

**Town of Milton
Other Postemployment Benefits Plan**

GASB 74 & GASB 75 Actuarial Valuation

With a Valuation Date of July 1, 2024

As of the Measurement Date:
June 30, 2025

For the Reporting Date:
June 30, 2025

Delivered August 4, 2025



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August 4, 2025

Personal and Confidential

Ms. Amy Dexter
Finance Director/Town Accountant
Town of Milton
525 Canton Avenue
Milton, MA 02186

Dear Ms. Dexter:

We have performed an actuarial valuation of the Town of Milton Other Postemployment Benefits Plan for the Reporting Date & Fiscal Year Ending June 30, 2025 with a Measurement Date of June 30, 2025 and a Valuation Date of July 1, 2024. The figures presented in this report reflect the adoption, by the Town of Milton, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

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

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

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

Very truly yours,



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

August 4, 2025

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Milton other postemployment benefit programs with a Valuation Date of July 1, 2024 with a Measurement Date of June 30, 2025 for the Reporting Date & Fiscal Year Ending June 30, 2025 in accordance with Governmental Accounting Standards Board Statement No. 74 & 75 and Actuarial Standards of Practice as issued by the American Academy of Actuaries. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

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

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

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



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

EXECUTIVE SUMMARY

How did plan liabilities change from FY 24 to FY 25?

Plan Experience

For the year ending on the Measurement Date of June 30, 2025, the Plan saw an experience loss of \$12,098,069 or 9.80% of the beginning Total OPEB Liability ("TOL"). This was mainly due to the average premium for non-GIC Medicare Supplement plans increasing by 21% vs the expected 12% increase over the two-year period as well as eight (8) additional retirees beyond the age of 65 who remain in Active healthcare plans.

Assumption Changes

Two key assumptions have changed since the prior valuation. The total impact of these assumption changes increased disclosed liabilities by approximately \$2.0 million, as detailed below.

- ✓ Due to the GASB 75 standards the discount rate has been changed from 6.50% to 6.24% increasing the disclosed liability by approximately \$4.2 million.
- ✓ Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021 decreasing the disclosed liability by approximately \$2.2 million.

It is important to remember that actuarial assumptions or changes in such do not impact the actual cost of the Plan. Rather, they impact the timing of the recognition of such costs.

Investment Experience

- ✓ During the period investments earned approximately \$60 thousand more than expected.

Changes in Benefit Terms

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

EXECUTIVE SUMMARY

Recognition Period

- ✓ Changes in assumptions & plan experience are amortized into the net OPEB expense over 6.63 years.
- ✓ Differences between projected & actual earnings on OPEB plan investments are amortized into the net OPEB expense over 5.00 years
- ✓ Changes in benefit terms are to be recognized in full immediately

Events Subsequent to the Measurement Date

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

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 4.96% increase in fiscal year 2025 and an ultimate trend rate of 3.63% in fiscal year 2060.
- ✓ Discount Rate (6.24%) – Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing – Under Massachusetts law you may charge retirees up to 50% of premiums for health insurance

EXECUTIVE SUMMARY

Discount Rate Determinants

- ✓ Employer Current and Future Benefit Payments
- ✓ Municipal Bond Rate – The S&P 20-year high grade municipal bond index was 4.81% as of June 30, 2025.
- ✓ Current Asset Level – The Town had \$3,628,897 of OPEB assets as of June 30, 2025.
- ✓ Future Funding Policy – The Town has implemented a total retirement obligation funding schedule of \$2.5 million in FY 2025 increasing by 2.5% per year going forward. Of that amount, \$1.0 million will be allocated to the Milton Retirement System through FY 2034 and the balance will be allocated to OPEB.
- ✓ Investment Policy – The Town is expected to earn 6.47% per year on assets based on its investment policy.

Low Default Risk Obligation Measure (LDROM)

For purposes of this LDROM, we have used a discount rate of 4.81% which represents the 20-year municipal bond index while keeping all other assumptions unchanged from the GASB 74/75 disclosures. Based on this, the LDROM Total OPEB Liability is \$173.3 million vs. the \$143.1 million under the GASB 74/75 measure - the reflection of the Town's funding and OPEB Trust Investment policy reduced disclosed liabilities by approximately \$30 million. Please note that the ultimate cost of the plan is the actual benefits paid plus expenses and any changes in assumptions, including discount rate, do not impact the actual cost of the plan.

EXECUTIVE SUMMARY

Medicare Buy-In

The Town currently has 15 retirees or covered spouses who are over the age of 65 and are enrolled in Active medical plans rather than Medicare Supplement (Senior) plans. Under Actuarial Standards of Practice for OPEB, we are required to reflect the projected higher healthcare costs that occur as retirees age.

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

EXECUTIVE SUMMARY

Key Plan Metrics

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

Representative Plan Statistics		
Valuation Date	July 1, 2024	July 1, 2022
Measurement Date & Period Ending	June 30, 2025	June 30, 2024
Reporting Date/Fiscal Year End	June 30, 2025	June 30, 2024
Total OPEB Liability	143,136,232	123,502,906
Per Eligible Active Plan Participant	94,798	80,550
Per Retiree/Spouse Plan Participant	108,664	98,453
Total Annual Service Cost (Annual Benefit Accrual)	2,678,550	3,132,004
Per Eligible Active Plan Participant	3,263	3,886
Expected Employer Share of Retiree Costs	5,161,027	4,704,203
Per Retiree/Spouse Plan Participant	8,587	7,906
Net OPEB Liability as a % of Covered Payroll	199.39%	187.33%

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	Present Value at 3.00% of Total OPEB		Present Value at 3.00% of Employer Share of Premiums/Claims	
		Total OPEB Liability	Liability	Including "Implicit Cost"	Including "Implicit Cost"
June 30, 2025	601	143,136,232	143,136,232	5,161,027	5,161,027
June 30, 2030	702	171,760,256	148,161,906	7,726,592	6,665,026
June 30, 2035	738	198,250,574	147,517,046	10,446,340	7,773,058
June 30, 2040	742	223,498,156	143,454,962	12,390,548	7,953,021
June 30, 2045	732	249,634,743	138,216,705	13,938,179	7,717,232
June 30, 2050	720	281,148,779	134,278,223	15,335,269	7,324,210
June 30, 2055	723	320,351,684	131,980,652	17,166,843	7,072,512

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, 2026	(Projected) 5,839,664
June 30, 2025	5,161,027
June 30, 2024	4,704,203
June 30, 2023	5,246,008
June 30, 2022	4,853,086
June 30, 2021	5,298,306

The Town performs actuarial valuations of its non-pension post-employment benefits liability in accordance with GASB reporting requirements. As of the June 30, 2025 Measurement Date the Net OPEB Liability ("NOL") was determined to be \$139,507,335 assuming a discount rate of 6.24%. The Town has established an OPEB Trust and plans to fund this liability. The Town has implemented a total retirement obligation funding schedule of \$2.5 million in FY 2025 increasing by 2.5% per year going forward. Of that amount, \$1.0 million will be allocated to the Milton Retirement System through FY 2034 and the balance will be allocated to OPEB. The balance of this fund as of June 30, 2025 was \$3,628,897. See the Town's audit reports for additional information.

PRINCIPAL RESULTS OF THE VALUATION

Town of Milton
Assuming Funding - 6.24% discount rate
Comparison of Plan Liabilities to Prior Valuation

Valuation Date	July 1, 2024	July 1, 2022
For the Measurement Period ending on the Measurement Date of:	June 30, 2025	June 30, 2024
For the Reporting Period & Fiscal Year ending on:	June 30, 2025	June 30, 2024
I. Total OPEB Liability		
A. Actives	77,829,203	64,923,103
B. Retirees/Disabled	<u>65,307,029</u>	<u>58,579,803</u>
C. Total	143,136,232	123,502,906
II. Fiduciary Net Position [Plan Assets]	3,628,897	1,886,437
III. Net OPEB Liability (Asset) [I. - II.]	139,507,335	121,616,469
IV. Funded Ratio [II. / I.]	2.54%	1.53%
V. Number of Eligible Participants		
A. Actives	821	806
B. Retirees/Disabled & Dependents	<u>601</u>	<u>595</u>
C. Total	1,422	1,401
VI. Service Cost	2,678,550	3,132,004
VII. Financial Statement Expense/(Income)	3,886,072	6,043,829
VIII. Employer OPEB Trust (Contribution)/Withdrawal	(1,500,000)	(100,000)
IX. Deferred Inflow of Resources	(53,907,106)	(69,922,356)
X. Deferred Outflow of Resources	24,635,536	19,984,964
XI. Money Weighted Rate of Return	9.75%	9.60%
XII. 20-year Municipal Bond Rate (SAPIHG)	4.81%	4.21%
XIII. Expected Long Term Rate of Return (Net of Expense)	6.47%	6.97%
XIV. Crossover Year	Immediate	Immediate
XV. Discount Rate	6.24%	6.50%

PRINCIPAL RESULTS OF THE VALUATION

Town of Milton

Plan Liabilities as of the June 30, 2025 Measurement Date

	Town Employees and Retirees	School: Teachers Employees and Retirees	School: Non-Teachers Employees and Retirees	Public Safety Employees and Retirees	DPW Employees and Retirees	Water Enterprise Employees and Retirees	Sewer Enterprise Retirees	Total
I. Total OPEB Liability								
A. Actives	5,549,764	44,255,522	9,187,444	16,625,752	972,717	641,109	596,895	77,829,203
B. Retirees/Disabled	<u>7,800,259</u>	<u>30,308,617</u>	<u>9,121,291</u>	<u>14,309,979</u>	<u>1,657,429</u>	<u>1,092,396</u>	<u>1,017,058</u>	<u>65,307,029</u>
C. Total	13,350,023	74,564,139	18,308,735	30,935,731	2,630,146	1,733,505	1,613,953	143,136,232
II. Fiduciary Net Position [Plan Assets]	338,460	1,890,406	464,177	784,306	66,681	43,949	40,918	3,628,897
III. Net OPEB Liability (Asset) [I. - II.]	13,011,563	72,673,733	17,844,558	30,151,425	2,563,465	1,689,556	1,573,035	139,507,335
For the Reporting Date and Fiscal Year Ending June 30, 2025								
IV. Service Cost	220,637	1,360,301	515,263	505,411	33,853	22,312	20,773	2,678,550
V. Financial Statement Expense/(Income)	328,092	1,994,603	679,848	760,894	53,960	35,564	33,111	3,886,072
VI. Employer Share of Costs	(549,222)	(2,764,662)	(596,839)	(998,195)	(110,927)	(73,112)	(68,070)	(5,161,027)
VII. Employer OPEB Trust (Contribution)/Withdrawal	(139,902)	(781,397)	(191,867)	(324,192)	(27,563)	(18,166)	(16,913)	(1,500,000)
VIII. Total Employer Contribution [VI. + VII.]	(689,124)	(3,546,059)	(788,706)	(1,322,387)	(138,490)	(91,278)	(84,983)	(6,661,027)

