,064,843	56,715,686	50,682,122
<b>Plan Fiduciary Net Position</b>	7,794,009	6,429,146	5,880,200
XV. Earnings from Plan Investments	634,424	(27,161)	198,566
XVI. Employer Contribution to Trust	2,239,747	1,987,757	1,860,697
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,509,308)	(1,411,650)	(1,417,777)
XVIII. Administrative Expense	0	0	0
XIX. Other	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	1,364,863	548,946	641,486
XXI. Plan Fiduciary Net Position - Beginning of Period	6,429,146	5,880,200	5,238,714
XXII. Prior Period Adjustment	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	6,429,146	5,880,200	5,238,714
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	7,794,009	6,429,146	5,880,200
XXV. Net OPEB Liability [XIV.-XXIV.]	58,270,834	50,286,540	44,801,922
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	11.80%	11.34%	11.60%
XXVII. Covered Employee Payroll	39,495,099	35,461,031	38,721,911
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	147.54%	141.81%	115.70%
Single Discount Rate to Calculate Plan Liabilities	N/A	N/A	N/A

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY 2024 and future years we have used a 30-year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

<b>Actuarially Determined Contribution - Deficiency / (Excess)</b>					
For the Fiscal Year Ending:	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
I. Service Cost	1,879,460	1,761,252	1,580,708	4,551,328	2,625,560
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>1,909,398</u>	<u>2,275,768</u>	<u>2,207,301</u>	<u>2,487,929</u>	<u>2,181,247</u>
III. Actuarial Determined Contribution [I. + II.]	3,788,858	4,037,020	3,788,009	7,039,257	4,806,807
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(2,812,090)</u>	<u>(2,616,932)</u>	<u>(2,522,844)</u>	<u>(2,444,786)</u>	<u>(2,272,124)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>976,768</u>	<u>1,420,088</u>	<u>1,265,165</u>	<u>4,594,471</u>	<u>2,534,683</u>
Covered Employee Payroll	49,866,028	47,346,693	45,967,663	42,145,772	41,146,333
Contributions as a % of Covered Employee Payroll	5.64%	5.53%	5.49%	5.80%	5.52%
Discount Rate	6.37%	5.30%	5.43%	2.30%	4.75%
Money Weighted Rate of Return	8.78%	9.00%	2.92%	17.35%	1.86%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

<b>Actuarially Determined Contribution - Deficiency / (Excess) (Continued)</b>			
<u>For the Fiscal Year Ending:</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	2,142,474	2,050,213	2,554,435
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>2,042,623</u>	<u>1,949,399</u>	<u>1,689,840</u>
III. Actuarial Determined Contribution [I. + II.]	4,185,097	3,999,612	4,244,275
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(2,239,747)</u>	<u>(1,987,757)</u>	<u>(1,860,697)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>1,945,350</u>	<u>2,011,855</u>	<u>2,383,578</u>
Covered Employee Payroll	39,495,099	35,461,031	38,721,911
Contributions as a % of Covered Employee Payroll	5.67%	5.61%	4.81%
Discount Rate	4.75%	0.00%	0.00%
Money Weighted Rate of Return	8.35%	(0.39%)	3.26%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Actuarially Determined Contribution – by Function:

	Fiscal Year Ending June 30, 2024					Total
	Town Employees and Retirees	School Employees and Retirees	Pool Employees and Retirees	Transfer Station Employees and Retirees	Field Maintenance Employees and Retirees	
I. Service Cost	544,343	1,324,596	8,224	2,297	0	1,879,460
II. 30 Year Amortization of NOL Increasing by 3.00% per year	597,861	1,306,079	3,825	521	1,112	1,909,398
III. Actuarial Determined Contribution [I. + II.]	1,142,204	2,630,675	12,049	2,818	1,112	3,788,858
IV. Employer Share of Costs (Including Implicit Cost)	(683,610)	(1,398,585)	(5)	(426)	(4,029)	(2,086,655)
V. Employer OPEB Trust (Contribution)/Withdrawal	(227,145)	(496,217)	(1,453)	(198)	(422)	(725,435)
VI. Total Employer Contribution [IV. + V.]	(910,755)	(1,894,802)	(1,458)	(624)	(4,451)	(2,812,090)
VII. Contribution Deficiency / (Excess) [III. + VI.]	231,449	735,873	10,591	2,194	(3,339)	976,768

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

Notes to Required Supplementary Information:

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

Actuarial Cost Method: Individual Entry Age Normal

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

Actuarial Assumptions:

Investment Rate of Return: 6.38%, net of OPEB plan investment expense, including inflation.

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

Single Equivalent Discount Rate: 6.37%, net of OPEB plan investment expense, including inflation

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

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

Cost of Living Adjustment: Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

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



## EXHIBIT B

### REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

#### Plan Membership

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

Retirees & Beneficiaries:	459
Actives:	<u>608</u>
Total:	1,067

#### Events Subsequent to the Measurement Date

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

#### Changes in Assumptions: From June 30, 2023 to June 30, 2024

- ✓ Due to the GASB 75 standards the discount rate has been changed from 5.30% to 6.37%.

#### Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$725,435 beyond the pay-as-you-go cost for the period ending on the June 30, 2024 Measurement Date. For the year ending on the June 30, 2024 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$2,086,655. \$484,613 of the \$2,086,655 represents implicit cost.

## EXHIBIT B

### REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2024 Measurement Date)

#### Census Data Manipulation:

In the absence of data, the following was assumed:

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

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

### CONTRIBUTION PROJECTION DISCLOSURES

**Table 1: Projection of Contributions using a July 1, 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2024	49,866,028	0	49,866,028	0	2,086,655	0	2,086,655
June 30, 2025	46,628,607	4,733,402	51,362,009	0	2,112,576	0	2,112,576
June 30, 2026	43,861,662	9,041,207	52,902,869	0	2,212,165	0	2,212,165
June 30, 2027	41,560,713	12,929,242	54,489,955	0	2,407,935	0	2,407,935
June 30, 2028	39,501,569	16,623,085	56,124,654	0	2,562,456	0	2,562,456
June 30, 2029	37,550,773	20,257,621	57,808,394	0	2,850,360	0	2,850,360
June 30, 2030	35,785,731	23,756,915	59,542,646	0	3,072,530	0	3,072,530
June 30, 2031	34,094,627	27,234,298	61,328,925	0	3,346,761	0	3,346,761
June 30, 2032	32,532,026	30,636,767	63,168,793	0	3,649,283	0	3,649,283
June 30, 2033	30,931,575	34,132,282	65,063,857	0	3,828,120	0	3,828,120
June 30, 2034	29,233,591	37,782,182	67,015,773	0	3,987,322	0	3,987,322
June 30, 2035	27,689,059	41,337,187	69,026,246	0	4,045,760	15,920	4,061,680
June 30, 2036	26,282,821	44,814,212	71,097,033	0	4,060,656	41,343	4,101,999
June 30, 2037	24,959,576	48,270,368	73,229,944	0	4,076,840	77,642	4,154,482
June 30, 2038	23,631,511	51,795,331	75,426,842	0	4,221,148	129,881	4,351,029
June 30, 2039	22,493,738	55,195,909	77,689,647	0	4,294,072	195,733	4,489,805
June 30, 2040	21,279,695	58,740,641	80,020,336	0	4,316,805	238,913	4,555,718
June 30, 2041	20,132,768	62,288,178	82,420,946	0	4,508,436	290,888	4,799,324
June 30, 2042	19,030,092	65,863,482	84,893,574	0	4,614,520	352,336	4,966,856
June 30, 2043	18,143,295	69,297,086	87,440,381	0	4,699,059	395,477	5,094,536
June 30, 2044	17,271,202	72,792,390	90,063,592	0	4,784,352	444,067	5,228,419
June 30, 2045	16,310,599	76,454,901	92,765,500	0	4,897,335	525,092	5,422,427
June 30, 2046	15,534,888	80,013,577	95,548,465	0	4,985,319	632,008	5,617,327
June 30, 2047	14,698,553	83,716,366	98,414,919	0	4,997,217	765,623	5,762,840
June 30, 2048	13,854,569	87,512,798	101,367,367	0	5,064,824	937,140	6,001,964
June 30, 2049	12,985,238	91,423,150	104,408,388	0	5,142,246	1,138,450	6,280,696
June 30, 2050	12,196,453	95,344,187	107,540,640	0	5,168,397	1,298,051	6,466,448
June 30, 2051	11,374,788	99,392,071	110,766,859	0	5,243,278	1,479,032	6,722,310
June 30, 2052	10,521,649	103,568,216	114,089,865	0	5,330,243	1,683,475	7,013,718
June 30, 2053	9,635,134	107,877,427	117,512,561	0	5,294,546	1,851,080	7,145,626
June 30, 2054	8,806,109	112,231,829	121,037,938	0	5,328,841	2,029,990	7,358,831
June 30, 2055	7,873,110	116,795,966	124,669,076	0	5,433,307	2,256,784	7,690,091
June 30, 2056	7,066,347	121,342,801	128,409,148	0	5,347,742	2,507,230	7,854,972
June 30, 2057	6,260,535	126,000,887	132,261,422	0	5,392,963	2,784,284	8,177,247
June 30, 2058	5,448,281	130,780,984	136,229,265	0	5,363,163	3,097,811	8,460,974
June 30, 2059	4,708,072	135,608,071	140,316,143	0	5,235,687	3,436,069	8,671,756
June 30, 2060	4,067,877	140,457,750	144,525,627	0	5,180,446	3,760,714	8,941,160
June 30, 2061	3,430,129	145,431,267	148,861,396	0	5,120,755	4,102,055	9,222,810
June 30, 2062	2,934,148	150,393,090	153,327,238	0	5,049,978	4,468,472	9,518,450
June 30, 2063	2,394,057	155,532,998	157,927,055	0	5,020,689	4,834,409	9,855,098

