

**Town of Tiverton
Other Postemployment Benefits Plan**

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2020

As of the Measurement Date:
June 30, 2021

For the Reporting Date:
June 30, 2021

Delivered November 24, 2021



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November 24, 2021

Personal and Confidential

Ms. Denise Saurette
Town Treasurer
Town of Tiverton
343 Highland Road
Tiverton, RI 02878

Dear Ms. Saurette:

We have performed an actuarial valuation of the Town of Tiverton Other Postemployment Benefits Plan for the Reporting Date & fiscal year ending June 30, 2021 with a Measurement Date of June 30, 2021 and a Valuation Date of July 1, 2020. The figures presented in this report reflect the adoption, by the Town of Tiverton, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75") effective for the fiscal years ending June 30, 2017 and June 30, 2017 respectively.

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

November 24, 2021

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Tiverton other postemployment benefit programs with a Valuation Date of July 1, 2020 with a Measurement Date of June 30, 2021 for the Reporting Date & fiscal year ending June 30, 2021 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.



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



Andrew D. Taggart, ASA, EA, ACA, MAAA
Consulting Actuary

EXECUTIVE SUMMARY

How did plan liabilities change from FY 20 to FY 21?

Plan Experience

For the year ending on the Measurement Date of June 30, 2021, the Plan saw an experience gain of \$1,310,121 or 4.87% of the beginning Total OPEB Liability ("TOL"). This was mainly due to higher turnover than expected as well as more active employees retiring than expected.

Assumption Changes

One or more key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by \$1.1 million, as detailed below.

- ✓ Due to updated guidance related to the implementation of ASOP 6, we have updated our methodology for calculating expected claims increasing the disclosed liability by \$1.1 million.
- ✓ Based on recent actuarial research we have adopted the Getzen model for future projected healthcare costs. This change had no material impact on plan liabilities.

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 there was an investment gain of \$162,438 due to asset performance above the expected rate of return.

Changes in Benefits 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 7.00 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.

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 2.18% as of June 30, 2021.
- ✓ Current Asset Level – The Town had \$1,055,460 of OPEB assets as of June 30, 2021.
- ✓ Future Funding Policy - The Town is expected to contribute \$200,000 in fiscal 2022 and \$100,000 thereafter. Police & Fire employees are expected to contribute 1% of pay as well.
- ✓ Investment Policy - The Town is expected to earn 5.84% per year on assets based on its investment policy.

EXECUTIVE SUMMARY

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums
- ✓ 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.
- ✓ Discount Rate (4.00%) – Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing

Medicare Buy-In

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. While the Town currently has no retirees or covered spouses who are over the age of 65 and enrolled in an Active medical plan, it is something you’ll want to monitor to avoid larger OPEB costs than they otherwise would be.

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, 2020	July 1, 2018
Measurement Date & Period Ending	June 30, 2021	June 30, 2020
Reporting Date/Fiscal Year End	June 30, 2021	June 30, 2020
Total OPEB Liability	27,534,071	26,914,700
Per Eligible Active Plan Participant	44,664	45,045
Per Retiree/Spouse Plan Participant	151,890	137,590
Total Annual Service Cost (Annual Benefit Accrual)	751,032	726,408
Per Eligible Active Plan Participant	2,751	2,514
Expected Employer Share of Retiree Costs	1,001,022	995,322
Per Retiree/Spouse Plan Participant	9,911	9,855
Net OPEB Liability as a % of Covered Payroll	136.30%	128.60%

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, 2021	101	27,534,071	27,534,071	1,001,022	1,001,022
June 30, 2026	156	31,039,574	26,775,009	1,416,356	1,221,761
June 30, 2031	201	33,403,553	24,855,381	1,844,616	1,372,568
June 30, 2036	244	35,756,732	22,950,886	1,947,098	1,249,768
June 30, 2041	274	38,957,421	21,569,779	1,922,459	1,064,419
June 30, 2046	290	43,359,974	20,708,965	2,335,410	1,115,405
June 30, 2051	298	47,690,867	19,648,006	2,681,058	1,104,560

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, 2022	(budgeted)	1,050,676
June 30, 2021	Actual	1,001,022
June 30, 2020	Actual	995,322
June 30, 2019	Actual	942,311
June 30, 2018	Actual	1,022,438
June 30, 2017	Actual	1,042,425

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2021 Measurement Date, the Net OPEB Liability ("NOL") was determined to be \$26,478,611 assuming a discount rate of 4.00%. The Town has established an OPEB Trust and plans to fund this liability. The Town is expected to contribute \$200,000 in fiscal 2022 and \$100,000 thereafter. Police & Fire employees are expected to contribute 1% of pay as well. The balance of this fund as of June 30, 2021 was \$1,055,460. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Tiverton

Assuming Funding - 4.00% discount rate

Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2020	July 1, 2018
For the Measurement Period ending on the Measurement Date of:	June 30, 2021	June 30, 2020
For the Reporting Period & Fiscal Year ending on:	June 30, 2021	June 30, 2020
I. Total OPEB Liability		
A. Actives	12,193,173	13,018,110
B. Retirees/Disabled	<u>15,340,898</u>	<u>13,896,590</u>
C. Total	27,534,071	26,914,700
II. Fiduciary Net Position [Plan Assets]	1,055,460	748,468
III. Net OPEB Liability (Asset) [I. - II.]	26,478,611	26,166,232
IV. Funded Ratio [II. / I.]	3.83%	2.78%
V. Number of Eligible Participants		
A. Actives	273	289
B. Retirees/Disabled & Dependents	<u>101</u>	<u>101</u>
C. Total	374	390
VI. Service Cost	751,032	726,408
VII. Financial Statement Expense/(Income)	1,506,642	1,555,763
VIII. Employer Contribution to the OPEB Trust	(98,022)	(133,661)
IX. Deferred Inflow of Resources	(2,550,827)	(1,625,303)
X. Deferred Outflow of Resources	1,459,303	628,998
XI. Money Weighted Rate of Return	27.37%	5.27%
XII. 20-year Municipal Bond Rate (SAPIHG)	2.18%	2.66%
XIII. Expected Long Term Rate of Return (Net of Expense)	5.84%	6.08%
XIV. Crossover Year	Immediate	Immediate
XV. Discount Rate	4.00%	4.00%

PRINCIPAL RESULTS OF THE VALUATION

Town of Tiverton Plan Liabilities as of the June 30, 2021 Measurement Date

	General Town Employees and Retirees	School Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	DPW Employees and Retirees	Total
I. Total OPEB Liability						
A. Actives	0	7,272,596	2,772,428	2,148,149	0	12,193,173
B. Retirees/Disabled	<u>128,534</u>	<u>398,228</u>	<u>8,689,764</u>	<u>5,430,224</u>	694,148	<u>15,340,898</u>
C. Total	128,534	7,670,824	11,462,192	7,578,373	694,148	27,534,071
II. Fiduciary Net Position [Plan Assets]	30,271	543,761	140,508	177,442	163,478	1,055,460
III. Net OPEB Liability (Asset) [I. - II.]	98,263	7,127,063	11,321,684	7,400,931	530,670	26,478,611
IV. Number of Eligible Participants						
A. Actives	0	216	28	29	0	273
B. Retirees/Disabled	<u>3</u>	<u>8</u>	<u>48</u>	<u>33</u>	<u>9</u>	<u>101</u>
C. Total	3	224	76	62	9	374
For the Reporting Date and Fiscal Year Ending June 30, 2021						
V. Service Cost	0	295,168	255,890	199,974	0	751,032
VI. Financial Statement Expense/(Income)	994	500,288	580,751	412,406	12,203	1,506,642
VII. Employer Share of Costs	(73,771)	(221,688)	(357,812)	(288,170)	(59,581)	(1,001,022)
VIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(9,895)	(0)	(16,797)	(17,894)	(53,436)	(98,022)
IX. Total Employer Contribution [VII. + VIII.]	(83,666)	(221,688)	(374,609)	(306,064)	(113,017)	(1,099,044)

PRINCIPAL RESULTS OF THE VALUATION

Town of Tiverton

Assuming Funding - 4.00% discount rate

For the Period Ending on the June 30, 2021 Measurement Date

	Actives			Retirees/Disabled			Grand Total
	Under Age 65	Age 65+	Actives Total	Under Age 65	Age 65 +	Retirees Total	
Present Value of Future Benefits							
A. Participants	10,817,518	2,043,142	12,860,660	4,154,516	5,017,579	9,172,095	22,032,755
B. Spouses	<u>6,636,602</u>	<u>1,661,608</u>	<u>8,298,210</u>	<u>4,292,099</u>	<u>1,876,704</u>	<u>6,168,803</u>	<u>14,467,013</u>
C. Total	17,454,120	3,704,750	21,158,870	8,446,615	6,894,283	15,340,898	36,499,768
Total OPEB Liability							
A. Participants	6,716,939	935,861	7,652,800	4,154,516	5,017,579	9,172,095	16,824,895
B. Spouses	<u>3,762,117</u>	<u>778,256</u>	<u>4,540,373</u>	<u>4,292,099</u>	<u>1,876,704</u>	<u>6,168,803</u>	<u>10,709,176</u>
C. Total	10,479,056	1,714,117	12,193,173	8,446,615	6,894,283	15,340,898	27,534,071
Service Cost							
A. Participants	356,970	86,646	443,616	0	0	0	443,616
B. Spouses	<u>237,834</u>	<u>69,582</u>	<u>307,416</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>307,416</u>
C. Total	594,804	156,228	751,032	0	0	0	751,032

