

Town of Dedham
Other Postemployment Benefits Plan

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2021

As of the Measurement Date:
June 30, 2022

For the Reporting Date:
June 30, 2022

Delivered September 8, 2022



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September 8, 2022

Personal and Confidential

Mr. John Arnett
Finance Director
Town of Dedham
450 Washington Street
Dedham, MA 02026

Dear Mr. Arnett:

We have performed an actuarial valuation of the Town of Dedham Other Postemployment Benefits Plan for the Reporting Date & Fiscal Year Ending June 30, 2022 with a Measurement Date of June 30, 2022 and a Valuation Date of July 1, 2021. The figures presented in this report reflect the adoption, by the Town of Dedham, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

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

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

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

Very truly yours,

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

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



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ACTUARIAL CERTIFICATION

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

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

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

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

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

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

EXECUTIVE SUMMARY

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

Plan Experience

For the year ending on the Measurement Date of June 30, 2022, the Plan saw an experience gain of \$8,126,220 or 10.11% of the beginning Total OPEB Liability ("TOL"). This was mainly due to the average premium for Medicare Supplement plans increasing by less than the expected 9% increase over the two-year period.

Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by approximately \$29 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 7.50% to 6.41% increasing the disclosed liability by approximately \$12 million.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs increasing the disclosed liability by approximately \$12 million.
- ✓ Due to recent research, we have updated our age-adjusted morbidity factors which are used to determine relative healthcare costs by age, and results in a higher percentage of claims to older ages increasing the disclosed liability by approximately \$5.3 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 \$3.2 million less than expected.

Changes in Benefit Terms

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

EXECUTIVE SUMMARY

Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 5.00 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 72.45% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 9.00% increase in fiscal year 2022 and an ultimate trend rate of 3.60% in fiscal year 2061.
- ✓ Discount Rate (6.41%) – 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

EXECUTIVE SUMMARY

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.09% as of June 30, 2022.
- ✓ Current Asset Level – The Town had \$27,770,269 of OPEB assets as of June 30, 2022.
- ✓ Future Funding Policy – The Town is expected to contribute \$500k annually until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB. For the purpose of this valuation, we assumed that to be in Fiscal 2031.
- ✓ Investment Policy – The Town is expected to earn 6.41% per year on assets based on its investment policy.

Low Default Risk Obligation Measure (LDRM)

For purposes of this LDRM, we have used a discount rate of 4.09% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDRM Total OPEB Liability is \$150 million vs. the \$110 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$40 million. Please note that the ultimate cost of the plan is the actual benefits paid plus expenses and any changes in assumptions, including discount rate, do not impact the actual cost of the plan.

EXECUTIVE SUMMARY

Medicare Buy-In

The Town currently has 27 retirees or covered spouses who are over the age of 65 and are enrolled in Active medical plans rather than Medicare Supplement (Senior) plans. Under Actuarial Standards of Practice for OPEB, we are required to reflect the projected higher healthcare costs that occur as retirees age.

Recently, some of our clients have seen substantial cost savings by “buying into” Medicare for retirees who would otherwise be ineligible. To buy into Medicare the Town would need to pay the Medicare Part A premium and the Medicare Part A and B penalties. While the cost to buy into Medicare is significant, it is likely still far less than the cost of the claims that the associated retirees are expected to incur. You may wish to review their Medicare eligibility to see if they are already eligible for Medicare or if a “buy-in” is appropriate as this could yield a reduction in your OPEB annual costs and disclosed liabilities. If you are in this situation, we encourage you to talk to your healthcare consultant to see if this might be viable.

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2021	July 1, 2020
Measurement Date & Period Ending	June 30, 2022	June 30, 2021
Reporting Date/Fiscal Year End	June 30, 2022	June 30, 2021
Total OPEB Liability	106,343,881	80,356,338
Per Eligible Active Plan Participant	76,025	N/A
Per Retiree/Spouse Plan Participant	84,023	N/A
Total Annual Service Cost (Annual Benefit Accrual)	2,505,116	1,684,695
Per Eligible Active Plan Participant	3,706	N/A
Expected Employer Share of Retiree Costs	3,490,619	4,428,360
Per Retiree/Spouse Plan Participant	5,337	N/A
Net OPEB Liability as a % of Covered Payroll	124.65%	86.35%

EXECUTIVE SUMMARY

Liabilities & Benefit Payments in Today's Dollars

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

For the Period Ending on the Measurement Date of:	Number of Retirees, Spouses, & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums/Claims Including "Implicit Cost"	Present Value at 3.00% of Employer Share of Premiums / Claims Including "Implicit Cost"
June 30, 2022	654	106,343,881	106,343,881	3,490,619	3,490,619
June 30, 2027	712	125,697,173	108,427,486	5,994,778	5,171,148
June 30, 2032	713	143,635,969	106,878,650	7,457,491	5,549,074
June 30, 2037	703	161,603,905	103,727,397	8,890,988	5,706,787
June 30, 2042	675	179,325,165	99,287,996	10,606,565	5,872,598
June 30, 2047	643	198,476,112	94,793,296	11,756,265	5,614,858
June 30, 2052	620	223,268,154	91,983,523	12,132,122	4,998,274

EXECUTIVE SUMMARY

Continuing OPEB Disclosures

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

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

<u>Fiscal Year Ending</u>	<u>Cost</u>
June 30, 2023 (Projected)	4,501,405
June 30, 2022	3,490,619
June 30, 2021	4,428,360
June 30, 2020	4,237,665
June 30, 2019	3,952,760
June 30, 2018	3,475,557

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2022 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$78,573,612 assuming a discount rate of 6.41%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$500k annually until their pension system is fully funded, at which point the Town will reallocate the funds used to pay its pension amortization towards OPEB. For the purpose of this valuation, we assumed that to be in Fiscal 2031. The balance of this fund as of June 30, 2022 was \$27,770,269. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Dedham

Assuming Funding - 6.41% discount rate

Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2021	July 1, 2020
For the Measurement Period ending on the Measurement Date of:	June 30, 2022	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2022	June 30, 2021
I. Total OPEB Liability		
A. Actives	51,392,972	N/A
B. Retirees/Disabled	<u>54,950,909</u>	<u>N/A</u>
C. Total	106,343,881	80,356,338
II. Fiduciary Net Position [Plan Assets]	27,770,269	28,854,943
III. Net OPEB Liability (Asset) [I. - II.]	78,573,612	51,501,395
IV. Funded Ratio [II. / I.]	26.11%	35.91%
V. Number of Eligible Participants		
A. Actives	676	658
B. Retirees/Disabled & Dependents	<u>654</u>	<u>730</u>
C. Total	1,330	1,388
VI. Service Cost	2,505,116	1,684,695
VII. Financial Statement Expense/(Income)	8,352,056	2,783,605
VIII. Employer OPEB Trust (Contribution)/Withdrawal	0	(438,937)
IX. Deferred Inflow of Resources	(6,655,537)	(6,694,064)
X. Deferred Outflow of Resources	24,254,891	2,082,638
XI. Money Weighted Rate of Return	(3.76%)	29.31%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.09%	2.18%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.41%	7.50%
XIV. Crossover Year	N/A	N/A
XV. Discount Rate	6.41%	7.50%

PRINCIPAL RESULTS OF THE VALUATION

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

	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	Total
I. Total OPEB Liability				
A. Actives	4,516,008	33,896,980	12,979,984	51,392,972
B. Retirees/Disabled	<u>5,944,122</u>	<u>38,363,516</u>	<u>10,643,271</u>	<u>54,950,909</u>
C. Total	10,460,130	72,260,496	23,623,255	106,343,881
II. Fiduciary Net Position [Plan Assets]	2,731,522	18,869,853	6,168,894	27,770,269
III. Net OPEB Liability (Asset) [I. - II.]	7,728,608	53,390,643	17,454,361	78,573,612
For the Reporting Date and Fiscal Year Ending June 30, 2022				
IV. Service Cost	407,638	1,623,137	474,341	2,505,116
V. Financial Statement Expense/(Income)	978,882	5,608,363	1,764,811	8,352,056
VI. Employer Share of Costs	(667,167)	(1,926,779)	(896,673)	(3,490,619)
VII. Employer OPEB Trust (Contribution)/Withdrawal	0	0	0	0
VIII. Total Employer Contribution [VI. + VII.]	(667,167)	(1,926,779)	(896,673)	(3,490,619)