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

**Table 1: Projection of Contributions using a July 1, 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2064	1,874,384	160,790,483	162,664,867	0	4,939,723	5,213,602	10,153,325
June 30, 2065	1,477,019	166,067,794	167,544,813	0	4,844,176	5,647,932	10,492,108
June 30, 2066	1,185,753	171,385,404	172,571,157	0	4,785,742	6,107,392	10,893,134
June 30, 2067	887,797	176,860,495	177,748,292	0	4,641,923	6,601,773	11,243,696
June 30, 2068	670,520	182,410,221	183,080,741	0	4,545,108	7,139,267	11,684,375
June 30, 2069	458,337	188,114,826	188,573,163	0	4,467,404	7,708,486	12,175,890
June 30, 2070	263,033	193,967,325	194,230,358	0	4,368,445	8,290,268	12,658,713
June 30, 2071	131,273	199,925,996	200,057,269	0	4,280,569	8,893,908	13,174,477
June 30, 2072	27,786	206,031,201	206,058,987	0	4,179,723	9,533,506	13,713,229
June 30, 2073	13,000	212,227,757	212,240,757	0	4,068,596	10,168,676	14,237,272
June 30, 2074	10,585	218,597,395	218,607,980	0	3,970,320	10,820,493	14,790,813
June 30, 2075	0	225,166,219	225,166,219	0	3,853,911	11,514,988	15,368,899
June 30, 2076	0	231,921,206	231,921,206	0	3,735,347	12,230,266	15,965,613
June 30, 2077	0	238,878,842	238,878,842	0	3,600,159	12,970,604	16,570,763
June 30, 2078	0	246,045,207	246,045,207	0	3,458,968	13,738,502	17,197,470
June 30, 2079	0	253,426,563	253,426,563	0	3,327,708	14,529,834	17,857,542
June 30, 2080	0	261,029,360	261,029,360	0	3,183,347	15,364,376	18,547,723
June 30, 2081	0	268,860,241	268,860,241	0	3,023,232	16,217,389	19,240,621
June 30, 2082	0	276,926,048	276,926,048	0	2,871,130	17,100,155	19,971,285
June 30, 2083	0	285,233,829	285,233,829	0	2,707,592	18,014,208	20,721,800
June 30, 2084	0	293,790,844	293,790,844	0	2,546,346	18,947,719	21,494,065
June 30, 2085	0	302,604,569	302,604,569	0	2,385,689	19,918,228	22,303,917
June 30, 2086	0	311,682,706	311,682,706	0	2,216,287	20,917,679	23,133,966
June 30, 2087	0	321,033,187	321,033,187	0	2,055,880	21,944,499	24,000,379
June 30, 2088	0	330,664,183	330,664,183	0	1,891,816	23,007,834	24,899,650
June 30, 2089	0	340,584,108	340,584,108	0	1,726,899	24,104,720	25,831,619
June 30, 2090	0	350,801,631	350,801,631	0	1,569,569	25,245,995	26,815,564
June 30, 2091	0	361,325,680	361,325,680	0	1,415,064	26,420,048	27,835,112
June 30, 2092	0	372,165,450	372,165,450	0	1,266,601	27,634,557	28,901,158
June 30, 2093	0	383,330,414	383,330,414	0	1,127,965	28,893,716	30,021,681
June 30, 2094	0	394,830,326	394,830,326	0	996,135	30,189,948	31,186,083
June 30, 2095	0	406,675,236	406,675,236	0	873,401	31,528,537	32,401,938
June 30, 2096	0	418,875,493	418,875,493	0	759,991	32,913,310	33,673,301
June 30, 2097	0	431,441,758	431,441,758	0	656,039	34,341,831	34,997,870
June 30, 2098	0	444,385,011	444,385,011	0	561,478	35,819,102	36,380,580