PRINCIPAL RESULTS OF THE VALUATION

CURRENT FUNDING POLICY (OPEN GROUP)

Funding - 6.24% discount rate

For the Fiscal Year	Period Ending on the Measurement Date of:	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with an expected 6.47% return	III. Net OPEB Liability (Asset) [II. - 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. Adminstrative & Investment Expenses Reimbursed from the Trust	XI. Total Employer Payments Less Reimbursements [VIII. - IX. - X.]
2025	June 30, 2025	143,136,232	3,628,897	139,507,335	2.54%	2,678,550	5,161,027	1,500,000	6,661,027	5,161,027	0	1,500,000
2026	June 30, 2026	149,408,940	5,475,941	143,932,999	3.67%	3,162,756	5,839,664	1,562,500	7,402,164	5,839,664	0	1,562,500
2027	June 30, 2027	155,090,815	7,508,592	147,582,223	4.84%	3,238,783	6,224,450	1,626,563	7,851,013	6,224,450	0	1,626,563
2028	June 30, 2028	160,678,789	9,740,511	150,938,278	6.06%	3,315,909	6,779,704	1,692,227	8,471,931	6,779,704	0	1,692,227
2029	June 30, 2029	166,214,731	12,186,283	154,028,448	7.33%	3,392,551	7,271,923	1,759,532	9,031,455	7,271,923	0	1,759,532
2030	June 30, 2030	171,760,256	14,861,482	156,898,774	8.65%	3,490,925	7,726,592	1,828,521	9,555,113	7,726,592	0	1,828,521
2031	June 30, 2031	177,226,969	17,782,731	159,444,238	10.03%	3,588,605	8,279,425	1,899,234	10,178,659	8,279,425	0	1,899,234
2032	June 30, 2032	182,566,614	20,967,773	161,598,841	11.48%	3,672,271	8,885,247	1,971,714	10,856,961	8,885,247	0	1,971,714
2033	June 30, 2033	187,892,459	24,435,546	163,456,913	13.01%	3,778,031	9,339,947	2,046,007	11,385,954	9,339,947	0	2,046,007
2034	June 30, 2034	193,084,419	28,206,259	164,878,160	14.61%	3,860,178	9,915,177	2,122,157	12,037,334	9,915,177	0	2,122,157
2035	June 30, 2035	198,250,574	33,333,319	164,917,255	16.81%	3,970,913	10,446,340	3,200,211	13,646,551	10,446,340	0	3,200,211
2036	June 30, 2036	203,397,423	38,874,654	164,522,769	19.11%	4,074,696	10,876,116	3,280,217	14,156,333	10,876,116	0	3,280,217
2037	June 30, 2037	208,472,809	44,859,129	163,613,680	21.52%	4,184,432	11,217,032	3,362,222	14,579,254	11,217,032	0	3,362,222
2038	June 30, 2038	213,679,454	51,317,533	162,361,921	24.02%	4,291,932	11,478,058	3,446,278	14,924,336	11,478,058	0	3,446,278
2039	June 30, 2039	218,635,418	58,282,696	160,352,722	26.66%	4,411,972	12,055,855	3,532,435	15,588,290	12,055,855	0	3,532,435
2040	June 30, 2040	223,498,156	65,789,627	157,708,529	29.44%	4,527,856	12,390,548	3,620,745	16,011,293	12,390,548	0	3,620,745
2041	June 30, 2041	228,442,603	73,875,658	154,566,945	32.34%	4,646,729	12,588,007	3,711,264	16,299,271	12,588,007	0	3,711,264
2042	June 30, 2042	233,571,349	82,580,591	150,990,758	35.36%	4,775,765	13,141,094	3,804,046	16,945,140	13,141,094	0	3,804,046
2043	June 30, 2043	238,879,851	91,946,863	146,932,988	38.49%	4,914,893	13,491,281	3,899,147	17,390,428	13,491,281	0	3,899,147
2044	June 30, 2044	244,259,890	102,019,715	142,240,175	41.77%	5,051,179	13,601,285	3,996,625	17,597,910	13,601,285	0	3,996,625
2045	June 30, 2045	249,634,743	112,847,378	136,787,365	45.20%	5,194,182	13,938,179	4,096,541	18,034,720	13,938,179	0	4,096,541
2046	June 30, 2046	255,354,937	124,481,266	130,873,671	48.75%	5,336,856	14,259,832	4,198,955	18,458,787	14,259,832	0	4,198,955
2047	June 30, 2047	261,718,329	136,976,182	124,742,147	52.34%	5,501,719	14,337,764	4,303,928	18,641,692	14,337,764	0	4,303,928
2048	June 30, 2048	267,851,167	150,390,544	117,460,623	56.15%	5,667,645	14,727,173	4,411,527	19,138,700	14,727,173	0	4,411,527
2049	June 30, 2049	274,374,632	164,786,615	109,588,017	60.06%	5,841,378	14,984,202	4,521,815	19,506,017	14,984,202	0	4,521,815
2050	June 30, 2050	281,148,779	180,230,757	100,918,022	64.11%	6,029,634	15,335,269	4,634,860	19,970,129	15,335,269	0	4,634,860
2051	June 30, 2051	288,111,028	196,793,697	91,317,331	68.30%	6,219,949	15,807,291	4,750,732	20,558,023	15,807,291	0	4,750,732
2052	June 30, 2052	295,738,705	214,550,809	81,187,896	72.55%	6,424,088	16,023,687	4,869,500	20,893,187	16,023,687	0	4,869,500
2053	June 30, 2053	303,738,253	233,582,420	70,155,833	76.90%	6,644,637	16,297,720	4,991,238	21,288,958	16,297,720	0	4,991,238
2054	June 30, 2054	311,903,970	253,974,130	57,929,840	81.43%	6,869,161	16,670,884	5,116,018	21,786,902	16,670,884	0	5,116,018
2055	June 30, 2055	320,351,684	275,817,157	44,534,527	86.10%	7,105,145	17,166,843	5,243,919	22,410,762	17,166,843	0	5,243,919

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 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, 2025	
Description	Amount
I. Service Cost	2,678,550
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	8,036,702
III. Deferred (Inflows)/Outflows from Plan Experience*	(1,486,409)
IV. Deferred (Inflows)/Outflows from Changes of Assumptions*	(5,109,304)
V. Projected Earnings on OPEB Plan Investments	(182,957)
VI. Deferred (Inflows)/Outflows from Earnings on Plan Investments**	(50,510)
VII. OPEB Plan Administrative Expense	0
VIII. Other Changes in Fiduciary Net Position	0
IX. Financial Statement Expense/(Income) Prior to Plan Design Changes [I. + II.+ ... + VII. + VIII.]	3,886,072
X. Expense Related to Change in Benefit Terms***	0
XI. Financial Statement Expense/(Income) [IX. + X.]	3,886,072

* Amortized over 6.63 years

** Amortized over 5.00 years

*** Recognized Immediately

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 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, 2024 Reporting Date	123,502,905	1,886,437	121,616,468
II. Prior Period Adjustment	0	0	0
III. Balances for the June 30, 2024 Reporting Date with Adjustment [I. + II.]	123,502,905	1,886,437	121,616,468
Changes for the year:			
IV. Service Cost	2,678,550	0	2,678,550
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	8,036,702	0	8,036,702
VI. Changes in Benefit Terms *	0	0	0
VII. Change in Assumptions **	1,981,033	0	1,981,033
VIII. Differences Between Actual and Expected Experience **	12,098,069	0	12,098,069
IX. Net Investment Income	0	242,460	(242,460)
X. Employer Contributions to Trust	0	6,661,027	(6,661,027)
XI. Benefit Payments Withdrawn from Trust	0	(5,161,027)	5,161,027
XII. Benefit Payments Excluding Implicit Cost	(3,792,412)	0	(3,792,412)
XIII. Implicit Cost Amount	(1,368,615)	0	(1,368,615)
XIV. Total Benefit Payments Including Implicit Cost [XII. + XIII.]	(5,161,027)	0	(5,161,027)
XV. Administrative Expense	0	0	0
XVI. Other Charges	0	0	0
XVII. Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	19,633,327	1,742,460	17,890,867
XVIII. Balances for the June 30, 2025 Reporting Date [III.+XVII.]	143,136,232	3,628,897	139,507,335

* Recognized Immediately

** Amortized over 6.63 years

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 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			2025	2026	2027	2028	2029	2030
	Between Actual & Expected Experience	Recognition Period (Years)	Remaining Balance						
2017									
2018	0	5.88	0						
2019	(9,346,931)	6.10	0	(153,233)					
2020	(370,502)	6.10	(6,074)	(60,738)	(6,074)				
2021	(972,295)	6.90	(267,735)	(140,912)	(140,912)	(126,823)			
2022	0	6.90	0	0	0	0	0	0	0
2023	(19,866,148)	6.72	(10,997,332)	(2,956,272)	(2,956,272)	(2,956,272)	(2,956,272)	(2,128,516)	
2024	0	6.72	0	0	0	0	0	0	0
2025	12,098,069	6.63	10,273,323	1,824,746	1,824,746	1,824,746	1,824,746	1,824,746	1,824,746
2026									
Total Remaining Balance			(997,818)						
Net increase (decrease) in OPEB Expense				(1,486,409)	(1,278,512)	(1,258,349)	(1,131,526)	(303,770)	1,824,746