PRINCIPAL RESULTS OF THE VALUATION

Town of Dedham

Assuming Funding - 6.41% discount rate

For the Period Ending on the June 30, 2022 Measurement Date

	Actives			Retirees/Disabled			Grand Total
	Under Age 65	Age 65+	Actives Total	Under Age 65	Age 65 +	Retirees Total	
Total OPEB Liability							
A. Participants	13,296,124	16,689,504	29,985,628	3,346,673	39,415,026	42,761,699	72,747,327
B. Spouses	<u>9,530,460</u>	<u>11,876,884</u>	<u>21,407,344</u>	<u>2,688,777</u>	<u>9,500,433</u>	<u>12,189,210</u>	<u>33,596,554</u>
C. Total	22,826,584	28,566,388	51,392,972	6,035,450	48,915,459	54,950,909	106,343,881
Service Cost							
A. Participants	602,418	868,062	1,470,480	0	0	0	1,470,480
B. Spouses	<u>422,631</u>	<u>612,005</u>	<u>1,034,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,034,636</u>
C. Total	1,025,049	1,480,067	2,505,116	0	0	0	2,505,116

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

Funding - 6.41% 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 6.41% return		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [III. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
2022	June 30, 2022	106,343,881	27,770,269	78,573,612	26.11%	2,505,116	3,490,619	0	3,490,619	3,490,619	0	0	0
2023	June 30, 2023	110,784,691	30,066,119	80,718,572	27.14%	2,131,004	4,501,405	500,000	5,001,405	4,501,405	0	0	500,000
2024	June 30, 2024	114,599,301	32,509,133	82,090,168	28.37%	2,186,462	4,917,023	500,000	5,417,023	4,917,023	0	0	500,000
2025	June 30, 2025	118,371,848	35,108,745	83,263,103	29.66%	2,239,901	5,271,325	500,000	5,771,325	5,271,325	0	0	500,000
2026	June 30, 2026	122,046,612	37,874,992	84,171,620	31.03%	2,290,848	5,699,440	500,000	6,199,440	5,699,440	0	0	500,000
2027	June 30, 2027	125,697,173	40,818,555	84,878,618	32.47%	2,333,997	5,994,778	500,000	6,494,778	5,994,778	0	0	500,000
2028	June 30, 2028	129,282,585	43,950,800	85,331,785	34.00%	2,380,309	6,378,230	500,000	6,878,230	6,378,230	0	0	500,000
2029	June 30, 2029	132,905,961	47,283,822	85,622,139	35.58%	2,430,667	6,606,718	500,000	7,106,718	6,606,718	0	0	500,000
2030	June 30, 2030	136,437,974	50,830,491	85,607,483	37.26%	2,479,059	6,998,539	500,000	7,498,539	6,998,539	0	0	500,000
2031	June 30, 2031	140,009,341	59,246,487	80,762,854	42.32%	2,533,424	7,188,059	5,000,000	12,188,059	7,188,059	0	0	5,000,000
2032	June 30, 2032	143,635,969	68,201,948	75,434,021	47.48%	2,582,761	7,457,491	5,000,000	12,457,491	7,457,491	0	0	5,000,000
2033	June 30, 2033	147,141,416	77,731,454	69,409,962	52.83%	2,630,595	7,809,091	5,000,000	12,809,091	7,809,091	0	0	5,000,000
2034	June 30, 2034	150,671,628	87,871,801	62,799,827	58.32%	2,688,620	7,976,102	5,000,000	12,976,102	7,976,102	0	0	5,000,000
2035	June 30, 2035	154,325,338	98,662,145	55,663,193	63.93%	2,745,001	8,256,882	5,000,000	13,256,882	8,256,882	0	0	5,000,000
2036	June 30, 2036	157,951,734	110,144,150	47,807,584	69.73%	2,802,448	8,565,760	5,000,000	13,565,760	8,565,760	0	0	5,000,000
2037	June 30, 2037	161,603,905	122,362,151	39,241,754	75.72%	2,868,087	8,890,988	5,000,000	13,890,988	8,890,988	0	0	5,000,000
2038	June 30, 2038	165,298,298	135,363,326	29,934,972	81.89%	2,935,803	9,277,749	5,000,000	14,277,749	9,277,749	0	0	5,000,000
2039	June 30, 2039	168,868,221	149,197,876	19,670,345	88.35%	3,006,381	9,635,902	5,000,000	14,635,902	9,635,902	0	0	5,000,000
2040	June 30, 2040	172,397,100	163,919,221	8,477,879	95.08%	3,082,182	10,019,911	5,000,000	15,019,911	10,019,911	0	0	5,000,000
2041	June 30, 2041	175,860,067	179,584,204	(3,724,137)	102.12%	3,159,376	10,348,667	5,000,000	15,348,667	10,348,667	0	0	5,000,000
2042	June 30, 2042	179,325,165	183,499,545	(4,174,380)	102.33%	3,242,899	10,606,565	(7,363,666)	3,242,899	10,606,565	0	0	(7,363,666)
2043	June 30, 2043	182,851,212	187,498,858	(4,647,646)	102.54%	3,328,897	10,854,457	(7,525,560)	3,328,897	10,854,457	0	0	(7,525,560)
2044	June 30, 2044	186,403,050	191,498,524	(5,086,474)	102.73%	3,422,975	11,205,432	(7,782,457)	3,422,975	11,205,432	0	0	(7,782,457)
2045	June 30, 2045	190,243,543	195,804,054	(5,560,511)	102.92%	3,522,495	11,238,971	(7,716,476)	3,522,495	11,238,971	0	0	(7,716,476)
2046	June 30, 2046	194,270,428	200,241,929	(5,971,501)	103.07%	3,628,104	11,493,110	(7,865,006)	3,628,104	11,493,110	0	0	(7,865,006)
2047	June 30, 2047	198,476,112	204,808,974	(6,332,862)	103.19%	3,740,711	11,756,265	(8,015,554)	3,740,711	11,756,265	0	0	(8,015,554)
2048	June 30, 2048	202,820,312	209,818,022	(6,997,710)	103.45%	3,859,370	11,730,234	(7,870,864)	3,859,370	11,730,234	0	0	(7,870,864)
2049	June 30, 2049	207,613,749	215,116,247	(7,502,498)	103.61%	3,986,632	11,888,423	(7,901,791)	3,986,632	11,888,423	0	0	(7,901,791)
2050	June 30, 2050	212,936,228	220,877,047	(7,940,819)	103.73%	4,120,520	11,903,113	(7,782,593)	4,120,520	11,903,113	0	0	(7,782,593)
2051	June 30, 2051	218,133,195	227,027,438	(8,894,243)	104.08%	4,262,820	12,025,711	(7,762,891)	4,262,820	12,025,711	0	0	(7,762,891)
2052	June 30, 2052	223,268,154	233,616,116	(10,347,962)	104.63%	4,411,930	12,132,122	(7,720,192)	4,411,930	12,132,122	0	0	(7,720,192)

EXHIBIT A

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

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

1. OPEB Expense Development

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2022	
Description	Amount
I. Service Cost	2,505,116
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	6,086,077
III. Deferred (Inflows)/Outflows from Plan Experience*	(3,774,459)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	5,802,637
V. Projected Earnings on OPEB Plan Investments	(2,164,121)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(103,194)
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.]	8,352,056
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	8,352,056

* Amortized over 5.00 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

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

2. Changes in Net OPEB Liability

Changes in Net OPEB Liability				
		Increase (Decrease)		
		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I.	Balances for the June 30, 2021 Reporting Date	80,356,338	28,854,943	51,501,395
II.	Prior Period Adjustment	0	0	0
III.	Balances for the June 30, 2021 Reporting Date with Adjustment [I. + II.]	80,356,338	28,854,943	51,501,395
Changes for the year:				
IV.	Service Cost	2,505,116	0	2,505,116
V.	Interest on Total OPEB Liability, Service Cost, and Benefit Payments	6,086,077	0	6,086,077
VI.	Changes in Benefit Terms *	0	0	0
VII.	Change in Assumptions **	29,013,189	0	29,013,189
VIII.	Differences Between Actual and Expected Experience **	(8,126,220)	0	(8,126,220)
IX.	Net Investment Income	0	(1,084,674)	1,084,674
X.	Employer Contributions to Trust	0	3,490,619	(3,490,619)
XI.	Benefit Payments Withdrawn from Trust	0	(3,490,619)	3,490,619
XII.	Benefit Payments Excluding Implicit Cost	(2,692,636)	0	(2,692,636)
XIII.	Implicit Cost Amount	(797,983)	0	(797,983)
XIV.	Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(3,490,619)	0	(3,490,619)
XV.	Administrative Expense	0	0	0
XVI.	Other Charges	0	0	0
XVII.	Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	25,987,543	(1,084,674)	27,072,217
XVIII.	Balances for the June 30, 2022 Reporting Date [III.+XVII.]	106,343,881	27,770,269	78,573,612