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

### FIDUCIARY NET POSITION PROJECTION DISCLOSURES

**Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2024	13,816,622	2,086,655	725,435	2,812,090	0	2,086,655	1,325,942	15,867,999	
June 30, 2025	15,867,999	2,112,576	612,794	2,725,370	0	2,112,576	938,326	17,419,119	
June 30, 2026	17,419,119	2,212,165	559,641	2,771,806	0	2,212,165	1,128,916	19,107,676	
June 30, 2027	19,107,676	2,407,935	514,838	2,922,773	0	2,407,935	1,235,239	20,857,753	
June 30, 2028	20,857,753	2,562,456	475,077	3,037,533	0	2,562,456	1,345,645	22,678,475	
June 30, 2029	22,678,475	2,850,360	438,462	3,288,822	0	2,850,360	1,460,657	24,577,594	
June 30, 2030	24,577,594	3,072,530	405,682	3,478,212	0	3,072,530	1,580,792	26,564,068	
June 30, 2031	26,564,068	3,346,761	375,253	3,722,014	0	3,346,761	1,706,573	28,645,894	
June 30, 2032	28,645,894	3,649,283	347,626	3,996,909	0	3,649,283	1,838,526	30,832,046	
June 30, 2033	30,832,046	3,828,120	320,897	4,149,017	0	3,828,120	1,977,163	33,130,106	
June 30, 2034	33,130,106	3,987,322	294,448	4,281,770	0	3,987,322	2,122,948	35,547,502	
June 30, 2035	35,547,502	4,045,760	270,768	4,316,528	0	4,061,680	2,276,435	38,078,785	
June 30, 2036	38,078,785	4,060,656	249,531	4,310,187	0	4,101,999	2,437,263	40,724,236	
June 30, 2037	40,724,236	4,076,840	230,066	4,306,906	0	4,154,482	2,605,432	43,482,092	
June 30, 2038	43,482,092	4,221,148	469,956	4,691,104	0	4,351,029	2,788,917	46,611,084	
June 30, 2039	46,611,084	4,294,072	434,300	4,728,372	0	4,489,805	2,987,427	49,837,078	
June 30, 2040	49,837,078	4,316,805	398,893	4,715,698	0	4,555,718	3,192,134	53,189,192	
June 30, 2041	53,189,192	4,508,436	366,401	4,874,837	0	4,799,324	3,404,978	56,669,683	
June 30, 2042	56,669,683	4,614,520	336,246	4,950,766	0	4,966,856	3,626,086	60,279,679	
June 30, 2043	60,279,679	4,699,059	311,240	5,010,299	0	5,094,536	3,855,619	64,051,061	
June 30, 2044	64,051,061	4,784,352	287,650	5,072,002	0	5,228,419	4,095,492	67,990,136	
June 30, 2045	67,990,136	4,897,335	263,739	5,161,074	0	5,422,427	4,346,054	72,074,837	
June 30, 2046	72,074,837	4,985,319	243,880	5,229,199	0	5,617,327	4,606,034	76,292,743	
June 30, 2047	76,292,743	4,997,217	224,029	5,221,246	0	5,762,840	4,874,513	80,625,662	
June 30, 2048	80,625,662	5,064,824	205,015	5,269,839	0	6,001,964	5,150,356	85,043,893	
June 30, 2049	85,043,893	5,142,246	186,555	5,328,801	0	6,280,696	5,431,659	89,523,657	
June 30, 2050	89,523,657	5,168,397	170,119	5,338,516	0	6,466,448	5,716,952	94,112,677	
June 30, 2051	94,112,677	5,243,278	154,037	5,397,315	0	6,722,310	6,009,227	98,796,909	
June 30, 2052	98,796,909	5,330,243	138,334	5,468,577	0	7,013,718	6,307,587	103,559,355	
June 30, 2053	103,559,355	5,294,546	122,989	5,417,535	0	7,145,626	6,610,950	108,442,214	
June 30, 2054	108,442,214	5,328,841	109,132	5,437,973	0	7,358,831	6,922,041	113,443,397	
June 30, 2055	113,443,397	5,433,307	94,728	5,528,035	0	7,690,091	7,240,664	118,522,005	
June 30, 2056	118,522,005	5,347,742	82,545	5,430,287	0	7,854,972	7,564,296	123,661,616	
June 30, 2057	123,661,616	5,392,963	71,002	5,463,965	0	8,177,247	7,891,841	128,840,175	
June 30, 2058	128,840,175	5,363,163	59,990	5,423,153	0	8,460,974	8,221,887	134,024,241	
June 30, 2059	134,024,241	5,235,687	50,330	5,286,017	0	8,671,756	8,552,327	139,190,829	
June 30, 2060	139,190,829	5,180,446	42,220	5,222,666	0	8,941,160	8,881,701	144,354,036	
June 30, 2061	144,354,036	5,120,755	34,564	5,155,319	0	9,222,810	9,210,873	149,497,418	
June 30, 2062	149,497,418	5,049,978	28,705	5,078,683	0	9,518,450	9,538,837	154,596,488	
June 30, 2063	154,596,488	5,020,689	22,739	5,043,428	0	9,855,098	9,863,970	159,648,788	