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

Funding - 4.00% 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		III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Benefit Payments (With Implicit Cost)	VII. Trust Contributions Beyond Pay-as-you-go	VIII. Gross Trust Contributions [VI. + VII.]	IX. Benefit Payments Reimbursed from the Trust	X. Administrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
			with an expected 5.84% return	with an expected 5.84% return									
2021	June 30, 2021	27,534,071	1,055,460	26,478,611	3.83%	751,032	1,001,022	98,022	1,099,044	1,001,022	0	98,022	
2022	June 30, 2022	28,325,727	1,360,613	26,965,114	4.80%	732,478	1,050,676	236,701	1,287,377	1,050,676	0	236,701	
2023	June 30, 2023	29,030,223	1,581,842	27,448,381	5.45%	745,446	1,136,272	137,802	1,274,074	1,136,272	0	137,802	
2024	June 30, 2024	29,786,475	1,817,157	27,969,318	6.10%	764,409	1,153,798	138,936	1,292,734	1,153,798	0	138,936	
2025	June 30, 2025	30,451,258	2,067,417	28,383,841	6.79%	784,870	1,291,297	140,105	1,431,402	1,291,297	0	140,105	
2026	June 30, 2026	31,039,574	2,333,530	28,706,044	7.52%	810,837	1,416,356	141,308	1,557,664	1,416,356	0	141,308	
2027	June 30, 2027	31,608,253	2,616,458	28,991,795	8.28%	837,885	1,484,665	142,547	1,627,212	1,484,665	0	142,547	
2028	June 30, 2028	32,102,339	2,917,222	29,185,117	9.09%	865,578	1,605,507	143,823	1,749,330	1,605,507	0	143,823	
2029	June 30, 2029	32,544,120	3,236,904	29,307,216	9.95%	896,123	1,705,849	145,138	1,850,987	1,705,849	0	145,138	
2030	June 30, 2030	33,018,808	3,576,648	29,442,160	10.83%	928,035	1,720,961	146,492	1,867,453	1,720,961	0	146,492	
2031	June 30, 2031	33,403,553	3,937,668	29,465,885	11.79%	962,023	1,844,616	147,887	1,992,503	1,844,616	0	147,887	
2032	June 30, 2032	33,806,104	4,321,250	29,484,854	12.78%	999,223	1,880,102	149,324	2,029,426	1,880,102	0	149,324	
2033	June 30, 2033	34,322,079	4,728,755	29,593,324	13.78%	1,039,661	1,814,627	150,803	1,965,430	1,814,627	0	150,803	
2034	June 30, 2034	34,811,935	5,161,626	29,650,309	14.83%	1,079,172	1,904,818	152,327	2,057,145	1,904,818	0	152,327	
2035	June 30, 2035	35,262,451	5,621,392	29,641,059	15.94%	1,122,685	2,002,973	153,897	2,156,870	2,002,973	0	153,897	
2036	June 30, 2036	35,756,732	6,109,672	29,647,060	17.09%	1,163,958	1,947,098	155,514	2,102,612	1,947,098	0	155,514	
2037	June 30, 2037	36,295,655	6,628,181	29,667,474	18.26%	1,203,079	1,950,772	157,180	2,107,952	1,950,772	0	157,180	
2038	June 30, 2038	36,857,605	7,178,736	29,678,869	19.48%	1,247,351	2,024,309	158,895	2,183,204	2,024,309	0	158,895	
2039	June 30, 2039	37,470,667	7,763,261	29,707,406	20.72%	1,294,138	2,085,257	160,662	2,245,919	2,085,257	0	160,662	
2040	June 30, 2040	38,148,041	8,383,795	29,764,246	21.98%	1,340,312	1,951,834	162,482	2,114,316	1,951,834	0	162,482	
2041	June 30, 2041	38,957,421	9,042,496	29,914,925	23.21%	1,379,674	1,922,459	164,356	2,086,815	1,922,459	0	164,356	
2042	June 30, 2042	39,845,046	9,741,651	30,103,395	24.45%	1,428,672	2,038,906	166,287	2,205,193	2,038,906	0	166,287	
2043	June 30, 2043	40,698,336	10,483,682	30,214,654	25.76%	1,475,457	2,090,840	168,275	2,259,115	2,090,840	0	168,275	
2044	June 30, 2044	41,634,721	11,271,156	30,363,565	27.07%	1,524,537	2,028,969	170,324	2,199,293	2,028,969	0	170,324	
2045	June 30, 2045	42,515,366	12,106,788	30,408,578	28.48%	1,569,473	2,163,867	172,433	2,336,300	2,163,867	0	172,433	
2046	June 30, 2046	43,359,974	12,993,457	30,366,517	29.97%	1,618,063	2,335,410	174,606	2,510,016	2,335,410	0	174,606	
2047	June 30, 2047	44,321,908	13,934,210	30,387,698	31.44%	1,669,826	2,337,561	176,845	2,514,406	2,337,561	0	176,845	
2048	June 30, 2048	45,079,275	14,932,275	30,147,000	33.12%	1,717,788	2,372,651	179,150	2,551,801	2,372,651	0	179,150	
2049	June 30, 2049	45,829,344	15,991,069	29,838,275	34.89%	1,769,522	2,519,467	181,524	2,700,991	2,519,467	0	181,524	
2050	June 30, 2050	46,844,277	17,114,213	29,730,064	36.53%	1,825,292	2,564,878	183,970	2,748,848	2,564,878	0	183,970	
2051	June 30, 2051	47,690,867	18,305,540	29,385,327	38.38%	1,882,088	2,681,058	186,489	2,867,547	2,681,058	0	186,489	
2052	June 30, 2052	48,468,171	19,569,110	28,899,061	40.38%	1,934,742	2,805,343	189,084	2,994,427	2,805,343	0	189,084	

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 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, 2021	
Description	Amount
I. Service Cost	751,032
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	1,086,805
III. Deferred (Inflows)/Outflows from Plan Experience*	(510,455)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	261,658
V. Projected Earnings on OPEB Plan Investments	(46,532)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(35,866)
VII. Financial Statement Expense/(Income) Prior to Plan Design Changes [I. + II.+ III. + IV. + V. + VI.]	1,506,642
VIII. Expense Related to Change in Benefit Terms***	0
IX. Financial Statement Expense/(Income) [VII. + VIII.]	1,506,642

* Amortized over 7.00 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 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, 2020 Reporting Date	26,914,700	748,468	26,166,232
II. Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
III. Balances for the June 30, 2020 Reporting Date with Adjustment [I. + II.]	26,914,700	748,468	26,166,232
Changes for the year:			
IV. Service Cost	751,032	0	751,032
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,086,805	0	1,086,805
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	1,092,677	0	1,092,677
VIII. Differences Between Actual and Expected Experience **	(1,310,121)	0	(1,310,121)
IX. Net Investment Income	0	208,970	(208,970)
X. Employer Contributions to Trust	0	1,099,044	(1,099,044)
XI. Benefit Payments Withdrawn from Trust	0	(1,001,022)	1,001,022
XII. Benefit Payments Excluding Implicit Cost	(782,920)	0	(782,920)
XIII. Implicit Cost Amount	(218,102)	0	(218,102)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(1,001,022)	0	(1,001,022)
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.]	<u>619,371</u>	<u>306,992</u>	<u>312,379</u>
XVIII. Balances for the June 30, 2021 Reporting Date [III.+XVII.]	27,534,071	1,055,460	26,478,611

* Recognized Immediately

** Amortized over 7.00 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 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 Between			2021	2022	2023	2024	2025	2026
	Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	0	7.00	0	0	0	0	0		
2019	(2,262,996)	7.00	(1,293,141)	(323,285)	(323,285)	(323,285)	(323,285)	(323,286)	
2020	(71)	7.00	(51)	(10)	(10)	(10)	(10)	(10)	(11)
2021	(1,310,121)	7.00	(1,122,961)	(187,160)	(187,160)	(187,160)	(187,160)	(187,160)	(187,160)
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(2,416,153)						
Net increase (decrease) in OPEB Expense				(510,455)	(510,455)	(510,455)	(510,455)	(510,456)	(187,171)

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from			2021	2022	2023	2024	2025	2026
	Changes in Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	0	7.00	0	0	0	0	0		
2019	50,598	7.00	28,914	7,228	7,228	7,228	7,228	7,230	
2020	688,331	7.00	491,665	98,333	98,333	98,333	98,333	98,333	98,333
2021	1,092,677	7.00	936,580	156,097	156,097	156,097	156,097	156,097	156,097
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			1,457,159						
Net increase (decrease) in OPEB Expense				261,658	261,658	261,658	261,658	261,660	254,430

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 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 Between			2021	2022	2023	2024	2025	2026
	Actual & Expected Earnings	Recognition Period (years)	Remaining Balance						
2017									
2018	(17,299)	5.00	(3,459)	(3,460)	(3,459)				
2019	(3,161)	5.00	(1,265)	(632)	(632)	(633)			
2020	3,572	5.00	2,144	714	714	714	716		
2021	(162,438)	5.00	(129,950)	(32,488)	(32,488)	(32,488)	(32,488)	(32,486)	
2022									
2023									
2024									
2025									
2026									
Total Remaining Balance			(132,530)						
Net increase (decrease) in OPEB Expense				(35,866)	(35,865)	(32,407)	(31,772)	(32,486)	0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of Outflows & Inflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2021 to be Reported for the Fiscal Year Ending June 30, 2021			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
I. Contributions made subsequent to the Measurement Date	0	0	0
II. Differences Between Actual & Expected Experience	0	(2,416,153)	(2,416,153)
III. Changes of Assumptions	1,457,159	0	1,457,159
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>2,144</u>	<u>(134,674)</u>	<u>(132,530)</u>
V. Total [I.+II.+III.+IV.]	1,459,303	(2,550,827)	(1,091,524)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows)/Outflows

The balance of deferred (inflows)/outflows as of June 30, 2021 will be recognized in future years as shown below.