* Recognized Immediately

** Amortized over 5.00 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2022 Measurement Date)

3. Changes in Net OPEB Expense

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected & Actual Experience									
Fiscal Year	Differences			2022	2023	2024	2025	2026	2027
	Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017	0	5.06	0	0					
2018	(13,034,791)	5.06	(154,561)	(2,576,046)	(154,561)				
2019	0	5.93	0	0	0	0			
2020	2,138,423	5.93	857,930	426,831	426,831	426,831	4,268		
2021	0	5.93	0	0	0	0	0	0	0
2022	(8,126,220)	5.00	(6,500,976)	(1,625,244)	(1,625,244)	(1,625,244)	(1,625,244)	(1,625,244)	
2023									
2024									
2025									
2026									
Total Remaining Balance			(5,797,607)						
Net increase (decrease) in OPEB Expense				(3,774,459)	(1,352,974)	(1,198,413)	(1,620,976)	(1,625,244)	0

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in			2022	2023	2024	2025	2026	2027
	Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017	0	5.06	0	0					
2018	0	5.06	0	0	0				
2019	0	5.93	0	0	0	0			
2020	0	5.93	0	0	0	0	0		
2021	0	5.93	0	0	0	0	0	0	0
2022	29,013,189	5.00	23,210,552	5,802,637	5,802,637	5,802,637	5,802,637	5,802,641	
2023									
2024									
2025									
2026									
Total Remaining Balance			23,210,552						
Net increase (decrease) in OPEB Expense				5,802,637	5,802,637	5,802,637	5,802,637	5,802,641	0

EXHIBIT A

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

3. Changes in Net OPEB Expense (Continued)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of Differences Between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences			2022	2023	2024	2025	2026	2027
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017	(524,553)	5.00	0						
2018	(323,403)	5.00	0	(64,679)					
2019	306,920	5.00	61,384	61,384	61,384				
2020	1,125,183	5.00	450,072	225,037	225,037	225,035			
2021	(4,873,473)	5.00	(2,924,083)	(974,695)	(974,695)	(974,695)	(974,693)		
2022	3,248,795	5.00	2,599,036	649,759	649,759	649,759	649,759	649,759	
2023									
2024									
2025									
2026									
Total Remaining Balance			186,409						
Net increase (decrease) in OPEB Expense				(103,194)	(38,515)	(99,901)	(324,934)	649,759	0

EXHIBIT A

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

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2022 to be Reported for the Fiscal Year Ending June 30, 2022			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions Made Subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	857,930	(6,655,537)	(5,797,607)
III. Changes of Assumptions	23,210,552	0	23,210,552
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	186,409	0	186,409
VI. Total [I. + II. + III. + IV.]	24,254,891	(6,655,537)	17,599,354

EXHIBIT A

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

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows	
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2022 will be recognized in future years as shown below.	
Year ending June 30:	
2023	4,411,148
2024	4,504,323
2025	3,856,727
2026	4,827,156
2027	0
Thereafter	0

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.41% as of June 30, 2022 and 7.50% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets was applied to all projected future benefits payments.

EXHIBIT A

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

5. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2022 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$3,490,619. The Town also contributed \$0 to an OPEB Trust for a total contribution during the measurement period of \$3,490,619 to be reported on the financial statement for the fiscal year ending June 30, 2022.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity - Large Cap	14.50%	Domestic Equity - Large Cap	4.42%
Domestic Equity - Small/Mid Cap	3.50%	Domestic Equity - Small/Mid Cap	4.81%
International Equity - Developed Market	16.00%	International Equity - Developed Market	4.91%
International Equity - Emerging Market	6.00%	International Equity - Emerging Market	5.58%
Domestic Fixed Income	20.00%	Domestic Fixed Income	1.00%
International Fixed Income	3.00%	International Fixed Income	1.04%
Alternatives	23.00%	Alternatives	5.98%
Real Estate	14.00%	Real Estate	6.25%
Cash	0.00%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	<u>4.41%</u>
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.91%
		IV. Investment Expense	0.50%
		V. Net Investment Return* [III.-IV.]	<u>6.41%</u>

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

EXHIBIT A

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

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2022	6,542,860	(3,490,619)	3,052,241	63,036,730	5.54%
June 30, 2021	4,967,812	(4,867,297)	100,515	59,642,736	8.16%
June 30, 2020	4,741,922	(5,917,807)	(1,175,885)	57,625,832	10.27%
June 30, 2019	4,524,078	(5,677,239)	(1,153,161)	53,822,768	10.55%
June 30, 2018	4,313,840	(5,085,011)	(771,171)	52,002,675	9.78%

EXHIBIT A

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

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	65,300,002	78,573,612	95,036,288

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2022 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	93,269,536	6.41%	66,587,762

EXHIBIT A

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

10. Money Weighted Rate of Return

	Plan	Periods	Period
	Investments /	Invested	Weight
	Net External		
	Cash Flows		
I. Beginning value - June 30, 2021	28,854,943	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	0	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	0	0.0000
II. Total net external cash flow	0		
III. Earnings and increase in fair value	(1,084,674)		
IV. Ending value - June 30, 2022 [I.+II.+III.]	27,770,269		
Money Weighted Rate of Return	(3.76%)		
Asset Value - June 30, 2022	27,770,269		

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

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2022			Total
	Town Employees and Retirees	School Employees and Retirees	Public Safety Employees and Retirees	
I. Total OPEB Liability as of June 30, 2022	10,460,130	72,260,496	23,623,255	106,343,881
II. Fiduciary Net Position as of June 30, 2022	2,731,522	18,869,853	6,168,894	27,770,269
III. Net OPEB Liability (Asset) as of June 30, 2022 [I. - II.]	7,728,608	53,390,643	17,454,361	78,573,612
IV. Service Cost	407,638	1,623,137	474,341	2,505,116
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	594,716	4,147,809	1,343,552	6,086,077
VI. Projected Earnings on OPEB Plan Investments	(212,816)	(1,470,607)	(480,698)	(2,164,121)
VII. Net Recognition of Deferred (Inflows)/Outflows	189,344	1,308,024	427,616	1,924,984
VIII. OPEB Plan Administrative Expense	0	0	0	0
IX. Expense Related to Change in Benefit Terms	0	0	0	0
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	978,882	5,608,363	1,764,811	8,352,056
XI. Employer Share of Costs	(667,167)	(1,926,779)	(896,673)	(3,490,619)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	0	0	0	0
XIII. Total Employer Contribution [XI. + XII.]	(667,167)	(1,926,779)	(896,673)	(3,490,619)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	311,715	3,681,584	868,138	4,861,437

EXHIBIT A

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

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

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

Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(5,797,607)
II. Deferred (Inflow)/Outflow from Investment Experience	186,409
III. Deferred (Inflow)/Outflow from Changes in Assumptions	23,210,552

Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	2,082,638
II. Deferred Outflow created during the period	32,261,984
III. Deferred Outflow recognized during the period	7,165,648
IV. Change in Deferred Outflow (II. - III.)	25,096,336
V. Deferred Outflow at end of the period (I. + IV.)	27,178,974
VI. Deferred Inflow at the beginning of the period	(6,694,064)
VII. Deferred Inflow created during the period	(8,126,220)
VIII. Deferred Inflow recognized during the period	(5,240,664)
IX. Change in Deferred Inflow (VII. - VIII.)	(2,885,556)
X. Deferred inflow at end of the period (VI. + IX.)	(9,579,620)

Net OPEB Liability	
I. Net OPEB Liability at beginning of period	51,501,395
II. Service Cost	2,505,116
III. Interest on Total OPEB Liability, Service Cost, and Payments	6,086,077
IV. Projected Investment Income	(2,164,121)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(3,490,619)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	2,936,453
IX. Deferred Outflow created during the period	32,261,984
X. Deferred Inflow created during the period	(8,126,220)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	78,573,612

Net OPEB Expense	
I. Service Cost	2,505,116
II. Interest on Total OPEB Liability, Service Cost, and Payments	6,086,077
III. Projected Investment Income	(2,164,121)
IV. Recognition of Deferred (Inflow)/Outflow	1,924,984
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.)	8,352,056
VIII. Benefit Payments	(3,490,619)
IX. Contributions to Trust	0
X. Total Employer Payments (VIII. + IX.)	(3,490,619)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	4,861,437