Deferred (Inflows)/Outflows in OPEB Expense Arising from the Recognition of the Effects of Changes in Assumptions									
Fiscal Year	Differences from Changes in			2025	2026	2027	2028	2029	2030
	Actuarial Assumptions	Recognition Period (years)	Remaining Balance						
2017									
2018	0	5.88	0						
2019	38,510,034	6.10	0	631,314					
2020	0	6.10	0	0	0				
2021	46,048,338	6.90	12,679,978	6,673,672	6,673,672	6,006,306			
2022	(52,204,212)	6.90	(21,940,904)	(7,565,827)	(7,565,827)	(7,565,827)	(6,809,250)		
2023	(24,601,941)	6.72	(13,618,932)	(3,661,003)	(3,661,003)	(3,661,003)	(3,661,003)	(2,635,923)	
2024	(9,987,656)	6.72	(7,015,140)	(1,486,258)	(1,486,258)	(1,486,258)	(1,486,258)	(1,070,108)	
2025	1,981,033	6.63	1,682,235	298,798	298,798	298,798	298,798	298,798	298,798
2026									
Total Remaining Balance			(28,212,763)						
Net increase (decrease) in OPEB Expense				(5,109,304)	(5,740,618)	(6,407,984)	(11,657,713)	(3,823,383)	(771,310)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 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			2025	2026	2027	2028
	Between Actual & Expected Earnings	Recognition Period (years)	Remaining Balance				
2017							
2018	(23,609)	5.00	0				
2019	21,237	5.00	0				
2020	57,210	5.00	0				
2021	(270,623)	5.00	0	(54,123)			
2022	163,772	5.00	32,756	32,754	32,756		
2023	(27,934)	5.00	(11,176)	(5,586)	(5,586)	(5,590)	
2024	(58,276)	5.00	(34,966)	(11,655)	(11,655)	(11,655)	(11,656)
2025	(59,503)	5.00	(47,603)	(11,900)	(11,900)	(11,900)	(11,903)
2026							
Total Remaining Balance			(60,989)				
Net increase (decrease) in OPEB Expense			(50,510)	3,615	(29,145)	(23,556)	(11,903)
							0

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES
(As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Statement of (Inflows) & Outflows Arising from Current & Prior Reporting Periods for the Measurement Period Ending on June 30, 2025 to be Reported for the Fiscal Year Ending June 30, 2025			
	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	10,273,323	(11,271,141)	(997,818)
III. Changes of Assumptions	14,362,213	(42,574,976)	(28,212,763)
IV. Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	0	(60,989)	(60,989)
VI. Total [I. + II. + III. + IV.]	24,635,536	(53,907,106)	(29,271,570)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

3. Changes in Net OPEB Expense (Continued)

Annual Amortization of Deferred (Inflows) & Outflows	
The balance of deferred (inflows) & outflows as of the Reporting Date of June 30, 2025 will be recognized in future years as shown below.	
Year ending June 30:	
2026	(7,015,515)
2027	(7,695,478)
2028	(12,812,795)
2029	(4,139,056)
2030	1,053,436
Thereafter	1,337,838

4. Discount Rate

The discount rate used to measure the Total OPEB liability was 6.24% as of June 30, 2025 and 6.50% as of June 30, 2024. 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 4.81% as of June 30, 2025. 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, 2025 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, 2025 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$5,161,027. The Town also contributed \$1,500,000 to an OPEB Trust for a total contribution during the measurement period of \$6,661,027 to be reported on the financial statement for the fiscal year ending June 30, 2025.

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	14.50%	Domestic Equity - Large Cap	4.52%
Domestic Equity - Small/Mid Cap	3.50%	Domestic Equity - Small/Mid Cap	5.06%
International Equity - Developed Market	16.00%	International Equity - Developed Market	5.08%
International Equity - Emerging Market	6.00%	International Equity - Emerging Market	5.80%
Dom Fixed	20.00%	Dom Fixed	2.44%
International Fixed Income	3.00%	International Fixed Income	2.13%
Alternatives	23.00%	Alternatives	6.09%
Real Estate	14.00%	Real Estate	3.73%
Cash	0.00%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	4.47%
		II. Inflation Assumption	2.50%
		III. Total Nominal Return [I. + II.]	6.97%
		IV. Investment Expense	0.50%
		V. Net Investment Return* [III.-IV.]	6.47%

* Mean Geometric Returns based on 2024 Horizon Survey of Capital Market Assumptions

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

7. Schedule of The Town's Contributions

For the Fiscal Year Ending	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2025	9,709,578	(6,661,027)	3,048,551	69,965,486	9.52%
June 30, 2024	9,445,724	(4,804,203)	4,641,521	64,920,675	7.40%
June 30, 2023	10,669,619	(5,246,008)	5,423,611	63,029,782	8.32%
June 30, 2022	14,216,352	(4,863,086)	9,353,266	72,933,477	6.67%
June 30, 2021	12,820,323	(5,298,306)	7,522,017	70,809,201	7.48%
June 30, 2020	14,561,183	(5,021,847)	9,539,336	61,603,680	8.15%
June 30, 2019	13,964,938	(4,766,331)	9,198,607	59,809,398	7.97%
June 30, 2018	11,711,542	(3,354,294)	8,357,248	59,402,583	5.65%
June 30, 2017	11,561,933	(3,109,895)	8,452,038	57,672,411	5.39%

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

8. Effect of 1% Change in Healthcare Trend

<u>Impact of a 1% Change in the Healthcare Trend Rate on NOL as of the June 30, 2025 Measurement Date</u>			
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	121,199,485	139,507,335	162,271,105

9. Effect of 1% Change in Discount Rates

<u>Impact of a 1% Change in the Discount Rate on NOL as of the June 30, 2025 Measurement Date</u>			
	<u>Current Discount Rate</u>	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	6.24%	159,606,164	139,507,335

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

10. Money Weighted Rate of Return

	Plan Investments / Net External Cash Flows	Periods Invested	Period Weight
I. Beginning value - June 30, 2024	1,886,437	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	1,500,000	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	1,500,000		
III. Earnings and increase in fair value	242,460		
IV. Ending value - June 30, 2025 [I.+II.+III.]	3,628,897		
V. Receivable Contributions	0		
Plan Asset Value - June 30, 2025 [IV.+V.]	3,628,897		
Money Weighted Rate of Return	9.75%		

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

11. OPEB Liability, OPEB Expense

	Fiscal Year Ending June 30, 2025							
	Town	School: Teachers	School: Non-Teachers	Public Safety	DPW	Water Enterprise	Sewer Enterprise	Total
	Employees and Retirees	Employees and Retirees	Employees and Retirees	Employees and Retirees	Employees and Retirees	Employees and Retirees	Employees and Retirees	
I. Total OPEB Liability as of June 30, 2025	13,350,023	74,564,139	18,308,735	30,935,731	2,630,146	1,733,505	1,613,953	143,136,232
II. Fiduciary Net Position as of June 30, 2025	338,460	1,890,406	464,177	784,306	66,681	43,949	40,918	3,628,897
III. Net OPEB Liability (Asset) as of June 30, 2025 [I. - II.]	13,011,563	72,673,733	17,844,558	30,151,425	2,563,465	1,689,556	1,573,035	139,507,335
IV. Service Cost	220,637	1,360,301	515,263	505,411	33,853	22,312	20,773	2,678,550
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	744,368	4,191,863	1,038,157	1,731,446	145,582	95,952	89,334	8,036,702
VI. Projected Earnings on OPEB Plan Investments	(17,033)	(95,336)	(23,445)	(39,529)	(3,350)	(2,208)	(2,056)	(182,957)
VII. Net Recognition of Deferred (Inflows)/Outflows	(619,880)	(3,462,225)	(850,127)	(1,436,434)	(122,125)	(80,492)	(74,940)	(6,646,223)
VIII. OPEB Plan Administrative Expense	0	0	0	0	0	0	0	0
IX. Expense Related to Change in Benefit Terms	0	0	0	0	0	0	0	0
X. Financial Statement Expense/(Income) [IV. + V. + ... + VIII. + IX.]	328,092	1,994,603	679,848	760,894	53,960	35,564	33,111	3,886,072
XI. Employer Share of Costs	(549,222)	(2,764,662)	(596,839)	(998,195)	(110,927)	(73,112)	(68,070)	(5,161,027)
XII. Employer (Payments) Withdrawals to/from OPEB Trust	(139,902)	(781,397)	(191,867)	(324,192)	(27,563)	(18,166)	(16,913)	(1,500,000)
XIII. Total Employer Contribution [XI. + XII.]	(689,124)	(3,546,059)	(788,706)	(1,322,387)	(138,490)	(91,278)	(84,983)	(6,661,027)
XIV. Net OPEB Expense/(Income) [X. + XIII.]	(361,032)	(1,551,456)	(108,858)	(561,493)	(84,530)	(55,714)	(51,872)	(2,774,955)

EXHIBIT A

FINANCIAL STATEMENT DISCLOSURES (As of the June 30, 2025 Measurement Date)

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

Valuation Date	July 1, 2024
For the Measurement Period ending on the Measurement Date of:	June 30, 2025
For the Reporting Period & Fiscal Year ending on:	June 30, 2025
Source of Deferred Inflow/Outflow	
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	(997,818)
II. Deferred (Inflow)/Outflow from Investment Experience	(60,989)
III. Deferred (Inflow)/Outflow from Changes in Assumptions	(28,212,763)
Change in Deferred Inflow/Outflow	
I. Deferred Outflow at the beginning of the period	20,050,474
II. Deferred Outflow created during the period	14,079,102
III. Deferred Outflow recognized during the period	9,461,284
IV. Change in Deferred Outflow (II. - III.)	4,617,818
V. Deferred Outflow at end of the period (I. + IV.)	24,668,292
VI. Deferred Inflow at the beginning of the period	(69,987,866)
VII. Deferred Inflow created during the period	(59,503)
VIII. Deferred Inflow recognized during the period	(16,107,507)
IX. Change in Deferred Inflow (VII. - VIII.)	16,048,004
X. Deferred Inflow at end of the period (VI. + IX.)	(53,939,862)
Net OPEB Liability	
I. Net OPEB Liability at beginning of period	121,616,468
II. Service Cost	2,678,550
III. Interest on Total OPEB Liability, Service Cost, and Payments	8,036,702
IV. Projected Investment Income	(182,957)
V. OPEB Plan Administrative Expense	0
VI. Total Employer Contributions	(6,661,027)
VII. Expense Related to Change in Benefit Terms	0
VIII. Net OPEB Expense/(Income) - Before Recognition of Deferred (Inflow)/Outflow (II. + III. + ... + VI. + VII.)	3,871,268
IX. Deferred Outflow created during the period	14,079,102
X. Deferred Inflow created during the period	(59,503)
XI. Net OPEB Liability at end of period (I. + VIII. + IX. + X.)	139,507,335
Net OPEB Expense	
I. Service Cost	2,678,550
II. Interest on Total OPEB Liability, Service Cost, and Payments	8,036,702
III. Projected Investment Income	(182,957)
IV. Recognition of Deferred (Inflow)/Outflow	(6,646,223)
V. OPEB Plan Administrative Expense	0
VI. Expense Related to Change in Benefit Terms	0
VII. Financial Statement Expense/(Income) (I. + II. + III. + IV. + V. + VI.)	3,886,072
VIII. Benefit Payments	(5,161,027)
IX. Contributions to Trust	(1,500,000)
X. Total Employer Payments (VIII. + IX.)	(6,661,027)
XI. Total Net OPEB Expense/(Income) under GASB 75 (IX. + X.)	(2,774,955)