Year ending June 30:

2022	(284,662)
2023	(281,204)
2024	(280,569)
2025	(281,282)
2026	67,259
Thereafter	(31,066)

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 4.00% as of June 30, 2021 and 4.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 2.18% as of June 30, 2021. The S&P Municipal Bond 20 - Year High Grade Index is the index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 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, 2021 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$1,001,022. The Town also contributed \$98,022 to an OPEB Trust for a total contribution during the measurement period of \$1,099,044 to be reported on the financial statement for the fiscal year ending June 30, 2021.

6. Investment Policy

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

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return*
Domestic Equity - Large Cap	37.10%	Domestic Equity - Large Cap	4.90%
Domestic Equity - Small/Mid Cap	0.00%	Domestic Equity - Small/Mid Cap	5.40%
International Equity - Developed Market	15.90%	International Equity - Developed Market	5.32%
International Equity-Emerging Market	0.00%	International Equity-Emerging Market	6.26%
Domestic Fixed Income	39.00%	Domestic Fixed Income	1.40%
International Fixed Income	0.00%	International Fixed Income	1.30%
Alternatives	0.00%	Alternatives	6.32%
Real Estate	8.00%	Real Estate	6.25%
Cash & Cash Equivalents	0.00%	Cash & Cash Equivalents	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	<u>3.71%</u>
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.21%
		IV. Investment Expense	0.37%
		V. Net Investment Return [III.-IV.]	<u>5.84%</u>

* Mean Geometric Returns based on 2020 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

7. Schedule of Contributions

Town					
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, 2021	1,195,334	(877,356)	317,978	3,563,238	24.62%
June 30, 2020	1,523,355	(908,557)	614,798	3,442,854	26.39%
June 30, 2019	1,404,414	(767,455)	636,959	3,342,577	22.96%
June 30, 2018	1,594,417	(679,087)	915,330	7,025,422	9.67%
June 30, 2017	1,486,663	(729,965)	756,698	6,622,134	11.02%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

7. Schedule of Contributions (Continued)

School					
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, 2021	567,510	(221,688)	345,822	15,862,241	1.40%
June 30, 2020	658,049	(220,426)	437,623	16,907,952	1.30%
June 30, 2019	686,574	(291,169)	395,405	16,415,487	1.77%
June 30, 2018	778,349	(377,487)	400,862	18,929,281	1.99%
June 30, 2017	741,396	(594,483)	146,913	17,842,663	3.33%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

7. Schedule of Contributions (Continued)

Total					
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, 2021	1,762,844	(1,099,044)	663,800	19,425,479	5.66%
June 30, 2020	2,181,404	(1,128,983)	1,052,421	20,350,806	5.55%
June 30, 2019	2,090,988	(1,058,624)	1,032,364	19,758,064	5.36%
June 30, 2018	2,372,766	(1,056,574)	1,316,192	25,954,703	4.07%
June 30, 2017	2,228,059	(1,324,448)	903,611	24,464,797	5.41%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES

(As of the June 30, 2021 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

Town			
<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	17,434,716	19,863,247	22,892,405
II. Fiduciary Net Position	<u>511,699</u>	<u>511,699</u>	<u>511,699</u>
III. Net OPEB Liability (Asset) [I.-II.]	16,891,269	19,351,548	22,420,305
IV. Service Cost	357,865	455,864	590,998

School			
<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	6,732,970	7,670,824	8,840,629
II. Fiduciary Net Position	<u>543,761</u>	<u>543,761</u>	<u>543,761</u>
III. Net OPEB Liability (Asset) [I.-II.]	6,220,957	7,127,063	8,257,269
IV. Service Cost	231,715	295,168	382,666

Total			
<u>Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	24,167,686	27,534,071	31,733,034
II. Fiduciary Net Position	<u>1,055,460</u>	<u>1,055,460</u>	<u>1,055,460</u>
III. Net OPEB Liability (Asset) [I.-II.]	23,112,226	26,478,611	30,677,574
IV. Service Cost	589,580	751,032	973,664

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

9. Effect of 1% Change in Discount Rates

Town			
<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	22,606,451	19,863,247	17,630,292
II. Fiduciary Net Position	<u>511,699</u>	<u>511,699</u>	<u>511,699</u>
III. Net OPEB Liability (Asset) [I.-II.]	22,094,752	19,351,548	17,118,593
IV. Service Cost	581,168	455,864	359,771

School			
<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	8,730,199	7,670,824	6,808,498
II. Fiduciary Net Position	<u>543,761</u>	<u>543,761</u>	<u>543,761</u>
III. Net OPEB Liability (Asset) [I.-II.]	8,186,438	7,127,063	6,264,737
IV. Service Cost	376,301	295,168	232,948

Total			
<u>Impact of a 1% Change in the Discount Rate as of the June 30, 2021 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
I. Total OPEB Liability	31,336,650	27,534,071	24,438,790
II. Fiduciary Net Position	<u>1,055,460</u>	<u>1,055,460</u>	<u>1,055,460</u>
III. Net OPEB Liability (Asset) [I.-II.]	30,281,190	26,478,611	23,383,330
IV. Service Cost	957,469	751,032	592,719

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

10. Money Weighted Rate of Return

Town			
	Plan		
	Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2020	332,939	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	31,967	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>66,055</u>	0	0.0000
II. Total net external cash flow	98,022		
III. Earnings and increase in fair value	80,738		
IV. Ending value - June 30, 2021 [I.+II.+III.]	511,699		
Money Weighted Rate of Return	23.19%		
Asset Value - June 30, 2021	511,699		

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
 (As of the June 30, 2021 Measurement Date)

10. Money Weighted Rate of Return (Continued)

School			
	Plan		
	Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2020	415,529	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	128,232		
IV. Ending value - June 30, 2021 [I.+II.+III.]	543,761		
Money Weighted Rate of Return	30.86%		
Asset Value - June 30, 2021	543,761		

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

10. Money Weighted Rate of Return (Continued)

Total			
	Plan		
	Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2020	748,468	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	31,967	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>66,055</u>	0	0.0000
II. Total net external cash flow	98,022		
III. Earnings and increase in fair value	208,970		
IV. Ending value - June 30, 2021 [I.+II.+III.]	1,055,460		
Money Weighted Rate of Return	27.37%		
Asset Value - June 30, 2021	1,055,460		

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2021					Total
	General Town Employees and Retirees	School Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	DPW Employees and Retirees	
I. Total OPEB Liability as of June 30, 2021	128,534	7,670,824	11,462,192	7,578,373	694,148	27,534,071
II. Fiduciary Net Position as of June 30, 2021	30,271	543,761	140,508	177,442	163,478	1,055,460
III. Net OPEB Liability (Asset) as of June 30, 2021 [I. - II.]	98,263	7,127,063	11,321,684	7,400,931	530,670	26,478,611
IV. Service Cost	0	295,168	255,890	199,974	0	751,032
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	3,533	307,327	450,869	299,100	25,976	1,086,805
VI. Projected Earnings on OPEB Plan Investments	(1,210)	(22,902)	(7,505)	(8,318)	(6,597)	(46,532)
VII. Net Recognition of Deferred (Inflows)/Outflows	(1,329)	(79,305)	(118,503)	(78,350)	(7,176)	(284,663)
VIII. Expense Related to Change in Benefit Terms	0	0	0	0	0	0
IX. Financial Statement Expense/(Income) [IV. + V. + VI. + VII. + VIII.]	994	500,288	580,751	412,406	12,203	1,506,642
X. Employer Share of Costs	(73,771)	(221,688)	(357,812)	(288,170)	(59,581)	(1,001,022)
XI. Employer (Payments) Withdrawals to/from OPEB Trust	(9,895)	(0)	(16,797)	(17,894)	(53,436)	(98,022)
XII. Total Employer Contribution [X. + XI.]	(83,666)	(221,688)	(374,609)	(306,064)	(113,017)	(1,099,044)
XIII. Net OPEB Expense/(Income) [IX. + XII.]	(82,672)	278,600	206,142	106,342	(100,814)	407,598

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2021 Measurement Date)

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

Valuation Date	July 1, 2020
For the Measurement Period ending on the Measurement Date of:	June 30, 2021
For the Reporting Period & Fiscal Year ending on:	June 30, 2021
Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(2,416,153)
II. Deferred (Inflow)/Outflow from Investment Experience	(132,530)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	1,457,159
Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	628,998
II. Deferred Outflow created during the period	1,092,677
III. Deferred Outflow recognized during the period	262,372
IV. Change in Deferred Outflow (II. - III.)	830,305
V. Deferred Outflow at end of the period (I. + IV.)	1,459,303
VI. Deferred Inflow at the beginning of the period	(1,625,303)
VII. Deferred Inflow created during the period	(1,472,559)
VIII. Deferred Inflow recognized during the period	(547,035)
IX. Change in Deferred Inflow (VII. - VIII.)	(925,524)
X. Deferred Inflow at end of the period (VI. + IX.)	(2,550,827)
Net OPEB Liability	
I. Net OPEB Liability at beginning of period	26,166,232
II. Service Cost	751,032
III. Interest on Total OPEB Liability, Service Cost, and Payments	1,086,805
IV. Projected Investment Income	(46,532)
V. Total Employer Contributions	(1,099,044)
VI. Expense Related to Change in Benefit Terms	0
VII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + IV. + V. + VI.)	692,261
VIII. Deferred Outflow created during the period	1,092,677
IX. Deferred Inflow created during the period	(1,472,559)
X. Net OPEB Liability at end of period (I. + VII. + VIII. + IX.)	26,478,611
Net OPEB Expense	
I. Service Cost	751,032
II. Interest on Total OPEB Liability, Service Cost, and Payments	1,086,805
III. Projected Investment Income	(46,532)
IV. Recognition of Deferred (Inflow)/Outflow	(284,663)
V. Expense Related to Change in Benefit Terms	0
VI. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V.)	1,506,642
VII. Benefit Payments	(1,001,022)
VIII. Contributions to Trust	(98,022)
IX. Total Employer Payments (VII. + VIII.)	(1,099,044)
X. Total Net OPEB Expense/(Income) under GASB 75 (VI. + IX.)	407,598