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios						
Valuation Date	July 1, 2021	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
For the Reporting Period & Fiscal Year Ending on:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	106,343,881	80,356,338	77,336,477	72,426,698	69,647,506	79,089,664
I. Service Cost	2,505,116	1,684,695	1,612,148	1,538,556	1,472,302	1,644,829
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	6,086,077	5,763,526	5,396,873	5,193,396	5,595,888	5,265,920
III. Changes in Benefit Terms	0	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(8,126,220)	0	2,138,423	0	(13,034,791)	0
V. Changes of Assumptions	29,013,189	0	0	0	0	0
VI. Benefit Payments Excluding Implicit Cost	(2,692,636)	N/A	N/A	N/A	N/A	N/A
VII. Implicit Cost Amount	(797,983)	N/A	N/A	N/A	N/A	N/A
VIII. Total Benefit Payments	(3,490,619)	(4,428,360)	(4,237,665)	(3,952,760)	(3,475,557)	(3,771,164)
IX. Other	0	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	25,987,543	3,019,861	4,909,779	2,779,192	(9,442,158)	3,139,585
XI. Total OPEB Liability - Beginning of Period	80,356,338	77,336,477	72,426,698	69,647,506	79,089,664	75,950,079
XII. Change Due to Proportional Share	0	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	80,356,338	77,336,477	72,426,698	69,647,506	79,089,664	75,950,079
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	106,343,881	80,356,338	77,336,477	72,426,698	69,647,506	79,089,664
Plan Fiduciary Net Position	27,770,269	28,854,943	21,884,996	19,784,346	17,026,324	13,985,306
XV. Earnings from Plan Investments	(1,084,674)	6,531,010	420,508	1,033,543	1,431,564	1,408,979
XVI. Employer Contribution to Trust	3,490,619	4,867,297	5,917,807	5,677,239	5,085,011	5,311,302
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(3,490,619)	(4,428,360)	(4,237,665)	(3,952,760)	(3,475,557)	(3,771,164)
XVIII. Administrative Expense	0	0	0	0	0	0
XIX. Other	0	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	(1,084,674)	6,969,947	2,100,650	2,758,022	3,041,018	2,949,117
XXI. Plan Fiduciary Net Position - Beginning of Period	28,854,943	21,884,996	19,784,346	17,026,324	13,985,306	11,036,189
XXII. Prior Period Adjustment	0	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	28,854,943	21,884,996	19,784,346	17,026,324	13,985,306	11,036,189
XXIV. Plan Fiduciary Net Position - End of Period [XXIII.+XXIV.]	27,770,269	28,854,943	21,884,996	19,784,346	17,026,324	13,985,306
XXV. Net OPEB Liability [XIV.-XXIV.]	78,573,612	51,501,395	55,451,481	52,642,352	52,621,182	65,104,358
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	26.11%	35.91%	28.30%	27.32%	24.45%	17.68%
XXVII. Covered Employee Payroll	63,036,730	59,642,736	57,625,832	53,822,768	52,002,675	48,730,159
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	124.65%	86.35%	96.23%	97.81%	101.19%	133.60%
Single Discount Rate to Calculate Plan Liabilities	6.41%	7.50%	7.50%	7.50%	7.50%	7.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY 2022 and future years we have used a 30-year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)						
For the Fiscal Year Ending:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	2,505,116	1,684,695	1,612,148	1,538,556	1,472,302	1,644,829
II. 30 Year Level Dollar Amortization of NOL	<u>4,037,744</u>	<u>3,283,117</u>	<u>3,129,774</u>	<u>2,985,522</u>	<u>2,841,538</u>	<u>3,637,375</u>
III. Actuarial Determined Contribution [I. + II.]	6,542,860	4,967,812	4,741,922	4,524,078	4,313,840	5,282,204
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(3,490,619)</u>	<u>(4,867,297)</u>	<u>(5,917,807)</u>	<u>(5,677,239)</u>	<u>(5,085,011)</u>	<u>(5,925,736)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>3,052,241</u>	<u>100,515</u>	<u>(1,175,885)</u>	<u>(1,153,161)</u>	<u>(771,171)</u>	<u>(643,532)</u>
Covered Employee Payroll	63,036,730	59,642,736	57,625,832	53,822,768	52,002,675	48,730,159
Contributions as a % of Covered Employee Payroll	5.54%	8.16%	10.27%	10.55%	9.78%	12.16%
Discount Rate	6.41%	7.50%	7.50%	7.50%	7.50%	7.50%
Money Weighted Rate of Return	<u>(3.76%)</u>	29.31%	1.97%	5.56%	9.26%	12.72%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Notes to Required Supplementary Information:

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

Actuarial Assumptions:

Investment Rate of Return:	6.41%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	6.41%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2022 and for future periods
Salary Increases:	3.00% annually as of June 30, 2022 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

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

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Plan Membership

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

Retirees & Beneficiaries:	654
Actives:	<u>676</u>
Total:	1,330

Events Subsequent to the Measurement Date

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

Changes in Assumptions: From June 30, 2021 to June 30, 2022

- ✓ Due to the GASB 75 standards the discount rate has been changed from 7.50% to 6.41%.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs.
- ✓ Due to recent research, we have updated our age-adjusted morbidity factors which are used to determine relative healthcare costs by age, and results in a higher percentage of claims to older ages.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$0 for the period ending on the June 30, 2022 Measurement Date. For the year ending on the June 30, 2022 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$3,490,619. \$797,983 of the \$3,490,619 represents implicit cost.

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2022 Measurement Date)

Census Data Manipulation:

In the absence of data, the following was assumed:

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

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES

Table 1: Projection of Contributions using a July 1, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2022	63,036,730	0	63,036,730	0	3,490,619	0	3,490,619
June 30, 2023	58,964,132	5,963,700	64,927,832	0	4,501,405	0	4,501,405
June 30, 2024	55,464,545	11,411,122	66,875,667	0	4,917,023	0	4,917,023
June 30, 2025	52,335,929	16,546,008	68,881,937	0	5,271,325	0	5,271,325
June 30, 2026	49,550,064	21,398,331	70,948,395	0	5,699,440	0	5,699,440
June 30, 2027	47,028,425	26,048,422	73,076,847	0	5,994,778	0	5,994,778
June 30, 2028	44,618,248	30,650,904	75,269,152	0	6,378,230	0	6,378,230
June 30, 2029	42,433,416	35,093,811	77,527,227	0	6,606,718	0	6,606,718
June 30, 2030	40,212,727	39,640,317	79,853,044	0	6,998,539	0	6,998,539
June 30, 2031	38,267,898	43,980,737	82,248,635	0	7,188,059	0	7,188,059
June 30, 2032	36,232,180	48,483,914	84,716,094	0	7,457,491	0	7,457,491
June 30, 2033	34,067,402	53,190,175	87,257,577	0	7,785,834	23,257	7,809,091
June 30, 2034	32,249,827	57,625,477	89,875,304	0	7,914,345	61,757	7,976,102
June 30, 2035	30,470,207	62,101,356	92,571,563	0	8,141,369	115,513	8,256,882
June 30, 2036	28,665,806	66,682,904	95,348,710	0	8,373,128	192,632	8,565,760
June 30, 2037	27,087,214	71,121,957	98,209,171	0	8,602,452	288,536	8,890,988
June 30, 2038	25,715,073	75,440,373	101,155,446	0	8,937,547	340,202	9,277,749
June 30, 2039	24,477,805	79,712,304	104,190,109	0	9,231,307	404,595	9,635,902
June 30, 2040	23,313,487	84,002,325	107,315,812	0	9,540,124	479,787	10,019,911
June 30, 2041	22,005,423	88,529,863	110,535,286	0	9,826,597	522,070	10,348,667
June 30, 2042	20,856,708	92,994,637	113,851,345	0	10,033,215	573,350	10,606,565
June 30, 2043	19,739,210	97,527,675	117,266,885	0	10,184,610	669,847	10,854,457
June 30, 2044	18,526,069	102,258,823	120,784,892	0	10,398,669	806,763	11,205,432
June 30, 2045	17,362,139	107,046,300	124,408,439	0	10,257,554	981,417	11,238,971
June 30, 2046	16,185,224	111,955,468	128,140,692	0	10,283,308	1,209,802	11,493,110
June 30, 2047	15,110,821	116,874,092	131,984,913	0	10,273,367	1,482,898	11,756,265
June 30, 2048	14,003,227	121,941,233	135,944,460	0	10,066,135	1,664,099	11,730,234
June 30, 2049	12,816,057	127,206,737	140,022,794	0	10,016,452	1,871,971	11,888,423
June 30, 2050	11,651,031	132,572,447	144,223,478	0	9,797,442	2,105,671	11,903,113
June 30, 2051	10,386,232	138,163,950	148,550,182	0	9,757,937	2,267,774	12,025,711
June 30, 2052	9,277,249	143,729,438	153,006,687	0	9,685,709	2,446,413	12,132,122
June 30, 2053	8,102,554	149,494,334	157,596,888	0	9,393,069	2,681,972	12,075,041
June 30, 2054	6,893,506	155,431,289	162,324,795	0	9,195,381	2,954,120	12,149,501
June 30, 2055	5,765,668	161,428,871	167,194,539	0	9,206,242	3,262,935	12,469,177
June 30, 2056	4,772,599	167,437,776	172,210,375	0	9,004,847	3,619,441	12,624,288
June 30, 2057	3,822,029	173,554,657	177,376,686	0	8,742,413	4,016,788	12,759,201
June 30, 2058	2,880,552	179,817,435	182,697,987	0	8,580,940	4,365,875	12,946,815
June 30, 2059	2,119,877	186,059,050	188,178,927	0	8,355,566	4,728,016	13,083,582
June 30, 2060	1,524,893	192,299,402	193,824,295	0	8,268,150	5,116,089	13,384,239
June 30, 2061	1,066,152	198,572,872	199,639,024	0	8,082,469	5,480,494	13,562,963