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Valuation Date Measurement Date For the Reporting Period & Fiscal Year Ending on:	Schedule of Changes in the Town's Net OPEB Liability and Related Ratios				
	July 1, 2024	July 1, 2022	July 1, 2022	July 1, 2020	July 1, 2020
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB Liability	143,136,232	123,502,905	127,601,851	165,514,046	209,487,430
I. Service Cost	2,678,550	3,132,004	4,630,792	7,714,163	6,366,930
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	8,036,702	7,460,909	7,171,110	5,369,751	5,297,026
III. Changes in Benefit Terms	0	0	0	0	(14,784,428)
IV. Difference Between Expected & Actual Plan Experience	12,098,069	0	(19,866,148)	0	(972,295)
V. Changes of Assumptions	1,981,033	(9,987,656)	(24,601,941)	(52,204,212)	46,048,338
VI. Benefit Payments Excluding Implicit Cost	(3,792,412)	(3,538,181)	(3,902,598)	(3,526,524)	(3,331,405)
VII. Implicit Cost Amount	(1,368,615)	(1,166,022)	(1,343,410)	(1,326,562)	(1,966,901)
VIII. Total Benefit Payments	(5,161,027)	(4,704,203)	(5,246,008)	(4,853,086)	(5,298,306)
IX. Other	0	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	19,633,327	(4,098,946)	(37,912,195)	(43,973,384)	36,657,265
XI. Total OPEB Liability - Beginning of Period	123,502,905	127,601,851	165,514,046	209,487,430	172,830,165
XII. Prior Period Adjustment	0	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	123,502,905	127,601,851	165,514,046	209,487,430	172,830,165
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	143,136,232	123,502,905	127,601,851	165,514,046	209,487,430
Plan Fiduciary Net Position	3,628,897	1,886,437	1,622,748	1,498,725	1,547,338
XV. Earnings from Plan Investments	242,460	163,689	124,023	(58,613)	351,576
XVI. Employer Contribution to Trust	6,661,027	4,804,203	5,246,008	4,863,086	5,298,306
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(5,161,027)	(4,704,203)	(5,246,008)	(4,853,086)	(5,298,306)
XVIII. Administrative Expense	0	0	0	0	0
XIX. Other	0	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	1,742,460	263,689	124,023	(48,613)	351,576
XXI. Plan Fiduciary Net Position - Beginning of Period	1,886,437	1,622,748	1,498,725	1,547,338	1,195,762
XXII. Prior Period Adjustment	0	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	1,886,437	1,622,748	1,498,725	1,547,338	1,195,762
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	3,628,897	1,886,437	1,622,748	1,498,725	1,547,338
XXV. Net OPEB Liability [XIV.-XXIV.]	139,507,335	121,616,468	125,979,103	164,015,321	207,940,092
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	2.54%	1.53%	1.27%	0.91%	0.74%
XXVII. Covered Employee Payroll	69,965,486	64,920,675	63,029,782	72,933,477	70,809,201
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	199.39%	187.33%	199.87%	224.88%	293.66%
Single Discount Rate to Calculate Plan Liabilities	6.24%	6.50%	5.81%	4.28%	2.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Valuation Date Measurement Date For the Reporting Period & Fiscal Year Ending on:	Schedule of Changes in the Town's Net OPEB Liability and Related Ratios			
	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability	172,830,165	166,995,323	132,683,840	132,324,671
I. Service Cost	6,059,571	5,748,719	4,598,706	4,650,097
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	5,117,620	4,083,242	5,156,943	4,525,168
III. Changes in Benefit Terms	0	0	0	0
IV. Difference Between Expected & Actual Plan Experience	(370,502)	(9,346,931)	(6,192,574)	0
V. Changes of Assumptions	0	38,510,034	0	0
VI. Benefit Payments Excluding Implicit Cost	(3,650,679)	(3,418,462)	N/A	N/A
VII. Implicit Cost Amount	(1,321,168)	(1,265,119)	N/A	N/A
VIII. Total Benefit Payments	(4,971,847)	(4,683,581)	(3,203,906)	(2,956,619)
IX. Other	0	0	0	0
X. Net Change in OPEB Liability [I.+II.+III.+IV.+V.+VIII.+IX.]	5,834,842	34,311,483	359,169	6,218,646
XI. Total OPEB Liability - Beginning of Period	166,995,323	132,683,840	132,324,671	126,106,025
XII. Prior Period Adjustment	0	0	0	0
XIII. Total OPEB Liability - Beginning of Period with Adjustment [XI.+XII.]	166,995,323	132,683,840	132,324,671	126,106,025
XIV. Total OPEB Liability - End of Period [XII.+XIII.]	172,830,165	166,995,323	132,683,840	132,324,671
Plan Fiduciary Net Position	1,195,762	1,122,558	985,818	752,564
XV. Earnings from Plan Investments	23,204	53,990	82,866	66,426
XVI. Employer Contribution to Trust	5,021,847	4,766,331	3,504,682	3,263,171
XVII. Benefit Payments from Trust, Including Refunds of Member Contributions	(4,971,847)	(4,683,581)	(3,354,294)	(3,109,895)
XVIII. Administrative Expense	0	0	0	0
XIX. Other	0	0	0	0
XX. Net Change in Plan Fiduciary Net Position [XV.+XVI.+XVII.+XVIII.+XIX.]	73,204	136,740	233,254	219,702
XXI. Plan Fiduciary Net Position - Beginning of Period	1,122,558	985,818	752,564	532,862
XXII. Prior Period Adjustment	0	0	0	0
XXIII. Plan Fiduciary Net Position - Beginning of Period with Adjustment [XXI.+XXII.]	1,122,558	985,818	752,564	532,862
XXIV. Plan Fiduciary Net Position - End of Period [XXII.+XXIII.]	1,195,762	1,122,558	985,818	752,564
XXV. Net OPEB Liability [XIV.-XXIV.]	171,634,403	165,872,765	131,698,022	131,572,107
XXVI. Plan Fiduciary Net Position as % of Total OPEB Liability [XXIV./XIV.]	0.69%	0.67%	0.74%	0.57%
XXVII. Covered Employee Payroll	61,603,680	59,809,398	59,402,583	57,672,411
XXVIII. Plan NOL as % of Covered Employee Payroll [XXV./XXVII.]	278.61%	277.34%	221.70%	228.14%
Single Discount Rate to Calculate Plan Liabilities	3.00%	3.00%	3.75%	3.50%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 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 2025 and future years we have used a 30-year amortization increasing by 3.00% per year of the Town's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Town's annual ADC and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)					
For the Fiscal Year Ending:	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
I. Service Cost	2,678,550	3,132,004	4,630,792	7,714,163	6,366,930
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>7,031,028</u>	<u>6,313,720</u>	<u>6,038,827</u>	<u>6,502,189</u>	<u>6,453,393</u>
III. Actuarial Determined Contribution [I. + II.]	9,709,578	9,445,724	10,669,619	14,216,352	12,820,323
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(6,661,027)</u>	<u>(4,804,203)</u>	<u>(5,246,008)</u>	<u>(4,863,086)</u>	<u>(5,298,306)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>3,048,551</u>	<u>4,641,521</u>	<u>5,423,611</u>	<u>9,353,266</u>	<u>7,522,017</u>
 Covered Employee Payroll	 69,965,486	 64,920,675	 63,029,782	 72,933,477	 70,809,201
Contributions as a % of Covered Employee Payroll	9.52%	7.40%	8.32%	6.67%	7.48%
Discount Rate	6.24%	6.50%	5.81%	4.28%	2.50%
Money Weighted Rate of Return	9.75%	9.60%	8.28%	<u>(3.78%)</u>	29.40%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Actuarially Determined Contribution - Deficiency / (Excess) (Continued)				
For the Fiscal Year Ending:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
I. Service Cost	6,059,571	5,748,719	4,598,706	4,650,097
II. 30 Year Amortization of NOL Increasing by 3.00% per year	<u>8,501,612</u>	<u>8,216,219</u>	<u>7,112,836</u>	<u>6,911,836</u>
III. Actuarial Determined Contribution [I. + II.]	14,561,183	13,964,938	11,711,542	11,561,933
IV. Contributions in Relation to the Actuarially Determined Contribution	<u>(5,021,847)</u>	<u>(4,766,331)</u>	<u>(3,354,294)</u>	<u>(3,109,895)</u>
V. Contribution Deficiency / (Excess) [III. + IV.]	<u>9,539,336</u>	<u>9,198,607</u>	<u>8,357,248</u>	<u>8,452,038</u>
 Covered Employee Payroll	 61,603,680	 59,809,398	 59,402,583	 57,672,411
Contributions as a % of Covered Employee Payroll	8.15%	7.97%	5.65%	5.39%
Discount Rate	3.00%	3.00%	3.75%	3.50%
Money Weighted Rate of Return	1.99%	5.69%	8.88%	8.12%

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Actuarially Determined Contribution – by Function:

	Fiscal Year Ending June 30, 2025								Total	
	School: Town		School: Non-Teachers		Public Safety		DPW			
	Employees and Retirees	Teachers	Employees and Retirees	Teachers	Employees and Retirees	Employees and Retirees	Employees and Retirees	Enterprise		
I. Service Cost	220,637	1,360,301	515,263	505,411	33,853	22,312	20,773	2,678,550		
II. 30 Year Amortization of NOL Increasing by 3.00% per year	655,770	3,662,682	899,348	1,519,601	129,196	85,152	79,279	7,031,028		
III. Actuarial Determined Contribution [I. + II.]	876,407	5,022,983	1,414,611	2,025,012	163,049	107,464	100,052	9,709,578		
IV. Employer Share of Costs (Including Implicit Cost)	(549,222)	(2,764,662)	(596,839)	(998,195)	(110,927)	(73,112)	(68,070)	(5,161,027)		
V. Employer OPEB Trust (Contribution)/Withdrawal	(139,902)	(781,397)	(191,867)	(324,192)	(27,563)	(18,166)	(16,913)	(1,500,000)		
VI. Total Employer Contribution [IV. + V.]	(689,124)	(3,546,059)	(788,706)	(1,322,387)	(138,490)	(91,278)	(84,983)	(6,661,027)		
VII. Contribution Deficiency / (Excess) [III. + VI.]	187,283	1,476,924	625,905	702,625	24,559	16,186	15,069	3,048,551		

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2024.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return: 6.47%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate 4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Single Equivalent Discount Rate: 6.24%, net of OPEB plan investment expense, including inflation

Inflation: 2.50% as of June 30, 2025 and for future periods

Salary Increases: 3.00% annually as of June 30, 2025 and for future periods

Cost of Living Adjustment: Not Applicable

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Pre-Retirement Mortality:

General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females

Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021

Post-Retirement Mortality:

General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females

Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

Disabled Mortality:

General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females

Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 Measurement Date)

Plan Membership

At July 1, 2024, OPEB plan membership consisted of the following:

Retirees & Beneficiaries:	601
Actives:	<u>821</u>
Total:	1,422

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, 2024 to June 30, 2025

- ✓ Due to the GASB 75 standards the discount rate has been changed from 6.50% to 6.24%.
- ✓ Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021.

Contributions/Withdrawals:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$1,500,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$5,161,027. \$1,368,615 of the \$5,161,027 represents implicit cost.

EXHIBIT B

REQUIRED SUPPLEMENTARY INFORMATION

(As of the June 30, 2025 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:	N/A
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, 2024 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, 2025	69,965,486	0	69,965,486	0	5,161,027	0	5,161,027
June 30, 2026	65,847,759	6,216,692	72,064,451	0	5,839,664	0	5,839,664
June 30, 2027	62,554,980	11,671,405	74,226,385	0	6,224,450	0	6,224,450
June 30, 2028	59,651,352	16,801,825	76,453,177	0	6,779,704	0	6,779,704
June 30, 2029	56,924,596	21,822,176	78,746,772	0	7,271,923	0	7,271,923
June 30, 2030	54,619,439	26,489,736	81,109,175	0	7,726,592	0	7,726,592
June 30, 2031	52,487,979	31,054,471	83,542,450	0	8,279,425	0	8,279,425
June 30, 2032	50,116,334	35,932,390	86,048,724	0	8,885,247	0	8,885,247
June 30, 2033	48,045,175	40,585,011	88,630,186	0	9,339,947	0	9,339,947
June 30, 2034	45,694,981	45,594,111	91,289,092	0	9,915,177	0	9,915,177
June 30, 2035	43,654,506	50,373,259	94,027,765	0	10,446,340	0	10,446,340
June 30, 2036	41,842,787	55,005,811	96,848,598	0	10,844,087	32,029	10,876,116
June 30, 2037	40,110,577	59,643,479	99,754,056	0	11,134,268	82,764	11,217,032
June 30, 2038	38,320,257	64,426,421	102,746,678	0	11,324,440	153,618	11,478,058
June 30, 2039	36,759,235	69,069,843	105,829,078	0	11,801,278	254,577	12,055,855
June 30, 2040	35,176,281	73,827,669	109,003,950	0	12,007,825	382,723	12,390,548
June 30, 2041	33,519,734	78,754,335	112,274,069	0	12,118,026	469,981	12,588,007
June 30, 2042	31,957,976	83,684,315	115,642,291	0	12,567,484	573,610	13,141,094
June 30, 2043	30,581,915	88,529,645	119,111,560	0	12,794,023	697,258	13,491,281
June 30, 2044	29,178,900	93,506,007	122,684,907	0	12,811,425	789,860	13,601,285
June 30, 2045	27,731,505	98,633,949	126,365,454	0	13,045,588	892,591	13,938,179
June 30, 2046	26,296,477	103,859,941	130,156,418	0	13,202,976	1,056,856	14,259,832
June 30, 2047	25,011,449	109,049,662	134,061,111	0	13,065,508	1,272,256	14,337,764
June 30, 2048	23,691,842	114,391,102	138,082,944	0	13,194,281	1,532,892	14,727,173
June 30, 2049	22,333,522	119,891,910	142,225,432	0	13,118,479	1,865,723	14,984,202
June 30, 2050	21,086,092	125,406,103	146,492,195	0	13,078,541	2,256,728	15,335,269
June 30, 2051	19,732,901	131,154,060	150,886,961	0	13,234,099	2,573,192	15,807,291
June 30, 2052	18,364,826	137,048,744	155,413,570	0	13,093,402	2,930,285	16,023,687
June 30, 2053	17,125,576	142,950,401	160,075,977	0	12,967,478	3,330,242	16,297,720
June 30, 2054	15,812,002	149,066,254	164,878,256	0	13,001,814	3,669,070	16,670,884
June 30, 2055	14,428,480	155,396,124	169,824,604	0	13,135,898	4,030,945	17,166,843
June 30, 2056	13,123,731	161,795,611	174,919,342	0	13,041,531	4,478,775	17,520,306
June 30, 2057	11,822,382	168,344,540	180,166,922	0	12,941,758	4,972,938	17,914,696
June 30, 2058	10,516,411	175,055,519	185,571,930	0	12,856,241	5,507,888	18,364,129
June 30, 2059	9,278,680	181,860,408	191,139,088	0	12,741,443	6,112,177	18,853,620
June 30, 2060	8,109,151	188,764,110	196,873,261	0	12,594,903	6,761,237	19,356,140
June 30, 2061	6,984,742	195,794,717	202,779,459	0	12,391,124	7,380,253	19,771,377
June 30, 2062	5,883,271	202,979,572	208,862,843	0	12,241,433	8,033,695	20,275,128
June 30, 2063	4,797,133	210,331,595	215,128,728	0	12,196,512	8,733,629	20,930,141
June 30, 2064	3,877,241	217,705,349	221,582,590	0	11,883,256	9,434,243	21,317,499

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

CONTRIBUTION PROJECTION DISCLOSURES (CONTINUED)

Table 1: Projection of Contributions using a July 1, 2024 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, 2065	3,034,824	225,195,244	228,230,068	0	11,633,064	10,166,931	21,799,995
June 30, 2066	2,365,574	232,711,396	235,076,970	0	11,489,980	10,991,064	22,481,044
June 30, 2067	1,745,058	240,384,221	242,129,279	0	11,209,448	11,863,767	23,073,215
June 30, 2068	1,345,781	248,047,376	249,393,157	0	10,970,445	12,799,998	23,770,443
June 30, 2069	879,207	255,995,745	256,874,952	0	10,798,295	13,817,451	24,615,746
June 30, 2070	593,510	263,987,691	264,581,201	0	10,584,315	14,889,988	25,474,303
June 30, 2071	359,191	272,159,446	272,518,637	0	10,369,791	15,973,261	26,343,052
June 30, 2072	157,857	280,536,339	280,694,196	0	10,149,259	17,106,699	27,255,958
June 30, 2073	103,124	289,011,898	289,115,022	0	9,892,619	18,298,687	28,191,306
June 30, 2074	56,213	297,732,260	297,788,473	0	9,596,813	19,479,245	29,076,058
June 30, 2075	45,809	306,676,318	306,722,127	0	9,294,099	20,699,908	29,994,007
June 30, 2076	0	315,923,791	315,923,791	0	8,984,656	21,991,769	30,976,425
June 30, 2077	0	325,401,505	325,401,505	0	8,656,707	23,317,434	31,974,141
June 30, 2078	0	335,163,550	335,163,550	0	8,281,791	24,687,920	32,969,711
June 30, 2079	0	345,218,457	345,218,457	0	7,920,850	26,112,371	34,033,221
June 30, 2080	0	355,575,011	355,575,011	0	7,535,116	27,575,493	35,110,609
June 30, 2081	0	366,242,261	366,242,261	0	7,131,077	29,103,435	36,234,512
June 30, 2082	0	377,229,529	377,229,529	0	6,723,220	30,674,550	37,397,770
June 30, 2083	0	388,546,415	388,546,415	0	6,283,899	32,292,242	38,576,141
June 30, 2084	0	400,202,807	400,202,807	0	5,868,707	33,962,579	39,831,286
June 30, 2085	0	412,208,891	412,208,891	0	5,437,846	35,677,684	41,115,530
June 30, 2086	0	424,575,158	424,575,158	0	5,000,430	37,452,127	42,452,557
June 30, 2087	0	437,312,413	437,312,413	0	4,582,044	39,275,622	43,857,666
June 30, 2088	0	450,431,785	450,431,785	0	4,159,354	41,154,440	45,313,794
June 30, 2089	0	463,944,739	463,944,739	0	3,750,539	43,097,850	46,848,389
June 30, 2090	0	477,863,081	477,863,081	0	3,354,403	45,101,258	48,455,661
June 30, 2091	0	492,198,973	492,198,973	0	2,976,887	47,177,859	50,154,746
June 30, 2092	0	506,964,942	506,964,942	0	2,619,570	49,316,483	51,936,053
June 30, 2093	0	522,173,890	522,173,890	0	2,283,458	51,524,881	53,808,339
June 30, 2094	0	537,839,107	537,839,107	0	1,976,777	53,811,053	55,787,830
June 30, 2095	0	553,974,280	553,974,280	0	1,692,369	56,162,905	57,855,274
June 30, 2096	0	570,593,508	570,593,508	0	1,434,843	58,592,476	60,027,319
June 30, 2097	0	587,711,313	587,711,313	0	1,204,296	61,103,423	62,307,719
June 30, 2098	0	605,342,652	605,342,652	0	1,000,081	63,692,398	64,692,479
June 30, 2099	0	623,502,932	623,502,932	0	821,435	66,370,369	67,191,804