EXHIBIT B
REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 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 2021 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:

Town					
Actuarially Determined Contribution - Deficiency / (Excess)					
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	For the Fiscal Year Ending:	
				<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	455,864	440,917	407,294	466,061	442,043
II. Amortization of NOL	<u>739,470</u>	<u>1,082,438</u>	<u>997,120</u>	<u>1,128,356</u>	<u>1,044,620</u>
III. Actuarial Determined Contribution [I. + II.]	1,195,334	1,523,355	1,404,414	1,594,417	1,486,663
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(877,356)</u>	<u>(908,557)</u>	<u>(767,455)</u>	<u>(679,087)</u>	<u>(729,965)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>317,978</u>	<u>614,798</u>	<u>636,959</u>	<u>915,330</u>	<u>756,698</u>
Covered Employee Payroll	3,563,238	3,442,854	3,342,577	7,025,422	6,622,134
Contributions as a % of Covered Employee Payroll	24.62%	26.39%	22.96%	9.67%	11.02%
Discount Rate	4.00%	4.00%	4.25%	4.00%	3.50%
Money Weighted Rate of Return	23.19%	<u>(2.55%)</u>	6.08%	5.66%	12.49%

EXHIBIT B
REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 Measurement Date)

	School				
	Actuarially Determined Contribution - Deficiency / (Excess)				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	For the Fiscal Year Ending:	
				<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	295,168	285,491	264,398	371,356	357,050
II. Amortization of NOL	<u>272,342</u>	<u>372,558</u>	<u>422,176</u>	<u>406,993</u>	<u>384,346</u>
III. Actuarial Determined Contribution [I. + II.]	567,510	658,049	686,574	778,349	741,396
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(221,688)</u>	<u>(220,426)</u>	<u>(291,169)</u>	<u>(377,487)</u>	<u>(594,483)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>345,822</u>	<u>437,623</u>	<u>395,405</u>	<u>400,862</u>	<u>146,913</u>
Covered Employee Payroll	15,862,241	16,907,952	16,415,487	18,929,281	17,842,663
Contributions as a % of Covered Employee Payroll	1.40%	1.30%	1.77%	1.99%	3.33%
Discount Rate	4.00%	4.00%	4.25%	4.00%	3.50%
Money Weighted Rate of Return	30.86%	5.27%	6.39%	8.47%	15.69%

EXHIBIT B
REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 Measurement Date)

	Total				
	Actuarially Determined Contribution - Deficiency / (Excess)				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	For the Fiscal Year Ending:	
				<u>June 30, 2018</u>	<u>June 30, 2017</u>
I. Service Cost	751,032	726,408	671,692	837,417	799,093
II. Amortization of NOL	<u>1,011,812</u>	<u>1,454,996</u>	<u>1,419,296</u>	<u>1,535,349</u>	<u>1,428,966</u>
III. Actuarial Determined Contribution [I. + II.]	1,762,844	2,181,404	2,090,988	2,372,766	2,228,059
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(1,099,044)</u>	<u>(1,128,983)</u>	<u>(1,058,624)</u>	<u>(1,056,574)</u>	<u>(1,324,448)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>663,800</u>	<u>1,052,421</u>	<u>1,032,364</u>	<u>1,316,192</u>	<u>903,611</u>
Covered Employee Payroll	19,425,479	20,350,806	19,758,064	25,954,703	24,464,797
Contributions as a % of Covered Employee Payroll	5.66%	5.55%	5.36%	4.07%	5.41%
Discount Rate	4.00%	4.00%	4.25%	4.00%	3.50%
Money Weighted Rate of Return	27.37%	5.27%	6.59%	7.63%	14.96%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 Measurement Date)

Town					
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
GASB 75 Measurement Date	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	19,863,247	19,297,610	18,308,292	19,131,312	20,389,409
I. Service Cost	455,864	440,917	407,294	466,061	442,043
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	779,478	829,821	774,142	763,900	700,377
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(678,635)	(51)	(1,301,510)	0	0
V. Changes of Assumptions	788,264	493,527	30,936	(1,843,107)	0
VI. Benefit Payments Excluding Implicit Cost	(609,533)	(622,251)	(593,002)	(559,471)	N/A
VII. Implicit Cost Amount	(169,801)	(152,645)	(140,880)	(85,480)	N/A
VIII. Total Benefit Payments Including Implicit Cost [VI.+VII.]	<u>(779,334)</u>	<u>(774,896)</u>	<u>(733,882)</u>	<u>(644,951)</u>	<u>(638,156)</u>
IX. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.]	565,637	989,318	(823,020)	(1,258,097)	504,264
X. Total OPEB Liability - Beginning of Period	19,297,610	18,308,292	19,131,312	20,389,409	19,885,145
XI. Prior Period Adjustment	0	0	0	0	0
XII. Total OPEB Liability - Beginning of Period with Adjustment	19,297,610	18,308,292	19,131,312	20,389,409	19,885,145
XIII. Total OPEB Liability - End of Period [IX.+XII.]	19,863,247	19,297,610	18,308,292	19,131,312	20,389,409
Plan Fiduciary Net Position	511,699	332,939	181,752	137,970	97,373
XIV. Earning from Plan Investments	80,738	17,526	10,209	6,461	5,564
XV. Employer Contribution to Trust	877,356	908,557	767,455	679,087	729,965
XVI. Benefit Payments from Trust, Including Refunds of Member Contributions	(779,334)	(774,896)	(733,882)	(644,951)	(638,156)
XVII. Administrative Expense	0	0	0	0	0
XVIII. Other	0	0	0	0	0
XIX. Net Change in Plan Fiduciary Net Position [XIV.+XV.+XVI.+XVII.+XVIII.]	178,760	151,187	43,782	40,597	97,373
XX. Plan Fiduciary Net Position - Beginning of Period	332,939	181,752	137,970	97,373	0
XXI. Prior Period Adjustment	0	0	0	0	0
XXII. Plan Fiduciary Net Position - Beginning of Period with Adjustment	332,939	181,752	137,970	97,373	0
XXIII. Plan Fiduciary Net Position - End of Period [XIX.+XXII.]	511,699	332,939	181,752	137,970	97,373
XXIV. Net OPEB Liability [XIII.-XXIII.]	19,351,548	18,964,671	18,126,540	18,993,342	20,292,036
XXV. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIII. / XIII.]	2.58%	1.73%	0.99%	0.72%	0.48%
XXVI. Covered Employee Payroll	3,563,238	3,442,854	3,342,577	7,025,422	6,622,134
XXVII. Plan NOL as % of Covered Employee Payroll [XXIV. / XXVI.]	543.09%	550.84%	542.29%	270.35%	306.43%
Single Discount Rate to calculate Plan Liabilities	4.00%	4.00%	4.25%	4.00%	3.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 Measurement Date)

School					
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
GASB 75 Measurement Date	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	7,670,824	7,617,090	7,097,379	7,676,844	7,588,517
I. Service Cost	295,168	285,491	264,398	371,356	357,050
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	307,327	259,862	306,390	306,758	263,514
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(631,486)	(20)	(961,486)	0	0
V. Changes of Assumptions	304,413	194,804	19,662	(212,300)	0
VI. Benefit Payments Excluding Implicit Cost	(173,387)	(178,112)	(168,418)	(324,243)	N/A
VII. Implicit Cost Amount	(48,301)	(42,314)	(40,011)	(53,244)	N/A
VIII. Total Benefit Payments Including Implicit Cost [VI.+VII.]	(221,688)	(220,426)	(208,429)	(377,487)	(404,269)
IX. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.]	53,734	519,711	(579,465)	88,327	216,295
X. Total OPEB Liability - Beginning of Period	7,617,090	7,097,379	7,676,844	7,588,517	7,372,222
XI. Prior Period Adjustment	0	0	0	0	0
XII. Total OPEB Liability - Beginning of Period with Adjustment	7,617,090	7,097,379	7,676,844	7,588,517	7,372,222
XIII. Total OPEB Liability - End of Period [IX.+XII.]	7,670,824	7,617,090	7,097,379	7,676,844	7,588,517
Plan Fiduciary Net Position	543,761	415,529	397,411	292,088	269,277
XIV. Earning from Plan Investments	128,232	18,118	22,583	22,811	23,157
XV. Employer Contribution to Trust	221,688	220,426	291,169	377,487	594,483
XVI. Benefit Payments from Trust, Including Refunds of Member Contributions	(221,688)	(220,426)	(208,429)	(377,487)	(404,269)
XVII. Administrative Expense	0	0	0	0	0
XVIII. Other	0	0	0	0	0
XIX. Net Change in Plan Fiduciary Net Position [XIV.+XV.+XVI.+XVII.+XVIII.]	128,232	18,118	105,323	22,811	213,371
XX. Plan Fiduciary Net Position - Beginning of Period	415,529	397,411	292,088	269,277	55,906
XXI. Prior Period Adjustment	0	0	0	0	0
XXII. Plan Fiduciary Net Position - Beginning of Period with Adjustment	415,529	397,411	292,088	269,277	55,906
XXIII. Plan Fiduciary Net Position - End of Period [XIX.+XXII.]	543,761	415,529	397,411	292,088	269,277
XXIV. Net OPEB Liability [XIII.-XXIII.]	7,127,063	7,201,561	6,699,968	7,384,756	7,319,240
XXV. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIII. / XIII.]	7.09%	5.46%	5.60%	3.80%	3.55%
XXVI. Covered Employee Payroll	15,862,241	16,907,952	16,415,487	18,929,281	17,842,663
XXVII. Plan NOL as % of Covered Employee Payroll [XXIV. / XXVI.]	44.93%	42.59%	40.81%	39.01%	41.02%
Single Discount Rate to calculate Plan Liabilities	4.00%	4.00%	4.25%	4.00%	3.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION
(As of the June 30, 2021 Measurement Date)