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Payroll for current employees	II. Payroll for future employees	III. Total Payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
June 30, 2062	672,745	204,955,450	205,628,195	0	7,946,454	5,855,943	13,802,397
June 30, 2063	416,109	211,380,932	211,797,041	0	7,893,266	6,294,021	14,187,287
June 30, 2064	239,105	217,911,847	218,150,952	0	7,806,844	6,766,188	14,573,032
June 30, 2065	145,032	224,550,449	224,695,481	0	7,725,255	7,287,793	15,013,048
June 30, 2066	70,304	231,366,041	231,436,345	0	7,641,599	7,863,039	15,504,638
June 30, 2067	24,865	238,354,570	238,379,435	0	7,562,904	8,486,544	16,049,448
June 30, 2068	5,330	245,525,488	245,530,818	0	7,498,864	9,101,025	16,599,889
June 30, 2069	0	252,896,743	252,896,743	0	7,398,214	9,730,051	17,128,265
June 30, 2070	0	260,483,645	260,483,645	0	7,277,258	10,395,278	17,672,536
June 30, 2071	0	268,298,154	268,298,154	0	7,131,013	11,032,221	18,163,234
June 30, 2072	0	276,347,099	276,347,099	0	6,966,971	11,681,507	18,648,478
June 30, 2073	0	284,637,512	284,637,512	0	6,791,921	12,366,665	19,158,586
June 30, 2074	0	293,176,637	293,176,637	0	6,590,600	13,067,636	19,658,236
June 30, 2075	0	301,971,936	301,971,936	0	6,343,271	13,803,820	20,147,091
June 30, 2076	0	311,031,094	311,031,094	0	6,097,169	14,565,720	20,662,889
June 30, 2077	0	320,362,027	320,362,027	0	5,836,278	15,358,832	21,195,110
June 30, 2078	0	329,972,888	329,972,888	0	5,543,312	16,205,390	21,748,702
June 30, 2079	0	339,872,075	339,872,075	0	5,240,642	17,062,018	22,302,660
June 30, 2080	0	350,068,237	350,068,237	0	4,917,831	17,949,563	22,867,394
June 30, 2081	0	360,570,284	360,570,284	0	4,591,557	18,868,382	23,459,939
June 30, 2082	0	371,387,393	371,387,393	0	4,257,131	19,797,870	24,055,001
June 30, 2083	0	382,529,015	382,529,015	0	3,915,338	20,756,248	24,671,586
June 30, 2084	0	394,004,885	394,004,885	0	3,576,625	21,738,602	25,315,227
June 30, 2085	0	405,825,032	405,825,032	0	3,245,125	22,753,648	25,998,773
June 30, 2086	0	417,999,783	417,999,783	0	2,920,207	23,807,098	26,727,305
June 30, 2087	0	430,539,776	430,539,776	0	2,606,296	24,899,002	27,505,298
June 30, 2088	0	443,455,969	443,455,969	0	2,306,376	26,049,823	28,356,199
June 30, 2089	0	456,759,648	456,759,648	0	2,023,512	27,233,961	29,257,473
June 30, 2090	0	470,462,437	470,462,437	0	1,759,334	28,459,338	30,218,672
June 30, 2091	0	484,576,310	484,576,310	0	1,515,082	29,737,821	31,252,903
June 30, 2092	0	499,113,599	499,113,599	0	1,291,639	31,048,350	32,339,989
June 30, 2093	0	514,087,007	514,087,007	0	1,089,515	32,395,640	33,485,155
June 30, 2094	0	529,509,617	529,509,617	0	908,741	33,784,153	34,692,894
June 30, 2095	0	545,394,906	545,394,906	0	748,992	35,217,325	35,966,317
June 30, 2096	0	561,756,753	561,756,753	0	609,606	36,699,696	37,309,302

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY NET POSITION PROJECTION DISCLOSURES

Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [III. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2022	28,854,943	3,490,619	0	3,490,619	0	3,490,619	3,490,619	(1,084,674)	27,770,269
June 30, 2023	27,770,269	4,501,405	454,074	4,955,479	0	4,501,405	4,501,405	1,630,899	29,855,242
June 30, 2024	29,855,242	4,917,023	414,684	5,331,707	0	4,917,023	4,917,023	1,926,805	32,196,731
June 30, 2025	32,196,731	5,271,325	379,896	5,651,221	0	5,271,325	5,271,325	2,075,797	34,652,424
June 30, 2026	34,652,424	5,699,440	349,198	6,048,638	0	5,699,440	5,699,440	2,232,238	37,233,860
June 30, 2027	37,233,860	5,994,778	321,774	6,316,552	0	5,994,778	5,994,778	2,396,843	39,952,477
June 30, 2028	39,952,477	6,378,230	296,391	6,674,621	0	6,378,230	6,378,230	2,570,306	42,819,174
June 30, 2029	42,819,174	6,606,718	273,668	6,880,386	0	6,606,718	6,606,718	2,753,344	45,846,186
June 30, 2030	45,846,186	6,998,539	251,792	7,250,331	0	6,998,539	6,998,539	2,946,685	49,044,663
June 30, 2031	49,044,663	7,188,059	2,326,355	9,514,414	0	7,188,059	7,188,059	3,217,165	54,588,183
June 30, 2032	54,588,183	7,457,491	2,138,447	9,595,938	0	7,457,491	7,457,491	3,566,575	60,293,205
June 30, 2033	60,293,205	7,785,834	1,952,117	9,737,951	0	7,809,091	7,809,091	3,926,388	66,148,453
June 30, 2034	66,148,453	7,914,345	1,794,143	9,708,488	0	7,976,102	7,976,102	4,296,725	72,177,564
June 30, 2035	72,177,564	8,141,369	1,645,765	9,787,134	0	8,256,882	8,256,882	4,678,509	78,386,325
June 30, 2036	78,386,325	8,373,128	1,503,209	9,876,337	0	8,565,760	8,565,760	5,071,993	84,768,895
June 30, 2037	84,768,895	8,602,452	1,379,057	9,981,509	0	8,890,988	8,890,988	5,477,198	91,336,614
June 30, 2038	91,336,614	8,937,547	1,271,067	10,208,614	0	9,277,749	9,277,749	5,894,782	98,162,261
June 30, 2039	98,162,261	9,231,307	1,174,670	10,405,977	0	9,635,902	9,635,902	6,329,264	105,261,600
June 30, 2040	105,261,600	9,540,124	1,086,209	10,626,333	0	10,019,911	10,019,911	6,781,541	112,649,563
June 30, 2041	112,649,563	9,826,597	995,403	10,822,000	0	10,348,667	10,348,667	7,252,244	120,375,140
June 30, 2042	120,375,140	10,033,215	915,962	10,949,177	0	10,606,565	10,606,565	7,744,947	128,462,699
June 30, 2043	128,462,699	10,184,610	841,636	11,026,246	0	10,854,457	10,854,457	8,261,014	136,895,502
June 30, 2044	136,895,502	10,398,669	766,903	11,165,572	0	11,205,432	11,205,432	8,799,199	145,654,841
June 30, 2045	145,654,841	10,257,554	697,788	10,955,342	0	11,238,971	11,238,971	9,358,492	154,729,704
June 30, 2046	154,729,704	10,283,308	631,541	10,914,849	0	11,493,110	11,493,110	9,938,101	164,089,544
June 30, 2047	164,089,544	10,273,367	572,445	10,845,812	0	11,756,265	11,756,265	10,536,202	173,715,293
June 30, 2048	173,715,293	10,066,135	515,035	10,581,170	0	11,730,234	11,730,234	11,151,401	183,717,630
June 30, 2049	183,717,630	10,016,452	457,642	10,474,094	0	11,888,423	11,888,423	11,790,740	194,094,041
June 30, 2050	194,094,041	9,797,442	403,923	10,201,365	0	11,903,113	11,903,113	12,454,173	204,846,466
June 30, 2051	204,846,466	9,757,937	349,587	10,107,524	0	12,025,711	12,025,711	13,141,689	216,069,968
June 30, 2052	216,069,968	9,685,709	303,165	9,988,874	0	12,132,122	12,132,122	13,859,650	227,786,370
June 30, 2053	227,786,370	9,393,069	257,066	9,650,135	0	12,075,041	12,075,041	14,609,217	239,970,681
June 30, 2054	239,970,681	9,195,381	212,337	9,407,718	0	12,149,501	12,149,501	15,388,820	252,617,718
June 30, 2055	252,617,718	9,206,242	172,424	9,378,666	0	12,469,177	12,469,177	16,198,236	265,725,443
June 30, 2056	265,725,443	9,004,847	138,569	9,143,416	0	12,624,288	12,624,288	17,037,373	279,281,944
June 30, 2057	279,281,944	8,742,413	107,738	8,850,151	0	12,759,201	12,759,201	17,905,372	293,278,266
June 30, 2058	293,278,266	8,580,940	78,834	8,659,774	0	12,946,815	12,946,815	18,801,624	307,792,849
June 30, 2059	307,792,849	8,355,566	56,326	8,411,892	0	13,083,582	13,083,582	19,731,299	322,852,458
June 30, 2060	322,852,458	8,268,150	39,337	8,307,487	0	13,384,239	13,384,239	20,696,084	338,471,790
June 30, 2061	338,471,790	8,082,469	26,702	8,109,171	0	13,562,963	13,562,963	21,696,884	354,714,882