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

### FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

**Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you- go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. +VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2064	159,648,788	4,939,723	17,284	4,957,007	0	10,153,325	10,153,325	10,186,136	164,638,606
June 30, 2065	164,638,606	4,844,176	13,223	4,857,399	0	10,492,108	10,492,108	10,504,358	169,508,255
June 30, 2066	169,508,255	4,785,742	10,307	4,796,049	0	10,893,134	10,893,134	10,814,950	174,226,120
June 30, 2067	174,226,120	4,641,923	7,492	4,649,415	0	11,243,696	11,243,696	11,115,862	178,747,701
June 30, 2068	178,747,701	4,545,108	5,494	4,550,602	0	11,684,375	11,684,375	11,404,276	183,018,204
June 30, 2069	183,018,204	4,467,404	3,646	4,471,050	0	12,175,890	12,175,890	11,676,676	186,990,040
June 30, 2070	186,990,040	4,368,445	2,031	4,370,476	0	12,658,713	12,658,713	11,930,028	190,631,831
June 30, 2071	190,631,831	4,280,569	984	4,281,553	0	13,174,477	13,174,477	12,162,342	193,901,249
June 30, 2072	193,901,249	4,179,723	202	4,179,925	0	13,713,229	13,713,229	12,370,906	196,738,851
June 30, 2073	196,738,851	4,068,596	92	4,068,688	0	14,237,272	14,237,272	12,551,942	199,122,209
June 30, 2074	199,122,209	3,970,320	73	3,970,393	0	14,790,813	14,790,813	12,703,999	201,005,788
June 30, 2075	201,005,788	3,853,911	0	3,853,911	0	15,368,899	15,368,899	12,824,169	202,314,969
June 30, 2076	202,314,969	3,735,347	0	3,735,347	0	15,965,613	15,965,613	12,907,695	202,992,398
June 30, 2077	202,992,398	3,600,159	0	3,600,159	0	16,570,763	16,570,763	12,950,915	202,972,709
June 30, 2078	202,972,709	3,458,968	0	3,458,968	0	17,197,470	17,197,470	12,949,659	202,183,866
June 30, 2079	202,183,866	3,327,708	0	3,327,708	0	17,857,542	17,857,542	12,899,331	200,553,363
June 30, 2080	200,553,363	3,183,347	0	3,183,347	0	18,547,723	18,547,723	12,795,305	197,984,292
June 30, 2081	197,984,292	3,023,232	0	3,023,232	0	19,240,621	19,240,621	12,631,398	194,398,301
June 30, 2082	194,398,301	2,871,130	0	2,871,130	0	19,971,285	19,971,285	12,402,612	189,700,758
June 30, 2083	189,700,758	2,707,592	0	2,707,592	0	20,721,800	20,721,800	12,102,908	183,789,458
June 30, 2084	183,789,458	2,546,346	0	2,546,346	0	21,494,065	21,494,065	11,725,767	176,567,506
June 30, 2085	176,567,506	2,385,689	0	2,385,689	0	22,303,917	22,303,917	11,265,007	167,914,285
June 30, 2086	167,914,285	2,216,287	0	2,216,287	0	23,133,966	23,133,966	10,712,931	157,709,537
June 30, 2087	157,709,537	2,055,880	0	2,055,880	0	24,000,379	24,000,379	10,061,868	145,826,906
June 30, 2088	145,826,906	1,891,816	0	1,891,816	0	24,899,650	24,899,650	9,303,757	132,122,829
June 30, 2089	132,122,829	1,726,899	0	1,726,899	0	25,831,619	25,831,619	8,429,436	116,447,545
June 30, 2090	116,447,545	1,569,569	0	1,569,569	0	26,815,564	26,815,564	7,429,353	98,630,903
June 30, 2091	98,630,903	1,415,064	0	1,415,064	0	27,835,112	27,835,112	6,292,652	78,503,507
June 30, 2092	78,503,507	1,266,601	0	1,266,601	0	28,901,158	28,901,158	5,008,524	55,877,474
June 30, 2093	55,877,474	1,127,965	0	1,127,965	0	30,021,681	30,021,681	3,564,983	30,548,741
June 30, 2094	30,548,741	996,135	0	996,135	0	31,186,083	31,186,083	1,949,010	2,307,803
June 30, 2095	2,307,803	873,401	0	873,401	0	32,401,938	32,401,938	147,238	0
June 30, 2096	0	759,991	0	759,991	0	33,673,301	33,673,301	0	0
June 30, 2097	0	656,039	0	656,039	0	34,997,870	34,997,870	0	0
June 30, 2098	0	561,478	0	561,478	0	36,380,580	36,380,580	0	0