Total					
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios					
Valuation Date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
GASB 75 Measurement Date	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	27,534,071	26,914,700	25,405,671	26,808,156	27,977,926
I. Service Cost	751,032	726,408	671,692	837,417	799,093
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,086,805	1,089,683	1,080,532	1,070,658	963,891
III. Changes in Benefit Terms	0	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(1,310,121)	(71)	(2,262,996)	0	0
V. Changes of Assumptions	1,092,677	688,331	50,598	(2,055,407)	0
VI. Benefit Payments Excluding Implicit Cost	(782,920)	(800,363)	(761,420)	(883,714)	N/A
VII. Implicit Cost Amount	(218,102)	(194,959)	(180,891)	(138,724)	N/A
VIII. Total Benefit Payments Including Implicit Cost [VI.+VII.]	(1,001,022)	(995,322)	(942,311)	(1,022,438)	(1,042,425)
IX. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.]	619,371	1,509,029	(1,402,485)	(1,169,770)	720,559
X. Total OPEB Liability - Beginning of Period	26,914,700	25,405,671	26,808,156	27,977,926	27,257,367
XI. Prior Period Adjustment	0	0	0	0	0
XII. Total OPEB Liability - Beginning of Period with Adjustment	26,914,700	25,405,671	26,808,156	27,977,926	27,257,367
XIII. Total OPEB Liability - End of Period [IX.+XII.]	27,534,071	26,914,700	25,405,671	26,808,156	27,977,926
Plan Fiduciary Net Position	1,055,460	748,468	579,163	430,058	366,650
XIV. Earning from Plan Investments	208,970	35,644	32,792	29,272	28,721
XV. Employer Contribution to Trust	1,099,044	1,128,983	1,058,624	1,056,574	1,324,448
XVI. Benefit Payments from Trust, Including Refunds of Member Contributions	(1,001,022)	(995,322)	(942,311)	(1,022,438)	(1,042,425)
XVII. Administrative Expense	0	0	0	0	0
XVIII. Other	0	0	0	0	0
XIX. Net Change in Plan Fiduciary Net Position [XIV.+XV.+XVI.+XVII.+XVIII.]	306,992	169,305	149,105	63,408	310,744
XX. Plan Fiduciary Net Position - Beginning of Period	748,468	579,163	430,058	366,650	55,906
XXI. Prior Period Adjustment	0	0	0	0	0
XXII. Plan Fiduciary Net Position - Beginning of Period with Adjustment	748,468	579,163	430,058	366,650	55,906
XXIII. Plan Fiduciary Net Position - End of Period [XIX.+XXII.]	1,055,460	748,468	579,163	430,058	366,650
XXIV. Net OPEB Liability [XIII.-XXIII.]	26,478,611	26,166,232	24,826,508	26,378,098	27,611,276
XXV. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIII. / XIII.]	3.83%	2.78%	2.28%	1.60%	1.31%
XXVI. Covered Employee Payroll	19,425,479	20,350,806	19,758,064	25,954,703	24,464,797
XXVII. Plan NOL as % of Covered Employee Payroll [XXIV. / XXVI.]	136.31%	128.58%	125.65%	101.63%	112.86%
Single Discount Rate to calculate Plan Liabilities	4.00%	4.00%	4.25%	4.00%	3.50%

EXHIBIT BREQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2020.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2021.

Actuarial Assumptions:

Investment Rate of Return:	5.84%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	4.00%, net of OPEB plan investment expense, including inflation.
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.00% annually as of June 30, 2021 and for future periods
Cost of Living Adjustment:	Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

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

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 Measurement Date)

Plan Membership

At July 1, 2020, OPEB plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits:	101
Active Employees:	<u>273</u>
Total:	374

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, 2020 to June 30, 2021

- ✓ Due to updated guidance related to the implementation of ASOP 6, we have updated our methodology for calculating expected claims
- ✓ Based on recent actuarial research we have adopted the Getzen model for future healthcare cost increases

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$98,022 beyond the pay-as-you-go cost for the period ending on the June 30, 2021 Measurement Date. For the year ending on the June 30, 2021 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$1,001,022. \$218,102 of the \$1,001,022 represents implicit cost.

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2021 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, 2020 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, 2021	19,425,479	0	19,425,479	0	1,001,022	0	1,001,022
June 30, 2022	18,556,053	1,452,190	20,008,243	0	1,050,676	0	1,050,676
June 30, 2023	17,769,928	2,838,562	20,608,490	0	1,136,272	0	1,136,272
June 30, 2024	17,134,815	4,091,930	21,226,745	0	1,153,798	0	1,153,798
June 30, 2025	16,452,180	5,411,367	21,863,547	0	1,291,297	0	1,291,297
June 30, 2026	15,853,325	6,666,128	22,519,453	0	1,416,356	0	1,416,356
June 30, 2027	15,320,689	7,874,348	23,195,037	0	1,484,665	0	1,484,665
June 30, 2028	14,778,368	9,112,520	23,890,888	0	1,605,507	0	1,605,507
June 30, 2029	14,233,798	10,373,817	24,607,615	0	1,705,849	0	1,705,849
June 30, 2030	13,652,297	11,693,546	25,345,843	0	1,720,961	0	1,720,961
June 30, 2031	12,999,301	13,106,917	26,106,218	0	1,844,616	0	1,844,616
June 30, 2032	12,322,231	14,567,174	26,889,405	0	1,874,960	5,142	1,880,102
June 30, 2033	11,691,231	16,004,856	27,696,087	0	1,799,563	15,064	1,814,627
June 30, 2034	10,993,435	17,533,535	28,526,970	0	1,875,308	29,510	1,904,818
June 30, 2035	10,423,312	18,959,467	29,382,779	0	1,952,102	50,871	2,002,973
June 30, 2036	9,900,588	20,363,674	30,264,262	0	1,868,125	78,973	1,947,098
June 30, 2037	9,243,550	21,928,640	31,172,190	0	1,861,187	89,585	1,950,772
June 30, 2038	8,576,899	23,530,457	32,107,356	0	1,918,449	105,860	2,024,309
June 30, 2039	8,004,618	25,065,959	33,070,577	0	1,958,059	127,198	2,085,257
June 30, 2040	7,545,127	26,517,567	34,062,694	0	1,795,294	156,540	1,951,834
June 30, 2041	6,883,983	28,200,592	35,084,575	0	1,729,771	192,688	1,922,459
June 30, 2042	6,400,424	29,736,688	36,137,112	0	1,793,681	245,225	2,038,906
June 30, 2043	5,884,077	31,337,148	37,221,225	0	1,777,115	313,725	2,090,840
June 30, 2044	5,473,207	32,864,655	38,337,862	0	1,639,101	389,868	2,028,969
June 30, 2045	4,969,544	34,518,454	39,487,998	0	1,677,625	486,242	2,163,867
June 30, 2046	4,523,544	36,149,094	40,672,638	0	1,735,086	600,324	2,335,410
June 30, 2047	4,172,043	37,720,774	41,892,817	0	1,683,014	654,547	2,337,561
June 30, 2048	3,760,594	39,389,008	43,149,602	0	1,654,446	718,205	2,372,651
June 30, 2049	3,374,177	41,069,913	44,444,090	0	1,731,312	788,155	2,519,467
June 30, 2050	3,074,675	42,702,738	45,777,413	0	1,696,545	868,333	2,564,878
June 30, 2051	2,799,640	44,351,095	47,150,735	0	1,725,944	955,114	2,681,058
June 30, 2052	2,467,400	46,097,857	48,565,257	0	1,745,892	1,059,451	2,805,343
June 30, 2053	2,194,272	47,827,943	50,022,215	0	1,725,043	1,176,428	2,901,471
June 30, 2054	1,952,568	49,570,313	51,522,881	0	1,710,955	1,292,794	3,003,749
June 30, 2055	1,696,123	51,372,444	53,068,567	0	1,655,006	1,425,165	3,080,171
June 30, 2056	1,482,221	53,178,403	54,660,624	0	1,614,686	1,570,370	3,185,056
June 30, 2057	1,258,014	55,042,429	56,300,443	0	1,529,032	1,667,149	3,196,181
June 30, 2058	1,058,381	56,931,075	57,989,456	0	1,461,933	1,771,649	3,233,582
June 30, 2059	866,184	58,862,956	59,729,140	0	1,349,003	1,880,898	3,229,901
June 30, 2060	667,401	60,853,613	61,521,014	0	1,282,217	1,995,829	3,278,046