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 2024 Valuation Date

For the Period Ending on the Measurement	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		V. Administrative Expenses Withdrawn from the Trust for Current Plan Members		VI. Benefit Payments Withdrawn from the Trust		VII. Trust Withdrawals		VIII. Investment Earnings		IX. Ending Fiduciary Net Position for Current Plan Members	
		Date	Net Position for Current Plan Members	Current Plan Members	go	[II. + III.]	Trust for Current Plan Members	Contributions to Trust for Current Plan Members	from the Trust for Current Plan Members	VI. Benefit Payments Withdrawn from the Trust	VII. Trust Withdrawals	VIII. Investment Earnings	V. + VI.]	VII. Trust Withdrawals	VIII. Investment Earnings	V. + VI.]	VII. Trust Withdrawals
June 30, 2025	1,886,437		5,161,027		1,500,000	6,661,027		0	5,161,027	5,161,027		242,460		3,628,897			
June 30, 2026	3,628,897		5,839,664		1,427,710	7,267,374		0	5,839,664	5,839,664		259,998		5,316,605			
June 30, 2027	5,316,605		6,224,450		1,370,801	7,595,251		0	6,224,450	6,224,450		387,635		7,075,041			
June 30, 2028	7,075,041		6,779,704		1,320,332	8,100,036		0	6,779,704	6,779,704		499,798		8,895,171			
June 30, 2029	8,895,171		7,271,923		1,271,934	8,543,857		0	7,271,923	7,271,923		616,020		10,783,125			
June 30, 2030	10,783,125		7,726,592		1,231,337	8,957,929		0	7,726,592	7,726,592		736,878		12,751,340			
June 30, 2031	12,751,340		8,279,425		1,193,249	9,472,674		0	8,279,425	8,279,425		863,008		14,807,597			
June 30, 2032	14,807,597		8,885,247		1,148,362	10,033,609		0	8,885,247	8,885,247		994,619		16,950,578			
June 30, 2033	16,950,578		9,339,947		1,109,112	10,449,059		0	9,339,947	9,339,947		1,132,020		19,191,710			
June 30, 2034	19,191,710		9,915,177		1,062,251	10,977,428		0	9,915,177	9,915,177		1,275,529		21,529,490			
June 30, 2035	21,529,490		10,446,340		1,485,770	11,932,110		0	10,446,340	10,446,340		1,440,269		24,455,529			
June 30, 2036	24,455,529		10,844,087		1,417,196	12,261,283		0	10,876,116	10,876,116		1,627,401		27,468,097			
June 30, 2037	27,468,097		11,134,268		1,351,932	12,486,200		0	11,217,032	11,217,032		1,820,235		30,557,500			
June 30, 2038	30,557,500		11,324,440		1,285,319	12,609,759		0	11,478,058	11,478,058		2,017,999		33,707,200			
June 30, 2039	33,707,200		11,801,278		1,226,975	13,028,253		0	12,055,855	12,055,855		2,219,926		36,899,524			
June 30, 2040	36,899,524		12,007,825		1,168,438	13,176,263		0	12,390,548	12,390,548		2,424,606		40,109,845			
June 30, 2041	40,109,845		12,118,026		1,108,008	13,226,034		0	12,588,007	12,588,007		2,630,389		43,378,261			
June 30, 2042	43,378,261		12,567,484		1,051,256	13,618,740		0	13,141,094	13,141,094		2,840,049		46,695,956			
June 30, 2043	46,695,956		12,794,023		1,001,107	13,795,130		0	13,491,281	13,491,281		3,053,107		50,052,912			
June 30, 2044	50,052,912		12,811,425		950,542	13,761,967		0	13,601,285	13,601,285		3,268,692		53,482,286			
June 30, 2045	53,482,286		13,045,588		899,006	13,944,594		0	13,938,179	13,938,179		3,488,931		56,977,632			
June 30, 2046	56,977,632		13,202,976		848,346	14,051,322		0	14,259,832	14,259,832		3,713,467		60,482,589			
June 30, 2047	60,482,589		13,065,508		802,973	13,868,481		0	14,337,764	14,337,764		3,938,793		63,952,099			
June 30, 2048	63,952,099		13,194,281		756,916	13,951,197		0	14,727,173	14,727,173		4,161,803		67,337,926			
June 30, 2049	67,337,926		13,118,479		710,056	13,828,535		0	14,984,202	14,984,202		4,379,374		70,561,633			
June 30, 2050	70,561,633		13,078,541		667,142	13,745,683		0	15,335,269	15,335,269		4,586,581		73,558,628			
June 30, 2051	73,558,628		13,234,099		621,298	13,855,397		0	15,807,291	15,807,291		4,779,027		76,385,761			
June 30, 2052	76,385,761		13,093,402		575,416	13,668,818		0	16,023,687	16,023,687		4,960,482		78,991,374			
June 30, 2053	78,991,374		12,967,478		533,983	13,501,461		0	16,297,720	16,297,720		5,127,746		81,322,861			
June 30, 2054	81,322,861		13,001,814		490,632	13,492,446		0	16,670,884	16,670,884		5,277,212		83,421,635			
June 30, 2055	83,421,635		13,135,898		445,529	13,581,427		0	17,166,843	17,166,843		5,411,567		85,247,786			
June 30, 2056	85,247,786		13,041,531		403,273	13,444,804		0	17,520,306	17,520,306		5,528,373		86,700,657			
June 30, 2057	86,700,657		12,941,758		361,521	13,303,279		0	17,914,696	17,914,696		5,621,044		87,710,284			
June 30, 2058	87,710,284		12,856,241		320,024	13,176,265		0	18,364,129	18,364,129		5,685,046		88,207,466			
June 30, 2059	88,207,466		12,741,443		280,988	13,022,431		0	18,853,620	18,853,620		5,715,971		88,092,248			
June 30, 2060	88,092,248		12,594,903		244,379	12,839,282		0	19,356,140	19,356,140		5,707,350		87,282,740			
June 30, 2061	87,282,740		12,391,124		209,472	12,600,596		0	19,771,377	19,771,377		5,653,863		85,765,822			
June 30, 2062	85,765,822		12,241,433		175,582	12,417,015		0	20,275,128	20,275,128		5,554,640		83,462,349			
June 30, 2063	83,462,349		12,196,512		142,472	12,338,984		0	20,930,141	20,930,141		5,404,551		80,275,743			
June 30, 2064	80,275,743		11,883,256		114,593	11,997,849		0	21,317,499	21,317,499		5,197,490		76,153,583			