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

FIDUCIARY POSITION PROJECTION DISCLOSURES (CONTINUED)

Table 2: Projection of OPEB Plan's Fiduciary Net Position using a July 1 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [III. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. +VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2062	354,714,882	7,946,454	16,358	7,962,812	0	13,802,397	13,802,397	22,737,740	371,613,037
June 30, 2063	371,613,037	7,893,266	9,823	7,903,089	0	14,187,287	14,187,287	23,820,706	389,149,545
June 30, 2064	389,149,545	7,806,844	5,480	7,812,324	0	14,573,032	14,573,032	24,944,659	407,333,496
June 30, 2065	407,333,496	7,725,255	3,227	7,728,482	0	15,013,048	15,013,048	26,110,179	426,159,109
June 30, 2066	426,159,109	7,641,599	1,519	7,643,118	0	15,504,638	15,504,638	27,316,847	445,614,436
June 30, 2067	445,614,436	7,562,904	522	7,563,426	0	16,049,448	16,049,448	28,563,902	465,692,316
June 30, 2068	465,692,316	7,498,864	109	7,498,973	0	16,599,889	16,599,889	29,850,881	486,442,281
June 30, 2069	486,442,281	7,398,214	0	7,398,214	0	17,128,265	17,128,265	31,180,950	507,893,180
June 30, 2070	507,893,180	7,277,258	0	7,277,258	0	17,672,536	17,672,536	32,555,953	530,053,855
June 30, 2071	530,053,855	7,131,013	0	7,131,013	0	18,163,234	18,163,234	33,976,452	552,998,086
June 30, 2072	552,998,086	6,966,971	0	6,966,971	0	18,648,478	18,648,478	35,447,177	576,763,756
June 30, 2073	576,763,756	6,791,921	0	6,791,921	0	19,158,586	19,158,586	36,970,557	601,367,648
June 30, 2074	601,367,648	6,590,600	0	6,590,600	0	19,658,236	19,658,236	38,547,666	626,847,678
June 30, 2075	626,847,678	6,343,271	0	6,343,271	0	20,147,091	20,147,091	40,180,936	653,224,794
June 30, 2076	653,224,794	6,097,169	0	6,097,169	0	20,662,889	20,662,889	41,871,709	680,530,783
June 30, 2077	680,530,783	5,836,278	0	5,836,278	0	21,195,110	21,195,110	43,622,023	708,793,974
June 30, 2078	708,793,974	5,543,312	0	5,543,312	0	21,748,702	21,748,702	45,433,694	738,022,278
June 30, 2079	738,022,278	5,240,642	0	5,240,642	0	22,302,660	22,302,660	47,307,228	768,267,488
June 30, 2080	768,267,488	4,917,831	0	4,917,831	0	22,867,394	22,867,394	49,245,946	799,563,871
June 30, 2081	799,563,871	4,591,557	0	4,591,557	0	23,459,939	23,459,939	51,252,044	831,947,533
June 30, 2082	831,947,533	4,257,131	0	4,257,131	0	24,055,001	24,055,001	53,327,837	865,477,500
June 30, 2083	865,477,500	3,915,338	0	3,915,338	0	24,671,586	24,671,586	55,477,108	900,198,360
June 30, 2084	900,198,360	3,576,625	0	3,576,625	0	25,315,227	25,315,227	57,702,715	936,162,473
June 30, 2085	936,162,473	3,245,125	0	3,245,125	0	25,998,773	25,998,773	60,008,015	973,416,840
June 30, 2086	973,416,840	2,920,207	0	2,920,207	0	26,727,305	26,727,305	62,396,019	1,012,005,761
June 30, 2087	1,012,005,761	2,606,296	0	2,606,296	0	27,505,298	27,505,298	64,869,569	1,051,976,328
June 30, 2088	1,051,976,328	2,306,376	0	2,306,376	0	28,356,199	28,356,199	67,431,683	1,093,358,188
June 30, 2089	1,093,358,188	2,023,512	0	2,023,512	0	29,257,473	29,257,473	70,084,260	1,136,208,487
June 30, 2090	1,136,208,487	1,759,334	0	1,759,334	0	30,218,672	30,218,672	72,830,964	1,180,580,113
June 30, 2091	1,180,580,113	1,515,082	0	1,515,082	0	31,252,903	31,252,903	75,675,185	1,226,517,477
June 30, 2092	1,226,517,477	1,291,639	0	1,291,639	0	32,339,989	32,339,989	78,619,770	1,274,088,897
June 30, 2093	1,274,088,897	1,089,515	0	1,089,515	0	33,485,155	33,485,155	81,669,098	1,323,362,355
June 30, 2094	1,323,362,355	908,741	0	908,741	0	34,692,894	34,692,894	84,827,527	1,374,405,729
June 30, 2095	1,374,405,729	748,992	0	748,992	0	35,966,317	35,966,317	88,099,407	1,427,287,811
June 30, 2096	1,427,287,811	609,606	0	609,606	0	37,309,302	37,309,302	91,489,149	1,482,077,264