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2020 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, 2061	497,107	62,869,537	63,366,644	0	1,173,878	2,116,939	3,290,817
June 30, 2062	365,120	64,902,523	65,267,643	0	1,046,312	2,254,192	3,300,504
June 30, 2063	279,484	66,946,188	67,225,672	0	956,801	2,398,664	3,355,465
June 30, 2064	188,106	69,054,336	69,242,442	0	914,850	2,543,522	3,458,372
June 30, 2065	126,951	71,192,764	71,319,715	0	873,100	2,706,341	3,579,441
June 30, 2066	65,568	73,393,738	73,459,306	0	855,348	2,885,354	3,740,702
June 30, 2067	34,073	75,629,012	75,663,085	0	824,721	3,013,401	3,838,122
June 30, 2068	7,742	77,925,236	77,932,978	0	809,102	3,151,790	3,960,892
June 30, 2069	0	80,270,967	80,270,967	0	790,574	3,293,135	4,083,709
June 30, 2070	0	82,679,096	82,679,096	0	774,516	3,441,993	4,216,509
June 30, 2071	0	85,159,469	85,159,469	0	751,424	3,590,815	4,342,239
June 30, 2072	0	87,714,253	87,714,253	0	732,136	3,749,512	4,481,648
June 30, 2073	0	90,345,681	90,345,681	0	711,296	3,914,854	4,626,150
June 30, 2074	0	93,056,051	93,056,051	0	692,190	4,079,290	4,771,480
June 30, 2075	0	95,847,733	95,847,733	0	670,735	4,251,403	4,922,138
June 30, 2076	0	98,723,165	98,723,165	0	645,773	4,434,932	5,080,705
June 30, 2077	0	101,684,860	101,684,860	0	626,823	4,616,855	5,243,678
June 30, 2078	0	104,735,406	104,735,406	0	603,371	4,800,681	5,404,052
June 30, 2079	0	107,877,468	107,877,468	0	581,840	4,993,171	5,575,011
June 30, 2080	0	111,113,792	111,113,792	0	557,582	5,192,148	5,749,730
June 30, 2081	0	114,447,206	114,447,206	0	530,345	5,396,275	5,926,620
June 30, 2082	0	117,880,622	117,880,622	0	507,480	5,609,951	6,117,431
June 30, 2083	0	121,417,041	121,417,041	0	480,028	5,828,943	6,308,971
June 30, 2084	0	125,059,552	125,059,552	0	451,951	6,052,188	6,504,139
June 30, 2085	0	128,811,339	128,811,339	0	423,623	6,284,555	6,708,178
June 30, 2086	0	132,675,679	132,675,679	0	393,626	6,529,588	6,923,214
June 30, 2087	0	136,655,949	136,655,949	0	364,736	6,778,448	7,143,184
June 30, 2088	0	140,755,627	140,755,627	0	335,157	7,035,007	7,370,164
June 30, 2089	0	144,978,296	144,978,296	0	305,995	7,302,809	7,608,804
June 30, 2090	0	149,327,645	149,327,645	0	277,398	7,581,644	7,859,042
June 30, 2091	0	153,807,474	153,807,474	0	249,509	7,867,632	8,117,141
June 30, 2092	0	158,421,698	158,421,698	0	222,504	8,164,630	8,387,134
June 30, 2093	0	163,174,349	163,174,349	0	196,548	8,475,093	8,671,641
June 30, 2094	0	168,069,579	168,069,579	0	171,826	8,795,235	8,967,061
June 30, 2095	0	173,111,666	173,111,666	0	148,531	9,126,266	9,274,797

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, 2020 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, 2021	748,468	1,001,022	98,022	1,099,044	0	1,001,022	1,001,022	208,970	1,055,460
June 30, 2022	1,055,460	1,050,676	219,521	1,270,197	0	1,050,676	1,050,676	63,484	1,338,465
June 30, 2023	1,338,465	1,136,272	118,821	1,255,093	0	1,136,272	1,136,272	81,587	1,538,873
June 30, 2024	1,538,873	1,153,798	112,153	1,265,951	0	1,153,798	1,153,798	93,099	1,744,125
June 30, 2025	1,744,125	1,291,297	105,428	1,396,725	0	1,291,297	1,291,297	104,892	1,954,445
June 30, 2026	1,954,445	1,416,356	99,479	1,515,835	0	1,416,356	1,416,356	117,003	2,170,927
June 30, 2027	2,170,927	1,484,665	94,155	1,578,820	0	1,484,665	1,484,665	129,492	2,394,574
June 30, 2028	2,394,574	1,605,507	88,966	1,694,473	0	1,605,507	1,605,507	142,404	2,625,944
June 30, 2029	2,625,944	1,705,849	83,952	1,789,801	0	1,705,849	1,705,849	155,772	2,865,668
June 30, 2030	2,865,668	1,720,961	78,907	1,799,868	0	1,720,961	1,720,961	169,626	3,114,201
June 30, 2031	3,114,201	1,844,616	73,639	1,918,255	0	1,844,616	1,844,616	183,989	3,371,829
June 30, 2032	3,371,829	1,874,960	68,429	1,943,389	0	1,880,102	1,880,102	198,885	3,634,001
June 30, 2033	3,634,001	1,799,563	63,658	1,863,221	0	1,814,627	1,814,627	214,058	3,896,653
June 30, 2034	3,896,653	1,875,308	58,702	1,934,010	0	1,904,818	1,904,818	229,254	4,155,099
June 30, 2035	4,155,099	1,952,102	54,594	2,006,696	0	2,002,973	2,002,973	244,229	4,403,051
June 30, 2036	4,403,051	1,868,125	50,875	1,919,000	0	1,947,098	1,947,098	258,603	4,633,556
June 30, 2037	4,633,556	1,861,187	46,609	1,907,796	0	1,950,772	1,950,772	271,941	4,862,521
June 30, 2038	4,862,521	1,918,449	42,446	1,960,895	0	2,024,309	2,024,309	285,193	5,084,300
June 30, 2039	5,084,300	1,958,059	38,888	1,996,947	0	2,085,257	2,085,257	298,043	5,294,033
June 30, 2040	5,294,033	1,795,294	35,991	1,831,285	0	1,951,834	1,951,834	310,208	5,483,692
June 30, 2041	5,483,692	1,729,771	32,248	1,762,019	0	1,922,459	1,922,459	321,176	5,644,428
June 30, 2042	5,644,428	1,793,681	29,452	1,823,133	0	2,038,906	2,038,906	330,482	5,759,137
June 30, 2043	5,759,137	1,777,115	26,602	1,803,717	0	2,090,840	2,090,840	337,099	5,809,113
June 30, 2044	5,809,113	1,639,101	24,316	1,663,417	0	2,028,969	2,028,969	339,952	5,783,513
June 30, 2045	5,783,513	1,677,625	21,701	1,699,326	0	2,163,867	2,163,867	338,382	5,657,354
June 30, 2046	5,657,354	1,735,086	19,419	1,754,505	0	2,335,410	2,335,410	330,948	5,407,397
June 30, 2047	5,407,397	1,683,014	17,612	1,700,626	0	2,337,561	2,337,561	316,299	5,086,761
June 30, 2048	5,086,761	1,654,446	15,613	1,670,059	0	2,372,651	2,372,651	297,516	4,681,685
June 30, 2049	4,681,685	1,731,312	13,781	1,745,093	0	2,519,467	2,519,467	273,807	4,181,118
June 30, 2050	4,181,118	1,696,545	12,356	1,708,901	0	2,564,878	2,564,878	244,533	3,569,674
June 30, 2051	3,569,674	1,725,944	11,073	1,737,017	0	2,681,058	2,681,058	208,788	2,834,421
June 30, 2052	2,834,421	1,745,892	9,607	1,755,499	0	2,805,343	2,805,343	165,807	1,950,384
June 30, 2053	1,950,384	1,725,043	8,412	1,733,455	0	2,901,471	2,901,471	114,145	896,513
June 30, 2054	896,513	1,710,955	7,371	1,718,326	0	3,003,749	3,003,749	52,569	0
June 30, 2055	0	1,655,006	6,307	1,661,313	0	3,080,171	3,080,171	182	0
June 30, 2056	0	1,614,686	5,431	1,620,117	0	3,185,056	3,185,056	156	0
June 30, 2057	0	1,529,032	4,542	1,533,574	0	3,196,181	3,196,181	131	0
June 30, 2058	0	1,461,933	3,767	1,465,700	0	3,233,582	3,233,582	108	0
June 30, 2059	0	1,349,003	3,039	1,352,042	0	3,229,901	3,229,901	87	0
June 30, 2060	0	1,282,217	2,309	1,284,526	0	3,278,046	3,278,046	66	0