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

### BENEFIT PAYMENT PROJECTION DISCLOSURES

**Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.38%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.21%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.37%]	
June 30, 2024	13,816,622	2,086,655	2,086,655	0	2,086,655	0	2,086,655	<b>Sum of Column V.</b>
June 30, 2025	15,867,999	2,112,576	2,112,576	0	1,985,877	0	1,986,129	60,581,615
June 30, 2026	17,419,119	2,212,165	2,212,165	0	1,954,778	0	1,955,274	
June 30, 2027	19,107,676	2,407,935	2,407,935	0	2,000,160	0	2,000,921	<b>Sum of Column VI.</b>
June 30, 2028	20,857,753	2,562,456	2,562,456	0	2,000,859	0	2,001,873	170,334
June 30, 2029	22,678,475	2,850,360	2,850,360	0	2,092,184	0	2,093,509	
June 30, 2030	24,577,594	3,072,530	3,072,530	0	2,120,002	0	2,121,614	<b>Sum of Column VII.</b>
June 30, 2031	26,564,068	3,346,761	3,346,761	0	2,170,725	0	2,172,651	[V. + VI.]
June 30, 2032	28,645,894	3,649,283	3,649,283	0	2,224,988	0	2,227,244	60,751,949
June 30, 2033	30,832,046	3,828,120	3,828,120	0	2,194,046	0	2,196,549	
June 30, 2034	33,130,106	3,987,322	3,987,322	0	2,148,233	0	2,150,956	
June 30, 2035	35,547,502	4,045,760	4,045,760	0	2,048,992	0	2,051,849	
June 30, 2036	38,078,785	4,060,656	4,060,656	0	1,933,198	0	1,936,139	
June 30, 2037	40,724,236	4,076,840	4,076,840	0	1,824,500	0	1,827,507	
June 30, 2038	43,482,092	4,221,148	4,221,148	0	1,775,787	0	1,778,939	
June 30, 2039	46,611,084	4,294,072	4,294,072	0	1,698,125	0	1,701,354	
June 30, 2040	49,837,078	4,316,805	4,316,805	0	1,604,733	0	1,607,988	
June 30, 2041	53,189,192	4,508,436	4,508,436	0	1,575,456	0	1,578,852	
June 30, 2042	56,669,683	4,614,520	4,614,520	0	1,515,817	0	1,519,277	
June 30, 2043	60,279,679	4,699,059	4,699,059	0	1,451,013	0	1,454,509	
June 30, 2044	64,051,061	4,784,352	4,784,352	0	1,388,748	0	1,392,271	
June 30, 2045	67,990,136	4,897,335	4,897,335	0	1,336,288	0	1,339,848	
June 30, 2046	72,074,837	4,985,319	4,985,319	0	1,278,714	0	1,282,282	
June 30, 2047	76,292,743	4,997,217	4,997,217	0	1,204,893	0	1,208,409	
June 30, 2048	80,625,662	5,064,824	5,064,824	0	1,147,955	0	1,151,450	
June 30, 2049	85,043,893	5,142,246	5,142,246	0	1,095,603	0	1,099,078	
June 30, 2050	89,523,657	5,168,397	5,168,397	0	1,035,133	0	1,038,548	
June 30, 2051	94,112,677	5,243,278	5,243,278	0	987,150	0	990,532	
June 30, 2052	98,796,909	5,330,243	5,330,243	0	943,338	0	946,690	
June 30, 2053	103,559,355	5,294,546	5,294,546	0	880,824	0	884,066	
June 30, 2054	108,442,214	5,328,841	5,328,841	0	833,361	0	836,534	
June 30, 2055	113,443,397	5,433,307	5,433,307	0	798,739	0	801,882	
June 30, 2056	118,522,005	5,347,742	5,347,742	0	739,011	0	742,013	
June 30, 2057	123,661,616	5,392,963	5,392,963	0	700,564	0	703,499	
June 30, 2058	128,840,175	5,363,163	5,363,163	0	654,910	0	657,737	
June 30, 2059	134,024,241	5,235,687	5,235,687	0	601,000	0	603,670	
June 30, 2060	139,190,829	5,180,446	5,180,446	0	558,995	0	561,550	
June 30, 2061	144,354,036	5,120,755	5,120,755	0	519,415	0	521,855	
June 30, 2062	149,497,418	5,049,978	5,049,978	0	481,515	0	483,839	
June 30, 2063	154,596,488	5,020,689	5,020,689	0	450,012	0	452,241	