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 2024 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	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 [V. + VI.]	VII. Trust Withdrawals [V. + VI.]	VIII. Investment Earnings	IX. Ending Fiduciary Net Position for Current Plan Members
		Net Position for Current Plan Members	Benefit Payments for beyond Pay-as-you-go	Trust for Current Plan Members	Contributions to Trust for Current Plan Members [II. + III.]	Administrative Expenses Withdrawn from the Trust for Current Plan Members	Benefit Payments Withdrawn from the Trust [V. + VI.]	Trust Withdrawals [V. + VI.]	Investment Earnings	Net Position for Current Plan Members
June 30, 2065	76,153,583	11,633,064	89,260	11,722,324	0	21,799,995	21,799,995	4,929,979	71,005,891	
June 30, 2066	71,005,891	11,489,980	69,238	11,559,218	0	22,481,044	22,481,044	4,596,286	64,680,351	
June 30, 2067	64,680,351	11,209,448	50,828	11,260,276	0	23,073,215	23,073,215	4,186,437	57,053,849	
June 30, 2068	57,053,849	10,970,445	39,008	11,009,453	0	23,770,443	23,770,443	3,692,626	47,985,485	
June 30, 2069	47,985,485	10,798,295	25,361	10,823,656	0	24,615,746	24,615,746	3,105,468	37,298,863	
June 30, 2070	37,298,863	10,584,315	17,037	10,601,352	0	25,474,303	25,474,303	2,413,779	24,839,691	
June 30, 2071	24,839,691	10,369,791	10,260	10,380,051	0	26,343,052	26,343,052	1,607,455	10,484,145	
June 30, 2072	10,484,145	10,149,259	4,487	10,153,746	0	27,255,958	27,255,958	678,467	0	
June 30, 2073	0	9,892,619	2,917	9,895,536	0	28,191,306	28,191,306	93	0	
June 30, 2074	0	9,596,813	1,582	9,598,395	0	29,076,058	29,076,058	50	0	
June 30, 2075	0	9,294,099	1,283	9,295,382	0	29,994,007	29,994,007	41	0	
June 30, 2076	0	8,984,656	0	8,984,656	0	30,976,425	30,976,425	0	0	
June 30, 2077	0	8,656,707	0	8,656,707	0	31,974,141	31,974,141	0	0	
June 30, 2078	0	8,281,791	0	8,281,791	0	32,969,711	32,969,711	0	0	
June 30, 2079	0	7,920,850	0	7,920,850	0	34,033,221	34,033,221	0	0	
June 30, 2080	0	7,535,116	0	7,535,116	0	35,110,609	35,110,609	0	0	
June 30, 2081	0	7,131,077	0	7,131,077	0	36,234,512	36,234,512	0	0	
June 30, 2082	0	6,723,220	0	6,723,220	0	37,397,770	37,397,770	0	0	
June 30, 2083	0	6,283,899	0	6,283,899	0	38,576,141	38,576,141	0	0	
June 30, 2084	0	5,868,707	0	5,868,707	0	39,831,286	39,831,286	0	0	
June 30, 2085	0	5,437,846	0	5,437,846	0	41,115,530	41,115,530	0	0	
June 30, 2086	0	5,000,430	0	5,000,430	0	42,452,557	42,452,557	0	0	
June 30, 2087	0	4,582,044	0	4,582,044	0	43,857,666	43,857,666	0	0	
June 30, 2088	0	4,159,354	0	4,159,354	0	45,313,794	45,313,794	0	0	
June 30, 2089	0	3,750,539	0	3,750,539	0	46,848,389	46,848,389	0	0	
June 30, 2090	0	3,354,403	0	3,354,403	0	48,455,661	48,455,661	0	0	
June 30, 2091	0	2,976,887	0	2,976,887	0	50,154,746	50,154,746	0	0	
June 30, 2092	0	2,619,570	0	2,619,570	0	51,936,053	51,936,053	0	0	
June 30, 2093	0	2,283,458	0	2,283,458	0	53,808,339	53,808,339	0	0	
June 30, 2094	0	1,976,777	0	1,976,777	0	55,787,830	55,787,830	0	0	
June 30, 2095	0	1,692,369	0	1,692,369	0	57,855,274	57,855,274	0	0	
June 30, 2096	0	1,434,843	0	1,434,843	0	60,027,319	60,027,319	0	0	
June 30, 2097	0	1,204,296	0	1,204,296	0	62,307,719	62,307,719	0	0	
June 30, 2098	0	1,000,081	0	1,000,081	0	64,692,479	64,692,479	0	0	
June 30, 2099	0	821,435	0	821,435	0	67,191,804	67,191,804	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, 2024 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		IV. Unfunded Portion of Benefit Payments [II. - III.]		V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.47%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.81%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.24%]	Sum of Column V. [V. + VI.]
		Payments for Benefit Payments	Portion of Benefit Payments [II. - III.]						
June 30, 2025	1,886,437	5,161,027	1,886,437	3,274,590	1,886,437	3,274,590	5,161,027		
June 30, 2026	3,628,897	5,839,664	3,628,897	2,210,767	3,408,375	2,109,218	5,496,899		146,575,000
June 30, 2027	5,316,605	6,224,450	5,316,605	907,845	4,690,076	826,359	5,515,194		
June 30, 2028	7,075,041	6,779,704	6,779,704	0	5,617,317	0	5,654,581		Sum of Column VI.
June 30, 2029	8,895,171	7,271,923	7,271,923	0	5,659,007	0	5,709,117		16,387,426
June 30, 2030	10,783,125	7,726,592	7,726,592	0	5,647,441	0	5,710,019		
June 30, 2031	12,751,340	8,279,425	8,279,425	0	5,683,772	0	5,759,432		Sum of Column VII. [V. + VI.]
June 30, 2032	14,807,597	8,885,247	8,885,247	0	5,728,999	0	5,818,069		
June 30, 2033	16,950,578	9,339,947	9,339,947	0	5,656,221	0	5,756,834		162,962,426
June 30, 2034	19,191,710	9,915,177	9,915,177	0	5,639,689	0	5,752,673		
June 30, 2035	21,529,490	10,446,340	10,446,340	0	5,580,738	0	5,705,100		
June 30, 2036	24,455,529	10,844,087	10,844,087	0	5,441,181	0	5,574,707		
June 30, 2037	27,468,097	11,134,268	11,134,268	0	5,247,285	0	5,387,913		
June 30, 2038	30,557,500	11,324,440	11,324,440	0	5,012,593	0	5,158,288		
June 30, 2039	33,707,200	11,801,278	11,801,278	0	4,906,225	0	5,059,968		
June 30, 2040	36,899,524	12,007,825	12,007,825	0	4,688,733	0	4,846,330		
June 30, 2041	40,109,845	12,118,026	12,118,026	0	4,444,223	0	4,603,737		
June 30, 2042	43,378,261	12,567,484	12,567,484	0	4,328,974	0	4,494,246		
June 30, 2043	46,695,956	12,794,023	12,794,023	0	4,139,201	0	4,306,709		
June 30, 2044	50,052,912	12,811,425	12,811,425	0	3,892,957	0	4,059,436		
June 30, 2045	53,482,286	13,045,588	13,045,588	0	3,723,219	0	3,891,006		
June 30, 2046	56,977,632	13,202,976	13,202,976	0	3,539,154	0	3,706,807		
June 30, 2047	60,482,589	13,065,508	13,065,508	0	3,289,476	0	3,452,903		
June 30, 2048	63,952,099	13,194,281	13,194,281	0	3,120,031	0	3,282,265		
June 30, 2049	67,337,926	13,118,479	13,118,479	0	2,913,596	0	3,071,860		
June 30, 2050	70,561,633	13,078,541	13,078,541	0	2,728,211	0	2,882,751		
June 30, 2051	73,558,628	13,234,099	13,234,099	0	2,592,900	0	2,745,820		
June 30, 2052	76,385,761	13,093,402	13,093,402	0	2,409,443	0	2,557,173		
June 30, 2053	78,991,374	12,967,478	12,967,478	0	2,241,261	0	2,383,927		
June 30, 2054	81,322,861	13,001,814	13,001,814	0	2,110,637	0	2,249,942		
June 30, 2055	83,421,635	13,135,898	13,135,898	0	2,002,821	0	2,139,721		
June 30, 2056	85,247,786	13,041,531	13,041,531	0	1,867,599	0	1,999,658		
June 30, 2057	86,700,657	12,941,758	12,941,758	0	1,740,689	0	1,867,886		
June 30, 2058	87,710,284	12,856,241	12,856,241	0	1,624,107	0	1,746,631		
June 30, 2059	88,207,466	12,741,443	12,741,443	0	1,511,792	0	1,629,430		
June 30, 2060	88,092,248	12,594,903	12,594,903	0	1,403,592	0	1,516,148		
June 30, 2061	87,282,740	12,391,124	12,391,124	0	1,296,969	0	1,404,066		
June 30, 2062	85,765,822	12,241,433	12,241,433	0	1,203,438	0	1,305,687		
June 30, 2063	83,462,349	12,196,512	12,196,512	0	1,126,160	0	1,224,538		
June 30, 2064	80,275,743	11,883,256	11,883,256	0	1,030,558	0	1,123,057		

APPENDIX I – LIABILITIES, ASSETS, & CASH FLOWS

BENEFIT PAYMENT PROJECTION DISCLOSURES (CONTINUED)

Table 3: Actuarial Present Values of Projected Benefit Payments using a July 1, 2024 Valuation Date

For the Period Ending on the Measurement Date	I. Beginning Fiduciary Net Position for Current Plan Members	II. Benefit Payments for Current Plan Members	III. Funded Portion of Benefit Payments	IV. Unfunded Portion of Benefit Payments [II. - III.]	V. Present Value of Funded Benefit Payments using the Long-Term Rate of Return [6.47%]	VI. Present Value of Unfunded Benefit Payments using the Municipal Bond Rate [4.81%]	VII. Present Value of Benefit Payments using the Single Equivalent Discount Rate [6.24%]
June 30, 2065	76,153,583	11,633,064	11,633,064	0	947,554	0	1,034,881
June 30, 2066	71,005,891	11,489,980	11,489,980	0	879,026	0	962,156
June 30, 2067	64,680,351	11,209,448	11,209,448	0	805,452	0	883,569
June 30, 2068	57,053,849	10,970,445	10,970,445	0	740,376	0	813,974
June 30, 2069	47,985,485	10,798,295	10,798,295	0	684,473	0	754,174
June 30, 2070	37,298,863	10,584,315	10,584,315	0	630,139	0	695,839
June 30, 2071	24,839,691	10,369,791	10,369,791	0	579,851	0	641,721
June 30, 2072	10,484,145	10,149,259	10,149,259	0	533,032	0	591,208
June 30, 2073	0	9,892,619	0	9,892,619	0	1,035,341	542,434
June 30, 2074	0	9,596,813	0	9,596,813	0	958,248	495,328
June 30, 2075	0	9,294,099	0	9,294,099	0	885,394	451,547
June 30, 2076	0	8,984,656	0	8,984,656	0	816,600	410,891
June 30, 2077	0	8,656,707	0	8,656,707	0	750,653	372,656
June 30, 2078	0	8,281,791	0	8,281,791	0	685,156	335,590
June 30, 2079	0	7,920,850	0	7,920,850	0	625,195	302,125
June 30, 2080	0	7,535,116	0	7,535,116	0	567,430	270,542
June 30, 2081	0	7,131,077	0	7,131,077	0	512,337	241,007
June 30, 2082	0	6,723,220	0	6,723,220	0	460,847	213,886
June 30, 2083	0	6,283,899	0	6,283,899	0	410,948	188,176
June 30, 2084	0	5,868,707	0	5,868,707	0	366,167	165,427
June 30, 2085	0	5,437,846	0	5,437,846	0	323,700	144,285
June 30, 2086	0	5,000,430	0	5,000,430	0	283,989	124,891
June 30, 2087	0	4,582,044	0	4,582,044	0	248,274	107,724
June 30, 2088	0	4,159,354	0	4,159,354	0	215,019	92,047
June 30, 2089	0	3,750,539	0	3,750,539	0	184,979	78,128
June 30, 2090	0	3,354,403	0	3,354,403	0	157,842	65,775
June 30, 2091	0	2,976,887	0	2,976,887	0	133,644	54,946
June 30, 2092	0	2,619,570	0	2,619,570	0	112,201	45,513
June 30, 2093	0	2,283,458	0	2,283,458	0	93,312	37,345
June 30, 2094	0	1,976,777	0	1,976,777	0	77,069	30,431
June 30, 2095	0	1,692,369	0	1,692,369	0	62,950	24,524
June 30, 2096	0	1,434,843	0	1,434,843	0	50,920	19,572
June 30, 2097	0	1,204,296	0	1,204,296	0	40,775	15,463
June 30, 2098	0	1,000,081	0	1,000,081	0	32,305	12,087
June 30, 2099	0	821,435	0	821,435	0	25,316	9,345

APPENDIX II – PLAN PROVISIONS

<u>Plan Year</u>	July 1 through June 30.
<u>Premium Effective Date</u>	Medicare Supplement Plans: effective January 1, 2025 Active Plans: effective July 1, 2025 Dental Plans: N/A
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Benefits Offered</u>	Comprehensive Medical Insurance offered and \$2,000 of Group Term Life Insurance.
<u>Medicare Part A</u>	To the best of our knowledge the Town does not pay any Medicare Part A premiums or penalties.
<u>Medicare Part B</u>	The Town reimburses 50% of Medicare Part B Premiums. Medicare Part B Penalty reimbursements by the Town were not reflected in this valuation.
<u>Surviving Spouse Coverage</u>	Spousal benefits do not change after the death of a plan participant for non-teachers. Surviving spouses of teachers pay 10%