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, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Employer Share of Benefit Payments for Current Plan Members	III. Contributions to Trust for Current Plan Members beyond Pay-as-you-go	IV. Gross Contributions to Trust for Current Plan Members [II. + III.]	V. Administrative Expenses Withdrawn from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
June 30, 2061	0	1,173,878	1,696	1,175,574	0	3,290,817	3,290,817	49	0
June 30, 2062	0	1,046,312	1,229	1,047,541	0	3,300,504	3,300,504	35	0
June 30, 2063	0	956,801	928	957,729	0	3,355,465	3,355,465	27	0
June 30, 2064	0	914,850	617	915,467	0	3,458,372	3,458,372	18	0
June 30, 2065	0	873,100	411	873,511	0	3,579,441	3,579,441	12	0
June 30, 2066	0	855,348	210	855,558	0	3,740,702	3,740,702	6	0
June 30, 2067	0	824,721	108	824,829	0	3,838,122	3,838,122	3	0
June 30, 2068	0	809,102	24	809,126	0	3,960,892	3,960,892	1	0
June 30, 2069	0	790,574	0	790,574	0	4,083,709	4,083,709	0	0
June 30, 2070	0	774,516	0	774,516	0	4,216,509	4,216,509	0	0
June 30, 2071	0	751,424	0	751,424	0	4,342,239	4,342,239	0	0
June 30, 2072	0	732,136	0	732,136	0	4,481,648	4,481,648	0	0
June 30, 2073	0	711,296	0	711,296	0	4,626,150	4,626,150	0	0
June 30, 2074	0	692,190	0	692,190	0	4,771,480	4,771,480	0	0
June 30, 2075	0	670,735	0	670,735	0	4,922,138	4,922,138	0	0
June 30, 2076	0	645,773	0	645,773	0	5,080,705	5,080,705	0	0
June 30, 2077	0	626,823	0	626,823	0	5,243,678	5,243,678	0	0
June 30, 2078	0	603,371	0	603,371	0	5,404,052	5,404,052	0	0
June 30, 2079	0	581,840	0	581,840	0	5,575,011	5,575,011	0	0
June 30, 2080	0	557,582	0	557,582	0	5,749,730	5,749,730	0	0
June 30, 2081	0	530,345	0	530,345	0	5,926,620	5,926,620	0	0
June 30, 2082	0	507,480	0	507,480	0	6,117,431	6,117,431	0	0
June 30, 2083	0	480,028	0	480,028	0	6,308,971	6,308,971	0	0
June 30, 2084	0	451,951	0	451,951	0	6,504,139	6,504,139	0	0
June 30, 2085	0	423,623	0	423,623	0	6,708,178	6,708,178	0	0
June 30, 2086	0	393,626	0	393,626	0	6,923,214	6,923,214	0	0
June 30, 2087	0	364,736	0	364,736	0	7,143,184	7,143,184	0	0
June 30, 2088	0	335,157	0	335,157	0	7,370,164	7,370,164	0	0
June 30, 2089	0	305,995	0	305,995	0	7,608,804	7,608,804	0	0
June 30, 2090	0	277,398	0	277,398	0	7,859,042	7,859,042	0	0
June 30, 2091	0	249,509	0	249,509	0	8,117,141	8,117,141	0	0
June 30, 2092	0	222,504	0	222,504	0	8,387,134	8,387,134	0	0
June 30, 2093	0	196,548	0	196,548	0	8,671,641	8,671,641	0	0
June 30, 2094	0	171,826	0	171,826	0	8,967,061	8,967,061	0	0
June 30, 2095	0	148,531	0	148,531	0	9,274,797	9,274,797	0	0

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [5.84%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [4.01%]	
June 30, 2021	748,468	1,001,022	748,468	252,554	748,468	252,554	1,001,022	Sum of Column V.
June 30, 2022	1,055,460	1,050,676	1,050,676	0	992,702	0	1,010,120	23,768,782
June 30, 2023	1,338,465	1,136,272	1,136,272	0	1,014,338	0	1,050,246	
June 30, 2024	1,538,873	1,153,798	1,153,798	0	973,151	0	1,025,281	Sum of Column VI.
June 30, 2025	1,744,125	1,291,297	1,291,297	0	1,029,027	0	1,103,173	11,582,364
June 30, 2026	1,954,445	1,416,356	1,416,356	0	1,066,408	0	1,163,307	
June 30, 2027	2,170,927	1,484,665	1,484,665	0	1,056,159	0	1,172,343	Sum of Column VII.
June 30, 2028	2,394,574	1,605,507	1,605,507	0	1,079,104	0	1,218,829	[V. + VI.]
June 30, 2029	2,625,944	1,705,849	1,705,849	0	1,083,283	0	1,245,018	35,351,146
June 30, 2030	2,865,668	1,720,961	1,720,961	0	1,032,577	0	1,207,565	
June 30, 2031	3,114,201	1,844,616	1,844,616	0	1,045,701	0	1,244,370	
June 30, 2032	3,371,829	1,874,960	1,874,960	0	1,004,255	0	1,216,018	
June 30, 2033	3,634,001	1,799,563	1,799,563	0	910,687	0	1,122,069	
June 30, 2034	3,896,653	1,875,308	1,875,308	0	896,654	0	1,124,163	
June 30, 2035	4,155,099	1,952,102	1,952,102	0	881,871	0	1,125,029	
June 30, 2036	4,403,051	1,868,125	1,868,125	0	797,367	0	1,035,074	
June 30, 2037	4,633,556	1,861,187	1,861,187	0	750,573	0	991,425	
June 30, 2038	4,862,521	1,918,449	1,918,449	0	730,976	0	982,482	
June 30, 2039	5,084,300	1,958,059	1,958,059	0	704,902	0	964,061	
June 30, 2040	5,294,033	1,795,294	1,795,294	0	610,645	0	849,804	
June 30, 2041	5,483,692	1,729,771	1,729,771	0	555,894	0	787,184	
June 30, 2042	5,644,428	1,793,681	1,793,681	0	544,626	0	784,760	
June 30, 2043	5,759,137	1,777,115	1,777,115	0	509,823	0	747,501	
June 30, 2044	5,809,113	1,639,101	1,639,101	0	444,283	0	662,836	
June 30, 2045	5,783,513	1,677,625	1,677,625	0	429,634	0	652,229	
June 30, 2046	5,657,354	1,735,086	1,735,086	0	419,832	0	648,530	
June 30, 2047	5,407,397	1,683,014	1,683,014	0	384,762	0	604,786	
June 30, 2048	5,086,761	1,654,446	1,654,446	0	357,361	0	571,572	
June 30, 2049	4,681,685	1,731,312	1,731,312	0	353,330	0	575,040	
June 30, 2050	4,181,118	1,696,545	1,696,545	0	327,130	0	541,742	
June 30, 2051	3,569,674	1,725,944	1,725,944	0	314,436	0	529,856	
June 30, 2052	2,834,421	1,745,892	1,745,892	0	300,519	0	515,291	
June 30, 2053	1,950,384	1,725,043	1,725,043	0	280,547	0	489,486	
June 30, 2054	896,513	1,710,955	896,513	814,442	137,757	399,984	466,748	
June 30, 2055	0	1,655,006	0	1,655,006	0	795,471	434,058	
June 30, 2056	0	1,614,686	0	1,614,686	0	759,547	407,138	
June 30, 2057	0	1,529,032	0	1,529,032	0	703,923	370,659	
June 30, 2058	0	1,461,933	0	1,461,933	0	658,685	340,713	
June 30, 2059	0	1,349,003	0	1,349,003	0	594,847	302,259	
June 30, 2060	0	1,282,217	0	1,282,217	0	553,345	276,205	

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2020 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [5.84%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [2.18%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [4.01%]
June 30, 2061	0	1,173,878	0	1,173,878	0	495,792	243,107
June 30, 2062	0	1,046,312	0	1,046,312	0	432,493	208,325
June 30, 2063	0	956,801	0	956,801	0	387,063	183,149
June 30, 2064	0	914,850	0	914,850	0	362,203	168,360
June 30, 2065	0	873,100	0	873,100	0	338,305	154,474
June 30, 2066	0	855,348	0	855,348	0	324,361	145,492
June 30, 2067	0	824,721	0	824,721	0	306,080	134,868
June 30, 2068	0	809,102	0	809,102	0	293,882	127,206
June 30, 2069	0	790,574	0	790,574	0	281,031	119,496
June 30, 2070	0	774,516	0	774,516	0	269,454	112,550
June 30, 2071	0	751,424	0	751,424	0	255,847	104,979
June 30, 2072	0	732,136	0	732,136	0	243,966	98,336
June 30, 2073	0	711,296	0	711,296	0	231,969	91,850
June 30, 2074	0	692,190	0	692,190	0	220,926	85,932
June 30, 2075	0	670,735	0	670,735	0	209,514	80,055
June 30, 2076	0	645,773	0	645,773	0	197,417	74,100
June 30, 2077	0	626,823	0	626,823	0	187,539	69,150
June 30, 2078	0	603,371	0	603,371	0	176,674	63,993
June 30, 2079	0	581,840	0	581,840	0	166,738	59,328
June 30, 2080	0	557,582	0	557,582	0	156,380	54,660
June 30, 2081	0	530,345	0	530,345	0	145,570	49,983
June 30, 2082	0	507,480	0	507,480	0	136,325	45,982
June 30, 2083	0	480,028	0	480,028	0	126,202	41,816
June 30, 2084	0	451,951	0	451,951	0	116,287	37,850
June 30, 2085	0	423,623	0	423,623	0	106,675	34,108
June 30, 2086	0	393,626	0	393,626	0	97,008	30,470
June 30, 2087	0	364,736	0	364,736	0	87,972	27,144
June 30, 2088	0	335,157	0	335,157	0	79,114	23,980
June 30, 2089	0	305,995	0	305,995	0	70,691	21,048
June 30, 2090	0	277,398	0	277,398	0	62,718	18,344
June 30, 2091	0	249,509	0	249,509	0	55,210	15,863
June 30, 2092	0	222,504	0	222,504	0	48,185	13,600
June 30, 2093	0	196,548	0	196,548	0	41,657	11,550
June 30, 2094	0	171,826	0	171,826	0	35,641	9,708
June 30, 2095	0	148,531	0	148,531	0	30,152	8,068

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: effective January 1, 2021 Active Plans: effective July 1, 2021 Dental Plans: effective July 1, 2021
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical Insurance, and Dental Insurance. The Town will also reimburse retirees for alternative plans. Town paid Dental insurance is no longer available to newly retired employees. School retirees shall receive \$50,000 group term life insurance until attainment of age 65 (at that point, they become responsible for premiums and the benefit decreases to \$25,000 in group term life upon attainment of age 70).
<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>	The Town reimburses Grandfathered of Medicare Part B Premiums. Medicare Part B Penalty reimbursements have been reflected.
<u>Surviving Spouse Coverage</u>	Spousal benefits do not change after the death of a plan participant.