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.41%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.41%]	
June 30, 2022	28,854,943	3,490,619	3,490,619	0	3,490,619	0	3,490,619	Sum of Column V.
June 30, 2023	27,770,269	4,501,405	4,501,405	0	4,230,246	0	4,230,246	117,868,754
June 30, 2024	29,855,242	4,917,023	4,917,023	0	4,342,475	0	4,342,475	
June 30, 2025	32,196,731	5,271,325	5,271,325	0	4,374,944	0	4,374,944	Sum of Column VI.
June 30, 2026	34,652,424	5,699,440	5,699,440	0	4,445,314	0	4,445,314	0
June 30, 2027	37,233,860	5,994,778	5,994,778	0	4,394,008	0	4,394,008	
June 30, 2028	39,952,477	6,378,230	6,378,230	0	4,393,448	0	4,393,448	Sum of Column VII.
June 30, 2029	42,819,174	6,606,718	6,606,718	0	4,276,699	0	4,276,699	[V. + VI.]
June 30, 2030	45,846,186	6,998,539	6,998,539	0	4,257,433	0	4,257,433	117,868,754
June 30, 2031	49,044,663	7,188,059	7,188,059	0	4,109,317	0	4,109,317	
June 30, 2032	54,588,183	7,457,491	7,457,491	0	4,006,529	0	4,006,529	
June 30, 2033	60,293,205	7,785,834	7,785,834	0	3,930,957	0	3,930,957	
June 30, 2034	66,148,453	7,914,345	7,914,345	0	3,755,136	0	3,755,136	
June 30, 2035	72,177,564	8,141,369	8,141,369	0	3,630,159	0	3,630,159	
June 30, 2036	78,386,325	8,373,128	8,373,128	0	3,508,597	0	3,508,597	
June 30, 2037	84,768,895	8,602,452	8,602,452	0	3,387,549	0	3,387,549	
June 30, 2038	91,336,614	8,937,547	8,937,547	0	3,307,495	0	3,307,495	
June 30, 2039	98,162,261	9,231,307	9,231,307	0	3,210,419	0	3,210,419	
June 30, 2040	105,261,600	9,540,124	9,540,124	0	3,117,956	0	3,117,956	
June 30, 2041	112,649,563	9,826,597	9,826,597	0	3,018,122	0	3,018,122	
June 30, 2042	120,375,140	10,033,215	10,033,215	0	2,895,951	0	2,895,951	
June 30, 2043	128,462,699	10,184,610	10,184,610	0	2,762,569	0	2,762,569	
June 30, 2044	136,895,502	10,398,669	10,398,669	0	2,650,721	0	2,650,721	
June 30, 2045	145,654,841	10,257,554	10,257,554	0	2,457,240	0	2,457,240	
June 30, 2046	154,729,704	10,283,308	10,283,308	0	2,315,017	0	2,315,017	
June 30, 2047	164,089,544	10,273,367	10,273,367	0	2,173,460	0	2,173,460	
June 30, 2048	173,715,293	10,066,135	10,066,135	0	2,001,332	0	2,001,332	
June 30, 2049	183,717,630	10,016,452	10,016,452	0	1,871,492	0	1,871,492	
June 30, 2050	194,094,041	9,797,442	9,797,442	0	1,720,300	0	1,720,300	
June 30, 2051	204,846,466	9,757,937	9,757,937	0	1,610,153	0	1,610,153	
June 30, 2052	216,069,968	9,685,709	9,685,709	0	1,501,959	0	1,501,959	
June 30, 2053	227,786,370	9,393,069	9,393,069	0	1,368,837	0	1,368,837	
June 30, 2054	239,970,681	9,195,381	9,195,381	0	1,259,307	0	1,259,307	
June 30, 2055	252,617,718	9,206,242	9,206,242	0	1,184,846	0	1,184,846	
June 30, 2056	265,725,443	9,004,847	9,004,847	0	1,089,114	0	1,089,114	
June 30, 2057	279,281,944	8,742,413	8,742,413	0	993,678	0	993,678	
June 30, 2058	293,278,266	8,580,940	8,580,940	0	916,573	0	916,573	
June 30, 2059	307,792,849	8,355,566	8,355,566	0	838,736	0	838,736	
June 30, 2060	322,852,458	8,268,150	8,268,150	0	779,966	0	779,966	
June 30, 2061	338,471,790	8,082,469	8,082,469	0	716,521	0	716,521	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2021 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.41%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.09%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.41%]
June 30, 2062	354,714,882	7,946,454	7,946,454	0	662,027	0	662,027
June 30, 2063	371,613,037	7,893,266	7,893,266	0	617,983	0	617,983
June 30, 2064	389,149,545	7,806,844	7,806,844	0	574,398	0	574,398
June 30, 2065	407,333,496	7,725,255	7,725,255	0	534,156	0	534,156
June 30, 2066	426,159,109	7,641,599	7,641,599	0	496,543	0	496,543
June 30, 2067	445,614,436	7,562,904	7,562,904	0	461,826	0	461,826
June 30, 2068	465,692,316	7,498,864	7,498,864	0	430,331	0	430,331
June 30, 2069	486,442,281	7,398,214	7,398,214	0	398,981	0	398,981
June 30, 2070	507,893,180	7,277,258	7,277,258	0	368,817	0	368,817
June 30, 2071	530,053,855	7,131,013	7,131,013	0	339,634	0	339,634
June 30, 2072	552,998,086	6,966,971	6,966,971	0	311,833	0	311,833
June 30, 2073	576,763,756	6,791,921	6,791,921	0	285,685	0	285,685
June 30, 2074	601,367,648	6,590,600	6,590,600	0	260,518	0	260,518
June 30, 2075	626,847,678	6,343,271	6,343,271	0	235,637	0	235,637
June 30, 2076	653,224,794	6,097,169	6,097,169	0	212,851	0	212,851
June 30, 2077	680,530,783	5,836,278	5,836,278	0	191,470	0	191,470
June 30, 2078	708,793,974	5,543,312	5,543,312	0	170,904	0	170,904
June 30, 2079	738,022,278	5,240,642	5,240,642	0	151,840	0	151,840
June 30, 2080	768,267,488	4,917,831	4,917,831	0	133,903	0	133,903
June 30, 2081	799,563,871	4,591,557	4,591,557	0	117,489	0	117,489
June 30, 2082	831,947,533	4,257,131	4,257,131	0	102,369	0	102,369
June 30, 2083	865,477,500	3,915,338	3,915,338	0	88,479	0	88,479
June 30, 2084	900,198,360	3,576,625	3,576,625	0	75,956	0	75,956
June 30, 2085	936,162,473	3,245,125	3,245,125	0	64,765	0	64,765
June 30, 2086	973,416,840	2,920,207	2,920,207	0	54,769	0	54,769
June 30, 2087	1,012,005,761	2,606,296	2,606,296	0	45,937	0	45,937
June 30, 2088	1,051,976,328	2,306,376	2,306,376	0	38,202	0	38,202
June 30, 2089	1,093,358,188	2,023,512	2,023,512	0	31,498	0	31,498
June 30, 2090	1,136,208,487	1,759,334	1,759,334	0	25,736	0	25,736
June 30, 2091	1,180,580,113	1,515,082	1,515,082	0	20,828	0	20,828
June 30, 2092	1,226,517,477	1,291,639	1,291,639	0	16,687	0	16,687
June 30, 2093	1,274,088,897	1,089,515	1,089,515	0	13,228	0	13,228
June 30, 2094	1,323,362,355	908,741	908,741	0	10,368	0	10,368
June 30, 2095	1,374,405,729	748,992	748,992	0	8,031	0	8,031
June 30, 2096	1,427,287,811	609,606	609,606	0	6,143	0	6,143

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: Non-GIC plans effective January 1, 2022. GIC plans effective July 1, 2022. Active Plans: Non-GIC plans effective July 1, 2021. GIC plans effective July 1, 2022. Dental Plans: N/A
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical Insurance, Dental Insurance and \$5,000 of Group Term Life Insurance.
<u>Medicare Part A</u>	To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.
<u>Medicare Part B</u>	Medicare Part B Premium reimbursements by the Town were not reflected in this valuation. Medicare Part B Penalty reimbursements 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 for non-teachers. Surviving spouses of teachers pay 10%

APPENDIX II – PLAN PROVISIONS

Eligibility

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

Participant Contributions

Group	Individual	Two-Person / Family
Medical	Non-Teachers: - 10-25% of Active Plan premiums - 50% of Medicare Supplement Plan premiums Teachers: - 10% of premiums for teachers who retired prior to 7/1/1990 - 15% of premiums for all other teachers	Non-Teachers: - 10-25% of Active Plan premiums - 50% of Medicare Supplement Plan premiums Teachers: - 10% of premiums for teachers who retired prior to 7/1/1990 - 15% of premiums for all other teachers
Dental	100%	100%
Life	- 50% of premiums for all non-teachers - 10% of premiums for teachers who retired prior to 7/1/1990 - 15% of premiums for all other teachers	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

6.41% per annum (previously 7.50%)

Net Long Term Rate of Return

6.41% (based on investment policy)

Municipal Bond Rate

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

Actuarial Cost Method

Individual Entry Age Normal

Asset-Valuation Method

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

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 2029:	20%
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	7.00%
2024	6.00%
2025	5.80%
2026	5.60%
2027	5.40%
2028	5.20%
2029	5.00%
2030 - 2041	4.80%
2055	4.00%
2061+	3.60%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

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

Spouse Participation Rate

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

Medicare Eligibility

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

Compensation Increases

3.00% per year.

Inflation Rate

2.50% per year.