APPENDIX II – PLAN PROVISIONS

Eligibility

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

Participant Contributions

Group	Individual	Two-Person / Family
Medical	Retired Teachers: <ul style="list-style-type: none"> • 10% to 15% of premiums depending on retirement date All Others: <ul style="list-style-type: none"> • 24% of premiums for HMO plans & Managed Blue for Seniors • 50% of premiums for VIP & Medex II 	Retired Teachers: <ul style="list-style-type: none"> • 10% to 15% of premiums depending on retirement date All Others: <ul style="list-style-type: none"> • 24% of premiums for HMO plans & Managed Blue for Seniors • 50% of premiums for VIP & Medex II
Dental	100%	100%
Life	Retired Teachers: <ul style="list-style-type: none"> • 40% of premiums All Others: <ul style="list-style-type: none"> • 100% of premiums 	N/A

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

<u>Pre-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021
<u>Post-Retirement Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Disabled Mortality</u>	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Mortality Table (Headcount-Weighted) for Healthy Annuitants projected generationally with scale MP-2021
<u>Assumption Experience Study</u>	The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.
<u>Discount Rate</u>	6.24% per annum (previously 6.50%)
<u>Net Long Term Rate of Return</u>	6.47% (based on investment policy)
<u>Municipal Bond Rate</u>	4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
<u>Actuarial Cost Method</u>	Individual Entry Age Normal
<u>Asset-Valuation Method</u>	Market Value of Assets as of the Measurement Date, June 30, 2025

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	Public		
	Standard	Teachers	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 Plans: Rates were developed using the SOA Getzen Model of Long-Run Medical Cost Trends with the following model input variables:

Inflation (CPI):	2.50%
Real GDP (per capita):	1.10%
Excess Medical Cost Growth:	1.10%
Expected Health Share of GDP in 2030:	21%
Health Share of GDP Resistance Point:	22.5%
Year for Limiting Cost Growth to GDP Growth:	2060

See below for a table of trend rates for select years:

Year	Rate
2021	9.00%
2022	8.00%
2023	6.50%
2024	5.00%
2025	4.96%
2026	4.92%
2027	4.88%
2028	4.84%
2029	4.81%
2030 - 2037	4.77%
2050	4.38%
2060+	3.63%

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Participation Rate

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

Spouse Participation Rate

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

Medicare Eligibility

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

Compensation Increases

3.00% per year.

Inflation Rate

2.50% per year.

COVID-19

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

Implicit Subsidy

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

Impact of Implicit Subsidy		
	As of the Measurement Date	
Impact on Liability	June 30, 2025	June 30, 2024
I. Total OPEB Liability	143,136,232	123,502,906
II. Total OPEB Liability (Excluding Implicit Subsidy)	<u>108,116,182</u>	<u>92,734,308</u>
III. Liability from Implicit Subsidy [I. - II.]	35,020,050	30,768,598

	For the Measurement Period Ending	
Impact on Payments	June 30, 2025	June 30, 2024
IV. Employer Payments (Including Implicit Subsidy)	5,161,027	4,704,203
V. Actual Employer Payments	<u>3,792,412</u>	<u>3,538,181</u>
VI. Implicit Subsidy [IV. - V.]	1,368,615	1,166,022

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS* (Non-GIC)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	5,793	3,652	44 & Under	11,388	7,462	65 to 69	3,697	3,796
25 to 29	8,548	3,801	45 to 49	12,509	9,422	70 to 74	4,361	4,550
30 to 34	10,801	4,770	50 to 54	14,714	12,409	75 to 79	5,060	5,372
35 to 39	11,127	5,989	55 to 59	17,010	16,131	80 to 84	5,803	6,175
40 to 44	11,388	7,462	60 to 64	20,242	20,701	85 to 89	6,487	6,878
45 to 49	12,509	9,422	65 to 69	24,265	25,821	90 & Over	6,487	6,878
50 to 54	14,714	12,409	70 to 74	28,614	30,944			
55 to 59	17,010	16,131	75 to 79	33,230	36,547			
60 to 64	20,242	20,701	80 to 84	38,101	42,008			
65 to 69	24,265	25,821	85 to 89	43,491	48,084			
70 & Over	28,614	30,944	90 & Over	43,491	48,084			

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

APPENDIX III – ACTUARIAL METHODS & ASSUMPTIONS

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

ANNUAL PER CAPITA CLAIMS* (GIC)

ACTIVE EMPLOYEES			RETIREE - NOT MEDICARE ELIGIBLE			RETIREE - MEDICARE ELIGIBLE		
Age Bracket	Female	Male	Age Bracket	Female	Male	Age Bracket	Female	Male
24 & Under	6,889	4,343	44 & Under	13,542	8,874	65 to 69	3,905	4,010
25 to 29	10,164	4,519	45 to 49	14,874	11,204	70 to 74	4,607	4,806
30 to 34	12,844	5,672	50 to 54	17,498	14,755	75 to 79	5,345	5,675
35 to 39	13,231	7,122	55 to 59	20,228	19,183	80 to 84	6,130	6,523
40 to 44	13,542	8,874	60 to 64	24,071	24,617	85 to 89	6,853	7,266
45 to 49	14,874	11,204	65 to 69	28,855	30,706	90 & Over	6,853	7,266
50 to 54	17,498	14,755	70 to 74	34,027	36,797			
55 to 59	20,228	19,183	75 to 79	39,517	43,460			
60 to 64	24,071	24,617	80 to 84	45,309	49,954			
65 to 69	28,855	30,706	85 to 89	51,719	57,179			
70 & Over	34,027	36,797	90 & Over	51,719	57,179			

*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, 2025 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, 2024	July 1, 2022
A. Average Age at Hire	33.80	33.83
B. Average Service	<u>11.21</u>	<u>10.38</u>
C. Average Current Age	45.01	44.21

Retired Employees & Spouses

Valuation Date	July 1, 2024	July 1, 2022
A. Under Age 65	89	94
B. Age 65 & Over	<u>512</u>	<u>501</u>
C. Total	601	595

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	26	4								30
25-29	63	6	3							72
30-34	43	37	12	1						93
35-39	33	18	36	15	1					103
40-44	39	20	16	27	4	1				107
45-49	31	13	18	23	18	10				113
50-54	22	25	16	14	15	15	9	1		117
55-59	13	18	8	10	13	12	8	3		85
60-64	12	9	14	16	11	6	2	3	1	74
65-69		3	5	4	3	4	1	1		21
70+			2	1	2		1			6
Total	282	153	130	110	66	50	20	9	1	821

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - Non-GIC

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HPHC HMO	63		96	159
BCBS HMO	183		272	455
Blue Care PPO	6		13	19
VIP	1			1
Tufts Medicare Preferred			1	1
Medex	4		7	11
Managed Blue	76		84	160
Total	333		92	381
				806

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HPHC HMO	1,076.50		2,893.14
BCBS HMO	1,085.71		2,917.84
Blue Care PPO	1,493.56		4,013.95
VIP	1,252.04		
Tufts Medicare Preferred	423.00	846.00	
Medex	494.10	988.20	
Managed Blue	421.63	843.25	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS

	Active Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
HPHC HMO	63		96	255	4,146,731.28	3,294,090.00
BCBS HMO	183		272	727	11,908,048.92	9,471,734.04
Blue Care PPO	6		13	32	733,712.52	573,527.04
VIP	1			1	15,024.48	15,024.48
Total	253	0	381	1,015	16,803,517.20	13,354,375.56
						Blended Average Monthly Rate: \$ 1,096.42

	Medicare Supplement Plan Average Premium Calculation (Non-GIC)					
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Tufts Medicare Preferred		1		2	10,152.00	10,152.00
Medex	4	7		18	106,725.60	106,725.60
Managed Blue	76	84		244	1,234,518.00	1,234,518.00
Total	80	92	0	264	1,351,395.60	1,351,395.60
						Blended Average Monthly Rate: \$ 426.58

APPENDIX IV – PLAN DEMOGRAPHICS

Plan Offerings - GIC

	Number of Contracts			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Harvard Pilgrim Access America	1		1	2
Harvard Pilgrim Explorer	3		3	6
Harvard Pilgrim Quality	1		3	4
Mass General Brigham Health Plan Complete	1			1
Wellpoint Total Choice	17		4	21
Wellpoint Community Choice	1			1
Wellpoint Medicare Extension	72		55	127
Harvard Pilgrim Medicare Enhance	13		13	26
Tufts Medicare Preferred	2		2	4
Total	111		70	192

Per Contract Costs (monthly)

	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Harvard Pilgrim Access America	1,255.60		2,800.90
Harvard Pilgrim Explorer	1,064.70		2,638.00
Harvard Pilgrim Quality	785.70		1,999.80
Mass General Brigham Health Plan Complete	974.70		2,577.70
Wellpoint Total Choice	1,496.90		3,321.80
Wellpoint Community Choice	742.70		1,843.60
Wellpoint Medicare Extension	443.40	886.80	
Harvard Pilgrim Medicare Enhance	434.80	869.60	
Tufts Medicare Preferred	362.80	725.60	
Dental Plan	N/A		N/A

APPENDIX IV – PLAN DEMOGRAPHICS

				Active Plan Average Premium Calculation (GIC)		
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Harvard Pilgrim Access America	1		1	3	48,678.00	45,201.60
Harvard Pilgrim Explorer	3		3	9	133,297.20	114,987.60
Harvard Pilgrim Quality	1		3	7	81,421.20	65,998.80
Mass General Brigham Health Plan Complete	1			1	11,696.40	11,696.40
Wellpoint Total Choice	17		4	25	464,814.00	449,070.00
Wellpoint Community Choice	1			1	8,912.40	8,912.40
Total	24	0	11	46	748,819.20	695,866.80
						Blended Average Monthly Rate: \$ 1,260.63

				Medicare Supplement Plan Average Premium Calculation (GIC)		
	Single	Two-Person	Family	Number of Participants	Total Premiums Paid	Claims Without Children
Wellpoint Medicare Extension	72	55		182	968,385.60	968,385.60
Harvard Pilgrim Medicare Enhance	13	13		39	203,486.40	203,486.40
Tufts Medicare Preferred	2	2		6	26,121.60	26,121.60
Total	87	70	0	227	1,197,993.60	1,197,993.60
						Blended Average Monthly Rate: \$ 439.79

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 August 4, 2025 and its subject is the Town of Milton'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 Milton 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, 2025.
- ✓ 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

Governmental 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 earning 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.