APPENDIX II – PLAN PROVISIONS

Eligibility

Classification	Eligibility
Town	• Age 58 with 25 years of creditable service
School - Certified	• 20 years of service with age + service at least equal to 80

Cost Sharing

Group	Individual	Two-Person / Family
Medical	<ul style="list-style-type: none"> • For School retirees the Town pay 75% of premiums • For all other retirees the Town pay 100% of premiums • For Town & Police retirees the Town pays 50% of the deductible for Active plans 	<ul style="list-style-type: none"> • For School retirees the Town pay 75% of premiums • For all other retirees the Town pay 100% of premiums • For Town & Police retirees the Town pays 50% of the deductible for Active plans
Dental	<ul style="list-style-type: none"> • For School retirees the Town pay 75% of premiums • For all other retirees the Town pay 100% of premiums 	<ul style="list-style-type: none"> • For School retirees the Town pay 75% of premiums • For all other retirees the Town pay 100% of premiums
Life	<ul style="list-style-type: none"> • The Town pays 100% of premiums until the retiree reaches age 65 • The Town pays 0% of premiums upon the attainment of age 65 	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 a large State Municipal Retirement System issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

Discount Rate

4.00% per annum (previously 4.00%)

Net Long Term Rate of Return

5.84% (based on investment policy)

Municipal Bond Rate

2.18% as of June 30, 2021 (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, 2021

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Employee Termination

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

Non-Public Safety Employees

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

Public Safety Employees

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Retirement Rates for Eligible Employees

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

Permanent Disability Rates

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Trend Rate

Medicare Part A & B Premiums & Penalties: Assumed to rise at the same rates as our Medical Plan trend assumption.

Medical & Dental 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
2020 - 2023	4.50%
2024	4.54%
2025	4.59%
2026	4.63%
2027	4.68%
2028	4.72%
2029 - 2040	4.77%
2045	4.53%
2050	4.43%
2055	4.00%
2060	3.63%
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 and dental plans upon retirement. For life insurance plans, it was assumed that 100% 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, 2021</u>	<u>June 30, 2020</u>
I. Total OPEB Liability	27,534,071	26,914,700
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>20,764,691</u>	<u>20,828,875</u>
III. Liability from Implicit Subsidy [I. - II.]	6,769,380	6,085,825

	For the Measurement Period Ending	
Impact on Payments	<u>June 30, 2021</u>	<u>June 30, 2020</u>
IV. Employer Payments (Including Implicit Subsidy)	1,001,022	995,322
V. Actual Employer Payments	<u>782,920</u>	<u>800,363</u>
VI. Implicit Subsidy [IV. - V.]	218,102	194,959

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS* (Town)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	3,649	2,300	44 & Under	7,495	4,911	65 to 69	1,800	1,848
25 to 29	5,384	2,393	45 to 49	8,233	6,201	70 to 74	2,123	2,215
30 to 34	6,803	3,005	50 to 54	9,685	8,167	75 to 79	2,464	2,615
35 to 39	7,008	3,772	55 to 59	11,196	10,618	80 to 84	2,825	3,006
40 to 44	7,172	4,700	60 to 64	13,323	13,625	85 to 89	3,158	3,349
45 to 49	7,878	5,934	65 to 69	15,971	16,995	90 & Over	3,158	3,349
50 to 54	9,268	7,815	70 to 74	18,833	20,366			
55 to 59	10,714	10,161	75 to 79	21,872	24,054			
60 to 64	12,749	13,038	80 to 84	25,077	27,648			
65 to 69	15,283	16,263	85 to 89	28,625	31,648			
70 & Over	18,022	19,489	90 & Over	28,625	31,648			

*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* (School)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	4,075	2,568	44 & Under	8,370	5,484
25 to 29	6,011	2,673	45 to 49	9,193	6,925
30 to 34	7,597	3,355	50 to 54	10,815	9,120
35 to 39	7,826	4,212	55 to 59	12,503	11,857
40 to 44	8,010	5,248	60 to 64	14,878	15,215
45 to 49	8,797	6,627	65 to 69	17,834	18,978
50 to 54	10,349	8,727	70 to 74	21,031	22,743
55 to 59	11,965	11,346	75 to 79	24,424	26,861
60 to 64	14,237	14,560	80 to 84	28,004	30,875
65 to 69	17,066	18,161	85 to 89	31,966	35,341
70 & Over	20,125	21,764	90 & Over	31,966	35,341

*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, 2021 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, 2020	July 1, 2018
A. Average Age at Hire	33.14	33.50
B. Average Service	<u>12.18</u>	<u>11.97</u>
C. Average Current Age	45.32	45.47

Retired Employees & Spouses

Valuation Date	July 1, 2020	July 1, 2018
A. Under Age 65	70	71
B. Age 65 & Over	<u>31</u>	<u>30</u>
C. Total	101	101

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	18	4								22
30-34	21	6	2							29
35-39	9	5	9	4						27
40-44	11	7	3	13	4					38
45-49	8	2	6	14	15	1				46
50-54	10	5	8	10	11	4				48
55-59	3	1	7	6	6	5	4			32
60-64	2	1	2	4	3	3		1		16
65-69			2	1	2					5
70+							1			1
Total	91	31	39	52	41	13	5	1		273

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - Town

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Blue Solutions 8828*0005	6		21	27
Blue Solutions 8828*0006	10		14	24
Blue Solutions 8828*0011			2	2
Blue Solutions 8828*0012	1		4	5
Blue Solutions 8828*0013			2	2
HealthMate 8828*0001	2		9	11
HealthMate 8828*0003			12	12
HealthMate 8828*0007	1			1
Plan 65	15			15
Total	49	0	64	113

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Blue Solutions 8828*0005	656.28		1,556.64
Blue Solutions 8828*0006	629.43		1,526.09
Blue Solutions 8828*0011	511.13		1,291.15
Blue Solutions 8828*0012	586.48		1,483.14
Blue Solutions 8828*0013	588.83		1,489.19
HealthMate 8828*0001	797.34		2,014.34
HealthMate 8828*0003	804.18		2,031.44
HealthMate 8828*0007	797.34		2,014.34
Plan 65	207.22	414.44	
Public Safety Dental Plan	24.16		78.46
Municipal Employee Dental Plan	20.85		64.68

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (Town)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Blue Solutions 8828*0005	6		21	48	439,525.44	378,017.28
Blue Solutions 8828*0006	10		14	38	331,914.72	287,020.08
Blue Solutions 8828*0011			2	4	30,987.60	24,534.24
Blue Solutions 8828*0012	1		4	9	78,228.48	63,339.84
Blue Solutions 8828*0013			2	4	35,740.56	28,263.84
HealthMate 8828*0001	2		9	20	236,684.88	191,361.60
HealthMate 8828*0003			12	24	292,527.36	231,603.84
HealthMate 8828*0007	1			1	9,568.08	9,568.08
Total	20	0	64	148	1,455,177.12	1,213,708.80
Blended Average Monthly Rate:						\$ 683.39

	Medicare Supplement Plan Average Future Premium Calculation (Town)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Plan 65	15			15	37,299.60	37,299.60
Total	29	0	0	15	37,299.60	37,299.60
Blended Average Monthly Rate:						\$ 207.25

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - School

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
BCHP 289*0001			1	1
BCHP 289*0003			1	1
HealthMate 289*0001	33		92	125
HealthMate 289*0002			7	7
Healthmate 289*0003	12		33	45
Total	74	0	134	208

	Per Contract Costs (monthly)		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
BCHP 289*0001	726.07		1,834.02
BCHP 289*0003	765.04		1,932.60
HealthMate 289*0001	755.39		1,908.20
HealthMate 289*0002	713.48		1,802.20
Healthmate 289*0003	796.38		2,011.92
School Dental Plan	24.05		75.66

	Active Plan Average Premium Calculation (School)					
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Number of Participants</u>	<u>Total Premiums Paid</u>	<u>Claims Without Children</u>
BCHP 289*0001			1	2	22,008.24	17,425.68
BCHP 289*0003			1	2	23,191.20	18,360.96
HealthMate 289*0001	33		92	217	2,405,787.24	1,967,035.56
HealthMate 289*0002			7	14	151,384.80	119,864.64
Healthmate 289*0003	12		33	78	911,399.04	745,411.68
Total	45	0	134	313	3,513,770.52	2,868,098.52
Blended Average Monthly Rate:						\$ 763.60

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

APPENDIX V – OVERVIEW OF GASB 74 & 75

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

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

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

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

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

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

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

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

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

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

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

Identification of the Responsible Actuary

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

Identification of Actuarial Documents

The date of this document is November 24, 2021 and its subject is the Town of Tiverton’s GASB 75 OPEB liabilities.

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

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

APPENDIX VI – ASOP 41 DISCLOSURES

Disclosures in Actuarial Reports

- ✓ The contents of this report are intended for the use of the officers, employees, and elected officials of the Town and the Town's appointed auditor. The Town may distribute this report to those parties that have a legal right to require the Town to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Town notify Odyssey Advisors to whom it was distributed.
- ✓ The purpose of this engagement was to provide the Town with analysis of the GASB 75 OPEB liabilities.
- ✓ The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.
- ✓ Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- ✓ Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Town. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- ✓ The Town of Tiverton 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, 2021.
- ✓ 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.