COVID-19

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Implicit Subsidy

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

Impact of Implicit Subsidy		
	As of the Measurement Date	
Impact on Liability	<u>June 30, 2022</u>	<u>June 30, 2021</u>
I. Total OPEB Liability	106,343,881	80,356,338
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>78,622,527</u>	N/A
III. Liability from Implicit Subsidy [I. - II.]	27,721,354	N/A

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2022</u>	<u>June 30, 2021</u>
IV. Employer Payments (Including Implicit Subsidy)	3,490,619	4,428,360
V. Actual Employer Payments	<u>2,692,636</u>	N/A
VI. Implicit Subsidy [IV. - V.]	797,983	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS* (Non-GIC)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,909	3,094	44 & Under	9,649	6,322	65 to 69	3,284	3,373
25 to 29	7,242	3,220	45 to 49	10,598	7,983	70 to 74	3,874	4,042
30 to 34	9,151	4,042	50 to 54	12,467	10,513	75 to 79	4,496	4,773
35 to 39	9,427	5,074	55 to 59	14,413	13,668	80 to 84	5,156	5,486
40 to 44	9,649	6,322	60 to 64	17,151	17,540	85 to 89	5,763	6,112
45 to 49	10,598	7,983	65 to 69	20,559	21,878	90 & Over	5,763	6,112
50 to 54	12,467	10,513	70 to 74	24,245	26,218			
55 to 59	14,413	13,668	75 to 79	28,156	30,965			
60 to 64	17,151	17,540	80 to 84	32,283	35,593			
65 to 69	20,559	21,878	85 to 89	36,850	40,741			
70 & Over	24,245	26,218	90 & Over	36,850	40,741			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS* (GIC)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	5,195	3,276	44 & Under	10,212	6,692	65 to 69	3,429	3,521
25 to 29	7,665	3,409	45 to 49	11,217	8,449	70 to 74	4,045	4,219
30 to 34	9,686	4,278	50 to 54	13,196	11,127	75 to 79	4,693	4,982
35 to 39	9,978	5,371	55 to 59	15,256	14,467	80 to 84	5,382	5,727
40 to 44	10,212	6,692	60 to 64	18,153	18,565	85 to 89	6,016	6,380
45 to 49	11,217	8,449	65 to 69	21,761	23,157	90 & Over	6,016	6,380
50 to 54	13,196	11,127	70 to 74	25,661	27,750			
55 to 59	15,256	14,467	75 to 79	29,801	32,775			
60 to 64	18,153	18,565	80 to 84	34,169	37,673			
65 to 69	21,761	23,157	85 to 89	39,004	43,122			
70 & Over	25,661	27,750	90 & Over	39,004	43,122			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Open Group Forecast

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

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

Additional Comments

The liabilities being reported as of the Measurement Date of June 30, 2022 reflect a closed group and do not reflect any new entrants after the valuation date.

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

APPENDIX IV – PLAN DEMOGRAPHICS

Active Employees

Valuation Date	July 1, 2021	July 1, 2020
A. Average Age at Hire	34.47	35.86
B. Average Service	<u>10.71</u>	<u>9.86</u>
C. Average Current Age	45.18	45.72

Retired Employees & Spouses

Valuation Date	July 1, 2021	July 1, 2020
A. Under Age 65	96	77
B. Age 65 & Over	<u>558</u>	<u>322</u>
C. Total	654	399

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	9									9
25-29	49	8								57
30-34	49	40	5	2						96
35-39	30	24	30	5						89
40-44	23	9	25	35	2					94
45-49	26	10	6	14	20	1				77
50-54	25	15	13	18	18	12				101
55-59	14	14	8	20	9	5	4	3		77
60-64	10	9	4	8	12	4	2	2		51
65-69	1		4	3	5	3		1	2	19
70+		1	1	1	1		1	1		6
Total	236	130	96	106	67	25	7	7	2	676

APPENDIX IV – PLAN DEMOGRAPHICS

<u>Plan Offerings - Non-GIC</u>	<u>Number of Contracts</u>			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Network Blue Benchmark	29		15	44
Network Blue HDHP	45		39	84
Fallon Select Benchmark	8		13	21
Fallon Select HDHP	13		19	32
Fallon Direct Benchmark			1	1
Fallon Direct HDHP	1		1	2
Harvard Pilgrim Benchmark	37		31	68
Harvard Pilgrim HDHP	82		167	249
Tufts Benchmark	18		14	32
Tufts HDHP	30		36	66
Tufts Medicare Preferred PLUS	54			54
Tufts Medicare Preferred	55			55
Harvard Medicare Enhance	67			67
Managed Blue for Seniors	1			1
Medex	76			76
Total	516	0	336	852

	<u>Per Contract Costs (monthly)</u>		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Network Blue Benchmark	1,075.00		2,883.00
Network Blue HDHP	868.00		2,331.00
Fallon Select Benchmark	817.00		2,200.00
Fallon Select HDHP	688.00		1,855.00
Fallon Direct Benchmark	761.00		2,047.00
Fallon Direct HDHP	641.00		1,730.00
Harvard Pilgrim Benchmark	1,071.00		2,790.00
Harvard Pilgrim HDHP	829.00		2,163.00
Tufts Benchmark	1,133.00		2,966.00
Tufts HDHP	877.00		2,297.00
Tufts Medicare Preferred PLUS	387.00	774.00	
Tufts Medicare Preferred	356.00	712.00	
Harvard Medicare Enhance	389.00	778.00	
Managed Blue for Seniors	386.79	773.58	
Medex	405.00	810.00	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - GIC

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Harvard Pilgrim	1		2	3
Unicare Basic w/ CIC*	22		6	28
Unicare OME w/ CIC*	70	88		158
Tufts Medicare Complement	5	5		10
Tufts Medicare Preferred	2			2
Harvard Senior	8	7		15
Total	108	100	8	216

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Harvard Pilgrim	1,036.03		2,534.63
Unicare Basic w/ CIC*	1,239.09		2,752.65
Unicare OME w/ CIC*	413.37	826.74	
Tufts Medicare Complement	406.02	812.04	
Tufts Medicare Preferred	345.42	690.84	
Harvard Senior	423.97	847.94	
Dental Plan	N/A		N/A

*These rates represent the unsubsidized Indemnity premium rates

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Network Blue Benchmark	29		15	59	893,040.00	761,100.00
Network Blue HDHP	45		39	123	1,559,628.00	1,281,168.00
Fallon Select Benchmark	8		13	34	421,632.00	333,336.00
Fallon Select HDHP	13		19	51	530,268.00	421,056.00
Fallon Direct Benchmark			1	2	24,564.00	18,264.00
Fallon Direct HDHP	1		1	3	28,452.00	23,076.00
Harvard Pilgrim Benchmark	37		31	99	1,513,404.00	1,272,348.00
Harvard Pilgrim HDHP	82		167	416	5,150,388.00	4,138,368.00
Tufts Benchmark	18		14	46	743,016.00	625,416.00
Tufts HDHP	30		36	102	1,308,024.00	1,073,448.00
Total	263	0	336	935	12,172,416.00	9,947,580.00
Blended Average Monthly Rate:						\$ 886.59

	Medicare Supplement Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Tufts Medicare Preferred PLUS	54			54	250,776.00	250,776.00
Tufts Medicare Preferred	55			55	234,960.00	234,960.00
Harvard Medicare Enhance	67			67	312,756.00	312,756.00
Managed Blue for Seniors	1			1	4,641.48	4,641.48
Medex	76			76	369,360.00	369,360.00
Total	253	0	0	253	1,172,493.48	1,172,493.48
Blended Average Monthly Rate:						\$ 386.20

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Harvard Pilgrim	1		2	5	73,263.48	62,161.80
Unicare Basic w/ CIC*	22		6	34	499,990.56	481,407.36
Total	23	0	8	39	573,254.04	543,569.16
Blended Average Monthly Rate:						\$ 1,161.47

	Medicare Supplement Plan Average Premium Calculation (GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Unicare OME w/ CIC*	70	88		246	1,186,733.52	1,186,733.52
Tufts Medicare Complement	5	5		15	73,083.60	73,083.60
Tufts Medicare Preferred	2			2	8,290.08	8,290.08
Harvard Senior	8	7		22	111,928.08	111,928.08
Total	85	100	0	285	1,380,035.28	1,380,035.28
Blended Average Monthly Rate:						\$ 403.52

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

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

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

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

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

The Actuarial Standards Board (the “ASB”), vested by the U.S.-based actuarial organizations¹, promulgates actuarial standards of practice (“ASOPs”) for use by actuaries when providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct², to observe the ASOPs of the ASB when practicing in the United States.

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

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

Identification of the Responsible Actuary

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

Identification of Actuarial Documents

The date of this document is September 8, 2022 and its subject is the Town of Dedham's GASB 75 OPEB liabilities.

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town's appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of Dedham has agreed to pay Odyssey Advisors a fee for preparing this report. Other than with regard to that contract, we are financially and organizationally independent from the Town and any entity or individual related to the Town. There is nothing in our relationship with the Town that would impair or seem to impair the objectivity of our work.
- ✓ The Town provided the employee/retiree data, premium rates and other information used to prepare our report. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results may be accordingly affected.
- ✓ The date through which data or other information has been considered in developing the findings included in this report is June 30, 2022.
- ✓ The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

APPENDIX VI – ASOP 41 DISCLOSURES

Events Subsequent to the Measurement Date

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

Actuarial Findings

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

Methods, Procedures, Assumptions, and Data

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

Assumptions or Methods Prescribed by Law

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

Responsibility for Assumptions and Methods

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

Deviation from the Guidance of an ASOP

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

Rounding

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

GLOSSARY

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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