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

**BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)**

**Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2023 Valuation Date**

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.38%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.21%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.37%]
June 30, 2064	159,648,788	4,939,723	4,939,723	0	416,201	0	418,315
June 30, 2065	164,638,606	4,844,176	4,844,176	0	383,672	0	385,670
June 30, 2066	169,508,255	4,785,742	4,785,742	0	356,312	0	358,212
June 30, 2067	174,226,120	4,641,923	4,641,923	0	324,877	0	326,651
June 30, 2068	178,747,701	4,545,108	4,545,108	0	299,023	0	300,695
June 30, 2069	183,018,204	4,467,404	4,467,404	0	276,284	0	277,864
June 30, 2070	186,990,040	4,368,445	4,368,445	0	253,961	0	255,446
June 30, 2071	190,631,831	4,280,569	4,280,569	0	233,928	0	235,325
June 30, 2072	193,901,249	4,179,723	4,179,723	0	214,718	0	216,027
June 30, 2073	196,738,851	4,068,596	4,068,596	0	196,474	0	197,697
June 30, 2074	199,122,209	3,970,320	3,970,320	0	180,230	0	181,375
June 30, 2075	201,005,788	3,853,911	3,853,911	0	164,453	0	165,519
June 30, 2076	202,314,969	3,735,347	3,735,347	0	149,834	0	150,825
June 30, 2077	202,992,398	3,600,159	3,600,159	0	135,751	0	136,665
June 30, 2078	202,972,709	3,458,968	3,458,968	0	122,605	0	123,446
June 30, 2079	202,183,866	3,327,708	3,327,708	0	110,878	0	111,653
June 30, 2080	200,553,363	3,183,347	3,183,347	0	99,707	0	100,417
June 30, 2081	197,984,292	3,023,232	3,023,232	0	89,013	0	89,658
June 30, 2082	194,398,301	2,871,130	2,871,130	0	79,465	0	80,051
June 30, 2083	189,700,758	2,707,592	2,707,592	0	70,444	0	70,972
June 30, 2084	183,789,458	2,546,346	2,546,346	0	62,276	0	62,751
June 30, 2085	176,567,506	2,385,689	2,385,689	0	54,847	0	55,273
June 30, 2086	167,914,285	2,216,287	2,216,287	0	47,897	0	48,275
June 30, 2087	157,709,537	2,055,880	2,055,880	0	41,766	0	42,100
June 30, 2088	145,826,906	1,891,816	1,891,816	0	36,128	0	36,422
June 30, 2089	132,122,829	1,726,899	1,726,899	0	31,000	0	31,257
June 30, 2090	116,447,545	1,569,569	1,569,569	0	26,486	0	26,709
June 30, 2091	98,630,903	1,415,064	1,415,064	0	22,447	0	22,638
June 30, 2092	78,503,507	1,266,601	1,266,601	0	18,887	0	19,050
June 30, 2093	55,877,474	1,127,965	1,127,965	0	15,811	0	15,950
June 30, 2094	30,548,741	996,135	996,135	0	13,126	0	13,243
June 30, 2095	2,307,803	873,401	873,401	0	10,818	0	10,916
June 30, 2096	0	759,991	0	759,991	0	39,041	8,930
June 30, 2097	0	656,039	0	656,039	0	32,340	7,247
June 30, 2098	0	561,478	0	561,478	0	26,560	5,831



## APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	<b>Medicare Supplement Plans:</b> effective July 1, 2024 <b>Active Plans:</b> effective July 1, 2024 <b>Dental Plans:</b> N/A
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical 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"> <li>• Age 55 with 10 years of creditable service</li> <li>• 20 years of service regardless of age</li> </ul>
On or after April 2, 2012	<ul style="list-style-type: none"> <li>• Age 60 with 10 years of creditable service</li> </ul>

Participant Contributions

Group	Individual	Two-Person / Family
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

6.37% per annum (previously 5.30%)

### Net Long Term Rate of Return

6.38% (based on investment policy)

### Municipal Bond Rate

4.21% as of June 30, 2024 (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, 2024

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

**Non-Public Safety Employees**

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

**Public Safety Employees**

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

## APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

### Retirement Rates for Eligible Employees

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

### Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

**Medicare Part A & B Premiums & Penalties:** 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.

<b>Impact of Implicit Subsidy</b>		
	<b>As of the Measurement Date</b>	
<b>Impact on Liability</b>	<b><u>June 30, 2024</u></b>	<b><u>June 30, 2023</u></b>
I. Total OPEB Liability	53,194,041	64,292,392
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>37,439,432</u>	<u>46,029,286</u>
III. Liability from Implicit Subsidy [I. - II.]	15,754,609	18,263,106

  

	<b>For the Measurement Period Ending</b>	
<b>Impact on Payments</b>	<b><u>June 30, 2024</u></b>	<b><u>June 30, 2023</u></b>
IV. Employer Payments (Including Implicit Subsidy)	2,086,655	1,902,479
V. Actual Employer Payments	<u>1,602,042</u>	<u>1,483,537</u>
VI. Implicit Subsidy [IV. - V.]	484,613	418,942



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	4,829	3,044	44 & Under	9,491	6,220	65 to 69	3,583	3,679
25 to 29	7,124	3,167	45 to 49	10,425	7,853	70 to 74	4,226	4,409
30 to 34	9,002	3,976	50 to 54	12,264	10,342	75 to 79	4,903	5,207
35 to 39	9,273	4,992	55 to 59	14,177	13,445	80 to 84	5,624	5,984
40 to 44	9,491	6,220	60 to 64	16,870	17,254	85 to 89	6,287	6,667
45 to 49	10,425	7,853	65 to 69	20,223	21,521	90 & Over	6,287	6,667
50 to 54	12,264	10,342	70 to 74	23,849	25,791			
55 to 59	14,177	13,445	75 to 79	27,697	30,460			
60 to 64	16,870	17,254	80 to 84	31,756	35,012			
65 to 69	20,223	21,521	85 to 89	36,249	40,076			
70 & Over	23,849	25,791	90 & Over	36,249	40,076			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Open Group Forecast

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

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

Additional Comments

The liabilities being reported as of the Measurement Date of June 30, 2024 reflect a closed group and do not reflect any new entrants after the valuation date.

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

## APPENDIX IV – PLAN DEMOGRAPHICS

### Active Employees

Valuation Date	July 1, 2023	July 1, 2021
<b>A. Average Age at Hire</b>	36.09	36.02
<b>B. Average Service</b>	<u>9.36</u>	<u>9.05</u>
<b>C. Average Current Age</b>	45.45	45.07

### Retired Employees & Spouses

Valuation Date	July 1, 2023	July 1, 2021
<b>A. Under Age 65</b>	56	65
<b>B. Age 65 &amp; Over</b>	<u>403</u>	<u>404</u>
<b>C. Total</b>	459	469

### 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	31										31
25-29	37	1									38
30-34	45	21	3								69
35-39	36	16	16	4							72
40-44	32	19	13	12	4						80
45-49	26	15	10	14	11	1					77
50-54	21	13	14	7	26	13	3				97
55-59	24	20	12	5	7	4	1	1			74
60-64	9	10	7	4	9	4		2			45
65-69	3	3	3	2	6	1				2	20
70+			1	1	1	1	1				5
<b>Total</b>	264	118	79	49	64	24	5	3	2		608

## APPENDIX IV – PLAN DEMOGRAPHICS

<u>Plan Offerings</u>	<u>Number of Contracts</u>			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Harvard Pilgrim Access America	1			1
Harvard Pilgrim Explorer	32		57	89
Harvard Pilgrim Quality	60		81	141
Health New England	3		3	6
Mass General Brigham Health Plan Complete	40		83	123
Wellpoint Total Choice	2		4	6
Wellpoint PLUS	10		20	30
Wellpoint Community Choice	4		13	17
Wellpoint Medicare Extension	64	68		132
HNE Medicare Supplement Plus	1			1
Harvard Pilgrim Medicare Enhance	43	52		95
Tufts Medicare Preferred	14	19		33
<b>Total</b>	274	139	261	674

	<u>Per Contract Costs (monthly)</u>		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Harvard Pilgrim Access America	1,255.60		2,800.90
Harvard Pilgrim Explorer	1,064.70		2,638.00
Harvard Pilgrim Quality	785.70		1,999.80
Health New England	775.90		1,861.40
Mass General Brigham Health Plan Complete	974.70		2,577.70
Wellpoint Total Choice	1,496.90		3,321.80
Wellpoint PLUS	955.80		2,277.20
Wellpoint Community Choice	742.70		1,843.60
Wellpoint Medicare Extension	443.40	886.80	
HNE Medicare Supplement Plus	437.50	875.00	
Harvard Pilgrim Medicare Enhance	434.80	869.60	
Tufts Medicare Preferred	362.80	725.60	
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 Access America	1			1	15,067.20	15,067.20
Harvard Pilgrim Explorer	32		57	146	2,213,236.80	1,865,354.40
Harvard Pilgrim Quality	60		81	222	2,509,509.60	2,093,104.80
Health New England	3		3	9	94,942.80	83,797.20
Mass General Brigham Health Plan Complete	40		83	206	3,035,245.20	2,409,458.40
Wellpoint Total Choice	2		4	10	195,372.00	179,628.00
Wellpoint PLUS	10		20	50	661,224.00	573,480.00
Wellpoint Community Choice	4		13	30	323,251.20	267,372.00
<b>Total</b>	<b>152</b>	<b>0</b>	<b>261</b>	<b>674</b>	<b>9,047,848.80</b>	<b>7,487,262.00</b>
<b>Blended Average Monthly Rate:</b>						<b>\$ 925.72</b>

	Medicare Supplement Plan Average Premium Calculation					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Wellpoint Medicare Extension	64	68		200	1,064,160.00	1,064,160.00
HNE Medicare Supplement Plus	1			1	5,250.00	5,250.00
Harvard Pilgrim Medicare Enhance	43	52		147	766,987.20	766,987.20
Tufts Medicare Preferred	14	19		52	226,387.20	226,387.20
<b>Total</b>	<b>122</b>	<b>139</b>	<b>0</b>	<b>400</b>	<b>2,062,784.40</b>	<b>2,062,784.40</b>
<b>Blended Average Monthly Rate:</b>						<b>\$ 429.75</b>

## APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

## APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

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

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

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

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

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

## APPENDIX VI – ASOP 41 DISCLOSURES

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

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

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

### Identification of the Responsible Actuary

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

### Identification of Actuarial Documents

The date of this document is August 28, 2024 and its subject is the Town of Sudbury's GASB 75 OPEB liabilities.

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

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



## APPENDIX VI – ASOP 41 DISCLOSURES

### Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town’s appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the Qualification Standards of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of 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, 2024.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

## APPENDIX VI – ASOP 41 DISCLOSURES

### Events Subsequent to the Measurement Date

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

### Actuarial Findings

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

### Methods, Procedures, Assumptions, and Data

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

### Assumptions or Methods Prescribed by Law

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

### Responsibility for Assumptions and Methods

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

### Deviation from the Guidance of an ASOP

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

### Rounding

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

## GLOSSARY

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

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

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

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

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

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

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

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

## GLOSSARY

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.